



United Nations
**Sustainable
Transport
Conference**

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**Side
Event**

Summary Report of Side Event

**“Digitalization of multimodal transport corridors and its
contribution to the implementation of the VPoA”**

**During Second United Nations Global Sustainable Transport
Conference (13-16 October 2021, Beijing, China)**

Organized by UN-OHRLLS, ICTD and TRACECA

**Wednesday 13 October 2021,
8:00 pm - 10:00 pm China Standard Time
8:00am-10:00am New York Time**

Introduction

This side event “Digitalization of multimodal transport corridors and its contribution to the implementation of the VPoA” organized on the margins of Thematic Session 3: Sustainable transport and connectivity, including rural areas and countries in special situations during the Second United Nations Global Sustainable Transport Conference provided an opportunity for highlighting the necessity of digital transformation of multimodal transport corridors and explained why that is crucial for the implementation of the Vienna Programme of Action. In addition, it enabled the sharing of experiences related to the development of new digital tools, provided a platform to discuss policies and measures that could help to implement new digital tools for transport, transit and border crossings and identify technical assistance and capacity building areas for LLDCs.

Attendances

This side event featured opening remarks by Mr. Courtenay Rattray, Under-Secretary-General, United Nations Office of High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, H.E. Ambassador Aksoltan Ataeva, Permanent Representative of Turkmenistan to the United Nations, introductory remarks by Mr. Asset Assavbayev, Secretary General of the PS IGC TRACECA, and Mr. Igor Runov, Executive Secretary of International Center for Transport Diplomacy. High level opening remarks were followed by expert panelists’ presentations on emerging trends and best practices of the digitization of multimodal transport corridors for the VPoA. Panelists included: Mr. Irakli Danelia, Commercial Representative, Maersk; Mr. Stewart Jeacocke, Customs Expert, IBM; Mr. Maarten Sies, Business Development Executive, Trade Lens/IBM; Ms. Juliette Passer, Representative, International Center for Transport Diplomacy; Mr. Mario Apostolov, Regional Advisor (Trade), UNECE. The side event was moderated by Ms. Gladys Mutangadura, Senior Programme Office of UN-OHRLLS, and concluded with an interactive discussion.

List of Participants

	Name	Email address
1.	Mr. Ronald Butiong, Chief of Regional Cooperation and Integration Thematic Group, Asian Development Bank (ADB)	rabutiong@adb.org

2.	Mr. Solomon Chirambo, Principal Economist, Ministry of Transport and Public Works of Malawi	somcchirambo@yahoo.com
3.	Ms. Vyara Filipova, Technical Officer, Procedures and Facilitation, World Customs Organization (WCO)	Vyara.Filipova@wcoomd.org
4	Mr. K L Thapar, Chairman, Asian Institute of Transport Development (AITD)	asianinstitute.del@gmail.com
5	Mr. B N Puri, Director, Asian Institute of Transport Development (AITD), New Delhi, India	bnpuri.264@gmail.com
6	Ms. Samira Rafizade, Expert on PR and Communications, TRACECA	s.rafizadeh@ps.traceca-org.org
7	Mr. Sergii Kravchenko, Project Coordinator, BSEC PERMIS	kravchenko@bsec-organization.org
8	Mr. Alexander Zaboev, Consultant at International Center for Transport Diplomacy (ICTD)	
Please see list of registered participants for full list		

Resource Persons

No.	Name	Email
1	Dr. Irakli Danelia, Georgia Commercial Representative, Maersk	irakli.danelia@maersk.com
2	H.E. Mrs. Aksoltan Ataeva, Permanent Representative of Turkmenistan to the United Nations	canwfz1@yahoo.com
3	Mr. Stewart Jeacocke, Customs Expert, IBM	stewart.jeacocke@uk.ibm.com
4	Mr. Maarten Sies, Business Development Executive, Trade Lens/IBM	maarten.sies@nl.ibm.com
5	Mr. Mario Apostolov, Regional Advisor (Trade), UNECE	mario.apostolov@un.org
	ICTD	
6	Mr. Igor Runov- Executive Secretary, International Center for Transport Diplomacy (ICTD)	Igor.runov@ictd2030.org
7	Ms. Juliette Passer, Representative, International Center for Transport Diplomacy (ICTD)	jpasser@prodigy.net
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8	Mr. Asset Assavbayev- Secretary General of the PS IGC TRACECA	a.assavbayev@ps.traceca-org.org

	OHRLLS	
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Opening remarks

Mr. Courtenay Rattray, Under-Secretary-General, UN-OHRLLS firstly thanked the International Centre for Transport Diplomacy (ICTD) and the Inter-governmental Centre of the Transport Corridor Europe Caucasus Asia (IGC TRACECA) for supporting this side event with UN-OHRLLS. He stated that landlocked developing countries faced severe restrictions for international trade and unprecedented COVID-19 pandemic.

