

## TC ABSTRACT

### I. Basic Project Data

▪ Country/Region:	PERU/CAN - Andean Group
▪ TC Name:	Support for the Development of Freight Transport and Logistics Investments and Planning
▪ TC Number:	PE-T1445
▪ Team Leader/Members:	GUERRERO, PABLO (INE/TSP) Team Leader; CAPRISTAN MIRANDA, RAFAEL (INE/TSP) Alternate Team Leader; BALADI RODRIGUEZ, AZIZ (INE/TSP); MOREANO MARQUEZ, WENDY LIDIA (INE/TSP); VELLUTINI PIMENTEL, JULIANA (INE/TSP); GALARZA MOLINA, DIANA CAROLINA (INE/TSP)
▪ Taxonomy:	Client Support
▪ Number and name of operation supported by the TC:	N/A
▪ Date of TC Abstract:	03 Mar 2020
▪ Beneficiary:	Ministry of Transport and Communications (MTC)
▪ Executing Agency:	INTER-AMERICAN DEVELOPMENT BANK
▪ IDB funding requested:	US\$565,000.00
▪ Local counterpart funding:	US\$63,000.00 (In Kind)
▪ Disbursement period:	36 months
▪ Types of consultants:	Individuals; Firms
▪ Prepared by Unit:	INE/TSP - Transport
▪ Unit of Disbursement Responsibility:	INE - Infrastructure and Energy Sector
▪ TC included in Country Strategy (y/n):	No
▪ TC included in CPD (y/n):	No
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Productivity and innovation ; Environmental sustainability

### II. Objective and Justification

- 2.1 The objective of this Technical Cooperation (TC) is to support the Ministry of Transport and Communications in the design of planning and prioritization tools for the management of logistic assets. To this end, the TC will finance the update of the National Logistics Plan, market analysis and plans for freight transport and logistics projects, including virtual container yards, truck centers, and logistics platforms. It will also support the strengthening of the client's capabilities in the areas of planning and management of freight transport and logistics infrastructures.
- 2.2 The growing importance of freight logistics as a vehicle for increasing the competitiveness of the economies of LAC seeks to ensure the successful insertion of domestic products in the international market. The logistics sector in Peru has experienced considerable development in the last 10 years, following the strong growth of exports, through the consolidation of a relevant group of logistics operators who have progressively extended their operations to other LAC countries. At the same time, the public sector has made a significant investment effort in the development and improvement of the road network—both through public investment and concessions to private companies—thus attracting recognized groups of international operators to manage the country's main ports and airports.
- 2.3 Significant progress has been made in strengthening the infrastructure that supports transport connectivity, especially in the road network, but it has had little effect on

improving logistics operations. The result of this investment imbalance is that logistical challenges have continued to grow and generate increasing imbalances in the face of rising production and exports. They also inhibited the development of new logistics operators that require specialized, well-located logistics infrastructure with a reasonable market value. The main effect of the poor logistics performance is reflected in an average cost of 34 percent of the final sale value, almost one third higher than the average for LAC countries and far from 7-8 percent of OECD's average.

- 2.4 In this context, the added value provided by the IDB will be to continue building the knowledge and capacity of public and private stakeholders to improve freight transport systems that support national production.
- 2.5 The studies will support the development of a National Logistics Plan to guide the expansion of multi-modal logistics parks and cold-chain infrastructure with a regional integration approach in the country. Strengthening the institutional capacity of the Beneficiary is also expected, thus creating added value to loan operations, public sector engagement, and private sector development. The Japan International Cooperation Agency is currently sponsoring technical cooperation with the MTC to develop better technology for tunnel construction and excavation. As an active member of the Asia-Pacific Economic Cooperation, Peru is part of several expo-related thematic groups (like transport); the Japanese Government is also a member of these groups and previous and ongoing collaborations have been identified. Furthermore, the project will seek to engage the Ministry of Land, Infrastructure, Transport and Tourism (MLITT) in Japan to showcase Japan's experience and knowhow to develop world-class logistics assets and cold-chain logistics. It is expected to build from the MLITT on recent experiences of best practices related to cold-chain logistics including transport infrastructure and freight transport operators, warehouses management and facilities, and, national policy. The MLITT will be perfect suited to increase awareness for the Peruvian Government on how to develop an environment in which logistics operators can effectively handle cold chain logistics, support the development of logistics operators, and raise awareness. Lastly, a Japan Visibility Agenda will be developed to achieve wide recognition and awareness of the Japan Special Fund and to ensure there are enough coverage and outreach initiatives.

