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**Inter-American Council for Integral Development**

**(CIDI)**



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**DRAFT WORK PLAN FOR THE MEETINGS**

**OF THE INTER-AMERICAN COUNCIL FOR INTEGRAL DEVELOPMENT (CIDI)**

**FOR THE PERIOD JULY-DECEMBER 2024**

(Presented by the Chair, Ambassador Elizabeth Darius-Clarke, Permanent Representative of

Saint Lucia to the OAS)

**BACKGROUND**

Saint Lucia will serve as Chair of the Inter-American Council for Integral Development (CIDI) for the period July to December 2024.

During the previous tenure, Saint Kitts and Nevis prioritized the issue of **“Connectivity and technology for resilient socio-economic development”** for discussion at the Council. This focalized discussion during CIDI’s first semester and helped generate consensus among member states on a CIDI resolution on the urgent need to reduce the digital divide by securing connectivity and harnessing the power of technology to further efforts that promote socio-economic development to reduce poverty and inequality across the Americas.

Each meeting was structured to encourage discussions on issues related to relevant CIDI Ministerial processes, welcoming expert panelists that offered regional situation analyses and facilitating an interactive dialogue with member states who shared solutions and best practices that the Chair encouraged to incorporate as cooperation offers in CooperaNet.

The Draft resolution, *“Promoting Connectivity and Technology for Resilient Socio-Economic Development in the Americas”* ([document CIDI/doc. 416/24 rev. 3](https://scm.oas.org/IDMS/Redirectpage.aspx?class=CIDI/doc.&classNum=416&lang=e)), was approved by CIDI during its regular meeting held on June 17, 2024 to be transmitted to the General Assembly at its upcoming fifty-fourth regular session. This innovative practice aligns with the recommendations emanating from a second resolution approved at the General Assembly in 2024, *“Continuing to Drive the Strengthening of the Inter-American Council for Integral Development (CIDI)”* ([document CIDI/CPD/doc.233/24 rev.2](https://scm.oas.org/IDMS/Redirectpage.aspx?class=cidi/cpd/doc.&classNum=233&lang=e)), specifically the measure to encourage the practice of adopting agreed texts or documents on topics of relevance to CIDI at regular and special CIDI meetings, with a view to strengthening substantive policy dialogue and revitalizing it as a negotiating forum (item 1.j).

Continuing this practice and expanding upon the theme of connectivity, the Secretariat proposes to focus dialogue during the second semester of CIDI on **“Physical connectivity to promote regional trade and integration for economic growth.”** Beyond digital connectivity, physical connectivity can help promote regional trade and integration in Latin America and the Caribbean by improving the flow of goods, services, capital, people, and ideas. Regional integration can help countries overcome barriers that impede trade and cooperation, which can be a constraint to economic growth. Given that physical connectivity requires large investments in infrastructure, the discussions will encourage member states and experts to share experiences and best practices on establishing robust, transparent, and forward-looking regulatory frameworks and structures that can attract private capital for infrastructure investments.

**INTRODUCTION**

Challenges related to physical connectivity impact all member states within the Organization of American States (OAS), affecting their pursuit of resilient socio-economic development. There is a significant need for member states to urgently design and implement policies, strategies, and pragmatic solutions to develop and upgrade transportation and logistics infrastructure to facilitate regional trade and strengthen regulatory frameworks and institutional capacities to support seamless economic integration. Such approaches may be implemented on national, regional, or sub-regional levels, supporting more holistic efforts to drive physical connectivity frameworks and stimulate economic growth throughout the Americas.

For the purposes of CIDI dialogue and discussion at the Council, physical connectivity extends beyond transportation networks. It additionally involves creating efficient, integrated systems that enable smooth movement of goods, services, capital, people, and ideas. Despite progress in some areas, countries in Latin America and the Caribbean continue to face significant logistical challenges that hinder trade and integration for economic growth. Inadequate infrastructure, regulatory barriers, and logistical inefficiencies persist, particularly affecting low-income and rural areas, further compounding existing inequalities and limiting access to broader markets.

This second semester of CIDI meetings will be organized around a series of discussions related to the identified key area of focus, with the goalgoal of generating consensus on a key CIDI resolution or Declaration on the urgent need for securing physical connectivity to promote regional trade and integration for economic growth. The objective is to harness the potential of improved infrastructure and physical connectivity frameworks to drive economic growth and reduce poverty and inequality across the Americas.

