

TC ABSTRACT

I. Basic Project Data

▪ Country/Region:	Regional/CCB - Caribbean Group
▪ TC Name:	Digital Revolution of Trade Processes: Adoption of Port Community Systems and Regional Maritime Single Window
▪ TC Number:	RG-T3404
▪ Team Leader/Members:	Lucenti, Krista (INT/TIN) Team Leader; Umana, Mario Alberto (INT/TIN) Alternate Team Leader; Larsson, Mikael (INT/TIN); Gomez Decker, Federica (INT/TIN); Fioravanti, Reinaldo Daniel (INE/TSP); Persaud, Christopher (INE/TSP); Calatayud, Maria Agustina (INE/TSP); Gomez Gonzalez, Maria Margarita (INT/TIN); Marquez, Christian John (INT/TIN)
▪ Taxonomy:	Client Support
▪ Number and name of operation supported by the TC:	N/A
▪ Date of TC Abstract:	05 Apr 2019
▪ Beneficiary:	Regional CCB
▪ Executing Agency:	Inter-American Development Bank
▪ IDB funding requested:	\$US350,000.00
▪ Local counterpart funding:	US\$0.00
▪ Disbursement period:	24 months
▪ Types of consultants:	Firms
▪ Prepared by Unit:	Integration and Trade Sector
▪ Unit of Disbursement Responsibility:	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. Objective and Justification

- 2.1 The objective of this Technical Cooperation is to support specific measures towards the implementation of port community systems (PCS) solutions in select Caribbean air- and seaports, and to initiate work towards a Regional Maritime Single Window
- 2.2 CARICOM maritime transport faces serious challenges, including inadequate and poorly maintained port infrastructure, declining transshipment business as fleet size increases, and under-capitalization. Maritime connectivity is mainly limited to the main transshipment hubs of Kingston, Freeport, San Juan, Port of Spain, and Caucedo. 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. These factors drive up the price of investments in infrastructure and transport services, which ultimately affects the region's economic growth and competitiveness.
- 2.3 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.
- 2.4 Against this background, Port Community System (PCS) solutions are capable of increasing connectivity and port efficiency without the need for significant capital investment. They are neutral and open electronic platforms enabling intelligent and

secure exchange of information between public and private stakeholders. They optimize, manage, and automate port and logistics processes through a single submission of data that connects trade, transport, and logistics chains in a port environment – from terminal and transport operators to freight forwarders, customs, cross-border regulatory bodies, and port authorities. Importantly, various port users see PCS platforms as key factors for port choice because PCS help to improve port-related flows of work within and across organizations and countries. In so doing, PCS enhance operational efficiency and get rid of bottlenecks in port environments.

- 2.5 While a PCS harmonizes processes and procedures within a national port environment, a Maritime Single Window (MSW) is a single point of entry for the exchange of all necessary information and formalities required for the reception process of ships. e.g. maritime ship reporting and clearance; FAL forms (1-7). The FAL Convention has mandated the electronic exchange of information from 9 April 2019 with a transition period of no less than 12 months in the 2016 amendments that entered into force on January 1, 2018. Some Caribbean countries still rely on manual submission of these forms while in other cases, national Single Windows for trade have an existing MSW module. Assessing the gaps for those countries with manual processes and connecting these MSWs between Caribbean countries to create a Regional MSW would reduce inefficiencies since ships submit the same forms at each port of call. In a region like the Caribbean, the same ship makes calls to multiple countries. This model will follow closely the development of the EU Regional MSW (RMSW).

III. Description of Activities and Outputs

- 3.1 **Component I: PCS Readiness Assessments.** This component will undertake PCS readiness assessments in 2 countries. (i) clearly identify legal, institutional and regulatory frameworks; specify the different financing and revenue models (ii) Map all stakeholders and prepare country-specific databases; (v) Assess the readiness of the countries, identifying gaps and areas of compliance (vi) Formulate specific policy recommendations and prepare country-specific roadmaps for development, financing and implementation of PCS solution.
- 3.2 **Component II: Creation of a Regional Maritime Single Window.** This component will finance the design of a Regional MSW, as well as one workshop to advance the objectives of port connectivity and community. The design will include a review of the data sets, national requirements (in addition to IMO), system requirements (data models, platform to platform), and regulatory harmonization.
- 3.3 **Component III: PCS and RMSW Coordinator.** This component will finance a PCS/RMSW coordinator who will help support execution of the activities in this TC, including liaising with all connected port members and preparation of workshop, as well as with activities being undertaken in other related TCs. The Coordinator will also manage a platform which will be used to disseminate information and circulate draft documents.

IV. Budget

Indicative Budget

Activity/Component	IDB/Fund Funding	Counterpart Funding	Total Funding
PCS Readiness Assessments	\$ 70,000.00	\$ 0.00	\$ 70,000.00
Creation of a Regional Maritime Single Window	\$ 230,000.00	\$ 0.00	\$ 230,000.00
PCS and RMSW Coordinator	\$ 50,000.00	\$ 0.00	\$ 50,000.00

V. Executing Agency and Execution Structure

- 5.1 The Bank will be the project's executing agency, through the Trade and Investment Division of the Integration and Trade Sector (INT/TIN).
- 5.2 The execution and disbursement period will be 24 months and the UDR will be INT/TIN. The procurement of individual consulting services will be carried out by the IDB in accordance with Human Resources Department (HRD) Complementary Workforce Policy (AM-650). The procurement of consulting services will be carried out by IDB in accordance with its Corporate Procurement Policy (GN-2303-20).
- 5.3 Given the regional character of the project and the fact that it needs high level of coordination and interdependence, the Bank should execute this TC. Moreover, INT/TIN has been the institutional coordinator, mediator, and interlocutor for all relevant activities of different regional initiatives, including the Pacific Alliance. 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.

VI. Project Risks and Issues

- 6.1 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 LAC region.

VII. Environmental and Social Classification

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