



THE ROYAL NORWEGIAN MINISTRY  
OF DEVELOPMENT COOPERATION

# Evaluation Report 4.84



**ESCAP  
SHIP USER'S  
CO-OPERATION  
PROJECT**

R E P O R T

OF

THE EVALUATION TEAM FOR THE SHIP USERS' CO-OPERATION PROJECT  
(SUCOP)

UNDER

THE UNITED NATIONS ECONOMIC AND SOCIAL COMMISSION FOR ASIA AND  
THE PACIFIC (ESCAP)

APPOINTED BY

THE ROYAL NORWEGIAN MINISTRY OF DEVELOPMENT CO-OPERATION

Oslo, October 1984

The views and interpretations expressed  
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### THE EVALUATION TEAM

The evaluation team of the SUCOP PROJECT has consisted of the following persons:

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Mr. W T Ellawala  
Mr. Geir Moe Sørensen  
Mr. Sven Persson

The field work of the team was carried out in the period between August 6 and August 30, 1984, when the team visited the following countries:

Thailand (Bangkok)  
China (Beijing and Shanghai)  
The Philippines (Manila)  
Singapore  
Malaysia (Kuala Lumpur)  
Bangladesh (Dhaka)  
India (Calcutta and New Dehli)

In Appendix 1 is given an overview of institutions visited and persons interviewed in the different countries.

The terms of reference of the evaluation mission is attached as Appendix 2.



## 1 SUMMARY OF FINDINGS AND RECOMMENDATIONS

The main task of the evaluation team was to assess to what extent the SUCOP (Ship-users' Co-operation Project) has achieved the goals set in the programmes agreed upon by the Norwegian government and the ESCAP (The UNITED NATIONS Economic and Social Commission for Asia and the Pacific), and to present its recommendations regarding the continuation of the project.

### 1.1 The Objectives of SUCOP (chapter 2)

The main objective of the SUCOP project was to contribute to the economic development of the region by

- demonstrating to the shippers the benefits to be derived from cooperation, and to assist them in building up efficient organizations
- teaching the shippers/exporters transport and shipping economics, operation and management, thus enabling them to negotiate efficiently with shipowners (particularly with liner conferences), to define transport requirements and to cooperate with shipowners and government bodies in order to find solutions to total transport problems

### 1.2 The Activities of SUCOP (chapter 4)

SUCOP has been in operation since 1971, when the first financial grant was provided by Norway. Further aid has been granted for 1974 and during the years 1976-1984.

The main activities of SUCOP have been

- advisory service and institutional support, leading to the establishing and strengthening of national shippers councils and regional federations of shippers councils
- regional and country-level workshops and seminars
- preparation of training aids, including textbooks, for the educations of shippers and related groups of personnel

- collection and production of information on maritime matters
- promotion of cooperation between ship-users, shipping companies and authorities involved in shipping and trade
- assistance to countries in their efforts to modernize and up-date curricula in economics and shipping management
- assistance with the solution of specific transport problems in member countries

### 1.3 The Fulfilment of Objectives (chapter 5)

In the opinion of the evaluation team, SUCOP has to a considerable degree attained the goals aimed at. The project has had considerable effect in the direction of improving the shippers situation and creating better balance between shippers and ship-owners in freight-rate and other negotiations.

SUCOP has advised on the establishment of shippers' organizations.

Some specific problems have been solved through sub-projects carried out in individual countries or regions. Assistance has been rendered in connection with the modernization of study programmes in shipping economics and management.

A considerable amount of valuable teaching materials have been provided. Greater effort should at an earlier stage have been made to present the material as general and practical textbooks on specific topics.

The evaluation team has observed that shifts of emphasis and to some extent even a shift of policy has taken place in the course of the project period. One such shift was the extension of the target group in the late 1970's, when shipowners, port authorities and other people interested in shipping were invited to the workshops and involved in cooperative activities together with ship-users and government representatives.



Another shift of emphasis occurred round 1980, when the project management became engaged in the reform and development of national educational systems. Considerable effort has since then been put into a Chinese programme for the updating of curricula and training methods in economics at the Shanghai Maritime Institute.

The evaluation team feels that the shifts ought to have been subjected to more thorough discussions between NORAD and ESCAP. It is our impression that in general NORAD has been passive in the execution of its monitoring role. When in addition ESCAP's advisory group was dissolved round 1980, the decision-making was to an unreasonably great extent left to the secretariat and the project management.

The project has been implemented by ESCAP's secretariat and the advisory group. The group should at an early stage have included more representatives of shippers and traders.

The evaluation team considers that the scope of the project has been too broad. Greater priority should have been given to the fulfilment of the objective in a narrow sense. The programme could have been better off with greater concentration on its main activities.

Up to 1978, the activities were largely run at the regional level, and foreign (European) expertise was relied upon for lecturing and advisory tasks. After 1978, more country-level workshops were organized, but even then relatively few local experts were brought into the picture, although teacher training had been given to ship-users in the region.

A prime principle in the development of SUCOP was that the development of knowledge and expertise should remain in the region. Another principle was that activities and services should be initiated and conducted within ship-user bodies in the region, thus helping to strengthen national ship-user institutions.

SUCOP should, therefore, to a larger degree have used local resources both to develop self-reliance in competence and to strengthen the organizational structures.

The secretariat of SUCOP ought to have been stronger. SUCOP has been a large programme both measured in money and activities. The secretariat should at an early stage have been strengthened with at least one expert working full time. In that way both the contact with member countries and the preparation of the programme could have been followed up more actively.

The evaluation team agrees with the ESCAP secretariat that the activities must now be transferred to the country level so that the countries can become self-reliant by the time SUCOP is discontinued. The team is of the opinion that even more efforts should be devoted to this end than suggested by the secretariat. This point of view is the foundation for the recommendations presented by the team.

#### 1.4 Recommendations (chapter 6)

The main recommendations of the evaluation team are as follows:  
1 The SUCOP should be continued and funds be provided for another four years (including the phasing out funds and funds for strengthening the secretariat during 1987 and 1988). The level of support should be in accordance with the request, but substantial reallocations should be made with a view to escalate the country-level activities (chapter 6.4).

The activities should be concentrated on manpower development and practical advice to shippers' councils. Local expertise should be used in the programmes, primarily people educated through SUCOP. Detailed programmes should be submitted by the ESCAP for 1985 and 1986.



- 2 The secretariat should be strengthened through the employment of a highly competent officer drawn from the region and linked directly to the SUCOP project. This officer must be well acquainted with the project.
- 3 To assist in work planning and project follow-up, an advisory committee should be appointed for the duration of SUCOP. The committee should consist of experts representing shippers and Governments. Representatives of the SUCOP secretariat and the Government of Norway should participate.
- 4 The Ministry of Development Cooperation should draw upon expertise in other ministries for the monitoring of the project and for consultations with ESCAP during the remaining period.
- 5 All possible efforts should be made to transfer the SUCOP activities to the national level and integrate the training programmes in each country's educational pattern.
- 6 The off-shoot projects proposed for China in addition to teacher training - undergraduate study in economics, a project on maritime law, and modernization of seamen's training - should be approved and given support. If possible, this programme should be taken out of the SUCOP sphere and considered for bilateral grant.
- 7 If capacity within the programme can be found, special emphasis should be laid on some of the least developed countries with a view to analyze transport problems and identify proper measures and problem solutions.
- 8 After SUCOP, a future Norwegian cooperation project with ESCAP could be organized in the area of inland waterways.

## 2 THE SHIPPING SITUATION IN THE ESCAP REGION UP TO 1970 - INITIATION OF THE SHIP-USERS' COOPERATION PROJECT (SUCOP)

### 2.1 The Ship-users' Organizational Situation

At the time when SUCOP (Ship-users' Cooperation Project) was inaugurated (1971) there were seven national shippers' organizations in existence, namely the Japan Shippers' Council (JSC), the Australian Shippers' Council, the Hong Kong Shippers' Council, the All India Shippers' Council (AISC), the Pakistan Shippers' Council, the Sri Lanka Shippers' Council and the Freight Study Unit of Singapore, which was subsequently incorporated in the Singapore Shippers' Council.

In Japan and Australia, owing to the high level of economic development, there had been built up shippers' councils that were relatively well organized. For this reason, Japan and Australia did not come within the scope of SUCOP as such. Actually, the Japan Shippers' Council steered clear of SUCOP involvement except for hosting a brief study tour of chief executives of other councils in 1980. The Australian Shippers' Council took no real role in SUCOP, but also this council hosted a study tour of chief executives (1978). Occasionally, representatives of the Australian council attended meetings of chief executives of national shippers' councils in Bangkok.

The shippers' councils of India, Pakistan, Sri Lanka, Hong Kong and Singapore had been established in the middle of the 1960's, and they had already begun consulting and negotiating with liner conferences on matters relating to foreign rates and shipping services, with varying degree of success. These shippers' councils were privately organized by commercial parties to represent their interests with regard to freight rates and shipping services. It was only later that the role of these councils was extended to cover other areas of shipper-related activities, perhaps under the influence of SUCOP.



The shippers' councils of Philippines, Malaysia, Indonesia, Thailand (a shippers' committee under the Board of Trade), Bangladesh and South Korea were organized after 1971 with considerable ESCAP involvement and under the influence of SUCOP activities. In those countries, when the liner conferences exacted higher freight rates with no corresponding improvements in service, shippers tended to enlist the assistance of governments, a recourse inevitable at that stage. In some of the countries (Malaysia, Philippines, Indonesia) there were developed institutional structures based on government support.

#### 2.1.1 The Manpower Situation of the Shippers' Organizations

The shippers' organizations that existed in the region (India/Sri Lanka/Pakistan/Hong Kong/Singapore) were inadequately staffed and lacked organization. In India, Pakistan, Sri Lanka and Hong Kong, the shippers' councils were affiliated to the Chambers of Commerce and Industry, and functioned with part-time staff assigned by the chambers. The situation in Singapore was relatively better, but the staff was far from able to deal with their tasks on a full-time basis. In all cases, the principal officers (chairman, committee of management) were honorary officers with too substantive interests of their own in the export sector to devote enough time to the work of their councils. Owing to such constraints the work of the council secretariats also was in the hands of part-time employees with little or no expertise in shipper-related activities. The councils, therefore, were not in a position to deal effectively with the problems that shippers had vis-à-vis the shipping lines.

The need for regular and consistent manpower training for those involved in the work of shippers' organizations was an urgent priority if the ship-users were to be able to effectively deal with the liner conferences.

## 2.2 The Liner Conferences

At the time when SUCOP came into being the conference system in the region was relatively well organized and forceful. The conferences had, however, accepted in principle that matters relating to freight rates and shipping services could no longer be decided unilaterally, but had to be subjected to consultation with shippers councils. In this consultation process, the strength of the councils was clearly unequal to the well-established conference system. It was becoming increasingly a matter of concern that the councils had to be up-graded, particularly in manpower skill.

Of the many conferences covering the trades in the region, the most dominant were the Far East Freight Conference (FEFS), the India/Pakistan Conference (later to be renamed the India/Pakistan/Bangladesh Conference, IPBC), the Sri Lanka/UK/Eire and the Sri Lanka/Continental conferences. These conferences had by then existed for a long time and were playing a significant role in the seaborne trade of the ESCAP region.

## 2.3 The Relation between the Ship-users and the Ship-owners/Conferences

At the turn of the 1970's, the conferences were still in a position to dictate terms to the shippers. As said in 2.1, the shippers' councils, wherever they existed, with the exception of Japan and Australia, were badly organized, poorly funded and lacked real expertise to deal with the conference system in a coherent and meaningful manner.

The situation between the two parties was characterized by constant controversies and confrontations, and the shipowners always had the upper hand in negotiations. The conferences had full control, as there in large parts of the region was no outsider shipowner activity of real importance.

It was repeatedly held forth by people interviewed by the evaluation team that the normal picture was more or less like this:

"The negotiations started with the shipowners (conferences) stating that the freight rates would have to be increased by for instance 20 per cent. The shippers' representatives protested and "shrieked", pointing out that 5 per cent ought to be sufficient. In the end, the conferences added their 20 per cent, in spite of the shipowners' protests and appeals to the governments."

#### 2.4 The Role of Governments

In this situation there was in some countries in the ESCAP region an increasing tendency on the part of the governments to intervene. They often took initiatives to deal with purely commercial matters that were properly the responsibility of the contracting parties, i.e. shippers and shipowners.

In some cases, the government intervention led to the establishment of government-controlled national shippers' organizations, whose task was to countervail the overwhelming force of the conferences. In other cases, the situation gave impetus to the development of national shipping lines and the evolution of cargo reservation policies to protect national fleets.

Appendix 3 (Transport Costs and Development Prospects) gives a general picture of the shipping situation and problems in developing countries.

#### 2.5 The Initiation of Ship-users Cooperation Project (SUCOP)

It was at an early stage realized by ECAFE (Economic Commission for Asia and the Far East) - later to be renamed ESCAP (Economic and Social Commission for Asia and the Pacific) - that a rational development of the international trade of the countries in the region was dependent on a balanced and efficient organization of ocean transport.

In 1970 the Norwegian senior shipping consultant Petter C Omtvedt undertook a study of the shipping situation in the ECAFE coun-

tries. His report was part of the basis for a comprehensive 5-year plan of action for the development of shipping approved by the ECAFE Committee of Trade at the beginning of 1971.

The ECAFE plan covered six project areas that should be the subject of studies and development projects:

1. General shipping policy
2. Shippers' councils
3. National merchant marines
4. Chartering of ships
5. Shipping statistics
6. Maritime law

Mr D Koludrovic, who was later to be appointed chief the ECAFE (ESCAP) Division for Shipping, Ports and Inland Waterways, visited Europe in 1971, and discussed with government officials the possibility of obtaining support for ESCAP projects. In answer to subsequent requests, United Kingdom provided support to projects on bulk and tanker shipping policy, Netherlands took on liner shipping and maritime legislation, and Sweden provided funds for seminars on shipping policy.

In March 1971 ECAFE submitted to the Norwegian government a request for support to its shipping activities. The projects presented for consideration were - in order of priority:

1. Shippers' councils
2. Survey of regional training maritime facilities leading to the establishment of regional training centre(s)
3. Ad hoc expert group on pooling of shipping resources
4. Advice on the implementation of a uniform system of economic statistics of shipping.

In June 1971 the Norwegian government decided to give support to the Shippers' Council Project, and NOK 350.000 was granted. The money was intended to cover the employment for one year of a shipping consultant, and the organization of a Meeting of



Representatives of Governments and Shippers' Organizations. In the paper preceding the grant was said that shippers councils in the developing countries was a prerequisite of meaningful consultations between liner conferences and shippers.

The first meeting of government representatives and representatives of shippers' councils was convened in Bangkok in 1971. In 1972 a training course for shippers' council representatives was held in Hong Kong. Senior shipping consultant Petter C Omtvedt was attached to the project in the autumn of 1972, and has continued as ESCAP's project manager of SUCOP activities since then.

In december 1973 government representatives and representatives of shippers' organizations met to discuss the further development of the project.

From 1976 the volume of activities was considerably increased, based on 4-year planning periods: 1977-1980 and 1981-1984.

The Norwegian grants for the different years are shown in Appendix 4, which also contains the budget proposals for the years 1985 and 1986. The request for these two years have not yet been considered by the Norwegian government. However, provision has been made for finalizing the Chinese off-shoot programme "Teacher training" at the Shanghai Maritime Institute during 1985 and 1986. Additional support has been requested by China for the period 1985-1988, implying several new projects (5-year undergraduate course in shipping economics, a project on maritime law, and modernization of navigation and marine engineering education at Shanghai Maritime Institute). For the SUCOP project proper, phasing out grants have been requested for 1987 and 1988.

## 2.6 The Main Objectives of the Ship-users' Cooperation Project (SUCOP)

The SUCOP objectives have - in essence - remained unchanged throughout the project:

- to demonstrate to shippers the benefits which they may derive from cooperation among themselves and with the shipping industry;
- to teach transport/shipping economics, operations and management to shippers, thus enabling them to:
  - (i) negotiate effectively with the shipping industry, in particular liner conferences and
  - (ii) define their transport' requirements and devise the most rational transport solutions, i.a. with a view to participate with shipowners, national authorities and other interests in "joint planning of shipping services";
- to assist with the building of national and regional shippers' organizations (shippers' councils).

These objectives remain valid, given the economic situation of the ESCAP region and the relationships that exist in the region between the trading communities and the transport sector. In particular, the objectives are valid in regard to the problem of combating poverty, because it is only by protecting the poorest individual producer (e.g. farmer), trader, that the achievement of economic progress and equal opportunity could be obtained.

While the basic ingredients of the objectives remain unchanged, the scope (the target groups) has broadened. The main reason for this is that in order to achieve the objectives insofar as the original target groups - producers/traders - shippers - are concerned it became necessary that they were confronted with the other parties involved with maritime transport within the framework of the project. This has resulted in a spin-off effect because the activities of the project have been of benefit to shipowners and national authorities as well as the shippers.

As will be demonstrated in subsequent chapters, the evaluation team has found that since 1980 great emphasis has been laid on developing educational programmes in general economics (China). Although such activities may in the long run be of benefit to ship-users, it is felt that they imply a shift in the objectives, and a certain deviation from the course originally agreed upon.

### 3 THE OBJECTIVES OF THE EVALUATION AND THE METHODS USED BY THE TEAM

The project that came to be called SUCOP has been going on with Norwegian support since 1971, although the years 1971-1974 should be looked upon as more or less of a preparation and planning period. The Norwegian government has provided the funds - a total of approximately NOK 45 million - during the years 1971, 1974 and 1976, and for two 4-year periods (1977-1980 and 1981-1984).

It was initially assumed that the SUCOP project would be ended in 1980, but the time-span was later extended to 1984, and requests have now been submitted for the years 1985 and 1986, with an additional grant for 1987 and 1988 with a view to properly phase out the project (cf. chapter 2.5). The time extension is felt necessary in order to make the member countries reasonably selfsustained in the areas affected by the project.

The Norwegian government has continually been consulted on the SUCOP progress, and information has been given through annual progress reports and yearly statements of accounts. Otherwise, however, the ESCAP International Trade Division and, after 1980, the Committee on Shipping, Transport and Communications has been fully and solely responsible for the planning of activities. The implementation of the project components has been left to the Centre for Shipping Information and Advisory Services and, after 1980, to the Division for Shipping, Ports and Inland Waterways.

This being so, it should be evident that the Norwegian government now wants a thorough assessment of the project in order to examine to what degree the activities up to now have been successful, and whether they have been in accordance with the understanding between Norway and ESCAP (cf. Appendix 6). Such evaluation is necessary when deciding whether continued support should be given as requested.



### 3.1 The Tasks of the Evaluation Team

The objectives of the evaluation mission are outlined in the terms of reference (Appendix 2), and are supposed to cover the following main areas:

- (1) The original definition of problems and needs, equality of opportunities for the member countries, emphasis on least developed countries and groups, the relevance and balance of activities as compared with needs and problems, the use of proper technologies, the effects of including new target groups
- (2) The adequacy of the organizational set-up, the origin of new project components, the member countries' opportunity to bring up new topics, the feedback routines, the relative emphasis on different programme components as compared with the requirements of the region, the efficiency of the SUCOP organization
- (3) Relevance of curricula and workshop topics, the relevance of high level education (university training) versus short courses and seminars, the quality of some training programmes as compared with other training opportunities
- (4) Impact of SUCOP activities on the development of ship-users' cooperation, the project's contribution to improved decision-making and transport facilities, the SUCOP impact relative to other forms of maritime developments through ESCAP or other organizations.

Further, the evaluation team is called upon to present its recommendations regarding

- the appropriateness of continued assistance
- the desirability of concentrating efforts on particular areas or topics
- particular aspects concerning the project's organization, objectives or target groups.

### 3.2 Working Methods of the Evaluation Team

Bearing in mind that circumstances have forced the team to carry out its field work, its scrutiny of documents and its other activities within a very limited scope of time, the team members feel that it has been possible to form a fairly complete and unbiased picture of the project.

The main sources of information and assessment have been:

- The pre-study prepared by Mr Erik Raeng (Report on SUCOP)
- Briefing by officials of The Royal Norwegian Ministry of Development Cooperation, and discussions with consultants engaged by the ministry
- SUCOP files and documents both in the ministry in Oslo and at the ESCAP headquarters in Bangkok
- Documents presented to the team by interviewees during the field trip
- Discussions with Norwegian diplomatic and development aid representatives in the recipient countries and reports from embassies
- Meetings and interviews during the field trip undertaken between 6 August and 30 August 1984, when the team visited Thailand, China, Philippines, Singapore, Malaysia, Bangladesh and India. The meetings and interviews included representatives of shippers' councils and shipowners' associations, individual shippers and shipowners, government officials at high level and other persons that in some way or other have been involved in or influenced by SUCOP. Detailed minutes of meetings and interviews are on file with the evaluation team.

### 3.3 Reliability of the Team's Finding

Some findings can be expressed in quantitative terms. This is the case with such data as the number of workshops and seminars carried through, participants from the different countries, new shippers' councils established during the SUCOP period, training aids produced by SUCOP etc.

However, the main objectives of the SUCOP programme are given in qualitative terms, such as improvement of the shippers' skill in negotiation, creation of an atmosphere of cooperation where confrontation had been the normal situation, raising the level of competence, knowledge and insight among shippers and in their organizations etc. The achievements in such areas cannot as a rule be measured or stated in quantitative terms, but must largely be assessed on the basis of statements and declarations made by bodies and individuals who were expected to be involved in the activities and to profit from the efforts of SUCOP.

The evaluation team feels that it has been able to overcome some of the problems inherent in such assessment, first of all through interviewing and comparing the statements of relatively large numbers of individuals and organizations that have similar, different and sometimes conflicting interests as far as the SUCOP aims and ambitions are concerned.

In spite of time constraints and certain problems regarding the organization of some of the visits, the members of the evaluation mission is of the opinion that they have been in a position to give a fairly correct description of the project activities, and to give recommendations based on a sound and relatively objective assessment of the past activities and the future needs for continued support.

In chapter 5 the evaluation team has tried to assess the SUCOP activities in the light of the terms of reference prescribed for the team by the Norwegian government (Appendix 2).

#### 4 THE ACTIVITIES OF SUCOP - DESCRIPTION AND GENERAL COMMENTS

##### 4.1 The Different Categories of Activity

Appendix 7 contains a chronological table of the main SUCOP activities and projects during the years 1970-1983.

In the present chapter the evaluation team will give a description of the main types of activity of the project. The activities are commented upon in a general way, but no systematic reference is made to the objectives of the report or the terms of reference of the evaluation. Such assessment will be submitted in chapter 5.

As a consequence of its attachment to ECAFE/ESCAP the SUCOP project came to deal with the whole region of South-East Asia and the Pacific. Because the funds allotted have been relatively small and the number of personnel involved in the implementation rather limited, it goes without saying that the project has merely had a "sprinkling" effect. No radical changes or drastic developments could be expected or even hoped for. This being the situation, it should perhaps have been considered whether it would have been wise to concentrate the project on one or two topic areas, for instance workshops for chief executives and training courses for teachers at the national level. However, it is not in retrospect possible to tell which course would have been the wiser one.