Mr. Courtenay Rattray pointed out that the development and digitalization of multimodal transport corridors could lead to a significant reduction of both logistics costs and time for LLDCs. The importance of improving transport connectivity for LLDCs is underscored clearly in the Vienna Programme of Action (VPoA) and Agenda 2030. The Priority Area 1 of VPoA “Fundamental transit policy issues” highlights the need to significantly reducing time spent at land borders while Agenda 2030 recognizes the importance of transport connectivity as a key enabler for achieving the Sustainable Development Goals. Mr. Courtenay Rattray mentioned that the importance for action was recognised through the Ashgabat Statement in 2016 which emphasised the need to promote the integration of science, technology and innovation in sustainable transport systems. He stated that the midterm review of the Vienna Programme of Action recognised some progress made on this agenda. For landlocked developing countries and transit countries, he encouraged to make additional efforts to reduce travel time along the corridors. The COVID-19 pandemic has impeded the smooth functioning of

trade corridors due to the closure of state borders and the imposition of restrictions on the movement of people and goods. At the same time, the pandemic has accentuated the need for digital connectivity and technologies that allow for non-physical trade facilitation.

Mr. Courtenay Rattray closed his remarks by presenting several potential solutions that could shorten border crossing times and lower transport costs, including electronic cargo tracking systems, electronic exchange of information, paperless solutions, mobile banking and payment systems as well as digital solutions for cross-border facilitation.

H.E. Ambassador Aksoltan Ataeva, Permanent Representative of Turkmenistan to the United Nations firstly stated that COVID-19 pandemic has made the SDG goal more difficult to achieve in a timely manner and international cooperation is needed more than ever. The pandemic has also demonstrated the importance of ensuring seamless global, regionals and international transport links and maintaining the effective functioning of key sectors.

H.E. Ambassador Aksoltan Ataeva stressed special attention to urgent problems of the delivery of first aid and medical supplies to the population. She called for closer cooperation and coordination between different modes of transport, especially in the context of the global crisis. Turkmenistan advocated for the consistent development of transport and trade links, including cooperation mechanism, as well as the implementation of the principles of motorization, harmonization and digitalization in the field of transport logistics, and the management of trade supply chains in both the regional and international levels. The creation of such multimodal digital corridors is particularly important for landlocked developing countries and least developed countries.

Introductory remarks

Mr. Asset Assavbayev, Secretary General of the PS IGC TRACECA stated that TRACECA countries paid much attention to digitalization due to rapid penetration of information technologies. As a multimodal corridor, it is important for them to ensure the maximum use of electronic transport documents which in turn will make it possible to simplify as a transportation process. Being at the forefront of information technologies implementation, they have prepared the digital concept of the international transport corridor (TRACECA) which is expected to be approved within the framework of the upcoming meeting of the IGC this year. Mr. Asset Assavbayev expressed that the implementation of this project based on modern technology will enable the

TRACECA in the future to resolve the issue of the form of a single transport document under the agreement on the development of multimodal transport, which creates the necessary legal environment

Mr. Asset Assavbayev also mentioned the GTrD pilot project. By the end of the year, TRACECA planned to organize a pilot project under the scheme and report of the first results in 2022 after a comprehensive analysis and study of the results of the pilot shipments. Taking into account the experience of the TRACECA countries in the implementation of international initiatives and the current level of development of digitalization in transport in the countries, Mr. Asset Assavbayev declared that the permanent secretariat understands the importance of timely measures to introduce digital technologies both on the national and international levels. He believed that with the support of the countries in the coming years, they would actively begin to implementation of the digital concept of the corridor. The results of which will be positively assets by the carriers of LLDC countries as well.

Mr. Igor Runov, Executive Secretary, International Center for Transport Diplomacy started his remarks by introducing the ICTD organization which was established in 2019 in New York. In December 2019, they announced that the main priority of ICTD would be assistance to the UN in implementation of UN General Assembly Resolutions and Recommendations related to all modes of transport in all parts of the world, and especially in landlocked developing countries. One of the top priorities is the promotion of Human Resources development and sustainable training as well as promotion of international partnerships.

