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Trade Logistics and Trade Facilitation
Fourth session
Geneva, 14–16 October 2015**

**Report of the Multi-year Expert Meeting on Transport,
Trade Logistics and Trade Facilitation on its fourth session**

Held at the Palais des Nations, Geneva, from 14 to 16 October 2015

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Introduction

1. The fourth session of the Multi-year Expert Meeting on Transport, Trade Logistics and Trade Facilitation¹ was held at the Palais des Nations in Geneva from 14 to 16 October 2015 according to the terms agreed by the Trade and Development Board at its fifty-sixth executive session on 3 and 4 December 2012.

I. Chair's summary

A. Opening statements

2. The Director of the Division on Technology and Logistics noted the timely nature of the expert meeting, particularly in view of the transformational potential associated with the 2030 Agenda for Sustainable Development and the twenty-first session of the Conference of the Parties (COP21) to the United Nations Framework Convention on Climate Change to be held in Paris in December 2015. She stressed the importance of the freight transport sector in enabling the effective implementation of both a sustainable development path and a new international climate agreement. While the transport sector was not represented by a distinct goal within the Sustainable Development Goals, the sector had nevertheless been mainstreamed into many such goals, underscoring the importance of the sector as a critical cross-sectoral enabler of sustainable development.

3. The representative of France provided an update of the COP21 process and highlighted key activities of relevance to the transport sector. France had adopted an inclusive approach involving the participation of a broad spectrum of stakeholders and partners, including civil society and the private sector. The objective was to establish the Paris Climate Alliance, which would be supported by an ambitious legally binding agreement, intended nationally determined contributions, financing for climate and the Lima-Paris Action Agenda. Transport was a key issue in the fight against climate change. While progress was being made, more work was necessary and should be pursued in other forums such as COP22, to be held in Morocco in 2016.

4. Introducing the main issues for consideration by the experts, the Chief of the Transport Section of UNCTAD recalled the Organization's mandate and its long-standing expertise in transport and trade logistics. It had been one of the first to recognize the importance of sustainability in trade and development. Its most recent mandates, laid down at its quadrennial conferences in 2008 (Accra) and 2012 (Doha), had led to further mainstreaming of sustainability criteria into relevant work and activities. Examples included publications such as the *Review of Maritime Transport* and *Closing the Distance: Partnerships for Sustainable and Resilient Transport Systems in SIDS* [small island developing States], as well as an expert meeting on the climate change challenge and maritime transport. Two technical assistance projects funded by the United Nations Development Account had recently been carried out: one on building the capacities of developing countries to shift towards sustainable freight transport, and one on enhancing the climate-adaptive capacity of small island developing States.

¹ Presentations made at the meeting are available at <http://unctad.org/en/Pages/MeetingDetails.aspx?meetingid=687> (accessed 10 November 2015).

B. Sustainable freight transport systems: Opportunities for developing countries

(Agenda item 3)

1. Panel session: Freight and energy trends, challenges and approaches to sustainable freight transport

5. In his presentation, the panellist from the International Transport Forum outlined projected trends in international trade and related freight to 2050. Key drivers, such as the size of economies and the distance between them, were affecting trade growth and patterns. In addition, structural and cyclical factors and the rise of the South were emerging trends that were reshaping international trade. Given that global freight volumes were projected to more than quadruple by 2050, capacity constraints, congestion and carbon dioxide (CO²) emissions were expected to grow. The implications at the domestic level were significant, as 10 per cent of international trade, which accounted for 30 per cent of emissions, was taking place within national borders. Consequently, increasing investment, adapting infrastructure at port and hinterland connections, improving energy and emission performance on the first mile in transport systems, investing in alternative modes of transport, enhancing efficiencies and managing existing capacity across the entire supply chains, was critical. Policies should be coherent, sustainable and aligned among all players across the supply chain and at the national and international levels.

6. The panellist from Kühne Logistics University said that there were significant opportunities for decarbonizing the freight transport sector by decoupling greenhouse gas emissions from growth of gross domestic product and energy use. Many easily applicable solutions that had been tried and tested could be used to help harvest economic and environmental benefits. However, they would not be sufficient to meet the targets set for reducing greenhouse gas emissions. Other measures, such as increasing investment in green technologies and giving companies incentives to achieve targets, were necessary. Developing countries could use existing analytical tools and land planning to manage their logistics better. Supply chain collaboration was important, and internalization of the environmental costs of logistics required trade-offs between costs along the supply chain. It was possible to develop greener logistics with innovative strategies.

