

TC ABSTRACT

I. Basic Project Data

▪ Country/Region:	SURINAME/CCB - Caribbean Group
▪ TC Name:	Support for Improving Transport Logistics and Competitiveness in Suriname
▪ TC Number:	SU-T1105
▪ Team Leader/Members:	ZAMORA MURILLO, EDGAR (INE/TSP) Team Leader; PERSAUD, CHRISTOPHER (INE/TSP) Alternate Team Leader; CASTRO LANCHARRO, BORJA (INE/TSP); CROTTE ALVARADO, AMADO (INE/TSP); MAIA RIBEIRO, KARISA (INE/TSP); CASTRO LANCHARRO, BORJA (INE/TSP); BALADI RODRIGUEZ, AZIZ (INE/TSP); JIMENEZ MOSQUERA, JAVIER I. (LEG/SGO); LUTZ, LIZA M. (LEG/SGO); PEREZ JARAMILLO, DANIEL (INE/TSP); RODRIGUEZ CABEZAS, PAOLA KATHERINE (INE/TSP)
▪ Taxonomy:	Operational Support
▪ Number and name of operation supported by the TC:	Improving Transport Logistics and Competitiveness in Suriname-SU-L1057 - 1.Support for Preparation
▪ Date of TC Abstract:	13 Nov 2018
▪ Beneficiary:	Minsitry of Public Works
▪ Executing Agency:	INTER-AMERICAN DEVELOPMENT BANK
▪ IDB funding requested:	\$ 500,000.00
▪ Local counterpart funding:	\$ 0.00
▪ Disbursement period:	24 months
▪ Types of consultants:	Individuals; Firms
▪ Prepared by Unit:	Transport
▪ Unit of Disbursement Responsibility:	Infrastructure & Energy
▪ TC included in Country Strategy (y/n):	Yes
▪ TC included in CPD (y/n):	Yes
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Productivity and innovation ; Institutional capacity and rule of law

II. Objective and Justification

- 2.1 The main objective of the operation is to increase Suriname's competitiveness and productivity by improving the logistic performance that is key to the agricultural sector. This is to be achieved through three components that are aimed at tackling the most important bottlenecks regarding the logistic performance and institutional strengthening. Specifically, the program aims to identify: (i) systems, equipment and infrastructure to improve quality and efficiency of the infrastructure and operations of the port; (ii) sections of road networks related to the port to lower logistic costs, particularly transportation costs, travel times, improve safety and climate resilience; and (iii) provide a framework for institutional strengthening to improve transport sector planning capacity.
- 2.2 Although extractives have been a main source of economic growth and external trade, agriculture products also play a significant role regarding export products and represent a potential sector to improve competitiveness and diversification, according to the IDB Strategic Assessments (See IDB Strategy with Suriname). Main agriculture products that are exported include bananas, rice, shrimp, and fish. Total annual production of rice and bananas can exceed 250.000 and 50.000 tons, respectively;

while fish and shrimp catches can amount, together, more than 40.000 tons. Out of the total production, more than 40 % of rice and shrimp, 90 % of bananas, and 70 % of fish are exported. Moreover, the Port of Paramaribo is a key part of the logistic chain of these products since it is the gateway for all bananas and shrimp exports, and more than 80 % of fish and rice exports.

- 2.3 Improving logistic performance for agriculture and other productive value chain requires an especial focus on transport infrastructure and logistic services. Several setbacks for main products such as rice, bananas, shrimp and fish can be identified along the logistic chain, that is, from the crops to the port. Some of these setbacks or bottlenecks include: deteriorated road infrastructure and low axis-load capacity, congested urban roads, costly and long customs procedures (e.g. seal processes, security checks, paperwork), difficult access to the port facilities, operation hours of the port and optimization of berth use for the loading of containers.
- 2.4 Along the logistic chain, some of the bottlenecks within the last mile are consistently the most cited problems according to different stakeholders. Specifically, the main road to the port is a 4 km street with an average day traffic of over 40.000 vehicles. This road presents some problems regarding traffic management, deteriorated infrastructure and climate resilience capacity. Moreover, the main operational constraint faced by the Port of Paramaribo is the congestion at the gates as trucks arrive to pick up or drop off cargo. Even though the port is operationally flexible, it does not have a formalized scheme of operation of 24 hours. Trucks tend to collect cargo in the afternoon period and since the port has only one gate, this creates congestion backing onto the main roads outside of the port. The lack of an integrated information system (Port Community System) is the second constraint in the Port of Paramaribo. These systems commonly provide a platform that connects the multiple systems operated by the different of organizations that make up a port community allowing logistical information to be shared timely and efficiently. Security checks on containers entering the port are still being done manually by customs agents, which requires significant resources and time. This results in all containers having to be physically checked and resealed before it is finally loaded onto the vessel. As a result, a truck can stay up to 5 hours on average in the Port Facilities.

