

UNCTAD contribution to Part II of the Report of the Secretary-General on Oceans and the Law of the Sea 2021

I. Developments related to the implementation of General Assembly resolution 75/239

1. Conservation and sustainable use of living marine resources

UNCTAD contribution to the implementation of trade-related aspects of SDG 14, building of capacities and strengthening international cooperation

Responding to paragraphs 24, 25, 47, 158, 204, and 214, of the General Assembly resolution 75/239, UNCTAD has continued its work on improving the understanding of the ocean economy and its potential to promote a sustainable and resilient development path. UNCTAD has also continued to provide capacity building and strengthen international cooperation on trade related aspects of SDG 14 (targets 1, 4, 6, 7, and b). UNCTAD has been active in supporting Members States in WTO negotiations on a future agreement on fish subsidies; designing oceans economy and trade strategies in selected developing countries; addressing marine plastic pollution; exploring positive incentives for conservation and sustainable use of marine biodiversity including on Appendix II CITES listed species; and in assessing impact of the COVID-19 on the oceans economy and potential responses to enable recovery, particularly in developing countries. In addition, UNCTAD continued its research and analytical work as well as technical assistance and capacity building efforts to improve understanding of the strong nexus between, sustainable and resilient maritime transportation systems on the one hand, and sustainable oceans and blue growth, on the other.

Capacity building

WTO Members are progressing steadily towards the crafting of a “fisheries subsidies agreement” in light of SDG target 14.6. This potential agreement will put a focus on certain subsidies for marine wild capture fishing and will seek to ensure that most harmful and unsustainable fishing activities do not benefit from public financial support. Members are structuring this potential agreement over a three-pillar prohibition scheme that would forbid subsidies that contribute to illegal unreported and unregulated fishing, or that concern fishing overfished stocks, overcapacity, and overfishing activities. Modalities for special and differential treatment are still controversial in the negotiations as various developing countries are also found among the largest fishing nations. UNCTAD, FAO and UNEP have been providing support and technical assistance to Member States in seeking consensus and in enabling coherence with relevant United Nations law of the sea and fisheries agreements as well as on oceans economy initiatives under the UNCTAD-FAO-UNEP Inter Agency Plan of Action on Trade-related aspects of SDG 14. This included legal analysis on [“How to craft a strong WTO fish subsidies Agreement”](#) and organisation of a webinar on “Fisheries subsidies and the current negotiations at the WTO”, jointly with the FAO and APIFC. Currently, there are renewed hopes that consensus will be found by the end of summer-fall 2021 or by the 12th WTO Ministerial later this year.

The implementation of the [UNCTAD-DOALOS Development Account project on oceans economy and trade strategies](#) continued progressing in 2020, as recognised by paragraph 47 of the General Assembly

resolution 75/239. The project aims to build capacity in identifying oceans-based products and services in light of SDG 14. In the context of the project, beneficiary countries validated and started the implementation the Oceans Economy and Trade Strategies (OETS) of [Costa Rica](#) and [Belize](#). The OETS reports—focused on fisheries— included oceans economic assessments and national action plans for the selected value chains products (i.e. big pelagic, coastal fish, crustaceans and molluscs). These two strategies are the first-ever blue economy strategies with a focus on trade and oceans governance. During 2020, the Barbados' draft OETS report was submitted for peer-review at a [second national stakeholders' workshop](#). A revised draft was submitted to the national focal points for validation. The sustainability, gender and vulnerable coastal communities' concerns and considerations have been integrated into the OETS strategies. So far, some 370 stakeholders have participated in research, consultation, training, and capacity building activities under the OETS project, of which 44 per cent were female.

In September 2020, UNCTAD in partnership with the Organization of East Caribbean States (OECS) and CITES, and thanks to the European Union's financial support, launched [a pilot project on Blue BioTrade](#) in the Eastern Caribbean region. The project's overall objective is to empower small-scale coastal producers from OECS member states to produce and trade queen conch products in domestic, regional and international markets under the Blue BioTrade environmental, social and economic sustainability criteria, including CITES. The project is focused on OECS Member States, particularly those producers of queen conch (*Strombus gigas*, a CITES-listed species): Grenada, Saint Lucia and St. Vincent and the Grenadines. The project started its implementation on 1 January 2021 and should complete its activities in mid-2022.

Strengthening international cooperation

In line with SDG 14.7 and in order to better understand the sizes of oceans economy and related trade flows, UNCTAD just launched a novel [sustainable ocean economy \(SOE\) classification for tradable goods and services](#). The classification features three categories: goods, services, and energy. It considers six sectors in goods, six sectors in services and a mixed sector (energy). Each sector is disaggregated further in subsectors covering a total of 52. The classification includes ocean-based goods directly harvested from the oceans, cultivated from marine species, marine-based processed goods, and products for carrying out ocean-based activities. It also includes ocean-based services that use marine ecosystems to deliver services or seek to conserve, sustainably use, or clean up the marine environment, and support marine industries or seek to develop innovation or processes based on marine resources. The classification also includes ocean-renewable energies (e.g., offshore wind energy, tidal power, and wave power) but excluded the oil and gas sector as well as seabed mining activities due to their harmful impact on ecosystems.

