

— P O L Í T I C A —

MARCO REGIONAL DE MOVILIDAD Y LOGÍSTICA

DE CENTROAMÉRICA

ANNEXES

Axes of the Regional Framework Policy





CENTRAL AMERICAN REGIONAL FRAMEWORK OF MOBILITY AND LOGISTICS POLICY

ANNEXES

Regional Framework Policy Axes

SECTORIAL COUNCIL OF TRANSPORT MINISTERS OF
CENTRAL AMERICA, COMITRAN

CENTRAL AMERICAN COUNCIL OF MINISTERS FOR
ECONOMIC INTEGRATION, COMIECO

CENTRAL AMERICAN, PANAMA AND DOMINICAN
REPUBLIC TREASURY OR FINANCE MINISTRY
COMMITTEE, COSEFIN

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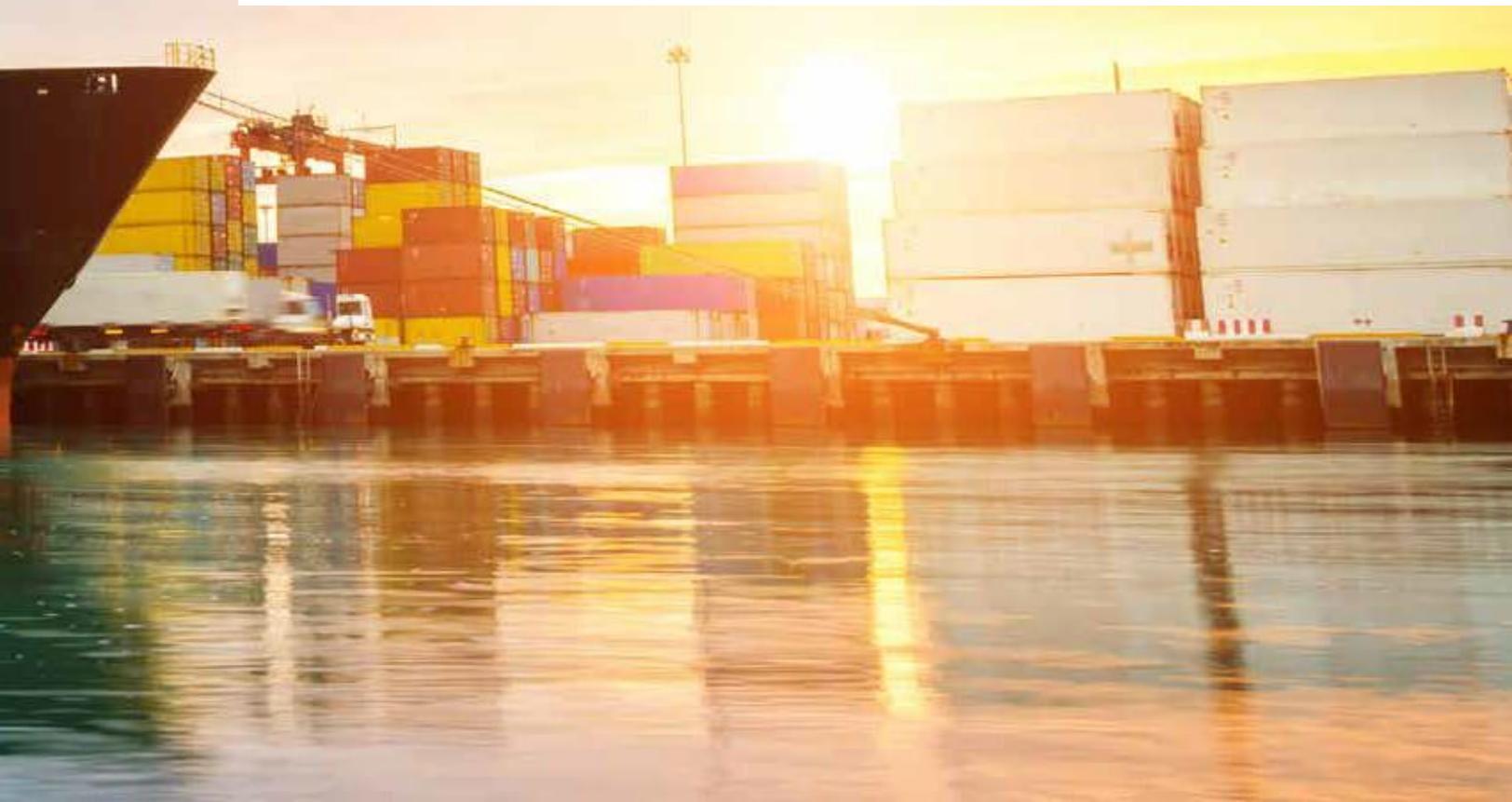


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INDEX

2	ANNEX 1
2	Specific Guidelines of the Axes of the Regional Policy Framework
2	Transversal Axes
2	I. Production and Commerce Scope Transversal Axes
6	II. Mobility Services of People
10	Sectoral Axes
10	III. Coordinated Border Management
13	IV. Aviation and Airport Services
16	V. Maritime and Port Services
19	VI. Railway Transport Services
23	VII. Infrastructure and Terrestrial Transport Services
27	VIII. Urban Logistics Services



ANNEX 1

Specific Guidelines for the Axes of the Regional Policy Framework

Transversal Axes

I. Transversal Axis of the Productive and Commercial Scope

Central America is comprised of six economies that structurally depend on external sectors in order to grow, that means, the importance of raw materials, consumables, intermediate goods and capital goods, at one side, and the exportation of goods and services at the other. Furthermore, the relative importance of the respective offers in the international markets is reduced, given that its volumes of exportation do not affect the determination of prices of the goods and services at a global level.

In this sense, it is said that the region is made up of “open” and “small” economies, whose dynamics of growth are highly vulnerable to the fluctuations that the countries they trade with suffer. Add to this situation, that the offers of exportation are reduced, focusing on a relatively small group of products, destined for few market destinations, of which the most important is the United States and the same Central American market, that absorbs jointly approximately 80-85% of its total exports (average).

In the majority of countries, the growth of the gross domestic product depends on the activities related to “Trade” and “Services”, which don’t generate sufficient added value nor stimulate the intermediate demand, such as to ensure robust and sustainable economic growth. At least three of the Central American countries see their international demands boosted by the considerable flow of remittances that the population of immigrants working in the United States send, this compensates for the trade deficit of their respective current accounts.

The region faces important challenges in the economic and social areas, which must be approached in a joint and coordinated manner. The integration of the Central American economies must reach its potential in order to ensure a market for the intraregional exportations, which in large part, come from small and medium sized companies, who generate employment for an important percentage of the economically active population.

The Policy Framework, must be based on a transversal tool that contributes to the transformation and strengthening of the areas of economy that generate value, such as the efficient facilitation of the commercial flows of exportations towards the recipient countries, towards new destination countries and principally towards the Central American market.

For this, the Policy must promote an effective physical integration of Central America that contributes to the reduction in the time and costs of transport of people and goods through its road networks and border points, raising the competitiveness of exportations and facilitating the creation of value networks. In the same way, it must complement the initiatives for the facilitation of trade, which is part of the framework of the Central America Strategy of Commerce and Competitiveness with emphasis on coordinated management of borders, which COMIECO promotes.

Vision

Central America will count with the infrastructure, the equipment, the framework regulations and the institutionality in the areas of mobility and logistics, that allows it to contribute to the transformation and diversification of its productive arms, to the facilitation of trade, to the improved competitiveness of its exports, the formation of the regional value chains and to achieve sustainable levels of growth.

Strategic Objective

Promote an increase in the trade of goods and tradable services through the provision of prioritized infrastructure logistics, facilitating the integration of value chains, the increase of added value to production and the improved competitiveness of the economies with a positive impact on the quality of life of the population through the provision of infrastructure, the attraction of new investments and employment generation.

Guidelines of the Policy Framework in the scopes of Production and Commerce

In order to attend to the proposed objective, the Central American governments, through the Central American Transportation Ministries Committee, the Central American Economic Integration Ministries Committee and the Central American Treasury or Finance Ministries Committee, have defined the following specific areas of intervention:

1. Development and strengthening of the productive capacity of the region.
2. The facilitation of trade and the reduction of the obstacles to free transit of merchandise.
3. Improving the logistic performance of the region: institutionality, framework regulations, procedures and systems.

Given the transversality of this axis and the intersectoral character of the public policies and private interventions that are involved, they

must take into account and coordinate together with the Policy Framework different instruments of development such as: The “Central American Strategy of Commerce and Competitiveness Facilitation with emphasis on Border Coordinated Management” and the “National Plans of Commerce Facilitation” that will together generate and contemplate the development of infrastructure, both during passing through and in the installations themselves at the border posts; The National Logistics and Mobility of Policies, integrated to the National Development Strategies; the “Territorial Planification Indicative of the Logistic Corridor Priorities” and the interventions to improve the logistic performance under a regional vision, the “Climate Change Regional Strategy”; the “Climate Change Adaption and Risk Prevention Management”; and the “Priority interventions on the primary, secondary and tertiary road networks of high impact for the principle national and/or regional productive chains”, among others.