**CIDI MEETING STRUCTURE FOR THE SECOND SEMESTER OF 2024**

The second semester of CIDI meetings will be structured as a series of discussions among delegations from member states, leading experts, and strategic partners around concrete initiatives on physical connectivity to promote regional trade and integration for economic growth. Special emphasis will be placed on specific collective and individual actions that can be taken by member states by a given deadline to address this area of urgent need. CIDI will establish a deadline for reporting on the same pursuant to the agreed upon resolution or declaration. Actions and decisions will be linked to the relevant CIDI Ministerial and high-level sectoral processes. Additionally, cooperation for advancing this goal between and among member states and observer members will be solicited and documented for action through CooperaNet.

**PROPOSED CIDI MEETING SCHEDULE FOR JULY-DECEMBER 2024**

**July 30**

*Addressing customs and international regulatory obstacles for trade facilitation*

**August 27**

*Promoting tourism through multi-destination travel*

**September 24**

*Air connectivity to unlock economic growth*

**October 29**

*Modernizing ports through Port Community Systems*

**November 26**

*Connecting cities and regions in the Americas to bolster subnational competitiveness*

**December 12**

*Alleviating transportation and logistics barriers*

**THEMATIC INTRODUCTION TO GUIDE DISCUSSIONS AT MEETINGS**

**July 30, 2024**

*Addressing customs and international regulatory obstacles for trade facilitation*

Trade facilitation refers to the “simplification, modernization, and harmonization of export and import processes,” designed to reduce bureaucratic delays and ‘red tape’ inherent in moving goods across borders.[[1]](#footnote-2) Of these delays, customs and regulatory obstacles represent two critical barriers to trade facilitation within the region. Owing to these burdensome frameworks, Latin America and the Caribbean economies are less integrated into global markets than those of other regions: since the mid-1980s, despite widespread policy efforts to lower trade barriers, the region “has remained more closed than other emerging market regions, and most economies in the region are undertrading.”[[2]](#footnote-3)

The World Trade Organization’s (WTO) Trade Facilitation Agreement (TFA), negotiated at the 2013 Bali Ministerial Conference and which entered into force in February 2017, provides an important framework for trade within the region.[[3]](#footnote-4) Broadly, the Agreement contains provisions for “expediting the movement, release and clearance of goods, including goods in transit,” and outlines measures for “effective cooperation between customs and other appropriate authorities on trade facilitation and customs compliance issues.”[[4]](#footnote-5) As of June 2024, 79.6 percent of TFA commitments have been implemented across the region, with a further 4.7 percent set to be implemented by the end of 2025.[[5]](#footnote-6)

Nevertheless, the region’s weak customs infrastructure—itself a component of a widening regional infrastructure gap—and its low customs Logistics Performance Index[[6]](#footnote-7) have led to persistently stagnated trade. IMF projections from 2023 suggest that closing this infrastructure gap in customs efficiency between Latin America and advanced economies by 10, 20, and 50 percent would increase regional exports by 5, 11, and 30 percent, respectively, and increase regional output by 1.5, 2.5, and 7 percent, respectively.[[7]](#footnote-8) Given its potential for growth, countries in the region are pursuing different approaches towards implementing the TFA and addressing customs obstacles that are already yielding results; an Authorized Economic Operator (AEO) Regional Recognition Arrangement (RRA) arrangement between eleven member states[[8]](#footnote-9) has made it “simpler, faster and more cost-effective for AEO companies to trade across the region.”[[9]](#footnote-10) [[10]](#footnote-11)

Moreover, since the entry into force of the TFA, new technologies have been driving the “servification” of goods, whereby services are used as inputs, or bundled with material goods. The share of services in manufacturing exports is estimated to have reached at least 50%. The importance of trade in services has also grown rapidly in the recent decade, as technological changes spurred by the digital economy have increased the tradability of many services that were once considered nontradable.[[11]](#footnote-12)

Trade in services has become increasingly important for all OAS member states. In Latin America and the Caribbean, this is particularly true for the Caribbean and Central America. At the policy level, more than any other region in the world, the Americas was the first to include services in its trade agreements. Though the provisions of several trade agreements signed by OAS member states with other countries of the region go beyond the provisions established in the 1995 World Trade Organization’s General Agreement on Trade in Services (GATS), few include provisions on financial services, telecommunications, e-commerce and digital services, for example.[[12]](#footnote-13) In this context, what type of framework or measures could help Latin America and the Caribbean better position itself to take advantages of the opportunities trade in services might bring to the region, cognizant of the opportunities driven by the digital economy?