The SOE classification features three categories: goods, services, and energy. Each category is divided into chapters (A–M), and each chapter is subdivided into a three-digit level of detail covering 52 subsectors. The classification sectors are as follows:

- A. Marine fisheries
- B. Aquaculture and hatcheries
- C. Seafood processing
- D. Sea minerals
- E. Ships, port equipment and parts thereof.
- F. High-technology and other manufactures not elsewhere classified (NEC)

- G. Marine and coastal tourism
- H. Trade in fisheries services
- I. Maritime transport and related services
- J. Port services, related infrastructure services and logistical services
- K. Coastal and marine environmental services
- L. Marine research and development and related services
- M. Ocean energy and renewable energy.

This classification can be used at national, regional, and global levels, and facilitate the monitoring of trends up to a three-digit level of disaggregation (based on the HS Harmonized Commodity Description and Coding System) for trade in goods. This comprehensive tool will enhance the understanding of the ocean economy's reach and importance, spur collaboration across sectors and countries, and better monitor and predict changes for the economy, society, and the marine environment. It will also help countries assess trade prospects in ocean-based sectors to expand internal development planning to emerging sectors.

In response to SDG 14 target 1 and at the request of Fiji and China, UNCTAD presented a short communication titled "[Trade in Plastics, Sustainability and Development](#)" at the WTO Committee on Trade and Environment to sustain ad hoc discussion on the matter on 3 July 2020. The communication's objective was to provide information and data on trade in plastics, sustainability, and the role of developing countries. According to UNCTAD research and the submission trade in plastics was estimated at \$1 trillion, 40 more than previously estimated. Moreover, the number of trade measures mentioning plastics – such as technical regulations, subsidies, licenses, and bans – reported to the WTO, has increased annually by 28 per cent over the past decade, showing growing concern among WTO members over marine litter and plastic pollution. The submission considers that developing countries could shift from plastic production to the development of sunrise industries of plastic substitutes that have a low environmental footprint, are recyclable, biodegradable or subject to erosion, such as natural fibres and agricultural wastes. UNCTAD also organised an online event on "[Trade and trade policy in the fight against plastic pollution](#)" and on "[Promoting substitutes and alternatives to plastics for clean waters and sustainable economic development in the Caribbean Basin](#)" to introduce trade policy's role in addressing plastic pollution in 2020 and early 2021 respectively. Moreover, UNCTAD organised events on recent fisheries provision in Regional Trade Agreements in times of crises. In undertaking these activities, UNCTAD has cooperated with the, FAO, IOI, UN/DOALOS, UNESCAP, UNEP, UNITAR, WOC, and the WTO.

On 9 June 2021, an [UNCTAD15 pre-event: Harnessing the benefits of the ocean economy for sustainable development](#), brought together High Level panellists for discussions on relevant priority areas for action. This event was organised on the occasion of the World Oceans Day 2021 and as a stepping-stone to the UNCTAD 15 Conference, hosted by Barbados on 3-7 October 2021, and the second United Nations Oceans Conference, which is being co-convened by Portugal and Kenya in Lisbon for June 2022. Panellists highlighted the importance of sustainable development of the ocean economy, including fisheries and aquaculture, coastal tourism, maritime transport, offshore hydrocarbon and renewable energy, ecosystem services and the potential use of marine genetic resources, which holds considerable promise for small island developing States (SIDS) and other vulnerable island nations, as well as coastal developing countries. At the same time, these economies face important trade-related and environmental challenges, including overfishing, marine and coastal pollution, ocean acidification, natural disasters, and climate change impacts, as well as constraints in terms of geography, connectivity, and capacity. While the COVID-19 pandemic and its extensive socio-economic impacts may give rise to new priorities, it underlines the

critical importance of openness, trade and infrastructure readiness, economic diversification, risk-assessment, and resiliency building. Changing circumstances arising from the impacts of the pandemic will need to be considered as part of future trade, logistic, climate and development strategies going forward.

