Trade and Development Board
Trade and Development Commission
Multi-year Expert Meeting on Transport, Trade Logistics and Trade Facilitation
Sixth session
Geneva, 21–23 November 2018

Report of the Multi-year Expert Meeting on Transport, Trade Logistics and Trade Facilitation on its sixth session

Held at the Palais des Nations, Geneva, from 21 to 23 November 2018
# Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>3</td>
</tr>
<tr>
<td>I. Chair’s summary</td>
<td>3</td>
</tr>
<tr>
<td>A. Opening plenary</td>
<td>3</td>
</tr>
<tr>
<td>B. Sustainable freight transport in support of the 2030 Agenda</td>
<td>3</td>
</tr>
<tr>
<td>for Sustainable Development</td>
<td></td>
</tr>
<tr>
<td>II. Organizational matters</td>
<td>11</td>
</tr>
<tr>
<td>A. Election of officers</td>
<td>11</td>
</tr>
<tr>
<td>B. Adoption of the agenda and organization of work</td>
<td>11</td>
</tr>
<tr>
<td>C. Outcome of the session</td>
<td>11</td>
</tr>
<tr>
<td>D. Adoption of the report of the meeting</td>
<td>12</td>
</tr>
<tr>
<td>Annex</td>
<td></td>
</tr>
<tr>
<td>Attendance</td>
<td>13</td>
</tr>
</tbody>
</table>
Introduction

The sixth session of the Multi-year Expert Meeting on Transport, Trade Logistics and Trade Facilitation was held at the Palais des Nations in Geneva, Switzerland, from 21 to 23 November 2018.

I. Chair’s summary

A. Opening plenary

1. In her opening statement, the Director of the Division on Technology and Logistics of UNCTAD emphasized the importance of freight and maritime transport for the global economy, as well as for efforts to achieve the Sustainable Development Goals. A milestone had been achieved with the adoption in April 2018 of the initial strategy of the International Maritime Organization on the reduction of greenhouse gas emissions generated by the shipping industry. In addition, there was a need to improve understanding of the opportunities and challenges of digitalization. UNCTAD stood ready to help developing countries and collaborate with others to “Deliver as one” in meeting the priorities of the global sustainable freight transport agenda.

B. Sustainable freight transport in support of the 2030 Agenda for Sustainable Development
(Agenda item 3)

2. Introducing the agenda item, the Chief of the Transport Section of UNCTAD said that sustainable transport played an important role in achieving the Sustainable Development Goals. Sustainable transport was recognized in global processes such as the Paris Agreement under the United Nations Framework Convention on Climate Change and the Sustainable Mobility for All initiative. The focus on maritime transport reflected the economic importance of the sector, as well as the momentum arising from the initial strategy of the International Maritime Organization to cut emissions by 2050. The Multi-year Expert Meeting on Transport, Trade Logistics and Trade Facilitation set out to inform member States of UNCTAD about the shipping decarbonization agenda, its implications for transport costs and trade, and the experiences of beneficiary countries having received technical assistance from UNCTAD in sustainable freight transportation.

Recent developments in global climate policy

3. Two expert panels discussed recent developments in global climate policy under the International Maritime Organization and their implications for international shipping. The first panel was composed of representatives of the Organization, the UNCTAD secretariat, and University College London; the second, by representatives of CE Delft; University College London; and the World Bank.

4. One panellist highlighted the importance of maritime transport, pointing to the projected growth in global demand for maritime transport. Developing countries were making a significant contribution both as users and producers of maritime transport services. Further, there was a need to decouple maritime transport activity from its external costs.