Mr. Igor Runov stated that experts of ICTD have prepared first ever manual and distance learning courses on transport diplomacy. Currently they are negotiating the establishment of regional centers of transport diplomacy in two European states. He also indicated that their experts in cooperation with the leading global corporations developed a concept of the first ever fully digital multimodal customs instrument. Once implemented, it will revolutionize the global supply chains management, and radically cut down the time of containers in transit.

Mr. Igor Runov narrated that a few years ago, they collected a few thousands of questionnaires from truck drivers traveling from China to Europe and back along several transport corridors. The surveys revealed that bribes were frequently taken from these truck drivers. The bribes were to police cars, to customs and other services on route and amounted to almost 30% of their freight. And most of that had to do with

different types of paperwork associated with border crossing procedures. This is why digitalization of management processes along the transport route was critical.

Experts panel

Mr. Irakli Danelia, Commercial Representative, Maersk stated that global economy is projected to grow at 6 percent in 2021, moderating to 4.4 percent in 2022. World Trade Volume Forecast is forecast to grow by 8.4% and 6.5% in 2021 and 2022, respectively. Global container throughput rose by an annual average rate of more than 35% since 2003. The reasons for the historically high growth including increasing international division of labor and the growing liberalization of world trade; the share of goods that are ideal for shipping via container has risen steadily; advances in container technology allow more and more goods to be transported via container, etc.

However, Mr. Irakli Danelia stressed that global trade is highly inefficient and burdened by paper-based processes and supply chains are struggling with fragmentation of data, low visibility and low levels of collaboration between partners. Covid-19 and disruptions in the Industry shows importance of digitalization. He introduced the concept of Logistic Performance Index (LPI) which ranks countries on 6 dimensions of trade. He stated that Maersk wants to change logistics and adopting new technology to simplify and connect supply chains. The combination of big data application and AI algorithms makes all aspects of the supply more accurate and efficient.

Mr. Irakli Danelia described an open and neutral supply chain platform underpinned by blockchain technology from Maersk which is called TradeLens. Through the platform, TradeLens customers gain access to end-to-end container transportation visibility, can collaborate with their logistics and trading partners including sharing documents on blockchain, and gain a comprehensive picture of the flow of goods. Partner Access can helps drive synergies across supply chain ecosystem, and TradeLens electronic Bill of Lading helps eliminate costly paperless processes that are prone to human error. It benefits both for transport/logistic companies by reducing the costs of different processes and BCOs by improving analysis on shipping times and eliminating manual processes.

Mr. Stewart Jeacocke, Customs Expert, IBM firstly showed a video to demonstrate IBM's supply chain visibility solutions. Mr. Stewart Jeacocke mentioned the TradeLens which was presented before by Mr. Irakli Danelia. IBM is one of the co-owners of TradeLens. He believed that blockchain is key to creating a secure global transit document. IBM has been putting blockchain into action for more than five years

and worked with over 400 clients around the world to build the blockchain business networks in the future.

Mr. Stewart Jeacocke stated that there are two reasons why blockchain is important. Firstly, trade facilitation initiatives like the global transit document. In a blockchain network, all the participating organizations have instant and secure access to the same information. Secondly, solution powered by blockchain means there is no single point of failure. There's no single central database that is under the control of just one organization. Mr. Stewart Jeacocke closed his statement by giving two examples of blockchain application. One is about tracking food provenance with IBM blockchain platform Food Trust which has led to 99% reduction of the time to track an item of food back from the store to its source. Another one is about financial trading.

Mr. Maarten Sies, Business Development Executive, Trade Lens/IBM stated that blockchain technology allows multiple organizations to work together on a shared business process, exchanging information in a trusted way. He identified challenges in global trade, specifically in containerized trade. It's not easy to share with the next party in the chain or have a holistic, comprehensive view of what is really happening to the container.

Mr. Maarten Sies explained the TradeLens platform solution from three layers. The bottom layer is the Ecosystem which is the collection of organization that has agreed to come together, exchange information and build a level of trust between them so they can move beyond the current state of affairs and start digitizing the business processes that underpin global trade today. The middle layer of this solution is IT platform that was built by IBM to enable the secure exchange of all information in a trusted way by blockchain technology. The top layer is a marketplace that uses the data in the platform to deliver all kinds of new services and applications.