7. In her presentation, the panellist from the International Council on Clean Transportation noted that it was difficult for Governments to reduce CO₂ emissions, as the number of automobiles and heavy-duty vehicles was growing fast. Since countries had their own unique freight characteristics, it would be important to conduct a national freight assessment in order to fully understand their respective needs in view of drawing up policy strategy. New vehicles emission standards could help reduce the environmental impacts of transport, but such standards were not applicable in all countries. Government measures were needed to facilitate technology use to support clean transport policy objectives. The benefits of clean transport policies, including the old vehicle-replacing initiative, outweighed the costs, with the benefits in some cases amounting to six times the costs, as was the case in China.

8. The panellist from the Smart Freight Centre said that her organization aimed to help catalyse more sustainable freight at the global level. Sustainable freight was facing a series of challenges: the lack of global standards, limited access to technologies in developing economies, the absence of global coordination, poor access to financing and weak supportive policies at the national level. Policies, partnerships and programmes were needed for a smart freight leadership framework. To support green freight, it was necessary to have a good understanding of needs at the country level, for example, quality of roads, pollution and infrastructure. It was also necessary to build on existing solutions and

resources at the country-level, as well as policies; standards; logistics platforms; data tools; training courses and freight plans available at the regional and international levels.

9. Introducing the One Belt One Road initiative of the Government of China, one expert said that the initiative reflected new demands on its economy and the need for improved access to global markets and a more balanced growth among Chinese regions. As environmental protection and climate change mitigation were key challenges, various priority response measures were being pursued in relation to communication infrastructure, multimodal transport, transport facilitation, standards and capacity-building.

10. Another expert suggested that UNCTAD could perhaps systematically address the cross-cutting nature of sustainability requirements and said that there could be a need to further expand its terms of reference to better reflect sustainability criteria in all its projects and work programmes. In reply to one expert's comment about the many green or sustainability-minded freight initiatives and the need for greater coordination to ensure clearer policy direction, one panellist said that a global platform could be established to help align the various initiatives.

2. Panel session: The policy, governmental and institutional perspective

11. The panellist from the University of South Pacific said there was a need to make the transition to low carbon freight in the Pacific Island countries. The region depended heavily on sea transport, which consumed a large share of oil, mostly imported. There were many barriers to the implementation of low-carbon freight transport systems such as the lack of investment and poorly maintained infrastructure. Local solutions were lacking owing to heavy reliance on donor-driven research and development, technical assistance, capacity-building and financing. To break the cycle, steps should be taken to improve trade in those countries, reduce the impacts of climate change and promote sustainable shipping. National and regional trade policies and initiatives must be considered alongside alternative Pacific design transport solutions that would rely less on fossil fuel and require a multidisciplinary, whole-of-sector approach.

12. In his presentation, the panellist from the Technical University of Denmark gave some examples of policies and initiatives that had been introduced in the European Union to help achieve sustainable transportation. These included the European Union Transport White Paper entitled "Roadmap to a single European transport area: Towards a competitive and resource-efficient transport system" (2011); the trans-European transport network policy, commonly known as the TEN-T policy; and the SuperGreen project (seventh Framework Programme of the European Union). While regional solutions could have trade-distorting effects, some of these examples illustrated the breadth of policies that could be applied and the potential for some of these sustainable freight transport policies to provide guidance for other regions.

13. The panellist from the Northern Corridor Transit and Transport Coordination Authority discussed experiences, best practices and opportunities that had emerged from initiatives of the Northern Corridor in promoting sustainable freight transport systems in Kenya. These included policies that offered incentives to promote the use of cleaner alternative energy sources and implement trade facilitation measures. Plans and work were under way to improve the Northern Corridor railway network, which was expected to transport 40 per cent of freight in the Corridor by its completion in 2017–2018. Experience suggested that partnerships at the national, regional and international levels were essential. Further, existing initiatives should be leveraged with achievable targets and timelines. Also, there was a need to remodel public and private sector investments and explore innovative sources of financing.

14. The panellist from the Port Management Association of West and Central Africa said that ports in Western and Central Africa had yet to initiate efforts to achieve sustainable transport systems. Limited awareness about environmental priorities, the lack of policies for effective protection of the marine environment, the lack of national institutions that were mandated to regulate environmental protection and ineffective inter-agency collaboration at the national level, coupled with inadequate bilateral and multilateral cooperation to deal with environmental protection, compounded the challenge. Technical assistance programmes such as those provided by UNCTAD, the United Nations Environment Programme and the International Maritime Organization, were key to building and strengthening the institutional and human capacity of African countries to promote sustainable transport. Such programmes were also essential to develop and implement effective national legislation and policies, and conduct national baseline studies on sustainable freight or port operations and the environment. It was important to establish a permanent and efficient platform for port cooperation on environmental protection.

