

FIFTH SUMMIT OF HEADS OF STATE AND/OR GOVERNMENT OF THE STATES,
COUNTRIES AND TERRITORIES OF THE ASSOCIATION OF CARIBBEAN STATES

DRAFT STRATEGIC DOCUMENT – Annex IV

***INPUT
TRANSPORT DIRECTORATE***

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INTRODUCTION

During the 4th Summit, the leaders also addressed the situation concerning air and maritime transport in the Greater Caribbean, since it was acknowledged that transport is a channel for strengthening regional ties, particularly in the areas of trade and tourism. In that respect, the ACS was highlighted as an instrument for tackling the main challenges encountered in air and maritime transport within the framework of the Association's Programme: Uniting the Caribbean by Air and Sea.

23 We recognise transport as an adequate channel for strengthening regional ties, especially in the areas of trade and tourism. In that respect, the ACS is a suitable instrument for addressing the main challenges of maritime and air transport within the framework of the programme: Uniting the Caribbean by Air and Sea.

23a We urge the Member States and Associate Members who have not yet done so and who are in a position to do so, to consider the possibility of signing or ratifying, as the case may be, the Air Transport Agreement among the Member States and Associate Members of the ACS, so that it may enter into force as soon as possible.

In that regard, the Transport Directorate will present the following draft of its proposed input for the strategic document for the 5th Summit of the ACS.

This document comprises four parts: in the first part, it will seek to evaluate the relevance and implementation of the mandates of the 4th Summit concerning Transport, in order for a series of recommendations to be subsequently presented. The second part will present the main themes of the Directorate, as well as a work agenda with results to be delivered by February 2013. Finally and in order to share and exchange ideas, the communication strategy on which the Transport Directorate is working will be presented.

1. EVALUATION OF THE MANDATE EMANATING FROM THE 4th SUMMIT: ENTRY INTO FORCE OF THE ACS AIR TRANSPORT AGREEMENT

1.1. Relevance

The establishment of a regional air system that is coherent, integrated, effective and secure, is an indispensable element for the development of the Greater Caribbean, not only for trade development, but also to facilitate the movement of persons and thereby boost regional co-operation and integration. Cognisant of these challenges, the Member States and Associate Members meeting in Panama during the 4th Summit of Heads of State and/or Government on February 12, 2004, signed the Air Transport Agreement.

Its overall objective is to establish a common air policy among the Member States and Associate Members of the ACS as defined in the programme: «Uniting the Caribbean by Air and Sea», adopted by the ACS in 1999.

This agreement also has four specific objectives:

- Create the legal framework necessary for the establishment of the sustainable tourism zone in the Caribbean region.
- Allow airlines to offer a variety of air and quality services for passenger transport and the trade in goods.
- Strengthen operational safety and international civil aviation security.

1.2. Implementation and results

The Air Transport Agreement was the product of a lengthy negotiation that began since the inception of the Special Committee on Transport in 1997, whose creation was the recognition of air transport as a co-operation issue of prime importance. Subsequently, the adoption in 1999 of the programme "Uniting the Caribbean by Air and Sea" ratified the need for a common air policy to be developed. In April 2002, the negotiation of the Draft Transport Agreement was approved at the 6th Meeting of the Special Committee on Transport. Said agreement was approved in 2003, during the 9th Ordinary Meeting of the Ministerial Council convened in Panama City with the intention of it being presented for signature by the Heads of State and/or Government the following year during the 4th Summit.

Signed in 2004, the Agreement establishes a basic mechanism for granting air traffic rights and defines a standardised regulatory framework to control the provision of air transport services among ACS States.

Following the signing of the Agreement, negotiations began on new agreements in light of the diversity or absence of procedures and rules falling under the internal jurisdiction of countries and for the purpose of facilitating the implementation of said Agreement. Thus, two complementary agreements were arrived at on January 25, 2008 in Panama City during the 13th Ordinary Meeting of the Ministerial Council:

- **Agreement No. 6/08 on "Guidelines for the granting of operating permits to airlines for scheduled or non-scheduled commercial routes within and among the territory of the Members and Associate Members of the ACS"**. The objective of this agreement is to strengthen the system outlined in the Air Transport Agreement by adopting the regulatory guidelines required for the granting of operating permits and in order to standardise the legal procedures in this regard.
- **Agreement No 7/08 on "Guidelines on the compatibility of air and airport service quality indicators"**. The goal of this agreement is to improve and standardise the quality system in the area of air transport and airport facilities by adopting the indicators of reference that were identified and promote the use of said indicators by the Member States and Associate Members.