As established in chapter 2.6, the objectives of SUCOP called for activities that can be described under the following headings:

- (1) Manpower development, i.e. efforts enabling the shippers to negotiate effectively with the shipowners/liner conferences and define rational transport solutions
- (2) Organizational support, i.e. activities increasing the shippers' awareness of the profit to be derived from cooperation, and contributing to the establishment of strong shippers' organizations (shippers councils)



- (3) Advice and assistance to individual countries in the solution of specific transport problems.

An activity or a project cannot always be readily ascribed to one of these headings, as many sub-projects have been a combination of manpower development, organizational support and contribution to the solution of specific transport problems. An example of this is the cargo consolidation projects, where workshops have been set up for "manpower development", where assistance has been rendered to "solve specific problems", and where the main result may well have been a strengthening of the shippers' councils.

However, for the sake of order we will refer each project to one of the headings according to its "centre of gravity". First, however, a word should be said about the administration and management of SUCOP.

#### 4.2 Project Organization and Management

In accordance with the agreement between Norway and ESCAP (Appendix 6) the administration, planning and implementation of the project was fully entrusted to ESCAP, but "Norway and ESCAP will cooperate fully to ensure that the purpose of the grant is accomplished".

The responsibility for SUCOP was eventually entrusted to ESCAP's Division for Shipping, Ports and Inland Waterways under the Committee on Shipping, Transport and Communications.

It was presupposed that the ESCAP administration would set up a SUCOP secretariat with sufficient professional and other personnel to vigorously carry out the SUCOP activities. Actually, the planning, implementation and follow up was almost exclusively left to ESCAP's senior shipping consultant, Mr Petter C Omtvedt, who spent only part of the year (on an average 3 months) in the region. For the rest, the secretariat tasks were entrusted to ESCAP officers who were primarily employed in other job areas, and more or less ad hoc were charged with SUCOP duties.

In the opinion of the evaluation team, this situation has not given the project enough momentum to ensure maximum results, and it has not been conducive to the dissemination of knowledge and insight. It may first of all have hampered the spreading of "SUCOP effects" to the country level, and thus slowed down the process through which the countries were to become selfsustained and independent of foreign expertise.

#### 4.3 Steering Bodies

As early as in 1971, an advisory group was appointed. Its main duties would be to provide inputs from the ESCAP region regarding needs and problems, to suggest adequate projects and activities, and to assist the secretariat with the follow up procedures.

In the early years the Advisory Group was very active, and held several meetings every year. As late as 1975 it was convened four times, and in 1976 three times. In 1977 and 1978 the number of meetings was reduced to two, and in 1979 the group was convened for the last time. By then it was supposed to have been superseded by the Meetings of Chief Executives of Shippers' Councils. In the progress report of 1981 it is said: "The need for holding regular meetings of the Advisory Group separately from the meetings of chief executives, is no longer felt." The decision to dissolve the Advisory Group seems to have been taken by the secretariat/project management.

In subsequent years, the chief executives met regularly once or twice a year up to 1982. The Meetings of Chief Executives have no doubt provided important suggestions and correctives to the secretariat, and proposals from the meetings have been properly considered in the planning of future activities.

In the opinion of the evaluation team, the Meetings of Chief Executives have been a useful instrument. The same can be said of the so-called Strategic Meeting at Klekken (Norway) in

February 1984, where representatives of ESCAP met with representatives of the Norwegian government, of Norwegian universities and of the World Bank. Other expertise also attended the meeting.

However, the evaluation team does not feel convinced that such meetings are the right fora for planning and following up the practical activities of the project. The Meeting of the Chief Executives is much too large an assembly to really assist in the analysis of needs, the setting up of sub-projects and the evaluation of past performance. The result might be that the secretariat would take full command and control of its own activities. Bearing in mind that the Norwegian authorities (NORAD) has made little use of its governing - or rather consulting - opportunities, we feel that the project has been too dependent upon the judgement and opinion of the secretariat and the project management.

A more serious objection can be made regarding the fact that since 1982 no advisory body, not even the chief executives' meeting, has been convened.

In chapter 5 the evaluation team will comment more comprehensively on the steering model adopted for the project.

#### 4.4 Manpower Development

It is evident from the activity programmes and the progress reports that manpower development has been the predominant ambition and the number one concern of SUCOP. Also in a relative way this component has increased considerably over the years. From approximately 30 per cent round 1980, the manpower development share of the funds has risen to approximately 60 per in 1984. It should be borne in mind, though, that almost half of the manpower development funds for 1984 are earmarked for the comprehensive programme in China, where support is rendered in connection with reform of full-length university studies in economics.

#### 4.4.1 Workshops

Up to 1974, the SUCOP efforts were largely concentrated on measures to awaken the ship-users' awareness of the advantages to be derived from cooperation, and on assisting them in analyzing transport problems and needs. This was accomplished through visits in the region and meetings with shippers and their organizations. The chief of division, Mr Koludrovic, and the senior adviser, Mr Omtvedt, were particularly avtice in this information and consulting activity. Much emphasis was also laid on the preparation of educational materials that were later to be used in the workshops.

The objective of the workshops is to provide the ship-users with the instruments needed in their day-to-day work and in negotiations with their counterpart, the shipowners/liner conferences. The ambitions of this training programme are made quite clear in the progress report for the year 1977:

"The knowledge input is concerned with identifying transport needs, operational solutions which will satisfy the transport needs, economic evaluation of different operational solutions, pricing of shipping services (the making of freight rates and the building of freight rate tariffs), the relationship between commercial and shipping economic considerations. In addition, emphasis is given to imparting knowledge of the legal framework within which international shipping services take place: conventions and legislation governing bills of lading, charter parties, maritime clauses, jurisdiction etc.

The skills which are being trained are those relevant to the aforementioned disciplines. They relate to the practical application of analyses, the operations of vessels and terminals, the negotiation of terms and conditions. Further, they relate to negotiations on charter parties, bills of lading etc.

The manpower development programme is composed of several components, but the major input consists of workshops (or working seminars) at regional and country levels."



The content matter of the workshops was selected and composed so as to meet the most urgent needs of the shippers - the need to cooperate among themselves, and the need to understand and get "behind" the price policy and freight calculations etc. of the shipowners. Only in this way they would be able to negotiate on more equal terms. Just as important was the need to find effective and economically favourable ways of organizing cargo consolidation and transport.

The first series of workshops was conducted during the years 1975-1978. The idea was that a group of key persons from the countries in the region should participate in all workshops in order to become thoroughly acquainted with all issues of shipping: transport economics, chartering and cargo booking, legal and insurance questions, institutional relations in shipping and negotiating techniques. The project management really succeeded in keeping a core group of about 40 persons intact and bringing them through the entire series of workshops. These persons were chiefly chairmen and secretaries of shippers' councils, and government officials responsible for shipping questions and international trade in their respective countries. The workshop series was arranged in Bangkok, and contained the following individual workshops:

- Legislative Environment of Shippers
- Shippers' Cooperation: Calculation of Transport Costs
- Economic Statistics of Shipping
- Shippers' Cooperation (Level II)
- Calculation of Ocean Transport Costs
- Freight Study Units
- Port Environment of Shippers
- Negotiations in Shipping
- Shipping Exercises (business games utilizing the bulk of knowledge acquired to solve "practical" problems)

Undoubtedly these regional workshops had the effect of strengthening the confidence and selfconsciousness of the shippers'

council officials, but the number of persons participating was far too small to have much impact on the ship-users in general. It was, therefore, at an early stage realized that the workshops had to be brought down to the sub-regional and country level to have substantial effect. For this reason it was decided to offer workshops of the same kind to the shippers' organizations of individual countries and groups of relatively homogeneous sub-regions.

A start was made in New Dehli as early as 1975, with a workshop on Shippers' Cooperation: Calculation of Ocean Transport Costs. In the subsequent years, the emphasis was increasingly transferred to the country level. Thus, in 1976 two sub-regional workshops on the same subject were arranged (Rarotonga and Manila), in 1977 two more country-level workshops of this kind took place (Jakarta and Port Moresby), and in 1978 a total of four such workshops were carried through (Kuala Lumpur, Singapore, Karachi and Dhaka).

The year 1978 also witnessed the inauguration of sub-regional and country-level workshops that were aimed at attacking specific "national" problems: a workshop on Shipping and Marketing of Coconut Products in the Pacific (Suva), and a workshop on Joint Planning of Shipping Services (Colombo). The latter workshop reveals that an important shift in policy is under way, i.e. an extension of the target group to encompass categories other than ship-users and government officials, namely shipowners, port authorities and related personnel.

In the ensuing years some more country-level workshops on specific topics were introduced: Joint Planning of Shipping Services (Beijing 1980), Planning and Management (Shanghai 1980), Freight Booking Centres (Kuala Lumpur 1982), Containerization (Karachi 1982), Forecasting of Cargo and Shipping Movement (Shanghai 1982).

At the same time, regional workshops on the "old" topics (Shippers' Cooperation, Calculation, Negotiation techniques etc.) were continued, and some new issues were brought in. The most important innovation probably was the workshops on Training of Trainers (Hong Kong 1979 and 1981, Jakarta 1982). The idea was to educate a group of trainers who could assist in the country-level dissemination of knowledge and skills.

Unfortunately, the number of trainers' workshops was too small to have much impact, and still worse, the teachers trained through these workshops have later not been much drawn upon as lecturers at country-level seminars. They have therefore not contributed to any mentionable degree in the process that should make the countries in the region selfsustained and establish national training schemes. There are, however, exceptions: The Philippines have been able to set up training schemes in several parts of the country without external expertise, and India too has utilized some of the trainers educated at the Training of Trainers workshops.

The evaluation team has noticed that the number of workshops dropped from 10 in 1979 to 4 in 1980 and 5 in 1981, although the budget item was held relatively constant.

#### 4.4.1.1 Some General Comments on the Workshops:

Practically all the individuals interviewed during our field study had a favourable attitude towards the workshop programmes. They were considered to be relevant in content matter, and the lecturers were looked upon as outstanding experts in their respective fields. However, some of the participants felt that the lectures and exercises had been too theoretical and "hypothetical", having little bearing on the day-to-day activities of shippers in developing countries. Not enough had been done to engage local expertise that could "translate" the subject matter into useful instruments for practical use. The lectures

and exercises should have been based on practical matters in the ESCAP region, not on European problems.

Some of the participants had considerable problems in comprehending the English spoken by some of the lecturers. The reason was probably the relatively low level of English comprehension among those participants, and may perhaps stem from imperfect selection procedures, but some of the difficulties could perhaps have been avoided through more extensive use of local lecturers or auxiliary teachers.

There seems to be several reasons for replacing as soon as possible the European lecturers with expertise from the region. The cost of the workshops also points in the same direction, as the foreign experts have meant unreasonably high costs. By way of illustration it may be mentioned that each Norwegian lecturer in a workshop of one week's duration would draw more than US \$ 8.000. One could certainly get much more benefit from this money by utilizing local experts where possible, even if they would have to go through some briefing and training. In addition, it would give experts that stayed on in the region.

Appendix 8 is a table showing the number of workshop participants from the different countries during the years 1981-1983. There seems to have been a fairly even distribution of "student" places in the regional workshops, except for Thailand, which has for natural reasons had an "overrepresentation" in Bangkok regional workshops. The appendix also shows to what extent the different personnel groups (shippers, government officials, port authority personnel and others) have been attending the workshops.

#### 4.4.2 Preparation of Educational Aids

Given the fact that manpower development was to be the central objective of SUCOP, the project management from the very outset realized the need for preparing educational materials for use in workshops and as reference books for ship-users.

As early as 1970, a comprehensive volume called Shipping and Ocean Freight Rates had been issued by ECAFE. It was a combination of textbook and symposium of articles written by a number of European experts. The book was the outcome of a training course on Shipping Economics and Administrative Policy, organized jointly by ECAFE and the Swedish government (SIDA). This volume contained many of the ingredients later to be included in the SUCOP textbooks/reference books: Main Elements of Shipping Economics, the Transport Chain, Cost/Benefit Analysis, Freight Rate Making, Liner Conferences etc.

In collaboration with Shipping Consultants A/S (Oslo) and other expertise, the SUCOP project management continued its efforts at creating an adequate set of textbooks and training aids. The aim was to end up with a general handbook and a set of forms and examples to be used in the decision-making of ship-users.

#### 4.4.2.1 Handbook for Shippers

A first loose-leaf edition was issued in 1975, the intention being to continually include new chapters and revised articles. The new material was to be tried out in workshops before being included in the handbook. The second edition, a volume of about 150 pages, was printed in 1982. It contains chapters on the following topics:

- The objectives of shippers' cooperation
- The shippers' sphere of interest
- Shippers' organizations in the ESCAP region
- Outline of the liner conference system
- Institutional machinery for consultation and negotiation in shipping
- The legal background for the choice of transport contracts



The handbook soon became very popular and widely used. By 1977 it had already been distributed in 1.000 copies. Later the handbook - along with the Model and Tool system, became known and was asked for in parts of the world far from the ESCAP region. It probably is one of the most comprehensive textbook systems of its kind. In 1977 the handbook was translated into the Indonesian language.

#### 4.4.2.2 The Model and Tool System

Whereas the Handbook for Shippers may be said to be a textbook of a rather traditional type, the Model and Tool System represents a less usual concept. The intention is to provide the student/user with an instrument for applying knowledge and data on real or simulated situations of decision-making.

The system consists of two volumes, the first one containing so-called explanatory notes, which is a description of the different kinds of in-puts and cost elements to be considered when calculating freights or choosing between alternative transport possibilities available. It further contains directions for the use of volume 2, and a list of addresses, institutions and other references that will help the shippers to find the information needed. Volume 2 contains forms, tables and examples that are directly applicable to a wide range of calculations and assessments as basis for decision-making and negotiations. The application is possible even when no information is obtained from the shipowners. Advice is given on the choice of relevant calculation methods (models) in specific situations, and on finding the right calculation forms etc. (tool) to work out the calculation.

To give an idea of the content matter, the main headings of the model and tool part of the book (volume 2) are referred below:

##### Models

- Freight cost calculation in liner trade
- Calculations for determining revenue and profitability of conferences

- Cargo consolidation models

#### Tools

- Cost Components
- Sensitivity of changes in vessel speed and time in port
- Surcharge calculation
- Freight volumes and carrying capacities
- Cost allocation tools
- Miscellaneous tools

All in all, the Model and Tool System comprises more than 500 closely printed pages.

#### 4.4.2.3 General Comments on Handbook/Model and Tool System

There was general agreement among our interviewees during the field study that the textbooks were of high quality. They have been widely used by shippers, also outside the workshop situation. It is true that they are rather general in scope and use of examples, but the models and tools can be applied also to specific situations and "local" problems. The handbook should be revised and include chapters on containerization applied to traditional technology.

From an educational point of view, the textbooks seem to be well composed, but it may sometimes be difficult to find one's way through the volumes due to weaknesses in disposition and lack of references. The lay-out, print and graphic qualities leave much to be desired. This is of course pardonable, as the books have been altered continuously and new chapters added. However, as soon as a relatively satisfactory and lasting edition has been produced, these shortcomings should be considered with a view to prepare more attractive and pedagogically acceptable volumes. The books should also be scrutinized by educational expertise for the purpose of improving their qualities as training aids.

The evaluation team has observed that large, perhaps excessively large, funds have been put into the preparation of these books. To judge from the budgets, a total of approximately US \$ 150.000 has been used, and another US \$ 160.000 are requested for 1985-1986.

#### 4.4.2.4 Preparation of Visual and Other Teaching Aids

With the increasing workshop activity in Bangkok, a need was felt for developing an educational environment that could properly host the training sessions. In the middle of the 1970's, therefore, the ESCAP-SUCOP Training Centre was established at headquarters. It consisted of a large room for lectures, plenary discussions, film shows, demonstrations etc., and four rooms for group work. Hardware such as overhead and slide projectors was installed, and the production of audio-visual teaching aids was given high priority. A plan for the production was approved by the Advisory Group in 1976.

The idea was to produce slides of graphs and "live" situations to illustrate lectures and demonstrations, together with corresponding audio-cassettes. For each programme an instruction booklet/handbook would be prepared. These programmes were to be used as introductions to training sessions, and be followed by discussions, exercises etc. By 1979 programmes had been designed for the following topics:

- Cooperation between shippers
- The ocean transport chain
- The vessels
- The ports
- Inland transport
- Cost elements and freight rates in shipping
- The voyage calculation
- Planning of ocean transport services

In 1983 new programmes were added:

- Ships' types and measurements II
- Cargo handling: break bulk and containers II
- Cargo handling: palletization II
- Contracts in shipping II

By 1982 more than 2.000 colour slides were available at the training centre, together with a great number of overhead pictures for use in classes.

The evaluation team is of the opinion that the aids produced by SUCOP could be a great help in the process of transferring the training activities to the national level. Assistance must then probably be provided for the production of additional slides etc. to illustrate specific local situations and suggestions for the solution of national problems. One could perhaps also consider the possibility of videotaping expert lectures with a view to use them as a basis for programmes run by teachers from the region. A plan for the preparation of videotapes to replace slide-cum-sound programmes was referred to in the annual report as early as 1978, but the project was shelved or postponed.

It should be mentioned that ESCAP in the years 1977 and 1978 issued Bulletin for Shippers (three numbers appeared). The bulletin informed the interested parties of the SUCOP activities and gave other information to ship-users. A continuation will probably be made in 1984 with a Review of Shipping, the intention being to give particulars of maritime transport relevant to ship-users.

More attention should probably to be paid to this side of the "educational" efforts, i.e. information of SUCOP projects and of developments within the SUCOP sphere. It should be remembered, though, that a large number of workshop reports have been printed or mimeographed and made available to ship-users

in the region. The list of such publications (some of them are very attractive books) contains more than 50 items. The main contents of the reports have successively been included in the Handbook for Shippers.

#### 4.4.2.5 Fellowships - Study Tours

Substantial sums have every year been allotted to fellowship grants (about US \$ 200.000 for the years 1977-1984).

The fellowship funds have been used for study tours (Europe 1977, Australia 1978, Hong Kong, Japan and USA 1980), for exchange of officers within the region, for teacher training courses and for ad hoc support in other training contexts.

No clear objectives seem to have been formulated, nor any systematic plan worked out, for the allocation of fellowship money. Some of the people interviewed during our field study was of the opinion that fellowships should be granted for people who wanted - and could profit from - relatively long working periods with companies and institutions in developed countries.

The evaluation team will suggest that a well founded programme for the use of fellowship funds be submitted by the project management for the years 1985 and 1986.

#### 4.4.3 Assistance to China

Up to 1980, China's involvement in SUCOP was almost negligible. This is easily understood: The original objective of SUCOP was to help the shippers, and especially to support them in their "controversies" with the counterpart, the shipowners. In China there are in principle no opposing interests in the shipping sector, as both exports and shipment matters are taken care of by state institutions, SINOTRANS being the administration for



export/import, SINOCHART the institution for chartering necessary tonnage, and COSCO, the national shipping company, the administration responsible for all Chinese tonnage.

When the Chinese entered the SUCOP scene in 1980, it soon became evident that their interest in SUCOP was based on the need for assistance to cope with quite specific Chinese problems: the modernization of an out-of-date educational system in economics, and the development of a shipping policy and total shipping systems. In SUCOP's progress report for 1980, this was made explicit: China wanted a series of workshops on the planning of shipping services and policy, and support for "building a permanent education capability at university level in the field of transport and shipping economies".

In the progress report for 1981, the secretariat enlarges somewhat on the subject:

"During the last few years, particularly in 1981, an increasing number of requests have been received for the purpose of assisting with education in shipping economics and management at higher levels: top-level managers both at the shipper and the shipping side, and high-ranking public officials dealing with ocean transport and trade.....Requests for the university level establishment of teaching capability has been received from 3 or 4 countries, and has prompted the secretariat to formulate a particular project activity....." "The object, in most general terms, is to advance the training, at the university level, for management and policy analysis in the maritime sector. The purpose of the training is to qualify graduates for work in the upper ranges of management in shipping corporations, in trading organizations, in ports and in the ministries which have to take decisions on investment and other resource allocation and on pricing and international policy in the maritime sector. The object is to be obtained by introducing into the programmes of the various recipient universities or institutes those elements

and subjects in which management and policy related studies at present appear to be relatively deficient, quite particularly in the field of economics and associated quantitative techniques, as well as management techniques."

From 1981, China, and particularly the Shanghai Maritime Institute, has increasingly been the concern of the SUCOP project management. It is not easy to sort out how much of the total funds that have been spent on the China projects, as both special (off-shoot) grants and part of the ordinary SUCOP expenditure has gone to the Chinese programme. In 1983 not far from one half of the SUCOP budget had to do with China. 1984 displays about the same picture. For 1985 and 1986 the request (a total of US \$ 3,5 million) for funds to China is twice as large as the request for the main SUCOP project.

For 1987 and 1988, when the SUCOP project proper has merely asked for a small phasing-out grant, the total request for China amounts to US \$ 1,2 million.

The main components of the China project are as follows:

(1) Training of Teachers in Economics

This is a 3-year study at Shanghai Maritime Institute (SMI) 1983-1986. The 15 students are graduates from the Institute's programmes "Ocean Shipping Business" and "Water Transportation Management". This programme is a one-time event, and its objective is to produce teachers for the undergraduate studies at the Institute. Funds for this project have been provided by Norway through 1986.

(2) Undergraduate Course in Shipping Economies

The course will be of 5 years duration and lead to a BA degree. It is intended for future executives in the shipping industry in its widest sense. The first group of students have already finished their first term.

Curricula and syllabi have, just as is the case with the teachers course, been prepared by professors at the University of Oslo, and a substantial part of the instruction will be in the hands of European experts. As the foreign share of the lectures will be spread over all the study terms, foreign lecturers will have to be present at any time.

It has been stated that from 1986 the Institute may be in a position to enrol students from other countries in the region.

For the years 1985-1988 a total of US \$ 760.000 is requested for the project.

Plans have also been designed for post-graduate studies in economics.

The general workshop programme in China will need another US \$ 180.000.

### (3) The Computer Application Project

This project contains a large hardware component, i.e. computer equipment that has been installed at the Shanghai Maritime Institute.

A joint team has been formed for the development of models and programmes for investing in shipping, voyage cost calculation and market evaluation. Training will be given in seminars and in the ordinary study programmes. Together with handbooks and other background material, the computer units will constitute an important part of the Institute's training facilities. For the years 1985-1988 a total of US \$ 1,2 million is requested for this project.

(4) The Legal Environment Programme

The project is composed of a series of seminars, the establishment of a computer register of law decisions and a register of shipping policies etc.

A total of approximately US \$ 400.000 is requested for 1985-1988.

(5) Modernization of Navigation and Engineering Departments at SMI

This project is exclusively intended for the up-dating of seamen's training at the Institute, and as such it has no direct connection with the SUCOP objectives.