Questions for member states to guide discussion include:

1. What measures can be implemented towards encouraging expedited regional implementation of outstanding TFA commitments?
2. What steps can be taken—both in the short- and long-term—towards closing regional infrastructure gap in customs efficiency and boost trade in the Americas?
3. How can Latin America and the Caribbean better position itself to take advantages of the opportunities trade in services might bring to the region, cognizant of the opportunities driven by the digital economy?
4. How can SEDI coordinate efforts with CICTE to support member states by sharing good practices for more efficient and secure customs procedures that facilitate trade in the Americas?

**August 27**

*Promoting tourism through multi-destination travel*

Tourism is one of Latin America and the Caribbean’s most significant drivers of trade (via exports) and economic development: pre-pandemic, in 2019, the industry accounted for 42 percent of Caribbean exports and 26 percent of GDP; and 10 percent of Latin American exports and 10 percent of GDP.[[13]](#footnote-14) Moreover, tourism’s capacity to physically link the region’s communities and cultures complement its economic advantages, with the sub-regions of the Americas providing significant opportunities for multi-destination travel. However, although some offerings already exist through cruise products and more locally-driven packages designed by tour companies, challenges related to cross-border travel including visa facilitation and air connectivity have constrained the development of these multi-destination tourism products across the Americas.

First articulated in the Medium-Term Strategy to Enhance Tourism Cooperation and Competitiveness in the Americas approved by Tourism Ministers at the XXIII Inter-American Congress of Ministers and High-Level Authorities of Tourism in Peru in 2015, multi-destination travel represents a key mandate[[14]](#footnote-15) derived from the Declaration of Georgetown on Connecting the Americas through Sustainable Tourism, as adopted at the XXIII Inter-American Congress in Guyana in 2018. Nevertheless, a regional approach to tourism product development has yet to be effectively articulated, both owing and leading to a lack of intra-regional connectivity. Even as the region becomes more connected globally, intra-regional air connectivity continues to decline. Fewer than half of Latin America’s main cities are connected by a daily flight, and there are no daily flights between several Central American capitals.[[15]](#footnote-16) In the Caribbean, IATA figures indicate intra-regional air traffic decreased 40% from 2012 to 2017.

Promoting tourism through multi-destination travel therefore requires the thoughtful development of a reliable intra-region or inter-island network of flights. The objective here is twofold: (1) to increase multi-stop visits from outside the region, and (2) to increase regionally-sourced tourism. Such an objective is timely given the concept of multi-destination travel is gaining in popularity; in 2023, ticketing data from *ForwardKeys* revealed U.S. travelers were “staying longer and increasingly taking multi-destination holidays.”[[16]](#footnote-17) Moving ahead, the region needs to develop an appropriate value proposition—and the requisite travel infrastructure—to facilitate the increased connectivity needed for regional multi-destination travel.

Visa facilitation presents another obstacle to overcome towards effectively implementing multi-destination frameworks. Each OAS member state has distinct visa regulations for entry, a process not conducive to seamless multi-destination travel. For the CARICOM region in particular, though a single-visa regime has previously been articulated[[17]](#footnote-18)—and, in fact, implemented singularly for the 2007 ICC Cricket World Cup—the concept has not reached regional consensus.

Questions for member states to guide discussion include:

1. What steps are being taken to support the development of multi-destination tourism in Latin America and the Caribbean, considering that a regional approach to tourism product development has yet to be effectively articulated?
2. How will governments address the challenges related to visa facilitation to promote seamless multi-destination travel across the region, given that a cohesive regional strategy for tourism is still lacking?
3. What specific measures are being planned to create a robust value proposition and the necessary travel infrastructure to enhance multi-destination travel opportunities in the region?

**September 24**

*Air connectivity to unlock economic growth*

The member states that comprise the OAS—11 of which are island nations—are spread out over some 16.4 million square miles. Lacking the extensive connective infrastructure of other land masses, the region instead relies on air transport to connect member states to the rest of the world and with each other. Expanding, optimizing, and scaling the region’s air transport infrastructure are important considerations towards promoting regional trade and integration for economic growth, while improving air connectivity minimizes costs for travelers, promotes tourism, and encourages greater levels of foreign direct investment.