The Air Transport Agreement entered into force on September 19, 2008 (having achieved as at that date, the minimum number of ratifications for its entry into force, that is to say, one third). This process of ratification by Member States and Associate Members is still underway. As at March 31, 2012, the agreement was ratified by 12 countries.

1.3. Recommendations

Without a doubt, the benefit of implementing the Air Transport Agreement will continue to grow with the complete ratification by the Member and Associate Member countries. Thus, the Directorate will continue with the objective to promote its ratification.

It is also necessary to evaluate the impact and usefulness of the Agreement. This evaluation may take the form of a questionnaire, which could be circulated among the countries that ratified the Agreement.

2. IDENTIFICATION OF MAJOR THEMES AND FLAGSHIP PROJECTS FOR THE ACS AND FORMULATION OF A FUTURE WORK AGENDA WITH SHORT TERM OBJECTIVES AND RESULTS

2.1. AIR TRANSPORT: "UNITING THE CARIBBEAN BY AIR"

Although the old idea to create a regional airline has resurfaced, almost inevitably, it is an initiative that seems to be attractive and perhaps it would be viable one day. What is needed urgently today is a solution that would integrate the existing capabilities in order to create, through a policy, a truly operational air transport **system** for the Greater Caribbean, which would be greater than the sum of its parts.

2.1.1. Activity: "Bases for creating a commercial co-operation alliance among the airlines of ACS countries"

This project to create alliances among the airlines of the region was proposed by Panama and supported by the Bolivarian Republic of Venezuela during the 14th Meeting of the SCT convened in Panama City, Panama, on April 27-28, 2006.

The objective of the project is to achieve regional commercial integration among the airlines whose headquarters is located in the territory of the countries that constitute the Association of Caribbean States.

Thus, the bases provide the following elements of integration: code sharing, agreements on frequent flyer miles, reserve capacity, co-operation in marketing, price fixing and inventory control, frequent flyer programmes, etc.

In fact, consensus has been reached within the ACS regarding the need to promote policies and to establish a standardised regulatory framework that would facilitate commercial co-operation agreements and alliances among the airlines of Member Countries, which would include mainly agreements on code sharing and operating agreements and which would allow an increase in the networks of routes and connections, thereby contributing to uniting the Caribbean by Air.

- **Implementation**

Co-operation was requested from the Member States and Associate Members with respect to specifying the interest of the national airlines in their respective countries since, although the "Bases" will be determined at the inter-governmental level, implementation will be the responsibility of the airlines themselves.

Circulated among the Member States and Associate Members of the ACS was the work presented by the Panamanian delegation entitled: "Bases for Creating a Commercial Co-operation Alliance among the Airlines of ACS Countries", but there has been no response from Members.

Therefore, during the 20th Meeting of the Special Committee, Colombia proposed that the document "Bases for Creating a Commercial Co-operation Alliance among the Airlines of ACS Countries" be reviewed and linked to the "Air Transport Agreement among the Member States and Associate Members", so that clauses could be formulated to facilitate alliances among the airlines of those countries.

Toward that end, efforts are being undertaken to identify the types of alliances existing among the airlines of Member Countries and thereby evaluate the strengths and weaknesses of the region.

- **Recommendations:**

The Head of International and Regulatory Affairs in Civil Aeronautics in Colombia, Ms. Claudia Esguerra, will present during the 21st Meeting of the SCT: the "Proposed policy to be adopted by ACS Member Countries in the area of alliances among air carriers" and the "Study on the possibilities of the demand for air transport among ACS Member Countries".

In the area of air transport, the Association's efforts must continue to focus on providing solutions that would satisfy the pressing need for a general aviation policy for the Greater Caribbean, establishing a legal and co-operation framework that would offer more air service options (reduction of costs and prices, more routes, more carriers and improved services), while ensuring the highest levels of safety in international civil aviation.

2.2. MARITIME TRANSPORT: "UNITING THE CARIBBEAN BY SEA"

Given that most of the goods in the Greater Caribbean are transported via ships, it is in the maritime sector that the policies aimed at improving efficiency can yield results in the short term with great diligence. Caribbean ports are not lacking the general capacity and the number of operators is indeed sufficient to meet the current needs. Nevertheless, the extremely high costs of maritime transport in the Greater Caribbean are determined essentially by port efficiency (or inefficiency). Furthermore, a sizeable portion of transport among many islands is carried out through an informal sector, whose services are virtually unknown to many potential users.