III. Description of Activities and Outputs

- 3.1 Component I: Technical Studies for the Improvement of the Transport Logistics in Paramaribo port. The main objective of this component is to conduct a technical and financial assessment on the port and its main access roads in order to determine the investments needed to increase the competitiveness and productivity of the port facilities regarding cargo flows. This study will also include an analysis of the main access roads to the port that connect the logistic facilities with its hinterland. The consultancy will cover data gathering (traffic counts, origin-destination data, cargo handling data, among others), modelling and projection of traffic and handling demands, a comprehensive analysis of road's traffic and infrastructure as well as a detailed operation analysis of the port. Finally, the study will conclude with a technical feasibility design that will cover an identification of most feasible solutions for the improvement of the port performance, an identification of port and road improvements, as well as an inventory of required Intelligent Transport Systems and a layout of a Port Community System (PCS). A microsimulation will also be developed in order to determine different scenarios, identify capacity constraints and determine aggregate service level.
- 3.2 Component II: Road Feasibility Study . This study will analyze the challenges found in the main access roads to the port, highlighting the status of the pavement and the recurrent congestion. This component will also carry out feasibility designs considering climate adaptation standards. The following road sections are going to be considered

for this study: i) van 't Hogerhuysstraat - 4 km between Latourweg and Molenpad, ii) Willem Campagnestraat 1 km between the roundabout Slangenhoutstraat and Hernhutterstraat, iii) Slangenhoutstraat and Hernhutterstraat – 2 km; and iv) Molenpad Road – 1 km from the north entrance of the port till the J.A.Pengelstraat. In addition, feasibility designs are also going to be developed for the replacement of the 2-lane van 't Hogerhuysstraat Bridge with a 4 lane bridge. This component is complementary to component 1 and it is intended to improve the efficiency of the port and contribute to the sustainability of the outcomes of the project by improving its climate resilience.

3.3 **Component I: Technical Studies for the Improvement of the Transport Logistics in Paramaribo port.** Conduct a technical and financial assessment on the port and its main access roads in order to determine the investments needed to increase the competitiveness and productivity of the port facilities regarding cargo flows.

3.4 **Component II: Road feasibility study .** Analyze the challenges found in the main access roads to the port, highlighting the status of the pavement and the recurrent congestion.

IV. Budget

Indicative Budget

Activity/Component	IDB/Fund Funding	Counterpart Funding	Total Funding
Technical Studies for the Improvement of the Transport Logistics in Paramaribo port	\$ 150,000.00	\$ 0.00	\$ 150,000.00
Road feasibility study	\$ 350,000.00	\$ 0.00	\$ 350,000.00

V. Executing Agency and Execution Structure

5.1 The IDB will be executing this TC, through the transport division (INE/TSP). The activities to be executed under this operation will be included in the Procurement Plan and will be executed in accordance with the Bank's established procurement methods, namely: (a) Hiring of individual consultants, as established in AM-650 standards; (b) Contracting of consulting firms for services of an intellectual nature according to GN-2765-1 and its associated operational guides (OP-1155-4) and (c) Contracting of logistics services and purchase of goods in accordance with the GN-policy. 2303-20.

5.2 The IDB will be executing this TC, through the Transport Division (INE/TSP) given its relevant experience and inhouse capability on the subject of transport logistics and multi -modal connectivity. The Ministry of Works existing institutional capacity is geared towards the execution of infrastructure works and it does not have the capacity to supervise the logistic, technical and economic studies which are contemplated in the TC.

VI. Project Risks and Issues

6.1 There are no risks identified for this TC, since it consists of studies. The only risk identified might be the delay preparing those studies. To mitigate this risk, the project team has already started to identify potential consultancy firms that could conduct the proposed interventions.

VII. Environmental and Social Classification

7.1 The ESG classification for this operation is "undefined".