Following are specific objectives and guidelines related to each of the areas mentioned:

1. Development and strengthening of the regional productive capacity.

Supporting the processes of productive development in the region, through the provision of modern infrastructure which is safe, resilient and adequate for the transport of cargo and passengers; the connectivity of the road networks, and modernization of the ports and airports; that contribute to the generation of added value, the creation of jobs, the creation of regional value chains and the improvement in the competitiveness of exportations. In order to achieve this objective, the following guidelines must be considered:

- a. Develop the principal corridors of regional priority logistics (physical routes) considering the different modes of transport, in order to promote trade intra and extra regional, with modern and efficient

cargo controls, in order to elevate the productive development.

- b.** Modernize and expand the port and airport infrastructure to comply with international standards, to ensure the provision of high quality services and promote the regional and extra-regional trade.
- c.** Modernize the principal road network in the region.
- d.** Ensure the connectivity and maintenance of the secondary and tertiary (rural) road networks.
- e.** Promote the protection of infrastructure from the effects of climate change and natural disasters.
- f.** Ensure adequate connection of the highway network with the centers of consolidation of cargo in order to attend the urban zones of the region.
- g.** Facilitate the participation of the private sector as a co-investor in the development of infrastructure for logistical development.

2. Facilitation of trade and the reduction of obstacles to the free transit of merchandise.

Support the implementation of the “Central American Strategy for Commerce and Competitiveness with emphasis on Border Coordinated Management”, headed by “COMIECO”, in order to reduce the border passing and customs time and to make more efficient the migration process, sanitation and security in the region. For this, the following guidelines must be followed:

- a.** Adoption of international standards to improve the quality of the exchange of information between the controlling institutions in the countries, through the adaption and adoption of international protocols for the interchange of information that has been

defined in specialized multilateral organizations. In order to achieve that, there will need to be established a process of automatic and systematic exchange of information and comparable data, when possible through the application of virtual validation systems; which assumes an adoption of uniform structures in the definition of data.

- b.** Interoperability of data and information to improve control, the inter-institutional coordination and reduction of paperwork for international trade through the exchange of information between the institutions of border control, developing specific applications for secure technology platforms and with high availability.

This will be achieved through the interchange of integral, anticipated and quality information, in a framework of interoperability between the institutions of border control, both at a national level as projected between member countries of the regional agreement and, as it corresponds, to combat fraud.

- c.** Integral management of risk to reduce the physical interventions, improving the efficiency of the border controls based on an integral management of risk that involves the participation and cooperation of all the institutions that control the border and the private sector. For this, the management of risk must be established as a habitual work tool in each of the institutions that control the border, in order to minimize the physical inspections of the merchandise and/or units of transport, through the coordination of the interventions, at the same time increasing its effectiveness based on improving systems of selection.

- d.** Adoption of the mechanism of “trustful operators” in order to reduce the tax risk and increase the security of the logistics chain through the certification of operators and them being internationally recognized. For this,

a program of “Authorized Economic Operators” will be needed that complies with best international practices, in order to facilitate the establishment of mutually recognized agreements in the region and with other countries and blocks.

- e. Quarantine Control to reduce the times and border operating costs and to increase the predictability of the flows of commerce through the region, protecting the plant and animal health and food safety in the countries. For this, a national system of plant, animal health and/or food safety will be harmonized, based on internationally recognized criteria, with actions based on the management of risk and implemented in a secure and coordinated manner with the rest of the border control institutions.
- f. Integration of procedures and controls in order to implement a border control process that defines the sequence and the mode of obligatory actions and interventions of the institutions in control of both countries, following a management based on risk profiles, anticipated electronic information and border inspections working together. For this, it will be defined a comprehensive control process of the mode of inter-institutional national coordination and binding for all the institutions with the aim to guarantee the integrity of the control.
- g. Development of infrastructure and equipment in order to respond to the operative demands of each border crossing and to the functional requirements of the control process. For this, border crossings will be established with physical road infrastructure, service installations and equipment that incorporate useful elements of technology that administrates the principal flows of vehicular circulation, allowing online observation and/or statistical registry or traceability of its

routes and unitary stops and the times associated with each of them.

- h. Functionality and sustainability of the border community, in order to ensure that the zones adjacent to the border crossing possess adequate economic, social and environment conditions for their development, ensuring security, strengthening the transparency and predictability of the actions and interventions of the institutions in an environment of values set in integrity and ethics of behavior for the involved parties.

In order to achieve this, it will be necessary to deal with the possible social, economic and environmental impacts on the local population as a result of the border modernization and policies that will be generated to promote the security at the borders.

3. Improvements in the logistic performance of the region.

Modernize the institutionality, the regulatory frameworks, procedures and systems that permit the improvement of the logistical performance in Central America. For this, the following guidelines must be followed:

- a. Promote the development of co-modal transport and the inter-operability of the terrestrial, maritime and air transport.
- b. Boost the investment in logistic platforms in order to improve the performance of the corridors of commerce and the integration at a regional level.
- c. Improve the logistics of urban cargo.
- d. Promote the use of information technology in order to improve the security of the regional logistic chains.
- e. Generate systems of information relating to cargo logistics, capable of assisting in making decisions in order to improve the regional logistics performance with attention to the needs of the areas of production and commerce.

- f. Modernize and harmonize the framework normatives, regulations and institutions of cargo logistics.
- g. Improve the conditions of security of logistics services in the region, through coordinated actions in the formalization of infrastructure services and cargo insurance with regional coverage, which does not only permit patrimonial coverage of the operator but reduces the logistics costs and favors the coordination of secure actions in the interior of the sub-region, with the involvement and close coordination of the governmental organizations, within the areas of public security or the security of the citizens.

Priority Actions and Initiatives of the Policy Framework in the Areas of Production and Commerce

1. Complete the modernization of the Central American Logistics Corridor and the priority interventions of the “RICAM”.
2. Development of the Regional Plan of Prioritized Investments.
3. Implement the five short term actions defined in the Central American Strategy of Facilitation of Trade at the border points prioritized in the six countries.
4. Develop the Load Logistics National Plans (PNLOG) in the six countries.
5. Develop the Programs of Rural Roads.
6. Develop the National Logistic Platform Systems to identify high impact interventions for the principal productive chains.
7. Action plan to ensure resilient infrastructure transport.
8. Integral risk and disaster management.

9. Regional Program of logistics security.
10. Development of systems of information, observation and national surveys to measure the progress and logistical performance both nationally and regionally.
11. Framework normatives, regulations and modern institutions harmonized between the countries in the areas of mobility and logistics.
12. Strengthening the competition in the transport of cargo sector.
13. Professionalizing the offer of logistics services.
14. Legal frameworks coordinated for the participation of the private sector in the financing of infrastructure.
15. Promotion of innovative sourcing and models of finance for regional infrastructure.

II. People Mobility Services

Central America requires a profound reorganization of its public transport systems. The development of the countries does not only demand improvements in the logistic performance, but also an equal urgency to modernize the system of mobility of people. Effectively, in this sector, the region must advance towards an integrated model, formalization of the operating companies, institutional reorganization, integration of services, electronic sales and payment for tickets, traffic management, predictability of times and routes, the traceability of the units of transport, etc., in a way that enables an intelligent system of people mobility.

Currently, the countries have inadequate transport systems, run by informal companies that do not have modern equipment nor optimal conditions for functionality, with routes that do not come from an adequate planning, nor attend to the demands of the market.

Parking for vehicles is obsolete and the operators of the units do not have the required profile to provide quality services, due to which, the users do not have the minimum security conditions and society faces high costs in terms of transit accidents, deaths and damage to materials. It is not insignificant, the adverse impact that this situation has on the environment, caused by the carbon dioxide emissions from public transport vehicles and the subsequent costs of attending to respiratory diseases.

The construction of a model of intelligent mobility demands planning and participative processes, managed by public-private modern and flexible entities, that consider the urban and inter-urban demands, the social demographic demands and the urban processes and territorial processes that affect mobility, proposing integral and coherent solutions. The new models of management must look to modernize the external costs and impact of the operations on the eco-system, the bio-diversity, the landscape and the fragmentation of territory.

For that reason, the following strategic guidelines are defined to address the problem:

Vision

Central America will count with an **Intelligent System of Mobility of People**, which guarantees the users a fair, accessible, reliable, secure, comfortable and environmentally sustainable system.

Strategic Objective

To develop a modern and sustainable system that allows the mobility of people in an efficient, comfortable, reliable, accessible, affordable, inclusive and safe way, through the effective coordination of the different modes of transport, under up-to-date regulatory frameworks and a strengthened institutionalality.

Guidelines of the Policy Framework in the Mobility of People

To achieve the proposed objective, COMITRAN has defined the following specific areas of intervention:

1. Modernization of infrastructure for the circulation of transport and the parking of vehicles.
2. Management of mobility: security, regulation and normatives.
3. Improvements in the quality of the public transport services.
4. Strengthening of the institutionalality.