The roughly 141 airports across Latin America and the Caribbean serve 2.6 million flights and connect 385 cities in the Americas.[[18]](#footnote-19) Moreover, the region’s airport sector provides nearly 5 million jobs, with 153 billion dollars of GDP either directly or indirectly related to aviation.[[19]](#footnote-20) Nevertheless, between 2008 and 2015, *ECLAC* figures note that the region invested under $20 billion in air transport infrastructure – at 0.05% of regional GDP, this makes aviation “the mode of transport that receives the least public and private investment.”[[20]](#footnote-21) Were the necessary investments made to prioritize air connectivity, it is estimated demand could rise by over 50 million passengers – creating over $42 billion in additional GDP and supporting nearly one million additional jobs.[[21]](#footnote-22)

Within the region, a causal link between air connectivity and economic growth has been established,[[22]](#footnote-23) though the mechanisms by which expanding connectivity spurs economic growth are varied. In its ‘Air Transport Competitiveness and Connectivity’ report, the *Caribbean Development Bank* lists several: increased foreign exchange, employment, and incomes; investments in new infrastructure; economies of scale; and the diffusion of technical knowledge.[[23]](#footnote-24) Capitalizing on these mechanisms is critical given that post-Covid global connectivity remains on the rise: the World Bank Group’s 2023 Air Transport Annual Report notes that connectivity on international and domestic routes grew by 28 percent and 10 percent, respectively.[[24]](#footnote-25) As a whole, however, the region still lacks sufficient connectivity to support its developing economies.

Air connectivity is of particular significance to the Caribbean; 2017 figures from the *World Tourism and Travel Council* estimate travel and tourism contributed 15.2 percent to its GDP.[[25]](#footnote-26) However, the Caribbean has in recent years experienced a steep decline in intra-regional connectivity – between 2008 and 2018, only Guyana (+14%) and Trinidad and Tobago (+9%) saw a positive percentage change in regional connectivity.[[26]](#footnote-27) A number of interrelated and overlapping factors have precipitated this decline. For example, travelling within the Caribbean is costly for both passengers and carriers with high operating costs via steep aviation taxes and complex regulatory frameworks preventing economies of scale. Nevertheless, with respect to the latter, CARICOM has made some progress by attempting to liberalize its Air Service Agreements[[27]](#footnote-28) with its member states. In 2018, a handful of CARICOM member states signed a revised Multilateral Air Service Agreement—first introduced in 1996—which, if implemented, would expand “the scope for airlines owned by CARICOM nationals to provide air services throughout the 15-member grouping” and “allow for no restriction on routes, capacity, or traffic rights.”[[28]](#footnote-29) At its recent Heads of Government meeting in St. George’s, Guyana, CARICOM once again considered operationalizing its Multilateral Air Services Agreement.

Looking ahead, a variety of mechanisms are proposed to expand air connectivity to unlock economic growth. Though many are strictly financial in nature—reducing aviation taxes and airport charges—others, including strengthening regional regulatory frameworks, speak to the need for greater coordination between and among governments and transport and tourism ministries. Nevertheless, all mechanisms must balance increasing air connectivity with reducing its environmental impact. Within the context of the CIDI Ministerial process on Sustainable Development, member states adopted the *Declaration of Nassau* in 2023, resolving to “strengthen the implementation of mitigation action through the reduction, sequestration and elimination of greenhouse gas emissions,” and urging member states to position CIDI as “the preeminent forum in the Americas where all member states can gather to deliberate on the pressing issues of sustainable development and climate action and build collective approaches to common solutions.”[[29]](#footnote-30) The goal of simultaneously increasing air connectivity while strengthening climate action is consistent with other multilateral efforts such as the 2022 pledge by the International Civil Aviation Organization (ICAO) to achieve net zero carbon emissions by 2050.

Questions for member states to guide discussion include:

1. What steps can be taken to better integrate Latin America and the Caribbean with the global tourism market and the enhance the viability of its intra-regional air networks?
2. How can the region balance prioritizing air connectivity with its commitments to lower emissions?
3. How can the region support the regulatory environment required to create a single market for air transport services within CARICOM member states?

