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PRELIMINARY DRAFT
CIP ACTION PLAN 2008 – 2011
(VERSION 2A)

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1. Rationale for the plan

The Inter-American Committee on Ports (CIP) is a Committee of the Inter-American Council for Integral Development (CIDI), established in accordance with Resolution AG/RES. 1573 (XXVIII-0/98) of the General Assembly of the Organization of American States, in agreement with articles 77 and 93 of the Charter of American States and articles 5 and 15 of the Statute of the CIDI.

The goal of the CIP is to serve as a permanent inter-American forum for the member States of the organization in order to strengthen the cooperation in the area of port sector development, with the participation and active collaboration of the private sector. The Organization also has Permanent Observer Countries that are also interested in collaborating to achieve common goals.

The reference points of this Action Plan are the Inter-American Council for Integral Development (CIDI) Strategic Plan for Partnership for Integral Development 2006-2009 (AG/RES. 2201 (XXXVI-O/06)), the progress made in implementing the Inter-American Committee on Ports (CIP) Action Plan 2004-2007, and the resources available to the CIP to fulfill its objectives. Global trends in trade, maritime transport, and ports, as well as the implementation of, and verification of compliance with, the measures contained in port agreements reached in specialized multilateral forums, such as the International Maritime Organization (IMO), the International Labour Organization (ILO), and the World Customs Organizations (WCO), constitute a broader frame of reference for this Action Plan.

Coordination of this Plan with the CIDI Strategic Plan is essential, since ports not only facilitate the vast majority of international trade in the hemisphere, but are also engines of productive activity, investment, and employment. Such coordination – implicitly recognized by the General Assembly of the Organization of American States (OAS) in its resolution AG/RES. 2207 (XXXVI-O/06), which requests that the General Secretariat, through the CIP Secretariat, keeps the CIDI Permanent Executive Committee informed of its activities – is established in two of the priority areas mentioned, in the CIDI Strategic Plan. The first area, "Economic Diversification and Integration, Trade Liberalization and Market Access," is geared towards

increasing opportunities for trade and investment, greater economic development, job creation, and poverty reduction in the member States. The second area, "Sustainable Development and Environment," points to the need for a balance between economic growth, social development, and environmental protection. Furthermore, in both areas, special attention must be paid to the overall security concerns of the small island states of the Caribbean, as reflected in OAS General Assembly resolution AG/RES. 2187 (XXXVI-O/06); in the case of the CIP, this means supporting efforts to improve security in ports and tourism and recreational facilities.

It is also important to recall the multidimensional concept of security in the hemisphere, which, by incorporating the priorities of each State, contributes to the consolidation of peace, integral development, and social justice, as set out in OAS General Assembly resolution AG/RES. 2185 (XXXVI-O/06), which urges member States to continue implementing the Declaration on Security in the Americas, and is especially important for the ports that constitute the hubs of international trade among member States.

The progress of implementation of the CIP Action Plan 2004-2007 was included in the agenda of its Fourth Meeting. Both the Chair of the Executive Board and the CIP Secretary reported on the implementation of the plan, and the meeting adopted resolution CIDI/CIP/RES. 58 (IV-05), which recommends that the current plan proceed in accordance with an integrated vision of the different priority areas. The Executive Board Subcommittee on Policy and Coordination evaluated the activities of the Technical Advisory Groups (TAG) and decided that the Committee should have four TAGs (port operations, port security, navigation safety, and port environmental protection).

As in past years, the major trends in maritime trade and transport that have an impact on port activity continue to be the globalization of production and consumption and the sustained growth of international trade, made possible by efficient and low-cost maritime transport. The latter is the result of vessel specialization (for example, between 1979 and 2006, the percentage of container vessels in the world fleet went from 1.5% to 11.5%, while the percentage of general cargo vessels fell from 16.9% to 10%); the constant increase in the size of vessels to take advantage of economies of scale (the latest liquid propane gas (LPG) vessels under construction have a capacity of 265,000 cubic feet, while the largest container vessel is already at 11,000 twenty-foot equivalent units (TEU)); and, to a lesser extent, consolidation in the shipowning industry, a process both horizontal (between 2001 and 2005, the percentage of the 20 biggest container vessel operators rose from 60% to 71%) and vertical (e.g., absorption of maritime agencies and towing companies). With specific reference to ports, the observable trends are, first,

the persistent spread of the landlord port model, with the resulting port authority specialization in the provision of water and land surfaces and basic infrastructure, and the lead role assumed by a traditionally minor player, the port operator. The second trend is the rise of global port operators specializing in container traffic; such operators were quickly caught up in industry concentration processes (in 2006 alone, Dubai Port World bought Peninsular and Oriental Ports, while the Port of Singapore Authority purchased some 20% of the shares of Hutchinson Port Holding), but remain heavily dependent on one or more maritime lines, either in a subsidiary capacity or by forging strategic alliances. The third trend is the constant pressure to achieve greater efficiency in port services to reduce the time that vessels spend in port, which, in the case of container vessels, is measured in hours rather than traditional days. Fourth is the need to make significant investments designed to increase overall port capacity to cope with ever-increasing traffic. Such investments are needed both in ports and in the transportation networks that serve them, and can present challenges both in terms of their financing (use of public funds) and of environmental protection (delays for environmental reasons in the planning and execution phases).

