

ASSOCIATION OF CARIBBEAN STATES (ACS)

31ST MEETING OF THE SPECIAL COMMITTEE ON TRANSPORT

Tuesday 23rd August 2022 – via videoconference

DRAFT RAPPORTEUR'S REPORT

I. OPENING CEREMONY

The 31st Meeting of the Special Committee on Transport was held on Tuesday 23rd August, 2022 via videoconference and was chaired by **Ms. Sandra Casanova, Advisor to the Assembly of the Collectivité of Martinique in her capacity as Chairman of the ACS Special Committee on Transport**. Also attending virtually were the representatives of the Vice Chairs of the Special Committee, the Cooperative Republic of Guyana and the Bolivarian Republic of Venezuela as well as the representative of Barbados as Rapporteur.

Present at the Meeting were sixteen (16) Member States, three (3) Associate Members, two (2) Founding Observer and three (3) Observers. The List of Participants is attached as **Annex 001**.

The Chair welcomed participants and contextualized the meeting as a possible platform for stakeholder engagement in promoting growth and modernisation of the regional transport industry. She reiterated the ACS' commitment to the development of the Greater Caribbean. The ongoing pandemic-induced challenges and the concomitant changes within the regional transport sector were highlighted. She also underscored the opportunities presented as a result of the pandemic, noting strengthened regional cooperation and the adoption of new technologies that can provide solutions for the effects of exogenous shocks on the industry.

The Chair underscored the unique opportunity presented to key industry players to implement initiatives that will lead to enhance participation of territories in regional and global supply chains. She indicated that this endeavour can only be achieved with close and strong cooperation among all actors, at all levels, with the end of improving intra-regional connectivity. She expressed her anticipation for a fruitful meeting discussion and encouraged participants to remember the need for continued collaboration along with innovation to achieve an agile and robust transport sector. She made reference to the ability of the Greater Caribbean to become leaders in transport and logistics providing that the region adopts a collective action approach. The Chair wished everyone a fruitful meeting and thanked participants for their attention.

The Secretary General of the ACS, H.E. Rodolfo Sabonge, delivered opening remarks and warmly welcomed meeting participants to the meeting. He offered a brief reflection on the impact of the COVID-19 pandemic and the Russia-Ukraine war on global and regional transport. He pointed out the drastic increase in transport costs, lower quality of services and the impact on the prices of energy commodities as a result of supply chain disruptions and further aggravations from the war. He reminded the meeting of the importance of having an efficient and cost-effective transport system to support recovery of the trade and tourism industries, which he highlighted as the sectors most important to the economic well-being of the Greater Caribbean.

The Secretary General took the opportunity to remind the meeting of the unique position of the ACS in solving and improving regional transport. He explained the difficulties in finding solutions to the regional transport problem without taking into account the regional and global market. He then highlighted ACS' efforts to develop a maritime transport and logistics strategy for the Greater Caribbean which adopts an inclusive approach that considers the needs and supply-demand dynamics of all sub-regions while harnessing the competitive advantages of members that can facilitate connectivity of the region.

Furthermore, the Secretary General highlighted the issue of food security within the region and indicated that transport, geography, distance and supply and demand determine the financial viability of services. Without an efficient and cost-effective transport network, achieving greater food security and food self-sufficiency cannot be possible. He reiterated the need for regional solutions that considers all Greater Caribbean countries as opposed to sub-regional solutions to create a practical transport network. In this regard, he emphasized the unique position of the ACS as it includes all members of the region in an effort to expand the economic space of CARICOM and other sub-regional groups to facilitate regional economic integration.

Additionally, the Secretary General called attention to the ACS transport mandate to link the region by air and sea and referred to achieving this through the ACS 2022-2028 Plan of Action. Reiterating the importance of a regional approach, he noted the need to prioritize resolving the lack of an efficient and economic transport network especially in light of current market conditions. The Secretary General emphasized the ACS' commitment to transforming the transport sector into one that is integrated and sustainable. He expressed his desire for a discussion that would bring experience and expertise to shape the priorities of the ACS plan for the coming year and the need for partnership and cooperation for the implementation of the ACS Plan of Action.

The ACS Director for Trade and Sustainable Development, Mrs. Safiya Horne-Bique, welcomed participants to the meeting and emphasized the importance of the meeting as a platform to analyse and design the transport sector of the Greater Caribbean. She reiterated the significance of developing the transport sector as a

fundamental part of moving goods and people across the globe supporting economic activity and development. She also reiterated the many challenges of the regional transport system and identified key issues that must be addressed. Global challenges that affect the region were also identified as increasing pressure on an already fragile transport ecosystem which drastic cost increase. The Director echoed the need to alleviate these issues to develop a more competitive industry. The characteristics of an enhanced transport ecosystem were identified, which include efficient cross-border operations, quality opportunities for native populations and a reduction in environmental impacts.

To reinforce the critical role of transport, the Director demonstrated the contributions of regional transport to economic development. She highlighted the critical role of transport in facilitating regional integration which she indicated remains an important component of the ACS mandate to unite the region by air and sea. She also reiterated the need for a collaborative approach to regional transport development and highlighted the Sectoral Meeting for Transport Partners and Stakeholders as an opportunity for building partnerships. She expressed her anticipation for a fruitful and dynamic discussion.

SESSION I: SECTORAL MEETING FOR TRANSPORT PARTNERS AND STAKEHOLDERS

II. SECTORAL MEETING FOR TRANSPORT PARTNERS AND STAKEHOLDERS

1. Context and Overview

- ***Strategic Directions and Priorities for Regional Transport Development – H.E. Rodolfo Sabonge, Secretary General of the Association of Caribbean States (ACS)***

The Secretary General contextualized the regional transport sector by giving a brief overview of the ongoing global issues and challenges. He summarized them into four (4) major issues: consumer demand and imports, the capacities and costs of transport globally, environmental issues and ongoing geopolitical issues along with the vulnerabilities. He demonstrated the compounded effect these issues continue to incur on the transport system. He called attention to the regionalization of trade as an invitation to reduce carbon emissions which he highlighted as an opportunity to get more for less in focusing on transport routes with lower logistical costs financially and in terms of environmental impact. He noted that the increases in shipping costs are causing disproportionate inflation and an increase in the cost of various products. It was indicated that we are much more vulnerable than before. He also noted the cost increase of energy commodities and its effect on the cost of food which ultimately leads to a higher food import bill for the region.