For 1985-1987 a total of approximately US \$ 2 million is requested, of which 1,5 million is for hardware.

4.4.3.1 General Comments on the China Programme

Well founded plans and analyses lie at the basis of the requests from China, and it can be established beyond doubt that the funds will be used in an effective and profitable way.

Most of the funds are requested for the elaboration of curricula and the up-dating of economics studies of a rather general nature. It is true that facilities for long university courses will be an advantage to shippers/exporters as well as to other branches of the economy, but such education has only marginal relation to the SUCOP objectives. The evaluation team will further draw the attention to the fact that the studies in economics are linked to an institute that is primarily occupied with the training of seamen or at most with the education of personnel for the shipping industry only. This may be an adequate solution for a vast country like China, but should not serve as a model for nations of "normal" size. University faculties of general economics will generally be the natural homestead for the teaching of shipping economics, which should normally be offered as an optional subject.

The evaluation team will comment more comprehensively on the China programme in chapters 5 and 6.

#### 4.5 The Data and Information Service (DIS)

It goes without saying that relevant data are indispensable inputs in the decision-making process regarding the assessment and calculation of freight rates, in the choice between alternative transport facilities etc. While realizing that part of the data are specific and must be provided ad hoc by the individual ship-user, the SUCOP project management felt that there was a field of general information well suited for central collection and dissemination. In 1975 it was decided to build up a data and information service that would serve as a clearing house of information for ship-users.

A great many areas were supposed to be covered by the project, for instance:

- ship movement data
- freight rate data
- bunker price data
- cargo movement data
- port information
- vessels information
- container cost data
- miscellaneous statistics

Consultants were engaged for assembling data and preparing manuals, and all relevant publications and periodicals were provided for the secretariat and the shippers' councils. One economic affairs officer and an assistant were employed full-time on the project. A net-work was set up between the secretariat and some shippers' councils with a view to jointly collect data that were not covered by official statistics.



Although enormous quantities of information were aggregated, and although a total of US \$ 750.000 was allotted to the scheme during the years 1977-1984, the DIS never seemed to become really operative. Relatively little use has been made of the clearing central. Of much greater value have been the periodical bulletins and reports issued by some of the shippers' councils, which contain up-to-date and directly applicable information on national and international statistics, data on shipping services available, vessel movements, sailing schedules and other shipping news.

The strategy meeting at Klekken in 1984 (see Appendix 9) suggested that the DIS be discontinued.

#### 4.6 Organizational/Institutional Support - Shippers' Councils

##### 4.6.1 The Establishment of Organizations for Cooperation

The first Norwegian grant to SUCOP was given in 1971 to a project that was simply called Shippers' Councils. The funds were earmarked for a Meeting of Representatives of Governments and Shippers' organizations to be held in Bangkok in 1971, a Training Course on Shippers Cooperation (Hong Kong 1972), and the services of an expert on shippers' organization and cooperation (Petter C Omtvedt).

The objective of helping the ship-users organize and find ways to cooperate among themselves thus was the first and primary aim of the SUCOP project.

As was mentioned in chapter 2.1, there were already some kind of shippers' organization in seven countries. Under the influence of Sucop, several new councils came into being in the course of the 1970's. There are now shippers' councils or similar bodies in 16 countries (a total of 21 organizations when the five area councils of India are included). Among the 22 countries that still have no shippers' organization, there are several Pacific

island states with a very restricted number of export products. The trading interests of those countries are taken care of by trade organizations or government agencies.

Appendix 10 gives an overview of the development of shippers' organizations in some ESCAP countries.

SUCOP has also been the driving force behind the establishment of two sub-regional associations of shippers' councils: the Federation of ASEAN Shippers' Councils (FASC), covering Thailand, Malaysia, Singapore, Indonesia and the Philippines, and the Association of Shippers' Councils of Bangladesh, India, Pakistan and Sri Lanka (ASCOBIPS). FASC was founded in 1975/76, ASCOBIPS in 1980.

A very important link in the cooperation chain between ship-users in the region has been the Meeting of Chief Executives of National Shippers' Councils, an institution created by SUCOP in 1977. In the years 1977 through 1982 it was summoned regularly and gave great impetus to the spirit of collaboration. At the same time it has been the main feed-back mechanism from the region to the project management. The meeting was not convened in 1983, nor will it be held in 1984.

#### 4.6.2 Promotional and Supporting Activities

SUCOP has made use of a number of methods and means with a view to establish and strengthen shippers' organizations:

##### (1) Workshops on Shippers' Cooperation

As was seen in chapter 4.4.1, a number of workshops have been aimed more or less directly at encouraging the building up of shippers' councils and the development of cooperation among ship-users. Such workshops have been held in Thailand (Bangkok, regional and country-level), Cook Islands, the Philippines,

Indonesia, Papua New Guinea, India, Australia, Pakistan, Bangladesh, China and Malaysia.

(2) Expert and Advisory Service etc.

SUCOP has through visits by the project management and foreign experts tried to assist the councils on matters concerning organization, negotiating techniques, funding procedures etc. In 1978 such visits were made to Bangladesh, Pakistan, Iran, India, Singapore, Korea and Thailand. Another example: In 1983 the shippers' councils of Bangladesh, India, Pakistan and Sri Lanka received the assistance of a group of European experts. On several occasions, representatives of more "advanced" shippers councils have given assistance to neighbouring countries. The Eastern India Shippers' Association and the Sri Lanka Shippers' Council are examples of such support. A Dutch expert was in 1981 engaged for assisting the Indonesian council with organizational matters.

(3) Ad hoc Working Groups

A number of working groups or study parties have been appointed for the promotion of cooperation among shippers.

In 1978 a Working Group on Shippers' Institutions was formed. It resulted in a draft agreement on regional cooperation between shippers' councils. In 1980 working groups took up such topics as shippers cooperation in the ESCAP region and the cooperation with European shippers' councils. The broadening of the scope of SUCOP was reflected in the establishment of a working group on the cooperation between shippers and shipowners (1980). The groups on Currency and Bunker Adjustment and on Shippers' Contracts should also be mentioned.

#### 4.6.3 The Present Status of the Shippers' Organizations

Some of the shippers' organizations in the ESCAP region are functioning rather satisfactorily. They have solved the problem of funding - through fees/income from own business or government support, and the legal and political environment is fairly favourable. The Philippines and India may be mentioned as examples.

In other countries the councils are non-existing or rather powerless. They are dependent on the governments even in commercial matters, and the SUCOP has not been in a position to bring about any noticeable improvement. When in spite of this the ship-users' negotiating power in relation to the shipowners has been strengthened, it is the result of changed business terms, first of all the situation in shipping.

#### 4.7 Assistance with Specific Transport Problem Areas

From 1977 the possibility was opened to give support to projects aiming at solving problems concerning special aspects of ocean transport in single countries or small groups of countries. The shippers' councils and relevant authorities were invited to submit requests for this kind of assistance, for instance in connection with cooperation schemes regarding collection and joint transportation of export commodities.

Some of the projects resulting from this invitation were accepted as so-called off-shoot projects, meaning that they were funded separately, in addition to the budget of the ordinary SUCOP activities.

##### (1) LINER - 1977

This project implied assistance to the shippers' councils of India, Pakistan, Bangladesh and Sri Lanka. The objective was to evaluate the increase of liner freight rates between the countries involved and UK/Continent. The evaluation included an

analysis of the vessels, the adequacy of services and the cost/freight rate relationship.

A report was submitted to the participating countries in 1978, and gave valuable arguments to the shippers in their negotiation activities.

A follow-up study, LINER - 1981, has not yet been finalized.

## (2) Cargo Consolidation in Malaysia

Following a request from the Association of Natural Rubber Producing Countries (ANRPC), SUCOP in 1977 performed a pilot study on cargo consolidation in Malaysia (the "Base Case on Cargo Consolidation"). The project examined all the factors affecting cargo consolidation, for instance shipping operations, agency operations, ship chartering, freight booking and trading. Although consolidation of cargo was an old concept, the experiment was unique in so far as the operations were followed up in detail, and the results were recorded step by step.

The theoretical study (a report was submitted in 1978) as well as the practical implementation yielded results and experience of great benefit to both shippers and shipowners. It also provided material for ensuing workshops, and was drawn upon when advice was requested by other countries in the region. The study was also of great help in the advisory service rendered on consolidation of timber cargoes out of Malaysia.

## (3) Joint Cargo Operations - Pilot Project In the Philippines

This study, which was carried out in 1977/1978 with expert assistance from SHIPDECO, included analysis of commodities and trades, rationalization of packaging, handling and routing, alternative means of transportation and consolidating possibilities.



(4) Ocean Transport of Copra and Coconut Products in the Pacific

This first study was terminated in 1980, but was followed up in a new project in 1981. The conclusions were rather negative in the sense that "... there is little scope for significantly reducing the transport costs for copra and coconut products..." The concept of a factory ship for the processing of the products was suggested.

(5) Joint Planning of Shipping Services in Sri Lanka

The Sri Lanka project, that was terminated in 1980, had as its main outcome the production of specifications and tender documents and tender evaluation of 12 cellular container vessels. It further implied procedures for building up supervision and maintenance systems as well as training schemes. This project may be said to be outside the scope of SUCOP, although it was very useful to Sri Lanka's national shipping company.

(6) Miscellaneous Projects

In addition to the major projects, the SUCOP has carried through the following projects that have been of a certain size: the Wind-powered Vessels Project, the Joint Shipper/Shipowner Project for Ocean Transport of Bulk Commodities from South East Asia to Europe, the Project on Port Management, the Study of Inter-island Transport in Indonesia, and several minor studies on cargo consolidation in different parts of the region. A seminar on freight forwarding (Bangkok 1982) might also deserve mention.

During our discussions with shipper representatives in different countries they agreed that Liner-77 was useful and should be up-dated.

## 5 ASSESSMENT OF THE SUCOP ACTIVITIES IN RELATION TO NEEDS AND OBJECTIVES

In chapter 4 was given a fairly systematic description and assessment of the activities under SUCOP, but no attempt was there made to examine to what extent the project has been conducted in accordance with the general guidelines for Norwegian development support, or in agreement with the specific objectives of SUCOP laid down by the donor government.

In this chapter, therefore, the evaluation team shall attempt to assess the SUCOP project in terms of aim and objective fulfilment. This will be done by examining the efforts and activities in the light of the terms of reference prescribed for the evaluation procedure (cf. Appendix 2).

### 5.1 "Discuss to what extent the problems were adequately identified and analyzed, and whether the target groups were involved in problem definition and planning"

(Terms of reference 1.1)

The programme of SUCOP was largely formulated by the secretariat, on the basis of visits to the countries in the region and a series of meetings and conferences with exporters, shippers and government officials. Mr D Koludrovic, chief of the ESCAP Division for Shipping, Ports and Inland Waterways, was the chief architect behind the programme. In a report issued in 1976 the situation in the early 1970's was described in this way:

"While it is true that shipping conferences are cartels, and often acquire a monopolistic dominance in a given trade, those operating in the international trade of the ESCAP countries have been and will continue to be of great importance in the economic structure of the region. At the same time, however, commercial and political difficulties do arise because traders/

ship-users and Governments of the region have experienced frustrations in their endeavours to obtain fair and satisfactory terms and conditions from liner conferences. Since conferences generally have the support of the Governments of the traditional maritime countries, problems which should be purely commercial matters tend to become distorted, and develop into political issues of international significance.

Within ESCAP, these problems have long been recognized as serious impediments to the regional development of trade. Likewise, a fuller understanding by ship-users of shipping economic issues, and assistance to them in co-operating among themselves in order to achieve better shipping solutions for their trade requirements, have long been recognized by ESCAP as the most likely long-term effective solutions.

At the same time, it is noted that the shipping industry and Governments of traditional maritime countries express a desire for the development of effective organizations of ship-users and of institutional means for consultation or negotiation between ship-users and the shipping industry. Spokesmen of the shipping industry state that a more meaningful dialogue with its customers is only possible when they - the ship-users - can speak through responsible and firmly organized bodies which, to be truly effective, must accumulate a thorough understanding of the shipping economic issues involved as well as the transport requirements of international trade."

Based on this judgement, it was decided to concentrate the SUCOP efforts in three directions:

- 1 Organization - helping the member countries to establish and/or strengthen shippers' councils
- 2 Manpower development - setting up regional and country-level workshops and developing training aids that could raise the level of knowledge and competence among the shippers of the region

3 Advisory service - supporting individual countries in the solution of specific problems of transport and related topics

It was repeatedly borne out in our interviews and discussions during the field study tour that lack of organization or in-operative organization and a low level of knowledge and insight in transport and shipping matters had been the most serious impediment to efficient operation on the part of the ship-users.

The following quotations from the minutes of our interviews are representative of the descriptions of the "pre-SUCOP" situation:

"The chief objectives would be to create shippers' councils in the region, and to raise the level of competence and knowledge so as to strengthen the ship-users' negotiation power and make them independent of political authorities as far as business matters were concerned. Only in this way it would be possible to shift the emphasis from politics to commerce in their dealings with the surroundings."

"Shippers used to be unorganized and lacked knowledge of shipping, calculation of freight etc. Their action was without plan. There is still much need for training of shippers. They must learn all aspects of transport - shipping, ports, agencies involved etc."

In Appendix 11 is quoted a statement from one of the recipient Governments.

The overall impression is that the situation was properly analyzed and the problems and needs adequately defined before the SUCOP programmes were formulated, and that the activity

areas chosen to improve the situation were in accordance with the needs and problems felt by the target group.

5.2 "Assess if there have been equal opportunities for member countries to receive assistance from the project" (Terms of reference 1.2.)

Formally, there has been ample and equal opportunity for the member countries to express their views on problem definition and project planning. It should be mentioned, though, that relatively little has been done to help the countries analyze their problems and look for proper remedies. This shortcoming must certainly be ascribed to insufficient staffing of the secretariat.

Phase I of the project comprised the First Meeting of Government Representatives and Representatives of Shippers' Organizations in December 1971, followed by the training course for shippers' council representatives in Hong Kong in 1972. The Second Meeting of Government Representatives and Representatives of Shippers' Organizations was convened in December 1973.

This phase had the effect of creating awareness of the possibility of finding solutions to the expressed concerns, and of identifying more coherently the real problems.

Phase II of the project spans the four years from 1974 to 1977. The principal efforts under phase II was directed towards the development of the analytical capabilities and skills of ship-users, the transfer of knowledge and skills to ship-users and government representatives through a series of carefully linked seminars and workshops, and the development of tools for determining the optimal services and proper costs and charges for the transport of cargoes.



In phase III (1970-1980) emphasis was on SUCOP as a financially self-sustaining and viable activity helping the shippers to benefit from the application of the techniques and tools developed.

Phase IV is a direct extension of phase III. Emphasis is on manpower development, institutional support and advisory service.

The team considers that the programmes should have been concentrated on a limited number of activities, taking into account the small manpower resources of the secretariat.

There have been large differences between member countries as far as the ability to avail themselves of the opportunity is concerned. The least developed countries, therefore, seem to have been at a disadvantage. There has been relatively little SUCOP activity in countries like Burma, Nepal, Papua New Guinea and Fiji.

5.3 "Examine to what extent special consideration has been devoted to assist the least developed countries, or marginal and less influential groups of transporters in the region" (Terms of reference 1.3)

In addition to the statement in 5.2 it should be underscored that SUCOP seems to have used as its main criterion the ability of the recipient country to profit from the assistance, which means that there should exist an infrastructure sufficiently strong to absorb the aid. This is probably the reason why priority in the later years has been given to countries like China and India.

Again it should be stressed that shortage of personnel and resources in the secretariat seems to have made it difficult to help the least developed countries in analyzing problems and formulating requests for aid.

It should be added that SUCOP has assisted at several country-level workshops in Bangladesh and exerted considerable effort to establish and strengthen the shippers' council of Bangladesh. A country-level workshop on cargo consolidation for the copra export in Fiji was arranged in Suva in 1980.

The efforts to organize shippers' councils - and also workshops and other activities aimed at manpower development - has been of most help to the smaller exporters and shippers, as the large companies and groups normally are staffed in such a way as to be able to manage their affairs without help.

5.4 "Evaluate the extent to which the composition and range of project activities correspond to the project objectives. Particular attention should be paid to the relative priorities given to the various components of the project and the distribution between regional and country-level activities"  
(Terms of reference 1.4)

In accordance with the needs identified when SUCOP started, the main emphasis has been on organization and manpower.

5.4.1 Organizational Support  
(cf. chapter 4.6)

It was made clear from the outset that helping shippers to organize themselves had top priority in the SUCOP activities, and the secretariat has rightly made every possible effort to establish shippers' councils in the region. The number of such councils has increased from 12 to 21 in the SUCOP period. More important is, of course, that some of the councils through the work of SUCOP have become strong and efficient instruments, able to negotiate for the shippers and to act on their behalf in other matters of importance.

It is deplorable that SUCOP has not had enough resources to follow up and contribute more to the strengthening and funding of the work of some of the councils.

The evaluation team feels that not much more can be achieved by SUCOP in this field. Some countries still have no proper councils, and in some other countries the councils are rather powerless or totally dependent on the authorities. Such shortcomings, however, seem to be largely due to political circumstances or a general shortage of funds.

The further development of the councils should be the responsibility of the regional organizations FASC (Federation of ASEAN Shippers' Associations) and ASCOBIPS (Association of Shippers' Councils of Bangladesh, India, Pakistan and Sri Lanka).

#### 5.4.2 Workshops

(cf. chapter 4.4)

The greater part of the funds have been allotted to the regional and country-level workshops, i.e. seminars of 3 to 10 days' duration for top and middle management.

In the opinion of the evaluation team - reinforced by numerous statements by interviewees during our field study - this has been a wise use of resources.

The subject matter of the workshops also seems to correspond well with the needs of the shippers:

- Shippers' cooperation
- Consolidation of cargo
- Legislation
- Calculation (of freight rates etc.)
- Freight study units
- Port environment
- Shipping and marketing of coconut products
- Negotiation
- Shipping exercises
- Joint planning
- Copra transport

- Containerization/Unit loads
- Ocean cost calculation
- Planning and management
- Forecasting
- Currency fluctuations
- Shipping policy
- Ocean transport cost
- Ports/containers

In the years after 1980, increasing weight has been laid on country-level workshops as opposed to regional seminars. This has definitely been a wise shift of emphasis. To become self-reliant the individual countries will have to "nationalize" the information and training service for the shippers, and eventually take care of the training programmes without external help.

Unfortunately, little use has been made of local expertise in the handling of the country-level workshops. They have largely been run by foreign experts in the same way as the regional seminars. Three courses for training of trainers have been arranged, but very little use has been made of the trainers educated.

Much effort will have to be devoted to this "nationalization" of activities in the phasing out period of SUCOP.

#### 5.4.3 Educational Aids (Cf. chapter 4.4)

The most important educational material prepared by SUCOP is the three-volume textbook "HANDBOOK FOR SHIPPERS - MODEL AND TOOL SYSTEM". It gives a thorough survey of all relevant subjects regarding ocean transport, liner conferences, transport costs, shipment alternatives, cargo consolidation, calculation of freight rates etc. These books have been an excellent instrument for raising the shippers' level of competence and strengthening their negotiation power.

In the process of transferring the responsibility of shippers training from regional to country level, there may be a need to translate the textbooks and adjust them to national requirements.

#### 5.4.4 Fellowships

The greater part of the fellowship funds have been granted to participants in courses for teacher training and study tours. Some of our interviewees held forth that more funds should be used for allowing shippers to study the operation in more developed countries. One should perhaps consider the possibility of obtaining such fellowship grants outside the SUCOP funds.

#### 5.4.5 High-level Education. The Off-shoot Programme in China (cf. chapter 4.2)

During the latest years much effort has been made to help China reform its educational system in economics, with emphasis on shipping and transport economics. Two different schemes are in operation, attached to the Shanghai Maritime Institute:

##### (1) Teacher Training Course

This is a one-time event aiming at producing teachers for the undergraduate course in shipping management and economics at the institute, cf. (2). The course is based on graduation from one of the faculties of shipping management/economics. Funds have been allocated by the Norwegian government for the course, which will be terminated in 1986.

This long course may be meaningful to a vast country like China, but should not be used as a blue-print for other countries. There the emphasis should be on training part-time teachers for country-level workshops.

(2) Undergraduate Programme in Shipping Management and Economics

The first group of 30 students was selected in January 1984. The students have completed one term of a 5-year study programme. Chinese teachers will cover about two thirds of the programme, foreign lecturers the remaining third.

This personnel are not being trained for the teaching occupation, but are intended for executive jobs in the shipping industry and in government institutions.

The programme will have no immediate effects, as the candidates will not be ready for service till round the year 1990. It will also be a very expensive programme, where lecturers from Europe will have to participate more or less during all the study years. The number of candidates turned out will probably be too small to have much effect on the economy.

The evaluation team also feels somewhat uncertain as to the level of competence aimed at. Taking into account that most employees in shipping and exporting companies in Europe have graduated at a rather lower level and got their specialized training on the job and in short courses, the evaluation team is hesistant to accept that "so much be given to so few" in developing countries.

An alternative model might be to offer an intensive course where the "foreign/European" subject matter is concentrated to for instance half a year, for graduates from other faculties of shipping/general economics, preferably graduates who have had some practical experience. The subject matter might then - when teachers have attended the foreign lectures, and when textbooks and other material have been translated - be integrated in the undergraduate studies that already are on the institute's programme. There does not - at least in Shanghai - seem to be any lack of study alternatives in management and administration.



As the idea of SMI seems to be to copy Norwegian study programmes and curricula, the team has also considered whether the impact on the economy would not be greater if the permanent graduate programme was somewhat more moderate, i.e. shorter, so that it could be offered to more students. Among other opportunities, we have in mind the two-year study in business administration at Norwegian regional universities (distrikthøyskoler), and the flexible programmes offered by the Institute of Business Administration (Bedriftsøkonomisk Institutt) in Oslo. These studies are more practically oriented, fitting more in with what we feel are the needs of the personnel in question.

This is not to say that the team members see anything harmful in training people at the high level now aimed at in Shanghai, but the shortage of personnel in these countries is so serious that considerable attention should be paid to the quantitative need.

Upon the whole, the members of the evaluation team feel that too much attention has been paid to elaborating long and basic study programmes - only marginally related to SUCOP objectives - to the neglect of the task of establishing a firm basis in each country for the practical courses (workshops). Great efforts should be made during the rest of SUCOP's lifetime to make the short workshop-type programmes an integral part of each country's educational system.

The evaluation team is, however, of the opinion that continued support should be given to the Shanghai undergraduate study, if possible on a bilateral basis outside SUCOP.

The team wants to add that it is fully convinced that China is in a position to take maximum advantage of support that is given.

Details of the long-term plans for the development of SMI is given in Appendix 12, Annex 2.

#### 5.4.6 Other activities

Data and Information Service (DIS) was organized with a view to provide statistical and other data pertaining to shipping and ports, and to serve as a data exchange centre for shippers' councils.