In the following, specific objectives will be presented with related guidelines for each of the mentioned areas:

1. Modernization of the infrastructure for circulation and for parked vehicles.

Development of the infrastructure systems associated with effective mobility of the population and services generated by the same, that permit the effective interconnection of passengers between the countries of the region and that include among others, the multilevel highways, underpasses, cable cars, cycle routes, train stations, aerodromes, ports, docks and platforms for maritime transport both short and long distance, the same as that for railway transport. For this, the following guidelines must be dealt with:

- a. Development of a strategic system for road planning and development in the region, such as the traffic management system, applicable to all types of transport, to promote vehicle flows based on the anticipated demand and territorial development of the country.
- b. Establish the appropriate technical specifications of the design of road transport and to ensure its compliance.

c. Carry-out the investments necessary in order to modernize the infrastructure of the circulation of public transport, such as the needs of transfers, mobility and pedestrian and passenger access: sidewalks, pedestrian crossings, stations, parking, etc., considering special requirements for the circulation of people with special needs. These investments must permit the integration of the transport routes of passengers in the Central American countries.

d. Invest in the renovation of vehicle parking.

e. Consider the integration of the transport cargo systems with the mobility of people, through the construction of feeder platforms that permit the transfer from one mode of transport to the other.

2. Management of mobility: Security, regulations and normatives.

Ensure the modernization and constant up-dating of the regulation of the transport of people and cargo in line with international standards, in order to favor the management of the institutions that contribute to the optimum mobility of people and the regional logistics development in its relation to the world. In order to achieve this objective, the following guidelines must be taken into consideration:

a. Develop policies of land usage and the incorporation of tools for urban planification-development.

b. Improve the regulation of services for public transport in terms of improved oversight, control and management of urban transport to reduce congestion.

c. Develop a transport system for people that offers security in different dimensions including: i) Public security, ii) Transit security (air, land, railway, maritime), iii) signage, iv)

Functional infrastructure, v) types, handling and maintenance of equipment, and reliable methods of transport, y vi) appropriately qualified human impacts.

d. Implement controls and procedures of transit related engineering with vehicular traffic management and road security.

e. Guarantee that the drivers are authorized for public, cargo and particular transport, that they know and respect the institutionality that regulates its operation.

f. Implement programs with constant revision of the conditions of the functioning of the units of transport, in such a way as to guarantee its optimum mechanical and electrical conditions.

g. Manage adequate road signaling at a national level, optimizing the operative functionality and the function of the traffic light network. Use new horizontal and vertical signaling technologies in the highways, rural roads, bridges and crossing points, in order to facilitate the mobility and transport of people and goods and to increase the security of the roads, cycle and-pedestrian routes and citizen security, including lighting, video security cameras, among others.

h. Develop intelligent systems of road security and the information technology component for the user.

3. Improve the quality of the services of public transport

Develop systems of integrated transport in all the territories of Central America. To achieve this, the following guidelines must be followed:

a. Incorporate new modes of collective and sustainable transport, such as the use of carpools, funiculars or cable cars, railway

for near and regional transport, and maritime transport for short distances.

- b.** Consolidate a co-modal efficient and quality system of transport that guarantees the mobility of people, integrated, efficient, universally accessible, inclusive, sustainable, safe and with affordable fees for all users.
- c.** Provide incentives and support the development of clean and safe modes of transport that contribute to energy savings.
- d.** Renovate parking for public transport with buses that offer operating conditions which are safe, comfortable, accessible and reduce the contamination of the environment.
- e.** Formalization of the businesses offering public transport services.
- f.** Include private companies in the process of ordering the public transport defining its role and participation in the new system.
- g.** Provide incentives for “Low Cost Mobility”, through which users can count on options of transport that do not offer the same complete services of the competitors, in exchange for lower tariffs to that of the market.

4. Strengthening Institutionalality

Update and strengthen the institutions that establish and develop specific policies in the State, which include the management of human talent, processes, procedures and the necessary normatives in order to contribute effectively in the accomplishment of the national and regional objectives of human mobility. For this purpose, it is necessary to:

- a.** Update or create normatives that protect the rights of the users both in the systems of transport and in the routes of circulation

(pedestrian and cyclists, people with special needs, etc.), including normatives of design, transport and transit.

- b.** Design and implement of a program of continual training that ensures the compliance of the regulatory framework.
- c.** Propose and develop the financial strategies that ensure the sustainability of the systems of transport of people.
- d.** Establish and periodically revise the tariffs of public transport with the aim that they are accessible for the users of the system and representative of the costs of operation.

Priority Actions and Initiatives of the Policy Framework in the Mobility of People

1. Elaboration of Integral Planes of Urban Mobility, identifying infrastructure needs, normatives, regulations and institutions, such as the demands of the transport of cargo.
2. Development of priority urban infrastructure, with a focus on the promotion of the public transport of passengers.
3. Development of platforms of urban distribution of passengers.
4. Modernization of normatives and regulations in order to improve the mobility of passengers.
5. Institutional strengthening of the institutions responsible for Public Transport.

Sectoral Axes

III. Coordinated Management of the Border

The Central American Strategy for Commerce, which COMIECO is responsible for implementing, will be the directing instrument for the identification of programs and projects that, for Border Coordinated Management, will be implemented by all the Central American Councils, in such a way that, at this point, the Policy Framework must be coordinated with it, in order to address the established guideline 7 on “Infrastructure and Equipment”.

Currently, the cost of transporting one ton of product per kilometer in Central America is \$0.17, eight times superior to what is paid for the same concept in the United States (\$0.02) and 55% more than that reported in Burundi (\$0.11).

Included in the causes of this situation are the delays that are experienced passing from one country to another, due to the paperwork at the border points. These include processes involved with customs, migration, sanitation inspections and security measures to avoid contraband, drugs trafficking or other unlawful items, and take on average 21 hours.

In order to overcome this situation, the Heads of State and the Government of the Member Countries of the Central American Integration System (SICA), instructed the Central American Council of Ministers for Economic Integration, (COMIECO), to adopt and implement a Central American Strategy for Commerce and Competitiveness Facilitation with emphasis on the Border Coordinated Management.

With the objective of complying with the requirements of the Heads of State, the Ministries of “COMIECO” approved on the 22nd of October 2015 the **Central American Strategy for Commerce and Competitiveness Facilitation with emphasis on Border Coordinated Management**, as in the roadmap of the same document, for the adoption of five specific short term measures, with which the integral reform will be started

at the border crossing in the region. It is worth highlighting that, in addition to the measures tending to the facilitation of trade, there will be mechanisms implemented in order to make the controls more efficient so that each country sovereignly adopts controls in order to safeguard their security, avoiding the perpetration of illegal activities inside their borders and to impede the entrance of goods that put at risk health, the life of the citizens, and the flora and fauna.

Border crossing must be promoted as centers of transit and with quick dispatch, creating logistic zones in the direction of the customs control posts, in order to deal with the different commercial operations, speeding-up the dispatches and reducing the congestion at the border posts.

In this way, circulation is quicker for goods and people without diminishing the right of the Central American nations to exercise controls on the border points, rather, important challenges are established so that this is achieved in an efficient way.

Vision

Central America will be a region where people and goods circulate in a quick and efficient manner through internal and periphery borders, in such a way that costs and handling times of the cargo is reduced, the crossing of people is made more efficient, and the competitiveness of the exports boosts the economies of Central America.

Strategic Objective

Contribute to launching the Central American Strategy of Commerce and Competitiveness Facilitation through a model of Border Coordinated Management that improves the transit of people and goods, the procedures of taxes, control and security, in a manner that reduces the times and costs of transportation through the region’s borders and elevates the competitiveness of the Central American economies.

Central American Strategy for Commerce and Competitiveness Facilitation with emphasis on Border Coordinated Management

The Strategy, responsibility of COMIECO, contemplates the development of coordinated actions with the regional authorities of the migration custom areas, sanitation, of security and economy, in order to update the framework normatives, strengthen the information processes, modernize the administrative procedures, standardize the protocols of the issuing of permits and plant evaluations, among others, that drive an improved efficiency in the border control. In this way, three areas of axes have been identified towards which the actions of modernization and strengthening of the border posts must be oriented in the region.

1. The operative efficiency at the border posts, which refers to the circulation of people and merchandise from one country to another.
2. The modernization of the framework normatives in terms of customs, migration, sanitation, commerce and security.
3. The institutional strengthening in the border posts.

Border Coordinated Management Framework Policy Guidelines

In the following, the specific guidelines contemplated in the Central American Strategy of Commerce Facilitation are defined, whose actions and initiatives will boost each one of the three areas of intervention:

1. Operative efficiency at the border posts

Improve the circulation of people and merchandise at the border posts, reducing the time and cost of transport from one country to another; for this the following guidelines must be

taken into account:

- a. To achieve the formation and interoperability of the systems of information: customs, migration, sanitation and security. This assumes an update of information equipment, development of applications and interfaces, adequate existing programs, database interchanges, infrastructure of information and communication for the management of operations logistics, etc.
- b. Develop integration systems of risk that operate in the administrative customs of the countries, which permit the application of selective unified criteria in the region.
- c. Boost the formation and certification of the systems of control and inspection of sanitation that speed-up the interchange of sanitation permits.
- d. Strengthen the articulation, coordination, integration and standardization of the border control processes that affect the countries, taking into account the possibility of virtual or physical integrations that make more efficient said processes.
- e. Boost the modernization of the border installations in terms of infrastructure and equipment.
- f. Ensure that border communities have economic and social conditions that favor the sustainability of the reforms that will be implemented.