2. Climate Change impacts and adaptation

UNCTAD contribution to the implementation of climate change-related aspects of GA resolution 75/239 and related SDGs

Responding to paragraphs 11, 36, 202, 203, 204, 205, 210, 215, 290, 353 and 357 of the General Assembly resolution 75/239, UNCTAD has continued its work on improving the understanding of the impacts of climate change and extreme weather events on seaports and other critical coastal transport infrastructure and assist in the development of adaptation response measures, in particular with reference to small island developing States (SIDS); as well as on strengthening international cooperation in these areas. Relevant work, including research, technical assistance, intergovernmental consensus building and related capacity building activities, as detailed further below, also contributes to implementation of a number of Sustainable Development Goals and targets (e.g., 1.5, 9.1,¹ 9.a, 11.b, 13.1, 13.2 and 13.3, 14, 17) as well as to implementation of the AAAA, the SAMOA Pathway, and Paris Agreement; and benefits from strong support of Member States.²

Capacity building

UNCTAD has been working on the [implications of climate change for maritime transport](#) for over a decade, with increasing focus on climate change adaptation and resilience-building for seaports and other key coastal transport infrastructure, in particular in SIDS³. With over 80 per cent of the volume of world trade estimated to be carried by sea, international shipping and ports provide crucial linkages in closely interconnected global supply-chains and are essential for the ability of all countries to access global markets. Ports are likely to be affected directly and indirectly by climatic changes, such as rising sea levels, extreme weather events and rising temperatures, with broader implications for international trade and development. In particular, in the light of recent projections on mean and extreme sea-level rise, the need for accelerated action on adaptation is becoming increasingly urgent⁴.

Associated risks, vulnerabilities and costs may be considerable, in particular for ports and other key coastal transport infrastructure in developing regions, with low adaptive capacity, such as in SIDS. Critical coastal transport infrastructure in these countries, notably ports and airports, are lifelines for external trade, food and energy security, as well as tourism, and in the context of DRR. However, these assets are projected to be at high and increasing risk of coastal flooding, from as early as in the 2030s, unless effective adaptation action is taken⁵. In the absence of timely planning and implementation of requisite adaptation measures,

¹ See also http://stats.unctad.org/Dgff2016/prosperity/goal9/target_9_1.html.

² See [Maafikiano \(TD/519/Add.2\)](#), paras. 55 (f),(k),(l).

³ For more information about relevant issues and UNCTAD work on climate change adaptation and resilience-building for seaports and other key coastal transport infrastructure, see also [UNCTAD contribution to Part I](#) and [Part II](#) of the Report of the Secretary-General on Oceans and the Law of the Sea 2020.

⁴ See also Asariotis R. [Climate change impacts on seaports: a growing threat to sustainable trade and development](#), UNCTAD Transport and Trade Facilitation Newsletter N°90 - Second Quarter 2021.

⁵ [Monioudi et. al, Regional Environmental Change 2018; IPCC Special Report on Impacts of 1.5 °C global warming](#) (Ch. 3); [IPCC 2019 Special Report on Ocean and Cryosphere](#) (Ch. 4 and 5).

the projected impacts on critical transport infrastructure may have broad economic and trade-related repercussions, and may severely compromise the sustainable development prospects of these vulnerable nations. Despite a brief dip in carbon dioxide emissions caused by the COVID-19 pandemic, [the world is still heading for a temperature rise in excess of 3°C this century](#) – far beyond the Paris Agreement goals of limiting global warming to well below 2°C and pursuing 1.5°C. Therefore, accelerated action both on mitigation and adaptation will be key.

In 2020, UNCTAD and UNEP, with the financial support of the Government of Germany finalized the implementation of a project on [Climate resilient transport infrastructure for sustainable trade, tourism and development in SIDS](#). A substantive proposal for follow-up work was prepared, taking into account the outcomes and recommendations of a [COP 25 High Level Panel discussion](#), which had been co-organized by UNCTAD and UNEP (with the support of the OECS Commission, Commonwealth Secretariat, UNFCCC, and ISO), as well as the implications of the COVID-19 pandemic.

Drawing on UNCTAD’s related work, on 27 and 28 October 2020, the eighth session of the UNCTAD Multi-year Expert Meeting on Transport, Trade Logistics and Trade Facilitation, was held, focusing on [“Climate change adaptation for seaports in support of the 2030 Agenda for Sustainable Development”](#). It provided an important forum for discussion and consideration of policy recommendations, including with a view to informing important upcoming intergovernmental meetings and processes as well as the preparation of NDCs and Adaptation Plans. The meeting highlighted the strategic economic importance of, and the urgent need for accelerated policy action to enhance climate resilience and adaptation for ports and other key transport infrastructure. A number of related key messages and recommendations are reflected in the [report of the meeting](#). Among others, expert panellists stressed the value of UNCTAD’s technical assistance work in the Caribbean region⁶, and the pressing need for this work to be continued, deepened, and expanded across the Organization of Eastern Caribbean States region, in collaboration with others, in order to assess climate-related risks and develop technical and policy solutions using a network approach.

