

TC Document

I. Basic Information for TC

▪ Country/Region:	REGIONAL
▪ TC Name:	Digital Revolution of Trade Processes: Adoption of National and Regional Maritime Single Windows
▪ TC Number:	RG-T3404
▪ Team Leader/Members:	Lucenti, Krista (INT/TIN) Team Leader; Umana, Mario Alberto (INT/TIN) Alternate Team Leader; Agostini, Dorri Michelle (CCB/CTT); Calatayud, Maria Agustina (INE/TSP); Centeno Lappas, Monica Clara Angelica (LEG/SGO); Esteves, Yasmin (INT/INT); Gomez Decker, Federica (INT/TIN); Gomez Gonzalez, Maria Margarita (INT/TIN); Larsson, Mikael (INT/TIN); Marquez, Christian John (INT/TIN); Medina Villanueva, Daniela (INT/INT); Persaud, Christopher (INE/TSP); Rospide, Maria De La Paz (INT/TIN); Valderrama-Celaya, Claudia (INT/INT); Zamora Murillo, Edgar (INE/TSP)
▪ Taxonomy:	Client Support
▪ Operation Supported by the TC:	N/A
▪ Date of TC Abstract authorization:	05 Apr 2019.
▪ Beneficiary:	Jamaica and Trinidad and Tobago ¹
▪ Executing Agency and contact name:	Inter-American Development Bank
▪ Donors providing funding:	OC Strategic Development Program for Integration(RIN)
▪ IDB Funding Requested:	US\$350,000.00
▪ Local counterpart funding, if any:	US\$0
▪ Disbursement period (which includes Execution period):	Disbursement Period: 24 months; Execution Period: 24 months
▪ Required start date:	September 30, 2019
▪ Types of consultants:	Individual consultants; Consulting firms
▪ Prepared by Unit:	INT/TIN-Trade & Investment
▪ Unit of Disbursement Responsibility:	INT-Integration and Trade 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:	Economic integration

II. Objectives and Justification of the TC

- II.1 The objective of this Technical Cooperation (TC)** is to increase the adoption of digital solutions aimed at connecting and inter-connecting national and regional maritime transport stakeholders. To this end, the TC will support the implementation of National Maritime Single Windows (MSW) and initiate the development of a Caribbean Regional Maritime Single Window (RMSW) with the view to improve trade and transport facilitation in CCB countries.
- II.2 Justification:** CARICOM maritime transport faces serious challenges, including inadequate and poorly maintained port infrastructure, declining transshipment

¹ Other beneficiaries may be added to the technical cooperation without prejudice, subject to receipt of letters of request from the liaison authorities.

business as fleet size increases, and under-capitalization.² Maritime connectivity is mainly limited to the main transshipment hubs of Kingston, Freeport, San Juan, Port of Spain, and Caucedo.³

- II.3 As Caribbean islands are sea locked, extra-regional trade is limited to air and maritime transport modes, logistics costs are generally higher, and natural disasters create disproportionate risk for disruption in transport service and trade flows. Ships, crewmembers and the goods and passengers that they carry are subject to controls that address a wide range of issues including ensuring public health, revenue protection, security, immigration, importing and exporting prohibited and restricted items, and sanctions enforcement. In most Caribbean countries, these bureaucratic requirements are onerous and manual with duplicate submission to multiple agencies hampering the flow of maritime transport. These factors drive up the price of investments in infrastructure and transport services, which ultimately affects the region's economic growth and competitiveness.⁴
- II.4 In addition, the relatively low density of Caribbean markets severely limits the development of large infrastructure assets. The region lacks larger, denser, urbanized markets – only achievable by regional cooperation – to make long-life cycles and upfront capital investments – which are higher if climate resilient – cost effective.⁵
- II.5 Against this background, digital solutions such as MSWs can mitigate the effect of these problems and provide a competitive edge to Caribbean countries. An MSW is a single point of entry for the exchange of all necessary information for maritime ship reporting and clearance and eliminates duplicate submission of declaration information to the applicable agencies. This contributes to reducing the time and cost of trade and maritime transport in the country. For example, an MSW facilitates simultaneous electronic submission of forms (1-7), required under the Convention on Facilitation of International Maritime Traffic (FAL Convention), to all corresponding agencies. This increases efficiency in the preparation of arrival and departure declarations for shipping agents, improves communication and coordination between shipping agents and regulatory agencies, and reduces paperwork and vessel dwell time due to electronic submission and clearance. As part of a package of 2016 amendments (entered into force on January 1, 2018) under the revised Annex to the FAL Convention, the International Maritime Organization (IMO) has mandated the electronic exchange of information from 9 April 2019 with a transition period of no less than 12 months.⁶ Some countries in the region have made significant strides to comply

