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## Meeting of the Executive Technical Group on Freight Transport and Logistics

### Report

*October 18 and 19, 2017*

*Novotel – San Isidro*

*Lima – Peru*

On October 18 and 19, 2017, the city of Lima, Peru, hosted the Meeting of the Executive Technical Group on Freight Transport and Logistics, which was attended by delegations and members of the expert network from Argentina, Brazil, Chile, Colombia, Ecuador, Paraguay, Peru, Uruguay, and Venezuela, as well as by representatives of COSIPLAN-IIRSA Technical Coordination Committee. The meeting agenda and the list of participants are attached as **Annexes 1 and 2**, respectively.

The purpose of the event was to review the progress made in relation to the activities scheduled for 2017 and to agree on the guidelines for the activities to be carried out in the 2018 period. The specific objectives were as follows: (i) disseminate the good practices on comprehensive logistics planning, agricultural logistics and port community systems adopted in Latin America, and discuss how they can be applied in the region; (ii) create technical documents to enhance the work on projects designed to promote the regional integration of logistics chains, especially on how the analysis of regional and extra-regional logistics chains is integrated with the cabotage along the Pacific coast project and the implementation of dedicated infrastructure in the MERCOSUR-Chile Hub; (iii) review the results attained with the first four editions of the course “Design and Management of Freight Transport and Logistics Policies” and analyze immediate priorities in training, in order to complement and reinforce the knowledge acquired so far; and (iv) review and disseminate the achievements and analyze the progress in the activities undertaken by the expert network, and accurately define the priorities for the period and their operational modalities. (**Annex 3**)

The meeting was opened by Mr. Jorge Chang Serrano, General Director of the Planning and Budget General Office (OGPP), Peru’s Ministry of Transport and Communications, and by Ms. Carmen Polo, Under-Secretary of Freight Transport and Logistics Planning, Argentina’s Ministry of Transport, on behalf of the COSIPLAN Presidency Pro Tempore.

Following the opening session, **Panel 1, Comprehensive Planning in Freight Logistics**, presented the actions performed by Peru in the field. On the one hand, the country had been developing plans and actions concerned with infrastructure, transport services and logistics. On the other hand, the Ministry of Foreign Trade and Tourism (MINCETUR) was

leading the planning and implementation of actions in the field of Trade Facilitation, understood as actions related to the whole foreign trade process component. These initiatives and progress were presented by Mr. Juan Cárdenas Fernández, from the Ministry of Transport and Communications (**Annex 4**), and by Mr. Francisco Ruiz Zamudio, from MINCETUR (**Annex 5**). To complement the presentations delivered by Peru, the case of Panama and its technical, institutional and financial activities carried out in the sector to design policies, plans and projects were discussed (**Annex 6**).

The participants, organized into groups, discussed the good practices that are applicable to their respective countries, and reached the following conclusions:

- a) the need to adopt institutional and political models that may facilitate the implementation of plans and projects;
- b) emphasize the need for logistics to be based on the creation of national value added;
- c) have information available for decision making and generate transparent systems for the collection of rates, particularly in the port and land sector;
- d) encourage public-private dialogue and effectively empower the private sector by adopting a relevant legal framework;
- e) train officials;
- f) secure technical cooperation (TC) funds to make headway with the implementation of projects. There was particular interest in the case discussed concerning the usefulness of creating a technical assistance fund to channel the TC resources and strengthen institutions in the implementation of plans and programs as well as to serve as a basis for inter-institutional coordination at the executive and management control levels.
- g) standardize methodologies to calculate logistics costs.

**Panel 2, Development of Port Community Systems (PCS)**, started with a presentation delivered by Ms. Romina Morales Rojas, head of the PCS project in Chile, on the work that the Ministry of Transport and Telecommunications had been doing to define standards to help integrate future PCS developments (**Annex 7**). These interconnection standards were being agreed upon by public and private actors within the framework of a project that includes PCS but also integrates the single window for foreign trade (VUCE), the port single window, and the transport information centralized system or SITCOMEX that was being developed by the Ministry of Transport and Telecommunications. The advantages and features of the project were discussed by all the participants in a plenary session. Peru pointed out that the approach that was being used involved integrating it with the Single Window, which actually became a logistics and foreign trade electronic platform.