As part of its work on legal and regulatory issues, UNCTAD carries out research and analysis and provides technical legal advice, to assist in the further development of international law as well as in the understanding of the often complex international legal framework with a view to promoting wide-spread ratification of relevant international legal instruments and assist in effective implementation at national levels. Relevant publications include a dedicated chapter with a focus on legal issues and regulatory developments as part of UNCTAD’s annual flagship publication [Review of Maritime Transport 2020](#), which covers main regulatory developments of relevance to maritime transport, as well as substantive analytical reports, including a 2020 report, entitled [“Climate Change Impacts and Adaptation for Coastal Transport Infrastructure: A Compilation of Policies and Practices”](#), which was prepared to assist in the development of effective adaptation policies and response measures.

UNCTAD also participated in the development and revision of the Marrakech Partnership for Global Climate Action Pathways on ‘Transport’ and ‘Resilience’, respectively, contributing insights gained as part of its related work and expert dialogue. The pathway documents were first launched at the COP 25, drawing among others on key recommendations of technical experts, key industry stakeholders and international organizations participating in the UNCTAD Ad Hoc Expert Meeting on [“Climate change adaptation for international transport: preparing for the future”](#), held in April 2019. With regard to climate change adaptation and resilience-building for seaports, the latest [Transport pathway action table](#) includes an adaptation action area with a focus on resilient transport systems, infrastructure and vehicles, as well as related milestones towards 2050 (for 2020, 2030 and 2040). Inter alia, these milestones, which have

⁶ [Climate Change Impacts and Adaptation for Coastal Transport Infrastructure in Caribbean SIDS](#) (UNDA 14150, <https://SIDSport-ClimateAdapt.unctad.org>). The technical assistance project resulted in the development of a methodological framework, tools and guidance, as well as peer-reviewed original research, which has informed the IPCC 2018 and IPCC 2019 Reports.

also been integrated into the cross-sectoral [Resilience and Adaptation pathway action table](#), envisage that, by 2030, policymakers, "Ensure policies, governance, legal and institutional frameworks are in place to support the climate-resilience of all critical (transport, energy and other) infrastructure to (at least) 2050"; and, by 2040, "Ensure the climate-resilience of all critical transport, energy and other infrastructure to at least 2100." While this represents an important and timely ambition, a major acceleration of efforts will be required to put relevant measures in place.

Strengthening international cooperation

UNCTAD work benefits from close cooperation and synergies with a wide range of partners, and with a multidisciplinary network of collaborators (see e.g. <https://SIDSport-ClimateAdapt.unctad.org>). In addition to some initiatives already mentioned, this includes collaboration with PIANC, The World Association for Waterborne Transport Infrastructure, in the development of [port industry guidance](#) (updated in 2020); contribution to the UNFCCC Policy Brief on "[Technologies for Averting, Minimizing and Addressing Loss and Damage in Coastal Zones](#)"; and extensive collaboration with the [UNECE Group of Experts on Climate Change Adaptation for International Transport Network and Nodes](#), which had been established following a joint UNCTAD-UNECE workshop on the issue. Also, worth noting is ongoing collaboration with IMO, including on legal and environmental issues - a Memorandum of Understanding between UNCTAD and IMO highlighting areas of further enhanced cooperation is in preparation; as well as cooperation with UNCITRAL on negotiable transport documents, and with UNESCAP on climate change adaptation for transport and on legal frameworks for multimodal transport operations in Asia and the Pacific. In addition to specific collaborative activities, UNCTAD also cooperates extensively with related industry and UN initiatives, including through UN-Oceans and as part of a joint multi-agency technical assistance project on [Transport and trade connectivity in the age of pandemics](#).

II. Other important developments and issues with regard to ocean affairs and the law of the sea

Relevant developments in maritime transport

Environmental sustainability requirements continued to shape the maritime transport sector. Carriers are increasingly expected to ensure sustainability in operations. GHG emissions from international shipping continue to rank high on the international policy agenda. Progress was made at IMO towards the ambition set out in its 2018 Initial Strategy on reduction of GHG emissions from ships. These include ship energy efficiency, alternative fuels, and the development of national action plan to address GHG emissions from international shipping. The increase in vessel size, combined with multiple efficiency gains and the recycling of less efficient vessels, have helped in limiting growth in carbon dioxide emissions, despite growth in total fleet tonnage. However, achieving the reduction targets set out in the IMO Initial Strategy will require a deeper shift in engine and fuel technology. UNCTAD has been collaborating with the IMO to assess the impact of the IMO short-term measures on GHG emission reductions, on the transport and economies of developing countries. UNCTAD's impact assessment report will be considered by IMO members States at the [76th session of the IMO Marine Environment Protection Committee \(MEPC\) in June 2021](#).