A fifth trend is the application of a number of standard rules adopted in multilateral forums to protect maritime trade and transport against the threats of terrorism and organized crime and ensure the safety and health of port workers. The inspection process aimed at maintaining existing protection standards has been initiated as provided for in the International Ship and Port Facility Security Code (ISPS Code) and 2002 amendments to the International Convention for the Safety of Life at Sea (SOLAS). Implementation of the Framework of Standards to Secure and Facilitate Global Trade (WCO Framework of Standards), adopted in June 2005 by the organization, the purpose of which is the integral management and protection of supply chains against the potential threats of terrorism, organized crime, and related offenses, should be initiated. The provisional standards of the International Organization for Standardization (ISO), in the form of Publicly Available Specifications (PAS) 28000, 28001, and 28004, designed to serve as a guide in the development, application, and improvement of supply chain security management systems, will be implemented in addition to the ISPS Code and the WCO Framework of Standards. Lastly, in line with the outcome of the Tripartite Meeting of Experts on Security, Safety, and Health in Ports, sponsored by the ILO in December 2003, the ILO Code of Practice on Safety and Health in Ports should be disseminated and implemented, and consideration should be given to implementing the joint ILO-IMO Code of Practice on Security in Ports. Some countries also need to comply with specific bilateral agreements for the application in some ports of security standards acceptable to the United States Coast Guard and United States Customs and Boarder Protection.

2. Principle points of the plan

2a. Government national policies on economic and social development

Fighting poverty, creating decent work, and strengthening democratic and fiscal governance are recurrent aspirations in the development plans of member States. They are set out in the United Nations Millennium Development Goals and appear prominently in documents adopted at the Fourth Summit of the Americas, held in Mar del Plata in November 2005.

These concepts appear at various points in the Declaration of Mar del Plata. Two that can contribute to increasing hemispheric and international trade and that, accordingly, call for modern and efficient port management are the following: “facilitate the participation of small and medium-sized enterprises (SMEs) in domestic markets and international trade” (Declaration, para. 51) and “take advantage of the possibilities offered by information and communication technologies to increase efficiency and transparency in the public sector” (Declaration, para. 49). In addition, sections “I. Creating Decent Work” and “II. Growth with Employment” of the Plan of Action, adopted at the Summit, spell out the national commitments, hemispheric cooperation, and international organizations needed to fulfill the Declaration's objectives.

The need to undertake energy, transportation, and communications infrastructure projects is apparent in the development plans of member States and is reflected in initiatives that combine several of them, such as the Initiative for the Integration of Regional Infrastructure in South America (IIRSA) and the Plan Puebla-Panamá (PPP). By mid-2006 IIRSA had reached consensus on 31 projects for the period 2005-2010, for a total of US\$6.404 billion, while under the PPP, work was beginning on the transmission line for the Central American Electric Interconnection System (SIEPAC), which will pave the way for a regional electricity market by end-2008, for a total of US\$385 million. There is no doubt that bringing new infrastructure online will increase national and regional cohesion, while at the same time promoting progress toward the targets set out in the Western Hemisphere Transport Initiative (WHTI), which will generate increased hemispheric trade. In short, integration at these various levels will require efficient ports.

The outcome of free trade negotiations will surely have the same effect of increasing trade. The adoption in 2005 of the U.S.-Dominican Republic-Central America Free Trade Agreement (CAFTA-DR) followed the signing of another treaty between Chile and the United States and preceded other treaties that were under intense negotiation with Panama, Peru and Colombia. Such negotiating activity also has a dimension that involves world trade, as shown by

the 2004 treaty between Chile and the Republic of Korea, and the strategic partnerships of Mexico and Chile with the European Union. The Declaration of the Fourth EU-Latin American and Caribbean Summit, held in Vienna in June 2006, reflected the ongoing negotiations for a strategic partnership between the Southern Cone Common Market (MERCOSUR) and the European Union and the desire to initiate preliminary discussions of another strategic partnership with the Andean Community of Nations (CAN).

Within the Hemisphere, the admission of some member States to existing regional trading blocs and the bilateral agreements on energy security (gas between Argentina and Chile) seem to be aimed at greater utilization of national resources in bigger markets and, accordingly, will also result in increased trade and the need for efficient ports. It is important to note the progress made by the Caribbean Community and Common Market (CARICOM) during 2006, when market coverage will be extended to the 12 participating countries – most of them island states – and goods, skilled labor, services, and capital will move freely among them. This fact, along with the deepening of CARICOM bilateral trade treaties with two South American countries, and the maintenance of some arrangements granted under the Caribbean Basin Initiative, shows the vital role of ports in the economy of these countries.

Finally, some countries' national goals have specific targets for the maritime sector, which logically will have a direct impact on ports. Panama, the site of the world's largest open ship register, approved by referendum the building a third set of locks for the Canal, which would radically change the geography of world maritime transport at a time when it is seeking to establish itself as a maritime port center for the hemisphere. Mexico and some Central American countries also have rail-based schemes for coping with the limitations imposed by the Canal's current dimensions. Meanwhile, some Caribbean countries, such as Jamaica and the Dominican Republic, are already taking advantage of the business opportunities offered by transshipment, while Trinidad and Tobago is preparing to follow suit with the recent concession of a terminal in Port of Spain. Venezuela is seeking to renew and expand its tanker fleet; this will give rise to significant shipbuilding activity on the eastern coast of South America, as well as new shipyard construction, which will strengthen industrial activity at a port in northern Brazil.

All of these developments reflect a special role for hemispheric ports in the attainment of member States' most sought-after goals, which are to eliminate income inequality and the marginalization of regions and human groups, and to incorporate technology into economic activity for the achievement of higher levels of well-being.

2b. Sectoral policies for improving port efficiency

The hemisphere's ports are no stranger to the world port trends outlined in section 1 of this document, and most countries have adopted policies to take them into account. Thus, the landlord port model, which has spread to the public ports of a good many countries, has led to decentralization of the public-sector entities responsible for ports, an increase in enterprise scale, and the appearance of a new port player – the regulator.