The Secretary General highlighted the geographic positioning of the Greater Caribbean as an opportunity to analyse and determine how to generate affordable transport routes and schedules that serve as regional alternatives to extra-regional routes. It was noted that due to the lack of connectivity, the region is not attractive to transport operators which requires this analysis to determine more attractive and cost-efficient routes. He encouraged the proposal for innovative financing initiatives such as public-private partnerships (PPPs). He noted the severity of the effect of decline in the movement of passengers via air. It was highlighted that the region is closer to recovery than before, but the air travel availability capacity and frequency has reduced in comparison to years gone by. This directly affects air connectivity, tourism and other commodities.

Furthermore, the Secretary General summarized what the ACS is proposing for transport in the ACS Plan of Action which includes the mandate to unite the Greater Caribbean by air and sea. To do this, he highlighted the key areas of activity for transport in which the ACS will undertake work. This includes frameworks for maritime and logistics advancement, cooperation with an emphasis on innovative technologies, a focus on PPPs to avail resources to make the transport system better, and capacity-building and training that enable member countries' access to information and sharing of best practices. It was noted that within the ACS Plan of Action, the strategic actions focus on leveraging the competitive advantages of the region to better develop transport connectivity. He posited that this will ultimately lead to an increase in economic competitiveness, greater market exposure and facilitate and promote investment. He indicated that said strategic actions related to transport would be operationalized through the ACS Implementation Plan that proposes various major activities.

The Secretary General also took the opportunity to highlight transport priorities for the period 2022-2023, which include work on the Maritime Transport and Logistics Strategy at the regional level and a Regional Ferry System with the possibility of partnering with the Caribbean Development Bank (CDB) to create a functional ferry network within the region. These will be underpinned by work to support the digital transformation of the regional transport sector and capacity building. He noted that the projects planned, given the capacity and resources mobilized, there is a focus on things that will allow for meaningful impact and advancement of the region. The Secretary General ended his intervention by making reference to the Cooperation Conference that is scheduled for later this year in Cuba, expressing his anticipation for the presentation of projects that can lead to cooperation, resource mobilization and financing for the ACS member countries which will allow for the implementation and achievement of the ACS goals. This presentation is attached as **Annex 002**.

The **Chair** thanked the Secretary General for his presentation, highlighted some key takeaways from his presentation such as the mandate to unify the region by air and sea, the development of the ferry network, along with the sectors and main stakeholders in the industry. She reminded the meeting of the opportunities presented in the transport

sector including the chance to reduce emissions and ensure food security. She reiterated the issue of finding strategic solutions to resolve these challenges.

- ***Current Context of the Regional Transport Sector: Trends and the Trajectory - Mr. Diogo Aita, Associate Economic Affairs Officer, International Trade and Integration of the United Nations Economic Commission for Latin America and the Caribbean (UNECLAC)***

Mr. Diogo Aita introduced himself and thanked the Secretary General and the Director for the invitation and recent engagement. He also provided an overview of the status quo with regards to "*Regional Transport Sector: Trends and Trajectory*". Mr. Diogo highlighted the most recent work UNECLAC had been doing with regards to the ACS, specifically the following studies:

1. Impact of the COVID-19 pandemic on the cruise tourism industry in the Greater Caribbean
2. Inputs for the future: Greater Caribbean's New Maritime Strategy (Non-Paper)
3. Technical note on the establishment of a logistics observatory for the Association of Caribbean States
4. Airship technology for air connectivity and humanitarian aid in the Caribbean and the Pacific
5. Preliminary technical, economic and institutional evaluation for the implementation of a ferry service in the Eastern Caribbean

He then presented an overview of regional connectivity issues starting with maritime connectivity. In this regard, he looked at the regional transport sector situation in 2019, prior to the pandemic, and he illustrated the very low ranking recorded for maritime connectivity. With regards to air connectivity, he noted that the region recorded higher air connectivity rankings relative to maritime connectivity. However, he posited, air connectivity has a challenge of high cost and stressed that air services are expensive, explaining that intra-regional air services are much higher in comparison to the global average and extra-regional averages.

Furthermore, Mr. Aito explained that air transport is expensive as taxes on air services remain high as taxes, fees and charges represent approximately 35% of the cost of one-way airfare. He then pointed out the changes in global air connectivity, noting that it has improved from 2008 to 2018 in most countries of the region except for five (5) countries that would have experienced a decline. In comparison to regional air connectivity, he noted a decline during the same period. He summarized this section by reiterating the low maritime connectivity within the region, high air transport connectivity with the high air transport cost and infrequent services, the increase in air connectivity between the region and the world but a decrease in intra-regional connectivity.

Thereafter, Mr. Aito presented the effects of the pandemic. He demonstrated the contribution of tourism to exports prior to the pandemic. His records showed that this

tourism-export share which was higher in the Caribbean than in Latin American countries. Tourism is a key income generator, source of investment and job creation in the Caribbean. Coming out of the pandemic, there have been three (3) main actions undertaken to reactivate the regional tourism sector including:

1. Sanitary and circulation actions;
2. Economic Actions for reactivation;
3. Other Reactivation Actions

He noted the recovery scenarios of the region following the implementation of reactivation plans after 2.5 to 4 years. He then highlighted that faster recovery is dependent on the efficiency of the reactivation actions mentioned and noted possible innovative solutions to be considered that will accelerate recovery.