Several important areas where international regulatory action has recently been taken or is underway for the protection of the marine environment and conservation and sustainable use of marine biodiversity, include those at the IMO on implementing the 2020 sulphur limit; ballast water management; addressing biofouling; reducing pollution from plastics and microplastics; safety considerations of new fuel blends and alternative marine fuels; and negotiations at the UN on the conservation and sustainable use of marine biodiversity of areas beyond national jurisdiction.

As highlighted in the Review of Maritime Transport 2020 (Chapter 5, Legal issues and regulatory developments), technological advances, the COVID-19 pandemic, and the changes in the regulatory and legal environment provide a challenging environment for policy makers and other stakeholders in the maritime transport sector, in particular for those in developing countries, who need to respond to these developments. Some key issues include the following.

Cyber-risks are likely to continue to grow significantly, also in the maritime sector, as a result of greater reliance on electronic trading and an increasing shift to virtual interactions at all levels; this increases vulnerabilities across the globe, with the potential for crippling effects on critical supply-chains and services. Coordinated efforts at developing appropriate protection mechanisms against cyber-crime and attacks should therefore be pursued as a matter of urgency; this may require significant scaling up of investment and capacity building for developing countries, including in respect of skilled human resources.

As regards the use of electronic trade documents, including in the context of the COVID-19 pandemic, industry associations have been working to promote the use of electronic equivalents to the negotiable bill of lading, and their increased acceptance by government authorities, banks and insurers.

Particularly worth highlighting is the [issue of seafarers](#), most of whom come from developing countries. Large numbers of them, due to COVID-19 restrictions, had to have their service extended on board ships after many months at sea, unable to be replaced or repatriated after long tours of duty – a problematic situation, both in terms of the safety and wellbeing of seafarers and the safe operation of maritime trade. Therefore, a number of calls have been issued to designate seafarers and other marine personnel, regardless of nationality, as “key workers”, and exempt them from travel restrictions, and to help keep supply chains open and global commerce running. It has become increasingly clear that due to the scale, complexity, and urgency of the COVID-19 crisis, addressing these issues effectively calls for a comprehensive and co-ordinated approach at the global level. UNCTAD actively collaborates with other international organizations as part of related international efforts. In December 2020, the UN General Assembly adopted a Resolution on: “[International cooperation to address challenges faced by seafarers as a result of the COVID-19 pandemic to support global supply chains](#)” (A/RES/75/17), inter alia, urging States to designate seafarers and other marine personnel as key workers and implement the [IMO protocols](#) to ensure safe ship crew changes and travel during the COVID-19 crisis⁷. As of 20 May 2021, [63 IMO Member States](#) and [Associate Member States](#) had signed on to designate seafarers as key workers. As requested in the UNGA resolution, UNCTAD will monitor and report on relevant developments to the General Assembly as part of the Review of Maritime Transport 2021.

As reported in the [UNCTAD annual Review of Maritime Transport 2020](#), the COVID-19 underscored the importance of maritime transport during a crisis triggered by both supply and demand shocks. Supply-chain disruptions and global demand contractions caused by the pandemic unfolded against the backdrop of an already weaker 2019. Trade tensions lingering since 2018 and uncertainty have weighed down on the maritime transport prospects. New additional tariffs introduced since 2018 are estimated to have cut maritime trade by 0.5 per cent in 2019, with the overall impact being mitigated by increased trading

⁷ Also worth noting in this context is the [Neptune Declaration on Seafarer Wellbeing and Crew Change](#), which was signed by over 600 companies and organizations recognizing their shared responsibility to resolve the crew change crisis.

opportunities in alternative markets. Maritime trade volumes increased at a marginal rate of 0.5 per cent in 2019 while maritime trade patterns shifted. The search for alternative markets and suppliers resulted in a redirection of flows away from China towards other markets, especially in South-East Asian countries. The COVID-19 disruption has added more pressures on maritime transport activity with shipping volumes estimated to have contracted by 4.1 per cent in 2020 and the number of global port calls fell by 10 per cent.

On the supply side, the total world fleet amounted to 98,140 commercial ships of 100 gross tons and above, equivalent to a capacity of 2.06 billion deadweight tons in early 2020. Suppressed demand forced container shipping companies to adopt more stringent strategies to manage capacity and reduce costs. Carriers have used capacity management strategies such as suspending services, blanking scheduled sailings, and re-routing vessels. From the perspective of shippers, service cuts and reduced supply capacity meant space limitations to transport goods and delays in delivery dates, affecting supply chains. In the first half of 2021, rapid recovery in demand and continued supply chain disruptions caused by the pandemic, including equipment shortages, have led to double-digit rise in freight rates. Meanwhile, economies of scale resulting from the deployment of increasingly larger vessels, are primarily of benefit to shipping carriers. Gains from the economies of scale do not necessarily extend to ports and inland transport service providers, as they often increase total transport costs across the logistics chain.