**Panel 3, Collaboration in Agricultural Logistics and Logistics Maturity**, included the participation of three guests. Mr. Germán Larralde, Commercial Manager for T.S.P. Patagonia Norte S.A., Argentina, and Mr. Fabián Salazar, Logistics Manager for the same company, described the case of collaborative logistics among fruit producers from the Patagonian region (**Annex 8**). This was organized through the container terminal and its central warehousing and cross-docking facilities, including the coordination of transportation services. Mr. Cristian Calderón, Director of the National Council of the International Physical Distribution System Users (CONUDFI) of Peru, presented the situation of the foreign trade supporting infrastructure in Peru (**Annex 9**). He particularly spoke about collaborative logistics for the export of perishable products organized through Frío Aéreo logistics operator at the cargo terminal of the Jorge Chávez Airport located in Callao. Finally, consultant Gabriel Perrín, an expert in agricultural logistics from Argentina, presented the case of the growing exports of alfalfa and the logistics challenges it poses

(Annex 10). He stressed the initiatives regarding logistics collaboration among producers, who were potential competitors, in the shared logistics storage infrastructure in order to reduce logistics costs.

The workshop in this panel was organized into three groups whose participants discussed the relevance of the cases presented to their respective countries with the assistance of the speakers. Some similarities to apply the solutions were found –soy in Valparaíso and flowers in Ecuador–, and interest concerning the use of terminal infrastructure as a mechanism to enhance land transport was shown in the three cases.

**Panel 4, Freight Logistics in Integration Projects**, started with a presentation delivered by Mr. Ignacio Estévez, from the CCT Secretariat, on the applications of the COSIPLAN Production Integration and Logistics Methodology and on the Terms of Reference (TOR) for the study on Logistics Chains in the MERCOSUR-Chile Hub (**Annex 11**), followed by a presentation by Mr. Vicente Gutiérrez, from Peru's Ministry of Transport and Communications, on the results of the application of such methodology to Project Group 5 of the Andean Hub (**Annex 12**). Based on these two presentations, the workshop that followed involved two groups for participants to discuss (i) the logistics chains applicable to the Hub according to its logistics patterns, and (ii) the relevant solutions. After discussion ended, each group presented the conclusions of its work on the chains identified, their mapping, and the solutions they deemed relevant for a better operation.

In **Panel 6, Freight Transport and Logistics Observatories**, Mr. Nicolás Rincón Munar, Coordinator of the Logistics Execution Technical Unit, Colombia's National Planning Department, and Mr. Mauricio Casanova, from Chile's Ministry of Transport and Telecommunications, presented the progress and evolution of the respective observatories in terms of the indicators selected, the supporting technological platform, the institutional framework, and the cost and financing involved (**Annexes 14 and 15**). Peru spoke about the work it had been doing in measuring logistics costs in selected chains with the support of the World Bank and the interest in disseminating the methodology used. The participants concluded that it was important to work with other institutions responsible for information collection in order to optimize efforts.

**Panels 5 and 7, Assessment of the Course on Freight Logistics and Progress of the Expert Network**, respectively, involved joint discussion. First, Ms. Alejandra Radl, from the CCT Secretariat, delivered a presentation and stressed that, so far, 132 persons from 13 countries (including Central America) had been certified in the course, and that 80% of the officials registered passed the course (**Annex 13**). The discussion of the results of the course and the opinions gathered during its four editions highlighted that the important thing was not to reduce the contents, but rather to reorganize the activities so as to decrease the amount of time required from the participants and, possibly, to extend the duration of the course in order to provide more time to study. The participants concluded that there was a need to create a second course to further explore specific topics, such as methodologies for measuring logistics costs, the economic impact of projects, and logistics platforms, among others. The course director would send an online survey to learn about the topics of greatest interest to participants and consider their inclusion in a future edition.