During this section, Mr. Aito examined the possibility of establishing a Ferry Network in different sub-regions of the Greater Caribbean. A situational analysis of the Eastern Caribbean region was completed, looking at the competitiveness and connectivity indices of the countries in the region. To improve the connectivity situation, four (4) possible ferry routes were examined. The suggested routes included:

1. Route 1: Colomba, Aruba, Bonaire, Curaçao, Trinidad and Tobago
2. Route 2: Trinidad and Tobago, Guyana and Suriname
3. Route 3: Puerto Rico, Antigua and Barbuda, Guadeloupe and Saint Lucia
4. Route 4: Saint Lucia, Saint Vincent, Grenada and Trinidad and Tobago

Based on the analysis, Mr. Aito suggested Trinidad and Tobago as the hub for the southern Caribbean countries and St Lucia as the hub for the eastern Caribbean. He noted that four (4) simulations were developed based on currently available vessels operating in the region. It was noted that there are vessels with higher speed as well as lower speed vessels. These lower speed vessels have lower costs associated with it, but it takes a longer time. Faster vessels have higher costs per mile requiring more capacity levels to support the route. The simulation was developed using the 50% capacity and higher rate per nautical mile. Based on this simulation, it was recommended that route 2 would provide the best profit margins for the service. Route 4 would require a higher passenger capacity of over 60%. To execute this, four (4) recommendations were made, including contractual PPPs, people-first approach to PPPs, multiple bidding alternatives and institutional development and engagement. The first three (3) recommendations would focus on financing the network while the 4th recommendation would look at institutional capacity-building and engagement from the relevant organizations.

To conclude his presentation, Mr. Aito looked at global trends and emerging issues in the container market. He looked at the issue of growing sizes of ships within the past fifteen (15) years along with the growing availability of these large ships. In examining container performance in the Caribbean, he noted that since the COVID-19 pandemic, the entire supply chain has suffered major disruption characterized by multiple bottlenecks and operational inefficiencies, widespread delays and bottlenecks at terminals, lack of

container loading goods, shortages of sea and river warehouses and supply cuts from the usual sources. Some regional solutions proposed included innovation: airship technology and ferry lines, multilateral cooperation: a commitment to develop regional integration and sustainability in logistics. This presentation is attached as **Annex 003**.

The Chair thanked Mr. Aito for his presentation highlighting that it was a very detailed overview showing clearly where work must be done. She made specific reference to the development of the Ferry Network indicating that there must be a more integrated strategy that reflects the economic reality of the region. She took the opportunity to highlight the possibility of having Martinique as part of the routes. She also asked about the potential of transporting frozen goods intra-regionally.

In response, **Mr. Aito** indicated that it is possible, but it would require faster vessels which would impact the tariffs and cost of the ships in terms of cost per mile for transportation. He also indicated that more data and demand is required to finance such a service noting that more possible services and routes must be studied using a case-by-case approach.

The **Chair** opened the floor for questions.

The Representative for the Bolivarian Republic of Venezuela commended the presentation and highlighted the possibility of including Venezuela as part of the regional ferry route. He noted an ongoing development in Venezuela related to maritime and logistics that focused on forging better connections with Trinidad and Tobago. **Mr. Aito** indicated that a main aspect of the study is multilateral cooperation and therefore the possibility does exist for Venezuela to be included in a ferry route. He explained, however, that the presentation only illustrated research from the main study indicating concrete practical solutions. A further study to analyze the inclusion of other countries is required to determine the feasibility of including other countries.

The representative for the Republic of Colombia expressed satisfaction with the route in which Colombia was included. She then posed a question regarding the cost of air transport and the size of ports and what was meant by intra-regional and extra-regional connectivity. **Mr. Aito** answered by indicating that intra-regional connectivity includes connectivity within the region while extra-regional includes connectivity outside of the region.

The **ACS Secretary General** then reminded the meeting that the ACS is a regional organization that can provide practical solutions for transport. He added that upon meeting with UNECLAC, the ACS tried to include countries that are not specifically included into sub-regional routes but are countries that have possible competitive advantages to advance transport. He reiterated the use of PPP as a means of financing

which would offer countries the opportunity to develop this network. He noted that the service must be profitable, which is why the pilot project identified these countries.

2. Key Perspectives from Industry Stakeholders

- ***Port Sustainability in Small Island Developing States (SIDS): Mr. Colin Young, Regional Maritime Adviser for the Caribbean of the International Maritime Organization (IMO)***

Mr. Colin Young expressed gratitude on behalf of the Secretary General of the International Maritime Organization (IMO) for the opportunity to present during this meeting. He began his presentation by providing an overview of the role of the IMO in development. It is a specialized agency of the United Nations responsible for developing and adopting measures to address ship safety and pollution prevention from ships. He highlighted the crucial contribution of shipping to sustainable development, further explaining the work of the IMO as a cornerstone for sustainability in shipping. The focus of his presentation was on demonstrating the role of ports in contributing to implementing sustainable measures for the protection of the marine environment. Mr. Young highlighted three (3) key activities the IMO is currently working on including:

1. GreenVoyage2050 Project
2. The Global Maritime Technology Cooperation Centres' Network (GMN) Project
3. Carib-SMART Preparatory Phase Project

He then presented the IMO's Norway Green Voyage 2050 project, which provides support for shipping transition towards a low carbon future. Currently, the project is working with selected developing countries around the world including Small Island Developing States (SIDS) and least developed countries. These include twelve (12) pilot countries from five (5) high priority regions: Asia, Africa, the Black Sea, the Caspian Sea, Latin America and the Pacific including Belize and Ecuador. The project is also partnering with maritime-related international associations, other relevant UN organizations and other industry stakeholders. He highlighted the expected outcomes of the project including:

1. MARPOL Annex VI compliance;
2. Prevention of air pollution from ships;
3. Sharing of operational best practices, catalyze the uptake of energy-efficient technologies; and
4. Explore opportunities for low and zero-carbon fuels

Further, Mr Young indicated that the project hosted the Global Industrial Alliance (GIA) to support low carbon shipping by bringing together leading ship owners and operators, classification societies, engine and technology builders and suppliers, big data providers, oil companies and ports. He stated that GIA offers a platform for stakeholders to collectively identify and develop innovative solutions to address common barriers to the uptake and implementation of energy efficiency, technology, operational best practices, and alternative low and zero-carbon fuels. Mr. Young indicated that the current focus is

on providing support for the creation of policy frameworks, national action plans to address greenhouse gas (GHG) emissions from ships, and the adoption of green technologies through the identification, development and implementation of pilot projects. He also made mention of the strategic partnership with the International Association of Ports and Harbours (IAPH) to strengthen cooperation between ships and boats in reducing GHG emissions through capacity building and joint technical cooperation.

Additionally, Mr. Young provided a brief overview of the Port Emission Toolkit, explaining that maritime ports are major hubs of economic activity, but pollution prevention efforts have not been focused on alleviating port-related sources. The toolkit was therefore developed under the Global Environment Facility (GEF), the UNDP, the IMO and Global Maritime Efficient Energy Efficiency Partnerships project, known as gloMEEP in collaboration with its strategic partners, the Institute of Marine Engineering, Science and Technology, and the IAPH. He indicated that the toolkit was developed and rolled out in developing countries to provide practical guidance on assessing emissions so that national emission inventories and emission reduction strategies for the maritime sector can be developed.

Mr. Young then presented the Global Maritime Technology Cooperation Centers (MTCC) Network Project, explaining that it arose from global efforts to reduce GHG emissions from shipping. This project is funded by the European Union (EU) and unites maritime technology cooperation centers in targeted regions. The aim of the project is to promote technology and operations to improve energy efficiency in the maritime sector in an effort to assist in navigating shipping practices into a low carbon future. Mr. Young indicated that there are two MTCCs in the Greater Caribbean region, one located in Panama and the other in Trinidad and Tobago. These MTCCs act as regional focal points for a wide range of activities. He provided the example of the Solomon Islands, where a series of emission-cutting measures have been developed and are being implemented.

Mr. Young then presented on the Carib-SMART Preparatory Phase Project funded by Norway. He explained that the project is aimed at undertaking preparatory work for the development, design and securing of regional endorsement for a long-term technical assistance programme for the SIDS of the Caribbean region. The overall objective is to effectively develop and implement a Sustainable Maritime Transport (SMART) System to help SIDS build back better. The project addresses existing legal policy institutional and regulatory frameworks, and their significant uncommon challenges, particularly in relation to the implementation of clean IMO instruments and the regional safety codes. The activities that form part of the Carib-SMART plan include a series of national and regional-level consultations, identifying needs and gaps of maritime sectors in Caribbean SIDS, taking into consideration the impact of the COVID-19 pandemic on the sector. This presentation is attached as **Annex 004**.

The **Chair** thanked Mr. Young for his presentation and opened the floor for questions.

The **ACS Secretary General** thanked Mr. Young for his presentation and asked about donor or financial opportunities that exist to support supply chain and port development. **Mr. Young** indicated that funding would come through the MTCCs which will raise funding to continue the work that has been started.

The representative from the PMAC (Port and Maritime Association of the Caribbean) indicated that there is an increasing request from cruise lines for ports to be equipped with the resources to power ships. He indicated that discussions are being facilitated by multilateral corporations.

- ***Regional cooperation for a cohesive platform to strengthen transport connectivity:***
 - ***Central American Maritime Transport Commission (COCATRAM) - Mr. José Dopeso, Director of Maritime and Port Affairs***

Mr. Jose Dopeso provided a brief overview of COCATRAM including the work the organization is focused on. It was highlighted that the mandate is to preserve the environment and the maritime resources linked to it. He took the opportunity to demonstrate the contributions of COCATRAM to the advancement of maritime transport in the region. Among the areas highlighted were the SIEMPCA, an online consulting platform with official information from port authorities and companies that are parties to COCATRAM. He also mentioned the Maps of Maritime Routes, which was developed in collaboration with the ACS that covers 42 countries, 95 ports and 159 services. He explained that the Greater Caribbean includes both the insular and continental Caribbean, noting that the platform also included the pacific Caribbean as well.

Additionally, Mr. Dopeso indicated that there is a ferry section included in this platform, with 56 active services. He also indicated that a specific section on cruise activity was also included on the platform since it was one of the most affected maritime sectors during the pandemic. Another section included on the platform was the foreign trade section, which is still pending updating and includes 24 countries of the region. He provided a comprehensive overview of the platform where he demonstrated the profile of regional ports.

Other collaborations highlighted included work with SICA (Central American Integration System) and other organizations on the reception of ship waste from ports. Reference was also made to emitting a certification on the reduction of environmental footprint for maritime stakeholders. Another point highlighted was an environmental sensitive map platform which included 8 countries of the COCATRAM network. Additionally, Global Maritime Preparedness Programme (GMPP) was also highlighted as a programme to strengthen the role of the maritime sector in the face of emergencies and humanitarian

operations. The goal of this project is to increase resilience in the face of climate events. A capacity building initiative on satellite monitoring was also highlighted. This is a six (6) week training for maritime stakeholders on the use of satellites to monitor oil spills and dispatch timely reports on the COAST (Collaboration on Oil in the Americas Satellite Tracking) Programme.