Capacity building and consensus building activities

UNCTAD continued its technical assistance work aimed at advancing the sustainable freight transport agenda. Areas of focus included sustainable shipping and ports as well as cross cutting issues such as finance and public-private partnerships (PPPs). In 2020, UNCTAD's work on sustainable freight transport has increased focus on resilience building in the face of disruptions caused by non-climate factors, such as pandemics, trade policy shocks and risks arising from increasing vessel sizes and infrastructural constraints affecting strategic maritime passages such as the Suez Canal (e.g., Ever Given incident). In 2020, UNCTAD developed [knowledge material](#) on COVID-19 and maritime transport and related implications for sustainable and resilient shipping. Webinars disseminating main findings have been delivered across regions, in collaboration with relevant UN Regional Commissions ([UNESCAP](#), [UNESCWA](#), [UNECA](#), [UNECLAC](#)). Much of this work was carried out as part of UNCTAD's contribution to the maritime component of the UN-wide project on "[Transport and trade connectivity in the age of pandemics: Contactless, seamless and collaborative UN solutions](#)". In addition, under the heading "[Maritime Supply Chain Resilience Tracker and KPIs](#)", UNCTAD is developing guidance material and capacity-building products.

Coordination and cooperation

UNCTAD's work on sustainable and resilient shipping is closely aligned with the [SDGs](#), including SDG 14 and builds heavily on the synergies and gains derived from enhanced collaboration and partnerships with varied partners (e.g. UN agencies such as UNDESA, UNESCAP, UNESCWA; UNECA, IMO; Academia and research institutions (e.g., WMU, Korea Maritime Institute, University of Antwerp, University of South Pacific); Think-tanks and multi-stakeholder grouping (Global Maritime Forum and Getting to Zero Coalition; ICS, IAPH, SLOCAT); and development banks (e.g., World Bank, Asian Development Bank, and Islamic Development Bank). UNCTAD continued engaging with relevant data providers and research institutions (e.g., MarineTraffic, MDS Transmodal, Clarksons Research Services, International Association of Maritime Economists) to expand its statistical and analytical work and make use of the latest available information,

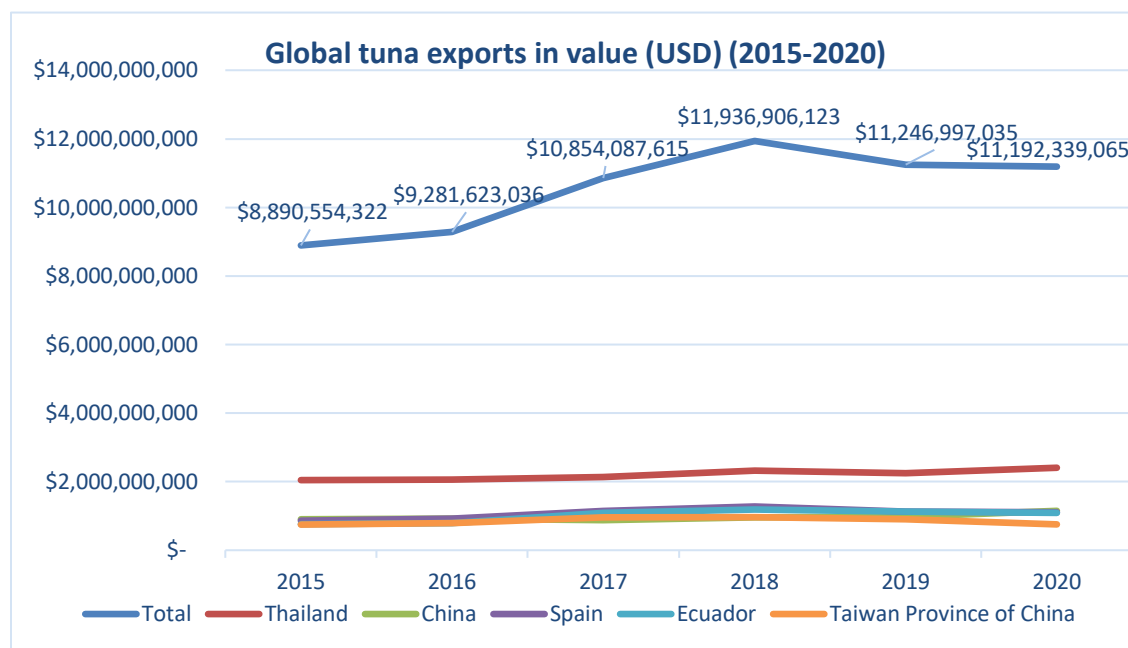
providing unbiased analysis and advice. Benefits arising from these collaborative efforts are manifold as they help to inform and support the provision of timely and evidence-based policy guidance and advisory services to developing countries. This is illustrated for example by the analyses and policy recommendations put forward by UNCTAD amidst the COVID-19 crisis. By monitoring real time information about ship movements captured through AIS data, UNCTAD was able to generate useful insights serving as [leading indicators about trends in COVID-19 impacts on maritime shipping](#) as well as [recovery in shipping and the world economy](#).