**October 29**

*Modernizing ports through Port Community Systems*

Port Community Systems (PCS) are defined as “digital collaborative platforms that enable seamless exchange of information among a port’s many stakeholders, including customs agencies, port management, shipping and logistics companies, and freight forwarders.”[[30]](#footnote-31) Such a streamlined ecosystem enhances the efficiency of port logistics and operations, in turn leading to eased regulatory frameworks, and enabling more effective supply chain management. Within the context of this semester’s CIDI dialogue, discussions around modernizing ports through PCS offer an effective corollary to ongoing regional approaches towards “affirming the essential role of dynamic and resilient digital ecosystems in supporting vibrant digital economies” as articulated at the Ninth Summit of the Americas in 2022.[[31]](#footnote-32)

Furthermore, within the framework of the CIDI Ministerial process, the discussion supports the implementation of the Resolution of Roatan 2023 “*Technological Innovation: Cross-Cutting Tool for Port Modernization*” ([document CIDI/CIP/doc. 4/23 corr. 1](https://portalcip.org/wp-content/uploads/2024/02/CIP01329E02-ENG.pdf)) adopted by member states at the Thirteenth Regular Meeting of the Inter-American Committee on Ports (CIP).[[32]](#footnote-33) The resolution underscores that the “unprecedented impact of the health emergency imposed by the Covid-19 pandemic significantly accelerated the digitalization of port management processes and that CIP National Port Authorities continue fostering the growing trend of digitalizing and automating port processes through Port Community Systems or similar mechanisms for greater efficiency.” The CIP is offering technical assistance and creating opportunities for member states to share best practices and experiences on deploying PCS throughout the region.

PCS offer three particular advantages for Latin America and the Caribbean with respect to increased trade and integration for economic growth: (1) economic benefits (reduced communication and information costs); (2) performance benefits (faster access to critical information and more efficient resource usage); and (3) sustainability benefits (improving and optimizing business functions).[[33]](#footnote-34) Considering that maritime (and river) transportation in the region accounts for nearly 95% of its international trade,[[34]](#footnote-35) and because of the interconnectedness of shipping networks across the Americas requiring that all ports along the chain operate efficiently, widespread regional PCS adoption—particularly in this post-pandemic era of rapidly increasing trade—would leverage a more modernized approach towards improving the very same ecosystems it depends on.

Ongoing barriers to adopting and implementing PCS limit the region’s capacity to effectively modernize its ports. PCS require extensive cooperation and coordination across a port’s varied stakeholders, which may prove challenging given how the region’s ports vary in their degree of decentralized port governance and in their capacities for inter-institutional collaboration. [[35]](#footnote-36) Moreover, a culture of paper-based record-keeping permeates regional port environments, with digitization seen as a threat to the status quo particularly for the SIDS[[36]](#footnote-37) which comprise the OAS.

Member states are encouraged to consider the following guiding questions for discussion:

1. What funding mechanisms can be developed to support the widespread adoption and maintenance of PCS in ports across Latin America and the Caribbean?
2. How can member states ensure that all stakeholders, including customs agencies, port management, and logistics companies, are effectively integrated into PCS for seamless operations?
3. What measures can be taken to enhance cooperation and coordination among the varied stakeholders involved in port operations to overcome barriers to PCS implementation?
4. Considering the Resolution of Roatan 2023, what regional policy changes and regulatory frameworks are needed to support the implementation and operation of PCS?

**November 26**

*Connecting cities and regions in the Americas to bolster subnational competitiveness*

CIDI’s most recent semester made clear that the regional imperative on connectivity and closing the region’s digital divide provides meaningful pathways for its continued socioeconomic development. This thematic background provides needed context for how physically connecting cities and regions in the Americas can bolster subnational competitiveness, particularly in today’s technology- and innovation-driven global economy. Here, subnational competitiveness is understood as the capacity of a region’s businesses to export their productive activities relative to businesses from other regions within a particular country. Though traditional discourse on competitiveness revolves around nations or regions, breaking it down into its constituent elements more clearly articulates the policies needed to capitalize on local expertise and other local resources. Accordingly, this subnational focus is an important corollary to ongoing thematic dialogue on physical connectivity to promote regional trade and integration for economic growth.

