

UNCTAD contribution to Part II of the Report of the Secretary-General on Oceans and the Law of the Sea 2022

I. Developments related to the implementation of General Assembly resolution 76/72, 20 December 2021

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 11, 36, 48, 161, 201, 202, 213, 220, 222, 224 to 228, 234, 244, 305 of the General Assembly resolution 76/72, UNCTAD has continued its contribution to the implementation of trade-related aspects of SDG 14 on biodiversity, sustainable ocean economy sectors development and response measures to the marine plastics pollution challenge, in particular with reference to coastal developing countries and small island developing States (SIDS); as well as on strengthening international cooperation in these areas. Relevant work, including research, technical assistance, intergovernmental dialogue, and related capacity building activities, as detailed further below, also contributes to implementation of other relevant of Sustainable Development Goals such as 2, 3, 8, 10, 12, 13 and 17.

Capacity building

Oceans Economy and Trade Strategies (OETS)

In line with the paragraphs 11, 36, 48 of the General Assembly resolution 76/72, UNCTAD has continued the implementation of the [UNCTAD-DOALOS Development Account project on oceans economy and trade strategies](#) in 2021. The project aims to build capacity in identifying oceans-based products and services in light of SDG 14. In 2021 several capacity building activities took place. Including, the UNCTAD-OLA/DOALOS [regional experience sharing workshop](#) held on 23-24 September 2021, a side event of UNCTAD 15th quadrennial conference theme "[From inequality and vulnerability to prosperity for all.](#)" The workshop highlighted the need to strengthen capacities of coastal developing countries, in particular SIDS, the importance of adopting, elaborating and implementing evidence-based and policy coherent to promote sustainable trade of products and services in ocean-based economic sectors within the framework of the 1982 United Nations Convention on the Law of the Sea (UNCLOS). During the workshop, high-level policymakers, national fisheries departments, financial/trade support institutions and fisheries experts recapped the OETS project's achievements and lessons learned, as well as discussed, the way forward to a sustainable ocean economy that benefits everyone. In total, 96 participants attended the event, 40 per cent of whom were female.

UNCTAD and DOALOS also provided training and launched [Costa Rica's sustainable seafood and aquaculture collective brand Pura Vida](#) on 11 November 2021. This is Costa Rica's first ever seafood and aquaculture trademark that differentiates Costa Rican seafood and aquaculture products that meet certain conditions (from production to delivery to the consumer), and promote social, economic, and environmental sustainability. This collective brand is promoted by the country Ministry of Foreign Trade (COMEX), the Costa Rican Fisheries and Aquaculture Institute (INCOPECA) and the National Chamber of Exporters of Fishery and Aquaculture Products (CANEP). The training included three modules taught by

experts in marketing and intellectual property. UNCTAD and DOALOS, also partnered in the production of four publications that aim to advance knowledge on sustainable economies, these include: [“Towards a climate resilient multispecies finfish management plan for Belize”](#) (UNCTAD/DITC/TED/2022/1), [“Oceans Economy and Trade Strategy: Barbados large pelagic longline fishery”](#) (UNCTAD/DITC/TED/INF/2021/1), [“Impact and implications of COVID-19 for the ocean economy and trade strategy”](#) (UNCTAD/DITC/TED/2021/4). UNCTAD and DOALOS also teamed up on the production of a short documentary film on the Oceans Economy and Trade Strategies (OETS) project entitled [The Blue Connection](#) which was presented at the 4th Oceans Forum on trade-related aspects of Sustainable Development Goal 14, and is available in [Youtube](#).

Furthermore, UNCTAD together with DOALOS, IISD, GSSI and the Monterey Bay Aquarium are currently organizing a side event entitled [“Addressing key challenges in fisheries, aquaculture and seafood trade policy for sustainable development”](#) for the upcoming [2022 UN Ocean Conference](#) that will take place on 1 July 2022 in Lisbon, Portugal. The event responds to paragraph 48 and 277 of the General Assembly resolution 76/72.

Blue BIOTRADE

The UNCTAD has continued the implementation of the [Blue BioTrade](#) initiative which aims to promote trade and investment in marine biological resources in line with social, economic and environmental sustainability criteria, known as the BioTrade Principles and Criteria (2017 and revised in 2020). The project responds to paragraphs 11, 36, 161, 201, 202, and 220 of the General Assembly resolution 76/72. In that framework, in 2021 UNCTAD started the implementation of a regional Blue BioTrade project [“Seizing the trade and business potential of Blue BioTrade products for promoting sustainable livelihoods and conservation of marine diversity in selected OECS countries \(Blue BioTrade project\)”](#), which is conducted in cooperation with the Organization of East Caribbean States (OECS) and the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), and with the financial support of the European Union through the Regional Integration through Growth, Harmonisation and Technology (RIGHT) Programme. The project is expected to complete the first phase in July 2022, and then start a second phase with the financial support of the Caribbean Biodiversity Fund (CBF). 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 focuses on OECS Member States, particularly those producers of queen conch (*Strombus gigas*, an appendix II CITES-listed species): Grenada, Saint Lucia and St. Vincent and the Grenadines.