The service has been very expensive, both in money and personnel. Greater emphasis could have been laid on cooperation with other UN fora which collect and produce statistics, and with other bodies.

It has proved difficult to keep such an information system up to date, and national bulletins and shipping periodicals have in practice superseded the DIS. The evaluation team agrees with the Klekken meeting (cf. Appendix 9) that the DIS should be discontinued.

Other marginal projects should also be phased out, for instance Wind-powered Vessels. An exception should perhaps be made for the Computer Application Project. This project could be helpful if adapted to the Models and Tools topics, which seem to be well suited as training fields for the introduction of computer techniques.

Other advisory services should be rendered ad hoc, but closely linked to the activities that are important in the effort to make the countries self-sustained. The team would underline that the scope of activities should be closely linked to SUCOP's main projects.

5.5 "Assess if the project directly or indirectly has been advocating appropriate technology (in terms of harbour development, containerization vs. break bulk cargo, small vs. large ships etc.)" (Terms of reference 1.5)

There seems to have been little discussion on alternative techniques. The team has no reason to believe that SUCOP has neglected the technological aspects in its planning of activities or in its advisory service.

## 5.6 Extension of the Target Group

As described on chapter 4.4, the scope of SUCOP activities was gradually broadened in the sense that new groups were included in seminars and meetings. From about 1980 both shipowners and their associations, port authorities and even customs officials attended seminars. Representatives of governments had had a natural place in the seminars from the very start.

### 5.6.1 "Clarify in what way this development has affected the concern for the original target group, the shippers" (Terms of reference 1.6)

The invitation of new groups was suggested by the shippers themselves. The reason for this was explained in a note from the secretariat as early as 1977:

"The ESCAP Ship-users' Cooperation Project is primarily directed towards shippers' organizations and individual shippers, i.e. the private sector in most countries. However, it has been found that officials from ministries of trade dealing with shipper matters and shipping related to foreign trade would also benefit from participation in these workshops. Such officials have thus been selected to attend these workshops. It is also thought to be useful that management personnel from national shipping companies of the developing Asian countries could participate in the SUCOP Manpower Development programme. In this way, the programme would realistically duplicate the real-life situations of shippers, in which shippers and their organizations, representatives of various governmental organizations, and shipping companies play the major role."

As the ship-users became more competent and sure of themselves, they expressed a wish to involve the shipowners in the SUCOP activities, in an effort to extend the programme in the direction of joint planning of shipping services. The first meeting was rather stormy, but by and by the parties found that much

was to be gained from cooperation, limiting the quarrels to the relatively small section where there are real differences of interest.

In the discussions with shippers and representatives of shippers' councils the evaluation team found no instance of shippers who regretted the extension of the target group. On the contrary, they were unanimously in favour of it and felt that they had benefited from the peaceful confrontation with shipowners in the seminars. As the new groups were self-funding, the extension did not reduce the financial basis for support to the shippers. There may, of course, have been examples of reduced ship-user participation because of the new groups, but no complaints were expressed to that effect.

5.6.2 "Assess whether the inclusion of new groups has necessitated the inclusion of new subjects for workshop discussion or in the educational programme" (Terms of reference 1.7)

The programme of the workshops in the 1970's had upon the whole been decided before new groups were invited. However, the extension made it possible to include a new type of seminar, workshops on joint planning, a kind of exercise that was warmly welcomed by the shippers.

5.6.3 "Discuss the SUCOP objective of bringing parties of potentially different interests together in an atmosphere of cooperation, and assess whether the shippers have been able to maintain their interests in this context or whether other groups have been more influential" (Terms of reference 1.8)

There is no indication to the effect that the new groups have tried to or been able to deviate the project from its original

course, i.e. primarily to serve the interests of the shippers. The representatives of shippers - as well as the other involved parties, agree that in the long run the emphasis must be on total transport systems, where all problems regarding commodity transportation are analyzed and taken up for solution. Such an approach must of necessity include all parties, shippers, ship-owners, government representatives and port authorities.

It must be considered a great advantage then that the parties have met in seminars and been in a position to differentiate between topics of cooperation and subjects that must remain in the area of commercial negotiation and "disagreement".

It should be added that through the joint workshops the shippers seem to have bettered their relative position in relation to shipowners.

#### 5.7 Project Organization, Planning and Reporting (Terms of reference 2)

##### 5.7.1 The Monitoring Role of NORAD

According to the agreements between Norway and ESCAP (see Appendix 6), ESCAP is responsible for "the administration, planning and implementation" of the Ship-users' Cooperation Project. As a consequence, policy decisions with regard to priorities in the SUCOP-programme are taken by the legislative bodies of ESCAP. The Executive Secretary of ESCAP is responsible for the implementation. This responsibility is in practice delegated to the Division for Shipping, Ports and Inland waterways. Norway's role is, strictly speaking, limited to the provision of funds for SUCOP and its eventual offshoot programmes. Given the limited capacity of NORAD in terms of manpower and expertise it may have been attractive to entrust a respectable UN-organization with the responsibility for SUCOP. However, such a transfer can not imply a complete renunciation of the responsibility to properly monitor the content of the programme



in relation to the needs in the region and the use of funds in that connection. It is the opinion of the evaluation team that NORAD should have monitored the project more closely and that some of the developments in the programme should have been taken-up for discussion with ESCAP.

In order to exemplify this statement:

To ensure that the project tallies with regional needs an advisory body was instituted. The original "advisory group" was succeeded in 1979 by the so-called chief executives meeting. The last chief executives meeting was held in 1982. Between 1982 and the Klekken-meeting in 1984 no review of the programme seems to have been undertaken. This should have been a matter of concern to NORAD as the advisory body seems to have been very instrumental in advising on programme priorities.

- Little monitoring of progress has taken place in relation to the recommendations of the chief executives meetings. In one of these recommendations it was suggested to make more use of regionally available expertise in the staffing of workshop programmes. An analysis of the list of experts and institutions involved in SUCOP activities (see: annex 5 of the Raeng report on SUCOP) shows a steady decline in the use of regional expertise since 1981.

- Comparing the SUCOP activities of 1982 and 1983 a considerable drop in the number of workshops organized can be noted. Nine workshops were held during 1982, in addition a seminar on freight forwarding was given. In 1983 only five workshops were organized. During the same year the teacher development programme at the Shanghai Maritime Institute was started. These events suggest that a major reallocation of manpower and funds has taken place as result of the SUCOP involvement in China. The concentration of activities on China may have been justified as such, but besides limiting the access to funds for other countries in the region, it implied a policy shift that should have been thoroughly discussed with the Norwegian authorities. As it is questionable whether the China involvement fits in with the original objectives of SUCOP, NORAD should have initiated these policy discussions even when this could be considered the task of ESCAP.



- The evaluation team has not been in a position, nor has it been its task, to undertake an audit of SUCOP budgets. However, a superficial look at these budgets reveals that events have been budgeted for that have not taken place. The advisory group was abolished in 1979, but money for this purpose has been allocated ever since. The last chief executives meeting was held in 1982, but money for the organization of these meetings has been allocated for '83 and '84. Without suggesting that any improper use has been made of the available funds, we feel that NORAD should have monitored budgets and expenditures in relation to the work programme. (See also our comments under 6.4.)

#### 5.7.2 The Role of the Project Leader

The Division for Shipping, Ports and Inland Waterways is inadequately staffed both in terms of numbers and in expertise, to handle all aspects of the project. In order to remedy this situation Mr Omtvedt was contracted by ESCAP as a project leader. Not underestimating the important contributions of Mr Kulodrovic, chief of the division, it must be said that Mr Omtvedt has carried the main responsibility for the project and that he to a large extent should receive the credit for the relative success of the programme.

Mr Omtvedt has largely coordinated the programme from his home-base in Norway. Certainly in the initial stages of the project it was an advantage for logistical reasons to coordinate the programme from Norway as most of the training faculty for the workshops had to be recruited from Europe. As SUCOP contributed to the development of shipping expertise in the region, and as the demand for selfreliance in terms of manpower development emerged it gradually became less of an advantage to coordinate the programme from Norway. The lack of a competent counterpart based in Bangkok has in the opinion of the team contributed to the fact that too little use has been made of regional expertise as lecturers in the workshop programmes.

In connection with the recommended transfer of manpower development to the national level and the efforts to make the countries self-sustained, there is a need for a continuous liaison and advisory service from Bangkok. We have seen that the services rendered by the ESCAP secretariat are insufficient and irregular, owing to the fact that no personnel has SUCOP as its sole or even primary responsibility.

The fact that Mr Omtvedt has been based in Norway, and that he on a number of occasions has acted as a representative on behalf of NORAD (i.e. Norwegian representative in the advisory group) has contributed to a large degree of confusion about his role in the project. During our interviews we have noted that he in many of the countries involved is seen as the official representative of the Norwegian government. Because of NORAD's lacking capacity to actively guide and monitor the project a situation was created in which Mr Omtvedt could and almost had to operate in different capacities in order to keep the project going. In accordance with sound administrative rules and practices it is undesirable, not to say wrong, that the same person is involved in all phases of the decision-making and implementation process. We therefore suggest a project organization in which the role of Mr Omtvedt is more unambiguously structured and in which the various responsibilities are allocated to different parties.

### 5.7.3 Guidance to Individual Member Countries

Formally all governments in the region are entitled to propose new activities, studies, etc. under SUCOP. A number of such requests have been received by the Secretariat and some have been honoured. Other proposals have been dissuaded as they seemed ill-conceived or because of lack of funds.

However, it is the opinion of the team that the Secretariat has not taken an active role in encouraging the member countries to define their problems and needs and to propose suitable projects in this connection. This lack of initiative is espe-

cially regrettable in relation to the least developed countries, which in most cases do not have the necessary expertise nor the administrative machinery to make an analysis of their needs in the transport sector.

The only exception in this case seems to be China, where the Secretariat has actively promoted SUCOP.

The reason for this shortcoming is that the programme largely has been coordinated from Norway, a fact that has prohibited an ongoing contact with the member countries. The Division for Shipping, Ports and Inland Waterways did not have enough qualified staff to support the project in this respect. For the remaining lifetime of SUCOP a Bangkok-based project leader is urgently needed in order to assist the member countries in defining their problems and to propose viable ways of solving these.

#### 5.7.4 Project Organization during the Phasing-out Period of SUCOP

The evaluation team is of the opinion that SUCOP has been a useful programme. The phasing-out period of the project should be used to safeguard and to reinforce the positive developments to which SUCOP has contributed. In this regard it is of prime importance that the manpower development activities be linked to national institutions and that as much support as possible is given to national shippers' councils in order to ensure their proper functioning. The phasing-out period should also be used to generate proposals for further development aid in related areas after SUCOP has gone out of existence. The transport by inland waterways and containers especially is, in the opinion of the team, a potentially fruitful subject in this context.

Instead of letting the project slowly wither away, a relatively intense engagement during the last phase of SUCOP seems appropriate. In this regard some organizational conditions need improvement:

- The professional guidance and monitoring of SUCOP by the Norwegian authorities should be strengthened.
- Financial reporting procedures should be improved.
- An advisory board, consisting of representatives of the recipient countries should be reinstated.
- A well qualified project leader should be appointed in Bangkok.
- The role of Mr Omtvedt should be clarified.

The professional support, guidance and monitoring of SUCOP by Norway has been very limited, as we have argued in 5.7.1. In order to ensure the accomplishment of the objectives of the project and in particular the realization of the recommendations as put forward by the team, a stronger involvement on the Norwegian side is seen as necessary. Under the present agreement ESCAP is almost solely responsible for the realization of the project, but as this agreement expires by the 31st of December 1984 new contractual provisions can be made. Even if the final decision-making with regard to working programmes should have to remain with ESCAP, the Norwegian authorities has to make sure to have at least a very strong advisory position in this context. Given the limited capacity of NORAD to deal with this project it should be considered to delegate the professional monitoring role to other government departments where sufficient expertise concerning shipping is available. To supervise a project of this nature a steering committee of some size and weight would seem appropriate. But given the fact that SUCOP is heading towards its end a limited number of people should get involved in the professional monitoring of the project. To ensure The Ministry's involvement it should function as the secretariat of this group.

When a new agreement with ESCAP is outlined, it should be stipulated that information on budgets and expenditures is made available in such a form as to allow effective control. In the present

situation budgets are so aggregated that it is not possible to find out under which heading certain activities are supposed to be funded. The evaluation team finds this very unsatisfactory (see also 6.4). Under the present agreement ESCAP will provide a certified statement of expenditure one year after the completion of the project. The evaluation team finds this unacceptable. Such a statement should be presented each year, together with the programme of activities and the budget for the next period. Not only does such a procedure provide some measure of financial control, it also enables the screening of progress made in relation to the stated priorities in the foregoing period.

The evaluation team is strongly convinced that an advisory body with representatives from the recipient countries should be re-established. In the phasing-out period of SUCOP the primary objective is to foster selfreliance and it is in this context that a close cooperation between the Secretariat and representatives for the member countries is necessary. The advisory committee should convene at least once a year, but preferably twice.

The group should consist of representatives from the ESCAP region. The advisory group from the 1970's consisted primarily of representatives from ESCAP and Norway. Such a structure is unfortunate since the group is an advisory body to ESCAP.

It should be evident from the foregoing that insufficient attention has been paid to the particular needs of individual member countries. This is the reason why the team strongly recommends the appointment of a well-qualified project leader to be based in Bangkok. His task would be to render advisory services to regional and national organizations, and he should be able to assist individual member countries in defining their needs in the transport sector. He should act as the main liaison officer between Norway, ESCAP and the member countries. He should also see to it that maximum use is made of regionally available expertise in the staffing of training programmes. In line with the objective to "nationalize" the manpower devel-



opment activities, he should be recruited from the region. In order to let him function effectively right from the start, he must be well acquainted with SUCOP and its training programmes.

It is not the a priori opinion of the team that extra-budgetary provision should be made in order to employ the proposed project leader. The present budget proposals for the remaining life time of SUCOP need to be scrutinised before such a conclusion can be arrived at.

Lacking support, both on the Norwegian and ESCAP side, has contributed to the fact that Mr Omtvedt has been "wearing many hats" at the same time. The fact that he has done so has in the opinion of the team added to the relatively successful accomplishment of the project so far. But as this situation is basically unsound from the perspective of administrative practice, his role should be more strictly circumscribed. If the foregoing recommendations are realized organizational conditions will be achieved in which different responsibilities are more clearly delimited, in which the preponderance and thus the limitations of one individual's views are prevented and in which a proper control can be exercised. In order not to waste his undoubted expertise, it should be considered in which capacity best use could be made of Mr Omtvedt's professional contributions.

#### 5.8 Training and education (Terms of reference 3)

Together with organizational support, training and education have been the main concerns and objectives of SUCOP. The success or failure of the project must, therefore, largely be assessed in terms of training results achieved.



5.8.1 Assess the relevance of curricula and workshop topics, teaching methods as well as the quality of training in view of ship-users problems in the region

(Terms of reference 3.1)

From the description in chapter 5.4.2 it should be evident that in the opinion of the evaluation team the subject matter and contents of the workshops have been relevant and adequate in relation to shippers' problems and needs. This fact has been borne out in all discussions and interviews during the field study trip. Quotations from the interview reports can confirm this and also show that what objections there are, are positive and constructive and given "con amore":

"The background for the workshops is that shipping people do not have sufficient knowledge. Our country has been closed for a long time. Through the workshops participants have learned how Europe organize the shipping sector. The workshops were arranged in a flexible way. Emphasis was put on case-studies. Lecturers participated actively in the workshops. The student's participation will imply wide-spread effect of competence."

"The workshops have been valuable in improving the knowledge and competence of the participants. They have been able to apply the knowledge and skills aquired in the day-to-day work in a practical manner."

"The workshops have been very useful....would have liked to send many more participants....A weakness: The workshops tend to be very general, whereas problems vary from province to province. There should be more emphasis on cases and examples, group exercises etc."

From a pedagogical point of view, it seems to have been a wise practice to organize workshops for the personnel at planning and policy-making level and at middle management level in government agencies and companies.

The "Models and Tools" and the "Handbook for Shippers" seem to be the right type of textbooks and aids for this group of recipients. They are written in a clear and easily understood English, and the subject matter is well explained. The books were praised by all who had used them.

Further, there is reason to believe that the workshops have been methodologically well balanced, giving good motivation and promoting comprehension through a planned shift between lectures, group discussions, problem-solving (individual and in groups) and questioning sessions. The use of colour slides has been important in this connection.

A few workshop participants complained that they had some difficulty in understanding the "Oxbridge" variant of spoken English, and thought that the lectures should perhaps have been presented by somebody utilizing some kind of Asian pronunciation of the "lingua britannica".

More relevant and important is, probably, the complaint that the subject matter of the lectures was too heavy a stuff to absorb in a lecture. The papers should therefore, it was said, have been handed out - or rather sent to the participants, some time before the workshops took place. The lectures could then have been used for commenting on the problems. As it is, there seems to have been a great number of "sleeping partners" at the seminars and workshops.

It is suggested by the evaluation team that lectures should perhaps be videotaped and used by workshop participants as a means of further dissemination at the national level. When being commented on by ex-participants, who would be able to make comments in the local vernacular, such instruction might be quite as efficient as the original workshop teaching.

A crucial question is whether in addition to the Handbook and Models and Tools, something more is needed for the "downward" dissemination of knowledge at the country level. The staff below the executive level are probably the people who in practice will do much of the calculation work etc. which seems to play so important a part in the preparations for the "fights" with shipowners and liner conferences. However, the "Handbook" and the "Models and Tools" are too comprehensive for mass dissemination. It should, therefore, be considered whether the books might be abridged, simplified and translated into the national languages for use in private study and country-level seminars for medium and lower level employees. For further comments, see chapter 4.4.

5.8.2 "Discuss the relevance of high level education versus medium or basic training in SUCOP"  
(Terms of reference 3.2)

In chapter 5.4.5 the team has discussed the relevance of long university studies as compared with short courses. It was advocated that the emphasis should be on short workshops transferred to the country level. If university training is included, the best solution will be to offer shipping economics and management courses as concentrated studies on top of general graduate studies or as optional courses as part of general courses in economics. Long specialized studies should be avoided, as the demand for high level personnel is rather moderate and irregular over time.

5.8.3 "Compare the quality and costs of some training programmes to alternative training opportunities in home countries, in the region or other countries" (Terms of reference 3.3)

The workshop programme of SUCOP is unique in the sense that in no other region - to our knowledge - a similarly systematic and comprehensive upgrading programme for ship-users has been organized. Workshop training is in principle the most inexpensive

alternative besides pure distance education. However, in the case of SUCOP the costs become very high because experts have been drawn from Europe. When the workshops are transferred to the country level and staffed with national part-time trainers, the expenses will be very reasonable.

In the future, SUCOP should discontinue the regional workshops except for a few seminars on very special topics. In the opinion of the evaluation team the travel and per diem allowances for participants should be paid by the home country. This is already the case with country level workshops, which from now on is supposed to be the main type of training within the SUCOP scheme.

#### 5.9 The Impact of SUCOP (Terms of reference 4)

##### 5.9.1 "Assess the project's contribution to the development of cooperation among ship-users in the region"

(Terms of reference 4.1)

The workshops conducted at regional level have evoked among ship-users and other representatives from the maritime industry a feeling of unity through exchange of views and comparison of positions. Methodology adopted at the workshops - working in groups focused on the usefulness of working together to find rational solutions to the transport problems - has highlighted the need to cooperate in matters of mutual interest, and has led to regular exchange of views and information between shippers' councils and other national shippers' organizations.

The sense of cooperation among shippers generated by the manpower development programme has been extended to other groups by bringing within the scope of SUCOP other interested parties in the maritime field - namely shipowners, ports authorities and government officials involved in maritime policy formulation and implementation. The Joint Meetings of National Shippers' Organizations, National Shipowners' Associations and Ports Authorities have shown that all the main parties within the

maritime sector could be brought together to review problems and mount appropriate efforts to seek solutions jointly. This in turn led shippers to institutionalize the concept of cooperation by forming shippers' councils and later, sub-regional groupings of shippers to strengthen their positions to deal with their problems in a uniform and mutually beneficial manner.

The Federation of ASEAN Shippers' Councils (FASC) made up of Thailand, Malaysia, Singapore, Indonesia and the Philippines, and the Association of Shippers' Councils of Bangladesh, India, Pakistan and Sri Lanka (ASCOBIPS) could be counted as direct spin-offs of cooperation reflected in SUCOP. In recognition of the beneficial effects of cooperation shown in the shippers' movement, shipowners and ports authorities have also begun institutional cooperation among themselves in the form of the Federation of ASEAN Shipowners Association (FASA) and the Association of Port Authorities of the ASEAN Region. Endeavours to form similar institutions in the sub-region of India, Pakistan, Bangladesh and Sri Lanka have been proposed and are likely to be realized in due course.

SUCOP assistance for setting up a Teacher training programme and an undergraduate course in ship management at the Shanghai Maritime Institute are further evidence of SUCOP involvement in building up institutions in support of its manpower development programme.

The study tour of Chief Executives of National Shippers' Councils to Europe (1977), Australia (1978), Japan, Hong Kong and the USA (1980) has led to cooperation between shippers' councils in the ESCAP region and in Europe. Following these contacts, the Federation of ASEAN Shippers' Councils has entered into a "Note of Understanding" with the European Shippers' Council (ESC) to cooperate in all matters of mutual concern. The Shippers' Councils of Bangladesh, India, Pakistan and Sri Lanka (ASCOBIPS) entered into a similar "understanding" with the Federation of

ASEAN Shippers' Councils (FASC) in 1982 and are contemplating extending the cooperation to Europe by endorsing a Note of Understanding with the European Shippers' Council (ESC) on the same line as FASC.

These developments have been largely influenced by SUCOP, which has provided the shippers movement the means and the opportunities to forge permanent links with shippers' councils outside the ESCAP region.

5.9.2 "Consider whether the project has contributed to

- rational decision-making in regard to the planning and implementation of transport services,
- adequate national policies as regards maritime transport, ports and shipping services as well as supporting activities,
- establishment of adequate institutions, new work models, negotiation procedures etc."

(Terms of reference 4.2)

The task of assessing the contribution of SUCOP to rational decision-making in planning and implementation of transport services is somewhat difficult in view of the fact that there has been no procedure for assessing SUCOP participants.

However, it is reasonably clear from the field study that a large proportion of SUCOP trainees have been involved in the maritime sector, that they were in middle and upper management level, and after appropriate training under SUCOP have returned to their positions in the shippers' movement or the maritime industry. Thus they have been able to apply the knowledge and expertise acquired from SUCOP manpower development programmes in their normal routines.

However, the field study also revealed that there were many cases of SUCOP trainees mostly in the government sector being posted outside the maritime industry after obtaining comprehensive training through participation in SUCOP workshops.



There has also been cases where SUCOP trainees having acquired knowledge and expertise through the workshop programme, subsequently on their own have taken positions outside the maritime sector.