² See Caribbean Development Bank. Transforming the Caribbean Port Services Industry: Towards the Efficiency Frontier. <http://caribbean.cepal.org/content/transforming-caribbean-port-services-industry-towards-efficiency-frontier>

³ Economic growth and competitiveness are intertwined with air and maritime transportation. Caribbean Growth Forum. https://www.researchgate.net/publication/273378993_Connectivity_for_Caribbean_Countries_An_Initial_Assessment

⁴ [See link here.](#)

⁵ [See link here.](#)

⁶ <http://www.imo.org/en/OurWork/Facilitation/ConventionsCodesGuidelines/Pages/Default.aspx>.

with this obligation –such as Antigua and Barbuda⁷ and Trinidad and Tobago⁸– however, Caribbean countries are yet to fully comply with this obligation.

- II.6 In addition to stand alone systems, MSWs can also be locally connected to other platforms such as Port Community Systems and Trade Single Windows and regionally to other MSWs in order to further enhance the efficiencies of these trade and transport digital solutions. A regional solution would ensure compliance with international obligations as well as further streamline maritime reporting requirements by reducing inefficiencies since ships submit the same forms at each port of call. A similar approach to a regional solution is being developed in the European Union and this model will follow closely the development of that EU Regional MSW.
- II.7 This project is complemented by other national operations that support global and regional integration through trade facilitation, *Trade Sector Support Programme* (BH-L1016), Single Electronic Window for Trade and Business Facilitation (TT-L1044) and Establishing a Single Window for Trade (GY-L1064). The TC also reinforces other regional TC projects (RG-T3123) and loans recently approved (SU-L1057).
- II.8 This TC is consistent with the Update to the [Institutional Strategy \(UIS\) 2010-2020](#) (AB-3008) and with the development challenges of: economic integration, by increasing access to foreign markets by reducing the cost of importing and exporting goods; the cross-cutting theme of institutional capacity, by strengthening of the technical capacities of maritime divisions to implement international obligations. In addition, the TC aligns with and contributes to the 2016-2019 Corporate Results Framework (GN-2727-4) (CRF) by promoting the provision of inclusive infrastructure and infrastructure services. The TC is also aligned with the priorities (trade facilitation and logistics) defined in the Integration and Trade Sector Framework Document (GN-2715-6). This intervention is also aligned with the IDB's Infrastructure Strategy "Sustainable Infrastructure for Competitiveness and Inclusive Growth" (GN-2710-5) and the Transportation Sector Framework Document (GN-2740-7), specifically with the strategic principles of providing technical assistance for planning and developing infrastructure that contributes to the economic growth.

III. Description of activities/components and budget

- III.1 **Component 1. Gap Assessments for National Maritime Single Window Development (US\$120,000).** This component will undertake gap assessments for the implementation of national MSWs in Jamaica and Trinidad and Tobago⁹ to ensure compliance with international obligations under the FAL Convention. This will entail a gap analysis of the current environment for implementing an MSW (regulatory, legal, technical, and institutional baselines); a stakeholder mapping; areas of compliance; and policy recommendations and preparation of country-specific roadmaps for

⁷ <http://www.imo.org/en/MediaCentre/PressBriefings/Pages/07-IMO-maritime-data-solution-available-after-launch-in-Antigua-and-Barbuda-.aspx>.

⁸ <https://www.ttbizlink.gov.tt/trade/tnt/cmn/pdf/MODULE%20MARITIME.pdf>.

⁹ Gap assessments in other countries will be undertaken upon receipt of letters of request from liaison authorities. The budget remains the same since economies of scale will be realized if other assessments are requested.

development, financing and implementation of a National MSW solution.¹⁰ **Outputs:** Gap assessment reports for each beneficiary country; **Result:** Increased likelihood that countries will fulfill the electronic submission obligation under the IMO FAL Convention.

