Session 4: SDG 9 on industry, innovation and infrastructure
Supporting the implementation of SDG 9 in Asia and the Pacific

- Trade, transport and digital connectivity as a prerequisite for the implementation of SDG9 and the rest of the 2030 Sustainable Development Agenda

- Recent and ongoing connectivity shocks amplified the pre-existing connectivity gaps with a notable impact on countries in special situations and NCA countries, in particular

- The renewed role and commitment to regional cooperation in Asia and the Pacific
Supporting the implementation of SDG 9 in Asia and the Pacific

Transport

UN ESCAP
Economic and Social Commission for Asia and the Pacific
Factors exacerbating the impact of the COVID-19 pandemic on transport connectivity were particularly strong in NCA

- Low levels of digital trade/transport documentation processes
- Unbalanced freight transport modal split
- Fragmentation of the decision-making in transport policies: local/national, domestic/international, freight/passenger, mode
- Inefficient or fragile transit arrangements
- Infrastructure bottlenecks
- Divergent standards on vehicles, drivers and transit, which lead to multiple controls
- Repercussion of the trade and transport restrictions or disruptions of the region’s large economies.
New opportunities generated by the pandemic and the ongoing developments

- At the same time, the pandemic has also contributed to boosting international rail transport along the Trans-Asian Railway Network which particularly beneficial to NCA countries

- It also gave additional momentum to smart road transport solutions and digitalization along the Asian Highway Network

- Smart road and rail solutions are being increasingly implemented by depend on:
  - buy in and participation of other sectors and a wide range of governmental actors.
  - awareness raising and capacity building activities

<table>
<thead>
<tr>
<th>Online and digital services piloted for rail</th>
<th>Fees reduced or cancelled for rail operations</th>
<th>Rail freight rates lowered</th>
<th>New rail routes/business introduced</th>
</tr>
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<tr>
<td>China</td>
<td>China</td>
<td>Kazakhstan</td>
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<td>Kazakhstan</td>
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<td>Russian Federation</td>
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The China-Europe Railway Express saw steady growth in 2020, with a total of 10,108 trips run by freight trains carrying 927,000 TEUs (twenty-foot equivalent units) of containers, increasing 54 percent year-on-year (as of 5 November 2020). Source: www.gov.cn
North and Central Asia expresses growing interest in developing new transport links with SSWA and SEA

- The Trans-Caspian International Transport Route (TITR), starting from South and Southeast Asia and China, running through Kazakhstan, the Caspian Sea, Azerbaijan, Georgia, Turkey and further to Europe

- Kazakhstan-Turkmenistan-Iran (KTI) or the “Southern Corridor” can take freight from Europe to South and Southeast Asia (India, Bangladesh, Myanmar, Thailand) through Turkey, Iran, and Pakistan and to China through Turkmenistan, Uzbekistan and Kyrgyzstan

- Recent progress on the China-Kyrgyzstan-Uzbekistan (CKU) railway

- Uzbekistan intends to initiate the establishment of a new multimodal transport corridor that would connect India, the Islamic Republic of Iran, Turkmenistan and Uzbekistan, with the involvement of Chabahar port.

Recent developments in Asia can have wide-ranging impact on the entire regional transport network, including NCA

- China – Lao PDR railway link

- The ASEAN member States are also taking practical steps in developing of an effective network of dry ports synchronized with the initiatives on the ASEAN Highway Network and Singapore-Kunming Rail Link
CASE STUDY: Inequality in infrastructure development and quality hinders advancement of the smart transport connectivity across Asia

- Only some countries along the AH route 9 have initiated relevant plans and strategies at a fundamental level.
- Different levels of technological developments are of an issue in addition to large discrepancies of understanding, knowledge, and capacity of policymakers among countries along AH routes. To supplement these issues, overarching strategies and detailed action plans need to be developed for greater guidance about HFAVs.
- This top-down approach can supplement the gaps found within countries and among countries, which include technological, financial, political, institutional and legal barriers, through the same direction among countries along AH routes.
- Considering the initial stage of technological development for HFAVs, the overarching strategies along AH routes will prevent any compatibility and interoperability issues between existing and future systems in transport.
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Trade
Trade Facilitation: reducing trade costs and enhancing efficiency