15. Highlighting his country's experience, one expert underscored the importance of improving the trade and logistics competitiveness of Pakistan and highlighted relevant obstacles undermining the sustainability of its national freight transport systems. To address these challenges, the country, in collaboration of the United Nations Development Programme, was now implementing the Pakistan Sustainable Transport, or PAKSTRAN programme, in addition to a number other relevant initiatives.

16. The expert from Ecuador noted the particular challenges facing small economies with limited trade volumes, including flow imbalances and the incidence of empty returns that raised transport costs. Although some progress had been made, it was difficult to strike a balance between environmental, economic and social considerations. Ensuring growth in trade volumes, optimizing systems and improving access of small and medium-sized enterprises to international supply chains were key for the sustainability of a country's freight transport. Other requirements were finance, greater private sector participation, adequate infrastructure, cooperation and technology transfer.

17. The expert from Guatemala said that shipping was the most important mode of transport in his country, and that while many factors contributed to rising ocean freight rates, inadequate port infrastructure and a complicated port management system were a challenge. Consequently, his Government was promoting a regional maritime port strategy through the Central American Commission on Maritime Transport, known as COCATRAM.

18. The expert from Madagascar said that his country, like many island countries, depended to a large extent on maritime transport. Challenges facing the transport sector, such as infrastructure, finance and vulnerability to shocks, were common to developing island countries. Efforts were being made in his country to enhance sustainability in transport with national transport policies emphasizing safety, security and environmental protection.

19. During the discussion that followed, one expert wondered whether a scheme could be envisaged whereby ships calling at a developing country port would voluntarily switch to the use of low-sulphur fuel while at port. Experience involving the port of Hong Kong, China, revealed that the incremental cost of using low-sulphur fuel while at port had become manageable. Many vessels from developed countries had already been equipped with additional tanks for low-sulphur fuel in anticipation of the eventual enforcement by Governments, such as that of Hong Kong, China. Another expert noted that for such a scheme to be effective, all parties concerned should benefit equally from such an arrangement.

20. One expert suggested that a group on sustainable transport be established under the auspices of UNCTAD to bring together member countries in an informal setting to discuss on a regular basis the progress made in sustainable freight transport. Such a group could also consider the possibility for UNCTAD to consolidate relevant recommendations. Further, the Organization should consider working closely with similar groups at the Davos Economic Forum. Many experts said that UNCTAD had a well-established mandate for tackling issues concerning sustainable transportation that would be further reinforced by the outcome of COP21.

3. Panel session: The industry perspective

21. The panellist from the International Association of Ports and Harbours said that several tools had been developed to assist members of his organization in their efforts to mitigate air emissions from port activities and address the impacts of climate change through adaptation. These included adaptation-related programmes, expert papers and guidelines, the calculation of gas-emission levels of ports, the development of clean air programmes for ports, the installation of onshore power supply systems, the introduction of an environmental ship index and a safety checklist for liquid natural gas bunkering at ports. However, ports were still in the early stages of shifting to and implementing low-carbon and clean-port measures. There was a need to mitigate climate change and to raise awareness and build the capacities of port authorities to understand the economic, environmental and social benefits of using these tools. Further work on climate adaptation measures and building good practices was also necessary.

22. The panellist from the International Chamber of Shipping explained that by its very nature shipping required a global regulatory framework if the industry was to operate efficiently and remain sustainable. The role of the International Maritime Organization was crucial in this respect. While committed to meeting its social sustainability responsibilities, the shipping industry considered economic sustainability to be key. He discussed policymakers' expectations concerning the contribution of international shipping to CO² emission reductions. In addition, he expressed concern over market-based measures being discussed at the international level in the run-up to COP21. If adopted, such measures should be commensurate with the share of the industry's total CO² emissions, using schemes such as fuel levies.