5. Another panellist described the efforts of the International Maritime Organization to reduce greenhouse gas emissions. With regard to relevant mandatory requirements contained in the International Convention for the Prevention of Pollution from Ships, 1973 (annex VI), it was expected that the limit of 0.5 per cent mass/mass on sulphur content in fuel oil would enter into force on 1 January 2020. Most likely, this would lead to an increase in the price of fuel oil; therefore, it was necessary to be aware of the related impact on shipping. The Organization’s commitment to tackle greenhouse gas emissions generated by shipping was illustrated by its initial strategy on the issue. A follow-up action plan focusing on alternative fuels, technology, research and development, and finance was approved in October 2018.
6. In reply to one question, the panellist said that the Organization’s initial strategy emphasized the need to assess the impacts on States before adopting greenhouse gas reduction measures. Increasing energy efficiency resulted in reduced transport costs. While technologies could be initially expensive, costs tended to fall over time. Addressing the comment of another expert, he noted that shipping had been the first sector to adopt mandatory measures in 2011. Concerning the implications of such measures for ports in small island developing States, he recognized the challenges faced by those States and the need for Governments to reflect on these strategic issues, which also required financial support. Technical assistance provided by the Organization, for example in the form of global maritime energy efficiency partnerships, took port issues into account.

7. Another panellist outlined current trends in maritime trade and carbon dioxide emissions requirements for the next 30–50 years. Shipping could achieve growth while reducing the carbon dioxide intensity of moving cargo, as shown by scenario models and details of what should be achieved for the case of 2°C (lower band level of ambition) and 1.5°C of warming. The fuel mix of the shipping industry could affect emissions in the future. Steps should be taken to achieve a radical change in fuels by 2030. A switch to zero-emission fuels for ships was essential. For almost any rate of decarbonization, such fuels would need to be entering the market over the next 10–15 years. Reduced renewable production costs and the large technical potential for production of renewables were cause for optimism.

8. In response to one question, he said that there could be costs associated with the switch to low-carbon and zero-emission fuels, but their distribution remained uncertain. Responding to another expert, he noted that accelerated global warming would mean compressing the point of transition to zero-emission fuels. With regard to internal combustion, switching to fuel cells might be possible, but would take time. One expert was concerned that mandatory speed limits would create market distortions, while another considered food security and disaster preparedness important considerations for small island developing States.

9. One panellist presented some greenhouse gas reduction measures included in the initial strategy of the International Maritime Organization. Analysis of eight candidate short-term greenhouse gas reduction measures considered to have a direct impact on greenhouse gas emissions revealed that only operational measures were likely to meet the 2030 level of ambition. The initial strategy would most probably result in more slow steaming. As to medium- and long-term measures, there was a need to move from fossil fuels to lower or zero-emission fuels. From 2030 onward, there would be an increase in zero or low-carbon fuel use, the impact of which would need to be assessed.

10. Discussing market-based measures, in particular those focusing on carbon pricing and their implication for decarbonization in shipping, another panellist said that the cost of emitting carbon dioxide would need to rise to $40–$80/ton by 2020 and to $50–$100/ton by 2030 to reach 1.5°C and 2°C of warming. A carbon price reflecting a charge on bunker fuels could be collected by local governments or paid to a global fund, thereby providing a double dividend, as funds could be redistributed to the shipping industry or support economies that were disproportionately and negatively affected.

11. According to one expert, a carbon price could be problematic if regulation was not implemented uniformly across the world. Further, political acceptability could be difficult to obtain. However, a global carbon price would help prevent loopholes and ensure a level playing field.

Challenges and opportunities of global climate policy

12. An expert panel explored the challenges and opportunities of global climate policy, including potential market-based mechanisms applied to international shipping. The panel consisted of representatives of the Environmental Defence Fund, University Maritime Advisory Services and University of Rio de Janeiro.