Decentralization has delegated the management of public ports to various levels of local government (states, provinces, etc.), and this has led to the creation of financially and administratively autonomous entities specifically dedicated to that task: port authorities, enterprises, and port societies. Meanwhile, a good many private port companies – port operators, that is – have specialized in the provision of certain services, such as towing and cargo handling. For some years these companies were of modest financial stature, and they plied their trade without being assigned an individual and exclusive section of the port for this purpose – the so-called "multi-operator system." Many countries, however, have clearly already evolved toward the so-called "mono-operator system," in which the company serves its customers in an area of the port that has been assigned exclusively to it by the competent entity, on the basis of concession contracts that often involve an obligation to invest in infrastructure and equipment. The mono-operators currently found in the Hemisphere's ports are, in many cases, subsidiary companies of the global port operators associated with local operators, although there are also some independent local companies. The counterpart to this type of operator, with its strong financial and business capacity, is the figure that has appeared in many countries, that of the regulator – the person responsible for supervising compliance with concessions – both in a version exclusive to the port sector and in one encompassing transportation as a whole.

In private ports the port operator model remains in effect. These ports mainly handle liquid and dry bulk cargo for which port activity is closely linked to such industries as oil, steel, or commodities trade. The opening of a section of these ports to the public – that is, third-party use of a private port – has been proposed in some countries as a temporary solution at times of sudden and significant increases in traffic accompanied by congestion in public ports.

The concern with attracting investment is also prominent in the port policies of member States. In some cases it may be based on a member State's clear maritime vocation, as in the case of Panama. In other cases, such as in Peru, investment in infrastructure has been an important qualification criterion for concession proposals. Investment has also meant the purchase of equipment to improve the productivity of existing port infrastructure, as has occurred in Chile and

Brazil. In the latter country, temporary tax benefits were granted to promote equipment purchases significant amounts set aside for port investment within the Accelerated Growth Plan and a federal authority has been nominated in order to encourage this with best organizational practices. However, there is a widespread perception in the industry that the levels of port investment in some countries are inadequate, as shown by insufficient drafts, and that such a shortfall is all the more evident in view of the limitations of land transport networks. This perception should, however, be placed in the context of the significant investments made by concessional railroad companies in some lines in Brazil, Argentina, and Chile in order to place the logistical segment of their activity in operation.

Improving the skills of port supervisory personnel and workers is another common element of port policies designed to increase productivity in several member States, and it is confirmed by the significant demand for participation in training programs. The programs sponsored by the CIP in conjunction with a number of entities with which it has established cooperation agreements, such as Puertos del Estado de España (PPEE) and the American Association of Port Authorities (AAPA) of the United States, have added the numerous participation of personnel in countries in programs organized by universities and port authority training institutes in the United States and Europe and by the World Maritime University, as well as in Trainmar courses, organized by local public and private not-for-profit organizations in several countries in the hemisphere in cooperation with other entities, such as the Caribbean Shipowners Association.

2c. Evaluation of the CIP Plan of Action for 2004-2007:

This plan contains 14 strategic priority areas that were approved by the Committee (Mexico 2003) for implementation by its Executive Board, namely:

- 1) Reform and modernization of port systems
- 2) Government oversight and participation
- 3) Integral port security
- 4) Port management excellence
- 5) Port strategic planning
- 6) Port environmental protection
- 7) Port facilitation and supply chains
- 8) Ports and the tourism industry
- 9) Port technology
- 10) River and lake port development
- 11) Port-city relations
- 12) Port costs and tariffs
- 13) Development of human potential
- 14) International cooperation

For the implementation of the current plan, the Executive Board established eight (8) subcommittees, namely, Policy and Coordination, Planning and Port Management, Statistics, Costs, and Tariffs, Port Development for Cruise Tourism, River and Lake Port Development, Training, Regional Port Development and the Participation of Women in Port Affairs of the Hemisphere. Several of the subcommittees can easily be identified with some of the priority areas. As of the end of 2006, the plan's implementation had been unbalanced. While the implementation of areas 1, 3, 6, 12, 13, and 14 had been above average, the implementation of areas 2, 5, 8, and 9 had been only average. The implementation of the four remaining areas, 4, 7, 10, and 11, has been unsatisfactory. The varied incidence of formal aspects, instrumental or lower relative priorities explain this result in each of the four areas. It should also be noted that, on the one hand, some of the priority areas are easily identified with the names of some TAGs, for example, area 3 is identified with the TAG on Port Security and area 6 with the TAG on Environmental Protection; and that on the other hand, some priority areas can be regarded as cross-cutting, as is the case with areas 13 and 14 which includes the content of areas 4 and 5 in its various courses conducted.

A more significant consideration with regard to the current list of priority areas is their close dependence with the decisions adopted by countries where the port is located. Given the diversity of port models existing in the hemisphere, area 1 for example can be considered outdated in many countries in the hemisphere, yet be current in others that are still transitioning toward the landowner port model. Hence, the list has not been exhausted and may even be inclined to grow, which could exacerbate the imbalances in implementation.

Currently, the plan's implementation is geared mainly to the dissemination of technical data, exchanges of views, and the establishment of personal ties between port managers in the hemisphere; its beneficiaries are basically the participants in the various meetings. In a complimentary form, additional beneficiaries include those participating in a number of training programs that the CIP conducts in cooperation with other entities, and those who visit the CIP Web page, where the presentations made at various meetings and other technical documents of interest are posted.