23. In his presentation, the representative of the Mediterranean Shipping Company described its sustainability and corporate social responsibility agenda, which aimed to improve the company's environmental performance. This included research and development, the use of exact sciences and methodologies, maximum vessel utilization, eco-ships and vessel-retrofitting investments, slow steaming, network optimization, low-sulphur fuel, ship recycling, partnerships with other players, including carriers and United Nations agencies, and training of crew members in high-technology systems, as well as the promotion of integrated energy management. He reiterated the importance of collaborative approaches and the need to coordinate work that was being carried out by various organizations and institutions to help standardize relevant methodologies and regulations.

24. The panellist from the International Road Transport Union said that the road transport sector was also committed to achieving sustainable development, including through his organization's commitment to reduce CO² by 30 per cent in 2030. The sector aimed to achieve sustainable development as a statutory commitment with different tools and monitoring mechanisms being developed for that purpose, including the Global Partnership for Sustainable Transport. Economic development was necessary for sustainable freight transport, along with social equity and environmental performance. In this respect, his organization's "3-i" approach to achieving sustainable development – innovation, incentives and infrastructure – could also be used for other modes of transport

or as a guideline for developing countries. Also, it was crucial to apply United Nations facilitation instruments such as the TIR Convention to tackle these issues.

25. The speaker emphasized the importance of the sector in a multimodal approach to sustainable freight development. Passenger and freight railway transport had become more energy efficient in the previous decade. Members of the International Road Transport Union had defined some voluntary targets and measures, including targets for improving energy efficiency, reducing carbon emissions and maintaining an equal modal split with road for freight by 2030 and increasing it by 2050. Examples of promoting efficient rail freight transport included effective regulation and environmental assessment of rail projects in China, dedicated rail freight corridors in India and measures to simplify border crossings in the Customs Union of the Eurasian Economic Community and the European Union. Other initiatives, such as the development of dry ports, were also important, particularly in the case of landlocked developing countries. Overall, fair competition with the road sector, the internalization of external costs and common standards to support public and private sector involvement for future network development and internal trade were essential.

26. In her presentation, the panellist from the International Air Transport Association spoke on the strategic economic importance of air transport, including in terms of employment, revenue generation and trade, especially in value terms and in the case of time-sensitive cargo shipments such as the cut flower sector. The aviation sector had set ambitious CO² emission reduction targets, with plans to improve its fuel efficiency by 1.5 per cent per year and reach carbon-neutral growth by 2020. It also planned to cut its CO² emissions by 50 per cent by 2050 from its 2005 levels. An action plan based on four pillars – technology development, operations, infrastructure and global market-based measures to offset carbon emissions – had been developed. For the industry, sustainability went beyond the purely environmental dimension to include other factors such as noise, air quality, waste management, endangered species, and economic and social considerations.

27. The panellist from Nestlé described his company's strategy to promote sustainable development by improving transportation through safety and environmental efficiency. Some of its initiatives dealt with optimizing production and distribution networks; training; and exploring the options of providing new clean trucks or long-term contracts to transporters, which in turn would enable them to apply for credit and invest in trucks, people and warehouses. In this respect, improving corporate governance practices was crucial.

28. It was important to adopt a supply chain perspective to sustainability and recognize the role of the transport industry and its various modes. One expert said that it was important that an action plan or coordinated strategy be developed under the auspices of UNCTAD, for example, and involve other United Nations agencies. Such a plan should reflect the different aspects of sustainability applied in freight transport and create linkages and synergies with various industry approaches to ensure coherence and complementarity. In view of the projected growth of road transport and emissions, policies that promoted alternative energy sources were an imperative. There was a need for Governments to encourage innovation and investments in infrastructure through appropriate frameworks. Innovation and technology transfers and incentives that enabled investments in sustainable freight transport systems were also important.

29. A representative of the UNCTAD secretariat drew attention to the importance of climate adaptation and resilience building in maritime transport, in particular for seaports. Recalling previous UNCTAD expert meetings dealing with these issues, she noted that the International Chamber of Shipping, representing the shipping industry, had acknowledged that any funds raised through a market-based mechanism could be devoted to helping developing countries make their critical port infrastructure more resilient.

30. One expert said that while the industry did not favour market-based instruments, it would, nevertheless, favour a levy on fuel if the members of the International Chamber of Shipping decided to adopt a market-based instrument. To comply with the common but differentiated principle under the United Nations Framework Convention on Climate Change, funds generated through such a levy could be directed through it and the International Maritime Organization to assist developing countries. Ideally, such funds would be used exclusively by the maritime transport sector for climate adaptation and resilience building in seaports, for example, to ensure a level playing field.