Mr. Dopeso encouraged greater inclusion of other countries explaining that it is an important and free programme. He noted that this can be offered to other countries with the assistance of the ACS. He also made mention of Foro de REPICA, which is expected to focus on the supply chain disruptions stemming from the COVID-19 pandemic. One of the issues to be tackled will be the topic of nearshoring, touted to respond to the almost total freeze of transport and logistics in the past two (2) years. He underlined the need for closer sources of production. Port digitalization was also discussed in REPICA, where it is expected to focus on Smart Ports. The 4th Industrial Revolution looks at intelligence and data and, as such, the trend is evolving which requires a response by reinventing the way business is conducted at ports. He also noted the need for infrastructure and digital services in the port industry to improve on time productivity and transparency. This presentation is attached as **Annex 005**.

○ ***Port Management Association of the Caribbean (PMAC) - Mr. Darwin Telemaque, Chairman***

Mr. Darwin Telemaque delivered his presentation, under the theme "*Regional cooperation for a cohesive platform to strengthen transport connectivity*". He began by extending warm greetings from PMAC. He indicated that the region is losing shipping opportunities and options, explaining that shipping options do not focus on the intra-Greater Caribbean or intra-regional trade. He made mention of the shipping route from the region to South Florida and from South Florida back down to the region which, he emphasized, must change. He also indicated that Barbados has been placed as a hub to serve supply chains distributions for the World Food Programme (WFP). Additionally, he mentioned that St Lucia has been earmarked as a location for distribution of goods for the Organization of Eastern Caribbean States (OECS) region. Another location, he added is Panama where the major location for disaster response in the Americas exists.

Mr. Telemaque highlighted the increasingly critical role of ports as an area in need of greater emphasis for development and integration. He noted the existing regional shipping lines and noted that previously, there were much more than lines, but these were either bought out or consolidated. He underlined the issue of cargo flows showing that regional flows are in one direction within the smaller Caribbean, while the Greater Caribbean has a different output because of Latin America and Central America. The Greater Caribbean has a unidirectional flow which is from South Florida. The solution proposed for this challenge is to create a cargo hub that isn't only centred on cargo, but around production centres, logistics service providers, and farms that have global connectivity components.

In addressing the issue of trade barriers, Mr. Telemaque raised concerns relating to common external tariffs, highlighting the restrictions in intra-regional engagement within the region, while engaging external partners that may not have the interest of the region as top priority. Therefore, to build a new environment for the region, he pointed to the need to be more cohesive in regional action planning, considering the broader context. He noted that small environments with limited scale, require greater capacity to build the required sustainable environment. This, he emphasised, meant that countries' strategies must be integrated or harmonized, as opposed to each country having its own.

Mr. Telemaque reiterated the need for more shipping options, giving the example of the Panama Canal as a possible option that moves cargo, more than anywhere else in the region, noting that small portions are moved within the region. Building a location is necessary but also building within that location is key as it goes into the infrastructure that the country needs. It also goes into, the capacity to supply the capacity to warehousing and logistic services. He stressed the need for an integrated or cohesive approach towards cargo by sea, cargo by air, passenger and commercial cargo and ferry services. Services in the originating destination do not have a singular component. It is surrounded by services by options. He concluded his presentation by highlighting the high cost associated with intra-regional shipping, reiterating the need for new options and designing hubs within the region. This presentation is attached as **Annex 006**.

- ***Development in support of digitalisation in the air cargo industry: Air Transport Bureau of the International Civil Aviation Organization (ICAO) - Mr. Cortney Robinson, Air Transport Officer (Air Cargo)***

Mr. Cortney Robinson began his presentation with an overview of the work of ICAO focusing on the efforts to mitigate pandemic effects on air cargo. The DHL Global Connectedness Index was highlighted as a tool employed by ICAO to measure air cargo performance. It looked at four (4) flows, namely: trade flows, capital flows, information flows and people flows. He went on to provide detailed information on the Global Connectedness Index policy themes for 2021. Mr. Robinson took the opportunity to show the relationship between global connectedness and prosperity explaining that there is a strong positive relationship between the two. An overview of the ICAO Council Aviation Recovery Task Force (CART) was presented, explaining that it is a subsidiary of the council that provides guidance in the form of CART reports. These include the issue of ensuring essential connectivity and the global implementation roadmap for broader digitalization.

Mr. Robinson went on to present the benefits of the Montreal Convention (MC99) to encourage members to consider rectifying this convention, including the permit to substitute air waybills for other means which preserves a record of the carriage and electronic records. He also highlighted the benefits of digitization in aviation which included:

1. Alignment of public health measures through contactless technologies as a response to the pandemic;

2. Increased safety by awareness of dangerous goods;
3. Increased security through faster pre-clearance
4. Increased efficiency by reducing delays along the entire supply chain
5. Increased resilience through advanced IT capabilities
6. Smaller environment footprint by reducing paper waste and increased operations

Mr. Robinson demonstrated the current air cargo digitization exercise in the short term and long term. In the short term, digitalization supports existing Standards and Recommended Practices (SARPs), and other provisions, as opposed to developing new ones. In the long term, when the industry becomes more natively digital, it will encourage regulations to evolve due to the benefits such as services built with digital infrastructure. He highlighted the recent collaboration between ICAO, UNESCAP (United Nations Economic and Social Commission for Asia and the Pacific), UNECE (United Nations Economic Commission for Europe) and other UN Agencies in September 2020, on a joint statement to support international trade and global supply chains. He informed the meeting that they have concrete progress as they developed standards which ICAO has adopted as guidance to advance implementation of digital transport for their member states.

Looking at the first year, Mr. Robinson highlighted the accomplishments which included a clear case for digitalization and how ICAO can support its members and other stakeholder, initiated a formal collaboration with the UN Economic Commission for Europe to develop deliverables, began exploring partnerships with members to develop a new global air cargo eco-system, in addition to the work ICAO began with industry stakeholders to identify specific business requirements and the development of an inclusive plan. He invited states to consider supporting the Proposal to Establish an Air Cargo Multidisciplinary Digitalization Task Force. It was highlighted that Aruba established a pilot programme that would lead the way for interested states in the region to improve air cargo infrastructure, multimodality since Aruba made mention of engaging maritime stakeholders so that island territories would be able to have a comprehensive transport system.