In light of the above and the forthcoming preparation of the action plan 2008-2011, questions such as the following may arise: Is it possible to heighten the plan's impact so that it reaches those most directly concerned? Is it possible to involve one of the Technical Advisory Groups in the plan's implementation? Is it possible to think that, as a result of implementing the

plan, some useful indicators for port management and development may be available on a regular basis? Can compendiums or hemispheric case studies analogous with the best international practices described in the World Bank's "Tool Kit", be made available to help port managers in devising solutions consistent with the levels of economic and social development of member States? Can the CIP aspire to transform itself into the hemisphere's reference point of choice in the governmental sector (national, regional, local) where ports are concerned, while joining forces with the private sector in an effort to make the hemisphere's ports more competitive?

The proposals put forth in the following sections will attempt to answer these questions.

3. Objectives of the Action Plan 2008-2011

The CIP Action Plan 2008-2011 is designed to supplement the activities carried out by member States to implement their national economic and social development policies in the port sector. Accordingly, a member State's commitment to the plan and its implementation will be contingent on the synergy that it can derive from its own activities and on the advantages of sharing with other member States the approach to some topic in which it is interested and which is included in the plan. The plan then becomes the common denominator for the interests of member States and a guide for the CIP in establishing a program of activities and investments with quantifiable targets that can be broken down on an annual basis.

The principle objectives of the Action Plan 2008-2011 are:

(i) Assist in the strengthening of hemispheric port competitiveness by promoting complementarity between the public and private port sectors of member States in the framework of multilateral and hemispheric security and safety provisions.

(ii) Contribute to the improvement and modernization of port systems in the hemisphere, on the basis of efficiency and safety criteria and with a view to ensuring the harmonious economic and social development of member States, as well as their regional integration.

(iii) Contribute to the promotion of port, industrial, and logistical investment, and investment in transport routes vital to ports, with the help of their public and private users and in conformity with environmental protection standards.

(iv) Strengthen actions in cooperation with international and regional organizations and agencies and with the governments and government agencies of developed countries.

4. Priority areas for the 2008-2011 period

The preparation of a list of priority areas for the period 2008-2011 can follow the logic underlying the current Plan of Action and then leave it to the Executive Board to choose the areas that should be undertaken and the modalities and time frames for their implementation.

Nevertheless, in view of the resolution recommending that the plan proceed in accordance with an integrated vision of the different priority areas, a much shorter list, consisting of six (6) priority areas of strategic value for the period 2008-2011, is proposed here. These areas have been defined so that they roughly coincide with the functional areas and lasting concerns of port entities, superseding any disparity between them in terms of their scale, the level of economic and social development of the port environment, and the needs and characteristics of the maritime trade and transport that they serve. Each priority area, therefore, can incorporate several singular elements (for example, some of the 14 items in the current plan that are listed in section 2c) as well as other cross-cutting elements and, in addition, can be tackled in its entirety by an Executive Board subcommittee.

A detailed description of each priority area, consisting of the area's content and scope and some of the singular and cross-cutting elements that it comprises, is provided under the main thrust heading. Examples of such elements are: use of information technology, promoting the role of women in the port sector, attention to the needs of the small island states of the Caribbean, development of human potential (item 13 of the current plan), and international cooperation (item 14 of the current plan).

The specific objectives that follow the description are simply a selection of some of those singular and specific cross-cutting elements, depending on the interest that they hold for member States because of their usefulness for the states' economic and social policies at a given time, and on the degree of urgency that they derive from trends in international trade and transport and their impact on the port environment. The specific objectives can be undertaken in a chosen sequence or simultaneously, depending on the priority assigned to them.

The proposed strategic priority areas are as follows:

Priority area 1: Cargo services

Main thrust: Consists of services provided by port companies and organizations to cargoes transiting through the port, from the vessel's cargo hold to departure from the port perimeter, with the aim of ensuring that these services are provided efficiently, reliably, safely, and at a reasonable cost. This thrust is broad enough to cover topics of interest to the main port

stakeholders. For example, port operators of modest scale may be interested in the hourly cargo handling outputs, while mono-operators will be interested in the implementation of computerized container terminal operating systems and both will surely be interested in matters connected with the purchase, operation, and maintenance of equipment. Along with the port authority, they will also be interested in determining the impact of tariffs on exporter and importer supply chains and on the quality certification and guarantee marks applicable to all services provided by the port. This thrust also includes activities specific to customs agencies, for instance, the implementation of computerized documentary systems for receiving and dispatching cargoes open to the port community and activities specific to other organizations, such as those responsible for human and plant health inspections, since these activities also have an impact on the overall quality of the service offered by the port. Despite the close relationship between the WCO Framework of Standards and the ISPS Code, it might also be appropriate and practical to include in this area activities to promote the application of the Framework, given its focus on supply chain security, that is, its applicability to cargoes and the effect that it can have on port competitiveness.

In addition, to the extent that they are not considered outdated, the following areas in the current plan could be included in this priority area: 4) management excellence, 7) port facilitation and the supply chain, 9) technology, and 12) costs and tariffs.

Among the large number of elements included in this area, the CIP contribution to the strengthening of hemispheric port competitiveness is likely to consist primarily of maintaining satisfactory cargo handling efficiency standards, eliminating any surcharges and applying reasonable prices for service provision, promoting fluid data exchanges using modern digital technology, and, lastly improving the integrity of the supply chains moving through the port, for the effects of comparative evaluation based on factors of equal conditions. Accordingly, the first two specific objectives are designed to improve the physical handling of cargoes, the next two refer to the impact of prices on users, and the following ones promote the dissemination of higher standards among all port community stakeholders, including through human resources training and development.

Specific objectives:

(i) Promote the application of such concepts as productivity, excellence, quality, and guarantee marks to foster the competitiveness of port companies.