4. Panel session: Financing instruments and mechanisms as enabling factors of sustainable freight transport

31. In his presentation, the panellist from the European Bank for Reconstruction and Development described some of the initiatives carried out by the Bank to deliver sustainable finance solutions as a complement to commercial banks. It had launched an energy efficiency programme and developed a modified sustainable transport appraisal rating framework in support of its commitment to the Rio+20 agenda and to scale up work in sustainable transport. Although there were many solutions and proven energy-efficient and clean technologies that could be implemented in freight transport, he guarded against complacency, as the penetration of these practices was limited in developing countries. He cited barriers such as the lack of information, capacity and skilled professionals, and the limited understanding of the impact of these technologies. To tackle these issues, the bank had put together financing, technical assistance and policy dialogue to help clients implement more efficient and bankable projects. It also strove to provide as many financing options as possible to meet their needs and match the capacity of the private sector.

32. The speaker said that government involvement was prominent in the transport sector, including in the implementation of necessary reforms. Investments involving the public sector included sovereign debt and finance to State-owned entities. Transport projects covered for example logistics terminal hubs, urban logistics, road fleet modernization, and rail and port development. Other internal tools aimed at incentivizing more sustainable projects were being developed and included a multi-criteria assessment framework for projects that promoted sustainability criteria as well as more favourable financing to companies investing in innovative solutions in logistics or having a strong sustainable component for carbon savings.

33. The panellist from the International Finance Cooperation stressed that it was becoming increasingly urgent for the transport sector to move to low-carbon and resilient infrastructure systems and to operate in a carbon-constrained market. Transport systems that shifted to low-emission modes also generated co-benefits by reducing congestion, air pollution, oil dependency and transport safety risks. Vast investments estimated at an additional \$3 trillion were needed to increase the sustainability of existing and new transport systems and mitigate climate change from 2015–2035. Estimated climate finance requirements for adaptation ranged from \$30 billion to \$100 billion per year. Mitigation would require annual funding of about \$140 billion to \$175 billion by 2030. In 2014 some \$62 billion worth of climate finance flowed mainly from North to South but still lacked the estimated \$100 billion needed per year. Transport had benefited from a large share of climate finance; however, much more was needed, especially for climate adaptation. Multilateral development banks had been tracking their climate finance commitments, allocating \$28 billion to climate finance projects in developing countries in 2014. Transport was the third-most-important sector in mitigation programmes. Green bonds for transport were likely to grow in the future. Similarly, public–private partnerships would play an important role; however, some challenges needed to be addressed: flexibility of long-term

contracts, climate risks allocation, insurance costs, force majeure and foreseeability in climate change, insurance issues, and better legislation and regulation.

34. The panellist from White and Case described tools such as project bonds and their role in transport infrastructure finance in the context of sustainability. Tools that were used to finance or re-finance one or more infrastructure assets were transferable and flexible instruments that could be adapted to meet project requirements. Importantly, these tools could help bridge the gap between vast infrastructure investment needs and the limited availability of sources of finance. The role of multilateral development banks and export credit agencies in project bonds was important in this respect. They could act as catalysts by building capacities and facilitating and financing the development of such tools, and ensuring market coordination, as in the case of African Development Bank and the European Bank for Reconstruction and Development. Further, credit enhancement tools, proper legal frameworks and regulations, and bankable projects to develop such tools were also important.

35. In his presentation, the independent expert on public-private partnerships outlined some of the key features needed to promote such partnerships in the context of a sustainable freight project. These included the identification of economic, political, operational, climate and environmental risks and allocation to the party that was in the best position to mitigate it. It was also necessary to bear in mind the cost implications of these risks on a project, provide guarantees to contain costs, ensure proper investment in projects, negotiate contract flexibility, develop adequate legal frameworks and regulation, and promote public-private partnership procurement that was transparent, efficient, competitive and environmentally friendly. In the ensuing discussion, participants highlighted the need for more information sharing and best practices to promote sustainable public-private partnerships in transport projects.

36. The panellist from the European Bank for Reconstruction and Development reported on the successful experience associated with developing a model for public-private partnerships in connection with a dry port initiative in Egypt. The port in question and container road traffic were heavily congested, and there many import and export delays. To address these concerns, the Government had decided to implement a dry port project under a public-private partnership contract with investments amounting to EUR 1.5 million, including with a view to conducting environmental impact studies. The aim was to build a rail connection to Cairo from the port and to move traffic away from the roads.

37. In conclusion, the need for collaboration between stakeholders and multilateral development banks was key to ensuring coordination. It was also important to learn from best practices.