Ms. Juliette Passer, Representative, International Center for Transport Diplomacy firstly introduced new Initiative on Global transit document. Recent years all the cutting-edge technologies such as blockchain technology and TradeLens Platform are becoming available for implementation which enabled the global transit document. Global transit document is meant to be a unifying digital environment and is applicable to all modes of transportation. It allows countries with different levels of development of digitalization to participate in the global trends and document system. Ms. Juliette Passer declared that blockchain has changed everything and ICTD is particularly happy to work with IBM on predicting the core of global trends and

documents and working with TradeLens that is the ideal platform for them to implement global transit documents.

Ms. Juliette Passer stated that the global transit document is meant to be implemented in three phases. Phase One of global transit documents is now facilitating the customs, information exchange and inviting all the players in the complex supply chain to be integrated. Second phase of global transit document is developing necessary supporting financial instruments, such as various types of insurance to be also available on the blockchain. The last phase of global transit document is to introduce single liability regime for the global supply chains.

Mr. Mario Apostolov, Regional Advisor on Trade, UNECE shared that UN Trade Facilitation and E-business (UN/CEFACT) had finalized the package of standards documents. He stressed the importance of upgrading and developing data exchange standards for key documents accompanying cargo in different modes of transport instead of creating new standards. The standards should be based on UN/CEFACT Multimodal Transport Reference Data Model. The package of standards is the glue between different modes of transport. Mr. Mario Apostolov reiterated that the point was not to create new standards but to link the existing standards to create interoperability.

Mr. Mario Apostolov shared a pilot project as an example which is exporting wood and wood products from Belarus to Central Europe. Belarus transports goods by Ukraine and Black Sea by sea, railway, road and inland waterways instead of selling them directly by rail or road for certain reasons. The project tested data exchange from one mode of transport to another, and it proved successful. Mr. Mario Apostolov showed the objectives and next steps for railway and multimodal interconnectivity including data exchange between China, Japan and Russia and other regional Economic Union countries. At the end of his presentation, he expressed concern over “fragmentation of efforts” by different actors to develop universal IT solution to ensure seamless transit.

Interactive discussion and comments

Mr. K L Thapar, Chairman of Asian Institute of Transport Development (AITD) commented that the size of the container ship is increasing almost every month, which creates huge problems for developing countries. At the same time, they have to provide infrastructure for evacuating the goods into the hinterland. He observed the correlation between the transport capacity and the costs involved.

Mr. Solomon Chirambo, Principal Economist, Ministry of Transport and Public Works of Malawi raised a concern related to a project called Southern Africa Trade and Connectivity Project supported by World Bank under the Ministry of Transport. One of the project's components is to facilitate movement or clear goods in transit which will require a lot of investment in ICT at both the port and the border. This project has provided some financial support to develop the system, especially digital network. It will be a challenge at the beginning since the system will need more resources.

Mr. Irakli Danelia, Commercial Representative, Maersk answered the question related to container ships that standardize method of freight transportation creates additional leverage to transport the goods on a safe and efficient manner. The diversification of container flows all over the world is based on supply and demand. It depends on trade volume and demand on a certain type of countries.

Mr. Stewart Jeacocke, Customs Expert, IBM answered the question related to levels of ICT investment. There are many different approaches that can be taken. ICT is clearly an enabler of trade facilitation. But it doesn't need to be a barrier. It is possible to create quite significant trade facilitation advantages with relatively simple technology.

Ms. Juliette Passer, Representative, International Center for Transport Diplomacy agreed that ICT investment should not be the barrier to implementing regional programs. African continent has a number of very important and successful regional trade facilitation projects and she would like to share with Mr. Chirambo.

Mr. Mario Apostolov, Regional Advisor on Trade, UNECE commented that there is a fragmentation of efforts for digitalization that increases the cost of all the efforts. UN still has a role in bringing together both the countries and the business community in developing the common standards which allow for interoperability between different solutions. He mentioned that Africa has huge prospects due to its growing population and economies. These solutions have to be used for the growing internal supply chains, regional supply chains in Africa.

Closing

Ms. Gladys Mutangadura, Senior Programme Office of UN-OHRLS concluded by highlighting some of the key points made during the event. Firstly, a greater use of data technology and digital solutions to achieve efficiency and generate synergies between the different modes of transport within and across countries is very important.

Secondly, it is crucial to learn from the many existing successful innovative solutions and digital tools, including the ones have been discussed during the event and are being used all over the world for enhancing the efficiency of multimodal transport protocols and transit mechanisms.