The activities of the regional Blue BioTrade that took place since September 2021 included a country study for each of the participating OECS Member States which benefited from national and international expert advice during the peer review and validation process. At present, four publications have been released, namely: [“Blue BioTrade in Grenada: Developing value for the sustainable trade and production of queen conch in the Eastern Caribbean”](#) (UNCTAD/TCS/DITC/INF/2022/4), [“Blue BioTrade in Saint Lucia: Developing Value for the Sustainable Trade and Production of Queen Conch in the Eastern Caribbean”](#) (UNCTAD/TCS/DITC/INF/2022/2), [“Stakeholder maps of the conch value chains of Grenada, Saint Lucia, and Saint Vincent and The Grenadines”](#) (UNCTAD/DITC/TED/INF/2021/4), and [“A summary of country case study recommendations for policy makers, exporters and investors”](#) (UNCTAD/DITC/TED/INF/2022/1); forthcoming is the Blue BioTrade country study for Saint Vincent and the Grenadines.

The regional Blue BioTrade activities also included a consultation and validation meeting organized for the Blue BioTrade in Saint Lucia, entitled "[Developing value for the sustainable trade and production of queen conch in the Caribbean](#)," and held on 4 November 2021 in Saint Lucia. A BioTrade Self-assessment tool Training for Trainers that took place on 24 November 2021, and a "[Regional workshop and validation of the OECS Blue BioTrade Action Plan for the queen conch value chain in the Eastern Caribbean](#)" held between 26 - 27 May 2022, Online and Kingstown, in Saint Vincent and the Grenadines. In the case of the later, the main results and agreements from the discussion of the 'OECS Blue BioTrade Plan of Action for the Eastern Caribbean Queen Conch Value Chain' were organised based on [UNCTAD's 7 BioTrade Principles and Criteria](#). The participants to the workshops and trainings included fishers, conch processors and distributors, government officials from the departments of fisheries, other policy advisors and NGO representatives pertaining to the queen conch value chain in the OECS countries (particularly Grenada, Saint Lucia and Saint Vincent and the Grenadines) and the Caribbean. Finally, other outputs in the framework of the above activities include a video on the [Consultation and validation meeting Blue BioTrade in Saint Lucia](#). A forthcoming UNCTAD-OECS-CITES side event "Promoting implementation of CITES towards sustainable and traceable ocean trade: Spotlight on the UNCTAD-OECS Blue BioTrade project" that will take place during the [Second UN Ocean Conference](#) on Friday 1 July 2022, which is in line with paragraph 161 of the General Assembly resolution 76/72.

Strengthening international cooperation

Towards a Trade, Investment and Finance Blue deal

Protecting our ocean and boosting its economic benefits so to create a sustainable and resilient ocean economy that benefits all, demands a global trade, investment, and innovation "Blue Deal". On 6 to 8 April 2022 UNCTAD in cooperation with FAO, UNEP, The Commonwealth, OACPS, CAF, and IOI and with the support of the Republics of Portugal and Kenya, held the [4th UN Oceans Forum on trade-related aspects of Sustainable Development Goal 14](#) "A shift to a sustainable ocean economy: Facilitating post-COVID-19 recovery and resilience." The 4th Oceans Forum examined how a "Blue Deal" to build a resilient ocean economy will boost trade, livelihoods and food security, while improving the health of the ocean in the face of increased plastics pollution and carbon emissions. As a response to paragraphs 11, 48, 222, 224 to 228, 234, 244, 305 of the General Assembly resolution 76/72, the Forum offered a unique opportunity to discuss solutions for using trade as a tool to protect our ocean and its resources, accelerating the implementation of Sustainable Development Goal 14's trade-related targets. In addition, UNCTAD also organized two side events at the 4th Ocean Forum, one on "[Side Reflections on the Bridgetown Covenant and UNCTAD15 Outcomes: The role of knowledge-based institutions in achieving common aims through capacity development](#)" on 6 April 2022, and another on "[Sustainably harnessing the potential of marine bio-prospecting for socioeconomic development in SIDS](#)" on 7 April 2022. The fourth edition of the UN Ocean Forum concluded in a call for sufficient and reliable long-term investment in a [Blue Deal](#) to conserve and sustainably use the ocean for sustainable development. The Forum main [recommendations on the actions needed to build a sustainable ocean economy](#), which will contribute to discussions at the [Second UN Ocean Conference](#) in Lisbon from 27 June to 1 July 2022, can be grouped into: 1) Promote non-polluting substitutes, 2) Finalize a fisheries subsidies agreement, 3) Address social issues in ocean sectors, 4) Scale up access and use of technology, 5) Build sustainable and resilient supply chains.

