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Subregional Headquarters for the Caribbean

REVIEW OF ACTIVITIES IN TRANSPORT
AND COMMUNICATIONS
(1975-1985)
Transport activities initiated since the formation of the CDCC

Since the inception of the Caribbean Development and Co-operation Committee (CDCC) in 1975, it was recognized that there were constraints in transportation which might restrict economic growth. The Constituent Declaration of the CDCC stated the intention to "carry out joint activities for increasing and improving national transportation facilities within the subregion and with other countries".

At the same time the importance of the maritime sector was recognized. It was noted that efficient shipping services were an indispensable prerequisite for the success of any integration effort.

Activity in the Transport Sector under the aegis of the CDCC commenced at the end of 1976.

The initial tasks undertaken included:

(a) The production of Inter-island Shipping Statistics in collaboration with CARICOM and the CDB;

(b) A preliminary evaluation of air transport in CDCC countries carried out in conjunction with the International Civil Aviation Organization (ICAO);

(c) Preliminary planning of a joint ECLAC/UPU paper on Postal Services leading ultimately to the concept of a Caribbean Postal Union;

(d) Preliminary planning of a joint ECLAC/UNCTAD/IMO paper on Caribbean Shipping leading ultimately to the project entitled Regional Cooperation in the Development of Shipping. (see below).

In addition, assistance was given to the management of WISCO and to the CARICOM and the OECS Secretariats on small vessel shipping.

In 1977, the Caribbean Group for Co-operation in Economic Development (CGCED) was established. The CGCED brings together bilateral donors (both new and traditional), international donor agencies, regional institutions and the Caribbean countries in an attempt to consolidate efforts for economic development of the Caribbean.
Based on a World Bank mission to the Caribbean, a report, "The Caribbean Regional Transport Review" was produced. The Subregional Headquarters of ECLAC was closely involved in the production of this report which assessed ongoing and proposed transport projects in the Caribbean, identified major transport needs and gaps in pre-investment work, and made proposals for sub-regional and country projects to assist development in the maritime and aviation sectors.

The CGCED established a Technical Assistance Steering Committee (TASC) chaired by UNDP to review the proposals made in the Review and to prepare projects for financing by the Caribbean Group.

To carry out this mandate, TASC organized a series of technical meetings of transport specialists, attended by representatives from UNDP, UNCTAD, ECLAC/CDCC, World Bank, IDB, CDB, CARICOM and OECS. During these meetings discussions were held on the conclusions and regional project proposals set out in the Review.

It was generally agreed among participants at these technical meetings that a sine qua non for future investment in maritime facilities was rationalization of intra-Caribbean maritime transport. Furthermore, there was a broad consensus on the need for strengthening regional co-operation and harmonizing of national policies for maritime and air transport. It was felt that in order to exploit the full potential of the physical infrastructure constructed over the previous decade by donors, there was a need for a relatively modest investment in transport equipment. 1/

The Economic Commission continues to be represented as an Observer at the CGCED meetings held at the World Bank. In practice, however, ECLAC maintains contact through UNDP as the agency focal point dealing with transportation issues, and attends ad hoc Advisory Group meetings in that capacity.

Working together with the World Bank, UNDP, the specialized agencies, major donors, regional institutions and the Caribbean countries, the CDCC Transport and Communications work programme was to a large extent carried out through the mechanism of the CGCED. The advantage of this approach was that funding for a number of regional projects became more readily available.
The ECLAC/CDCC Secretariat has collaborated with the Technical Assistance Steering Committee (TASC) of the CGCED in the implementation of the following projects:

1. Regional co-operation in the development of shipping;
2. Shipping traffic data survey;
3. Port Authority legislation;
4. Caribbean container distribution and load centre study;
5. Caribbean Airports Maintenance and Operations Study (CAMOS);
6. LIAT;
7. Caribbean air transport board or council.

The following are summary descriptions of these projects:

1. **Regional co-operation in the development of shipping**

   Despite the efforts that had been made to develop Caribbean shipping fleets and to improve port facilities, the Caribbean region still remains dependent on foreign shipping services.