III. Implications of the COVID-19 pandemic

Implications for a sustainable ocean economy

The COVID-19 pandemic has generated unprecedented impacts on the global economy, prolonged uncertainty and halted many economic and social activities in both developing and developed countries overnight. The pandemic has sensitized the world to our shared fragility and the importance of preserving wildlife and ecosystems. It has also made clear just how quickly years of progress toward poverty and hunger eradication can unravel without the sustainable management of the planet’s marine and terrestrial resources and biodiversity.

According to UNCTAD estimates, [trade in goods dropped by about 6 percent while trade in services fall by 16.5 per cent in 2020](#). In the oceans economy these impacts while showing a similar downwards trend have been uneven. Trade in certain oceans based good such as tuna and tuna products exports have only gone down 2.4 per cent in 2020 showing certain level of resilience (see Figure below), while coastal and marine tourism has dropped about 70 percent one the same year with some sub sectors such as cruise tourism were totally on halt. Meanwhile, maritime trade volumes carried on board ships and handled by ports worldwide also contracted, albeit at a less dramatic rate.



Source: UNCTAD calculations based on INFOFISH data (2021).

But this is not the end of the story. Recovery is back on track. According to UNCTAD, during the first quarter of 2021, [the value of global trade in goods and services grew by about 4 per cent quarter-over-quarter and by about 10 per cent year-over-year](#). Quick trade recovery has been fuelled by improvements in vaccination programs in certain parts of the world, allowing for some economies to incrementally but cautiously, reduce protection measures and open economic activities. Maritime trade volumes have also been picking up speed as of the third quarter of 2020 amid new logistical challenges and bottlenecks that [drove up freight rates and shipping costs](#). Increases in shipping costs are a concern for all countries, in particular SIDS who already face unique transport and logistical challenges that derive from their inherent size and geographical, topographical and climate features. SIDS face some of the longest port ship turnaround times and lowest service frequencies and relatively higher transport costs. By mid-2021, maritime trade volumes have been gaining momentum, especially from Asia to developed regions. While reports about the surge in containerized trade flows on the Transpacific route between Asia and West Coast North America dominate the headlines, the global recovery remains uneven, however, with growth across regions progressing at different speeds.

UNCTAD has responded to the COVID 19 pandemic in a number of ways, including through preparation of [related policy briefs](#) ⁸ and through [organization of a high level dialogue on the impacts and policy and regulatory responses on the Blue Economy](#), including on fisheries, maritime transport, and coastal tourism. UNCTAD has also [developed knowledge material, guidance and capacity building tools](#) to support maritime transport stakeholders and policy makers navigate through the crisis and enhance preparedness in the face of a post COVID-19 world.

Towards a sustainable blue recovery

In the complex context of COVID-19 and its wide-ranging socio-economic implications, there is a need to devise a global and sustainable blue recovery and technical support mechanisms to support in particular some of the most vulnerable economies, including SIDS and LDCs. A blue recovery should be guided by SDG 14, including particularly target 7: “By 2030, increase the economic benefits to Small Island developing States and least developed countries from the sustainable use of marine resources, including through sustainable management of fisheries, aquaculture and tourism”.

One source for financing would be to shift capacity enhancing and other types of fish subsidies - estimated at about US\$10 billion in OECD countries and potentially above US\$20 to 30 billion worldwide - to finance a blue recovery worldwide. Such recovery could then focus on policy and financial instruments that encourage stock and ecosystem management, improve traceability and compliance with sanitary measures for blue products, enhance safety and social protection of crews and coastal workers, enable sustainable coastal and marine ecotourism and support alternative livelihoods economic activities of small scale fishers and coastal populations, as well as support climate change adaptation, particularly for critical infrastructure, such as ports. Additional financial instruments that could support the emergence of a post COVID-19 blue economy at the national level could include blue bonds, crowdfunding and blended funding.

Securing global supply-chains and facilitating international trade and transport

As part of UN action in response to the COVID-19 pandemic, UNCTAD and UN regional Commissions are currently implementing a joint UNDA technical assistance project on [“Transport and trade connectivity in](#)

⁸ Including a [10-point action plan](#) to strengthen international trade and transport facilitation in times of pandemic.