- (ii) Promote the standardization of statistics seeking their likely development, analysis and application in order to observe tendencies and make predictions and to develop uniform output indicators for cargo handling operations (“benchmarking” or output patterns) to monitor the degree of utilization of facilities and the quality of services provided to users, and promote emulation to achieve higher productivity levels.
- (iii) Disseminate and consolidate the principles, concepts and methodologies for the determination of costs and tariffs to enterprises in the port community to enable them to streamline their prices and assess the impact of prices on the supply chains moving through the port.
- (iv) Develop uniform price indicators applicable to goods, cargoes, and containers moving through the port to monitor their changes over time and their impact on the supply chain.
- (v) Disseminate the use of computerized data systems to the port community to enable all goods data to be processed electronically.
- (vi) Disseminate the WCO Framework of Standards to improve the security of supply chains and evaluate its impact on port competitiveness using tangible indicators.
- (vii) Strengthen human resources training and development in the port companies providing cargo services, in cooperation with developed country agencies.

Priority area 2: Vessel services

Main thrust: This consists of services provided by port companies and organizations to vessels in transit through access canals and during their stay in port waters, with the aim of ensuring that such services are provided efficiently, reliably, safely, and at a reasonable price. This thrust covers topics that concern the pilotage service, such as the conditions under which it is mandatory and the policies that support it; the towing service, such as its policies and the possibility of extending it to handle rescue cases; the mooring and unmooring of vessel; aids to navigation; and the maintenance of dimensions and drafts in the access canals and flotation areas of the port. The latter topic is very timely because of the need to ensure the accuracy of such dimensions and drafts at all times owing to the arrival of bigger and bigger vessels. This area also includes the simplification of vessel arrival and departure formalities by the competent authorities, in conformity with the 1965 IMO Convention on Facilitation of International Maritime Traffic and the 1963 pioneer agreement adopted during the Second Inter-American Port Conference held in

Mar del Plata, and coordination with other authorities to promote their purposes. Examples of such coordination include maritime authority controls pursuant to the 1992 Latin American Agreement on Port State Control of Vessels, and health authority controls pursuant to the 1969 International Health Regulations designed to prevent the outbreak and spread of infectious diseases carried by persons, animals, plants, and things. More generally, the items that would fall under this area are the monitoring of new technologies, such as vessel traffic systems (VTS), the safety measures required of large-dimension LPG vessels, and the supply of energy to vessels from port (“cold-ironing”), as well as improving navigation on inland waterways (item 10 of the current plan, to the extent that it is not considered outdated) and short-distance navigation and its possible use in lowering the freight charges applicable to maritime trade in the small Caribbean island states.

The CIP contribution in this area could be aimed at generalizing the use of simplified vessel arrival and departure procedures, ensuring the timely provision of access canals and flotation areas adapted to maritime traffic, promoting inland navigation and coastwise trade as efficient alternatives to other means of transport in South America, promoting short-distance maritime traffic in the Caribbean, analyzing the effect of industry concentration on maritime service providers, and identifying the requirements that new technologies would probably impose on maritime traffic in the Hemisphere's ports. Accordingly, the following specific objectives are proposed for the period 2008-2011.

Specific objectives:

- (i) Promote the simplification of vessel arrival and departure procedures through dissemination of the 1965 IMO Facilitation Convention and a feasibility analysis regarding the creation of a single stopover document.
- (ii) Promote inland navigation in the countries located in the Río de la Plata and Amazon river basins as a viable alternative to other means of transport, based on each basin's potential.
- (iii) Promote short-distance maritime transport to lower the freight charges applicable to international trade in the small Caribbean island states.
- (iv) Disseminate new technologies and their hemispheric application in maritime routes and rivers.
- (v) Analyze the effects of industry concentration on maritime service providers within the port community to devise possible solutions.

(vi) Promote the standardization of statistics seeking their likely developments, analysis and application in order to observe tendencies, make predictions and prepare vessel statistics in regular line traffic for ports located in the same port range to monitor the evolution of average and maximum dimensions and the frequency of stopovers.

(vii) Produce uniform indicators of prices applied to vessels by maritime service providers to obtain measurements of their changes over time and their impact on freight charges.

(viii) Strengthen human resources training and development in the port companies providing maritime services, in cooperation with developed country agencies.

Priority area 3: Legislation on port administration, economic regulation, and the implementation of labor Agreements.

Main thrust: Encompasses the fundamental national and international legislation that regulates port activity. It should be noted that a substantial change has occurred in the past 15 years in a number of member States whereby the port administration model, based on the port operator, has evolved toward a different model, that of the landlord port. The frame of reference for this change has, in some cases, been the promulgation of laws and regulations specific to ports, while in other cases, the change has been confined to the proper implementation of existing generic laws. For example, indirect management methods have been used, such as assignment and concession, which reflect a hemispheric port organization different from the one in the past and considers this structure as a whole, given the common legal tradition of groups of countries, and the possibility that it may evolve in line with the development needs of member States and international trade. In fact, the areas 1) Reform and modernization of port systems and 2) Government oversight and participation, which point in the same direction, are part of the current plan.

Meanwhile, the agencies responsible for economic regulation in the port sector have issued, and are continuing to issue, a number of rulings and supplementary documents that constitute a rich and interesting case history whose utility exceeds the confines of each country. The latter is attributable to the international activity of port operators, which should be matched by a similar, timely awareness in member States of the technical and economic considerations that inform the decisions taken in the hemisphere. Cooperation should also be established with analogous entities (Federal Maritime Commission, Competence Directorate, among others) to expand the geographical scope of such rulings.