Additionally, Mr. Robinson emphasized the importance of having the appropriate ministries for digitalization, explaining that ministries established to deal with digitalization are making significant progress. He pointed to new conventions that are aligning with the Montreal Convention which is the model law. He explained that it is not a convention but rather a law on electronic transfer records which includes documents such as air waybills. This model law as developed by the UNCITRAL (United Nations Commission on International Trade Law). As such, states that implement this model law will be on the way to provide citizens with such a legal framework. He advised the meeting to look at the two instruments, the model law on electronic transfer, transferable records and the Montreal Convention. This presentation is attached as **Annex 007**.

- ***Mr. Eusebiu Catana, FENIX Project Coordinator, Federated Network of Information Exchange in Future Logistics***

Mr. Catana began his presentation with a historical overview that led to the development of the project. He indicated that the European Federated Network of Information Exchange in Future logistics (FENIX) was developed six (6) years ago, based on the work and recommendation of the Digital Transport and Logistic Forum (DTLF) Sub-group 2. They began preparing the roadmap for the future of transport and logistics, with the idea of creating a marketplace as the high-level European Commission is set up to build a European Digital market. However, to build a digital market, there are tools and ecosystems in place because you cannot implement such with a very high-level political approach. The idea of FENIX was built based on enterprise solutions to identify how the current transport and logistics services can be integrated, how the data can be useful and also to satisfy the requirements to ascertain how efforts can contribute to reducing the greenhouse emissions.

Mr. Catana noted that the platform is running 11 services, rerouting, control towers, CO2 monitoring and all the main transport and logistics services that are needed for transport and logistic company. There are more than 100 data providers, 133 data sources and more than 118 members. Members are not limited to one company, a member could be a group of companies, with affiliates, implementing parties, and partners. There are hundreds of companies and user members. He stated that they count how the data is exchanged between partners, how many exchange messages for all platforms, and also how many messages have been exchanged by small medium enterprise companies, which use the outreach dashboard. Regarding the services, he added that there are a plethora of transport services, Intelligent Services, network optimization, network logistics, and optimisation of cluster of networks which are employed in Europe.

Mr Catana proposed the development of a federation of platforms with the main objective to build a federation of platforms to demonstrate the feasibility regarding the corridor information systems. The second objective, he mentioned is to consider requirements regarding the CO2 emission reduction and the reduction in cost to move everything to digital work. The new ecosystem would be a paperless ecosystem, where all transport and logistics companies can find services needed for their business. In order to be attractive, and to convince buyers to join the new ecosystem he notes that trust needs to be built. Cybersecurity solutions were implemented where a data provider will ensure that data will be used appropriately and the user will pay for it. He noted the use of block chains to increase security explaining that it assures and secures the environment and the implementation of a number of solutions. He concluded his presentation with an invitation to meet in September to see more details on how FENIX was implemented and engage users and service providers. This presentation is attached as **Annex 008**.

As no comments from meeting participants were forthcoming, the Chair concluded the first session of the meeting, indicating that the second session is a closed session for ACS Members, Associate Members and Founding Observers.

**SESSION II: CLOSED SESSION OF THE 31st MEETING OF THE SPECIAL
COMMITTEE ON TRANSPORT**

III. APPROVAL OF THE AGENDA AND PROCEDURAL MATTERS

Ms. Sandra Casanova, Advisor to the Assembly of the Collectivité of Martinique in its capacity as Chairman of the ACS Special Committee on Transport. welcomed delegates to the afternoon session and presented the Draft Agenda, which was approved without amendments.

IV. REPORT OF THE CHAIRMAN ON THE WORK PROGRAMME

The Chair indicated that delegates received the Official Report referenced as TRANS/2022/31/CR as part of the list of meeting documents and she provided a very brief overview of the report. Thereafter, there were no comments from the meeting participants.

V. PRESENTATION ON THE 2022-2028 IMPLEMENTATION PLAN

The Director for Trade and Sustainable Development of the ACS, Mrs. Safiya Horne-Bique drew the meeting's attention to the Implementation Plan document and noted that the document contains an error and will be resent to countries shortly. She began her presentation by identifying the strategic objectives and overarching strategies that will guide the work for transport. She noted that the proposed Implementation Plan will function as a map with activities that will be executed over the next six (6) years. She also mentioned the cross-cutting nature of particular issues that affects transport, trade and tourism. The Director also pointed out the transport-specific activities and presented a chart showing each major activity and the timeline for each highlighting that the major activities align with goals in the Plan of Action and its contribution to the achievement of the Sustainable Development Goals (SDGs). She also noted the accompanying Technical Paper which provides a rationale for each major activity, defining exactly how it aligns with the strategies, goals and objectives of the ACS Plan of Action.

The Representative from the Republic of Cuba requested clarification on the Implementation Plan document that were received as the major activities align with sustainable tourism and not transport. In response, the **Director** indicated that the correct document was being sent out at that moment to facilitate continued discussions. The **Chair** thanked the Director for the presentation who asked for receipt of the correct Implementation Plan.

VI. PRESENTATION ON THE WORK PROGRAMME OF TRANSPORT

The Director for Trade and Sustainable Development of the ACS, Mrs. Safiya Horne-Bique brought the attention of the meeting to documents WP.003, WP.004 and

WP.005 and mentioned that the Matrix of the Work Programme was as an annex to these documents. The Director then indicated that the proposed goals to guide the work were identified which align with the strategic actions of the Plan of Action. She noted that some of the work was previously approved and that she will present for approval the Project Concept Document (PCD) for Digital Transformation.

