

Talking points for High Level Round Table: Achieving transport-related Sustainable Development Goals through sustainable, inclusive and resilient transport development in the region

10:30 –12:00 (Bangkok time), 23 November 2022
13:30 –15:00 (Baku time), 23 November 2022

10:40-10:45 (Bangkok time)

13:40-13:45 (Baku time)

What are some key priority transport policies that Azerbaijan has implemented to meet its Sustainable Development Goals?

- First of all, I would like to thank to the Secretariat of the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) for arranging this meeting.

Since its inception, UNESCAP has been an engine for **sustainable development and collective reliance** among the countries of the region.

- At present, **diversification** of the economy is an important point for the Government of Azerbaijan and transport is an important field to share the burden of economic diversification.

Today, **transport and logistics account for 6.9% of the country's GDP**. We believe that with ongoing **reforms** and benefits from **unique geographical location** of the country we can raise this number.

- **Turning the Republic of Azerbaijan into the transport and transit hub in the region is a priority** in our agenda and over the past decade considerable efforts have been put into development of sustainable transportation and transit corridors in the region.

The COVID-19 pandemic has magnified the already existing **challenges of regional transportation system integration** and has driven the countries and the businesses to make their supply chain more resilient, collaborative and networked.

- Nevertheless, **Azerbaijan managed to keep open all of its land borders** for freight traffic during the pandemic and no restrictions applied on the international transport of goods by road for the efficient and effective delivery of products to Azerbaijan in import, export and transit to other countries.
- In order to leverage our geostrategic position at the crossroads from East to West and from North to South, Azerbaijan's transport policy has been aimed at building a transport infrastructure to facilitate interconnection of the Trans-European and Trans-Asian transport networks, and thus offer the shortest and fastest connection between Asia and Europe.

In line with this policy, over the past few years alone, Azerbaijan has invested billions of US dollars in its transport infrastructure. Thanks to these steps, Azerbaijan now ranks 27th worldwide for the quality of roads, 11th for the efficiency of railway services and 12th for the efficiency of air transport services, according to the World Economic Forum (WEF).

- Despite being landlocked developing country, Azerbaijan plays an active role in the development of the regional synergy and support new initiatives of cooperation aimed to achieving better connectivity and unhindered transport operations in the region.

Our vision of interconnectivity played important role in shaping the patterns of regional transport networks. Azerbaijan is a crucial enabler and strong promoter of both North-South and East-West transport corridors, including Transcaspien International East West Middle Corridor.

- Today, we observe **growing interest to the Middle Corridor** on the background of global geopolitical events. **Azerbaijan** have made additional efforts **together with Türkiye and Georgia**, to complete the construction work as soon as possible and continuously increase the capacity of the **Baku-Tbilisi-Kars railway line**, which is a **main artery** and **vital part** of the Middle Corridor.
- Moreover, I would like to mention the construction of Baku International Sea Trade Port which boosts the importance the East-West transport corridor and the establishment of the Alat Free Economic Zone have turned Azerbaijan into an international transport and logistics hub. Today, the volume of cargo transportation across the Caspian Sea is going up. It also necessitates the second phase of the Port construction to reach the capacity 25 million tons.
- Another important initiative for Azerbaijan, South Caucasus and the Central Asian region is the opening of the **Zangazur Corridor**, connecting Nakhchivan Autonomous Republic to the rest of Azerbaijan, and further stretched to Turkey, which can have a significant impact on **expansion the transit potential of the Middle Corridor** and cause strategic changes in the transport and communication map of the region.

Zangazur Corridor, being the **shortest and safest transit corridor**, will ensure the diversification of transport links between China and the countries of Central Asia towards Europe.

- As well as the implementation of large-scale projects related to commissioning of new airports, to the renewals of the transport fleet and infrastructure far exceed Azerbaijan's internal needs and are designed to support broader regional cooperation.
- Ensuring safer and more sustainable transport in the country is considered as a priority. By the relevant Decree of the President of the Republic of Azerbaijan was approved **the "State Program on road safety in the Republic of Azerbaijan for 2019-2023"**. The document includes measures aimed at reducing the number of road accidents and the socio-economic damage caused to the country and increasing the level of road traffic safety.

In the framework of State Program, it is planned to develop and approve an "Intra-city traffic (mobility) plan" for each city of the country, which will ensure efficient, safe, and comfortable movement of all road users in the road network.

- Currently, the "**National Transport and Logistics Strategy of the Republic of Azerbaijan**" is being prepared in accordance with the "State Program on Road Safety in the Republic of Azerbaijan for 2019-2023". Transport strategy will also cover strategic objectives and key initiatives regarding transport development and digitalization, applicable transport trends and research about the country's potential to become logistics hub across the region and main transport corridors.