UNCTAD has also contributed to advance discussions and enhance understanding on "[The Ocean Economy: trends, impacts and opportunities for a post COVID-19 Blue Recovery in developing countries](#)" which respond to paragraphs 48 and 225 of the General Assembly resolution 76/72.

Phasing out harmful fisheries subsidies

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. Since 2016, UNCTAD, FAO and UNEP have been providing support and technical assistance to WTO 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. In view of the WTO 12th ministerial conference scheduled for June 2022 and responding to paragraphs 3 and 48 of the General Assembly resolution 76/72. In 2022, UNCTAD and FAO produced a policy note [“*Fisheries subsidies deal: Why we need it and how to implement it*”](#) to contribute to the ongoing discussions on fisheries subsidies among WTO Member States. On 19 May 2022, UNCTAD and DOALOS also organized a [*Briefing of the WTO Negotiations on Fisheries Subsidies*](#) in parallel to Fifteenth round of Informal Consultations of States Parties to the United Nations Fish Stocks Agreement, in order to inform delegations on most recent developments and prepare the ground for implementation.

Addressing Plastic pollution and the role of plastic substitutes

As part of international cooperation efforts and in response to SDG 14 target 1 and paragraphs 48, 222, 224, 225, 226, 227, 228 of the General Assembly resolution 76/72, UNCTAD produced a note for action on plastic pollution [“*How to build concerted multilateral action on plastic pollution*”](#) as turning the tide on plastic pollution requires multiple and parallel responses within the UN and the multilateral trade system to succeed. It also requires bottom-up, detailed analysis and action at the domestic level, redesigning incentives towards less overall resource usage. Plastic pollution, alongside climate change and biodiversity loss, is a key environmental challenge today. Approximately 76% of all plastic produced between 1950 and 2017 has become waste. Of this plastic waste, three quarters were discarded, placed in landfills, or abandoned in terrestrial and marine environment. In that framework UNCTAD has been mandated to “address the discharge of plastic litter and other waste in oceans and significantly reducing marine pollution of all kinds and ensuring sustainable consumption and production patterns” under the [*Bridgetown Covenant*](#) adopted in October 2021. Therefore, UNCTAD will continue to strengthen international cooperation in international fora, such as those part of the World Trade Organization (WTO) where a growing group of WTO Member States support an [*informal dialogue on plastic pollution \(IDP\)*](#), with over 58 of them co-sponsoring a ministerial declaration on plastic pollution and environmentally sustainable plastic trade at the upcoming 12th WTO ministerial conference.

Furthermore, UNCTAD produced a study on [“*Material substitutes to address marine plastic pollution and support a circular economy*”](#) (UNCTAD/DITC/TED/INF/2021/5) which explores options that exist to promote plastic substitutes along with the issues, challenges and considerations that policymakers are likely to face, particularly from a trade and sustainable development perspective. The negative environmental impact of plastic pollution, especially in the world’s oceans, is widely recognized and acknowledged. To date, the focus of efforts to reduce plastic pollution has been largely on minimizing marine pollution as well as on ‘end of life’ disposal and clean-up solutions. There is, however, growing recognition of the need to focus on upstream part of the plastics life cycle, including measures to reduce

production and use of conventional polymers. UNCTAD's paper responds to paragraphs 48, 222, 224, 225, 226, 227, 228 of the General Assembly resolution 76/72.

Making available oceans trade knowledge and data

UNCTAD is also strengthening international cooperation in line with SDG 14.7 and responding to paragraphs 48 of the General Assembly resolution 76/72. UNCTAD has developed a dataset on Ocean Trade which is now available in the [UNCTADstat Data Center](#). The database initially included data on trade flows on goods part of the oceans economy, and is soon to include trade data on services, as identified by UNCTAD's [sustainable ocean economy \(SOE\) classification for tradable goods and services](#). The classification features three categories: goods, services, and energy. This classification and the novel dataset mark important steppingstones as these contribute to enhancing understanding on the oceans economy economy's reach and importance (including sizes and related trade flows) at the national, regional, and global levels, spur collaboration across sectors and countries, and better monitor trends 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. The oceans trade dataset has already allowed to produce the first ever report on "Advancing the potential of sustainable ocean-based economies: trade trends, market drivers and market access" (UNCTAD/DITC/TED/INF/2021/2).