In spite of such instances, which are inevitable, it could reasonably be judged that a great proportion of SUCOP trainees are still holding positions of considerable responsibility in the maritime sector and are in various ways contributing to the planning and implementation of maritime policies in their respective countries in a worthwhile manner.

SUCOP activities have also resulted in the setting up of shippers' councils. The shippers' councils of Bangladesh, Malaysia, Indonesia and the Philippines have been established under the influence of SUCOP.

The Handbook for Shippers and the Models and Tools System have been among the most significant contributions of SUCOP towards building up the knowledge and skills of ship-users, particularly in dealing with shipping conferences. These publications provide an indispensable guide to shippers in regard to the mechanics of ocean freight rate calculations, techniques for consultation and negotiating with shipping conferences. Through a recent addition the books provide a description of the legislative and legal environment for shippers, thus improving the positions of shippers when dealing with the well organized and established conferences. The manuals now require updating to enable the work models etc. to fit into the new shipping technologies resulting from the development of containerization. Also, the Handbook for Shippers needs revision in regard to negotiating techniques and consultation procedures to recognize the requirements of the role of non-conference operators in shipping in the ESCAP region, containerization, the UNCTAD code of conduct for liner conferences, the diminishing role of the conferences and the emergence of shipping consortia.

In the area of cargo consolidation SUCOP has been engaged especially in Malaysia, Philippines and the Pacific. The tasks ahead are, however, enormous and complex.

The SUCOP role in regard to the planning and implementation of transport services has been limited.

Participants from government services have been engaged in activities in SUCOP including participated in seminars. No effects on national policies can be traced. It must, however, be remembered that SUCOP's continuing emphasis has been on the manpower development component. An area in which SUCOP has had an appreciable impact has been in relation to an off-shoot project to assist the Government of Sri Lanka to build a fleet of 12 new fully cellular container ships. In this connection SUCOP, mostly through Norwegian expertise, assisted the Ceylon Shipping Corporation (CSC) with the specification, design outlines, tender documents, evaluation of bids etc. in regard to the construction of the new ships.

The benefits to the recipient country in terms of costs of advisory services alone was great. The team, however, consider this project to be outside the terms of reference for SUCOP.

5.9.3 "Discuss whether the project has contributed to improving transport facilities and the general economic development of the recipient countries" (Terms of reference 4.3)

There are no generally accepted criteria for estimating the contribution from the "maritime transport sector" to "general economic development". During the last few years the influence of transport costs on trade has generally been less than earlier. This may have been caused by many factors such as the ongoing crisis in the shipping industry, but also to some extent by the shippers' awareness of possibilities of rationalization and their improved ability to consult/negotiate effectively with the shipping industry, but especially the existence of shipping opportunities outside the liner-conference system.

In a long-term perspective traces of SUCOP will certainly be found in the maritime sectors of ESCAP countries - especially in Bangladesh, China, India, Malaysia and Philippines.

Transportation costs are important for the development of the national economies. Empirical studies have demonstrated that transport costs frequently pose a more important trade barrier than most-favoured-nation tariffs facing developing country exports to industrial nations. Investigations have also shown that the structure of freight rates can have important detrimental effects on developing country industrialization objectives since ad valorem transport costs often rise with fabrication and discourage local processing of raw materials. Nominal transport costs for developing country intratrade have also been shown to assume prohibitive levels with the result that shipping is a major constraint to any development policy based on collective selfreliance. To give an indication of the importance of shipping services to the economy of developing countries in the ESCAP-region, reference is made to the following table:

Ratio of Liner Freight Rates to Prices of Selected Commodities

| Commodity   | Liner Route                  | Freight as a percentage of Product Price |      |      |
|-------------|------------------------------|--|------|------|
|             |                              | 1964                                     | 1970 | 1975 |
| Rubber      | Singapore/Malaysia to Europe | 8,0                                      | 10,5 | 18,5 |
| Tin         | Singapore/Malaysia to Europe | 1,2                                      | 1,2  | 1,6  |
| Cobra       | Philippines to Europe        | 11,0                                     | 14,0 | -    |
| Jute        | Bangladesh to Europe         | 8,7                                      | 12,1 | 19,5 |
| Coconut oil | Sri Lanka to Europe          | 8,8                                      | 8,9  | 9,1  |
| Tea         | Sri Lanka to Europe          | 6,5                                      | 9,5  | 10,4 |

Review of Maritime Transport UNCTAD  
Geneva, 1977

As the table shows freight as a percentage of product price is in general increasing. This implies that technological innovations in liner conferences have not offset higher bunker and stevedoring costs and stagnating commodity prices. The price

development illustrated above also reflects the strong market position of the liner conferences in the relevant trades. It should be underlined, though, that today national shipping companies from the relevant developing countries are members of the conferences. New figures have not been available, but the teams impression is that in the in the 1970's the freight has shown a decline, relatively measured.

The shippers and their shippers' councils have an increasingly important role to play. They have the responsibility of organizing the cargo in a proper way (i.e. cargo consolidation) so it can be handled efficiently by the shipping company. The importance of cargo handling is increasing with the level of technology on the ships. Time in harbour for the ship is lost money, and SUCOP-programmes have given emphasis to training in cargo handling, packing, consolidation schemes (particularly important in the least developed among the developing countries). Efficient transportation services have considerable importance for the development of both national and international economy. The shippers have an important responsibility in the organization of trade. SUCOP has given many shippers and shippers' organizations new means for the fulfilment of their positive role in the national economy. Shippers should, however, in an increasing degree participate in organizing shipping activity outside the liner conferences. Such a step would establish competitive surroundings in the trades concerned to the advantage to the shippers.

5.9.4 "To the extent possible, discuss SUCOP's impact relative to other forms of maritime development assistance in the region, either through ESCAP or directly to selected countries or groups of countries through other organizations" (Terms of reference 4.4)

Given the objective of SUCOP - to improve the efficiency of shippers' performance and operation - it is hardly possible to compare the project's achievements with other projects in the maritime field. Assistance in the construction of ports, the building up of national merchant fleets etc. might have had greater impact on the economical development of the region, but the evaluation team neither has the documentation nor the competence to make such an assessment.

## 6 CONCLUSIONS AND RECOMMENDATIONS

### 6.1 Overall Impressions

The evaluation team has obtained a fairly complete picture of the Ship-users' Co-operation Project (SUCOP) through the study of documents, discussions with ESCAP personnel and government officials, interviews with involved parties and visits to institutions.

The overall impression is that the SUCOP project was relevant in terms of the shippers' situation. It took into consideration important problems of the ship-users, and it selected appropriate means and approaches in its attempt at finding solutions. The original target group - shippers and exporters - and governments of the member countries feel that the effects of SUCOP have contributed to a better balance between shippers' and shipowners' positions in the region. Even the counterpart, the shipowners, although realizing that SUCOP has given them a stronger and more difficult "opponent" in negotiations, admit that much has been gained by raising the competence level of the ship-users. There has been created a platform for real negotiations and cooperation instead of the traditional pattern of fruitless confrontation and irrational quarrel.

During the lifetime of SUCOP at least two developments have taken place which impinge upon the relation between shippers and shipowners. The slump in the freight market has led to overcapacity and depressed freight rates, and the rapidly increasing use of containers has contributed to a closer link between shippers and shipowners. Further, new forms of shipping and the overcapacity has implied a weakening of the traditional liner conference system. It is, therefore, difficult to establish to what degree SUCOP should be credited with the positive developments that have taken place. It should also be taken into account that the scope of SUCOP has been much too limited in relation to the magnitude of the problems concerned.



The activities of SUCOP can be summarized as follows:

- manpower development, i.e. up-grading of the shippers' skills and knowledge, particularly through workshops, conferences and courses for training of trainers
- preparation of training aids (Handbook for Shippers, Model and Tool Systems, visual aids etc.)
- promotion of cooperation between ship-users, shipowners, ports' authorities and other authorities in the region, through joint participation in conferences and workshops
- contribution to the solution of specific development tasks, through special sub-projects such as the copra transport scheme in the Pacific, the application of computer techniques in China, the natural rubber cargo consolidation project in Malaysia, the data and information service project (DIS), the teacher training scheme and the preparation of modern curricula for undergraduate studies in economics at the Shanghai Maritime Institute.

During the years 1972-1984 Norway has granted a total of approximately NOK 45 million to SUCOP.

## 6.2 The Phasing Out of SUCOP

The termination of the SUCOP project has been postponed several times. In 1975 the executive secretary of ESCAP stated that the period 1977-1980 would be the final phase of the programme. In 1979 it was agreed that the project should be extended to 1984. However, funds have been requested also for 1985 and 1986, and the latest request even contains a "phasing-out" grant for 1987 and 1988.

The evaluation team is of the opinion that such support should be given, but that the use of the funds should be substantially altered, in compliance with the recommendations rendered in chapter 6.3 and 6.4.



The Federation of ASEAN Shippers' Councils has in a resolution of August 1984 strongly recommended that continued support be given to SUCOP.

### 6.3 Recommendations

Shippers' organizations have been established in most countries in the region, and some of them are functioning quite effectively. India, Malaysia and Philippines are examples of this. In other countries, however, the organizations have great problems both financially and operationally.

It is further true that country-level workshops to a certain extent have been organized, but the lecturing has mostly been done by foreign experts, and the administration of the workshops has to a considerable degree been entrusted to SUCOP.

Much remains to be done, therefore, before the individual countries become self-sustained. The main emphasis should for that reason be laid on building up activities on the country level, and on helping the countries in the process of becoming independent of foreign experts. Only in this way it will be possible to safeguard the developments started by SUCOP.

Up to now, SUCOP has funded travel expenses and per diem allowances for participants in workshops. In the future, the financial side of the shippers' councils and the training activities should be the responsibility of each individual country. Only in exceptional cases SUCOP should grant fellowships.

In this connection the evaluation team will point to the fact that fees paid to foreign lecturers and other expenses in connection with foreign expertise have been unreasonably high.

### 6.3.1 Main objectives of SUCOP during the Phasing Out Period

The main activities of SUCOP during the remaining years (1985-1988) should be:

- (1) assisting the countries councils and authorities in "nationalizing" the training of shippers by helping them to
  - find institutions that can integrate the workshop programmes and other training alternatives in the national educational structure (universities, polytechnics, trade institutes etc.)
  - develop local training staff (part-time trainers) for the education of shippers and related personnel. Local expertise should increasingly be relied upon for the training of teachers/trainers
  - adjust the workshop contents and methods so as to be more practically oriented and aimed at topics that are directly useful in day-to-day activities. Regional expertise should be drawn upon for the administration of workshops and for lecturing
  - adjust the training aids (including M & T) to national needs (cf. 5.8.1)
  - strengthen the national shippers' councils and raise their professional level through advisory service, national conferences and workshops
- (2) assisting the shippers in the least developed countries to analyze their problems and define appropriate measures/projects for solutions. Special emphasis should be devoted to Norway's main collaboration countries
- (3) up-dating "Handbook for Shippers - Model and Tool System", including the Computer Application Project (cf. chapter 5.4.6)
- (4) finalizing the LINER -81 project as soon as possible

- (5) terminating immediately the Wind-powered vessels and the DIS projects

6.3.2 Strengthening the Secretariat and Reestablishing the Advisory Body

In the team's assessment of SUCOP it was pointed out that many activities have not been pursued efficiently (cf. chapter 5.7) because of insufficient initiative from the secretariat. The phasing out period that is intended to make the national organizations self-sustained will lay additional responsibility and burdens on the managing and steering body. This period also requires that there is a strong hand in Bangkok, able to take care of the advisory service to regional and national organizations, and to keep up an efficient liaison with the donor country and the chief adviser in Oslo. He also should see to it that maximum use is made of regionally available expertise in the staffing of training programmes, including the teachers' education. The team therefore recommends that

- (1) a well qualified person be employed at the secretariat in Bangkok for the rest of SUCOP's lifetime. This employee must be linked directly to SUCOP. In line with the aim to nationalize the activities, he should be recruited from the region. He must be well acquainted with SUCOP and its training programmes
- (2) an advisory committee be appointed for SUCOP to give continuous advice and support on the project activities, and to make sure that the activities are in compliance with the objectives. The committee should be professional and have representatives from the ESCAP secretariat, the recipient countries and the government of Norway. The committee should be convened at least twice a year.

The meetings of the executives can not be considered as an alternative to the advisory group. The executives meeting is too large a forum and not suited for informal discussions.

In view of SUCOP's priorities for the next years the team feels strongly that funds from SUCOP should not be used to finance meetings of chief executives. If the meetings are considered important they should be part of ESCAP's regular programme and budget.

### 6.3.3 Norwegian Professional Follow-Up and Involvement in Policy Decisions

The organization of the project is based on an agreement between Norway and ESCAP (cf. Appendix 6). The agreement states the responsibilities of both parties. ESCAP is made responsible for the administration, planning and implementation of the project. The Norwegian role is a passive one, primarily of a monitoring nature. The agreement states that "Norway and ESCAP will cooperate fully to ensure that the purpose of the grant is accomplished. To that end Norway and ESCAP will furnish each other all such information as may reasonably be required pertaining to the project".

As a result of the agreement Norway should take on an active role in the following situations:

- a) When a four-year programme and budget is presented, and
- b) in connection with substantial changes in the project,

It is the opinion of the evaluation team that the professional follow-up of the SUCOP project by NORAD has been too limited. A more critical evaluation of the professional content of the programmes and the proposed budgets should have taken place, and more active guidance should have been given to those who execute the project.

ESCAP has regularly informed Norway about the progress of the project. However, the evaluation team feels that important policy changes and consequent reallocations of resources have been made without previous consultations with the Norwegian authorities. An example of this is SUCOP's involvement in China.

The Ministry of Development Co-operation does not seem to have sufficient capacity and expertise to actively guide and monitor projects of the kind we have been studying. Besides, SUCOP is a project among many others that may have been given higher priority.

A proper organization of a project should consist of three bodies with separate responsibilities and constituencies:

- A group of people should be responsible for the execution of agreed-upon programmes, the formulation of proposals for future activities, and the preparation of budget proposals.
- Representatives of the recipient countries should form an advisory body, with the tasks of reviewing the adequacy of past performance in relation to the needs in the region, and commenting upon the activity programmes and budgets proposed by the aforementioned group,
- A project steering committee should evaluate past performance and make final decisions on future activities and budgets to that effect.

The reality of the SUCOP project has deviated from this model in the following ways:

- In the last few years the advisory body has not been convened.
- There has not been a satisfactorily staffed and functioning project steering committee within the Norwegian administration.
- Mr Omtvedt has had functions which should have been separate.

To improve this situation the following steps should be taken:

- A properly functioning advisory body should be regularly convened (see 5.7.4).
- Given the limited scope of the SUCOP programme and the limited amounts of money involved, it is doubtful whether a fullscale project steering committee is necessary. But as The Ministry does not have sufficient capacity and expertise to deal effectively with SUCOP, it should be considered to let other government departments with sufficient expertise concerning shipping deal with the project. Reporting lines to The Ministry have to be worked out.
- Mr Omtvedt's role should be delineated in such a way that he will "wear one hat". It should be considered in which capacity best use is made of his expertise, but one should prevent that he functions in different capacities at the same time.

#### 6.3.4 The Off-Shoot Programmes in China

Continued assistance through 1985 and 1986 has been provided for the Teacher Training programme at the Shanghai Maritime Institute.

In the letter referred in Appendix 12, Annex 2, is inherent a request for support to the undergraduate study in shipping economics and management, to a programme on maritime law and to a programme regarding the modernization of the navigation and engineering departments at Shanghai Maritime Institute.

The evaluation group is of the opinion that the projects proposed by China are well founded and would be of great help in the development of shipping in China. The grant should therefore be given. However, the activities are not directly aimed at the main goals of the SUCOP Project. Because of the size of the programme, and because of the need for professional support, the request should therefore preferably be taken out of SUCOP and considered for bilateral support.



#### 6.4 Financial Considerations

The evaluation team has not been in a position, nor has it been its task, to undertake a thorough audit of the SUCOP budgets. The annual reports on expenditure as provided by SUCOP give scant information.

The various budget items are overlapping, and it is hard to establish what expenditure they are intended to cover. Budget proposals seem often to be a mere extrapolation of earlier amounts.

The budget proposals for 1985 and 1986 are not based on a detailed programming of activities. The group is of the opinion that a budget proposal can not be assessed without such programming.

The group will recommend that detailed programmes for 1985 and 1986 be prepared, and that the recommendations given in this report are considered in that connection. It could therefore be useful to look at the budgets for 1985 and 1986 (cf. Appendix 12, Annex 1) in the light of past performance and in terms of the recommendations of the evaluation team.

The team subscribes to the level of expenditure requested for the two years in question, but the funds should be reallocated in compliance with the recommendations given in our report.

Re 1.1 Substantial sums have been allocated for the meetings of the chief executives. It must be noted that these meetings have not been held since 1982. The amounts allocated for this purpose in 1983 and 1984 seem to have been used otherwise. The group considers that the amount should be transferred to the advisory group. In the future meetings of the chief executives should be a part of ESCAP's regular programme. SUCOP funds should not be used to finance expensive meetings for government and semi-government representatives.

Re 2.1 A sum of US \$ 150.000 is proposed for 1985 as well as for 1986 for regional workshops and study tours. It is the opinion of the evaluation team that the emphasis should be shifted towards the country level programmes. Regional workshops should be very few, and should only be arranged on very specific topics. The amount proposed therefore seems to be very high, and funds should be transferred to the country level activities.

Re 2.2 Moderate sums have been proposed for the development of trainers. In view of recommended efforts to make the recipient countries selfreliant a shift in expenditure seems logical.

Re 2.3 A considerable increase is proposed for assistance with national training programmes. If the Shanghai off-shoot project is meant to be included, the proposed amount must be too low.

Re 2.5 and 2.6 It is the opinion of the evaluation team that Handbook for Shippers should be revised, and that the available workshop reports not included in the Handbook should be developed into a Shippers' Compendium. However, both the amount of money used and the funds requested in this respect seem to be extremely high. No tender-procedures have been used in this context.

Re 3.1 From 1977 to 1984 US \$ 761.000 have been allocated to the DIS project (Data and Information service). The project has been a failure, very little use is made of DIS. There is very little reason to spend another US \$ 60.000 on it.

Re 4.1 Considerable sums have been budgeted for external expertise and liaison. In view of the recommendation to foster selfreliance and increased use of nationally and regionally available expertise, these sums seem to be unnecessarily large.

Re 4.3 Advisory group meetings have not been held since 1979. Still money has been allocated for this purpose all through the lifetime of SUCOP.

Provision should be made for including the amount necessary for the strengthening of the secretariat (cf. 6.3.2).

The budget is so aggregated that it is impossible to establish under what heading the Wind-powered Vessel project is included, but we are of the opinion that the project should be terminated immediately (see 6.3.1).

As mentioned, the above considerations should be taken into account when detailed activity programmes for 1985 and 1986 are worked out.

SUCOP Bibliography

(Prepared by Petter C Omtvedt)

1. Documentation of substance - textbooks

MODEL AND TOOL SYSTEM FOR SHIPPING ANALYSIS AND DECISION-MAKING

- Part I: Explanatory Notes
- Part II: The Models and Tools
- Part III: Sources

(Handbook for Shippers for the Asia and Pacific region, volumes 2 and 3, Bangkok 1979, 2nd edition Bangkok 1982).

The "Model and Tool System" contains a breakdown of ocean transport costs, as well as methodology for price (freight rate) making. The system is devised as a large series of economic "building blocks" (the tools) which may be combined in a large number of ways according to the nature of the analysis being performed (the models).

HANDBOOK FOR SHIPPERS FOR THE ASIA AND PACIFIC REGION

New York 1975, Bangkok 1982 (2nd edition)

While the Model and Tool System contains the economic and operational structure of shipping, this part of the handbook deals with a number of shipping issues not so easily quantified, but equally important: the objectives and scope of shippers' cooperation, the liner conference system, consultation and negotiation in shipping, the legal background for the choice of transport contracts.

2. Advisory Services Reports

CARGO CONSOLIDATION PILOT PROJECT MALAYSIA,  
SUCOP OFF-SHOOT PILOT PROJECT

Bangkok 1977/78

INDIA, PAKISTAN, BANGLADESH, SRI LANKA LINER SHIPPING STUDY -  
1977

Bangkok 1978

REPORT ON FREIGHT FORWARDING PRACTICES IN THAILAND, THE ESCAP  
REGION AND WESTERN EUROPE

Bangkok 1979

COMPUTER APPLICATIONS IN SHIPPING - PILOT PROJECT

Proceedings of a joint working group for the development  
of 3 computer programmes:

- Future demand and supply of tonnage for a country
- Investment analysis
- Voyage calculation

Bangkok/Shanghai/Oslo, 1982 onwards

ECONOMIC IMPLICATIONS OF CURRENCY ADJUSTMENT FACTORS (CAF)

Bangkok 1981

IMPLICATIONS OF BUNKER ADJUSTMENT FACTORS

The Hague 1981

DEVELOPMENT OF A FACTORY SHIP CONCEPT FOR COLLECTION AND  
PROCESSING OF COPRA IN THE SOUTH PACIFIC

Bangkok 1982

EVALUATION OF THE PAPUA NEW GUINEA SHIPPING CORPORATION

Bangkok 1982

DEVELOPMENT OF A CONCEPT FOR WINDPOWERED VESSELS IN COMMERCIAL SERVICE

Bangkok 1981

JOINT SHIPPER/SHIPOWNER PROJECT FOR OCEAN TRANSPORT OF BULK COMMODITIES FROM SOUTH EAST ASIA TO EUROPE

Bangkok 1979

The above documentation was made with the help of various specialist consultants from a number of countries, usually in cooperation with counterpart teams from the requesting parties. The reports were used as a basis for follow-up discussions with relevant parties in the requesting countries, groups of countries or organizations. In addition, the basic material in the reports, as well as the analyses contained in them have - ad hoc - been used in the manpower development programmes.