   Due to the importance of the maritime sector and the relationship between it and other sectors, it was felt that the efforts being made by agencies involved in maritime matters should be consolidated. With this aim in view, and following discussions between the CDCC, IMO and UNCTAD, a joint plan of action was prepared. Funding was provided by UNDP for the project entitled "Regional Co-operation in the Development of Shipping, including Support for Small Vessels and Schooners Project, or "UNSHIPRO". This was a comprehensive project in the maritime sector, executed by UNCTAD/IMO and based in Saint Lucia. The project which ended in 1983 had a duration of three years, at a cost of US$930,000 and comprised a team of four experts, two UN Volunteers and a number of consultants, together with regional and national counterparts.

   The project was an attempt to establish a focal point for analysis, decision-making and upgrading of shipping in the Caribbean. The initial thrust of the work programme was aimed at the upgrading of the small vessel fleet in the Eastern Caribbean, the development of the maritime sector, the provision of information systems and increasing maritime safety. The project was intended to demonstrate the need for and a method of producing
shipping statistics. In this respect it concentrated on training in the collection of traffic statistics more so than the production of statistics on a regular basis. The system eventually proposed was not however, maintained by the regional institutions once the project ceased.

In 1978 a study by CARICOM showed that the Eastern Caribbean small vessel fleet consisted of more than 150 vessels and carried 60 per cent of the intra-CARICOM trade. This amounted to about 230,000 tons, with an annual freight revenue of about US$6 million.

It was felt that the effectiveness of the fleet could be significantly improved by a tighter control of cargo loading patterns and sailings, with a faster port turnaround. There was overtonnaging which prevented a fully effective commercial operation.

The study indicated that general standards of safety were unsatisfactory. This resulted in a high loss rate of vessels, crew and cargo.

As a result, hull and cargo insurance was unobtainable for a substantial part of the fleet, and even for well-maintained vessels rates were as high as 14 per cent of the ship's value, compared to a more normal 4 per cent.

The project aimed to provide a set of guidelines on the appropriate function, size and technical standards of the small-vessel fleet, alternative routes and tariff structures, and its role as part of the shipping network for the area. This work was not completed due to the lack of production of the data base. The project included the definition of a group insurance scheme and financing schemes for repairs and improvements, and recommendations for ship repair facilities, for appropriate navigational aids and the possible establishment of a vessel owners' association. These items were largely completed.

The IMO work on maritime safety including the production of a set of Maritime Rules and Regulations and the training of officials to enforce the regulations was completed. This together with work undertaken on a Draft Maritime Code has assisted Caribbean Governments in enacting their own Maritime Law and establishing the necessary enforcement procedures to ensure compatibility with the international conventions covering maritime safety.
Work continued with co-operation from ECLAC Santiago on the problem of the Small Vessel Fleet with the aim of obtaining technical assistance from the Maritime International Co-operation Centre (MiCC) of Japan.

Maritime Training

Governments in the English-speaking Caribbean were concerned about the absence of facilities within the region for training seagoing personnel, particularly in the home trades and the CARICOM Secretariat had given priority to the establishment of maritime training facilities.

Subsequently, under a bilateral agreement with Norway, Jamaica established a maritime training facility in Jamaica and indicated its willingness to co-operate with other governments in the region to address maritime training requirements.

IMO preparatory assistance, financed by UNDP from the UNSHIPRO Project was provided in order to update information on maritime training needs and give technical advice on the methodology of meeting those needs under a regional approach. A report was submitted to the CARICOM standing Committee of Ministers of Transport. Subsequently, IMO established the World Maritime University in Malmo, Sweden. CDCC member states have sent students to study at this institution.

2. Shipping Traffic Data Survey

It was recognized that the lack of adequate information on the volume of freight moving through the ports of the Caribbean severely hampered planning for both port facilities and shipping services.

As noted above, an attempt was made to correct this situation when as part of an investment study for WISCO, carried out by CDB with funding provided by the Canadian International Development Agency, the ECLAC Sub-regional Headquarters for the Caribbean and CARICOM worked together to produce shipping statistics on WISCO routes. This work was published as the Inter-island Shipping Survey (CEPAL/CARIB 77/1).

When the Caribbean Group was formed, UNDP provided funds to update the previous exercise and the data collection and processing was again undertaken by ECLAC/CDCC.
The results of this work were published as *Shipping Statistics of CDCC Countries (CEPAL/CARIB 80/9)*. This report gave details of the methodology used and the problems encountered and also provided sample tabulations from the data collected. This pilot scheme was then handed to the UNSHIPRO Project for implementation.