UNCTAD has also responded to paragraphs 11, 48, 225 of the General Assembly resolution 76/72 through its work on the diffusion of Ocean Knowledge. It is only through synchronous layers of capacity development – from entry-level approaches for the wider public to knowledge-sharing between experts and high-level decision-makers and government officials – that the diffusion of Ocean Knowledge will turn into Ocean Action. While the urgency and timeliness of capacity development has been increasingly acknowledged internationally and regionally, knowledge on the ocean economy remains somewhat scattered. In that framework, UNCTAD, the United Nations Institute for Training and Research (UNITAR), the International Ocean Institute (IOI), and GOAL Global are joining forces to present the resources they can offer towards capacity development, during the side event "[From ocean knowledge to action: Developing capacity to create a sustainable ocean economy](#)," that the agencies are organizing at the United Nations Ocean Conference that will take place on 30 June 2022. During this event UNCTAD will present its [database on ocean trade](#) drawing for the first time on all official data reported by UN Member States and covering both goods and services.

2. Climate Change impacts and adaptation

UNCTAD contribution to the implementation of climate change-related aspects of GA resolution 76/72 and related SDGs

Responding to paragraphs 11, 36, 206, 207, 208, 209, 215, 220, 294, 357 and 361 of the General Assembly resolution 76/72, 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 urgent](#).

Associated risks, vulnerabilities and costs may be considerable, 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 taken](#). In the absence of timely planning and implementation of requisite adaptation measures, 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](#) well in excess of 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.

To assist in the process of transport infrastructure adaptation and resilience building, a number of [recommendations](#) have been developed by the Marrakech Partnership for Global Climate Action, focusing on ‘Resilient transport systems, infrastructure and vehicles’, together with [milestones](#) towards 2050 (for 2025, 2030 and 2040), and reflecting among others inputs from UNCTAD.⁴ Accordingly, by 2025, all new transport infrastructure, systems and, where necessary vehicles, should be climate-resilient to at least 2050; by 2030, that should extend to all critical transport infrastructure and systems. By 2040, all critical infrastructure and systems should be climate-resilient to at least 2100. Translating this timely ambition into action will require a major acceleration of efforts, as well as technical and human capacity building and finance, particularly for developing countries.

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), as recently reconfirmed in the Bridgetown Covenant (2021), TD/541/Add.2; Paras. 5 and 127.

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, as well as to Part II of the Report of the Secretary-General on Oceans and the Law of the Sea 2021.

⁴ The UNCTAD contribution draws on some 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, as well as the MYEM on [Climate Change Adaptation for Seaports in Support of the 2030 Agenda for Sustainable Development](#), held in October 2020.

Effective adaptation will need to be underpinned by strong legal and regulatory frameworks, along with strategies, policies and plans to reduce [vulnerability](#). An example in this regard is the OECS Climate Change Adaptation and Strategy and Action Plan (CCASAP), endorsed by the [8th meeting of the OECS Council of Ministers on Environmental Sustainability](#) in May 2021.

Standards, guidance and tools for stakeholders also have an important role to play. Relevant in this context are for instance a [methodology](#) developed by UNCTAD as part of its technical cooperation for Caribbean SIDS, as well as recent industry guidance on ‘[Climate Change Adaptation Planning for Ports and Inland Waterways](#)’, developed by the World Association for Waterborne Transport Infrastructure (PIANC), in collaboration with partners, including UNCTAD; also relevant is a new ISO standard ISO 14091:2021 – [Adaptation to climate change-Guidelines on vulnerability, impacts and risk assessment](#), which covers vulnerability to climate change, and highlights the importance of risk assessments and of monitoring and evaluating any organization, regardless of size, type, or nature.

Strengthening international cooperation

UNCTAD work on issues related to climate change adaptation, resilience building and DRR for transport infrastructure, benefits from close cooperation and synergies with a wide range of partners, and with a multidisciplinary network of collaborators, including international and regional academic experts, among others (see e.g. <https://SIDSport-ClimateAdapt.unctad.org>). Inter alia, this collaboration has resulted in two peer reviewed papers ([Becker et al, 2013](#) and [Monioudi et al, 2018](#)) which have informed among others the [IPCC AR5](#), [IPCC 2018](#), [IPCC SROCC 2019](#) and [IPCC 2022](#) reports, as well as national policies.

