

To: Jaime Granados
Division Chief Trade and Investment (INT/TIN)

From: Krista Lucenti
Team Leader (INT/TIN)

Subject: Request for addition of Suriname as a beneficiary country to operation RG-T3404 / ATN/OC-17611-RG. Digital Revolution of Trade Processes: Adoption of National and Regional Maritime Single Windows

Date: 27 February 2020

I. Background

- 1.1 CARICOM maritime transport faces serious challenges, including inadequate and poorly maintained port infrastructure, declining transshipment business as fleet size increases, and under-capitalization.¹ Maritime connectivity is mainly limited to the main transshipment hubs of Kingston, Freeport, San Juan, Port of Spain, and Caucedo.²
- 1.2 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.³
- 1.3 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.⁴
- 1.4 Against this background, digital solutions such as Maritime Single Windows (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

¹ See [Caribbean Development Bank. Transforming the Caribbean Port Services Industry: Towards the Efficiency Frontier.](#)

² See [Economic growth and competitiveness are intertwined with air and maritime transportation. Caribbean Growth Forum.](#)

³ [See link here.](#)

⁴ [See link here.](#)

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.⁵ Some countries in the region have made significant strides to comply with this obligation – such as Antigua and Barbuda⁶ and Trinidad and Tobago⁷ – however, Caribbean countries are yet to fully comply with this obligation.

- 1.5 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. Progress

- 2.1 The Bank approved a Regional Technical Cooperation (TC) on October 1, 2019 to support the adoption of National MSWs in Jamaica and Trinidad and Tobago and initiate the development of a Caribbean Regional Maritime Single Window (RMSW) with the view to improve trade and transport facilitation in CCB countries. The Trade and Investment Division has since commenced execution of the TC and is preparing the procurement process for activities in Component 1 and 2. The timing for inclusion of a third country is appropriate given the stage of execution.

III. Objective of the modification

- 3.1 Prior to the approval of the TC, Suriname had been seeking authorization to participate in the TC, however, this did not arrive in time. The letter of request was received on December 18, 2019 from the Ministry of Finance and the objective of this modification is to add Suriname as a beneficiary country to the TC.

IV. Justification of the Inclusion of Suriname

- 4.1 Suriname is currently a member of the IMO and is subject to the obligations to implement the electronic exchange of Maritime information. Suriname does not have an MSW and has not yet begun preparations to meet the IMO obligation. Therefore, it is essential that Suriname be added as a beneficiary to this TC so that the country can benefit from the National Gap Assessments and contribute to the conceptual design of the Regional MSW.

⁵ <http://www.imo.org/en/OurWork/Facilitation/ConventionsCodesGuidelines/Pages/Default.aspx>.

⁶ <http://www.imo.org/en/MediaCentre/PressBriefings/Pages/07-IMO-maritime-data-solution-available-after-launch-in-Antigua-and-Barbuda-.aspx>.

⁷ <https://www.ttbizlink.gov.tt/trade/tnt/cmn/pdf/MODULE%20MARITIME.pdf>.

- 4.2 Secondly, the Bank currently has an operation recently approved, SU-L1057, to support the development of a Port Community System. The Maritime Single Window would be a module of this system and therefore support for its preparation will reduce efforts needed for this during loan execution.
- 4.3 This modification will not require any change to the overall budget, as the budget was based on inclusion of three countries, including Suriname. The original budget for component 1 was \$150,000 for 3 gap assessments and for component 3 was \$50,000 for the regional workshop. Without the letter of request from Suriname prior to approval, more resources were allocated to do a larger workshop and bring in more external experts from Europe and Asia. With the addition of Suriname as a beneficiary country, the budget will be reverted to its original allocation of resources.

V. Indicative Results Matrix and Budget

Table 1. Indicative Results Matrix Updated

Component	Indicator	Unit of Measure	Baseline	Goal	Means of Verification
Component 1: Gap Assessments for National Maritime Single Window Development	Diagnostics and assessments completed	Diagnostics (#)	0	3	Report to IDB
Component 2: Regional Maritime Single Windows	Strategies designed	Strategies (#)	0	1	Strategies
Component 3: Regional Workshop	Workshops organized	Workshops (#)	0	1	Validation by Coordinator
Component 4: Dissemination and Coordination	Project implementation unit strengthened	PIUs (#)	0	1	Contract

- 5.1 The requested modification represents an additional beneficiary country, which would alter the activities of component 1 to include a gap assessment for Suriname.
- 5.2 The indicative budget of the TC is shown below, illustrating that there is no change to the requested funds from those allocated at the beginning of the approval of this technical cooperation.

Table 2. Budget

Activity/Component	Original IDB/RIN Funding (US\$)	Modified IDB/RIN Funding (US\$)
Component 1	120,000	150,000
Component 2	100,000	100,000
Component 3	80,000	50,000
Component 4	50,000	50,000
Total Funding	350,000	350,000

VI. Recommendation

- 6.1 Given the arguments presented in the previous sections and in accordance with the delegated authority established in the Bank's Operations Process and Administrations

Manual OA-421 (III,D), the Project Team Leader recommends that the Division Chief Trade and Investment (INT/TIN), approves the addition of Suriname as a beneficiary country to the TC RG-T3404 (ATN/OC-17611-RG).

- Request letter from Suriname: [Link](#)

VoBo: Original firmado Date: 27 Feb-2020
Kevin McTigue, LEG/SGO

Approved: Original firmado Date: 27 Feb-2020
Jaime Granados, TIN Division Chief