13. One panellist presented the case of Brazil. Given the country’s trade profile and distance from the main consumer markets, a carbon intensity per ton exported by it was higher than that of competitors. Therefore, carbon pricing would have a larger impact on costs of transport from Brazil to consumer markets. To reach targets set by the International
Maritime Organization, a combination of measures such as slow steaming, heat recovery, and cleaning ships propellers had been considered. For Brazil to reach the requirements of the Organization by 2050, a large quantity of biofuels would be needed. Biofuels were more expensive and had higher opportunity costs. To ensure their viability, biofuels would need to have a high carbon price of about $150 per ton of carbon dioxide. Various growth scenarios resulted in a 1–3 per cent loss in gross domestic product, with greater impacts on specific sectors. Policy mechanisms should include protective measures for countries whose trade competitiveness was at risk of being undermined.

14. Responding to one expert, he noted that a suitable option for Brazil would be to diversify the economy, promote economic growth, reduce trade vulnerability and improve local transport infrastructure. Another option would be to design market-based models that offered a hybrid system of carbon-intensity requirements and taxes and to provide offsets.

15. In response to one expert’s query as to how industry or countries could protect themselves from the broader impacts of decarbonization in shipping, the panellist recommended distinguishing between actions that countries could take themselves and measures that should be taken at the international level.

16. Considering the different options available to address potential disproportionately negative impacts on States as a result of the implementation of measures to reduce greenhouse gas produced by ships, one panellist said that they could be merged; there was no one-size-fits-all option, each having advantages and disadvantages. A suitable option would depend on the measure in question and specific impacts on the countries concerned. Relevant options included pre-empting the negative impacts. Another involved using revenues generated from potential carbon pricing. Revenues could be used to support the decarbonization of maritime transport by investing in research and development, low carbon options and deployment and to help remote and low-value commodity exporters. A third option related to capacity-building and technical cooperation. Inter-agency cooperation and integration with existing projects and programmes such as those of UNCTAD would be beneficial, and in some cases, necessary.

17. One expert asked about the implications of decarbonization for landlocked developing countries. The panellist noted that some of the underlying logistics challenges in those countries could be addressed by using some of the aforementioned options. Another expert wished to know about the potential use of funds generated for climate adaptation in coastal transport infrastructure, in particular ports in small island developing States.

18. One panellist said that it was urgent to establish a good plan and timetable to ensure timely and effective action, including in terms of participation in relevant meetings. There were costs and opportunities when decarbonizing shipping. A carbon price could generate funds for demonstration projects and technology testing. This would bring down the costs of renewable energy sources and technologies.

19. Another expert panel, which consisted of representatives of the Environmental Defence Fund, International Chamber of Shipping and University of the South Pacific, continued the discussion, offering country, industry and civil society perspectives.

20. Owing to the high exposure of Pacific island States to the potential negative impacts of decarbonization measures in shipping, there was a pressing need to improve understanding of these impacts. Disaster response was important for these countries and should be addressed, given the impact of natural disasters on transport costs, food security and delivery of supplies. However, limited data on transport costs made impact assessment difficult. There was an acute need for capacity-building, technical assistance and funding beyond existing levels, as well as a need for technological solutions that were more adapted to the region. It was important to facilitate public–private partnerships, information exchange and technology transfer.

21. An informal proposal for a long-term greenhouse gas reduction measure had gained some consensus among the membership of the International Chamber of Shipping: the establishment of an international maritime greenhouse gas reduction research and development fund financed by research and development contributions made by shipping companies per ton of marine fuel purchased for consumption. To ensure a level playing field
and contributions from all parties, the industry would need the support of the International Maritime Organization and its member States. Funds collected could help kick-start research and development of new zero carbon dioxide fuels, and initial funds collected could be scaled up.

22. The shipping industry favoured operational and technological measures over market-based measures, which were difficult to implement in shipping. While Pacific island States supported such measures in principle, it was urgent that their impacts on and implications for small island developing States be better understood. One expert recalled the results of an industry survey and a request for action by various industry players, indicating the need for carbon emissions cuts to achieve the targets of the Organization.