3. Port Authority Legislation, Functions and Management Structure for the CARICOM LDCs

A pre-feasibility study was undertaken by a joint UNCTAD/IMO team funded by CDB. The mission found three common problems:

(a) A shortage of the technical skills needed to operate and repair new facilities efficiently, especially in relation to modern shipping technologies;

(b) General limitations in the administrative structures that had been established, which restricted management's freedom of action and prejudiced the efficient use and development of existing facilities;

(c) Deficiencies in management skills, with respect to delegation of authority, staff development and labour relations.

This resulted in higher than necessary operating costs, including significant cargo losses through damage and theft.

A draft project document was produced with an estimated budget of US$600,000. The project was not implemented due to its high cost.

4. Caribbean Container Distribution and Load Centre Port Study

It was proposed to carry out a detailed analysis of existing and planned developments in container handling facilities and services and the EEC indicated that it was prepared to consider funding for such an examination if it was designated as a CARICOM priority item.

This matter was duly considered but as there was no container development planned by CARICOM countries at that time, CARICOM did not so designate it as a priority area. It is interesting to note that subsequently both Aruba and Curaçao (neither of them CARICOM members but territories also eligible for EEC aid under Lomé) requested financing from the Netherlands to construct container handling facilities in the
Netherlands Antilles. Terminals were built in both Curaçao and Aruba but there has been no evaluation of their impact on the region.

5. Caribbean Airport Maintenance and Operations Study (CAMOS)

The objective of the study was to determine what was needed in terms of improvement in maintenance, operations, and equipment in order to bring 35 Caribbean airports up to the ICAO standards needed for safe and efficient handling of the current and expected traffic levels. The report estimated that US$40.5 million was required immediately for this purpose, while the planning and construction of further facilities was still proceeding. This raised an extremely interesting point. While small island communities need aviation facilities and wished to encourage tourism to enhance foreign exchange earnings, the high cost associated with maintaining expensive infrastructure could be a considerable drain. The CAMOS report clearly indicated that standards were not being maintained, thus suggesting that the individual governments were having difficulties maintaining these assets obtained mainly through soft loans and grants.

From a maintenance viewpoint, two aspects stood out clearly: most airport pavements needed some attention and buildings and facilities were deteriorating rapidly.

A serious situation was identified concerning rescue and fire-fighting services, which at Caribbean airports were generally below recognized safety standards. All appropriate national airport authorities appeared to be aware of this problem. Some authorities had been trying continuously to take remedial action, but others were faced with severe financial constraints and were unable to do so. In nearly all cases rescue and firefighting equipment had been supplied by aid programmes. Following the completion of the CAMOS study, the report was issued and circulated to the individual countries and to donors. At the Fourth CGCED Meeting held in Washington, 1981, Canada announced that it was prepared to contribute up to C$50 million\(^3/4\) from its bilateral aid programme to effect improvements needed to bring airports up to the required safety level for operations. However, this programme applied only to those Caribbean States covered by the existing Canadian Aid Programme.
It is hoped that under Lomé III the EEC will provide some assistance in civil aviation, to those countries not covered by the Canadian programme.

6. LIAT Fleet requirements and routing Structure

The European Economic Community funded a consultancy through CDB to define the aircraft replacement programme and service improvements that would permit the company to attain viability. The operating costs and revenue that would be produced with both existing and alternative route structures were examined. Money was made available under Lomé II for replacement aircraft. However, the Board of LIAT ordered replacement HS-748 aircraft from the U.K., and the Lomé funds remain uncommitted at the time of writing. Canada also provided DHC-6 aircraft (twin otter) and EEC provided passenger handling equipment. Subsequently, DHC-8 aircraft were also ordered from Canada.

7. Establishment of a Caribbean Air Transport Council

This proposal, originating from the Transport Review, was considered by the CARICOM Standing Committee of Ministers of Transport. While such an organization would be useful it was felt that its introduction was premature considering the current state of aviation in the Caribbean. Such a mechanism may evolve as the CAMOS recommendations are implemented.