3. Reports on workshops and training activities

3.1 Basic training

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TRAINING COURSE ON SHIPPERS' CO-OPERATION  
18-27 September 1972, Hong Kong

CONSOLIDATION OF CARGO AND FREIGHT BOOKING  
Training Course, Lectures, Notes and Exercises  
2-11 December 1974, Bangkok

REPORT OF THE WORKSHOP ON SHIPPERS' CO-OPERATION  
Calculation of Ocean Transport Costs  
21 March - 1 April 1977, Bangkok



REPORT OF THE WORKSHOP ON SHIPPERS' CO-OPERATION  
Calculation of Ocean Transport Costs (Country-level)  
16-20 May 1977, Port Moresby, Papua New Guinea

REPORT OF THE WORKSHOP ON SHIPPERS' CO-OPERATION  
The Port Environment of Shippers  
12-23 September 1977, Bangkok

REPORT OF THE WORKSHOP ON FREIGHT STUDY UNITS  
26-30 September 1977, Bangkok

REPORT OF THE WORKSHOP ON SHIPPERS' CO-OPERATION  
Calculation of Ocean Transport Costs (Country-level)  
22 November - 2 December 1977, Jakarta, Indonesia

REPORT OF THE WORKSHOP ON SHIPPERS' CO-OPERATION  
The Legislative Environment of Shippers  
28 November - 9 December 1977, Bangkok

REPORT OF THE WORKSHOP ON SHIPPERS' CO-OPERATION  
(Country-level)  
23-25 May 1978, Singapore

APCC/ESCAP JOINT REPORT OF THE WORKSHOP ON SHIPPING  
AND MARKETING OF COCONUT PRODUCTS - PACIFIC  
29 May - 3 June 1978, Suva, Fiji

REPORT OF THE WORKSHOP ON SHIPPERS' CO-OPERATION  
15-21 August 1978, Karachi, Pakistan

REPORT OF THE WORKSHOP ON SHIPPERS' CO-OPERATION  
(Country-level)  
23-29 August 1978, Dhaka, Bangladesh

REPORT OF THE SEMINAR ON THE PLANNING OF OCEAN  
SHIPPING SERVICES  
4-8 December 1978, Colombo, Sri Lanka

REPORT OF THE WORKSHOP ON SHIPPERS' CO-OPERATION  
Decision-Making Exercises in Shipping  
27 November - 8 December 1978, Bangkok

REPORT OF THE SEMINAR ON PLANNING FOR CHANGE  
Unit Loads in ESCAP Ports  
4-15 December 1978, Hong Kong

REPORT OF THE WORKSHOP ON SHIPPERS' CO-OPERATION  
Negotiations in Shipping  
18-22 September 1978, Bangkok

REPORT OF THE WORKSHOP ON SHIPPERS' CO-OPERATION  
(Country-level)  
5-9 February 1979, Bangkok

REPORT OF THE WORKSHOP ON SHIPPERS' CO-OPERATION  
(Country-level)  
2-6 April 1979, Seoul, Republic of Korea

REPORT OF THE SECOND WORKSHOP ON FREIGHT STUDY UNITS  
(Report and Technical Papers)  
11-21 December 1979, Bombay, India

ESCAP SHIP-USERS' CO-OPERATION PROJECT (SUCOP): SECOND  
SERIES OF REGIONAL WORKSHOPS ON SHIPPERS' CO-OPERATION  
(1979-1980)

FIRST WORKSHOP: Workshop on Shippers' Co-operation:  
Calculation of Ocean Transport Costs,  
26 November - 7 December 1979

SECOND WORKSHOP: Workshop on Shippers' Co-operation:  
Port Environment of Shippers  
4-14 March 1980

THIRD WORKSHOP: Workshop on Shippers' Co-operation:  
Legal and Institutional Framework,  
Negotiation in Shipping  
18-29 August 1980

REPORT OF THE COUNTRY-LEVEL WORKSHOP ON PLANNING OF  
SHIPPING SERVICES

25 May - 5 June 1981, Jakarta, Indonesia

REPORT OF THE COUNTRY-LEVEL WORKSHOP ON SHIPPERS'  
CO-OPERATION

Economic and Operational Decision-Making

19-30 October 1981, Shanghai, China

REPORT OF THE COUNTRY-LEVEL WORKSHOP ON OCEAN TRANSPORT  
COSTS AND NEGOTIATING TECHNIQUES IN SHIPPING

1-5 March 1982, Bombay, India

REPORT OF THE COUNTRY-LEVEL WORKSHOP ON SHIPPERS'  
CO-OPERATION

Containerization/Unit Loads - Economic, Commercial and  
Legal Implications for Shippers

16-19 August 1982, Karachi, Pakistan

REPORT OF THE COUNTRY-LEVEL WORKSHOP ON OCEAN TRANSPORT  
COSTS AND NEGOTIATING TECHNIQUES IN SHIPPING

18-22 October 1982, Dhaka, Bangladesh

PROCEEDINGS OF THE SEMINAR ON FREIGHT FORWARDING

25 October 1982, Bangkok

REPORT OF THE COUNTRY-LEVEL WORKSHOP ON CALCULATION  
OF OCEAN TRANSPORT COSTS

12-17 September 1983, New Dehli, India

REPORT OF THE COUNTRY-LEVEL WORKSHOP ON THE PORT  
ENVIRONMENT OF SHIPPERS

5-19 December 1983, Calcutta, India

3.2 Reports on workshops on specialized subjects  
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Certain workshops, both at regional and country level, concerned specialized subjects. In such cases, the preparatory work for the workshops, as well as the workshop reports, carry interest beyond the particular event for which they were undertaken. These reports are therefore used as a basis for advisory services, additional workshops etc. In certain cases, the reports constitute the basis for ongoing work with production of textbooks on specialized subjects, whenever suitable textbooks for further manpower development is lacking. Currently (1984) this is the case in the fields of forecasting in shipping and the economic implications of currency adjustment factors.

REPORT OF THE 1977 ESCAP STUDY TOUR TO EUROPE

28 October - 12 November 1977, Bangkok

REPORT OF THE SEMINAR ON PORT PRICING

3-7 September 1979, Bangkok

REPORT OF THE WORKSHOP ON JOINT PLANNING OF SHIPPING  
SERVICES

10-21 September, Bangkok

REPORT OF THE TRAINERS' WORKSHOP

Training Course on Trainers' Development

19-30 March 1979, Hong Kong

REPORT OF THE COUNTRY-LEVEL WORKSHOP ON PLANNING OF  
SHIPPING SERVICES

27 October - 7 November 1980, Beijing, China

REPORT OF THE 1980 ESCAP STUDY TOUR OF THE CHIEF EXECUTIVES  
OF NATIONAL SHIPPERS' ORGANIZATIONS TO HONG KONG,  
JAPAN AND THE UNITED STATES OF AMERICA

9-25 November 1980

REPORT OF THE WORKSHOP ON TRAINING OF TRAINERS

16-27 February 1981, Hong Kong

REPORT OF THE WORKSHOP ON SHIPPERS' CO-OPERATION

Containerization Loads - Economical and Legal Implications  
for Shippers

12-16 October 1981, Bangkok

REPORT OF THE COUNTRY-LEVEL WORKSHOP ON FORECASTING OF  
CARGO AND SHIPPING MOVEMENT

20-29 September 1982, Shanghai, China

REPORTS OF THE COUNTRY-LEVEL WORKSHOP ON TRAINING OF  
TRAINERS FOR SHIPPING MANAGEMENT AND ECONOMICS

15-16 November 1982, Jakarta, Indonesia

REPORT OF THE REGIONAL WORKSHOP ON IMPLICATIONS OF  
CURRENCY FLUCTUATIONS IN SHIPPING

15-25 March 1983, Bangkok

REPORT OF FASC SEMINAR ON FREIGHT RATE MAKING

5-6 May 1983, Bangkok

REPORT OF COUNTRY-LEVEL WORKSHOP ON SHIPPING POLICY  
MATTERS\*

18-27 May 1983, Shanghai, China

REPORT OF REGIONAL WORKSHOP ON THE IMPLICATION OF UN LINER  
CODE FOR MARITIME PARTIES IN THE ESCAP REGION

5-9 March 1984, Bangkok

\* under preparation

REPORT OF COUNTRY-LEVEL WORKSHOP ON MARITIME LAW FOR MANAGERS\*

2-13 April 1984, Shanghai, China

REPORT OF SEMINAR ON FREIGHT FORWARDING\*

9-13 April 1984, Beijing, China

REPORT OF MEETING OF EXPERTS ON THE APPLICATION OF WIND-POWER IN SHIPPING\*

14-16 April 1984, Tokyo, Japan

REPORT OF COUNTRY-LEVEL WORKSHOP ON MARINE INSURANCE FOR MANAGERS\*

21 May - 1 June 1984, Shanghai, China

\* under preparation

4. Annual reports etc.

This item includes the annual reports to the donor country, progress reports to the legislative bodies of ESCAP, as well as a selection of reports on "interface activities" with the region: the Advisory Group, chief executives' meetings and working groups within the framework of the chief executives meetings.

ESCAP SHIP-USERS' CO-OPERATION PROJECT - PROGRESS REPORT FOR THE YEAR 1976, 1977, 1978, 1979, 1980, 1981, 1982, 1983

PROGRESS REPORTS ON SUCOP TO THE COMMITTEE ON SHIPPING, AND TRANSPORT AND COMMUNICATIONS: SHIPPING, PORTS AND INLAND WATERWAYS

Bangkok 1-6 Session



## REPORTS OF THE ADVISORY GROUP

### Meetings 1-9

The 9th meeting of the Advisory Group was held in November 1976. Since that time, the primary function of the Advisory Group - feedback of regional requirements - was ascertained by the annual meetings of Chief Executives of National Shippers' Organizations

### BULLETINS FOR SHIPPERS 1-3

The Bulletin was terminated in 1979. Since that time several individual shippers councils issue their own bulletins. Communications relevant to the SUCOP project have been included in those bulletins.

## REPORTS OF THE MEETINGS OF CHIEF EXECUTIVES OF NATIONAL SHIPPERS' ORGANIZATIONS

### Session 1-6

## REPORTS OF THE MEETINGS OF CHIEF EXECUTIVES OF NATIONAL SHIP-OWNERS' ASSOCIATIONS

### Session 1-5

## REPORTS OF THE JOINT MEETINGS OF CHIEF EXECUTIVES OF SHIPPERS' ORGANIZATIONS AND SHIPOWNERS' ASSOCIATIONS.

### Session 1-5

## REPORT OF THE JOINT WORKING GROUP ON CO-OPERATION BETWEEN SHIPPERS AT BOTH ENDS OF THE TRADE

Bangkok, 1980

REPORT OF THE WORKING GROUP ON CO-OPERATION AMONG SHIPOWNERS  
IN THE ASIAN AND PACIFIC COUNTRIES

Bangkok, 1980

REPORT OF THE JOINT WORKING GROUP ON CO-OPERATION BETWEEN  
SHIPPERS AND SHIPOWNERS IN THE ASIAN AND PACIFIC COUNTRIES

Bangkok, 1980

REPORT OF THE WORKING GROUP ON ECONOMIC IMPLICATIONS OF  
CURRENCY ADJUSTMENT FACTORS (CAF) AND BUNKER ADJUSTMENT  
FACTORS (BAF)

Bangkok, 1982

REPORT OF THE WORKING GROUP ON SHIPPERS' CONTRACTS

Bangkok, 1982

REPORT OF THE SUCOP STRATEGY MEETING

Klekken, Norway, 20-21 February 1984

5. REPORT ON SUCOP (Desk Study by Erik Raeng)

Oslo, 1984

APPENDIX 1

ITINERARY OF THE SUCOP EVALUATION TEAM

WEDNESDAY 8 AUGUST, Bangkok, Thailand:

ESCAP

D. Koludrovic, Chief of Division for Shipping, Ports and Inland Waterways

THAI CHAMBER OF COMMERCE

Chaleo Souvannakitti, Chairman, Siam Gulf Group, Honorary Chairman of Shipper's Committee, Board of Trade and Thai Chamber of Commerce.

Chanond Aranyananda, Executive Secretary

UNITED NATIONS DEVELOPMENT PROGRAMME

W.R. Prattley, Regional Representative

THURSDAY 9 AUGUST, Bangkok, Thailand:

ESCAP

D. Koludrovic (continued interview)

S.A.M.S Kibria, Executive Secretary

SHIPPING FEDERATION (BSAA)

S. Chalitaporn, Director TAISAE Company Ltd, Chairman Shipping Federation

FRIDAY 10 AUGUST, Bangkok, Thailand:

MERCANTILE MARINE PROMOTION COMMISSION

Kamol Sandhikshetrin, Secretary General

Chaiyos Chaimankong, Director, Sea Transport Economics Division,

Somsak Piansakool, Director, Legal and Foreign Affairs Division,

Pornpen Wataganara, Director, Research and Planning Division,

MONDAY 13 AUGUST, Beijing, China:

MINISTRY OF COMMUNICATIONS

Shen Zhaoqi, Deputy Director.

Zeng Quinmin, member of Chinese Institute of Navigation Staff members

TUESDAY 14 AUGUST, Beijing, China (Ellawala and Sørensen):

CHINA NATIONAL FOREIGN TRADE (SINOTRANS) and CHINA NATIONAL TRANSPORTATION CORPORATION (SINOCHART)

Lim Fulee, Vice President

Leaing Kuang Lin, Deputy General Manager, Shipping Department

Fei Mingpa, Deputy General Manager, Research

Tao Su Yen, employee SINOCHART, Shipping Department (Imports)

Zhang Ming, Research Dep.

(itinerary)

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MINISTRY OF FOREIGN ECONOMIC RELATIONS AND TRADE  
Zhao Mingde, Director, Dept. of Int. Relations

TUESDAY 14 AUGUST, Shanghai, China (Persson and Roggema):

SHANGHAI MARITIME INSTITUTE  
Chen Jia-zhen, President SMI  
Zhang Zeliang, Vice President SMI  
Ding Juan-zhong and Song De-chi, Professors particularly  
engaged in the implementation of SUCOP-projects

WEDNESDAY 15 AUGUST, Beijing, China (Ellawala and Sørensen):

CHINA OCEAN SHIPPING COMPANY (COSCO)  
Lu Guoyun, Manager, Information and Research Department  
Zhu Zengjie, Researcher

UNITED NATIONS DEVELOPMENT PROGRAM  
de Sure, Deputy Reg. Rep.

WEDNESDAY 15 AUGUST, Shanghai, China (Persson and Roggema):

SHANGHAI MARITIME INSTITUTE  
Same interviewees as 14 August. In addition the student group of  
14 that are attending the Teacher Training Programme under  
SUCOP

FRIDAY 17 AUGUST, Manila, Philippines:

MARITIME INDUSTRY AUTHORITY (MARINA)  
Capt. Victorino Basco, Administrator  
Manoletto de Fernandez, Director, Planning and Programming staff,  
Vicente Coloso, Adviser, Shippers Council

PHILIPPINE PRESIDENT LINES  
Enrique C. Yap, Executive Vice President

SHIPPERS' COUNCIL (SHIPPERCON)  
Vicente Coloso, Adviser  
Alfonso C. Villaverde, Executive Director

MINISTRY OF TRADE AND INDUSTRY  
Romulo B. Lumauig, Deputy Minister, Chairman Shippers' Council

PORTS AUTHORITY  
Maximo Dumlao, Assistant General Manager  
Jocelyn Reyes, Chief, Port Management Inf. System  
Titos Villanneva, Deputy Collector, Bureau of Customs

NATIONAL GALLEON SHIPPING CORPORATION  
Don P. Calderon, Vice-President

SATURDAY 18 AUGUST, Singapore:

ASEAN SHIPOWNERS' ASSOCIATION  
Koh Seow Tee, Executive Secretary of ASEAN Shipowners'  
Association and Singapore National Shipowners' Association

(itinerary)

app.1/3

MONDAY 20 AUGUST, Kuala Lumpur, Malaysia:

ASSOCIATION OF ASEAN SHIPPERS' COUNCILS,  
Opening session of 8th Annual Meeting:

Rawindaran V.N.P. Nair, Secretary General, Federation of ASEAN  
Shippers' Councils,  
Alfonso C. Villaverde, Philippines Shippers' Council,  
Assada Mitmanochai, Board of Trade of Thailand,  
Teng Sin Wu, Malaysian Rubber Exchange & Licensing Board,  
Lua Cheng Eng, Neptune Orient Lines, Singapore,  
Micheal Yeo, Singapore National Shippers' Council,

TUESDAY 21 AUGUST, Dhaka, Bangladesh:

BANGLADESH SHIPPING CORPORATION  
Ahmed Shariar Chowdhury, Ex. Director

DEPARTMENT OF SHIPPING  
Tarek Anis Ahmed, Director General  
Abdus Sukkur, Deputy Director,

WORLD BANK  
John Bowlin, Resident Mission

MINISTRY OF PORTS, SHIPPING & INT.  
A.K.M. Kamal Uddinchowdhy, Secretary  
Wali Islam, Joint Secretary  
Omar Hadi, Chief of Planning  
Tarek Anis Ahmaed, Director General  
Abdus Sukkur, Deputy Director

BANGLADESH JUTE MILLS CORP.  
M.M. Reza, Director  
M.D. Quasem, Director  
K.M. Alam, Deputy Director

WEDNESDAY 22 AUGUST, Dhaka, Bangladesh

BANGLADESH SHIPPERS' COUNCIL  
A: S.F. Rahmay, Secretary General  
K.U. Ahmed, Deputy Secretary

BANGLADESH JUTE EXPORT CORPORATION  
Brig. gen. Sirajul Haque

PRIVATE SHIPOWNERS  
K.M. Ahmed, Chairman, Bengal Liner Ltd.  
W.R. Chaudhury, Managing Director, Aqua Lines Ltd.  
Atlas Shipping Agencies

FRIDAY 24 AUGUST, Calcutta, India:

EASTERN INDIA SHIPPERS ASSOC.  
Sanjoy Sen, President  
S.K. Gupta, Secretary Eastern India and All India Shippers' Council

(itinerary)

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SATURDAY 25 AUGUST, New Delhi, India:

MINISTRY OF SHIPPING AND TRANSPORT

Prakash Narain, Secretary

Rajiv Srivastava, Director

N.M. Krishnan, Desk Officer

R.C. Dubey, Deputy Secretary (Ministry of Commerce)

MINISTRY OF COMMERCE

Anand Sarup, Additional Secretary, Chairman of SCOPE Shipping.

Ravi Sawhney, Director

R.C. Dubey, Deputy Secretary

R. Sethuraman, Under-secretary

Vimla Puri, Export Promotion Officer

ALL INDIA SHIPPERS' COUNCIL

G.B. Sundriyal, Secretary General

T.K. Bhaumik, Secretary, Northern India Shippers' Association

V. Puri, Export Promotion Officer

V.N. Sharma, Research Officer

MONDAY 27 - WEDNESDAY 29 AUGUST, Bangkok, Thailand:

Discussions with D. Koludrovic, Petter Omtvedt and officers of ESCAP. Internal discussions in the evaluation team.



## APPENDIX 2

### TERMS OF REFERENCE FOR THE EVALUATION OF ESCAP: SHIP USERS COOPERATION PROJECT.

#### I. BACKGROUND

Norway has since 1971 financed the SHIP USERS COOPERATION PROJECT (SUCOP) under the U.N. Economic and Social Commission for Asia and the Pacific (ESCAP).

The original objectives of SUCOP were

- (i) to increase the awareness of shippers of the benefit of co-operation;
- (ii) to impart shipping know-how to shippers in order that
  - (a) their ability to negotiate and consult with the shipping industry would improve, and
  - (b) their ability to define transport requirements and transport solutions would improve, thus contributing to rationalization of the transport of the foreign trade of countries in the ESCAP region;
- (iii) to develop the skills of shippers and their representatives in applying the knowledge acquired under (ii) above.

The main activities of SUCOP have been:

- (i) manpower development
- (ii) institutional support
- (iii) advisory services.

The Norwegian grant to the project since 1971 totals approximately NOK 44 million. The financial framework for 1981-84 is NOK 16.4 million and the grant for 1984 is NOK 4.1 million.

The present 4-year project period terminates in 1984. Norway and ESCAP have agreed that an evaluation of the project is to be undertaken before possible further Norwegian assistance is decided upon.

A "Report on SUCOP-ESCAP's Ship Users Co-operation Project 1971-1984, Proposal of Evaluation" (Oslo 28 May 1984) has been written to provide basic project information to the evaluation team.

## II. MODE OF WORK

For the evaluation task the Royal Norwegian Ministry of Development Cooperation has appointed the following persons, who constitute the evaluation team.

Mr. Tom Ellawala  
Mr. G. Moe Sørensen  
Mr. J. Roggema  
Mr. S. Persson

In order to obtain the information required, the team shall inter alia study relevant documents, carry out field work in selected countries in the ESCAP region, conduct interviews with representatives of ESCAP, ship-users (Shippers) and shipping organizations and Ministries in recipient countries.

The evaluation team shall maintain a close liaison with the Royal Ministry of Development Cooperation which is coordinating the evaluation.

## III. TASKS OF THE EVALUATION TEAM.

### A. THE EVALUATION PART

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The team shall evaluate the ESCAP-SUCOP project activities during the period from 1971 to 1984, with special emphasis on the period 1981-84, covering the following main aspects in addition to other problems found relevant by the team.

#### 1. OBJECTIVES AND TARGET GROUPS.

- 1.1 Assess the objectives formulated for the first phase of the project and their relevance to the main problems and needs of the ship users in the ESCAP-region.
- 1.2 Discuss to what extent these problems and needs were adequately identified and analyzed and whether the target groups were involved in problem definition and planning.
- 1.3 Assess if there have been equal opportunities for member countries to receive assistance from the project.
- 1.4 Examine to what extent special consideration has been devoted to assist the least developed countries, or marginal and less influential groups of transporters in the region.
- 1.5 Evaluate the extent to which the composition and range of project activities correspond to the project objectives. Particular attention should be paid to the relative priorities given to the various components of

the project and the distribution between regional and country-level activities.

- 1.6 Assess if the project directly or indirectly has been advocating appropriate technology (in terms of harbour development, containerization vs. cargo, small vs. large ships etc.).

Whereas the original target group was the shippers in the region, during the course of the project new groups of participants have been added, such as representatives of the shipping industry, and government agencies.

Considering this change in scope of the project, the evaluation team should

- 1.7 Clarify in what way this development has affected the concern for the original target groups, the shippers.
- 1.8 Assess whether the inclusion of new groups has necessitated the inclusion of new subjects for workshop discussion or in the educational programmes.
- 1.9 Discuss the SUCOP objective of bringing parties of potentially different interests together in an atmosphere of cooperation and assess whether the shippers have been able to maintain their interests in this context or whether other groups have been more influential.

## 2. PROJECT ORGANIZATION, PLANNING AND REPORTING

The SUCOP project is carried out by ESCAP's Division for Shipping, Ports and Inland Waterways by means of financial support from Norway. Norway has provided the expertise for project management as well as technical assistance under the project, i.e. the actual implementation of the project is carried out by an independent project management (with headquarter in Norway) and a large roster of individual experts. The evaluation team should

- 2.1 Describe and assess the adequacy of the organizational set-up, both in relation to ESCAP, the member governments and Norway.
- 2.2 Trace the origin of new programme components and describe how they are brought before the deciding institution or body.
- 2.3 Assess whether sufficient information or guidance are given to the member governments regarding the possibility to bring up new topics or propose new activities.
- 2.4 Investigate whether there are any feedback routines with a view to adjust or change the course of ongoing projects when necessary.

- 2.5 Evaluate whether the relative importance of the various programme components correspond to the requirements of the region.
- 2.6 Assess the organization's efficiency, inter alia the structure and function of planning, budgetary procedures, cost control and reporting.