23. Sulphur regulations entering into force in 2020 could provide a good case study on the impacts of regulation on transport costs and trade. One expert, who represented ports in the Caribbean, offered to provide some data for analysis, as six shipping companies had announced cost increases due to the new sulphur content limit. Further, past regulation such as the double hull-tanker requirement could provide some data for analysis and guidance as to the impacts of regulatory measures on shipping. Another expert noted that fluctuations in oil and fuel prices were likely to have a far bigger impact than any carbon price and that past trends had shown that high fuel prices led to fuel emissions savings.

Enabling sustainable freight transportation from the perspective of transport and transit transport corridors and of small island developing States

24. Two panels of experts developed the theme “enabling sustainable freight transportation from the perspective of transport and transit transport corridors and of small island developing States”. The first panel, which included an international consultant, was composed of representatives of the following entities: the Abidjan–Lagos Corridor Organization (Côte d’Ivoire), Central Corridor Transit Transport Facilitation Agency (United Republic of Tanzania), Northern Corridor Transit and Transport Coordination Authority (Kenya), UNCTAD secretariat and the Walvis Bay Corridor Group (Namibia). The second panel consisted of representatives of the Antigua and Barbuda Port Authority, Ministry of Transport and Mining of Jamaica, Natural Resources Canada (by audiolink), University of the South Pacific and UNCTAD secretariat.

25. One panellist said that the UNCTAD Sustainable Freight Transport Framework was being used in the Northern and Central Corridors of Africa, as well as in the small island developing States in the Caribbean. Capacity-building workshops had been held in East Africa and the Caribbean to enhance the capacities of transport stakeholders in these regions and enable them to develop and implement sustainable freight transport strategies. The Northern Corridor Strategic Plan (2017–2021), which integrated sustainability principles, had been developed. In addition, the Central Corridor Strategy (2018–2023), Caribbean Sustainable Freight Strategy (2020–2025) and Regional Sustainable Logistics Observatory (Caribbean) had been drafted. He commended UNCTAD for its work in the two regions and suggested that UNCTAD continue to improve the Framework, expand its regional application and increase the number of capacity-building activities.

26. With UNCTAD support, the Central Corridor had developed a sustainable freight transport strategy for 2018–2023, using a participatory approach. Quick wins, supporting the modal shift towards rail freight transport and waterways with the use of Lake Tanganyika, which would yield a 40 per cent transport cost reduction, were identified. Several challenges would affect freight transportation along the Corridor. These included the need to rehabilitate sections of the rail and waterway systems serving countries of the Central Corridor, the need for a seamless cargo tracking system and insufficient vessels. Through a student sponsorship programme, the Central Corridor Transit Transport Facilitation Agency helped build capacity in maritime transport and logistics in the region.

27. In the Northern Corridor, highlights included the development, launch and implementation of the Green Freight Transport Programme (2017–2021); a capacity-building workshop (2016) held by UNCTAD and a baseline study of the port of Mombasa to estimate port emissions. The Programme featured seven thematic areas, including advocacy and sensitization, freight assessment and analysis, performance monitoring and financing.
The port study had resulted from a partnership of UNCTAD and the United Nations Environment Programme. Key recommendations of the study included emissions monitoring and the standardization of measurements in the region. As the concept of sustainable freight transport was still new in East Africa, it was necessary to build awareness thereof and advisable that UNCTAD continue providing capacity-building support.

28. The Walvis Corridor aimed to transform transport corridors into economic corridors. Namibia recognized the role of transport and logistics in promoting the transport and trade of neighbouring landlocked countries. It was a national priority. Public–private partnerships were key for the economic development of the region, where Governments were involved in policy, infrastructure development and border control, and the private sector was the driving force behind economic growth. The Walvis Bay Group was composed of public and private entities that provided an enabling environment for dialogue, partnerships and collaboration, especially in infrastructural development areas. It had partnered with institutions such as the African Union, the World Bank and a number of corridor management institutes. The Group had facilitated the implementation of the Automated System for Customs Data (ASYCUDA) World in Namibia. Work towards the establishment of a new container terminal in 2014 aimed to promote Namibia as a logistics hub. The Group was also involved in social intervention and outreach programmes. Coordination of activities in the region by organizations such as UNCTAD would further these efforts and avoid duplication.