2. The modernization of the framework normative

Modernize and updating of the laws, normatives and regulations related to operations at the border, according to the guidelines that are presented in the following:

- a. Modernize and articulate national legislation that promotes the convergence of the regional normatives.

- b. To standardize and validate the administrative procedures, taking into account the specifics of each pair of borders and adapting them to the needs, challenges and necessities that they characterize.
- c. Validate and harmonize the technical regulations that are applied to perishable goods, which are subject to sanitation inspections at the border posts. Analysis of bacteriological samples in inadequate conditions must be avoided or response times exceeding the maximum number of hours, in the end to reduce the losses of produce and the imposition of unjustified obstacles for the entrance of merchandise.
- d. Establish a system of compensation and tax returns from each of the countries (importation rights, levies to external trade, etc.), to avoid double taxation in order for merchandise to transit.

3. Strengthen Border Institutionalality:

The inter-institutional coordination of the border posts, which defines roles, competencies and responsibilities of its functioning, such as the mechanisms of coordination with counterparts in other countries.

Priority Actions and Initiatives of the Policy Framework in Border Coordinated Management

1. Contribute to the implementation of the 5 short term measures agreed at the Central American Commerce Facilitation Strategy:

- a. Use of the Declaration of Anticipated Merchandise, through which it is proposed that “FAUCA” can be transmitted electrically before arriving at the border post.

- b. Streamlining and coordination of migratory controls, that allows one solo migratory control in the country of departure and interface for the transfer of data to the country of entry. The standards for the interchange of information between institutes, carries the adoption of uniform structures that manage the data, which must be agreed by the countries, just as the operative mechanisms.

- c. Plant and animal protection electronic certificates, which will allow the creation of a computerized system to send digital documents through the SIECA as a regional node.

- d. Register of transport units through radio frequency identification (RFID), through the use of electronic IDs to adjust the co-location of personnel in the border posts according to the service demand.

- e. Use of camera systems in the border crossings.

2. Development and implementation of Border Reform Programs and National Commerce Facilitation Plans in the 6 countries, to implement the medium and long term measures identified in the Strategy:

- a. Adoption of international standards.

- b. Inter-operability of information.

- c. Integral management of risk.

- d. Reliable Operators.

- e. Quarantine control.

- f. Integration of procedures and control.

- g. Infrastructure and equipment.

- h. Border Community and Security.

3. Development of Management and Results Monitoring Indicators

Furthermore, the Policy Framework will support the areas of intervention taking into account three transversal axes defined in the Strategy: a) Countries must integrate their information platforms into one Central America Commerce and Digital Platform, to facilitate the exchange of information and coordinate their respective customs and migration processes and one stop services, b) a consolidation of the needs, demands, vocations, problems, etc. that correspond to each of the border posts in order to adapt measures and solutions between the respective two countries, c) The countries will strengthen their respective national committees that deal with the facilitation of trade, and in doing so they will attend to, on top of the presidential mandate, the commitments taken by the region in the Bali Agreement of Commerce Facilitation on the “OMC”.

IV. Aeronautic and Airport Services

According to studies that were sponsored by the Japan International Cooperation Agency and the Inter-American Development Bank, the aerial sector of Central America, faces a series of problems that impede the growth of its offer of cargo services and services transporting passengers, in order to respond to the development needs in the region and the demands of external commerce. Within the principal challenges identified are:

- Increase the handling capacity of passengers and merchandise, which assumes improved locations and infrastructure of airports that are located in residential areas, industrial zones or with inadequate topography, facing a series of limitations for their physical expansion. The urban growth in these countries has provoked the development of cities surrounding the airports, resulting in some cases, the closure and underutilization of the installed capacity in order to mobilize cargo.

As a consequence of this situation, the size of planes that can land in the airports

in Central America are relatively small, because the lengths of the runways do not permit the arrival of larger planes, limiting the flow of goods and passengers that circulate through the region.

- In the same way, they must expand and modernize the cargo facilities of the airports, because these present capacity problems for all types of merchandise. The lack of cold rooms, adequate storage, or warehouse facilities.
- The processes for the control of cargo are inefficient due to the high use of protocols used in customs inspection, such as the lack of adequate technology in order to realize inspections. In general, the x-ray machines and scanners do not possess the minimum specifications in order to efficiently carry out non-intrusive inspections of the cargo. At the same time, the physical revision and the process of documentation require more time than that observed in the airports of other countries, therefore the procedures in order to process the cargo contents are inadequate.
- In relation to the management of airports, which is generally carried out by autonomous institutions of the States, the plans of expansion and modernization of the airport installations must be accelerated, since these improvements are implemented slowly given that the investments destined to increase the cargo zones last from 20 to 30 years.

This is because of the fiscal limitations that confront the majority of countries, forcing the administrations of the airports to use financing mechanisms such as loans to foreign governments, regional Banks, debt issuing, etc. requiring the approval of their respective Congresses and delaying the implementation of the mentioned plans of modernization and expansion.

In this context, COMITRAN through “COCESNA” have developed the following strategic guidelines for the development of the sector:

Vision

Central American will provide aeronautic and airport services of high quality that will have modern airport terminals, with infrastructure, processes, personnel and equipment of the highest quality, that permits the adequate control of passenger flows and merchandise; and will contain zones of logistics activity integrated into its airports, that will provide services of storage, distribution and effective handling of cargo.

Strategic Objective

Elevate the quality of the airport services, both for transport of passengers and for the handling of high added value cargo, in such a way that the region becomes an important logistics platform for international trade, in which cluster aviation can develop, promoting regional exports, promoting the establishment of zones of logistics activity and multimodal transport, contributing to establishing new aviation service providers and strengthening tourism in the region, contributing to raise the competitiveness of the Central American companies and the social development of the region.

Aeronautics – Airport Area Framework Policy Guidelines

To accomplish this objective, COMITRAN has defined five areas of intervention towards which must be orientated the actions of strengthening the aviation sector in the Central American region:

1. Aeronautic Airport Operations
2. Improvement of the “Logistic Support Zones” in the airports.
3. Airport processes and procedures.

4. Work Productivity in airports.
5. Strengthening of the Markets.

In the following, guidelines will be developed that must be observed to comply with the specific objectives in each of these areas:

1. Aeronautic Airport Operations

Expand and improve the infrastructure of the airports, such as modernizing its equipment, in such a way that it can deal in an effective way with the growth of the demand for transport services in Central America, for which it is necessary to:

- a. Plan the construction of new airports in adequate geographical zones to the requirements of landing security, potential for expansion, availability of spaces for the development of logistic activity zones, conditions of connectivity and access to road networks, among other aspects.
- b. Extend and modernize the facilities that currently operate in Central America, so that there are sufficient terminals to handle the reception of passengers and cargo of merchandise.
- c. Invest in the acquisition of equipment in order to improve the operation of the airports: passenger boarding bridges, radars, radios, control centers, cargo inspection equipment (scanners, x-ray), security and communication systems, etc.
- d. Promote the use of information and communication technologies in the airports of the region.
- e. Maintain and improve information systems of process controls, made by the State Members Civil Aviation Authorities of “COCESNA”.
- f. Promote the specialization and complementarity of the principal airports in the region.

- g.** Enhance strategic alliances with the private sector, through public private partnerships, to accelerate and improve the efficiency of the modernization and expansion of the airports.
 - h.** Promote, as part of COCESNA, the creation of an office to investigate aviation accidents or incidents in the region, whose objective will principally be, to determine the causes of the events with the aim of preventing them in the future.
2. Improvement of the “Logistic Support Zones” in the airports.

Construct and modernize zones of logistic activity in the immediate vicinities of the airports that permit the handling of cargo, in co-modal operations areas, for this the following will be taken into consideration:

- a.** Adequate infrastructure must be constructed for the storage, loading and unloading of cargo, maintenance of the cold chain, treatment of bulk products, handling of perishable goods, etc.
- b.** Complementary services must be provided for the operation of the mentioned logistics zones, such as the provision of potable water, electricity, connectivity, security, staff housing, etc.
- c.** Zones must be designed taking into consideration the different modes of cargo transport: refrigerated containers, heated containers, insulated containers, tanks for liquids and gases, chutes, etc. this means allowing the reception and dispatch of cargo from different types of vehicles.

3. Processes and procedures in the airports.

Update the regulations, procedures and protocols that contribute to the operational efficiency of the airports of Central America. For this the following must be done:

- a.** Standardize and streamline the migration procedures in order to facilitate the entrance and circulation of people in the region.
- b.** Modernize the customs protocols for the revision of merchandise, such as the plant health certification process, in order to quicken the transit of cargo in the airports.
- c.** Optimize the security mechanisms in the airports, through the adoption of international standards of prevention of crimes such as assaults, narcotics, smuggling of goods, trafficking of people, etc.
- d.** Maintain a balance between security and efficiency in the airports, in such a way that the streamlining of the flows (passengers and cargo) does not undermine the security in the facilities or make the preventative measures of illegal actions more inefficient during transit.
- e.** Increase the levels of compliance of the Member States in audits of International Organizations in the matters related to Aviation Security.
- f.** Improve the security and efficiency of the operations of aerial navigation in routes of the different “Flight Information Regions” (both below and over 24,500 feet of altitude: FIR/UIR).