The safety and health aspects of port work are essential components of sound human resources management and complement other aspects, such as remuneration and training policies, that are strictly national and even local in character. Mention should be made here of the usefulness of the recent ILO “Code of Practice” that will enable countries to apply uniform safety and health measures in ports and to consider ratifying ILO Convention No. 152¹. One interesting consideration with regard to human resources in the hemisphere's ports is the participation of women in port work, a field that was traditionally closed to them.

Accordingly, the following specific objectives are proposed for this area:

Specific objectives:

- (i) Prepare a compendium of hemispheric legislation on port administration, in other words, that which creates the managing entities of ports and governs their relations with oversight and regulatory agencies and with other authorities with responsibilities in the port sector.
- (ii) Prepare a compendium of the legislation creating economic regulatory agencies and the decisions and rulings issued by them.
- (iii) Prepare a compendium of the labor legislation applicable to port workers in effect in member States.
- (iv) Promote ILO Convention No. 152 and the Code of Practice.
- (v) Promote the participation by women in the port community labor market.

Priority area 4: Protection of facilities and ports

Main thrust: This encompasses the protection of maritime transport and world trade as prescribed by the amendment to the SOLAS Convention and the ISPS Code. While the latter is already in effect in most member state ports and is now entering the evaluation phase to ensure the permanence of the security levels, the CIP has elaborated a “Strategic Framework for Inter-American Port Security Cooperation” to heighten port security. In short, the main thrust of this area is to ensure strict and ongoing compliance with protection standards for ports and facilities,

¹ Convention Number 152 of the ILO, currently ratified by 26 countries, including five (5) from this hemisphere.

while seeking ways to implement them at a reasonable cost. In this connection, member States might consider it useful for decision-making to have information on how port entities have determined what investments are needed for security, the perceived benefits of certification, and the methods of obtaining adequate financing, including recovery through tariffs charged to users. This area also includes the dissemination of stricter protection measures advocated by some countries such as the cost-benefit analysis inherent in their implementation.

Specific objectives:

- (i) Continue the ISPS Code inspections.
- (ii) Implement the Strategic Framework for Inter-American Port Security Cooperation.
- (iii) Prepare an estimate of the amounts invested in infrastructure, equipment and computerization, and staff to obtain the certification required by the ISPS Code.
- (iv) Produce a port security data bank with information on levels of risk (days per year at each level), costs of maintaining the security system (costs of equipment, materials, and staff per organization), and cost recovery methods (amount, type, entity).
- (v) Disseminate the most advanced security measures for facilities and ports such as the cost-benefit analysis inherent in the implementation.

Priority area 5: Port and related investments

Main thrust: The planning and placement in operation of infrastructure that will enable ports to adapt to technological change in maritime transport and to benefit from the globalization of production and distribution of goods. Investment in such port infrastructure, and in the equipment, "infostructure," and processes complementary to it, is necessary for the port to fulfill its role as a transport hub efficiently and economically. To achieve the potential of such port investment, however, it will also be necessary to make timely investments of sufficient magnitude in transport networks (highways, railways, pipelines and other forms of land transport and river and maritime navigation waterways) that can facilitate the flow of vehicles and goods. Otherwise, the benefits expected from the investments made by shipowners, and the complementary port investments designed to significantly reduce freight charges, will be dissipated in delays and traffic congestion in land transport networks, which will charge abnormally high prices that will significantly affect both exporters and importers.

Moreover, the globalization of production and consumption favors the establishment of production and distribution activities in port areas, as attested by the industrial zones (with oil refineries and steel mills, for example) and logistical areas (for carrying out value-added tasks) that are increasing the profitability of strictly port-related investments. These industrial and logistical investments connected with ports help to increase foreign direct investment in a country, which results in job creation and improved business capacity.

To derive the benefits from all these investments, there is a need for careful port strategic planning, coupled with economic and social development plans for the regions served by the port, which can cross borders. In this connection, the monitoring of national plans for development of transport routes and promotion of intermodal transport and initiatives such as IIRSA and PPP are prerequisites for producing scenarios to serve as a basis for the promotion and rationalization of port and related investments in the national and regional fields with the aim of achieving economies of scale. Two of the area in the current plan are relevant to this area, namely, 5) strategic planning and 10) river and lake port development, while the recent Declaration of Guayaquil², which calls for the development of infrastructure for internal transport networks, clearly shows the urgent need for action in this area.

The CIP contribution in this area is geared to producing port and related investment scenarios that will allow public and private and the contractual categories that allow investors to see the benefits, insofar as these are based on an updated assessment of observable trends in international trade and maritime transport and the ports that serve them.

Specific objectives:

- (i) Produce geographical infrastructure investment scenarios for ports located in the maritime and river facades of sea-lanes established in IIRSA.
- (ii) Produce port infrastructure investment scenarios compatible with the sectoral investments provided for in the PPP.
- (iii) Produce maritime-port investment scenarios for improving connections between the small island states of the Caribbean.

² Between the CIP and the AAPA, July 2006.

(iv) Produce indicators that outline the scenarios developed (for example, cargo traffic statistics, port capacity indicators) and can serve to update them.

(v) Disseminate existing mechanisms for public-private participation in investment and adapt them to the scenarios.

(vi) Strengthen human resources training and development in the port companies providing infrastructure and facilities, in cooperation with developed country agencies.

Priority area 6: Port environment and sustainable development

Main thrust: To achieve compatibility between environmental concerns, daily port activities, and the implementation of port expansion plans. The environmental impact of daily port activities derives mainly from the provision of vessel and cargo services and may arise during the normal course of activities (for example, ground pollution by chemicals stored in it) or as a result of accidents (for example, oil spills). In port expansions it is often difficult to find places where dredged material can be stored, especially if it has traces of pollutants. This area includes, therefore, activities conducive to the ratification and implementation of IMO Conventions, such as (MARPOL) and that of London in 1972 on spills, the ultimate purpose of which is to preserve the integrity of the marine environment and more broadly, takes into consideration the principles established in the 1982 Convention on the Law of the Sea and the 1992 Convention on Biological Diversity in relation to the use and protection of coastal areas.