29. In response to a query, one panellist said that Zimbabwe would be included in the Group’s activities in January 2019 when a programme was to be developed with Zimbabwe and Malawi. In addition, UNCTAD work in East African corridors could be replicated in other regions.

30. In Ghana, the port of Tema project had led to an action plan outlining an emissions reduction strategy, an annual evaluation of the impact of emissions on health and an implementation plan for health services. Technical support was needed to implement a strategy that was based on UNCTAD pillars of sustainability to ensure viability of the Corridors. There was a need for collaboration with UNCTAD to design a programme similar to the ones in the Central and Northern Corridors. Regional programmes were necessary to promote sustainable freight transport, as such programmes were more expedient than national ones, tending to reduce the impact of bureaucratic issues.

31. In his presentation, one panellist described the work of UNCTAD on trade facilitation. UNCTAD helped more than 50 countries to implement trade facilitation programmes and provided capacity-building and training for the establishment of national trade facilitation committees. Lack of funding and resources remained the greatest challenge for the development of these committees. Its ASYCUDA programme was used in over 90 countries, and TradeInfo portals were used to meet countries’ reporting requirements. He encouraged participants to participate in the midterm review on the implementation of the Vienna Programme of Action for Landlocked Developing Countries for the Decade 2014–2024, to be carried out in November 2019.

32. During the ensuing discussion, one expert wished to know how countries could benefit from the best practices of the Corridors when they were still in the initial stages of production and trade. In reply, one panellist noted that countries needed to consider their geographical composition to make sure that the most efficient mode of transport was used, while another said that good infrastructure and products could be developed in parallel to ensure trade facilitation.

33. One panellist said that small island developing States faced a myriad of disaster risks, making it necessary to integrate climate variability and change into the work of UNCTAD. Coastal transport infrastructure was a critical lifeline for trade, energy, food and tourism. Climate change and extreme weather events were likely to have direct and indirect impacts on transport infrastructure and services. UNCTAD had been working on climate change impacts and adaptation for coastal transport infrastructure since 2009, for example through expert meetings, workshops and a technical assistance project. A project on the impacts of climate change on coastal transport infrastructure in the Caribbean and the enhancement of the adaptive capacity of small island developing States had been successfully completed. Drawing on the earlier work of UNCTAD in this area, and responding to agreed priorities
and mandates, the project strengthened the capacity of policymakers, transport planners and transport infrastructure managers in those States to understand climate change impacts on coastal transport infrastructure, in particular seaports and airports, and to take appropriate adaptation response measures. Key outcomes included the assessment of potential vulnerabilities to climate variability and change of Jamaica and Saint Lucia, focusing on potential operational disruptions and marine inundation risk to coastal international airports and seaports under different climatic scenarios. UNCTAD was considering possible follow-up to build on and expand the work to the wider Caribbean region and beyond.

34. Several developments had taken place in the Caribbean region. UNCTAD had held a regional capacity-building workshop in Barbados in July 2018. For the first time, the workshop brought together various transport stakeholders, providing opportunities for stakeholders to engage in a dialogue and seek solutions to existing challenges, such as the lack of regional transport data and the need for a more coordinated approach to transport in the Caribbean. This had prompted work on the establishment of an integrated regional sustainable freight transport strategy and a regional freight transport data observatory, with the Port Management Association of the Caribbean as secretariat.

35. The Port Management Association continued to advocate greater control over the design of ports by small island developing States to ensure efficiency and sustainability, which also required reliable data. Further, the Association could engage in further partnerships with UNCTAD to finance similar capacity-building activities. It was hoped that UNCTAD could facilitate the sharing of experiences with the Corridors and replicate the best practices and successes achieved under the project.