### 3. TRAINING AND EDUCATION

From the outset, training and education programmes have been the central component of the SUCOP project. Hence the evaluation team should undertake a thorough study and evaluation of these programmes, including the following aspects:

- 3.1 Assess the relevance of curricula and workshop topics, teaching methods as well as the quality of training in view of ship user's problems in the region.
- 3.2 Discuss the relevance of high level education versus medium or basic training in SUCOP.
- 3.3 Compare the quality and costs of some training programmes to alternative training opportunities in home countries, in the region or other countries.

### 4. IMPACT

During field work the evaluation team should endeavour to assess the impact of SUCOP, primarily basing itself on information obtained from the target groups specified for the project and if possible, through factual information on maritime transport development in the ESCAP region.

Particular emphasis should be put on the following aspects:

- 4.1 Assess the project's contribution to the development of cooperation among ship-users in the region.
- 4.2 Consider whether the project has contributed to
  - rational decision-making in regard to the planning and implementation of transport services,
  - adequate national policies as regards maritime transport, ports and shipping services as well as supporting activities,
  - establishment of adequate institutions, new work models, negotiation procedures etc.,
- 4.3 Discuss whether the project has contributed to improve transport facilities and the general economic development of the recipient countries.
- 4.4 To the extent possible, discuss SUCOP's impact relative to other forms of maritime development assistance in

the region, either through ESCAP or directly to selected countries or groups of countries through other organizations.

## B. CONCLUSIONS AND RECOMMENDATION

Considering Norway's guidelines for development assistance and the priorities of ESCAP and its member countries (including the SUCOP proposal for cooperation programme for 1985 - 88), the evaluation team should present its recommendations on the appropriateness of continued Norwegian assistance, covering inter alia the following points:

- the appropriateness of continued assistance to this type of programme through the present or other channels,
- the desirability of concentrating efforts on particular subject areas or topics in the whole or parts of the ESCAP region,
- particular aspects concerning the project organization, objectives or target groups which should be observed,
- the need for further studies or evaluations.

## IV. REPORTING

The main conclusions and recommendations shall be drafted by the whole team. The joint report in the English language comprising all findings and recommendations, is to be submitted to the Royal Ministry of Development Cooperation before 15 September 1984.

Oslo, 24 July 1984

Jarle Hårstad

Acting Division Head  
2 Planning Division  
Royal Norwegian Ministry of Development Cooperation

## APPENDIX 3

### TRANSPORT COSTS AND DEVELOPMENT PROSPECTS

Transportation in developing countries' economy and trade has traditionally been a neglected sector. This may be due to lack of data for transportation costs or the assumption that transport costs pose a natural barrier and, as such, are largely outside the control of policy makers, or the presumption that freight costs were relatively unimportant as opposed to tariffs.

Evidence has accumulated that shows that these preconceptions concerning transport costs should be reevaluated. For example, most analyses of the liner conference freight-rate-making process conclude that shipping charges are essentially administered prices that can have differential adverse effects on weaker elements. Empirical studies have also demonstrated that, contrary to the assumption often made, transport costs frequently pose a more important trade barrier than most-favored-nation tariffs facing developing country exports to industrial nations. Recent investigations have also shown that the structure of freight rates can have important detrimental effects on developing country industrialization objectives since ad valorem transport costs often rise with fabrication and discourage local processing of raw materials. Nominal transport costs for developing country intratrade have also been shown to assume prohibitive levels with the result that shipping is a major constraint to any development policy based on collective self-reliance.

Aside from the role of these studies in altering the traditional view of the influence of transport on trade and development, other factors have made shipping problems of even more immediate direct importance to developing country governments. In the deteriorating balance-of-payments position many of these nations find themselves



in today, they have become very concerned with the adverse economic effects associated with the outflow of foreign exchange for invisibles. Chief among these transactions are payments for shipping that have been estimated as absorbing approximately 20 percent of total developing country export revenues.

Other factors have also heightened developing countries' concerns regarding the influence of shipping on their external commerce. A major source of friction centers on the contention that liner freight rates discriminate against specific ports, countries, or products. In parts, such charges originate from the observation of large differences in rates facing similar products transported over alternative routes. Developing countries have also argued that liner conferences are insensitive to their institutional needs in failing to offer "promotional" freight rates for new exports. Studies conducted by the United Nations show that the competitive effects of such promotional freight rates can mean the difference between success or failure of such ventures. The geographic pattern of shipping also poses major problems as existing liner routes normally tie developing countries to one or a few metropolitan states. These established trade routes may preclude much developing country intratrade since costly transshipment through a commercial center is required. The fact that existing liner routes link developing countries directly to one or a few commercial centers also limits these countries' bargaining power in the pricing of their export and imports.

#### Trade and fleet ownership

An important element contributing to the developing countries' pessimistic view of their transport problems lies in the imbalance between these nations' participation in world trade and the volume of shipping tonnage actually under their ownership. The fact that developing countries have a small share of the world fleet under their direct control means that a vital factor influencing their international commerce is governed by outside interests. Since foreign shipowners often respond to incentives not directly

geared to developing country industrialization objectives, this had led to conflicts between shippers and shipowners. A related issue concerns the extent to which the unfavourable level, structure, and trend in shipping costs could be offset if developing countries had more direct control over the transport services for their exports and imports.

Developing countries originated 61 percent of total tonnage with the share of developed market economy countries running at about 33 percent. While these total figures are inflated by crude petroleum shipments, where developing countries originated about 94 percent of world trade, developing countries still accounted for about one-third of total dry cargo loadings.

Some developing countries complain concerning the structure and operating of world shipping. While these nations originate over 63 percent of total trade tonnage, the combined registration of their vessels was only about 6 percent of the world fleet.

#### Balance-of-payment effects

Aside from the vast imbalance between developing country trade shares and fleet ownership, further indications of the importance of issues relating to transport can be appreciated by noting the influence on developing country balance of payments. While it may seem surprising in retrospect, little attention was devoted before the early 1960's to the foreign exchange deficits incurred by developing countries for shipping and insurance services. Accurate statistical information on such transactions was lacking and the transport and insurance industries, as well as those developed countries that earned large amounts of foreign exchange from shipping, seemed to have conveyed the impression that these operations were unimportant and unprofitable.

A break from this tradition occurred in 1964 when the first

session of the United Nations Conference on Trade and Development (UNCTAD) placed an item concerning invisibles on its agenda. Studies showed that the developing countries' total 1961 balance-of-payments deficit on goods and services was \$5.4 billion, and the deficit on merchandise freight and insurance was about \$2.14 billion. Of this latter total, freight accounted for \$1.95 billion, or just over one-third of the total goods and services deficit. Thus, this IMF study demonstrated that outlays for transport services were a major element in the developing countries' overall adverse balance-of-payments position.

Similarly in 1977, 18 percent or \$6.7 billion of these countries' foreign exchange receipts are required to pay for transport services. However, this overall average is influenced by several countries like Venezuela and Bolivia that have relatively low freight ratios. In contrast, Bangladesh, Ethiopia, Morocco, Togo, and other developing countries must allocate approximately one-quarter of their foreign exchange earnings to transport payments. Thus, the sizable foreign exchange values involved, coupled with many developing countries' pressing balance-of-payments problems, have been a major factor leading to efforts to control freight rates for developing country exporters, or to encourage the growth of national fleets.

#### Trade, transport, and development policy

As previously noted, any contemporary assessment of the interaction between transport problems and trade and development policy must recognize two essentially negative facts. First, transport costs are a far more important element in developing countries' balance-of-payments problems than is often acknowledged. Specially, outward-oriented trade and development strategies may be less attractive than is often supposed if freight payments to foreign shipowners absorb a sizable portion of any gross increase in export earning.

The fact that international shipping is largely under the

control of outside interests, which need not respond to factors complementary to developing country industrialization objectives, must also be recognized in formulation of development policy. For example, international organizations such as UNCTAD and the World Bank have advocated the advantages of resource-based industrialization in developing countries. The reason behind such a proposal rests on the assumption that if developing countries were to increase the local processing of their domestically produced raw materials, considerable increases in foreign exchange should result. In addition, the direct and linkage effects of such processing activity could have an important absorptive effect on the surplus labor that exist in many of these nations. However, empirical investigations of liner conference rate-making policies strongly suggest that these organizations escalate their charges according to the value of the product being shipped. Such pricing practices work against local processing in developing countries since they establish a cost bias in favour of primary good exports. Thus, if resource-based industrialization is to be pursued as a viable development strategy, special attention must be devoted to ways of neutralizing escalating freight rates.

Lack of appropriate transport facilities have often been a major bottleneck limiting the benefits of regional integration schemes, while the established North-South pattern of liner conference routes has been a major barrier to expanded developing country intratrade and achievement of a policy of collective self-reliance. Increased recognition is also being given to the necessity of transport planning when attempting to formulate development goals or targets. For example, in the early 1970's the United Nations Industrial Development Organization (UNIDO) established the "Lima Target" under which developing countries were to achieve one-quarter of world industrial production by the turn of the century. However, recent investigations show that the magnitude of investments required for ports and

vessels to accommodate such an increase in industrial activity are a major constraint to achievement of this target.

Internationally there has been an increased realization that transport problems may be approached by various policy measures. The proposals that have been advanced are generally aimed at stimulating increased competition in shipping markets, or improving the efficiency and operation of existing transport services. Special attention has been given to the establishment of national fleets, improving existing transport services as well as the adoption of new technologies, improving the bargaining position of shippers relative to shipowners, or the establishment of a "code of conduct" for liner conferences.

#### Development of national fleets

One of UNCTAD's policy recommendations concerning developing country transport problems centered on the establishment of national shipping fleets. This was partly the result of several studies in the early 1960's that showed transport and insurance costs were a significant drain on developing country foreign exchange reserves. These studies led to the realization that if shipping services were provided by national fleets, some payments, such as seamen's wages, could be made in local currencies, thus involving substantial foreign exchange savings.

Aside from the foreign exchange effects, other reasons have been advanced for developing countries to establish national fleets. These include:

Prevention of service disruptions during hostilities: A country dependent on foreign shipping faces the risk that its trade may be disrupted during hostilities. Even during hostilities in which a country does not take part, as was the case of Brazil in World War II, it may experience



severe disruptions in trade due to changes in the supply of shipping capacity. In such cases, a national fleet could service key imports and exports.

**Reduction of economic dependence:** A country having no national fleet must rely on foreign shipowners for its foreign trade. Commercial profitability normally is the primary consideration of individual shipowners and, should a given country's trade not provide sufficient profits, the possibility exists that transport services might be withdrawn, or provided in old or unsuitable vessels, or only at a very high price. By having its own merchant fleet, a country could minimize such risks.

**Influencing conference decisions:** With its own merchant fleet, a country can claim the right to participate in liner conferences affecting its trade, thus acquiring a position to influence conference decisions concerning freight rates and matters pertaining to transport policy.

**Economic integration:** In countries with a long coastline or with difficult internal communications, such as the Philippines, national shipping may be the only effective link between major metropolitan or commercial centers

**Export promotion:** Some developing countries have used national flagships, often government-owned, to promote trade in new products or with new partners. Their experience shows that national lines take a more sympathetic view toward promotional freight rates, which can be of key importance in new export ventures.

**Diversification of employment:** Some countries have taken an integrated approach towards establishment of national fleets through the promotion of shipbuilding activities. Actively encouraging domestic construction of national fleets may also have important linkage effects on employment and secondary production.



National fleets and collective self-reliance

In recent years some developing country spokesmen have increasingly advocated that these nations pursue industrialization policies based on the concept of collective self-reliance. This strategy centers on the proposition that by increasing commercial, financial, political, and other cooperative contacts, developing countries could weaken the influence that developed countries exercise on their economic policies and have considerably more freedom to pursue national development objectives.

Competition and the quality of shipping services

Economic theory and empirical research show that the degree of competition in a market is directly related to the number and size distribution of operating units. The smaller the number of operating units, and the more unequal their size distribution, the lower is the probability that there will be aggressive competition. The importance of stimulating or maintaining competition is that a competitive system generally yields lower prices and profits than one in which aggressive competition is absent.

Imperfections in International Markets

It has been found that if foreign markets of developing countries are dominated by one or a few sellers or buyers, these nations receive less favourable terms for their imports or exports than would be the case if aggressive competition prevailed.

A variety of factors relating to finance, transportation, culture, and the historic pattern of development often tie developing countries to one or a few metropolitan states. As noted, liner conferences have often established routes between given developing nations and one, or a relatively

few, industrial countries so the potential for broadened trade contracts is limited by existing transport services. Language, financial ties, as well as established marketing and distribution systems are frequently such that developing countries have little external flexibility in trade relations. Finally, the export structures of many developing countries, centering on the production of primary goods and raw materials, have developed historically to serve the needs of a metropolitan state. This specialized pattern of commerce works to further limit the trading possibilities. Industrial nations, in contrast, normally have considerably broader contacts and more diversified trade structures; so their dependence on any one developing country is limited.

Given existing institutional constraints, questions arise as to what developing countries can do to impart a greater degree of competition in their freight markets. The UNCTAD Secretariat has made a number of general policy proposals concerning this matter. First, to strengthen the country's bargaining power it is suggested that shippers be organized, either by establishing a shippers' council or by other appropriate means, and that consultation procedures be established to ensure that shippers' interests be considered. Second, for the purpose of assessing the efficiency of existing transport services, the extent to which shipping is affecting the country's trade, and the possibility of obtaining more satisfactory services, a shipping investigative unit should be established. Third, in order to ensure that the country is not making unnecessary use of relatively expensive liner services for cargoes that could move by charter or contract methods, traditional liner consignments should be aggregated if possible. Also, to deal with foreign exchange aspects of transport problems, as well as to inject a new competitive element into the market, consideration should be given to the establishment of national fleets.

## THE ROLE OF SHIPPERS' COUNCILS.

Although a prime function of a shippers' council is to improve the bargaining position of exporters, it can also have an important operational role in enabling shippers from a collective approach, and in acting as their spokesman. Beneficial changes in shipping, covering both institutional changes and daily operational matter, can be blocked through the lack of any means of obtaining the collective participation of shippers, and this problem can be alleviated by a shippers' council. However, experience shows that shippers' councils may also make beneficial changes by establishing an investigative unit to analyze different aspects of shipping services afforded exporters.

In the liner sector, data relating to common shipping problems are normally lacking and must be compiled, especially in three basic areas: cargo flows, vessels used and their movements, and the requirements of merchants. While the range of problems is likely to vary from country to country, experience shows that the following subjects are likely to be major concerns for the investigative unit: rationalization of sailings, possible use of containers or new systems, efficiency of individual carriers, preparation of cargo by shippers, aggregation of consignments, the use of nonconference liner services, and the feasible development of national fleets.

## TECHNICAL FACTORS IN SHIPPING.

Any analysis of the technological changes in shipping over the last few decades must conclude that these advances have the capacity to alter the level and structure of developing country freight rates. While there have been improvements in vessel design, introduction of new and more efficient types of carriers, or refinements in related port facilities, the major innovations that have occurred relate to the fuller and more efficient utilization of existing cargo-carry-

ing capacity. These developments are directed primarily at the reduction of idle port time, which constitutes a major element in total transport costs.

The importance of fixed costs associated with berth time can be appreciated by noting that, on average, a general cargo liner spends about 60 percent of its working life in harbor. However, there may be some variation in this figure due to differences in technical equipment and the efficiency of the ports concerned. The length of the liner run has an influence on fixed costs and berth time. If the one-way liner route is 10,000 miles approximately 50 percent of a ship's time is spent in port, but for shorter routes of about 2,000 miles, the berth time rises to over 80 percent.

Several studies show the effect of reducing idle berth time on freight rates. For example, R. Goss has estimated that by reducing the time spent in harbor from 60 to 20 percent of operating time it would be possible to lower freight rates by 18 to 35 percent.

#### THE CONTAINERIZATION APPROACH.

While there are variations of the unitized approach, the basic idea behind each is that as much packing as possible be done independent of the ship's presence so that costly berth time is reduced. The objective is to prepackage manufactured goods in specially built steel containers so that a homogenous cargo is produced that, given appropriate handling equipment, can be loaded in

\*These calculations are based on the assumption of an average speed of 22 knots, a ship capacity of 9,000 net registered tonnage, and a transshipment capacity for general cargo of 1,000 long tons per day. It should also be noted that due largely to complementary loading and unloading facilities, tramps average about 40 percent of their working life in port while the figure for tankers is estimated at between 15 and 20 percent.

a fraction of the time required for a regular liner vessel. Of the various types of container systems, lift-on/lift-off cellular container ships make up the largest group. These vessels are specially constructed or adapted for the carriage of containers with fixed vertical cellular guide installations and other container handling features. Variations in vessel design exist in that "full" container ships devote all, or almost all, of their capacity to containers, while "part" container ships have only a portion of their capacity so utilized.

Aside from cellular container ships, there are other types of unit load carriers. Multipurpose vessels have been constructed to carry a range of unitized cargoes such as containers, vehicles, palletized, break-bulk, or bulk cargoes. The use of these multipurpose vessels provides shipowners with flexibility in meeting varying operating needs over different trade routes. Another variety of unitized transport vessels are barge carriers such as LASH ships (meaning lighters aboard ship), which have the capacity to lift smaller-water carriers (lighters) directly on or off the mother ship.

Another type of containerized shipping is roll-on/roll-off vessels that accommodate wheeled carriers such as cars, trains, trucks, or roll-on container units.

In commenting on the different types of unitized transport modes, mention must also be made of the pallet-based system. This transport mode is based on the horizontal movement of pallets aboard ship by the use of forklift trucks, replacing the traditional vertical movement by ship- or shore-based cranes. This alternative form of cargo unitization, which normally does not have the heavy capital requirements of other container ships, making them attractive to developing countries.

Given these different forms of unitization, a key question centers on the potential magnitude of the



savings that may result from their adoption, and their impact on developing countries. Concerning this latter point, there is still no general agreement on whether they will have a beneficial or detrimental effect on developing country transport objectives. On the one hand, it is acknowledged that unitization may have the capacity to reduce freight rates by 25 percent or more on some runs. However, the required investments in unitized transport modes, along with complementary loading and unloading facilities, may be justified only on routes with relatively large volumes of goods to be transported. These requirements may lead to the adoption of the unitized transport systems primarily for developed countries that have relatively large intratrade. As a result the unitized approach may primarily lower transport costs on developed country intratrade and in the largest developing country ports. This could undercut the position of smaller developing country exporters that do not have access to these new systems.

#### RATIONALIZATION OF SHIPPING SERVICES.

Aside from the introduction of new technologies such as unitized shipping, transport cost savings may result from a more logical planning of the frequency and types of shipping services employed. Cost-saving changes may be possible for the pattern of existing liner routes, the consignment of cargoes, or the types and sizes of vessels utilized. However, the basic idea behind such modifications is to make more efficient use of existing or available shipping services.

An area that often has considerable potential for rationalization is the pattern of actual liner routes. The reason why certain countries are grouped into "trades" for the purposes of liner shipping may be historical and have little relation to efficiency considerations. Individual carriers may have begun to serve a range of ports because their clients had cargoes for that range, yet the overall cargo movements may be such that there is no logical basis for combining the entire range of



ports into a single trade. If a conference trade cover say, eight to ten countries, it may be possible that the overall cargo movement could be effected more economically if the route were, say, split into two or more separate trades. No generalizations can be offered due to individual country differences, but the route patterns of some developing countries' trade may be far less than optimal and warrant corrective action.

Aside from the question of routes, possibilities for savings through modification of existing services may exist. For example, bulking or consolidation of cargoes may offer possibilities for transport cost savings. If smaller consignments can be aggregated, less frequent liner calls may be required while the larger bulked cargoes may make more efficient use of existing liner capacity. Aggregation of cargoes may also enhance the bargaining position of shippers since, by joint negotiating terms for the larger shipment, they may be able to qualify for quantity discounts or somewhat offset the monopoly power of the conferences. Other advantages associated with economies of scale in shipping may also be achieved by bulking and shipment of larger consignments. Transport economists are generally agreed that such economies exist for a wide variety of goods like sugar, timber, rubber, oilseeds, ores, and other products traditionally exported by developing countries.

The potential freight savings can be up to 40 percent.

Source: A. Yeats, Shipping and Development Policy,  
Praeger 1981, New York  
: Different UNCTAD Reports

APPENDIX 4

THE NORWEGIAN GRANTS 1971 - 1984 AND REQUESTS FOR 1984 - 1988

THE NORWEGIAN GRANTS 1971 - 1984

| YEAR  | REF. ST. MELD. | NOK        |
|-------|----------------|------------|
| 1971  | 1971/72 No. 61 | 321.848    |
| 1972  | 1972/73 No. 60 | -          |
| 1973  | 1973/74 No. 34 | -          |
| 1974  | 1974/75 No. 55 | 709.512    |
| 1975  | 1975/76 No. 63 | 1.722.088  |
| 1976  | 1976/77 No. 95 | 1.220.000  |
| 1977  | 1977/78 No. 8  | 4.379.342  |
| 1978  | 1978/79 No. 15 | 5.300.000  |
| 1979  | 1979/80 No. 35 | 4.762.400  |
| 1980  | 1980/81 No. 14 | 5.013.150  |
| 1981  | 1981/82 No. 14 | 4.551.435  |
| 1982  | 1982/83 No. 63 | 4.100.000  |
| 1983  |                | 6.525.000  |
| 1984  |                | 5.400.000  |
| Total |                | 44.004.775 |

REQUESTS FOR 1985-1988  
 ("Total" includes off-shoot project in China)

| YYEAR | MAIN PROJECT  | TOTAL           |
|-------|---------------|-----------------|
| 1985  | US \$ 868.000 | US \$ 2.895.500 |
| 1986  | US \$ 838.000 | US \$ 2.449.900 |
| 1987  | US \$ 120.000 | US \$ 1.073.500 |
| 1988  | US \$ 120.000 | US \$ 552.600   |

(For the teacher training programme in China has already been granted US \$ 226.000 in 1985 and 127.700 in 1986.)



A.P/206.1

17 March 1970

Dear Sir,

**Subject: Ad hoc Port Consultancy Services and  
Technical Assistance for Coastal  
Shipping, etc.**

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The purpose of this letter is to seek your assistance and that of the Royal Norwegian Government in providing the services of an expert to the Secretariat of the Economic Commission for Asia and the Far East, which will enable this Secretariat to render advisory services to the countries within the ECAFE region in water transport sector.

As it is not possible for us to indicate, at this stage, the exact duration the expert's services would be required, I would say one year initially with possibility of extension for a further one-year period.

There are a number of areas where such help would be most welcome, particularly in the fields of ports and shipping problems of this region.

As background documents, I enclose a copy of the report of the last Session of the Transport and Communications Committee. May I invite your particular attention to Chapter III, paragraphs 48 to 64, of the report relating to water transport, ports and shipping. You will observe that our Transport and Communications and the Trade Divisions have now been entrusted with a joint regional project relating to the development of the ocean, coastal, inter-island and feeder shipping fleets, establishment of the regional shipping lines, pools, regional chartering exchanges and, above all, maritime and port training institutions.