4. Work Productivity in the Airports

Increase competencies and capabilities of the human resources that work in the airports, administrations and zones of logistics activity, which means that:

- a.** The work of the Central American Aeronautic Training Institute must be strengthened, which is part of the Central American Aerial Navigating Services Corporation and has as an objective the management, the formation and technical training, operative and management training of airport and airlines personnel.

Said strengthening includes, among other aspects, the consolidation of the strategic alliances with specialized centers and universities of other countries, in order to amplify the base of professors and investigators involved with transport and logistics.

- b.** “ICCAE” must expand their offer of specialized courses, taking advantage of the installed capacity in regional organizations such as SIECA in order to attend to the Central American market, such as the extra-regional demand.
- c.** Improve the academic excellence in aeronautic formation.
- d.** Improve the prevention and mitigation of work accidents and occupational health.
- e.** Promote the certification of the processes that are made in aeronautical operations, and of the people that carry them out.

5. Strengthening of the Markets

Modernizing the normatives that regulate the sector, in such a way that they operate with accepted international standards relating to aeronautical security and that they stimulate the creation of new businesses in order to expand the offer of aerial transport services in the region. To accomplish this, the following must happen:

- a.** Expand the regional routes and their frequencies between Central American airports, through the policy of free expansion.
- b.** Incentivize the access of new airlines to the region, permitting the use of the aerial terminals, in competitive hours and conditions, in order that the competition maintains accessible prices for the consumers.
- c.** Expand the open skies policy in bilateral agreements or regional agreements, in such a way as to promote tourism in Central America.

Aeronautical-Airport Sector

- 1.** Expand and modernize the airport infrastructure in Central America, in the context of a development plan for platform logistics.
- 2.** Design an investment plan for the construction and expansion of logistics activity zones in the current and future airports of Central America, as part of the plan of regional logistics development.
- 3.** Identify the opportunities that the world offers to establish alliances, accords and agreements that amplify the offer of aerial transport and facilitate public private investments in the aeronautical sector.
- 4.** Identification of innovative mechanisms in order to finance the aeronautical sector in the region.

V. Maritime-Port Services

Until the 80s, the Central American regional port system was governed by a state administration scheme, responsible for providing services, construction and maintenance of the infrastructure and the port equipment, which resulted in a more or less politicized system, bureaucratic, centralized, with poor infrastructure and equipment maintenance, with little flexibility in its port operations, where immediate solutions are required in its daily running.

From 1992, the subject of modernization and the concessions of ports gathered force in Central America at a time when almost all the Central American countries were carrying out processes of State reform.

The majority of the governments became conscious of the need for the reform of the port system, considering said reform within the process of the modernization of the State.

In this context, with global trends of exterior trade, the obligations that come from signing international agreements and accords and the evolution of the offer of maritime-port services impose considerable challenges to the current physical, operative, legal, procedures and operative structures in the region, the Central American Commission of Maritime Transport, COCATRAM, has defined the following strategic guidelines in order to overcome the challenges of this important sector.

Vision

Central America will be a competitive region and integrated into global maritime trade.

Strategic Objective

Convert Central America into a competitive region, integrated into global maritime trade, boosting development and the efficiency of the offer of ports and updating its regulatory frameworks to international standards, in order to transform it into a regional logistics platform of high global relevance and contribute to improving the competitiveness of external trade and to the commercial integration and productivity of Central America.

Regional Maritime Port Strategy of Central America

To accomplish this objective, the Regional Port Maritime Strategy considers the implementation of measures geared at the improvement of the legal and regulatory framework, the maritime connectivity, both extra and intraregional, of the systems of maritime security in the countries and the offer of maritime transport services, so that they can adapt to the requirements of international trade.

Accordingly, four areas of intervention have been identified towards which actions must be orientated to strengthen the maritime port system of Central America:

1. The offer of maritime transport.
2. The operational capacity of the ports.
3. The institutional capacity of the maritime administrations, such as the proficiencies and capabilities of maritime port personnel.
4. The conservation of maritime and coastal spaces.

Each one of the initiatives developed in the strategy are orientated towards strengthening the regional integration in maritime port matters, through a framework regulator that permits the systematic modernization of the market of port services and international transport, as well as the intraregional maritime connections, in a way that guarantees an efficient level of competitiveness, according to the maritime-port security norms and the preservation of the environment which carries with it the strengthening and development of the maritime and port administrations.

Guidelines of the Policy Framework in the Maritime Port Sector

The Policy Framework will be implemented in the four mentioned areas of intervention, in order to integrally deal with the challenges that confront the sector in its process of aligning itself to the demands of international trade. For each of the areas, the guidelines and the specific objectives are developed below to define the actions and initiatives that will boost each one of the governments in the region:

1. Maritime Transportation Offer

Increase the competitiveness of **Maritime Transport Service in Central America**, and in order to do this:

- a. A regional system will be adopted based on the complementarity between ports that specialize in supply and distribution of cargos with complementary ports of transshipment towards new routes and markets, which expand the maritime connectivity (TMCD).
- b. The maritime and terrestrial systems of transport will be worked together.
- c. The integration of the different modes of transport in the logistic platforms that are developed.

2. The operating capacity of the ports.

To improve the operating efficiency of the ports, in such a way that satisfies the requirements associated with the process of loading and unloading, storage and distribution, which means:

- a. The modernization of the physical infrastructure in terms of installations and equipment.
- b. The improvement of the processes of operation in line with international standards relating to ships, cargo and passengers.

3. The institutional capacity of the maritime administrations.

To strengthen and consolidate the role of Maritime Administrators so that they can implement the national and regional plans of the modernization of the maritime-port services, and develop permanent and sustainable mechanisms of education, training, certification and accreditation of personnel, for which:

- a. They will be provided with human resources, financial resources, legal resources and institutional resources so that said administrations can perform their duties.
- b. Mechanisms will be identified that ensure the operative sustainability and institutional sustainability of its management.

- c. Alliances will be formed with academic institutions with the aim of taking advantage of the installed infrastructure, previous experiences, specialized programs already designed, accreditations and certifications.
- d. A greater participation of non-governmental organizations and international cooperation will be promoted in order to facilitate the implementation of the programs.

4. The conservation of marine and coastal areas.

Develop mechanisms which are permanent and sustainable for the protection, preservation, conservation and sustainable exploitation of the coastal marine zones and maritime areas, which means:

- a. Participation by private companies and non-profit organizations will be promoted in the development of programs of protection and conservation of the environment.
- b. Alliances will be strengthened with academic institutions in order to incorporate their respective curriculums to deal with the problematic deterioration of the coasts and maritime spaces and to carry out a constant process of culturization and awareness.
- c. Specialized non-governmental organizations and international cooperation will be involved in the identification of sustainable mechanisms for the preservation of these spaces.

Each one of these interventions must be implemented within a “**Community Policy**” which allowed in an articulate, coordinated, complementary and integral manner, the implementation of national and regional initiatives relating to: investments in infrastructure and equipment, the adoption of systems and intermodal connections, establishment of security systems, and the use of commercial to increase the demand for services, among others.

The challenges and obstacles identified in each one of these areas, as well as the actions to address them, have a regional approach.

Priority Actions and Initiatives of the Policy Framework in the Maritime-Port Sector

The actions that the governments of Central American could carry out in the short term to implement this policy, which are considered fundamental for achieving the projects and programs in the longer term, are presented indicatively in the following:

1. Formulation of a regional community policy in order to implement in a joint and coordinated manner the investments in port infrastructure, the development of logistic platforms that promote intermodal connections, the adoption of maritime security models and the implementation of environmental protection programs, among other aspects of common interest.
2. The design and the establishment of a regional system of maritime transport for short distances in order to increase the indexes of maritime connectivity at an extra-regional and intra-regional level.
3. Elaboration of master plans for port development for the principal ports in the region that takes into consideration the definition of infrastructure improvement projects (installations and equipment), harmonizing the process of attachment operations to international standards, modernizing of legal frameworks, organizational, regulatory and the integration of the different modes of transport (inter-operability).
4. Define, design and develop specialized logistic infrastructure in the different countries, with respect for the national logistic platforms and specifically, the Zones of Logistic Activity.

5. The design and implementation of a program of updating normatives and regulations that promotes an efficient operation of the port terminals, promoting the adhesion, ratification and implementation of international agreements, the adoption of competitive practices of the port and maritime services, such as the participation of the private sector in the development of port investments.
6. Development, strengthening and consolidation of the national Maritime Administration and the implementation of programs of technical education and training for maritime port personnel.
7. Develop a regional program of coastal management, integrated and environmentally aware in order to protect, conserve and sustainable exploit the coastal marinas and marine areas, together with the elaboration and development of national contingency plans

VI. Railway Transport Services

Central America transports almost all of its transport through the road system, which translates into a permanent problem of the maintenance of the road network. Added to this situation, which affects directly the sustainability of the transit projects, are the serious problems of congestion of the network and the border posts, associated with the transit of trucks and heavy vehicles, all of which ends in high maintenance and rehabilitation costs for the roads and in a poor logistics performance in the region.

One of the options for confronting this situation is the reactivation of the railway system, which would contribute to develop an adequate intermodal connectivity from the centers of agriculture production, ports, airports, industrial areas and zones of logistics activity of Central America.