- Trade facilitation plays a significant role in avoiding unnecessary costs and enhancing efficiency through streamlined and digitalized trade.
- Digital trade facilitation
  - Trade cost reduction: 13% reduction for NCA countries if enabling the seamless electronic exchange of trade data and documents across borders
  - Contactless: ensure access to essential goods while minimizing physical contact among people in cross-border supply chains

### Table 3. Changes in trade costs in North and Central Asia resulting from implementation of trade facilitation and paperless trade

<table>
<thead>
<tr>
<th>NCA: trade costs model</th>
<th>WTO TFA (binding only)</th>
<th>WTO TFA (binding + non-binding)</th>
<th>WTO TFA+ (binding + non-binding + other paperless and cross-border paperless trade)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Partially implemented</td>
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</table>

- Model 1
- Overall trade facilitation

https://www.unescap.org/kp/2022/untf-survey-2021-NCA
Trade Facilitation: state of play in NCA

- North and Central Asia's implementation rate of the trade facilitation measures stands at 71%, significantly higher than the Asia-Pacific regional average of 65%.

- Implementation varies widely across the North and Central Asia countries.

- North and Central Asia countries made the most progress in implementing ‘Cross-border Paperless Trade’ related measures between 2019 and 2021.

Based on the UN Global Survey on Digital and Sustainable Trade Facilitation and the NCA report. [https://www.untfsurvey.org/](https://www.untfsurvey.org/)
Common TF measures for immediate response to COVID-19

- Formed intragovernmental bodies to coordinate their COVID-19 responses. However, not necessarily implementing effective trade facilitation measures.
- Simplified customs procedures for essential goods, typically food and medical supplies.
- Compensate for logistical and border transit issues caused by special sanitary requirements by expanding infrastructure; and simplifying and digitizing procedures on both road and rail.
- Created online outreach portals and attempted to digitize various government services (but varies greatly depending on the existing state of their paperless trade systems and infrastructure).

Supporting the Digital TF: Framework Agreement on the Facilitation of Cross-Border Paperless Trade in Asia and the Pacific (CPTA)

- A UN Treaty: enabling and action-oriented
  - Open to interested (53) ESCAP member states (voluntary) to become parties
  - Entered into force with Azerbaijan, Bangladesh, China, Islamic Republic of Iran, the Philippines

- Objective
  - To facilitate cross-border paperless trade (data exchange) among willing ESCAP member states by providing a dedicated intergovernmental framework to develop legal and technical solutions

Progress:
- 2012 Regional Study
- 2013 Expert Review & Member Consultations
- 2013 - 2016 Negotiation & Finalization
- 19 May 2016 Adoption by the Commission
- 20 February 2021 Enter into force

3 new countries acceded in 2022 so far:
- Mongolia
- Timor-Leste
- Turkmenistan

https://www.unescap.org/kp/cpta
Assessments of legal and technical readiness to:

- Identify where the country stands
- Analyze the gaps

Leading to recommendations, and individual action plans for countries to move forward toward cross-border paperless trade


Online Guide and other tools: https://readiness.digitalizetrade.org/

NCA countries

Armenia (2019)
Azerbaijan (2022)
Georgia (2022)
Kazakhstan (2022)
Turkmenistan (ongoing)
Tajikistan (planned)
Uzbekistan (2019)
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ICT
The Asia-Pacific is the most divided in terms of digital transformation.

Source: Produced by ESCAP based on data from various sources from UN agencies and global/regional organizations sources.
The adoption of digital technologies has been accelerated by the COVID-19 pandemic.

But this ‘big bang’ has also left many people and countries behind.

The map shows the real speed of Internet among countries and between rural and urban areas.
DIGITAL CONNECTIVITY: Development pathway for regional cooperation and integration

Framework of the Asia-Pacific Information Superhighway Action Plan

3 pillars and 25 actions
To address Connectivity for All, RECI DA Project produced three online tools:

- E-resilience Monitoring Dashboard
- Smart corridor* Simulator
- Infrastructure Co-deployment Portal

Five Pillars of e-resilience:
- Policies
- Infrastructure
- New Systems and Apps
- Hazard & Exposure
- Digital Data
United Nations ESCAP Flagship Report


Launched 30 August 2022
Invitation to Key Events 2022 in Seoul, RoK

Asia-Pacific Digital Ministerial Conference and Asia-Pacific Digital Transformation Forum

9-10 November 2022, 09:00-17:00 (UTC +09:00)
Seoul, Republic of Korea

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