- Strengthening Azerbaijan role in transit transportation, providing efficient logistic infrastructure for inner country transportation and export, development of the transport network efficiency for population in Baku and outskirts regions, ensuring safer and more sustainable conditions in transport, introducing new innovations to increase the use and efficiency of public transport are the main strategic goals in transport strategy.
- We need to keep working together bilaterally and multilaterally to enhance transportation and mobility, which are essential to achieve Sustainable Development Goals (SDGs). In this context, we pay special attention to the cooperation within international organizations, namely UNESCAP.

Thank you!

14:15-14:20 (Baku time)

The future of the transport sector will be shaped by various emerging technology trends. In what areas can the transport sector harness the benefits of technology and innovation, including digitalization and automation, to increase the efficiency of transport systems?

- Over the past decade, the transport industry, like almost all other sectors of the economy, has demonstrated positive dynamics of digitalization of processes and documents; and the COVID-19 crisis showed that there is a pressing necessity to eliminate reliance on personal interaction and paper-based transactions.

Azerbaijan is one of the first among countries to sign a Framework Agreement on Facilitation of Cross-border **Paperless Trade** in Asia and the Pacific. It is known that the "Digital Customs" solution is crucial for the implementation of the provisions of the Framework Agreement. In this regard, the relevant work done by the State Customs Committee. Azerbaijan ranked 9th in the survey on trade facilitation and paperless trade in Asia and the Pacific. Azerbaijan exhibited an impressive overall trade facilitation score of **86.02% in 2021**.

- **Digitalization** is one of the most important tools for ensuring transparency of transit transportation and equal conditions for participants in the transport process. It is also one of the priority dimensions of effective development of the international transport corridors.
- In 2019 we started the OSCE project on green ports and connectivity, for security and economic growth in the Caspian Sea region.

Currently, works are underway in the direction of **electronic exchange of information between the ports of Baku, Kuryk and Aktau**.

This November, Azerbaijan completed the internal process of **accession to the Additional Protocol on an electronic consignment note (e-CMR)** of 2008 "Convention on the contract for the international carriage of goods by road (CMR)" of 1956.

In order to apply the electronic procedures defined in the 11th Annex (2020) (e-TIR) to the "TIR Convention" of 1975, **the State Customs Committee is carrying out the relevant technical work to join the international e-TIR system**.

- Within the framework of CAREC, Azerbaijan is cooperating with Georgia and Kazakhstan **on the implementation of the Advanced Transit System (CATS)**.

To this end, **works are underway for the signing of the relevant agreement and the pilot implementation of the system**.

The project will serve for the purposes of organizing customs support chain for transit operations, minimizing number of documents, speeding up the risk assessment and analysis through the preliminary electronic exchange of information, and reducing waiting times when crossing the border.

- Moreover, in the framework of the Coordinating Council for Transit Freight Transportation is implemented a unified and transparent tariff policy in the field of transit cargo transportation by rail, sea, seaports, and sea terminals in the Republic of Azerbaijan.
- It serves to simplify the state border crossing procedures and transportation processes, as well as ensure coordination between state bodies carrying out their activities in this area, and

increasing the transit potential, developing the transit capabilities of Azerbaijan in the international corridors passing through the country.

- Furthermore, the Republic of Azerbaijan supports and participates in various projects implemented within the international framework in the direction of digitalization of transport operations.

As a beneficiary, Azerbaijan supports the project on “New technologies and digital transformation for more resilient and competitive railway operations, targeting countries in North and Central Asia” by ESCAP Secretariat. Within this project, Azerbaijan hosted the expert meeting on Digital Transformation of Railway and Multimodal Transport in North and Central Asia, as well as Joint ESCAP-UIC Regional Capacity Building Workshop on Accelerating Rail Digital Transformation in North & Central Asia region, successively on November 2 and 3, 2022, in cooperation with ESCAP Secretariat.

- We must continue to work towards improving **cross-border connectivity through integrated transport systems**. It is therefore important to intensify our efforts to facilitate transit, digitalize transactions and remove regulatory and procedural barriers to transport and trade.
- The lessons learned during the pandemic demonstrate that a **coordinated regional approach** would contribute to a **more cost-effective and efficient response to any disruption** of supply chain and distribution of risks. In this context, regional integration mechanisms can play an important role.

In this respect, we do believe that ESCAP will continue to play an active role in promoting economic cooperation in the region and coordinating joint efforts of its Member States for the benefit of the region as a whole.

In this context, I am confident that the 7th Session of the Transport Committee will come up with positive decisions and pragmatic recommendations for sustainable development and connectivity in our region.

Thank you!