5. Panel session: Partnerships and collaborative approaches

38. The panellist from Business for Social Responsibility, a non-profit organization, provided examples of cooperation among business, government, academia, research foundations and other relevant stakeholders across the value chain. Such cooperation could bring shared value and benefits and help advance the sustainability agenda. Initiatives concerning the freight sector involved collaboration across the entire value chain and among different sectors. Relevant examples included the Clean Cargo working group, the We Mean Business coalition and efforts to combat corruption in maritime transport. These examples showed how impactful partnerships between business and various stakeholders could be.

39. In his presentation, the panellist from the Partnership on Sustainable, Low Carbon Transport said that a multi-stakeholder partnership had joined forces with the business community to create the Paris Process on Mobility and Climate and thus achieve greater

influence at COP21. This open and inclusive platform was campaigning for a global agreement on climate change that would empower the transport sector to take action on climate change. For the first time, the Conference of the Parties would feature a programme on transport, including a high-level segment. Among 120 intended nationally determined contributions submitted as of 6 October 2015, more than 75 per cent had clearly identified the transport sector as a mitigation source, and more than 60 per cent had proposed transport sector mitigation measures. The panellist shared the main lessons learned from the partnership, emphasizing the need for a shift in focus from advocacy work to implementation. He agreed that UNCTAD could serve as an anchor for sustainable freight transport within the United Nations system.

40. In her presentation, the panellist from the Climate and Clean Air Coalition to Reduce Short-Lived Climate Pollutants cited the Global Green Freight Action Plan, which focused on short-lived air pollutants. Although the partnership's motive in promoting green freight was to deal with black carbon emissions, green freight had many co-benefits, especially in terms of CO² emissions. Currently, 13 countries had instituted green freight programmes, and many green freight initiatives had been launched worldwide. Therefore, the partnership had developed the Global Green Freight Action Plan to coordinate and enhance green freight efforts, develop new freight programmes and incorporate black carbon in green freight programmes. Governments and business were called upon to sign letters of commitment to the objectives set out under the Action Plan.

41. The panellist from the French Institute of Science and Technology for Transport spoke on research partnerships linking several universities across the world on the issue of urban freight and its sustainability. This involved research and partnerships with industry and local governments on urban freight and related issues such as the economic well-being of cities, the impact of noise, air pollution, working conditions for delivery people, road safety, spatial dimension with rapid development of warehouses closer to urban areas and congestion. The research and partnership network was financed by the Volvo Research and Educational Foundations Initiative. The Initiative featured a programme on the future of urban transport and had been supporting research in 10 centres throughout the world, including three focusing on freight transport: MetroFreight, the Centre of Excellence for Sustainable Urban Freight Systems and the Urban Freight Platform. Responses to a survey carried out by the Centre asking Governments about the applicability of some sustainable urban freight initiatives that were common in Europe indicated that many of these measures had been reported as being not applicable or are difficult to implement. A number of outreach activities included information dissemination programmes in developing countries and peer-to-peer webinar series.

42. The panellist from the Oak Foundation shared lessons learned from working with other partnerships and said that philanthropy could be a means of support for sustainability efforts in shipping and ports. Its experience in partnerships was based on the following approaches:

- Leverage, as illustrated by collaboration through grants to and contribution to the efforts under the Climate Works Foundation;
- Capacity-building, for example, by working with other founders at the international level, as well as in China, to help indigenous local non-governmental organizations work on air pollution issues;
- Direct involvement, exemplified by a green port pilot initiative in three Chinese ports.

43. The panellist from the Economic Commission for Europe gave an overview of the work in transport and sustainable transport carried out by a United Nations regional commission. Partnerships had helped broaden the scope and reach of the Commission's

work in transport. Examples included a project funded by the United Nations Development Account involving five regional commissions, academia, business and other partners on CO² emissions monitoring (ForFITS model); a publication on sustainable transport with inputs from various regional commissions and other partners, including academia; and cooperation, in particular with UNCTAD, in relation to the implications of climate change impacts on international transport networks and more specifically the work carried out under the Group of Experts on Climate Change Impacts and Adaptation for International Transport Networks of the Economic Commission for Europe.