[the age of pandemics: Contactless, seamless and collaborative UN solutions](#)". UNCTAD is leading several of its components, including work to address some of the international commercial transport and trade law implications of the ongoing COVID-19 pandemic. Two Briefing Notes with a focus on [International Sale of Goods](#) and [Cargo Claims](#), respectively, have already been published, to highlight some of the complex commercial law issues that arise in the context of the pandemic and its aftermath for contracting parties to commercial contracts throughout the supply chain. Further related work is in progress.

As underscored in the [Review of Maritime Transport 2020](#), including by stakeholders from industry and SIDS, business continuity plans and emergency-response mechanisms have never been as vital as in the case of the COVID-19 crisis. The pandemic confirmed the need for the maritime transport of the future to be calibrated to risk exposure and for enhanced risk management and resilience-building capabilities to be ensured. Understanding exposure, vulnerabilities and potential losses is key to informing resilience-building in the sector. There will be increased demand for new criteria and metrics on risk assessment and management, digitalization, and harmonized disaster and emergency-response mechanisms. To support industry players and policymakers in ensuring an effective transition to the new paradigm, UNCTAD is developing guidance, tools and capacity building material with a view to future-proofing the maritime supply chain. The capacity building and guidance will be rolled out in the course of 2022.

Concepts such as resilience and sustainability take on their full meaning in SIDS. These States already face unique transport and logistical challenges that exacerbate their vulnerability and exposure to disruptive shocks, including from pandemics. Enabling a sustainable and resilient maritime transportation system in these States requires immediate actions and investment plans that promote low-carbon interregional and domestic shipping solutions and transport connectivity. It will also be important to devise adequate measures that help SIDS better anticipate future disruption and enhance preparedness to mitigate impacts and maintain business continuity. In its recent Policy Brief on "[Small island developing states: Maritime transport in the era of a disruptive pandemic - empower states to fend against disruptions to maritime transportation systems, their lifeline to the world](#)", UNCTAD has put forward policy recommendations for the way forward and suggestions on how best to enable sustainable and maritime transport in SIDS.

Coastal transport infrastructure adaptation and resilience building in SIDS

In the context of the COVID-19 pandemic, SIDS have been identified as one of the groups that are being and will continue to be disproportionately affected by the evolving economic crisis. This has been attributed to these countries' high vulnerability to economic and environmental, remoteness, dependence on a few advanced markets for imports and exports, high dependence on trade, narrow production base and high levels of indebtedness. SIDS continue to merit special consideration owing to the unique circumstances confronting them not least of which is the impact of external shocks on their economies. The evolving global economic crisis caused by the COVID-19 pandemic is but one example of such shocks.

While the severe economic impacts of the global COVID-19 public health crisis might challenge the adaptation efforts for transport infrastructure in the short term (through a shift in budget allocations resulting in a decrease of infrastructure financing, for example), recent scientific insights underscore the increasing urgency of accelerating action.⁹ Experience with the pandemic underlines the critical

⁹ [IPCC Special Report on Impacts of 1.5 °C global warming](#); [IPCC 2019 Special Report on Ocean and Cryosphere](#); [UNEP Emissions Gap Report 2020](#), WMO [Statement on the state of the global Climate in 2020](#); DeConto, R.M., Pollard, D., Alley, R.B. *et al.* [The](#)

importance of preparedness, risk assessment and resiliency building. Lessons learnt should provide an impetus for climate risk and vulnerability assessments of critical transport infrastructure and foster long-term planning, essential to enhancing resiliency and building back better. Upscaling capacity building for energy efficiency and renewable energy generation may bring major co-benefits, in terms of climate change mitigation and adaptation – including in response to increasing heat extremes - as well as reduce energy related expenditures and dependency on energy imports. This is particularly important for SIDS that are vulnerable to supply-chain disruptions and are facing a reduction in earnings potential as a result of the impacts of the pandemic on major economic sectors, such as tourism.

Synergy will be required in responding to implications of COVID-19 and climate crises, particularly for SIDS. In addition to financial support, including for the purposes of technical risk-assessments, increased investment in local/regional human resources and skills (e.g., skilled coastal scientists/engineers) will be critical for successful adaptation and resilience building in the future. Appropriate policies, standards and regulatory approaches have an important role to play, particularly in the context of infrastructure planning and coastal zone management, as have methodologies and other tools in support of adaptation, such as the [“Climate Risk and Vulnerability Assessment Framework for Caribbean Coastal Transport Infrastructure”](#), developed by UNCTAD, as part of its [SIDSport-ClimateAdapt](#) project. Relevant priorities should be included by SIDS as part of their technical cooperation fundraising strategies and post-pandemic recovery plans and highlighted as part of intergovernmental policy deliberations and processes.

[Paris Climate Agreement and future sea-level rise from Antarctica](#). *Nature* **593**, 83–89 (2021). Lenton, T.M. *et. al*, [Climate tipping points — too risky to bet against](#). *Nature* **575**, 592-595 (2019).