



CCO BRIEFS

BRIEF ON TRANSPORT COOPERATION

**COMCEC COORDINATION OFFICE
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Well-functioning, effective, and sustainable transport systems are one of the most important necessities for modern economic and social life. The conditions within which the transport networks operate and the quality of the transport services affect a range of economic activities from agricultural and industrial production to investments, from tourism to trade . Transport is also essential for accessing to basic public services such as health and education. Therefore, it has a direct impact on the development of countries.

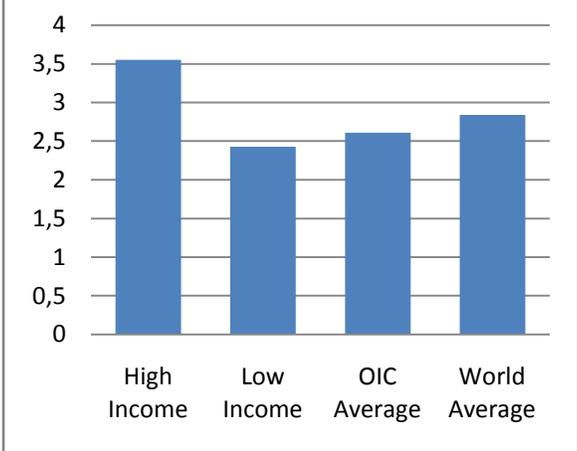
Beginning from the 20th century, the world witnessed a dramatic improvement in the transport sector. The advance of globalization and increased international competition has pushed the countries to improve their transport systems thereby keeping pace with these developments. Nevertheless, not all countries have managed to bring the quality of their transport sector at par with the globally required level. Particular regions of the world are lack of adequate transport infrastructure as well as accessing to proper transport services, which impede their development efforts and leads to their marginalization and impoverishment. The situation is particularly grave in some land-locked developing countries that depend on transit countries for access to seaports for their exports and imports. Poor infrastructure, prolonged cross-border formalities and counter-productive regulations in the transit countries result in high transport costs rendering imports expensive and exports uncompetitive and thereby limit economic growth and trade competitiveness in the land-locked countries.

With regard to the situation in OIC countries, the overall picture of the sector seems to be quite uneven. While some member countries, through advanced and efficient transport infrastructure, are well integrated to the global economy and increasingly benefiting from it, a growing number of others which severely suffers from lack of accessibility, are exposed to the risk of further marginalization and exclusion, which reinforces their vicious cycle of economic and social deprivation.

Some major common problems of the transport sector in the COMCEC Region include; Poor infrastructure and maintenance services, high costs associated with the sector, complex and prolonged border-crossing procedures, inadequate human and institutional capacity of relevant authorities, and lack of a sound, harmonized, and straightforward legal and regulatory framework, both at national and regional levels. The need for a substantial improvement in particularly trade-related transport services in the OIC Region was also confirmed by the World

Bank's Logistic Performance Index¹ of 2010, in which the OIC Countries in average have performed worse than the world average and slightly better than low income group in terms of logistics performance.

Figure I: Logistics Performance Index in Comparative Perspective



Source: World Bank /LPI 2010

The current situation of the transport sector in our region calls for dedicated efforts to improve the functioning, effectiveness and sustainability of transport systems, which are also crucial for the development of the member countries, and is a key component for enhancing economic and commercial cooperation among them. Increasing interconnectivity among member countries through transport facilitation would serve as a catalyst to create convergence between higher and lower income member country categories. It would also provide an opportunity for those member states which have remarkable experience and know-how in this area to share it with relatively less developed member states.

The quality of transport-related public services has also a central role in the overall functioning of the sector. In this context, cooperation among the Member States would include

¹ The Logistics Performance Index (LPI) is a multidimensional assessment of logistics performance, rated on a scale from one (worst) to five (best). It uses more than 5,000 individual country assessments made by nearly 1,000 international freight forwarders to compare the trade logistics profiles of 155 countries. The Index summarizes the performance of countries in six areas that capture the most important aspects of the current logistics environment: Efficiency of the customs clearance process; Quality of trade and transport-related infrastructure; Ease of arranging competitively priced shipments; Competence and quality of logistics services; Ability to track and trace consignment; and Frequency with which shipments reach the consignee within the scheduled or expected time. The date used in this chart is taken from the 2010 edition of the World Bank's report entitled *Connecting to Compete*. The report, as well as wider explanation on the Index, is available at <http://www.worldbank.org/lpi>.

harmonization of transport related services and regulations with internationally recognized standards.

Transparent, responsive, and effective institutions would substantially contribute to the development of the sector in our region. Therefore, enhancing institutional and human capacity through intensive training programs is another area that would bring substantial improvement to the sector.

Transport was one of the ten priority areas of the OIC Strategy and Plan of Action to Strengthen Economic and Commercial Cooperation among Member States, which was adopted in 1994. However, the level of cooperation in this sector has not been satisfactory. Currently, there are some transport-related cooperation projects in the agenda of the COMCEC all of which are in their initial phase.

In order to enhance cooperation among the Member States in the area of transport, the COMCEC Economic Summit, held on 9 November 2009 requested the COMCEC to revitalize cooperation in this important field. It is worthwhile mentioning that solidarity and cooperation would contribute to the improvement of transport sector in the Member States which in turn would support efforts to increase trade, enhance tourism, and promote investment.

In this regard, the 26th Session of the COMCEC decided that the theme of the Ministerial Exchange of Views Session of the 27th Session of the COMCEC would be “Impact of Transport Networks on Trade and Tourism”. The Session also welcomed the offer of the Republic of Turkey to organize an Expert Group Meeting (EGM) on Transport in 2011 and requested the IDB and SESRIC to organize a preparatory workshop for the Exchange of Views Session.

The workshop was jointly organized by the IDB and SESRIC, on 7-8 June 2011 in İzmir, Turkey. It was attended by representatives from 21 Member States, relevant OIC Institutions and other international organizations. After several presentations made by the IDB, UNESCAP, UNECE, UNESCWA, UNECA, IRU and SESRIC, the participants deliberated on the major obstacles and possible ways of enhancing cooperation among the Member States for the development of transport sector. After the deliberations, the workshop defined the major obstacles in the field of transport and adopted recommendations for both national and OIC cooperation level.

The said workshop was followed by the OIC EGM on Transport, on June 9th, 2011 in İzmir, The EGM was attended by the representatives from 15 Member States, OIC General Secretariat, COMCEC Coordination Office and relevant OIC Institutions.



After reviewing the outcomes of the workshop, the EGM considered Draft “Transport Cooperation Framework within the OIC (İzmir Document 2011)” proposed by the Ministry of Transport of the Republic of Turkey. The İzmir Document was circulated to the Member States to receive their final comments by September 10th, 2011 at the latest.

Having received the comments of the Member States, the OIC General Secretariat accordingly revises and amends the draft framework titled “İzmir Document 2011” and submits it for consideration to the 27th Session of the COMCEC.

The outcomes of both events will be submitted to the 27th Session of the COMCEC for consideration.