2.2.1. Activity: Maps of Maritime Routes of the Greater Caribbean

This project has been in the process of development for three years and has been promoted by the Government of Cuba through the Ministry of Transport. This is an activity that has been coordinated with the Central American Commission for Maritime Transport (COCATRAM) and its 1st Phase was completed successfully. The 2nd Phase, which is currently in progress, was launched in 2011 and has received significant financial contributions from the Governments of Korea and Turkey. All information pertaining to this is available at the Directorate's webpage.

- **Implementation:**

This is an activity that seeks to respond to the need for information on routes and the reality of maritime services in the region and to pave the way for reflection and the development of specific policies to improve regional maritime transport. Its overall objective is the creation of an up to date map of maritime routes in the Greater Caribbean, which would allow exporters, importers, sellers or buyers, whether foreign or regional, to know when, how, through which operators and under what conditions they can transport their goods. Also, its specific objectives include: increase intra-regional maritime trade and support ties with those abroad, determine whether or not there are zones that are deprived of maritime services and determine if the freight conditions of the different companies meet the demands and needs in the area of maritime transport development.

- **Recommendations:**

- The Association of Caribbean States and the Central American Commission for Maritime Transport (COCATRAM) together prepared and circulated to Members, on February 6, 2012, a questionnaire aimed at updating and completing the database that is part of the dynamic programme "Maps of Maritime Routes in the Greater Caribbean". It is therefore recommended that this initiative of the Special Committee on Transport continue to be developed, in order to gather and classify the data on the maritime routes throughout the region, as well as the information

supplied by the providers of transport services and other auxiliary services, so as to facilitate the efficient movement of persons, trade and cargo.

- Make known the advancements achieved in the execution of the project: "Map of Maritime Routes in the Greater Caribbean", with the double objective of promoting it and obtaining the financing necessary for its execution.
- Finally, it is recommended that cruise ship and internal flight routes be incorporated.

2.2.2. Activity: Maritime Port Strategy of the Greater Caribbean

This is an initiative that is in the process of being prepared, headed by the Government of Cuba, with participation from thirteen fundamental entities. The project will be presented to the next meeting of the SCT, which is carded for September 20, 2012.

In the area of maritime transport, the Association's efforts must continue to focus on improving the mechanisms that are geared toward reducing the lack of knowledge regarding the maritime transport services available, including aspects such as rules and procedures, data on infrastructure, statistics on volumes of cargo, etc. There also needs to be an appeal for co-operation with a view to regulatory and legal reform, and in order to change administrative practices, in addition to which, investment and co-operation for the modernisation of existing facilities need to be promoted.

3. LINKING THE ACS TO COUNTRIES THROUGH A COMMUNICATION STRATEGY

3.1. Communication strategy

The Transport Directorate is currently working on a communication strategy to sensitise the public concerning its projects, and above all, to provide up to date information. It is currently preparing new web presentations, which are quite reflective of the projects being executed and which will be available in the three languages of the organisation.

Moreover, the information bulletin dedicated to transmitting information pertaining to Transport in the Greater Caribbean: "ON THE TRAIL", is available. Its first edition was circulated on November 11, 2011 and the second edition on July 30, 2012.

Bearing in mind that the SCT serves as a major forum for exchanging experiences and transmitting information and lessons learnt, efforts are being undertaken to highlight its function, reactivate it and use it as the primary communication mechanism.

Lastly, it is striving to expand the media coverage in order to greater publicise the activities and events of both the Association and the Special Committee on Transport.

3.2. Updating of institutional contacts

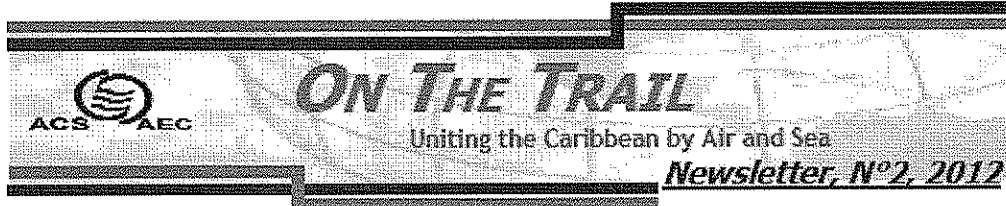
In order to achieve increased participation and involvement from Members in the activities and events of the ACS, and in order to explore the possibilities for financing for projects, the Transport Directorate has reinforced the process of verifying institutional contacts in the area of transport, which it is trying to keep up to date.

