Multi-year Expert Meeting on Transport, Trade Logistics and Trade Facilitation 9th Session

Sustainable and resilient transport and trade facilitation in times of pandemic and beyond: key challenges and opportunities

12-14 July 2022

Strengthening legal, policy and collaborative approaches to keep trade flowing during the pandemic and beyond – Introduction and context

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UNCTAD Multiyear Expert Meeting on Transport, Trade Logistics and Trade Facilitation (9th session) Geneva, 12-14 July 2022

Strengthening legal, policy and collaborative approaches to keep trade flowing during the pandemic and beyond
- Introduction and context

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Maritime Transport: a critical facilitator of global trade and development



Over 80% of world trade carried by sea

Shipping and ports: key links/nodes in network of closely linked international supply chains, gateways to global markets and blue economy

Serviced by 1.9 million seafarers: global key workers

Focus of the session: policy, legal and collaborative approaches to address

Implications of the pandemic and response measures for seafarers/crew changes, and commercial contracts

Impacts of climate change on port infrastructure/ operations; hinterland transport; and the broader global supply-chain

 Effects include extensive disruption, delay – significant economic/trade related losses; sustainable development implications



Key issues:

1. Addressing the implications of the pandemic for seafarers and for commercial contracts

- Border closures, lockdowns/preventative measures have resulted in hundreds of thousands of **seafarers stranded at sea**, far beyond expiration of their contracts, and often beyond the maximum 11-month period envisaged under the MLC 2006.
- This has created a humanitarian crew change crisis, and has caused significant and costly delay and disruption across supply chains, affecting the performance of commercial contracts, leading to costly and lengthy disputes
- Effects may lead to further supply-chain disruption, business losses and bankruptcies and overwhelm courts and legal systems, with implications for governance/rule of law

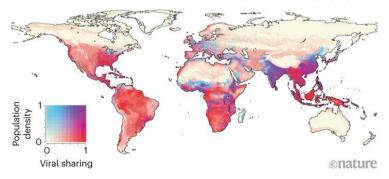
Collaborative action to address the seafarer crisis and reduce disruption and delay: vital to alleviate the plight of seafarers, ensure shipments of essential goods, and help keep supply chains open and global commerce running during the pandemic and beyond

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Future pandemics risk: Climate change could lead to new pandemics

Models suggest that by 2070, climate change will be driving many mammal species to cooler regions, where they will meet for the first time and could exchange viruses. If Earth warms by 2 °C, they say, the regions with the highest chance of virus sharing will overlap with areas of dense human population, including parts of India and Indonesia. That will increase the risk of pathogens transferring to people.

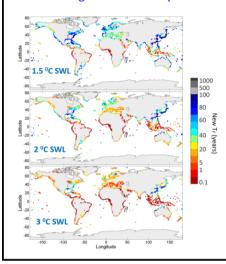


Carlson et al. Nature https://doi.org/10.1038/s41586-022-04788-w (2022)



Key issues:

2. Climate change adaptation, resilience-building and DRR for ports - of strategic economic importance – especially in the light of growing hazards



All global ports affected, with effects worsening as the SWI increases

Even under SWL of 1.5 °C, the return period of the baseline 1-in-100 years ESL will decrease to every 1 to 10 years in many S. American, African, Gulf S. East Asian and Pacific ports

<u>Under a SWL of 3 °C, many global ports</u> will experience the baseline 1-in-100 years ESL several times per year

 Legal, policy and regulatory action as well as technical measures critical for resiliencebuilding

Projected changes in the return period of the baseline (mean of 1986-2014) 1-in-100 years Extreme Sea Level (ESL) under CV &C for about 3700 global ports. Key: SWL (Specific Warming Level) in °C above preindustrial times. Tr (years) return period. Seaport location from <u>World Port Index 2019</u>. ESL5₁₀₀ projections for the global coastline from EC-IRC data collection (see also <u>Vousdoukas et al. (2018</u>). See <u>Asariotis (2021)</u>

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Expert panel presentations:

Addressing the implications of the pandemic for seafarers and for commercial contracts

- Collaborative action to address the impacts of the pandemic on seafarers, and related regulatory developments
- Contractual risk allocation clauses for commercial contracts
- Advancing the implementation of human rights standards for seafarers

Climate change adaptation, resilience-building and DRR for ports

- OECS Climate Change Adaptation Strategy and Action Plan 2021-2026 Considerations for seaport resilience building and DRR
- EU technical guidance to assist in climate-change adaptation for (transport) infrastructure and implementation of related policy and legislation
- New technical guidance to support decision-making on port-adaptation under uncertainty



Thank you!