Regarding the expert network, participants discussed the most appropriate ways to make it more dynamic, and stressed the need to create a virtual classroom as well as to rely on webinars only in specific cases, when a good practice required to be disseminated. Colombia's National Coordination underscored the usefulness of Webex for organizing videoconferences within the COSIPLAN framework. Therefore, the CCT Secretariat promised to use such tool for some meetings of the expert network requiring greater debate and interaction among the participants.

Next, the participants discussed the priorities of the expert network, and agreed on the need to set up the following groups with the participants and group leaders indicated in the table below.

<b>Group</b>	<b>Topic</b>	<b>Leaders</b>	<b>Participants</b>
I	Observatories, indicators, indicator calculation methodologies, rate-setting methodologies, project evaluation methodologies	Mauricio Casanova, Chile Nicolás Rincón, Colombia	María Elena Lucana, Peru César Aguilar, Ecuador Pablo Iorio, Uruguay Natalia Teruya, Peru Natalia García, Argentina Milena Fonseca, Colombia José Manuel Mora, Venezuela Josue Límaco, Peru
II	Multimodal transportation, logistics chains, logistics services, logistics collaboration, PCS	Romina Morales, Chile José Manuel Mora, Venezuela	Mauricio Casanova, Chile María Elena Lucana, Peru Daniel Urioste, Chile Nicolás Rincón, Colombia Sergio del Aguila, Peru César Aguilar, Ecuador Josue Límaco, Peru María del Carmen Sánchez Orozco, Peru
III	Facilitation, institutional frameworks, policies, standards, public-private partnerships	Francisco Ruiz, Peru María Elena Lucana, Peru Daniel Urioste, Chile	Romina Morales, Chile César Aguilar, Ecuador María del Carmen Sánchez Orozco, Peru Vicente Gutiérrez, Peru Natalia García, Argentina Pablo Iorio, Uruguay

Finally, it was agreed that the Work Plan for the 2017-2018 period would focus on:

- a) The network activities, for which each working group would be receiving a list of priorities identified in the respective working session, organized on a temporary basis for each group to discuss the results and outcomes to be accomplished during November. In this regard, the work for the period would be defined according to the priorities set by the participants themselves.
- b) In addition, the adjustments to the current course would be dealt with and the scope of the second part of the course would start to be outlined based on the needs indicated by the participants in the online survey to be conducted during November.

## LIST OF ANNEXES

- Annex 1: [Agenda of the Meeting of the GTE on Freight Transport and Logistics](#)
- Annex 2: [List of Participants in the Meeting of the GTE on Freight Transport and Logistics](#)
- Annex 3: [Objectives, Expected Results, and Methodology of the Meeting of the GTE on Freight Transport and Logistics](#)
- Annex 4: [Comprehensive Planning in Freight Logistics in Peru – Peruvian Ministry of Transport and Communications](#)
- Annex 5: [Comprehensive Planning in Freight Logistics in Peru – Peruvian Ministry of Foreign Trade and Tourism](#)
- Annex 6: [Freight Logistics Strategies and Planning in Panama – Marelía Martínez Rivas, CCT Consultant](#)
- Annex 7: [Port Community Systems \(PCS\) – Chilean Ministry of Transport and Telecommunications](#)
- Annex 8: [The Role of Specialized Infrastructure in Logistics Collaboration in Perishable Agricultural Chains – T.S.P. Patagonia Norte S.A., Argentina](#)
- Annex 9: [Infrastructure in Support of Agricultural Export Chains – National Council of the International Physical Distribution System Users \(CONUDFI\), Peru](#)
- Annex 10: [Logistics Collaboration in Agricultural Chains – Gabriel Perrin, Consultant](#)
- Annex 11: [Logistics Chains in the MERCOSUR-Chile Hub – CCT Secretariat](#)
- Annex 12: [Production Integration by Sea in Project Group 5 of the Andean Hub – Peruvian National Coordination](#)
- Annex 13: [Review of the Results of the Fourth Editions of the Course on “Design and Management of Freight Transport and Logistics Policies” – CCT Secretariat](#)
- Annex 14: [Progress in the Implementation of the Observatory in Colombia – Colombian National Planning Department](#)
- Annex 15: [Progress in the Implementation of the Observatory in Chile – Chilean Ministry of Transport and Telecommunications](#)