ADDITIONAL ACTIVITIES UNDERTAKEN IN TRANSPORT AND COMMUNICATIONS BY ECLAC/CDCC

Maritime Search and Rescue

At about the time that the International Maritime Organization (IMO) was drafting the 1979 Search and Rescue Convention (SAR), a number of events occurred in the Caribbean to focus attention on this important aspect of maritime safety:

(a) Two large tankers collided near Tobago and one sank, fortunately with minimal damage to the environment;

(b) The U.S. Coast Guard informed the region that it could no longer be relied upon to respond to all requests for assistance in SAR cases;

(c) Some Caribbean States were considering the formation of joint coast guard services.
As a result, IMO was requested to seek assistance for the Caribbean, and obtained nine Fellowships from Norway to send Caribbean nationals to the USCG SAR School on Governor's Island, New York and funding from the Netherlands to hold a seminar in Barbados. Lecturers from USCG, Netherlands, ICAO and IMO explained the Draft SAR Convention and basic SAR methods to representatives from more than 20 Caribbean, Central and South American States.

During the seminar, participants requested IMO, in co-operation with ECLAC, to seek the necessary financial resources for consultations between Caribbean states in order to improve arrangements for the provision and co-ordination of Search and Rescue Services and to establish agreed areas of responsibility in accordance with the provisions of the 1979 SAR Convention. With generous financial assistance provided by the Government of Venezuela, ECLAC on behalf of IMO convened three subregional meetings for this purpose in the South-Central, Western and Southern Caribbean areas in 1982.

IMO/ECLAC convened a final meeting in Caracas, Venezuela in 1983. This was attended by representatives from 26 countries and territories from the Caribbean, North, South and Central America. The meeting approved the Draft Maritime Search and Rescue Plan for the Caribbean. This plan, part of a global network, was the third to be produced and the first from the developing world. Funds are now being sought for follow-up action on training in co-ordination.

Facilitation

The United Nations Conference on Trade and Development and its Trade Facilitation Programme (UNCTAD/FALPRO) carried out a review of facilitation in the CDCC area in 1979/1980. Three missions were undertaken to evaluate the commercial practices of different states. In October 1981, CDCC convened a meeting of experts on facilitation problems and the strengthening of transport institutions which made specific recommendations with respect to the evaluation of possible technologies for intra-Caribbean transport systems, the establishment and strengthening of national facilitation organizations, and the harmonization and reduction of commercial documents, trade procedures and practices.
The UNCTAD/FALPRO recommendations as well as the conclusion of the October 1981 meeting have been incorporated into a project proposal entitled "Facilitation of Trade and Transportation". Funding for this programme is being sought. This subject matter is of particular interest to the Caribbean and is being developed by the trade section of the Secretariat.

Transport planning

Deficiencies in integrated development planning in the region are well known. In an attempt to overcome some of them a number of ad hoc planning working groups were mandated by the Fifth Session of CDCC in 1980. A working group of Transportation Planners was convened in 1982, the input of which was submitted to the Seventh Session of CDCC in 1982. It is anticipated that further work in this sector will be undertaken in conjunction with the recently established ECLAC/ILPES Planning Unit.

Caribbean Satellite System

Based on expressions of interest in a study of a Caribbean satellite communications system by CDCC Governments, a project proposal was prepared with ITU and submitted to the Italian government for funding. Discussions have also been held with the Regional Bureau for Latin America (RBLA) UNDP regarding the possibility of utilizing funds from the regional IPF for this study.

Regional Maritime Adviser

Arrangements have been made with the Trinidad and Tobago Government and IMO for a regional maritime adviser to be appointed for a period of two years in the first instance and located in Port of Spain. He took up duty in September 1985. There will be close working relationship established between the adviser and the CDCC in the area of maritime safety.

Maritime Training Programme (TRAINMAR) - UNCTAD

A proposal has been made to UNCTAD to make the ECLAC Subregional Headquarters for the Caribbean a focal point for training in Maritime Transport for the English-speaking Caribbean under the TRAINMAR programme. As a
focal point, the ECLAC/CDCC Secretariat would possess the capability of responding to requests for training in Port Operations and Management, Maritime Legislation, Ship Management and Multimodal Transport. Funds are being sought to train instructors and obtain the necessary course material. It is intended to work closely with the Caribbean Shipping Association which has already initiated training courses of this type.

Post-harvest losses

The need for a multi-sectoral approach to post-harvest losses has been identified involving production, marketing, storage and transportation of fruit and vegetables in the Caribbean. In conjunction with the trade and agricultural units, a project proposal has been developed and funding sought from extrabudgetary sources.

Other activities undertaken by ECLAC/CDCC

Funding was obtained for an examination of the possibility of using a former bauxite loading facility in Haiti to establish a ship-breaking industry. Work was undertaken on the concept of utilizing surplus vessels as floating factories for processing agricultural produce and work was initiated on a Caribbean Shipping Traffic Model.