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For further information on seafarer and crew changes issues see:

- Facilitating crew changes and repatriation of seafarers during the COVID-19 pandemic and beyond, 2021
- UNCTAD Review of Maritime Transport 2021, Chapter 5
- UNCTAD Policy Brief No. 91. Strengthening international response and cooperation to address the seafarer crisis and keep global supply chains open during the ongoing COVID-19 pandemic, December 2021
- ILO, IMO, UNCTAD, WHO Joint Statement urging continued collaboration to address the crew change crisis, safeguard seafarer health and safety, and avoid supply chain disruptions during the ongoing COVID-19 pandemic, February 2022
- UNCTAD, Coronavirus: Let's keep ships moving, ports open and cross-border trade flowing, March 2020;
- UNCTAD-IMO <u>Joint Statement in support of keeping ships moving, ports open and cross-border trade flowing during the COVID/19 pandemic</u>, June 2020.
- <u>UNCTAD Review of Maritime Transport 2020</u>, Chapter 5.E.
- COVID-19 Member States and Associate Members Communications, and COVID-19-related IMO circulars (guidance from IMO and other international organizations).
- Neptune Declaration crew change indicator (June 2021)
- IMO <u>Circular Letter dated 10 February 2022</u>: data on Member States/ Associate Members, which have signed on to designate seafarers as key workers.
- IMO's online <u>Global Integrated Shipping Information System (GISIS)</u>: also provides information from States on national focal points for crew change and repatriation of seafarers

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COVID-19: key international commercial law implications – UNCTAD Research and Analysis, Training and Capacity Building:



COVID-19 implications for commercial contracts: International sale of goods on CIF and FOB terms



COVID-19 implications for commercial contracts: Carriage of goods by sea and related cargo claims



Contracts for the carriage of goods by sea and multimodal transport

4 Training courses on 'Implications of the COVID-19 pandemic for commercial contracts - International Sale of Goods on Shipment Terms and Carriage of Goods by Sea'

Available at https://unttc.org/. Forthcoming report: contractual approaches to risk allocation / loss reduction in CIF and FOB

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UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT Climate change adaptation and resilience-building for ports - related work by UNCTAD UNCTAD Multiyear Expert Meeting: "Maritime Transport and the Climate Change Challenge UNCTAD ed. multidisciplinary book: Maritime Transport and the Climate Change Challenge UN-Earthscan (2012) 2010 Joint UNECE-UNCTAD Workshop: "Climate change impacts and adaptation for international transport networks" UNECE Group of Experts on Climate Change Impacts and Adaptation for International Transport Networks Follow-up 2013 EG Report - Climate Change Impacts and Adaptation for International Transport Networks 2020 EG Report - Climate Change Impacts and Adaptation for International Transport Networks 2011 UNCTAD Ad Hoc Expert Meeting: "Climate Change Impacts and Adaptation: a Challenge for Global Ports" Becker et. al, A note on climate change adaptation for seaports, Climatic Change, 2013 2014 UNCTAD Ad Hoc Expert Meeting: "Addressing the Transport and Trade Logistics Challenges of SIDS: Samoa Conference and Beyond" UNCTAD Multiyear Expert Meeting: "Small Island Developing States: Transport and Trade Logistics Challenges 2017-18 **UNCTAD Port-Industry Survey on Climate Change Impacts and Adaptation** 2015-2017 UNCTAD_DA Project - SIDSport-ClimateAdapt.unctad.org. "Climate change impacts on coastal transport infrastructure in the Caribbean:
Enhancing the adaptive capacity of Small Island Developing States (SIDS) Follow up Monioudi et. al, Climate change impacts on critical international transportation assets of Caribbean SIDS: the case of Jamaica and Saint Lucia, Reg UNCTAD Ad Hoc Expert Meeting: "Climate Change Adaptation for International Transport: Preparing for the Future' 2019-2020 UNCTAD - UNEP "Climate-resilient transport infrastructure for sustainable trade, tourism and development in SIDS" Climate Change Impacts and Adaptation for Coastal Transport Infrastructure: A Compilation of Policies and Practices 2021-2022 UNCTAD Multiyear Expert Meeting: "Climate Change Adaptation for Seaports in Support of the 2030 Agenda" Climate change impacts on seaports: a growing threat to sustainable trade and development (2021) Climate-resilience of seaports: Adequate finance is critical for developing countries but remains a major challenge, UNCTAD Policy Brief 103 (2022)