UNCTAD has also contributed to the UNFCCC Policy Brief on “[Technologies for Averting, Minimizing and Addressing Loss and Damage in Coastal Zones](#)”; and has extensively collaborated 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; collaboration with [ILO, IMO and WHO on seafarers' issues](#), in particular on the crew change crisis; as well as cooperation with UNCITRAL in relation to preparatory work on negotiable multimodal 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](#). In addition, UNCTAD has recently cooperated with UN DESA as part of the preparations for the 2nd UN Global Sustainable Transport Conference, held in Beijing on 14-16 October 2021, and the [Second UN Ocean Conference](#) to be held in Lisbon in June 2022; with UN Global Compact, on Ports Practical Guidance; Coalition for Disaster Resilient Infrastructure (CDRI); as well as UNDRR and a number of research projects, such as the EMERGE Project (Evaluation, control and Mitigation of the EnviRonmental impacts of shipping).

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

Relevant developments in trade-related aspects of SDG 14

It is important to ensure conservation and sustainable use of oceans, seas and marine resources, including addressing the discharge of plastic litter and other waste in oceans and significantly reducing marine pollution of all kinds and ensuring sustainable consumption and production patterns. UNCTAD has a recent track record on the matter under the Oceans Forum, the SMEP programme and by GDS. Action by Members within the multilateral trading system will be essential to shift incentives from plastic trade and consumption towards increased trade of substitutes and higher provision of environmentally sound waste management services. Actions such as addressing tariff and non-tariff measures to promote trade in plastic substitutes, phasing out subsidies to fossil fuels and polymer production, promoting investment in waste management services, rechannelling ODA towards waste management and recycling, updating international standards related to plastic pollution, and facilitating transfer of innovative technologies could provide the right market signals for a faster transition. Such actions, however, will require assisting developing countries in such transition. Furthermore, it will require enabling private entrepreneurs to more circular resource use.

Mainstreaming ocean and biodiversity goods and services into WTO Environmental Goods and Services (EGS) can directly contribute to:

- Climate mitigation (e.g., offshore wind energy and REDD+ schemes)
- Climate adaptation (e.g., coastal protection and forest management services)
- Nature-based Solutions (NbS) could provide up to 37% of climate mitigation needed by 2030 to keep global warming below 2°C (IPBES, 2019)
- Many natural based products are compostable, biodegradable and can more easily use in circular economic systems (e.g., organic and agricultural wastes) and can be important substitutes to synthetic & polluting materials (e.g., non plastic materials substitutes such as natural fibers)
- Freer flows of oceans and biodiversity-based products under a sustainable criteria will provide business, income and employment opportunities for local communities and custodians, particularly women and indigenous peoples (e.g., BioTrade products)

Relevant developments in maritime transport

International maritime trade slumped by -3.8 per cent in 2020 with volumes reaching 10.65 billion tons, over 422 million tons less than in 2019. However, despite the contraction, shipping has managed to navigate through the crisis, with impacts on maritime trade being not as dramatic as initially feared.

UNCTAD expects world maritime trade to return to the 2019 levels and recover by around 4 per cent in 2021. While the short-term is positive, prospects remain, uncertain with the recovery being dependent on the pandemic's path and the risk of new infections and associated restrictions and lockdowns. It also rests on keeping trade flowing by minimizing the disruptive effect of heightened geopolitical risks and trade protectionism as well as maintaining supportive macroeconomic and fiscal conditions. The intensified cost pressures, inefficiencies, and vulnerabilities in the maritime supply chain primarily driven by COVID-19 disruption and its knock-on effects on shipping and ports could dampen growth by disrupting supply chains and raising both production and production and consumption costs.

On the supply side and after many years of structural oversupply, global demand growth in 2021 outpaced supply. This situation stems from capacity cuts undertaken by companies to adapt transport capacity to demand during the pandemic and subsequent demand growth and logistical hurdles. In 2020, the global commercial shipping fleet grew by 3 per cent while shipbuilding and ship ordering declined by 16 percent. In early 2021, the total world fleet amounted to 99,800 ships of 100 gross tons and above, equivalent to 2,1 billion dwt of capacity.

Ongoing energy and environmental transition are redefining maritime transport and trade and causing shifts in maritime trade patterns. With governments increasingly linking post-pandemic spending and recovery plans to environmental sustainability and digitalization, these shifts are likely to accelerate. Over one-third of global maritime trade by volume is fossil fuels, while smart and sustainable shipping and ports are at the forefront of the global decarbonization, sustainability, and digitalisation agendas.

Decarbonization features prominently in shaping the future of maritime trade, shipping and ports. Changes to align shipping operations with decarbonization targets will entail a significant cost. However, the shipping industry faces significant uncertainty, which has an impact in terms of scaling up investment need to expand the fleet, to cater for trade growth, and at the same retrofitting or replacing the existing fleet. This uncertainty stems from decarbonization regulatory framework as well as with the direction of the energy transition. However, there is no doubt that the Green Transition will cause fundamental change in shipping, trade and energy. For instance, a recent [UNCTAD report assessing the impact of the short-term measure agreed recently at the International Maritime Organization \(IMO\)](#) found that this measure could translate into potential changes affecting ship costs, ship travel distance, fleet distribution, routing patterns, use of different types of vessels and may lead to increases in maritime logistics costs.