Future activities

The Transport and Communications Unit has established and maintained close working relationships with United Nations Specialized Agencies dealing with Transport and Communications (i.e. UNCTAD, ICAO, UPU, ITU, IMO). Similar relationships have been developed within CGCED with the multilateral agencies and the major donors. These contacts will be maintained and strengthened. Close working relationships also exist with the regional institutions (CDB, CARICOM, OECS) so that the individual work programmes are complementary rather than duplicative.

The following comments are offered on the work programme for the immediate future:

(a) Within the context of the CGCED mechanism, efforts will continue to seek funding from donors for the completion of the CAMOS recommendations,
in conjunction with the regional institutions involved. The Secretariat will also assist the CARICOM Secretariat to prepare the terms of reference for a comprehensive study of the Caribbean maritime transport sector, for presentation to potential CGCED donors;

(b) There has been no further meeting of Caribbean Transport Planners and it is to be hoped that, with the establishment of the joint ECLAC/ILPES Unit in the Caribbean Subregional Headquarters, this omission will be rectified. Since transportation is essentially a service industry it is essential that it is treated in a multisectoral planning framework. Currently, the system is altered in ad hoc ways to react to short-term perceived deficiencies without an adequate understanding of inter-sectoral impacts. A number of specific subject areas have been identified for further investigation which might best be carried out not only with outside technical assistance but also the exchange of regional experiences, perhaps through a TCDC programme;

(c) Notwithstanding continued governmental support for the concept of a Caribbean Postal Union it still remains only as a proposal. Unless a CDCC government is prepared to offer its Postal Administration to act as host for the inaugural period, the CPU might nevertheless be inaugurated if the procedure adopted for the Caribbean Council for Science and Technology (CCST) was to be followed whereby the responsibility for the Secretariat is assured by ECLAC. At the Ninth Session of CDCC there was some reluctance to follow this course except as a last resort. CDCC governments will need to consider whether the idea of a Caribbean Postal Union should be deleted from the work programme at the Tenth Session;

(d) Discussions have been held with UNDP and UNCTAD in attempting to obtain funds to establish the TRAINMAR programme in the English-speaking Caribbean. Training in the activities covered by the programme are urgently needed and the Caribbean Shipping Association (CSA) has successfully initiated similar training courses. The discussions with UNDP and UNCTAD have centred on the possibility of augmenting the CSA initiatives with support from a training institution in the U.S.A. It is hoped that progress in this area will be announced soon.
(e) Work will continue with ITU assistance to improve the standard of telecommunications in the Caribbean.

World-wide plans for expansion and modernization of the telecommunications network have been made and work programmes are being put into operation. New and sophisticated equipment is being installed and brought into service and information services in addition to traditional voice and telex communications are being introduced. Current five-year plans contemplate an increase of 100 per cent or more in present subscribers. Plans and projects (in many cases financed by regional and World Bank loans) are being implemented for rural and peripheral city areas. This will result in an increase in density of penetration and access to telecommunication services for minority and marginal communities, small-scale cooperatives and industries.

It is important that the Caribbean join in these global developments in order to take full advantage of modern technology to assist in economic development.

(f) Following the arrival of the IMO Maritime Safety Adviser, there is an enhanced ability to provide expert advice in the areas of maritime safety and pollution prevention. Requests for assistance in this respect should be made through UNDP Offices or the ECLAC Subregional Headquarters for the Caribbean;

(g) Working in conjunction with CDB and CARICOM the Transport and Communications Unit has been discussing with potential donors in CGCED funding for the automotive part of the Regional Energy Action Plan (REAP). The aim is to seek automobile manufacturers support in designing vehicles using non-traditional sources of fuel and testing their effectiveness in the Caribbean environment.
1/ Traditionally, donors had provided infrastructure to the region. Canada as an exception provided WISCO with two ships in 1961 and initiated a "small equipment purchase fund" which supplied fork-lift trucks and other equipment. Subsequent to this TASC recommendation, EEC has funded two ships for WISCO and aircrafts have been provided to LIAT (See page 15).

2/ This pattern has continued. Several vessels foundered carrying cement from the new plant in Barbados in its first week of operation presumably due to overloading.

3/ Subsequently raised to C$80 million.