44. In the discussion that followed, one expert said that the interaction between freight and passenger transport should not be overlooked and suggested that a holistic view be adopted. Another said that a better integration of freight and passenger issues might be difficult, given differing priorities at the policymaking level. One panellist noted that integrating urban transport and logistics issues was not encouraged, as urban transport was generally dealt with locally, while another said it was important to address the last mile problem and find a way to optimize the transport system to increase the level of service. One expert noted that it was necessary to improve understanding of governments' needs to ensure adequate partnerships that matched the demands of both Governments and business. Another suggested that green freight programmes with different time scales should be initiated, including for urban freight transport.

45. In one expert's view, access to clean technology was important for developing countries but could be challenging, given the associated costs. Therefore, more support, including from UNCTAD, was needed. The UNCTAD secretariat said that the outcome of previous expert meetings had emphasized the importance of adopting an interdisciplinary approach to the discussions and the relevance of partnerships that took into account the needs of developing countries. In addition, UNCTAD consistently integrated the perspective of developing countries and their special needs into its work, including as part of its current contribution to the work of the technical working group that supported the United Nations High-level Advisory Group on Sustainable Transport.

C. Conclusions: The way forward

46. Transport, including freight transport, had been mainstreamed into the 2030 Agenda for Sustainable Development. While sustainable freight transport enjoyed greater visibility on the COP21 agenda, there was no doubt that they should be an integral part of a new global climate agenda. In this context, implementing the commitments, goals and targets as set out under the Agenda and as expected under a new international climate agreement, would raise a number of considerations. Though by no means exhaustive, the following priority action areas emerged from the discussions as a possible way forward.

1. Concept and scope

47. Sustainable freight transport is a multidimensional concept based on the three pillars of sustainable development: mainly the economy, society and the environment. Promoting sustainability in freight transport and logistics is about generating economic, social and environmental value. It should not be perceived as a cost but as an investment with high return in the long term. The application of the concept may vary from country to country, and there is a need to further define the concept, in particular by identifying the key conditions that should be met in order for freight transport to be sustainable. A better understanding of the concept and its scope is critical for defining a framework and strategies that promote sustainable freight transport systems. Countries need to reflect on their own needs in identifying a set of criteria that could be integrated into their national strategies on sustainable freight, and low-carbon and climate-resilient freight transport

systems. In this respect, building resilience of freight transport systems is key to their sustainability.

2. Stakeholders and key players

48. Multiple players and stakeholders are involved across the supply chain, including at the national, regional and international levels. Therefore, it is important to identify the key players and stakeholders. In this respect, the active involvement of the private sector, the transport industry, in particular involving transport or logistics service providers (transport modes) and users (cargo interests, shippers), is essential in any discussions, plans, policies or actions aimed at promoting sustainable freight transport systems.

49. Cooperation among transport industry players and across modes, including in the form of partnerships, is important. Given the multimodal nature of globalized trade and strong supply chain interconnections, effective cooperation, dialogue, information sharing and partnerships across all relevant modes of transport as well as other supply chain stakeholders – manufacturers, cargo interests, shippers, intermediaries, retailers – is essential to benefit from synergies and complementarities as well as to ensure a more balanced trade-off of costs and benefits among supply chain players.

3. Sustainable freight transport strategies and action plans

50. There is a need to develop national and regional strategies for sustainable freight transport. Key elements of a strategy should be identified together with priorities, policies and instruments. This may involve carrying out national freight assessments, given the unique circumstances and requirements of each country, and setting up an inventory of greenhouse gas emissions and other performance indicators. Such a strategy would also aim to set up targets for monitoring and evaluating progress.

4. Finance, investment and technology

51. Finance is a key enabling factor. It is essential to scale up levels and diversify sources of finance. Climate finance, project bonds, public–private partnerships and other instruments have the potential to fill the financing gap affecting sustainable freight transport. The sustainability of investment goes hand in hand with the social responsibility of business.

52. To build the sustainability of freight transport systems, it is necessary to address infrastructure capacity constraints in order to avoid congestion and inefficiencies that undermine growth, jeopardize energy efficiency gains and drive up CO² and air emissions, given the projected growth in global trade. It is also necessary to scale up investments, including in multimodal and alternative modes of transport, and adapt infrastructure and improve rural transport systems, port infrastructure and hinterland connection as well as domestic and regional connectivity. Better management of existing capacity and assets at the supply chain level, not only at nodes, is crucial.

53. There are significant opportunities for decarbonizing the freight transport sector by decoupling greenhouse gas emissions from growth of gross domestic product and energy consumption. Existing solutions that have been tested and tried are easily applicable and can be used to achieve this decoupling and ensure greener logistics. However, these would not be sufficient to meet greenhouse gas emission reduction targets. Other measures, such as investing further in green technologies and giving companies incentives to achieve targets, are also advisable. Governments should encourage innovation and investments in infrastructure through appropriate frameworks and recognize the importance of innovation and technology transfers.