- III.2 **Component 2. Regional Maritime Single Windows (US\$100,000).** This component will finance the conceptual design and stakeholder community-building for the development of a Regional MSW in the Caribbean. The design will include a review of the data sets, national requirements (in addition to those required by the IMO), system requirements (data models, platform to platform), and regulatory harmonization. The Bank would work closely with the IMO and the Caribbean Community (CARICOM) Implementation Agency for Crime and Security (IMPACS) to implement this component. **Output:** Regional MSW Design; **Result:** If implemented, the Regional MSW would create greater integration between the beneficiary countries.
- III.3 **Component 3. Regional Workshop (US\$80,000).** This component will finance a regional workshop to support the goals of the Regional MSW and Caribbean participation at the Inter-American Network of Single Window Operators (RedVUCE) workshop 2020. The Regional MSW workshop will be held during the 2nd quarter of 2021, following its design. The target audience will be the Maritime Services Divisions and/or Port Authorities of the beneficiary countries, and the IMO. The event will be closed to its members, requiring no external communications. The location of the workshop will depend on a country's willingness to host. **Output:** 1 Regional Workshop; participation in RedVUCE 2020 (travel costs); **Result:** Increased awareness and concurrence on the design for the regional MSW and greater knowledge sharing and adoption of Maritime Single Windows throughout the region.
- III.4 **Component 4. Dissemination and Coordination (US\$50,000).** This component will finance a Coordinator, responsible for supporting the execution of activities in this TC. The Coordinator will also manage a Community of Practice platform that will be used to disseminate information and circulate draft documents. **Output:** Individual consultancy contract; **Result:** increased support for the effective dissemination of information and the promotion of good practices in the implementation of MSWs in the region.
- III.5 The total estimated cost of the TC is US\$350,000 financed by the Strategic Development Program for Integration (RIN) on a non-reimbursable basis.

Indicative Budget (US\$)

Activity/Component	IDB/Fund Funding	Total Funding
Component 1	120,000	120,000
Component 2	100,000	100,000
Component 3	80,000	80,000
Component 4	50,000	50,000
Total Funding	350,000	350,000

¹⁰ The open source solution developed by Norway for Antigua and Barbuda will be explored as an option for the technical solution. <http://www.imo.org/en/MediaCentre/PressBriefings/Pages/07-IMO-maritime-data-solution-available-after-launch-in-Antigua-and-Barbuda-.aspx>.

III.6 This TC will be supervised by the Trade and Investment Division (INT/TIN).

III.7 **Monitoring and evaluation.** The implementation of the Components of this TC will be monitored by the Coordinator and in collaboration with the Team Leader. The main purpose of Component 4 is to create a coordination point within the Bank to oversee and monitor all activities undertaken as part of this TC, given the regional scope of its implementation. In this context, Component 4 will coordinate the production of status reports; communication with all relevant stakeholders; organization of any necessary meetings for Component 3; and development of supporting research for Components 1 and 2.

IV. Executing agency and execution structure

IV.1 The Bank will be the project's executing agency, through the Trade and Investment Division of the Integration and Trade Sector (INT/TIN), given the regional character of the project and the fact that it needs a high level of coordination and interdependence. Moreover, INT/TIN has been the institutional coordinator, mediator, and interlocutor for all relevant activities of different regional initiatives. Likewise, the Bank has the technical experience and capacity to ensure a high quality of products and activities to be carried out for this project. The requesting entities do not have the necessary technical, operational or institutional capacity to duly and timely execute the activities provided in this project. This includes other regional organizations, such as the CARICOM Secretariat which lacks sufficient technical expertise in the maritime sector to execute this technical cooperation.

IV.2 The execution and disbursement period will be 24 months respectively and the UDR will be INT/TIN. All activities to be executed under this TC have been included in the Procurement Plan (see Annex III) and will be contracted in accordance with Bank policies as follows: (i) AM-650 for Individual consultants; (ii) GN-2765-1 and Guidelines OP-1155-4 for Consulting Firms for services of an intellectual nature; and (iii) GN-2303-20 for logistics and other related services.

V. Major issues

V.1 Implementation of a regional project implies a higher level of complexity, as well as risks related mainly to inter-institutional coordination and asymmetries in information. It is expected that these risks will be mitigated by having the IDB as the executing agency, especially considering that the Bank has and will continue coordinating relevant and related activities with the different public institutions responsible for trade and port facilitation in the Caribbean region.

V.2 As to sustainability, if the TC has been successful, countries will meet their obligations under the FAL convention. This would entail implementation and subsequent maintenance of their MSW, which would be undertaken through country's own resources and technical expertise.

VI. Exceptions to Bank policy

VI.1 There are no exceptions to Bank policy.

VII. Environmental and Social Strategy

VII.1 This operation has been classified under the "C" category in accordance with the Environment and Safeguards Compliance Policy (OP-703) (see [Safeguards Analysis Report](#) and [Safeguard Policy Filter Report](#)).

Required Annexes:

[Request from the Client_53944.pdf](#)

[Results Matrix_91515.pdf](#)

[Terms of Reference_41963.pdf](#)

[Procurement Plan_36238.pdf](#)