36. Based on the training needs identified at the regional workshop, UNCTAD delivered a national eco-driving capacity-building and training workshop in Jamaica, in collaboration with its Ministry of Transport and Mining, the All Island Truckers Association and Natural Resources Canada. The national workshop provided an opportunity for the Ministry to consult stakeholders on policy issues to be included in the revised national transport policy. Areas for further work should focus on forging additional public–private partnerships in the transport industry and developing a standardized driver-training manual and curriculum. A feasibility study of short sea shipping and air inter-island connectivity of small island developing States in the Eastern Caribbean, in collaboration with the Organisation of Eastern Caribbean States, was being considered.

37. Expressing the hope that the newly established partnership with UNCTAD be strengthened, one panellist requested that UNCTAD provide capacity-building activities in the region.

38. In the Pacific region, steps were being taken to transition to low carbon transport. The Marshall Islands had developed a nautical chart that focused on decarbonizing by 2050. It could act as a catalyst for the region. Partnerships accounted for much of the success that had been achieved in decarbonizing the region. Mapping and data, technical capacities and financing were among the region’s greatest needs to enable a transition towards sustainable transportation. The University of the South Pacific contributed to the UNCTAD training toolkit by sharing case studies and best practices on decarbonizing shipping in small island developing States. One of the panellists suggested that UNCTAD replicate the Caribbean project in the Pacific islands, since both regions shared many similarities.

39. In Canada, Natural Resources Canada focused on transport, alternative fuels and road transportation. There was insufficient data on energy use and consumption. Low carbon pathways for road freight were being explored. Green freight initiatives included Smart Driver training to improve efficiency across Canada, as well as in Argentina, Australia, Brazil, Chile, Colombia and Jamaica, in collaboration with UNCTAD. Natural Resources Canada was committed to strengthening efforts with regard to green freight and expanding the number of training sessions conducted and regions supported.

40. In response to a question, one panellist explained that all policies and programmes were part of the integrated approach of Canada to address sustainable transport. Canada had engaged in collaborative experience sharing with UNCTAD. Similarly, the Government of Fiji expressed interest in collaborating with UNCTAD to deliver eco-driving training in the region. According to one expert, small island developing States in the Caribbean needed to
retool their economies and infrastructure and rebuild each year, especially after hurricane season. In a similar vein, one panellist said that all countries, developing countries and small island developing States in particular, needed to strengthen collaboration at all levels to tackle climate change and mainstream climate change adaptation into transport.

**Digitalization and port community systems**

41. A panel of experts composed of representatives of the International Port Community Systems Association and Portnet (Morocco) explored the rise of digitalization with regard to the values and benefits of port community systems, links to the single window and the Agreement on Trade Facilitation of the World Trade Organization.

42. One panellist noted that collaborative schemes based on the electronic exchange of data were becoming increasingly important because of the Agreement on Trade Facilitation, which had entered into force in 2017, and the Convention on Facilitation of International Maritime Traffic of the International Maritime Organization, which would go into force in 2019. For another, port community systems would become a key source of business intelligence, as they were likely to evolve towards increased integration of data generated from external sources such as the automatic identification system.

43. The benefits of using port community systems included availability and improved data quality for optimized port-related cargo processes and hinterland and customs operations, increased customs revenue, reduced dwell time and higher container traffic volumes.

44. In Morocco, the Portnet project had started as a port community system and gradually evolved into a trade portal, encompassing other economic operators involved in trade such as banks and finance institutions. Today it covered the whole supply chain process, capturing logistical and financial data. Users could carry out administrative procedures and multiple-channel payments, enabling payment of fees and commercial invoices through the same platform. Portnet Morocco aimed to improve competitiveness, reduce logistic costs and enhance the business climate. Services provided through an electronic platform focused on the problems of both importers and exporters. The capacity to access and share data was necessary to enable trust and capture and share data along the supply chain in a non-intrusive manner. This represented a challenge when designing port community system because the re-use or re-distribution of data had to respect data privacy regulations.