Different diagnosis on this sector reveal that the railway systems in Central America are practically abandoned and are characterized for their obsolescence and disarticulation due to having lost their operative and useful life more than 25 years ago. Therefore, in order to boost the sector, significant investments would be required in the habilitation of the railway routes, acquiring trains and wagons, construction and equipping of train stations under the logic of inter-modal nodes and the training of personnel both relating to the operation of trains, and the administration of the systems.

According to recent investigations, the rehabilitation of the railway system in Central America would require the replacement of the narrow gauge track (914mm), that operated principally in Guatemala, El Salvador and Honduras, for a medium gauge or international standard (1,435mm) in order to make viable the connection between Costa Rica and Panama, and unite the railways of Central America with railway systems in Mexico, the United States and Canada. In addition to the acquiring of new trains and equipping the stations, enabling the functionality of the system would mean recovering the segments of the line that are totally destroyed or have been occupied by human settlements, which would have to be relocated.

Nevertheless, the feasibility study elaborated by the IDB in 2014, concluded that the investments in this area would be viable and would generate more cost effectiveness than the current market rates, if certain determined conditions are met for the income, costs and operation of the system.

Furthermore, so that these investments do not constitute an excessive fiscal charge for the Governments of Central America, the new system could operate through private concessions under the public-private associations, as it happens in other countries.

In this context, conscious of the need that Central America counts on a modern system of intermodal logistic platforms, COMITRAM established the following strategic guidelines in regards to railway transport.

Central America will count with a modern railway system, with a fleet of trains and railway networks that comply with international standards, that provide services for the transport of people and merchandise in an economic, safe and sustainable manner, and that integrates with the network of railways in Mesoamerica, United States and Canada, contributing to facilitate regional trade, to reduce the costs of operation for businesses and to elevate the competitiveness of the economies in the region.

Strategic Objective

Reactivate the national system of railways through models of modern, effective and sustainable management, that offer services of the transport of people and merchandise, efficient, safe and sustainable and of low cost, that integrate the multimodal logistic system in the region (road, maritime and air transport) to the railways of Mesoamerica, with the purpose of stimulating the exports towards North and South America, reducing the costs of maintenance of the road network, prioritizing the conservation of the environment, elevating the competitiveness of the economies of Central America and contributing to their economic and social development.

Guidelines for the Policy Framework in the Railway Sector

In order to achieve the proposed objectives, COMITRAM has defined the following specific areas of intervention:

1. Develop the infrastructure of the railway transport system and the infrastructure of the inter-modal connection.
2. Strengthen the administration of the railway system.

3. Training personnel of the railway system.
4. Relocation of established settlements in the railway lines.
5. The definition of sustainable financing mechanisms.

Presented below are the specific objectives and guidelines related with each of the mentioned areas:

1. Develop the infrastructure of the railway transport system and the infrastructure of inter-modal connection.

Reactivate the railway system of Central America through the delineation of the network routes, construction and rehabilitation of the railway lines, acquisition of equipment and the construction of railway stations, with a multimodal logistics perspective. For this, the following guidelines must be followed:

- a. Project and progressively develop the national railway lines for the transport of cargo and passengers, in accordance with the feasibility studies and the intermodal logistic platform development framework.
- b. Integrate the railway transport with the modes of road transport, according to the specific conditions of the different national networks and coordination with the regional Central American network (with a Mesoamerican perspective with a view to a future phase)
- c. Promote the railway transport of people as part of the integrated system of urban and inter-urban mobility, considering the development of “short distance or proximity trains” for the development of the territories in the sub-national plan.
- d. Manage the countries demands and priorities established in the strategies of production development with relation to logistics and mobility.

2. Strengthening the Administrative Railway System.

Implement a model of efficient and sustainable management of the national and regional assets in the railway sector, that permits the optimal use of the system, the compliance with security norms and the conservation of the environment, the biodiversity and the ecosystems, for which the following guidelines must be followed:

- a. Form or reactivate the national agencies in the Central American countries that act as the responsible authorities for the administration and security of the railway system.
- b. Providing the authorities of the railways system the human, financial and administrative resources for the adequate functioning of the administrative management of the railway system.
- c. Define the processes, procedures, normatives, standards and regulations that guarantee the optimal functionality of the transport service of trains in the region.
- d. Determine the potential uses of public resources relating to the right of way, stations, lands and assets in each one of the countries, in such a way that the new system does not consume resources unnecessarily: for example, using the unused railway lines for the construction of public works such as bridges, crossing points, pedestrian bridges, columns and beams for the construction of housing solutions among others.
- e. Implement the necessary measures for an efficient management of risk and adaption to climate change, in such a way as to achieve a resilient railway system, respecting the biodiversity and avoiding negative impacts to the environment.
- f. Develop a culture of alternative transport and services of quality transport for the user.

3. Training of railway system personnel.

Develop the capabilities and skills of the railway system personnel, through a constant process of education, certification and evaluation, covering the areas of support and maintenance services of the trains and lines, administration of the infrastructure, driving and handling of locomotives, supervision of traffic and of trains. For this purpose, the following guidelines must be followed:

- a. Take advantage of the institutionality and installed capacity in the region to develop training programs for operators of trains, mechanics, traffic supervisors, guards, signalers, security personnel, station master/auxiliaries, pointsmen, incident warning personnel, etc.
 - b. Establish permanent mechanisms for the evaluation of personnel and promoting the certification and culture of quality in the railway system.
 - c. Encourage a culture of respect and compliance for the rules and processes by the users and servers of the system.
 - d. Establish requirements for education and specialized professional experience, for the staff that have management positions in the Central American railway system, in such a way as to guarantee the security and effectiveness of the operation.
4. Relocate the settlements that have been established on the routes.

Carry out the process of clearing the railway lines taking into consideration the housing necessities of the evicted families: To this effect, it is necessary to:

- a. Implement a policy responsible for the regulation of the rights of way of railways in Central America.

- b. Provide dignified alternatives to families that live on the rights of way, seeking the legalization of the transfer of property and the access to public services in the new settlements.

5. Define mechanisms of sustainable financing.

Make available sustainable financial alternatives to initiate the functioning of the system, meaning, carry out the construction of the infrastructure, the equipment and its operation. For this, the following guidelines must be taken into account:

- a. Avoid, when possible, the use of public resources for the development of the system, giving a central role to the private sector in the new railway activity, through concessions or Public-Private Associations.
- b. Identify mechanisms to attract private investment to this strategic area.
- c. Elaborate or update the legal normatives that regulate the APP, in order to have clear rules for investors and the states, with respect to assuring the conditions of operation and the solution to controversies.
- d. Evaluate financing alternatives for the Central American Governments that decide to develop their railway systems with public funds.

Priority Actions and Initiatives for the Policy Framework in the Railway Sector.

1. Elaborate a Master Plan for the Regional Railway System Development.
2. Carry out or update studies to evaluate the economic, financial, social and environmental feasibility of the development of a railway connection for cargo and passengers at a regional level.
3. Carry out a census of the human settlements on the rights of way.

4. Develop legal normatives for the regulation of the railway transport system in the Central American countries.
5. Promote the reactivation and modernization of the existing railway connections, prioritizing the sectors to develop.
6. Develop or modernize the passenger train system.

VII. Road Infrastructure Services and Land Transport

According to the Economic Commission for Latin America and the Caribbean, basic infrastructure and the efficient provision of infrastructure services are vehicles for territorial, economic and social cohesion, making the country accessible to the exterior and allowing the inhabitants to connect with their environment, also to provide fundamental services for the production and the improvement of the conditions and quality of life of the people.

Despite the evident importance for development of the region, the quality and coverage of the road infrastructure and the services of maintaining the roads and bridges in Central America, do not respond to the needs for growth in the economies Isthmus, in such a way, that according to CEPAP, both the quantity and the quality of the available infrastructure can become a serious obstacle to economic and social development in these nations.

This deficit is exacerbated by the increased demand on transport services, road infrastructure and logistic services that is joined by the recent construction of the new complex of locks, which have doubled the capacity of the operations in the Panama Canal. Said expansion, provided the opportunity for Central America to become a logistic hub at a global level, but at the same time makes it more evident the inadequacy of its roads, bridges, tunnels, drainage systems, streets and railroads.

In effect, experts on the topic assure that the countries of Central American must radically improve their inter-modal infrastructure of ports and routes, such as the quality of transport services for trucks in order to unload and transport in an efficient manner and compete with larger volumes.

In this context, the Council of Ministers of Transport of Central America has defined a strategic agenda that prioritizes the development of infrastructure and ensures regional connectivity, through the implementation of projects such as the Pacific Corridor, the International Mesoamerican Highway Network, the modernization of the infrastructure in border zones and the development of multimodal transport; such as the adoption of measures to protect against the effects of climate change and guarantee its resilience in an environment where natural disasters are becoming more and more frequent.

Vision

Central America will be the region with an integrated, modern and resilient road infrastructure, capable of guaranteeing the effective mobility, economic, universal and safety of the people, with efficient transport of merchandise through its territory in order to strengthen the productive integration and the competitive insertion for international trade.