There is also an activity that can be advantageously included in this area, namely, the development of the port-city interface, both in its strictly port-related dimension, as in the promotion of tourism cruise traffic, and when it is used for non-port-related purposes (commercial, residential, or leisure activities). Accordingly, a balance needs to be found between, on the one hand, tourist volume and the capacity of the tourist attraction to accommodate such volume without deterioration and, on the other hand, the demands for the protection of the port grounds with the fluid access required for commercial, tourist and recreational activities.

The holistic focus that is needed to look after the environmental needs is already present in some ports. The ports of countries with coasts on the Gulf of Honduras collaborate in the implementation of a strategic action plan to revert the degradation of the coastal and marine ecosystems of the Gulf by preventing the contamination that is associated with maritime transport and the reduction of the sources of contamination on land that drain into the Gulf. The majority of the ports of the east coast of North America have programs to reduce levels of sulfur oxide and

nitrogen and suspension particles contained in the atmospheric emissions from ships, in addition to the quality of life of coastal communities. Currently, under consideration of the IMO, annex VI MARPOL, is the determination of stricter standards for fuels used in ships during its stay in the ports.

In summery, the above noted description indicates that this area projects into the future three (3) areas in the current plan, namely, 6) environmental protection, 8) ports and the tourism industry, and 11) port-city relations.

In the years ahead, it is hoped that environmental concerns and the adoption of environmental mitigation measures; the consensus on restoring buildings frequently located in port surroundings, whose architectural features are evidence of a valuable tradition; and citizens' demands for the improvement of habitable and leisure areas adjacent to ports will mean that hemispheric port managers, will pay greater attention to those activities and businesses that actually help to preserve the sections of the coastal maritime areas of member States where ports are located.

Specific objectives:

- (i) Produce an environmental code of conduct.
- (ii) Promote the implementation of port environmental management
- (iii) Strengthen sustainable tourism cruise activities in the small island states of the Caribbean and others in the Caribbean basin.
- (iv) Promote the ratification of the IMO conventions on protection of the marine environment and the active participation in its update.
- (v) Disseminate instances of environmental mitigation as part of port operation and expansion activities.
- (vi) Produce a catalog of projects for improving the port-city interface, indicating their nature, investments, rehabilitation of historic monuments, and institutional schemes adopted for such projects.
- (vii) Recognize the efforts of the hemispheric port that has the most distinguished record of environmental management.

5. Implementation of the Action Plan

This will be the responsibility of the CIP, through its Executive Board, which will create Subcommittees that it deems necessary to carry out the Plan. The Executive Board will also evaluate the possibility that some of the activities could be developed with the help of a TAG, acting in conjunction with a Subcommittee or the aid of the Secretary. The member States, as well as the international organization and permanent observers, will also participate in the implementation of the Plan.

Every two years, the Executive Board will develop a *Biennial Work Program*, first for 2008-2009, then for 2010-2011. Each program will include the activities necessary to fulfill the objectives of each priority area, indicating its achievements, in the geographic environment and the countries involved in the priority area, indicating transverse points that could be considered (for example the promotion of information technology, the elevation of the role of women and the inclusion of Caribbean island countries) the time-table and the resources that will be assigned to its various schedules and the measurable goals that the priority areas are trying to achieve³.

The established subcommittees will be completely in charge of the implementation of the *Biennial Work Plan*. In this phase, it is hoped that the entities participating in the Plan will contribute to the announced reinvestments in the specific amounts and installments.

The Executive Board will be in charge of the monitoring and evaluating procedures in order to measure degrees of advancement in the activities using the Biennial Work Plan and the annual Subcommittee reports.

The development of the Biennial Work Plan assumes the use of specific systems that are easily measurable and serve to evaluate the work plan:

(i) Organization of various types of meetings:

(a) Conferences, of a hemispheric nature, that consist of disputes over the special themes by government officials, national and international experts on the topics and special guest from observer states, international organizations and private companies.

³ The annex to this document includes a list of activities to be included in the development of each *Biennial Work Program*

The conferences formulate an “Agreement of Recommendations” that are then put forth before the CIP.

(b) Seminars, regional, sub-regional or national, which are meetings of national or international specialist from the public sector and private companies, where knowledge and experience and interchanged about a specific theme with the purpose of enhancing the knowledge of the participants and promoting the coming together of the parties involved. Reports that include, if it is convenient, the conclusions and recommendations, will be produced at the seminars.

(c) Courses, international and national, with a goal of training public sector officials and employees of private companies in a general or specific way; lead by international experts. Reports, that can include the evaluation of the participants, will be made at the courses.

(d) Workshops, on specific themes, in which a small group of experts meet with the specific goals of creating a document, manual or reports, that will serve as the base for a project of a larger legal hierarchy.

(ii) Production of Documents:

(a) Temporary reports, documents produced on occasion, for a work group, made up of various delegations or for a particular delegation; who are in charge of a theme within a subcommittee (such as, for example, recommendations of a specific theme, the compilation and presentation of documents, in a predetermined order) in print or electronic format.

(b) Periodic reports, documents produced periodically on a special topic for a work group or delegation, (for example statistics, managerial gauges, etc.) in print or electronically.

(c) Newsletters, a regular publication, in print or electronic format, with diverse information on a topic or various topics for the purpose of keeping officials, in the various countries, of the port and related sectors informed.