45. In addition, the Portnet project enabled discussions relating to the simplification of trade along the supply chain and the connection among different actors to integrate different supply chain operations processes. It helped simplify trade procedures and improve compliance with international standards; by using Portnet, Morocco had improved its World Bank ranking on the ease of trading across borders.

46. Several panellists said many factors contributed to a successful implementation of the port community system. These included a customer-centric approach to develop the system; a phased approach to sequence implementation of port community systems and single windows; strong political will and guidance at the highest level to guide reforms; and cooperation between actors from the public and private sectors.

47. The panel agreed that technology was not the one single factor within port community systems and single windows driving improvements in supply chain performances – a collaborative environment was essential as well. Promoting information exchange and interconnection among actors required a change in mindset to build trust across stakeholders in terms of data and information exchange, and understanding and redesigning information flows, driven by clear goals and business processes. In the view of one panellist, facilitating the development of trusted partnerships was crucial to ensure that customs authorities could protect borders and contribute to trade facilitation at the same time, for example through advance clearance procedures or authorized economic operators.

48. Overall discussions emphasized the collaborative nature of port community systems and applications related to single windows enabling the electronic exchange of information that made trade simpler. These mechanisms facilitated interaction between different public and private actors involved in trade operations. They made it possible to match logistic information and administrative flows related to regulatory requirements and to exchange
information that helped customs authorities monitor compliance and risk management, a collaborative endeavour that contributed significantly to reducing processing time and simplifying cross-border trade.

49. In response to a query, two panellists stated that faster circulation of goods could help foster trade, whereas better collection and exchange of information could reduce smuggling by improving profiling for risk management and reducing paperwork to allocate more resources for risk management and control.

50. Responding to another query, the panellists said that an understanding of the broader political goals behind the reform and of the regulatory specificity of different governmental agencies was critical to defining the lead agency. Clear mandates, high-level oversight and ambassadors mobilizing action for specific objectives were the key ingredients for ensuring buy-in from different actors and achieving results.

51. With regard to the financial sustainability of the port community system business model, some panellists explained that such systems generally provided a combination of free and non-free services. There was no single solution to configuring such a system, and countries customized services as cost or profit centres, depending on their situation and needs. Port community system operators were neutral and had no commercial interest. To another question, the panellists replied that such systems could generate information about fuel bunkering through port authority data and information enabling port call optimization. To yet another, the panellists said that the Portnet project was not based on blockchain and that the use international standards and interoperability were important to ensure that all company businesses, including small and medium-sized enterprises, could benefit from these platforms to improve their trading processes.

52. Port community systems were not mandatory for all actors along the supply chain, a concern that was expressed by some experts; moreover, its implementation was a challenge that required continuous training in a rapidly changing technological environment.

**Advances in technology and innovation for sustainable maritime transport**


54. The panel discussed three issues pertaining to technological innovations that were applicable to maritime transport: the role of interoperability and global standards, the need to promote technological innovation while avoiding monopolistic outcomes, and challenges and opportunities for developing countries.

55. Some panellists were of the view that before seeking interoperability, the maritime sector should increase its level of digitalization. This meant creating environments that were more supportive of data sharing and visualizing interoperability from the perspective of problems along the entire value chain.

56. The panel agreed that Governments and international organizations could play a key role in promoting interoperability in various ways: developing frameworks to ensure intragovernmental coordination and alignment of actions from the perspective of value chain interoperability, using existing standards and semantics as a basis for developing future standards, and increasing the involvement of the private sector (third parties and research and academic institutions that could provide trade intelligence to maritime companies) in the setting of such standards.