Strategic Objective

Expand, renovate, modernize and conserve the system of roads, bridges, tunnels and other throughways, according to internationally accepted quality standards, in such a way as to strengthen the integral management of the regional road assets which counts on functional logistic corridors, resilient and safe, adequately coordinated with different modes of regional transport and through which effective and efficient mobility will be developed for people and merchandise, stimulating the economy, the connectivity between the centers of production – consumption and promoting the development and integration of the Central American economies.

Guidelines for the Road Infrastructure Framework Policy

In order to achieve this objective, COMIRAN, has prioritized the integral management of the road assets in a planification agenda with a regional scope, coordinated around five areas of intervention towards which the actions to strengthen the infrastructure of the Central American region must be orientated:

1. To improve the quality and capacity of the road network: roads, bridges, tunnels, drainage systems, rural roads, urban crossing and other throughways.
2. The strengthening and sustainability of the road infrastructure.
3. The increase in the coverage and connectivity of the road network, coordinating the different modes of transport, including rural roads.
4. Improving the resilience and security of the infrastructure.
5. Improving the quality and the offer of transport services, the institutional capacity and the regulatory framework related with road infrastructure.

The initiatives in this policy form a systematic process of planification, implementation, monitoring and evaluation of projects for expansion, modernization and maintenance of the road infrastructure in the region. Below, the guideline that must be observed to achieve the specific objectives in each of these areas will be outlined:

1. Improvement in the quality of the road network

Give impulse to the improvement of the regional road transport network to attend to the growing traffic demand, to this end:

- a. The network will be modernized according to norms, standards and international technical specification, so that the regional transit operation is carried out in optimal conditions of security and efficiency.
- b. The development of new roads, the rehabilitation and improvement of the existing roads, the construction and replacement of damaged or temporary bridges, will be carried out in a manner that guarantees the integration of the different modes of transport in the logistic platforms that are developed.
- c. Systems of monitoring and evaluation will be established that allow measurement of the results and impacts from the investments on the road infrastructure, against variables of development in each one of the countries in the Central American region.

1. Strengthening of the sustainability of the road infrastructure

To develop mechanisms of financial and operative sustainability in the road network and to ensure that the infrastructure is sustainable, for which it is necessary:

- a. The strengthening of the national road conservation funds and/or the creation of these funds in the countries that do not have this institution.
- b. Permanent programs of preventative and corrective maintenance of roads, bridges and other throughways.
- c. Clean transport technologies will be adopted and developed in order to reduce the levels of contamination and to promote the energy saving.
- d. The planification and construction of the network should respect the biological corridors, through which Mesoamerican fauna circulates and flora grows, in such a way that the development of the road infrastructure does not result in the destruction of ecosystems in the region.

2. The increase in the coverage and connectivity of the road network.

Improve the coverage and connectivity of the road network, in order to elevate the competitiveness of the economies, favoring the integration of the territories and contributing to improve the quality of life of the rural populations. To this effect:

- a. Priority will be given to the infrastructure works in the logistic corridors, to improve the logistic performance of the region and to efficiently deal with the demands from intraregional trade and the rest of the world.
 - b. Coordinate efficiently the road network with the different modes of transport.
 - c. Harmonizing the expansion and modernization of the road network with strategic priorities of regulation, fair integration and development of the territories, in a way that elevates the vocations and economic potential of these territories and the country.
 - d. Ensure adequate trafficability and coverage of the primary, secondary and tertiary road networks.
 - e. The integration of the road network in the Central American region with the other Mesoamerican nations, Mexico, Colombia, Belize and Dominican Republic, through the different forms of multimodal transport.
 - f. The road infrastructure will be explained and modernized in harmony with the politics of strengthening and developing the productivity of the region, in such a way as to facilitate the transport of people, supplies, equipment and finished products to the areas of prioritized economic activity.
3. The improvement of the resilience and security of the infrastructure.

Improve the security of the infrastructure, both in terms of the technical characteristics of the roads, and in its capacity of resistance in the face of adverse exogenous factors, to reduce the costs and risks to the transport of cargo and passengers. To this effect:

- a. Actions will be promoted to protect regional infrastructure and ensure its resilience to the effects of climate change and the occurrence of natural disasters, such as storms, floods, landslide and earthquakes, etc.
 - b. The signaling on the road infrastructure will be improved in accordance with the Central American Agreement of Uniform Road Signaling, carrying out the task based on the best international practices and modern mechanisms of the national and international control of traffic will be adopted.
 - c. Road controls will be maintained to ensure adequate treatment for the transit of dangerous merchandise, bulk cargos, heavy and/or oversized equipment, etc.
 - d. Efforts will be coordinated with the responsible authorities for public or citizen security, of the different countries in order to elevate the vigilance in the roads, which will reduce the costs of transport of cargo throughout the region.
 - e. New technologies of information and communications will be incorporated in the provision of transport services of people and merchandise.
4. The improvement in the quality of the offer of transport services, the institutional capacity and the regulatory framework related with road infrastructure.

Contribute to the improvement of the quality of services of transport and consolidate an institutional network that counts with resources, capabilities, systems of management, work procedures and regulatory framework adequate for the efficient performance of their functions. To this effect:

- a. Conditions of free competition in the transport sector will be promoted, both for passengers and for cargo, so that the concentration of offers of these services is reduced and an improvement in productivity, quality and efficiency in the market is promoted.
- b. Regulatory frameworks should be modernized and harmonized to promote the provision of terrestrial transport services of cargo between the countries of the region.
- c. Constant programs of training and evaluation will be established for the key actors in the transport sector: motorists (pilots or chauffeurs), transporters and administrative personnel.
- d. The regulations relating to technical requirements, signaling, maximum weights of cargo, fines for undue use of the road, etc. will be updated in such a way as to establish a modern regulatory framework that is in line with the dynamics of international trade.
- e. The system controlling weights and dimensions will be modernized in all the national and regional networks, with the aim of guaranteeing the good performance and design life of the roads. Included in this precept are day and night control of the principal roads and the harmonization of an application form for the transport of special and inseparable cargos.
- f. Regulations will be developed for the correct application of the Central American Agreement on Road Circulation, in terms of Weights and Dimensions of Cargo Vehicles, with the aim of standardizing national criteria within the regional scope, relating to the stipulations of maximum admissible weight and dimensions of vehicular units.
- g. The standardization of technical norms and specifications that govern the road structure, in harmony with the manuals that increase road and bridge resilience approved by COMITRAN, for example, the “Manual of Hydrological and Hydraulic Technical Considerations for Road Infrastructure in Central America”.

Priority Actions and Initiatives of the Framework Policy

Elaboration or updating of master plans for road development, that is, indicative five-year programs and long term programs and investment projections in the road sector: construction of new national and rural roads, maintenance of the priority and secondary national networks, protection works, drainage in rivers, embankments, monitoring of ravines, maintenance of slopes, bridges and through ways.

1. Continue with the improvement of the corridors of regional logistics priority that make up the International Mesoamerican Highway Network, RICAM, according to uniformed standards of physical design and operation, which includes finalizing the modernization of the Pacific Corridor.
2. Modernization and harmonization of framework regulations in order to improve the provision of terrestrial transport services of cargo in the region.
3. Strengthen the free competition in the cargo transport sector, in accordance with the organization of the markets and the handling of merchandise during transfers to their final destination and their return with new cargo.
4. Develop rural road programs that facilitate their interconnectivity with access roads towards centers of trade and consolidation of cargo.
5. Elaboration and implementation of the Regional Logistics Security Program.
6. Develop a regional system for counting transit and a network of scales for weighing cargo transport.

VIII. Urban Logistic Service

Cargo logistics is a fundamental activity for economic development in the urban center of Central America. However, this has generated a series of economic, social and environmental impacts that are not covered by the providers of the services, generating a series of negative externalities such as congestion, contamination of the air with gases, deterioration of the infrastructure, noise and transit accidents, among others. These problems require integral solutions, due to their impact on a great diversity of actors: providers and users of services, local authorities and users of public roads, and represent significant costs for our countries.

The disengagement and lack of complementarity between the processes, the planification of urban development and the transport of cargo have driven a disorderly growth in Central American cities and a development of infrastructure inadequate for responding to the cargo transportation needs of the region.

In this way, it is necessary that Central America progresses towards the construction of an Intelligent Transportation System, through which: a) Relations are improved between the users, the vehicles and the road infrastructure; b) The different modes of transport are integrated in a more efficient manner; c) The interests of pedestrians and passengers are harmonized with those that demand/offer cargo transport (producers, distributors and consumers); and d) The territorial and logistical structuring complement each other.

For this, it is necessary that the authorities in the region adopt restrictive measures such as:

- The definition of special hours for which transport vehicles have access to the urban zones and can carry out the activity of loading/unloading products.
- The delimitation of environment zones where they are not allowed to circulate, and

- The charging of tariffs for the use of roads.

Notwithstanding, in addition to these prohibitions/penalizations, Central America must tackle the problem in an integral manner, that is, it must propose solutions so that the trade activities are not hindered by a poor distribution of merchandise in the urban areas, where the principal areas of consumption are concentrated:

- Adequately connect the corridors and cargo routes with the cities and municipalities to make zonal distribution possible and local access, with adequate dimensions for the circulation of heavy vehicles.
- Construct centers of consolidation (logistic support platforms), creating logistic zones with diverse functions, good accessibility, connectivity and location.
- Invest in adequate equipment for the distribution of merchandise in urban areas: micro-platforms of urban logistics, bays for the operations of loadings and unloading, systems of information in real time, in a way that orders the activities of distribution and delivery of merchandise, without impeding the facilitation of trade..