There is need for a predictable environment at the global level, to provide certainty to investors to embark in trialling and scaling up alternative fuels, make needed landside investments and replace older vessels with larger and more fuel-efficient ships.

Capacity building and consensus building activities

As maritime transport handles over 80% of world merchandise trade by volume, aligning the sector with the SDGs has become more important than ever. The COVID-19 crisis reaffirmed the central role of transport in sustainable development, emphasizing existing challenges and creating new ones.

In 2021, UNCTAD continued its technical assistance activities while building on the synergies and gains derived from enhanced collaboration and partnerships with varied partners. This includes United Nations entities, such as UNDESA, UNOHRLLS, UNECA, UNESCAP, UNESCWA, UNECE, UNECLAC, and the IMO, African Union and UN Country Teams and Resident Coordinator's Office. UNCTAD continued this collaboration to help developing countries tackle the trade and transport challenges that resulted from the coronavirus pandemic. Relevant work was carried out under the framework of the Joint Rapid Response under the United Nations Development Account (UNDA) project on "[Transport and trade connectivity in the age of pandemics: Contactless, seamless and collaborative United Nations solutions](#)".

Under the heading "[Maritime Supply Chain Resilience Tracker and KPIs](#)" of the UNDA project, UNCTAD produced a number of Impact Assessment Reports (one global and three regional) focusing on shipping connectivity, trade, and port efficiency. The Assessment reports identified COVID-19 impacts on various aspects of the maritime supply chain as well as relevant response measures that can provide lessons to learn from and good practice. In collaboration with ESCAP, ECLAC, ESCWA and ECA, regional webinars

targeting Asia, Africa, Latin America and the Caribbean have been delivered in 2020 and 2021. These helped to share insights, disseminate key findings and gather feedback about resilience building needs in these regions. A dedicated survey questionnaire was elaborated by UNCTAD and widely circulated across key stakeholders. Feedback received has further informed UNCTAD's work and shaped the thinking as to the guidebook and guidance prepared to help countries build their capacity to future proof their maritime supply chain. All material produced, including good practices identified, case studies and tools are made available in a Guidebook as well as a dedicated web platform. A tailored training package on Maritime Supply Chain Resilience has also been prepared.

Another UNDA project on "[Promoting Sustainable Smart Ports \(SSP\) in selected African countries, including SIDS to recover better post-COVID19](#)" (2022-2025), is also developed and being implemented by UNCTAD to strengthen the capacities of selected countries in Africa, including SIDS, in building Sustainable Smart Ports (SSP) that promote sustainable energy and technology-driven solutions for a better and sustainable recovery from the COVID-19 pandemic and the achievement of the SDGs.

In collaboration with UNESCAP, UNCTAD initiated two new and innovative technical assistance projects namely, (i) UNDA project on "Enhancing a shift towards sustainable freight transport in the Asia-Pacific region" (2020 – 2023) where the project builds on UNCTAD sustainable freight framework (SFT) which was developed as part of a UNDA project in 2015 to assess the sustainability performance of a sector, identifying challenges and defining a strategy to enable the shift to sustainable transport. As part of its contribution, UNCTAD is carrying out a national SFT assessment for Fiji as well as support in the subregional strategies; (ii) on maritime connectivity for ASEAN and the Pacific region and organizing meetings for policy development". The overall objective of the project is to improve the quality of maritime and port connectivity policies and related regional cooperation in maritime sector in ASEAN countries and the Pacific SIDS to achieve more resilient and efficient supply chains in the context of COVID-19 (implementation started in 2022).

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, UNESCAP; 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, Sum4All); and development banks (e.g., World Bank, Asian Development Bank, and Islamic Development Bank). Thanks to the strengthened collaboration, access to real-time data through more collaboration with data providers and the leveraging partnership networks, UNCTAD expanded its ability to deliver timely and topical analyses. Insights generated helps inform policy formulation and response measures in the face of pressing themes spanning sustainability and resilience in maritime transport, geopolitical risks and global supply chain crunch and related implications for global supply chain integrity, inflation and food security.