ANNEXES**ANNEX I:****TRANSPORT CO-OPERATION AGREEMENTS**

ENTITY	LEGAL INSTRUMENT	DATE OF SIGNATURE
CSA	Co-operation Agreement between the ACS Secretariat and the Caribbean Shipping Association (CSA).	November 15, 2001. Puerto Rico
CMI	Framework Co-operation Agreement between the ACS Secretariat and the Caribbean Maritime Institute (CMI).	July 11, 2002. Port of Spain
IMO	Co-operation Agreement between the ACS Secretariat and the Secretariat of the International Maritime Organisation (IMO).	February 12, 2004.
COCATRAM	Framework Co-operation Agreement between the ACS Secretariat and the Central American Commission for Maritime Transport (COCATRAM).	February 14, 2004. Panama
ANAS S.p.A.	Memorandum of Understanding between the ACS and ANAS, S.p.A.	June 22, 2005. Venezuela
COCATRAM	Letter of Understanding between the ACS and the Central American Commission for Maritime Transport (COCATRAM).	March 20, 2007. Nicaragua – Trinidad and Tobago
CLAC	Memorandum of Understanding between the ACS Secretariat and the Latin American Civil Aviation Commission (CLAC).	January 24, 2008. Panama

ANNEX II:

**PAGE 1 OF THE SECOND EDITION OF THE ELECTRONIC NEWSLETTER
"ON THE TRAIL"**



Strengthening the development of transport in the Greater Caribbean

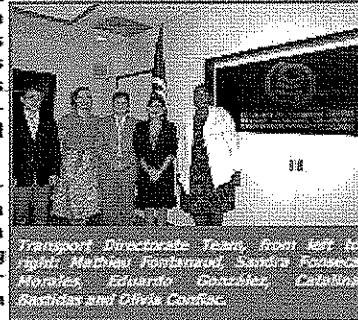


*Alfonso Múnera,
Secretary General of the ACS*

As part of the commitment made by the ACS to promote regional co-operation and coordination among Member States and Associate Members, I am delighted to highlight the work that the Transport Directorate of the ACS has been carrying out in recent years, since everyone is well aware of the pivotal role that Transport plays as the core element for developing and strengthening regional ties, especially in the fields of tourism and trade, focal areas of our Organisation.

According to our present reality, taking into account the fact that the area of Transport is a challenge in the Region and in order to bring to fruition what is on paper, the Secretariat is following the guidelines presented by the Chairman, whose goal is to carry out specific activities that would yield real benefits for all Member States, thus, we share the initiative to maintain a portfolio of 3 or 4 projects with viable financing and execution, from which we can obtain results in the medium term.

It is therefore my pleasure to encourage you to participate actively by presenting proposals and ideas and to also remain in permanent contact with the Transport Directorate should you have any query or pertinent input. In that respect, it is also my honour to invite you to attend the upcoming Meeting of the Special Committee on Transport that is called for September 20-21 in Port of Spain, at which we are expecting ultimate participation from everyone.



Members Directorate Team from left to right: Pedro Fontarroya, Susana Fonseca, Mercedes Eduarzo, Gabriela Celantón, Gabriela and Olivia Coriaco

The web application is now on the ACS website

The original idea for this project arose in 1999 during the 3rd Meeting of the Special Committee on Transport (SCT) of the Association of Caribbean States (ACS), as a result of the proposal put forward by Mr. Pedro Suárez Reyes, representing the Delegation of Cuba, current Chairman of the Special Committee on Transport, as one of the principal actions promoted at the Meeting of the ACS Ministerial Council for "Uniting the Caribbean by Air and Sea".

This was developed thanks to the successive acquisition of funds from the Republic of Korea (US\$35,000.00 in 2007 to execute the first phase of the Project) and from the Government of the Republic of Turkey (US\$35,000.00 in 2010



and US\$20,000.00 in 2012) to execute the second phase of the project. 167 services are being applied, distributed over 55 shipping lines, serviced by 557 vessels, in 37 countries and 71 ports in the

Greater Caribbean, with a capacity of 1,275,179 TEUs; of which 138,087 are refrigerated containers.

[Discover the project!](#)

