

UN DESA Webinar Series

Sustainable Transport and COVID-19: Response and Recovery

Remarks by Mr. Ghanshyam Bhandari, Deputy Permanent
Representative of Nepal

Theme: Impact of COVID-19 on countries in special situations and forward-looking transport solutions

New York, 01 July 2020

I thank UN DESA for organizing this timely webinar. I feel delighted to participate and speak a few words at the event.

During my presentation, I will try to focus on two major questions: First, I will highlight some impacts of COVID-19 on countries in special situation vis-à-vis the implementation of Agenda 2030 for sustainable development and the Paris Agreement on climate change. And then I will talk about some sustainable transport solutions in response and recovery periods.

1. Impacts on Transport and Travel

Needless to say, COVID-19 has led to disruptions in people's lives, livelihoods and economy.

It has severely disrupted transport connectivity –ranging from domestic road networks and mass transportation, international travel and cross-borders freights.

The International Transport Forum has estimated that global freight transport would fall by 36% in 2020.

ILO report states that all means of public and private transport are affected in one way or the other.

The long-distance tourist motor coach operations have fallen by 100 per cent in many regions and the services of long-distance national coach lines have declined by 90 per cent.

Aviation is one of the sectors hardest hit by the Covid-19, with many countries closing their borders and suspending international air travel.

Because of this, workers working in the transport industry are losing jobs.

Workers in the road transport sector which contributes about 3 to 5 percent of employment depending on the country situation, and those in the air transport which provides 10.2 million jobs directly, 65.5 indirectly when combined with other sectors such as tourism, hospitality, are affected.

Loss of jobs has also to do with increase in working from home, telecommuting, e-learning, walking and bicycling.

In many countries in special situation, most people working especially in the road transport sector are the informal sector workers; and they are outside the scope of labour and employment protection laws.

To cite an example of Nepal, three in every five people working in small or micro enterprises in tourism, entertainment, and transport sectors, have been hit hard, or are pushed out of jobs.

Disruptions in supply chains and labour movement can hamper production and food security

This risks worsening food insecurity, particularly in urban areas, where food prices are already increasing. These types of vulnerabilities are exacerbated by the lack of resources in LDCs, LLDC and SIDs (both financial and institutional) to compensate for the income losses of firms and households

Disruptions in transport, closures of borders, health measures have impacted international trade.

Trade is expected to fall steeply in every region of the world and across all sectors of the economy. Global freight transport volumes in 2020 could be reduced by more than a third compared with estimates foreseen without COVID-19.

The road freight operators, including those transporting essential goods, have seen their revenues decrease by up to 40 per cent due to the lack of new contracts or they are running empty more frequently.

International Air Transport Association estimates about 44 percent decline in aviation industry passenger revenue in 2020.

This will hamper financial health of both transport firms and companies as well as that of the governments.

For countries in special situation such as LDCs, LLDCs and SIDS, the burden is disproportionate as they depend on external markets for essential goods, trade revenues, tourism, and remittances. The disruptions in the transport sector have ensued in the collapse of tourism, the fall of remittances, and a spike in unemployment.

The risks of this crisis may turn into a development crisis in these most vulnerable countries, which are ill equipped to deal with the fallout from this pandemic.

2. Magnitude of these impacts vis-à-vis 2030 Agenda for Sustainable Development and the Paris Agreement

Given these impacts on various sectors, we must understand that;

The importance and inter-linages of sustainable transportation with other sectors is very much important. The critical importance of sustainable transport is underscored in SDG 11.2. (Which is about providing access to safe, affordable, accessible and a sustainable transport system for all.)

Investing on sustainable transportation will not only contribute to enhancing connectivity but also have synergetic effects in Sustainable Development Goals related to energy (SDG7), human settlements (SDG11), sustainable consumption and production (SDG12), and climate action (SDG13).

Given these impacts that will have negative effect on overall economic growth, the ultimate blow will be on our aspiration to achieve the 2030 Agenda for Sustainable Development.

The hardest hit will be the poor people and the vulnerable groups of people.

The World Bank has also warned that “the pandemic will hit hard low-income people, especially informal workers in the hospitality, retail trade, and transport sectors who have limited or no access to healthcare or social safety nets.”

In Nepal’s case, with remittances expected to drop by 15 to 20 percent, projected GDP growth of 8.5 percent before the pandemic has been revised downwards to below 2.5 percent.

This is sure to adversely affect our development path and our goal to graduate from the LDC status.

3. Way Forward: Sustainable Transport Solutions in Response and Recovery Period

Traditional measures and business-as-usual approach will not work.

First of all, it is estimated that about 25 percent of greenhouse gas emissions is from transport industry.

The lockdowns and disruptions in transport and travel have made some gains in air quality.

However, this is very much likely to be reversed once lockdown measures are lifted and traffic resumes, the improvement in air quality witnessed has laid bare the effect of transport on the environment, and renewed calls for transport decarbonization.

Transport decarbonization will not happen overnight and there is no cure-all solution for it. It is very much likely that in the short term we may see a greater dependence on personal vehicles for travel as people avoid public transport to maintain social distancing, which could see an uptick in transport emissions.

Investments in public transport services have been a popular measure to lower the dependence on personal vehicles and to reduce GHG emissions. In a post pandemic world, however, such traditional measures may not be effective. Therefore, Investment in transport sector may need to be redesigned

Transitioning to electro-personal mobility could also deliver the reduction in emissions at scale necessary to decarbonize the transport sector while satisfying traveler's need in a post pandemic world.

While sales of electric vehicles have picked up largely driven by government incentives, they still represent less than 1 per cent of the global vehicle fleet. This is far from the number required to deliver emission reductions for transport decarbonization.

Second, now is the time for all countries in special situation especially the LLDCs and their neighbours and transit countries to make use of trade facilitation standards and digital technologies, such as electronic exchange of information and paperless solutions, that limit physical checks in transit, physical contact at borders and protect the health of workers.

Third, the governments around the globe need to respond to this pandemic not only by minimizing disruptions to international transport but also by viewing the crisis as an opportunity to reorient international freight transport operations towards a more sustainable path.

To materialize the role of transport in achieving SDGs, it is necessary to integrate economic, social and environmental pillars of sustainable development into transport connectivity agenda.

Finally, regional and international support to countries in special situation by:

- Helping the transition of countries in special situation to electric vehicles and green economy;
- Ensuring an enhanced level of financial support as well as the easy access to climate finance to help sustainable transport solutions; and
- Offering analytical and methodological tools and best practices and providing capacity building support.

To conclude, every crisis comes with an opportunity. The transport sector, in particular, will need to adapt and transform quickly with the rapidly evolving situation. We must not lose sight of the valuable lessons learnt from this crisis and should leave no stone unturned in prioritizing smart and green transport systems in support of sustainable development.

I thank you for your attention.