In line with the long-standing collaboration, UNCTAD continued its work with the IMO, over the past year, and contributed expert advice and substantive input into IMO's mandated assessment of the potential impact on States of the proposed short-term IMO GHG reduction measure. This entailed carrying out a thorough evaluation of the potential impact on States of the proposed IMO short-term GHG measure before the adoption of relevant amendments by the IMO Marine Environment Protection Committee (MEPC) in June 2021. Guidance and expert knowledge provided by UNCTAD has helped inform

deliberations under the IMO Marine Environment Protection Committee (MEPC) which, in 2021, approved short-term measures aimed at curbing carbon emissions from shipping while bearing in mind the special needs of vulnerable economies in particular small island developing states (SIDS).

III. Implications of the COVID-19 pandemic

Implications for a sustainable ocean economy

Overall, the COVID-19 pandemic has reversed previously favourable trends, delayed further the achievement of targets and indicators of SDG 14. Since the COVID-19 outbreak in March 2020, most countries experienced sharp drops in fish production, estimated between 40 to 80 per cent during the first wave of the pandemic in 2020. Small-scale fishers and their communities were hit hardest and fleets fishing for export were most impacted because of market closures. Overall, **global fish production** decreased by less than 5% in 2020, with marine fisheries decreasing by 1.9% ([SOFIA, 2022](#)). When and where fishing was authorized, demand did not follow, prices saw sharp decrease as a result of reduced spending of households on grocery, and the closure of export, tourism and related sectors. As for **marine aquaculture**, it struggled to maintain its planned production cycles, due to disruption on the supply of production inputs (such as seeds and feed), market demand and access to credit. As result, production costs increased significantly. Demand for **processed products** such as canned tuna and frozen fish and seafood increased while fresh fish sales were falling due to COVID-19 market closures. On a positive note, **retail sales**, initially marked by extreme volatility, bounced back as demand increased, including by direct delivery and through online fish selling platforms ([UNCTAD, 2022](#)).

The halt on **tourism** resulted in losses of critical natural habitats and wildlife resources due to the strong linkages of this sector with conservation and biodiversity efforts. Livelihoods of coastal communities, previously reliant on the revenue from eco and conservation tourism were severely compromised – not least because many governments and coastal communities use marine tourism revenue to fund marine research and conservation efforts and to undertake monitoring and protection activities ([Hockings et al. 2020](#)).

The high-level panel on sustainable ocean economy ([Stuchtey et al., 2020](#)) estimated the current investment in sustainable ocean industries, biodiversity and conservation largely inadequate, needing to at least quadruple to restore and sustainably maintain ocean health. The underlying threats from climate change, biodiversity loss and pollution, which has been aggravated by the COVID-19 pandemic, need decisive action to be averted, but the advent of the pandemic in conjunction with often stagnant progress in many areas of international development and cooperation have compounded the problem ([UN DESA, 2021](#)). This situation has become even more difficult as many countries have shifted priorities to address first the impact of COVID-19. In addition, many developing countries have contracted unsustainable levels of external debt that further act as a barrier for transitioning to a sustainable ocean economy. That said, achieving the SDG 14 targets, transitioning towards a sustainable ocean economy, also requires a better alignment of policies across multiple sectors, will require adopting sustainable best practices and coherent ocean economic policies to ensure that the preservation and management of marine and coastal ecosystems offer further opportunities for healthier stocks and higher value-added activities, as well as ensuring social equity, using more holistic and integrated approaches. Sustainable fishing and aquaculture, seaweed culture ecotourism, marine biotechnology, and offshore renewable energy should all be considered to achieve this.

Securing global supply-chains and facilitating international trade and transport

The unprecedented disruptions associated with the COVID-19 pandemic have important implications for the performance of commercial contracts, affecting traders across the globe. In all cases where performance is disrupted, delayed, or has become impossible, legal consequences and claims arise, increasing the need for dispute resolution across jurisdictions. With much of global commodities' trade conducted on shipment terms CIF and FOB, and more than 80% of the volume of global merchandise trade carried by sea, the legal implications of the pandemic for some of the main types of closely interconnected commercial contracts involved deserve particular attention and need to be better understood, so as to reduce the need for costly litigation and help inform commercial contracting practice into the future.

As part of collaborative UN action in response to the COVID-19 pandemic, UNCTAD and UN regional Commissions have been implementing a joint UNDA technical assistance project on "[Transport and trade connectivity in the age of pandemics: Contactless, seamless and collaborative UN solutions](#)". UNCTAD is leading one of the project components, focusing on key commercial implications of the pandemic, with special regard to certain types of commercial contracts. Two substantive briefing notes on: "[COVID-19 implications for commercial contracts: carriage of goods by sea and related cargo claims](#)", and on "[COVID-19 implications for commercial contracts: International sale of goods on CIF and FOB terms](#)" have been published, as well as one analytical report "[Contracts for the carriage of goods by sea and multimodal transport - Key issues arising from the impacts of the COVID-19 pandemic](#)". The documents consider key legal implications of the pandemic and related response measures, as well as contractual approaches to commercial risk-allocation, and provide some recommendations for commercial parties as well as considerations for policymakers. Four related online [training courses](#) were held in May and June 2022, with overall XX participants, and a webinar with a focus on policy considerations arising was held, as part of the UNDA closing event, on 21 June 2022. A further report, highlighting contractual approaches to loss prevention in relation to CIF and FOB contracts, is being finalized for publication.