- **Development of a Digital Transformation Project.**

The Director shared the intention to promote the adoption of innovative technologies that enhance deliveries of the logistic services and operational efficiencies in the regional supply chain as well as technologies to improve connectivity within the Greater Caribbean. This project is expected to:

1. Execute an assessment of digital transformation in the region to identify key recommendations for the development of a roadmap.
2. Recommendations for an integrated efficient logistics and transport ecosystem and interconnectivity between single windows
3. Increasing digital skills development

Among the other ACS Work Programme priorities, the Director highlighted the Maritime Transport and Logistics Strategy and the Regional Ferry Network adding that the Directorate received with technical assistance from ECLAC as well as the completion of the regional assessment to guide and support the work. She indicated that the contributions of the members with regards to the ferry network were noted and will be taken under considerations. She highlighted the identification of a PPP model to support work in areas such as the ferry network. She also highlighted the connectivity conference as an opportunity for active and pragmatic solutions as it relates to connectivity gaps, smart solutions and a multimodal approach.

The presentations of the Director is attached as **Annex 009**.

Upon conclusion of the presentation, **the Chair** invited input from participants. **The Representatives from the Republic of Cuba, Mexico and the Dominican Republic** indicated that they did not receive the recently dispatched Transport Implementation Plan.

Then, the **Representative of the Bolivarian Republic of Venezuela** took the opportunity to thank the ACS for the meeting as well as the presenters for the information provided and extended thanks and congratulations to **Director Horne-Bique** for the work she has done.

Given that some members had not as yet received the correct document, session II of the meeting was deferred to a subsequent date that would be decided by the Chair of the Special Committee on Transport and the ACS Secretariat.

VII. ANY OTHER BUSINESS

There was no other business from the Secretariat or the membership.

VIII. SUMMARY AND CLOSING REMARKS

The Chair commended the Director and the Secretariat for the work done and all the participants. Once the documents are received, the meeting will be reconvened.

RECONVENE: 31st MEETING OF THE SPECIAL COMMITTEE ON TRANSPORT ON TUESDAY SEPTEMBER 6TH, 2022 - VIA VIDEOCONFERENCE

I. OPENING REMARKS

The Chair, Ms. Sandra Casanova, Advisor to the Assembly of Martinique of the Territorial Collectivity of Martinique welcomed the meeting to the reconvening of the 31st Meeting of the Special Committee on Transport. She noted that enhancement of transport systems and operations as the means necessary for a better integration of the transport and logistics in the region. She noted the words of former UN Secretary General, Mr. Kofi Annan, who affirmed that the way towards a better future is cooperation and partnership. She added that the Special Committee is a platform to ensure that we prioritise achievable efforts, while closely coordinating with the private sector and creating more PPPs.

II. PRESENTATION ON THE IMPLEMENTATION PLAN FOR THE 2022-2028 PLAN OF ACTION

The Director for Trade and Sustainable Development of the ACS, Mrs. Safiya Horne-Bique commenced with her presentation of the Work Programme and Implementation Plan. She confirmed with the meeting that they received the revised documentation, particularly, WP.001 detailing the rationalisation of ACS' major transport activities in the Implementation Plan and the Implementation Plan Matrix. She then referenced the ACS Plan of Action, noting that Strategic Objective A structured the focal area of Transport with the focus of creating competitive and comparative advantages within Greater Caribbean productive sectors. She added that this is encapsulated in three (3) cross-cutting strategies of increased competitiveness, market access and exposure, and investment facilitation and promotion. These overarching strategies led to the development of the priority actions captured within the document entitled WP.001. She then presented a full matrix of the transport project catalogue, showing the timeframe of each project.

With regard to the Regional Air Connectivity Strategy, the project will focus on a detailed map of air transport routes in the region and the development of recommendations to improve and enhance regional air connectivity. She noted the interconnected nature of this project with other focal areas such as trade, which can have an impact on seamless movement within the industry. She mentioned that it will also impact trade facilitation, which can also be influenced by the ACS' Maritime and Logistics Strategy. The Director then discussed the Implementation Plan Matrix which captures a more measurable approach to these large milestones, as well as strategic goals and alignments with the SDGs. She then invited the meeting to begin discussions on the proposed projects and endorsement of such by the meeting and ended her intervention.

The Director noted that no reaction or objections from Members present at the meeting means that they have accepted and approved the documents as detailed by the invitation at the end of the meeting's Technical Paper documentation.

After confirming there were no objections from the meeting, **the Chair** announced that the report has been approved by unanimity.

III. PRESENTATION ON THE 2022-2023 WORK PROGRAMME FOR TRANSPORT

The Director for Trade and Sustainable Development of the ACS, Mrs. Safiya Horne-Bique then moved onto the Transport Work Programme section of the presentation, noting that the corresponding Technical Paper elucidates the priority actions for the work that is intended to be completed. She stated that the document coded WP.004 is the matrix for the actions required for the projects.

With regard to the Digital Transformation project, she noted some of the major outputs from the proposal, such as tools developed and adopted to facilitate interconnectivity between single windows, and capacity strengthened for digital skills in the transport sector. Moving onto the other transport priorities, she noted the Regional Maritime and Logistics Strategy and pointed out an initial Regional Port Study conducted in 2014 with UNECLAC, where the study also gives a comprehensive overview of key drivers of competitiveness at ports in the region. The onus now, she mentioned is to have it updated to reflect the current status of the port activities of the region. She noted that the Secretariat seeks collaborations with other regional bodies such as the IMO that is currently conducting needs assessment for 13 SIDS in the Caribbean in the CARIB-Smart Project. Considering the close synergies with the ACS Maritime Transport and Logistics Strategy project, the Director purported that there is the possibility to use the data and findings of this assessment to inform the direction of the Strategy.

Thereafter, the Director acknowledged that transport has been labelled as a critical step for trade facilitation, food security, and even tourism adding that transport services is

fundamental to sustained productivity and the regional movement of goods and people. As such, there is the need for a global assessment of the regional transport sector to give a strategic and holistic overview of the industry.

