
“Seven reasons” why transport should become one of the Sustainable Development Goals for Post-2015

*View of the road transport
industry*

Global Business Alliance for Post-2015 Position Paper

Lead Author: International Road
Transport Union (IRU)

DISCLAIMER

The Global Business Alliance represents business from every region of the world, with global, regional, national and sectoral business organizations and associations, involving companies from multinational corporations (MNCs) to small and medium enterprises (SMEs). Our objective is to make effective, concrete and long-term contributions to the formation of the United Nations Post-2015 Development Agenda.

This diversity of perspectives, experience and views is a resource for the wide horizon of inter-disciplinary topics that the SDGs and Post 2015 Development Agenda will address, and should be seen as a resource for those involved in the deliberations.

While this paper may not necessarily express views shared by all GBA partners and does not bind them, it does offer an informed private sector perspective reflecting a particular constituency and expertise which we believe enriches the discussion.

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1 - Executive Summary

One of the main outcomes of the Rio+20 Conference was the agreement by Member States to launch a process to develop a set of Sustainable Development Goals (SDGs), which will build upon the Millennium Development Goals and converge with the Post-2015 development agenda. Rio+20 did not detail specific goals but stated that the SDGs should be limited in number, aspirational and easy to communicate. The goals should address in a balanced way all three dimensions of sustainable development and be coherent with and integrated into the UN development agenda beyond 2015.

True to its commitment to sustainable development, achieving sustainable development translates for the road transport sector into the challenge of satisfying market demands at the lowest economic, social and environmental cost possible, notably by achieving better rather than more transport in developing and industrialised countries. At the same time,

- Transport is a vital production tool in a globalised economy
- Transport is the backbone of sustainable supply chains
- Transport provides inclusiveness of all stakeholder and trade partners
- Transport requires innovative financing mechanisms
- Transport plays a crucial role in poverty eradication
- Transport is the prerequisite for regional economic integration
- Transport provides mobility for all and connectivity and access for everyone

To ensure that supply chains are sustainable, to ensure that the crucial role of transport and transport realities are reflected in the UN agenda, to promote and implement UN trade and transport conventions, such as the TIR and Harmonization Conventions, it is imperative that transport is included in the SDGs.

2 - Introduction/Background

In today's globalised economy multimodal transport has become a vital tool interconnecting every business to all world markets through high quality and efficient door-to-door service. To give an example of the crucial role that transport plays, to have a cup of coffee in a café the collaborative efforts of 29 companies from 18 countries are needed. To build a car 10,000 suppliers are needed, all of which have suppliers!

3 - Analysis

In the IRU's view there are seven reasons why it is crucial to include road transport in the SDGs.

- a. Globalisation of economy - In today's globalised economy multimodal transport has become a vital production tool interconnecting every business to all world markets through high quality and efficient door-to-door service. Every penalty on road transport is an even bigger penalty on the economy as whole as transportation has become the major driver of economic growth and development.
- b. Sustainable supply chains - Much has been done by the international community in the last 20 years to ensure sustainability of global supply chains. While 20 years ago international trade was blocked by the absence of hard infrastructure, now major challenges are related to soft infrastructure - absence of harmonised procedures at borders, outdated border crossing points - as a result truck drivers spend 40% of their travelling time in queues at borders, while the amount of bribes reaches almost one third of the freight value. The most effective solution here is effective implementation of best existing practices and UN Conventions and Agreements which would help to promote sustainability of global supply chains while at the same time save significant financial resources.
- c. Inclusiveness - Sustainable development should provide inclusiveness for all stakeholders. Currently almost all global trade is done by sea - 80% of trade flows go through 40 main sea ports. This situation has led to financial desertification of entire regions in Central Asia, Africa and Latin America which are deprived of the benefits of globalisation. In order to ensure inclusiveness of those countries in the sustainable development process, they should be interconnected themselves by road transport (leading to regional economic integration) and also interconnected to global markets.
- d. Innovative financing mechanisms - Traditionally, international finance institutions and development banks have tended to provide long-term loans to countries on a bilateral basis for financing hard infrastructure. No attention was paid to ancillary infrastructure - secure parking lots, service stations, motels - creating serious obstacles to trade, tourism and security problems. However, due to a vast number of regional and international projects, this bilateral approach to financing should be supported by a regional approach.
- e. Poverty eradication - according to statistics, one truck provides the daily necessities for a family of five. Sustainable transport is extremely important for the socio-economic development of countries as it is the lifeblood of economies, having multiple positive effects on the wellbeing of nations.
- f. Regional economic integration - Transportation systems play a key role in boosting productivity and competitiveness in various regions of the world. One critical issue which should be advanced to achieve more sustainable economic development is to promote regional integration of national economies. For example, inter-regional trade among countries in Central Asia and South America comprises less than 20% of the total trade (in Europe, for example,

this figure exceeds 80%). Such low intra-regional participation happens despite the geographic proximity of countries. It is obvious that only land transport can interconnect these economies and provide additional stimulus for regional and international trade.

- g. Mobility and connectivity - Two basic freedoms of the UN Charter - movement of goods and people in a global economy - cannot be achieved without sophisticated transportation networks based on the latest innovations and technologies. Existing regulatory hurdles - from outdated visa requirements to unharmonised border crossing procedures - still represent major impediments and delay development in economic, social and humanitarian areas.

4 - Recommendations

To ensure that transport realities are reflected in the UN agenda, to facilitate the promotion of UN trade and transport conventions, such as the TIR and Harmonization Conventions, and to allow international funding institutions such as the World Bank to receive a mandate to focus on funding transport projects, it is crucial that transport is included in the SDGs.

5 - Means of Implementation

Every penalty on transport is an even greater penalty on the economy and it is crucial to facilitate transport and make supply chains as sustainable as possible. In this respect, the UN has at its disposal tried and tested UN trade and transport facilitation tools such as the TIR Convention and the Harmonization Convention. Indeed, the number of these UN Conventions implemented by governments would provide a clear measure of success when analysing the success of making supply chains sustainable.

6 - Conclusion

In today's globalised world multimodal transport has become a vital tool interconnecting every business to all world markets.

To ensure that supply chains do become sustainable, to ensure that transport realities are reflected in the UN agenda and to ensure that UN trade and transport conventions are promoted and implemented, it is crucial that transport is included in the SDGs.

The International Road Transport Union (IRU) is the global voice of the road transport industry which upholds the interests of bus, coach, taxi and truck operators to ensure economic growth and prosperity via the sustainable mobility of people and goods by road worldwide.