### III. Description of Activities and Outputs

- 3.1 **Component I: Technical assistance for the implementation, management, and monitoring of logistics infrastructure projects..** This component will support the improvement in the management, implementation, and monitoring of logistics infrastructure projects through technical support, and the development of a Massive Open Online Course offer for the MTC and other public-sector stakeholders in the country.
- 3.2 **Component II: Technical assistance in the implementation of plans and policies in freight logistics.** . This component will finance the updating of the National Logistics Plan, engineering and pre-investment studies as well as market analysis of strategic projects.
- 3.3 **Component III: Development of city logistics initiatives.** . Development of city logistics initiatives. This component will finance an analysis of costs related to congestion in urban freight distribution and other initiatives of the Ministry of Transport and Communications. Activities will include the application of available methodologies and the development and updating of strategic action plans in selected cities.
- 3.4 **Component IV: Communication and outreach.** This component will finance the development, post-production, and dissemination of knowledge products resulting from this TC. These products may include, among others, technical notes and publications, videos, infographics, Brown Bag Lunch (BBL), events, or other media,

and will have the collaboration of the Transport Division and, if necessary, external consultants.

#### IV. Budget

##### Indicative Budget

Activity/Component	IDB/Fund Funding	Counterpart Funding	Total Funding
Technical assistance for the implementation, management, and monitoring of logistics infrastructure projects.	US\$40,000.00	US\$0.00	US\$40,000.00
Technical assistance in the implementation of plans and policies in freight logistics.	US\$415,000.00	US\$63,000.00	US\$478,000.00
Development of city logistics initiatives.	US\$70,000.00	US\$0.00	US\$70,000.00
Communication and outreach	US\$40,000.00	US\$0.00	US\$40,000.00
<b>Total</b>	<b>US\$565,000.00</b>	<b>US\$63,000.00</b>	<b>US\$628,000.00</b>

#### V. Executing Agency and Execution Structure

- 5.1 By request of the Ministry of Transport and Communications and in accordance with Item D, Annex 10 of GN-2629-1 and Item D, Annex 10 of OP-1155-2, the TC will be executed by the IDB in coordination with the mentioned client entity. The Transport Division (INE/TSP) staff at IDB Country Office in Headquarters and in the country office of Peru will be responsible for its execution. The execution of the TC will be carried out by the Bank through the Transport Division. This execution is justified: (i) by the Bank's experience in developing the operational and technical instruments proposed for this type of operation; (ii) to avoid lengthy internal budgeting procedures that can jeopardize achieving project objectives by delaying the execution of the project; and (iii) to facilitate coordination among stake holders giving TSP's knowledge on the scope of this client support.
- 5.2 The Bank will contract individual consultants, consulting firms, and non-consulting services in accordance with the Bank's current procurement policies and procedures: (i) the individual consultants will be hired in accordance with the guidelines set out in the AM-650; (ii) the procurement process for consulting firms will follow the Bank Policy for the Selection and Contracting of Consulting Firms for Bank executed Operational Work (GN-2765-1) and the related Operational Guidelines (OP-1155-4), and (iii) the procurement of non-consultant services will follow the Bank Corporate Procurement Policy (GN-2303-20). In compliance with the Operational Guidelines for Technical Cooperation Products-Revised version (GN-2629-1), this TC is classified as Client Support
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## **VI. Project Risks and Issues**

- 6.1 No risks have been identified for this TC

## **VII. Environmental and Social Classification**

- 7.1 The ESG classification for this operation is "undefined".