5. Policy coordination and coherence

54. It is necessary to enhance communication and coherence in policies and institutions and improve interagency coordination, as different government ministries and national authorities may have different portfolios that intersect with freight transport. Developing a coordination policy among various United Nations agencies, including in relation to sustainable energy, is essential. It is also important to align national policies and plans with relevant international commitments.

6. Global and harmonized standards and measurement methods

55. Managing the sustainability performance of freight transport systems requires the ability to measure parameters such as impacts, emissions and externalities. However, global standards for relevant measurements to be carried out on greenhouse gas emissions, energy efficiency and fuel consumption, for example, are lacking. This may work against a level playing field. Governments and the private sector should provide leadership in promoting greater standardization and coherence. Standards and methods that measure carbon and other environmental, economic and social performances should be harmonized at the global and multilateral levels. Inclusive and multidisciplinary-based legislation on sustainable freight transport is needed, in particular with respect to the new international standards on energy efficiency.

7. Institutionalizing efforts on sustainable freight transport

56. The international community needs a formal framework on green and sustainable logistics. A systematic approach to sustainable freight transport is also necessary. It is important to have leadership in the transport sector, coupled with partnerships and programmes that enable action at scale as well as clear targets that can help measure, report and monitor progress and achievements.

57. An action plan or coordinated strategy could be developed under the auspices of UNCTAD, for example, to create linkages and synergies with various industry approaches to ensure coherence and complementarity. Also, a coordinating mechanism, platform or body should be established or leveraged to help ensure that all sustainable freight transport-related initiatives, actions and partnerships are identified, compiled and assessed and that related information is streamlined and made available on a shared and common platform or support. The UNCTAD secretariat may wish to consider putting in place a dedicated action plan at UNCTAD, set up working groups that involve member States and hold regular meetings to monitor and discuss relevant developments, identify actions and best practices, and compile recommendations. There is merit in establishing, an anchor, champion or focal point for sustainable freight transport within the United Nations system.

II. Organizational matters

A. Election of officers

(Agenda item 1)

58. At its opening plenary, on 14 October 2015, the multi-year expert meeting elected Mr. Sebastian Ortiz (Paraguay) as its Chair and Mr. Faiçal Souissi (Morocco) as its Vice-Chair-cum-Rapporteur.

B. Adoption of the agenda and organization of work

(Agenda item 2)

59. Also at its opening plenary, the multi-year expert meeting adopted the provisional agenda for the session (TD/B/C.I/MEM.7/10). The agenda was thus as follows:

1. Election of officers
2. Adoption of the agenda and organization of work
3. Sustainable freight transport systems: Opportunities for developing countries
4. Adoption of the report of the meeting

C. Outcome of the session

60. At its closing plenary, on 16 October 2015, the multi-year expert meeting agreed that the Chair should summarize the discussions.

D. Adoption of the report of the meeting

(Agenda item 4)

61. At its closing plenary, the multi-year expert meeting authorized the Vice-Chair-cum-Rapporteur, under the authority of the Chair, to finalize the report after the conclusion of the meeting.

Annex

Attendance²

1. Representatives from the following States members of UNCTAD attended the session:

Argentina	Kenya
China	Madagascar
Costa Rica	Mali
Cuba	Montenegro
Democratic Republic of the Congo	Morocco
Ecuador	Pakistan
Ethiopia	Paraguay
France	Poland
Guatemala	Saudi Arabia
Iran (Islamic Republic of)	Seychelles
Iraq	Zambia
Kazakhstan	

2. The following intergovernmental organizations were represented at the session:

European Union
Organization for Economic Cooperation and Development
Union of African Shippers Councils

3. The following United Nations organs, bodies and programmes were represented at the session:

Economic Commission for Europe
United Nations Environment Programme

4. The following specialized agencies and related organizations were represented at the session:

Food and Agriculture Organization of the United Nations
World Bank Group

5. The following non-governmental organizations were represented at the session:

General category

Ingénieurs du monde
International Road Transport Union

² This attendance list contains registered participants. For the list of participants, see TD/B/C.I/MEM.7/INF.4.

Special category

International Air Transport Association
International Association of Ports and Harbours
International Chamber of Shipping
International Union of Railways