Speaking to the Regional Ferry Network now, she recalled the work currently being undertaken by UNECLAC, such as the completion of their feasibility study and a business case study that would look at connecting the Southern Caribbean. She stated that over the next year, work will focus on developing a regional PPP-model as a financing mechanism to establish the ferry network.

Making mention of the proposed Connectivity Conference as another transport activity, she presented the concept for the meeting. The Conference is being conceptualised as a regional platform for the formulation of concrete solutions to resolve perennial transport issues hindering connectivity in the Greater Caribbean. She mentioned that the theme in particular was proposed by the Cooperative Republic of Guyana at the last meeting of the Executive Board and that the event is scheduled to take place in Martinique during the first quarter of 2023. The ACS is currently finalizing the full concept for the event, but so far, some of the issues to be targeted within the event are:

- *Smart solutions for transport connectivity:* Technological innovations and the COVID-19 pandemic are strongly shaping the future of the transport industry. Experts will discuss how these innovations can be used to strengthen regional transport connectivity. These digital, smart solutions are also to be contemplated in regards to sustainable transport development.
- *Bridging connectivity gaps:* The limited transport connectivity in the Greater Caribbean is a natural cause of the fragmented geography of the Caribbean region. Although this is a permanent characteristic of the region, effective strategies must be identified to develop a reliable transport network, with direct routes and affordable costs.
- *Multimodal transport solutions:* can help improve distribution circuits by improving last mile delivery. Improving the way in which different modes of transport interact ensures goods are delivered on time for demanding consumers.

The **Director** then thanked the Chair for their assistance with the necessary resource mobilisation for the event. She pointed out that there is the expectation of a two-day event with different sessions, B2B engagement, networking and hopefully the identification of solutions as low-hanging fruit. The meeting was then invited to discuss and endorse the Work Programme content, which was announced as approved by **the Chair**.

The representatives of Mexico congratulated the management of the meeting and the work of the Directorate to guide the Membership in the focal area of transport in the region. He made reference to the Technical Paper entitled WP.003, noting the strategic actions that guide the work of the ACS to consolidate efforts in the industry. In its nature

as being a technical document, he stated that it should have both a diagnostic section as a sort of road map to ensure accountability and admitted it was uncertain how the proposed projects will be implemented or completed. He suggested more specificity in how these projects are elaborated moving forward. His second point related to the Connectivity Conference, noting it an excellent initiative that is timely to assist the region in orienting themselves more efficiently in the transport sector. He suggested the modification of the title in Spanish, from the word “repensar” to “reconstruir” to better reflect the objective of the Conference and imply more action and less reflection.

The Chair thanked the representative for his intervention and took note of his suggestions, agreeing that it is indeed necessary to reconstruct, especially for the smaller island nations that lag in their development of the transport sector. She then requested that the Director respond to the other question to which the **Director** pointed out the specific area where the undertaking of the projects and its substantive work is well documented within the Technical Paper. Thereafter, the **Representative from Mexico** thanked her for her explanation noting that the project objectives are clearer, as well as its justification and budget for the project.

The Chair then asked for any additional comments from the meeting participants. After confirming there were no objections or abstentions, she declared the Work Programme approved.

IV. ANY OTHER BUSINESS

The representative of the Bolivarian Republic of Venezuela reiterated his congratulations to the Chair for the management of the meeting. He also thanked the Director, stating that he is used to the high quality of meetings executed under her leadership. He made reference to the Executive Summary of the initial Special Committee on Transport, and commented on the UNECLAC presentation delivered by Mr. Diogo Aita. With regard to the Regional Ferry Network and its business case study, he announced that his previous inquiry on the eventual inclusion of the Bolivarian Republic of Venezuela into one of the proposed routes as not included in the Summary. He then noted the willingness of his country to become more involved in this proposal. **The Director** thanked the representative and responded that while it was not noted in the Executive Summary of the meeting, it will be included in the official Rapporteur’s Report of same.

The ACS Secretary General, H.E. Rodolfo Sabonge took the opportunity to announce again, the period for the receipt of nominations from the CARICOM grouping for the replacement of the outgoing Director.

He then reiterated the role of transport in the productive sectors, noting that without a well-organised transport mechanism there can be no trade or tourism to follow. He added that he still continues in the search for a regional transport strategy since currently there

exist cooperation mechanisms for transport at the sub-regional level, but this, he notes is incompatible with his view of the Greater Caribbean as one singular area. He stressed the need to look for specific solutions, as well as to consider geopolitical structures and the supply and demand dynamics within the region. The Secretary General stated that a Regional Transport Strategy is going to be the catalyst for development in the region and attracting cooperation partnerships with other regional development agencies. This will ultimately inform on the integration of our Membership and encourage better connectivity within the region and more strength when participating in international markets. He commented that the Regional Ferry Network can be done initially through a pilot project with a few countries and other countries can be incorporated. However, he stressed the importance of being realistic to work with little means on a phased basis, taking note of the interest of other countries' desire to be involved in the Network.

He then invited the meeting to participate on the 13th September in the Special Committee on Cooperation and Resource Mobilisation where all ACS projects from each Directorate will be presented.

The Chair also noted the desire of Martinique to eventually be included in the studies for the Regional Ferry Network.

V. SUMMARY AND CLOSING REMARKS

In her final comments, **the Chair** noted the importance of transport for better connectivity for both internal and external markets. She stated that there will not be any cohesion within the industry if technology is not sufficiently harnessed and as such, it is necessary to deploy all necessary resources to achieve its adoption. She affirmed that the ACS has the necessary leadership to achieve this. She then invited everyone to be in Martinique for the upcoming Connectivity Conference.

Finally, in concluding, the **Chair** thanked all the meeting participants for their attendance and participation in the meeting's activities.