57. There were several challenges with respect to the linkages between technological innovation and potential anticompetitive behaviour. These included the potential for platforms to concentrate data in a manner that influenced markets; the risk of widening the gap between, on the one hand some countries or bigger companies capable of harnessing artificial intelligence and connectivity to grow and generate business opportunities, and on the other hand, countries or smaller companies; and the need for adequate data protection.
58. To address these challenges, the panellists recommended the following action: massive investment by Government to level the playing field of access and use of technological advancements by smaller companies, less reliance on proprietary information, mandatory use of international standards and reduced barriers of entry for digital innovators.

59. This context opened up opportunities for developing countries. For instance, since supply chains were global, it was in the interest of traders to bring smaller players on board. In addition, developing countries could leverage their population growth potential. However, there were also challenges, such as the difficulty of maintaining their position in the supply chains when they could not engage in technological upgrading because of a growing digital divide, and the need to participate regularly in standard-setting bodies to ensure that global standards reflected their interest. To counter these challenges, panellists recommended skills development and training; tapping the potential and opportunities offered by development banks, including for smaller projects; and feasibility studies.

60. Most of the questions raised by experts sought to clarify how best to intervene as policymakers in order to maximize opportunities and minimize challenges. One option was to explore partnerships with maritime companies. A good example was the partnership between Maersk and Jordan and neighbouring countries. The partnership entailed the development of hard infrastructure, incubators and initiatives aimed at further developing connectivity. Another option concerned port community systems and other types of consultative settings that provided a format for discussing problems and seeking solutions through the experience of other countries.

61. One expert was of the view that strategic interventions required actions at both the hard and soft infrastructure levels, while others said that significant investments were not always necessary.

II. Organizational matters

A. Election of officers
   (Agenda item 1)

62. At its opening plenary, on 21 November 2018, the Multi-year Expert Meeting on Transport, Trade Logistics and Trade Facilitation elected Ms. Ibtissam Hassan (Egypt) as its Chair and Mr. Stephen Fevrier as its Vice-Chair-cum-Rapporteur (Organisation of Eastern Caribbean States).

B. Adoption of the agenda and organization of work
   (Agenda item 2)

63. Also at its opening plenary, the Multi-year Expert Meeting adopted the provisional agenda for the session (TD/B/C.I/MEM.7/16). The agenda was thus as follows:

   1. Election of officers;
   2. Adoption of the agenda and organization of work;
   3. Sustainable freight transport in support of the 2030 Agenda for Sustainable Development;
   4. Adoption of the report of the meeting.

C. Outcome of the session

64. Also at its open plenary, the Multi-year Expert Meeting agreed that the Chair should summarize the discussions.
D. Adoption of the report of the meeting

65. At its closing plenary on 23 November 2018, the Multi-year Expert Meeting authorized the Vice-Chair-cum-Rapporteur to finalize the report after the conclusion of the session.
Annex

Attendance*

1. Representatives of the following States members of UNCTAD attended the session:

- Algeria
- Antigua and Barbuda
- Barbados
- Benin
- Cameroon
- Colombia
- Comoros
- Congo
- Cuba
- Djibouti
- Ecuador
- Egypt
- France
- Guatemala
- Jamaica
- Jordan
- Kenya
- Kuwait
- Madagascar
- Morocco
- Nepal
- Nigeria
- Oman
- Panama
- Philippines
- Russian Federation
- Rwanda
- Spain
- Sri Lanka
- Togo
- Ukraine
- Yemen
- Zimbabwe

2. The following intergovernmental organizations were represented at the session:

- African, Caribbean and Pacific Group of States
- South Centre

3. The following United Nations organs, bodies and programmes were represented at the session:

- Economic Commission for Europe
- Office for the Coordination of Humanitarian Affairs

4. The following specialized agencies and related organizations were represented at the session:

- International Maritime Organization
- World Bank Group
- World Health Organization
- World Trade Organization

5. The following non-governmental organizations were represented at the session:

* General category
  - International Chamber of Commerce

* Special category
  - International Chamber of Shipping

* This attendance list contains registered participants. For the list of participants, see TD/B/C.I/MEM.7/INF.6.