

**THE POLICY RECOMMENDATIONS HIGHLIGHTED
BY THE 5TH MEETING OF THE TRANSPORT AND COMMUNICATIONS WORKING GROUP**

Distinguished Members of the COMCEC Transport and Communications Working Group,

The COMCEC Transport and Communications Working Group (TCWG) has successfully held its 5th Meeting on February 12th, 2015 in Ankara, Turkey with the theme of *“Evaluating the Ownership, Governance Structures and Performances of the Ports in the OIC Member States”* with the active participation of the Member Countries. During the Meeting, delegates of the member states made deliberations on enhancing port efficiency in the Member Countries and possible policy actions to be taken to approximate Member State policies in port governance and performance. The Analytical Study submitted to the TCWG Meeting as well as the answers of the Member Countries to the policy questions sent to the Member States by the COMCEC Coordination Office (CCO) were the main inputs for the discussions. This document includes the policy recommendations highlighted during the Meeting.

The Member States of the TCWG are kindly invited to share their observations on the document to the COMCEC Coordination Office by April 30th, 2015. The comments received before April 30th, 2015 will be able to be incorporated into the Document. After incorporating the Member States' contributions, this document will be submitted to the 31st Meeting of the Follow-up Committee of the COMCEC as well as 31st Session of the COMCEC to be held on 13-14 May 2015 and 23-26 November 2015 respectively, as an outcome of the 5th TCWG Meeting.

The Transport and Communications Working Group underscored the importance of:

Policy Advice I: Member states are invited to enhance the private sector participation in the port sector

Rationale:

Traditionally, ports have been owned, operated and regulated by state-controlled public organizations. However, with the introduction of private sector participation (PSP) in ports, new forms of port administration and new models of port ownership and institutional structuring have emerged. PSP in port operations has been growing strongly as a result of a view that public owners and operators, relative to private ones, are less able (and have fewer incentives) to control costs, are slower to adopt new technologies and management practices, and are less responsive to the needs of port users relative to the private owners and operators. Countries leading the way in private participation have been able to attract significant private capital investment to develop port infrastructure and modernize superstructure and terminal services. Under private management, ports usually improve operational efficiency, labor productivity, and service quality.

Policy Advice II: Member states are encouraged to establish port regulators

Rationale:

An independent port regulator is essential to control entry (entry regulation), to determine tariff (rate regulation), to set the performance standards (performance regulation and yardstick benchmarking), and (sometimes) to set technical standards (health and safety, security, environmental, and labor regulation). Additionally, the regulator may be required to act as an arbitrator to handle disputes.

At the same time, it might be better to put in place a multi-sector regulator for ports and transport logistics sector as a whole to cover dry ports and freight logistics sectors as well.

Policy Advice III: Member states are called on to promote intermodal container transportation

Rationale:

The introduction of containerization triggered complementary technological and organizational changes that accelerated the globalization of the world economy since the 1960s. From a transportation technology perspective, containerization resulted in the introduction of intermodal freight transport, since the shipment of a container can use multiple modes of transportation without any handling of the freight when changing modes. By eliminating separate handlings of the cargo, the container resulted in linking the producer closer to the customer.

On the other hand, containerization requires major technological changes in port facilities. OIC ports must therefore adapt their port infrastructure, operations, equipment, and ICT systems accordingly while training and educating highly qualified and technically specialized port workforce.

Instruments to Realize the Policy Advices:

COMCEC Transport and Communications Working Group: In its subsequent meetings, the Working Group may elaborate on the above mentioned policy areas in a more detailed manner.

COMCEC Project Funding: Under the COMCEC Project Funding, the COMCEC Coordination Office calls for projects each year. With the COMCEC Project Funding, the Member Countries participating in the Working Groups can submit multilateral cooperation projects to be financed through grants by the COMCEC Coordination Office. For the above mentioned policy areas, the Member Countries can utilize the COMCEC Project Funding and the COMCEC Coordination Office may finance the successful projects in this regard. These projects may include organization of seminars, training programs, study visits, exchange of experts, workshops and preparing of analytical studies, needs assessments and training materials/documents, etc.

Capacity Building Activities: With the COMCEC Coordination Office’s resources and Member Countries’ own resources, some capacity building and technical assistance programs on the aforementioned policy areas can be organized in the Member Countries. These programs and activities may include organization of seminars, training programs, study visits, exchange of experts, workshops and preparing of analytical studies, and other similar activities.