Latin America and the Caribbean have historically underperformed in indices measuring competitiveness and innovation relative to their level of economic development. Recent studies prove no different: in the 2023 Global Innovation Index, Brazil (49th) and Jamaica (78th) rank highest in Latin America and the Caribbean, respectively.[[37]](#footnote-38),[[38]](#footnote-39) Though on a macro level the regional forecast may seem bleak, focusing on the subnational level does reveal encouraging signs. ECLAC’s recently launched *Platform of Cluster Initiatives and Other Territorial Productive Articulation Initiatives* gives “visibility to the various initiatives for territorial productive coordination and promotes joint action to strengthen them.” This subnational approach aims to connect policies, decisions, and approaches to socioeconomic development towards a regional community of institutions supporting productive development.

Within the context of the OAS, the Inter-American Competitiveness Network’s Working Group of Experts of Subnational Competitiveness (GTECS)[[39]](#footnote-40) defines and recommends strategies to enhance subnational competitiveness by exchanging experiences with other subregions, countries, and institutions from across the Americas and around the world. The GTECS framework considers various methodologies for measuring subnational competitiveness, taking into account the growing trend of measuring traditional “hard” factors—GDP, total exports, productivity—alongside so-called “soft factors” such as quality of life and sustainability. However, the quality of regional information—and the various methodologies themselves—create challenges to effectively measuring and comparing subnational competitiveness.

Looking ahead, the region’s governments must consider a number of responses geared at bolstering subnational competitiveness. One such response is investment in their own innovation economies, an area which significantly lags behind more developed countries: whereas the U.S. invests 3 percent of its GDP in research and development, the region as a whole invests only 0.67 percent.[[40]](#footnote-41) Another response is to create the enabling environments required for addressing local challenges to subnational competitiveness, including through investment in STEM education, digital connectivity, and innovation capacity. Any approach should capitalize on the dual understanding the subnational approach allows for – considering strategies tailored to both national priorities and on-the-ground local realities.

Questions for member states to guide discussion include:

1. How can government policies balance efforts to bolster subnational competitiveness by targeting subregions with the greatest capacity for high returns on investments, and those which need the most government support?
2. How can the region improve how it measures and compares subnational competitiveness?
3. How can governments ensure that strategies to enhance subnational competitiveness are aligned with both national priorities and local realities?

**December 12**

*Alleviating transportation and logistics barriers*

Robust transportation infrastructure and efficient logistics are prerequisites for modern, globally connected economies. Both concepts are interrelated and exhibit significant overlap; the transportation of goods is a critical component of logistics, and logistics directly influences how efficiently goods are transported. Within the context of public policy, the IDB outlines the three critical drivers of logistics efficiency: (1) infrastructure (road, port, airport and railroad infrastructure, logistics platforms, warehouses, distribution centers and border crossings); (2) services (road, maritime, river, air, rail transportation, and logistics services); and (3) regulatory and institutional frameworks.[[41]](#footnote-42) The World Bank’s Logistics Performance Index, introduced during CIDI’s first session, highlights that the region lags “significantly in the performance of all of these components.”[[42]](#footnote-43),[[43]](#footnote-44) Transportation infrastructure quality and customs efficiency represented the aggregate components with the lowest scores within the multidimensional matrix.

Improving the region’s poor logistics performance can therefore alleviate transportation and logistics barriers, which, in turn, create environments more conducive to promoting regional trade and integration for economic growth. IDB estimates predict that an increase of one unit (using the 1 to 5 scale) in the quality of a country’s logistics services would increase its exports by roughly 7 percent, with a predicted 5 percent increase if the quality of its transportation infrastructure were similarly improved by one unit.[[44]](#footnote-45) How exactly the region improves its logistics, however, remains a pervasive challenge. As far back as 2014, an IDB publication contended that the region’s then nascent participation in global value chains “raises the importance of the transport and logistics infrastructure agenda to a new level.”[[45]](#footnote-46)

More recent studies place emphasis on the region’s infrastructure shortcomings. More than 60 percent[[46]](#footnote-47) of the region’s roads are unpaved—particularly concerning given that “more than 85 percent”[[47]](#footnote-48) of domestic freight is moved across the Americas by road—and regional rail transport is almost non-existent. These barriers to effective, integrated transportation infrastructure further decrease the region’s competitiveness in logistics, and investment has historically been lacking. Whereas the World Bank estimates East Asia and the Pacific invest approximately 8 percent of GDP in infrastructure, Latin America and the Caribbean invest only approximately 3 percent of GDP.[[48]](#footnote-49)

To respond to low levels of public spending, fiscal constraints, and high levels of indebtedness, the region has recently begun scaling public-private partnerships to finance much needed investments in infrastructure. In 2021, Latin America secured nearly $19 billion from private investors, though the majority—over 90 percent—went to just two countries (Brazil and Mexico).[[49]](#footnote-50) The more equitable distribution of financial resources towards improving the region’s transportation infrastructure and efficient logistics will help secure the physical connectivity needed to promote regional trade and integration.