(d) Webpage, an electronic page with general and specific information that can be found on the INTERNET, that is under the direction of an institution or other persons responsible for its maintenance.

(iii) Other Categories:

(a) Internships or practices by which one or various officials or one of various countries, during a predetermined period of time, receive training at facilities in another country. Reports will be produced from these internships by both the host countries and the beneficiaries.

(b) Direct Technical Assistance, which consists of the sending of one or more experts from either one or various countries to another country in order to spread knowledge and pass on experience that will be helpful to the countries receiving the assistance; this category may include courses. The country receiving the assistance will produce a report.

(c) Inter-American Awards, are official recognitions that include public ceremonies that acknowledge individuals or institutions the focus on specific topics or who have or will completed fixed tasks outstandingly.

6. Financing the Action Plan

The resources required to implement the 2008-2011 Action Plan, through the Biennial Work Plan, will be derived from allocations made by member States, CIP port programs, resources allocated through cooperation from international and regional organizations, and other sources. The amount of resources will largely depend on the implementation modality selected. While the amount of resources needed to hold meetings of various kinds is better known, since experience has already been gained with this work modality during the implementation of the current plan, it is more difficult to determine the amount needed for the working groups assigned to produce and disseminate occasional or periodic reports. In general, it is likely to represent a significant increase in resources for the implementation of the Biennial Work Plan, especially because staff would be assigned part-time to these working groups. Although much of the work of these groups could be carried out via e-mail, occasional technical meetings might have to be held, which would increase the resources to be allocated. Moreover, in order to function, these groups might require the assistance of the Secretariat for somewhat more extended periods than the usual ones associated with meetings of various kinds, owing to the need to ensure that the technical reports to be presented are completed and circulated sufficiently in advance. This stresses the need to strengthen the website to allow for the production of new reports.

The specific amount of resources and the sources to be used can be determined once the Executive Board approves the Biennial Plan of Action at the next meeting.

8. Conclusion

The present Action Plan 2008-2011 has been designed to complement the activities of member States in the implementation of national economic and social development policies applicable to the port sector on which consensus has been reached in hemispheric and international forums. It also takes into consideration the major trends underlying international trade and maritime transport.

The Plan includes objectives common to the Hemisphere's ports, which can be carried out through various modalities, with sufficient flexibility as to adapt to changes in the environment and in the availability of resources.

Thus, it is hoped that the CIP can continue to make a significant contribution in the years ahead to improving competitiveness and security in the operation and development of hemispheric ports and, in short, to the well-being of the populations of member States.

ANNEX

ACTIVITIES TO CONSIDER FOR THE DEVELOPMENT OF BIENNIAL WORK PROGRAMS

Priority Area 1 Cargo Services

- a. A hemispheric conference to promote the WCO Framework of Standards and present the measures advocated by the United States Customs Service and Boarder Protection Agency and to look for a unique reference framework.
- b. Seminars, on Productivity, Excellence, and Port Quality, and others on Costs and Tariffs.
- c. Workshops, the first to formulate terms of reference and specifications and establish the working groups for the production of efficiency indicators for port cargo services, and the second to repeat the process with respect to the prices of port cargo services.
- d. Working Groups to produce periodic reports on statistics and performance indicators and the cost of port cargo services.
- e. Courses to be held with Puertos del Estado, Spain, participation in AAPA conferences, and the continuation of the PPM Latino program.

Priority Area 2 Vessel Services

- a. Conferences, one to promote the simplification of procedures and vessel dispatch, and another to analyze the impact of industry concentration on maritime service providers.
- b. Workshops, to promote, standardize and develop terms of reference to simplify the procedure of receiving, waiting and dispatching ships through computerized methods; to intensify the use of inland navigation (one for countries in the del Plata basin and the other for countries in the Amazon basin), and finally, promote short-distance maritime transport for the small island states of the Caribbean.
- c. Seminars on the applicability of new port technologies to maritime services in the Hemisphere's ports.
- d. Work groups on production and periodic publication of vessel statistics and uniform price indicators for maritime services.

Priority Area 3 Port Legislation

- a. Hemispheric conferences, one on Legislation Applicable to Ports to initiate the process of compiling the laws governing port administration and regulation; and another on Port Work, to present the base of information in order to begin work in the compiling labor legislation, to spread the Convention of the OIT and present topics of the port sector.
- b. Working Groups, to take charge of the compilation and propos dissemination of port legislation applicable to ports, and to carry out a detailed survey and report with specific proposals to increase the participation of female labor in the port environment, using a selected port community as a case study.

Priority Area 4 Facilities and Port Security

- a. Hemispheric conferences for periodic assessment of the progress of inspections under the ISPS Code, implementation of the strategic framework for Inter-American cooperation, and dissemination of more advanced port security measures with estimates of cost benefits.
- b. A working group to produce a port security data bank and make recommendations on its use and accessibility.

Priority Area 5 Port and Related Investments

- a. Conferences on port investment scenarios and associates (in South America, Central America, and the Caribbean); and public-private financing mechanisms of port and related infrastructure and associates.
- b. Working group on the development and periodic publication of indicators for the outlining and updating of selected investment scenarios in a geographic area.

Priority Area 6 Environment and Sustainable Development

- a. Hemispheric conference on sustainable port development and operation that will lay the groundwork for the preparation of an environmental code of conduct, award the CIP-OAS

Environmental Prize, and promote the IMO Conventions on the protection of the marine environment.

- b. Seminar on environmental mitigation and environmental management in ports.
- c. Working groups, one to formulate an environmental code of conduct, and another to prepare a catalog of projects for improving the port-city interface and making recommendations for its dissemination.