Another set of issues worth highlighting in the context of the pandemic are the particular challenges arising for the world's 1.9 million [seafarers](#), many of whom are from developing countries. Throughout the ongoing COVID-19 pandemic, seafarers are playing a vital role in ensuring the flow of critical goods along supply chains and keeping world shipping and trade moving. Due to public health and travel related restrictions taken by countries to contain the spread of COVID-19, many seafarers have been unable to leave ships, remaining stranded at sea far beyond the expiration dates of their contracts and the default 11-month maximum period of continuous service on board, as required by the Maritime Labour Convention, 2006, as amended (MLC, 2006). For the same reasons, some seafarers have been unable to join ships to replace stranded crews, leading to a significant loss of income and resulting in hardship for seafarers and their families.

As requested in the UNGA 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), UNCTAD monitored and reported on relevant developments regarding the seafarers crisis, to the UN General Assembly, through [Chapter 5](#) of the [UNCTAD Review of Maritime Transport 2021](#). In addition, in December 2021, a related [UNCTAD Policy Brief 91](#), containing updated data and information was published. Both Chapter 5 of the UNCTAD Review of Maritime Transport and the related UNCTAD Policy Brief 91, have benefited from insights gained as part of UNCTAD collaboration with ILO, IMO, and other international bodies, on seafarers' issues. They highlight areas where industry, governments, and international organizations can cooperate to protect seafarers' human and legal rights and implement relevant labour standards, including those agreed in the ILO Maritime Labour Convention 2006; and help alleviate their

plight resulting from the COVID-19 pandemic. Related activities also included an online event on Seafarers Issues, organized by UNCTAD in cooperation with ILO and IMO, on the occasion of World Maritime Day on 30 September 2021. In addition, in February 2022, recognizing the critical role of the maritime sector in keeping trade flowing during the global fight against COVID-19, ILO, IMO, UNCTAD, and WHO issued a [joint statement](#), calling on governments, national and local authorities, and all relevant stakeholders, to take 10 critical actions. These cover key issues such as vaccination, the designation of seafarers as “key workers” to facilitate maritime crew changes and safe movement across borders and recognizing relevant documentation for this purpose, the consistent application of internationally agreed protocols and standards, and continued concerted collaborative efforts to keep seafarers safe and limit the disruption to supply chains, as well as prevent the unchecked spread of emerging variants of concern (VOCs), which could prolong the pandemic and its wide-ranging socioeconomic consequences.⁵ Further work is ongoing for UNCTAD together with IMO, ILO, WHO, DOALOS, DESA, etc., including in the context of an UN inter-agency task force to examine the implementation and practical application of the Maritime Labour Convention 2006 during the pandemic.

Coastal transport infrastructure adaptation and resilience building in SIDS

The flow of goods across supply-chains depends on well-functioning ports and other critical transport infrastructure. During the COVID-19 pandemic, there was a significant fall in investment in transport infrastructure. However, major scaling up of investment and capacity building for developing countries will be critical to ‘building back better’ after the pandemic and to prepare ports for the impacts of climate change. In this context, there is an urgent need to step up climate adaptation finance, an issue highlighted in a forthcoming UNCTAD Policy Brief, drawing also on [UNCTAD’s related earlier work](#). Estimated adaptation costs in developing countries are five to ten times greater than current public adaptation finance flows, and the [adaptation finance gap is widening](#). Further acceleration of effort is needed to progress in national-level adaptation planning, finance, and implementation worldwide. The [OECD](#) estimates that meeting the SDGs by 2030 will require \$6.9 trillion in infrastructure investment annually. For vulnerable developing countries, such as SIDS, there is an urgent need for better availability/access to green and blue infrastructure financing - including in the form of grants, rather than loans, to avoid increasing debt-burdens further. This could bring enormous economic benefits: the World Bank [estimates](#) that investing in resilient infrastructure in developing countries could bring returns of \$4.2 trillion over the lifetime of new infrastructure – a \$4 benefit for each dollar invested.

⁵ Worth noting in this context is particularly updated sector-specific WHO guidance, which was published in December 2021 (https://www.who.int/publications/i/item/WHO-2019-nCoV-Non-passenger_ships-2021-1).