Questions for member states to guide discussion include:

1. Beyond efforts focused on the national level, what specific investments in road, port, airport, and railroad infrastructure are needed to enhance logistics efficiency across the Americas?
2. How can the OAS facilitate member state collaboration to guide the development of regional logistics platforms to improve the overall quality of logistics infrastructure?
3. How can member states incentivize the development and expansion of high-quality logistics services to enhance the region’s logistics performance?
4. Building on CIDI’s previous semester, how can member states incorporate advanced technologies

and digital solutions to improve logistics efficiency?

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2. International Monetary Fund (IMF). 2015. *Regional Economic Outlook, Western Hemisphere Department, “Trade Integration in Latin America and the Caribbean: Hype, Hope, and Reality*.

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3. The TFA has been adopted and entered into force in all active member states except Haiti and The Bahamas (not a member of the WTO). [↑](#footnote-ref-4)
4. World Trade Organization. *Protocol Amending the Marrakesh Agreement on Establishing the World Trade Organization – Decision of 27 November 2014.*

   <https://www.wto.org/english/res_e/booksp_e/sli_e/11tfa.pdf> [↑](#footnote-ref-5)
5. World Trade Organization. *Trade Facilitation Agreement Database – Latin America and the Caribbean.*

   <https://www.tfadatabase.org/en/regions/latin-america-the-caribbean> [↑](#footnote-ref-6)
6. The World Bank’s Logistics Performance Index is a “benchmarking tool to help countries identify the challenges and opportunities they face in their performance on trade logistics.” [↑](#footnote-ref-7)
7. International Monetary Fund. 2023. *Trade Integration and Implications of Global Fragmentation for Latin America and the Caribbean (Background Paper 2).*

   <https://www.imf.org/-/media/Files/Publications/REO/WHD/2023/October/English/background-paper-2-en.ashx> [↑](#footnote-ref-8)
8. Argentina, Bolivia, Brazil, Colombia, Costa Rica, Chile, Dominican Republic, Guatemala, Paraguay, Peru, and Uruguay. [↑](#footnote-ref-9)
9. Global Alliance for Trade Facilitation. *Regional Customs Cooperation: Latin America*. [↑](#footnote-ref-10)
10. In Brazil, for example, per the Global Alliance for Trade Facilitation, export and import clearance for AEO companies is on average 65 percent and 81 percent faster than those of non-AEO companies. [↑](#footnote-ref-11)
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    <https://publications.iadb.org/en/trade-services-latin-america-and-caribbean-overview-trends-costs-and-policies> [↑](#footnote-ref-12)
12. More information on the region’s trade agreements—including bilateral trade agreements both with member states and other countries—can be found on the OAS Foreign Trade Information System (SICE) [webpage](http://www.sice.oas.org/Default_e.asp). [↑](#footnote-ref-13)
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16. Forward Keys. 2023. *Travel Retail bounces back in 2023*.

    <https://forwardkeys.com/travel-retail-bounces-back-in-2023/> [↑](#footnote-ref-17)
17. Though the concept was introduced as far back as 2007 vis-à-vis a ‘Single Domestic Space,’ Jamaica’s Minister of Tourism, Edmund Bartlett, has more recently led the charge for a single CARICOM Visa. [↑](#footnote-ref-18)
18. ECLAC FAL Bulletin 370. [↑](#footnote-ref-19)
19. SEO Amsterdam Economics. 2016. *Economic benefits of reducing aviation taxes in Latin America and the Caribbean*.

    <https://www.seo.nl/en/publications/economic-benefits-of-reducing-aviation-taxes-in-latin-america-and-the-caribbean/> [↑](#footnote-ref-20)
20. ECLAC FAL Bulletin 370. [↑](#footnote-ref-21)
21. ECLAC FAL Bulletin 359. 2017. *Air transport as a driver of sustainable development in Latin America and the Caribbean: challenges and policy proposals.* [↑](#footnote-ref-22)
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