In summary, the solutions to the mentioned externalities require the optimum use of land and road infrastructure, reducing the environmental impact, reducing the number of displacements and kilometers travelled and incentivizing the efficiency of the cargo transporters.

Vision

Central America will count with an Intelligent Cargo Transport System in the urban areas, that integrates in an efficient manner the different modes of transport to provide economic logistic services, accessible and of high quality; that tends to the needs of the producers, distributors and consumers, also the pedestrians and passengers; that permits the ordering of the cities and offers optimal conditions for the distribution of merchandise; favoring the competitiveness of companies, the facilitation of trade and the economic development of the region.

Strategic Objective

Optimize the distribution of products in the cities of the region, through the development of an Intelligent Cargo Transport System, that improves the urban logistics in a systematic perspective of modal coordination, streamlining the supply chain of goods, reducing the costs of operation of the productive units, facilitating regional trade, improving competitiveness of the exports and contributing to boost the economies of Central America.

Guidelines of the Policy Framework in Urban Logistics

In order to achieve this objective, COMITRAN has defined four areas of intervention towards which actions must be orientated to strengthen the urban logistics in the Central American region:

1. Connection of the strategic logistics corridors, national and regional, with access to urban areas.
2. Modernization and development of infrastructure and equipping logistic platforms that favor the distribution in urban areas.
3. Improving the quality of the offer of urban logistics services.
4. Strengthening the institutionality.

1. Connection of the strategic logistic corridors with access to urban areas.

Establish optimal cargo transport routes, adequately coordinated with cities and aligned with strategies for territorial and sectoral development and, that facilitate the local, national and international trade. The following is needed in order to comply with this objective:

- a. Coordinate the planification and implementation of the logistics development projects in the ordering of the urban zones, in such a way as to optimize the use of land and the road infrastructure of the region.
 - b. Establish and regulate optimum routes and schedules for multimodal cargo transport traffic within the national territories, in the border/customs crossing and within the urban areas.
 - c. Define environmental zones where merchandise transport vehicles cannot circulate and coordinate actions with the transit authorities so that the normative is enforced.
2. Modernization and development of infrastructure and equipping of logistic platforms that favor the distribution in urban areas.

Establish competitive platform logistics, which allow for adequate handling of cargo destined for supplying the cities of the region, for which it will be necessary to:

- a. Construct or relocate consolidation centers or logistics platforms in the peripheries of the cities that offer diverse services, good accessibility, connectivity and location, based on intelligent studies on effective demand and potential, taking into account the criteria of specialization and complementary integration.
- b. Stimulate the investment in adequate equipment for the distribution of merchandise in urban areas: micro-platforms of urban logistics, loading bays and unloading operations, information systems in real time, etc.
- c. Identify finance mechanisms for the development of these platforms, under technically consistent investment schemes (PPPs, concessions, issuing securities, loans etc.)

3. Improve the quality in the urban logistics service offering:

Develop a highly competitive system of transport of goods that constantly produces diversified logistic services of high quality to attend to the demand in the urban areas.

- a. Promote a strategic planification of transport for the urban supply chain that includes the active and systematic participation of suppliers and users, to ensure integrated management and efficient logistic services, which are orientated to minimize costs, allow on-time deliveries, with a multimodal and regional perspective.
- b. Establish routes of intermodal transport at a national, Centro American and Mesoamerican level, so that the points of connection and access to urban areas are well coordinated.
- c. Consider in the strategic planes the development of feeder platforms that permit the use of railway and maritime transport for short distances, in order to supply the cities of Central America.
- d. Implement a program of renovation for the fleet of vehicles of the cargo transporting companies, based on technical, social and economic criteria.
- e. Incorporate the use of information technologies and communication in the distribution of urban cargo and identify alternative options in order to provide these services, such as bicycles, motorbikes, etc.
- f. Create or modernize the normatives in order to permit the free entrance to the cargo transport market, promote the standardization of the transport services and logistics, and avoid monopolistic or oligopolistic practices.
- g. Monitor and evaluate the trends of the offer and demand of urban logistic services through a qualitative and quantitative system of indicators.

between private sector companies, in order to implement effective and economic solutions to the cargo transport necessities in the cities.

4. Strengthening of the Normatives and Institutionalism

Modernize and strengthen the institutions responsible for the administration of the transport of cargo and update the normatives that regulate the provision of services in the region.

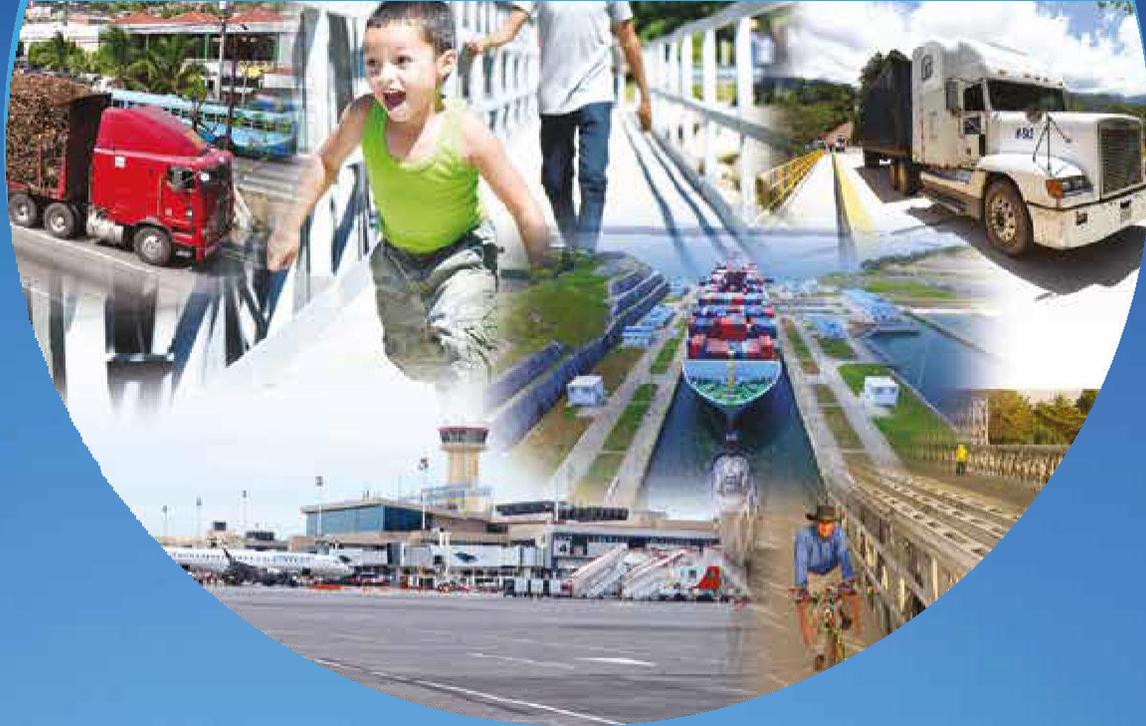
- a. Create in each one of the countries the institutional conditions, human talent, normative, financial and operatives conditions in order to administrate in an effective manner the systems of cargo transport and coordinate the necessary actions to achieve an effective integration of the logistic routes in Central America.
- b. Establish certification and constant training programs for specialized human resources in the different modes of transport, in particular, those which drive cargo vehicles in the urban spaces.
- c. Evaluate the relevance of charges or fees for the use of the roads, with an aim to strengthen the fund for road conservation, discourage congestion in the cities and order the use of the spaces in the urban areas.
- d. Update the regional normative relating to the circulation of cargo vehicles on the Central America road networks, in such a way as to regulate among other aspects, the conditions of access and circulation of the same in the urban areas, the use of land, the management of traffic and congestion in the cities, the monitoring and evaluation of the levels of environmental contamination in the urban areas, the control and supervision of the quality of the rolling stock and the mechanisms of conservation of the network, due to wear from heavy cargo vehicles.

- h. Promote the mobility of collaborative logistics

- e. Coordinate the work of the national authorities and municipalities to identify integral solutions to the problems generated by the transport of cargo in the cities of the region

Priority Actions and Initiatives of the Policy Framework in Urban Logistics

1. Elaboration of Urban Logistic Plans to manage cargo in the Central American countries.
2. Completion of the National Cargo Logistics Plan for the 6 countries, identifying the principal areas of logistic activity that must be strengthened in the region.
3. Planning and development of the Urban Logistic Platform, such as integrated merchandise centers, dry ports, zones of logistic activity in ports and airports, etc.
4. The update and harmonization of the national and regional regulations relating to transport and the supply chain, which includes the necessary elements for an effective adaptation to climate change, management of risks and minimizing negative environmental impacts.



— P O L Í T I C A —

MARCO REGIONAL DE MOVILIDAD Y LOGÍSTICA

DE CENTROAMÉRICA

"Central America will be a more integrated and competitive region, that mobilizes its population and supply chain in an effective manner, that increases and diversifies its trade, that improves its complementarity and the productive transformation of the region (value chains), promoting a sustainable territorial development, balanced and resilient and improves the quality of life of its population."