#### Ports

To appraise you of the past development, I may state that an ECAFE Port Survey Team, composed of three non-reimbursable experts generously

/provided

The Royal Norwegian Embassy  
16 Soi Surasak, Silom Road  
Bangkok

.... provided for four years by the Governments of the Netherlands, Japan and U.S., and an ILO expert, have surveyed 22 ports in eight countries of the region. I, herewith, enclose a copy of the summary report on "Port Problems in the ECAFE Region". The Team was disbanded at the end of 1968 and Ad hoc Port Consultancy Services established in 1969 for providing technical assistance to the Governments of the region on specific port problems posed in this region.

.... This Context as recommended in the ECART Port Regional Seminar (Report in three volumes enclosed), I enclose copies of our circular letter No. II/W/60.3 dated 21 August 1968 and 24 December 1968 (copies enclosed) to the developed and developing member countries of the ECAFE. .... As the result of the latter circular, the following requests have been received from:

Singapore -

for preparation of a master plan of the Singapore Port, and for advisory service on the construction of its multi-warehousing complex.

Pakistan -

for survey of a new deep sea port at Phitti Creek in the Western King of Pakistan.

Cambodia -

for specialist advice on management, drafting of regulations, hydrographic survey at Sihanoukville,

Ceylon -

for a team of experts to assist in establishing a unified port authority after the enactment of the legislation and to study the recommendations made by the various survey Teams.

Thailand -

to reassess the current situation based on the reports previously made by the various experts;

to advise on the establishment of a Container Committee;

to develop proposals for appointment of a legal expert specialising in port legislation; and

to revise tariff structure for speedy flow of goods.

/Western Samoa

- 3 -

Western Samoa -

to advise on general port administration, cargo facilities and port control legislation at the ports of Apia and Asau.

Fiji -

to study the recommendations made by a previous experts, and to advise the Government in incorporating these in the next development plan beginning from 1971.

The requests from Singapore and Pakistan have been met by assistance of the Governments of the Netherlands and Japan respectively. France may perhaps be able to accommodate Cambodia's request. Viet-Nam made a request during the Committee Session for studies of ports of Saigon, Cam-Hahn and Qui-Nhon and further details are awaited. China, India and Malaysia have also indicated that requests may be forthcoming for assistance in the field of ports.

I hope it will be possible for your Government to offer, through the Secretariat, services to Cambodia, Ceylon, Thailand, Viet-Nam, Western Samoa, Brunei and Fiji. As soon as we hear of your Government's interest in helping the ports of any country or countries of this region, we will arrange to obtain more detailed and specific information for you.

Coastal Shipping

As far as coastal shipping is concerned, we have done a preliminary study of 11 countries of this region. We have to continue this work in a more elaborate manner suited to the economic conditions and trade of the region. We were wondering whether it will be possible to get, on a non-reimbursable-loan basis, the services of Mr. Peter C. Ostvedt (formerly Head of Shipping Division of UNCTAD) for a period of one year in the first instance to assist us in our project relating to ports, coastal shipping and inter-island communication in general and, most importantly and urgently, for assisting us with our studies on the proposed regional marine training centre to cover various fields of training in shipping and ports. This expert will be required to do extensive field trips in this region. As is the normal practice for secondment of non-reimbursable experts of ECALB, the travel and per diem for such experts for field missions are taken care of by the experts' Government while the Government receiving assistance provides internal transport within the countries. In this respect, I attach a copy of the Memorandum of Agreement form which is utilised for this purpose.

/it is



app. 5/4

- 4 -

It is sincerely hoped that it will be possible for your Government to accede to this request and I wish to take this opportunity to thank you and your Government, in advance, for the valuable contribution you will be making towards the accomplishment of this very important project.

Yours sincerely,

Joseph F. El Haj  
Chief  
Division of Administration

ECAFE Shippers' Council Project for 1973-1976

Request for financial assistance to the Norwegian Agency for  
International Development (NORAD)

Scope of the project

1. The proposed project will be a continuation of the project which NORAD had already financed, and which comprised the Meeting of Representatives of Governments and Shippers' Organizations held at Bangkok in December 1971; the training course on shippers' co-operation held in Hong Kong in September 1972; and the advisory services of an expert in respect of shippers' organizations and co-operation provided to the ECAFE secretariat by NORAD.
2. The recommendations formulated by the meeting held in December 1971 and at the training course in September 1972 indicate that there is a great need for ECAFE to intensify its efforts in this field. This is strengthened by the good response of ECAFE member countries and private organizations towards the continuation of the project on an expanded scale. Likewise, the positive response of representatives of liner shipping conferences and other shipowning interests indicates the value of this work.
3. While the value of the work so far undertaken is recognized, there is urgent need of follow-up work in order to create a lasting impact of this project in the ECAFE region. The demand and need for further training and research throughout the region is thus obvious.
4. It is envisaged that the project ought to continue as a concerted activity consisting of four related spheres of action:

/A.

|   | <u>Costs over 4 years</u><br>(US Dollars) | <u>% of total</u> |
|---|---|-------------------|
| A. <u>Basic activities</u>  | 122,077                                   | 24.5              |
| B. <u>Training</u>  |   |                   |
| 4 regional and 4 sub-regional training courses  | 229,500                                   | 46.1              |
| C. <u>Ad hoc shipper projects</u>   |   |                   |
| pilot projects to strengthen shippers' co-operation and to gather experience for dissemination through training courses | 77,900                                    | 15.5              |
| D. <u>Substantive support</u>   |   |                   |
| advisory committee  | 20,000                                    | 4.0               |
| E. <u>Administrative Overhead</u>   | <u>49,860</u>                             | <u>9.9</u>        |
| TOTAL   | <u>498,337</u>                            | <u>100.0</u>      |

This is spelt out in detail in the table below, which indicates how individual project-items would be spread in time, resulting in annual costs over the four-year period of about US\$125,000. The continuity as between project-items is described further on in the text.

Description of project

1. The ECAFE Centre for Shipping Information and Advisory Services, within the International Trade Division of ECAFE would be responsible for the execution of the project. The ECAFE's contribution to the project would, in the main, consist of the services provided by the Regional Adviser on Shipping and Ocean Freight Rates and a shipping economist.

2. The experience of the September training course indicates that member countries of ECAFE are anxious to contribute to this effort by hosting further training courses, thereby providing meeting facilities including secretarial and transport facilities.

Project components

7. The principal component of the project is the training of staff for the establishment and running of shippers' councils and the institutional arrangements for consultation/negotiation between shippers' councils and the shipping industry, port authorities, governments and any other party of interest to shippers. The participants receiving training will come not only from the public sector but also from the shippers' organizations and shipping industry.

/ECAFÉ

DIG. FOR UTVIKLINGEN  
PLANAVDELINGEN  
J 000003 - 2.1.73

ECATE Shippers' Council Project for 1973-1976

Estimated Cost Plan

| Project Item   | 1973           | 1974           | 1975           | 1976           | Costs          | % of Total   |
|--|----------------|----------------|----------------|----------------|----------------|--------------|
| <b>A. Basic activities</b>                               |                |                |                |                |                |              |
| 1. Advisory services <sup>2/</sup>                       | -              | 9,700          | 48,605         | 38,752         | 97,057         | 19.5         |
| 2. Manual  | 13,000         | 4,000          | 4,000          | 4,000          | 25,000         | 5.0          |
| <b>B. Training</b>                                       |                |                |                |                |                |              |
| 3. Training course preparations                          | 9,500          |                |                |                | 9,500          | 1.9          |
| 4. Regional training courses:                            |                |                |                |                |                |              |
| (i) regional co-operation                                |                | 30,000         |                |                | 120,000        | 24.1         |
| (ii) freight booking                                     |                |                | 30,000         |                |                |              |
| (iii) air transport                                      |                |                |                | 30,000         |                |              |
| (iv) freight study units                                 |                |                |                | 30,000         |                |              |
| 5. Sub-regional training courses:                        |                |                |                |                |                |              |
| (i) land-locked  |                | 25,000         |                |                | 100,000        | 20.1         |
| (ii) Western region                                      |                | 25,000         |                |                |                |              |
| (iii) South East Asia                                    |                |                | 25,000         |                |                |              |
| (iv) Pacific   | 25,000         |                |                |                |                |              |
| <b>C. Ad hoc shipper projects - pilot projects</b>       |                |                |                |                |                |              |
| <b>6. Rationalization of transport:</b>                  |                |                |                |                |                |              |
| (i) natural rubber and coconut products shipping studies | 50,000         |                |                |                | 50,000         | 10.0         |
| (ii) air transport alternative                           | 2,500          |                |                |                | 2,500          | 0.5          |
| (iii) freight booking                                    |                | 25,000         |                |                |                | 5.0          |
| <b>D. Substantive support</b>                            |                |                |                |                |                |              |
| 7. Advisory Committee                                    | 5,000          | 5,000          | 5,000          | 5,000          | 20,000         | 4.0          |
| Sub-Total  | 105,000        | 123,700        | 112,605        | 107,752        | 449,057        | 100.0        |
| 8. 14% Administrative Overhead <sup>2/</sup>             | 14,700         | 25,960         | 9,240          | 9,660          | 49,560         | 9.9          |
| <b>GRAND TOTAL</b>                                       | <b>119,700</b> | <b>139,660</b> | <b>121,845</b> | <b>117,412</b> | <b>498,337</b> | <b>100.0</b> |

- 1/ It is assumed that the service of one expert, provided already by N.P., may continue until the last quarter of 1974. The costs of this expert are not included in the cost plan.
- 2/ For item 1(1) on "Advisory Services", the UN administrative overhead (14%) has already been included in the amount shown for 1973-75. This item is therefore excluded from the computation of item E on "Administrative Overhead".



8. It is envisaged that training should be organized both at the regional level and at the sub-regional level - in accordance with the experience gained from the training course held at Hong Kong in September 1972.

9. At the regional level, it is considered that the last training course covered the general approach to the establishment and operation of shippers' councils. However, the course revealed strongly that further regional course should be devoted to:

(i) regional co-operation among shippers

The principal reason is that the shipping industry representatives, individual companies and liner conferences, cover more than one country in the region. The course would comprise, i.a.:

- exchange of information and data collection
- transport economic research required from shippers as bases for negotiation and rationalization schemes
- development of regional cargo handling rationalization schemes
- the use of alternative modes of transport
- institutional requirements and financing

(ii) the establishment of freight booking centres

In two practical cases, the establishment of freight booking centres, as joint efforts by shippers, has resulted in lower transport costs, and means of financing other shipper activities. The establishment and operation of such centres are complex, and in many countries it will not be possible to undertake this without prior training of staff and education of officials and the shipping industry. The course would, i.a., comprise:

/- freight

- freight forwarding
- basic shipping economics
- requirements of shippers in lieu of joint shipments
- chartering of vessels
- organization and financing

(iii) air transport

Air cargo lifting is increasing in its importance for certain cargoes. The Hong Kong training course proved that the shippers need guidance in the use of air transport. Consultation procedures between air carriers and shippers are required. The course would deal with:

- the economics of lifting by air
- air rate making
- the institutional structure of air transport
- consultation and negotiation with the air industry

(iv) freight study units

Several countries have decided to establish freight study units within their government structure. There is, in many cases, confusion as to the role of these units, and as to how they could contribute to the national economies by providing material for decision making. The course would deal with:

- relationship between transport and trade expansion
- economics of transport
- alternative modes of transport
- institutions in shipping and air traffic
- government transport policy

10. At the sub-regional level, the training courses would follow the pattern of the Hong Kong training course, with emphasis on particular characteristics of each of the sub-regions. "Case studies would be introduced into these courses in order to intensify training."

11. The principal characteristics that would be taken into account are:

- geographical position (land-locked, island economy, large economies, narrow trading bases, etc.)
- sophistication of business community
- political and ethnic situation

12. Partly as a basis for training and as follow-up, certain basic activities would account for about 24.5% of the efforts put into the project.

13. A great deal of literature has been written about the subject matter of this project. However, it is felt very strongly that in order to retain its practical value the project should not become involved with general report-writing. However, it is also felt strongly that since written knowledge is spread between many reports and articles, and since many practical points have appeared during the previous project financed by NORAD, it would be most useful to prepare, print and distribute a manual as a guide to member governments in the organization and functioning of shippers' organizations. This would be made on the loose-leaf system, and the project would also involve keeping the manual after it has been prepared up to date, so that it would

- (i) be a handy reference book for people involved with shippers' co-operation;
- (ii) serve as a text-book for the training courses, with up-dated information resulting from field-work and ad hoc research.

14. The training courses would lose much of their impact, if they could not be followed up by advisory services to be provided by an expert. At the request of ECAFE member countries or individual shippers' organizations, he could assist on the spot in the establishment and

operation of shippers' councils. At the same time, this expert would contribute to the work on the collection and dissemination of information. The project, therefore, envisages the continuation of the present arrangement in respect of advisory services.

15. While research in general would fall outside the scope of the project, certain pilot studies or projects would be necessary to demonstrate or develop certain aspects of shippers' co-operation. This is the case, in particular, of co-operation between large numbers of shippers of the same commodity with a view to unifying and rationalizing shipping procedures to take advantage of modern transport technology. Project-item 6 (i) on the shipping study of natural rubber and of coconut products is meant to provide a detailed example of this kind, which would per se be useful, and serve as a test case in training. The same case applies to project on freight booking [6 (iii)], in which field it is felt that a thorough study must be made before the training course is called, and as a basis for future inclusion in the practical manual.

16. In the case of air transport [6 (ii)], the idea of consultation on the shipping pattern is new, and considerable effort must be spent on clarifying the position of the air industry and the interests of shippers, before a training course on this subject can be organized. Also, considerable effort will be required to devise institutional links with the air industry. However, it is felt that the project budget may not be burdened by this, beyond an initial small investigation.

17. Altogether, it is suggested that about 15.5% or \$77,500 of the project funds be devoted to pilot projects.

18. It is anticipated that during the four-year period (1973-1977) knowledge and experience will increase and adjustments may thus need to be made to the individual project-items. Hence, it is not possible to plan each step in great detail at the outset. It is therefore suggested that ECAFE should be assisted by an advisory committee in its execution of the project. This committee might consist of three persons, appointed by MORAD and ECAFE jointly, who would meet once annually to review the project, and who might be called on for advice at any time between meetings.

The project budget

19. The cost estimates for the training courses are based on participation by about 24 persons at each training course, and the same staff as the Hong Kong training course. For ease of reference, the final budget for the training course held at Hong Kong is attached (annex 1). The sub-regional courses are less expensive than the regional courses on account of travel.

20. The costs of the advisory services are estimated on the basis of an expert level, plus travel costs. (See annex 2).

21. The costs of preparing the manual comprise the initial costs of writing/editing and printing 1,000 copies, and an annual cost of keeping it up to date. (See annex 3).

22. Shipping studies of the estimated costs of the pilot projects on the natural rubber and coconut products are detailed in annex 4

while the costs for air transport are calculated on the basis of one man-month at 5 level plus miscellaneous costs.

23. The cost details of the Advisory Committee are given in annex 5.

24. The costs of preparing the substantive part of the training courses (as opposed to the administrative preparation), see project-item 3, is estimated at 4,9,500, for a total period of 4 man-months.



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Annex 1

Cost of Training Course on Shippers' Co-Operation  
held at Hong Kong

The details are being worked out by the ECAFE Secretariat and will be sent to NORAD soon.

ANNEX 2

COMMON STAFF COSTS OF AN EXPERT AT L-5 LEVEL  
FROM NORWAY

---

|  | <u>First Year</u>                                 | <u>Second Year</u>                                 |
|--|---|--|
|  | <u>Level 5, Step I</u><br>(£22,700.- gpa)<br>US\$ | <u>Level 5, Step II</u><br>(£23,350.- gpa)<br>US\$ |
| 1. Salary, net per annum   | 16,555.-  | 16,977.50  |
| 2. Post Adjustment (Class D-1), net per annum<br>(at dependency rate)    | 711.-   | 723.-  |
| 3. Dependency Allowance, net per annum                                   |   |  |
| Wife: £400.-   |   |  |
| 1-Child: £300.-  | 700.-   | 700.-  |
| 4. Assignment Allowance, net per annum                                   | 1,400.-   | 1,400.-  |
| 5. Installation Allowance (on initial appointment<br>only):              |   |  |
| Self : £20 x 30 \$600.-  |   |  |
| Wife : £10 x 30 \$300.-  |   |  |
| 1-Child : £10 x 30 \$300.-   |   |  |
| Lump-Sum : £600.-  | 1,800.-   | -  |
| 6. UN Contribution to the Pension Fund<br>(14% of gross salary)          | 3,178.-   | 3,269.-  |
| 7. UN Subsidy to Group Life Insurance<br>(US\$ 3.04 per month)           | 36.48   | 36.48  |
| 8. UN Subsidy to Medical Scheme, at family rate<br>(US\$ 8.35 per month) | 100.20  | 100.20   |
| 9. Repatriation Grant  |   |  |
| One-year appt.: 4 calendar<br>weeks at Level 5, Step I                   | $4 \times \frac{16,555.00}{52}$                   |  |
| Two-year appt.: 8 calendar<br>weeks                                      | $8 \times \frac{16,977.50}{52} - \$2,611.92$      |  |
| Less Provision for the first year .....                                  | <u>\$1,273.40</u>                                 | 1,338.40   |
| 10. Cash in lieu of annual leave   |   |  |
| One-year appt.: 30 days at Level 5, Step I                               | $30 \times \frac{16,555.00}{261} = 1,902.87$      |  |
| Two-year appt.: 45 days at Level 5, Step II                              | $45 \times \frac{16,977.50}{261} - \$2,927.15$    |  |
| Less Provision for the first year  | <u>\$1,902.87</u>                                 | 1,024.20   |
| 11. Education Grant (maximum: US\$1,000 - per                            |   |  |

|   |                    |                 |                 |
|---|--------------------|-----------------|-----------------|
| child per year)   |                    | 1,000.-         | 1,000.-         |
| 12. Travel on recruitment and separation Travel<br>Oslo/Bangkok and return by air, economy class:   |                    |                 |                 |
| For expert: Air fare  | \$ 1,259.40        |                 |                 |
| 10 kgs. exc. bagg.  |                    |                 |                 |
| \$ 107 x 2  | 214.-              |                 |                 |
| Term, subs. allow.,<br>misc. \$72 x 2   | 144.-              |                 |                 |
|   | <u>\$ 1,617.40</u> | 1,617.40        | -               |
| For wife: Air fare  | \$ 1,259.40        |                 |                 |
| 10 kgs. exc. bagg.  |                    |                 |                 |
| \$ 107 x 2  | 214.-              |                 |                 |
| Terminal, etc. \$40 x 2   | 80.-               |                 |                 |
|   | <u>\$ 1,553.40</u> | 1,553.40        | -               |
| For Child: Air fare (1/2 fare)  | \$ 629.70          |                 |                 |
| 10 kgs. exc. bagg.  |                    |                 |                 |
| \$ 107 x 2  | 214.-              |                 |                 |
| Terminal, etc. \$40 x 2   | 80.-               |                 |                 |
|   | <u>\$ 923.70</u>   | 923.70          | -               |
| 13. Air freight - for expert only 20 kilos  |                    | 200.-           |                 |
| 14. Shipment of personal and household effects by<br>surface means 264 x 3.50 x 2<br>Oslo/Bangkok/Oslo for expert, wife and one<br>child up to maximum of 1,200 (2,640 lbs. or<br>264 cu.ft.) |                    | 1,848.-         |                 |
| 15. Education Grant Travel for dependent child<br>- one round-trip for each scholastic year:<br>If the child studies in Norway:   |                    |                 |                 |
| Fare 314.85 x 2   | \$ 629.70          |                 |                 |
| Exc. bagg. 107 x 2  | 214.-              |                 |                 |
| Terminal, etc. 40 x 2   | 80.-               |                 |                 |
|   | <u>923.70</u>      | 923.70          | 923.70          |
| 16. Shipment of privately-owned automobile  |                    | 500.-           | -               |
| 17. Expert's travel in the region   |                    | 5,000.-         | 5,000.-         |
| 18. Miscellaneous   |                    | <u>1,500.-</u>  | <u>1,500.-</u>  |
|   |                    | 42,723.21       | 33,992.62       |
| 19. 14/ Administrative Overhead   |                    | <u>5,881.25</u> | <u>4,758.97</u> |
| TOTAL AMOUNT REQUIRED (SAY)   |                    | <u>48,505.-</u> | <u>38,752.-</u> |
|   |                    | *****           | *****           |

Annex 3Manual on shippers' co-operation

|                                       |               |
|---------------------------------------|---------------|
| Initial costs: Drafting/editing, 3a/r | 7,000         |
| travel                                | 1,500         |
| printing 1000 copies                  | 3,500         |
| distribution                          | <u>1,000</u>  |
|                                       | <u>13,000</u> |
| <br>                                  |               |
| Annual Costs: Editing, 1m/r           | 2,300         |
| Printing, distribution                | 1,500         |
| Miscellaneous                         | <u>200</u>    |
|                                       | <u>4,000</u>  |

Estimated Costs of the pilot projectsAnnex 4

|      |   |        | <u>US\$</u> |
|------|---|--------|-------------|
| (1)  | On shipping Study of natural rubber   |        |             |
|      | (a) Shipping management expert  | 2m/m   | 5,000       |
|      | (b) Naval architect/Marine engineer   | 2m/m   | 5,000       |
|      | (c) Shipping economist  | 4m/m   | 9,000       |
|      | (d) Statistical assistant   | 2m/m   | 1,000       |
|      | (e) Travel of the three experts above<br>within the region:<br>Bangkok/Colombo/Kuala Lumpur/<br>Singapore/Djakarta/Manila/Bangkok |        | 4,000       |
|      | (f) Miscellaneous (cables)  |        | 1,000       |
|      |   | Total: | 25,000      |
| (11) | On shipping study of coconut and coconut products (the estimated cost is the same as above - US\$25,000).                         |        |             |

Annex 5Advisory Committee

Costs of one annual meeting and equivalent of  
40 working days:

3 persons (2 from region, 1 from Europe)

|                                     |              |
|-------------------------------------|--------------|
| travel                              | 1,675        |
| 5 days per diem                     | 375          |
| remuneration at meeting             | 750          |
| 40 working days during year at home | 2,000        |
|                                     | <u>5,000</u> |

App. 5/21

UNITED NATIONS



NATIONS UNIES

ECONOMIC AND SOCIAL COMMISSION FOR ASIA AND THE PACIFIC  
SALA SANTITHAM  
BANGKOK 2, THAILAND

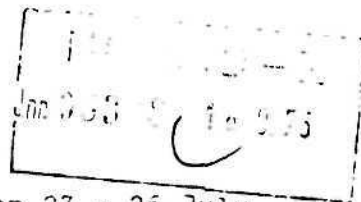
TELEPHONE : 8 1 3 5 4 4  
CABLE : ESCAP BANGKOK

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TP/PER/20/ (999)  
SP/S/69/

12 June 1975

Excellency,



During my forthcoming visit to Oslo, from 23 - 26 July 1975, I envisage discussing a number of technical co-operation projects for Norwegian participation, one of which I have the honour to submit herewith. It is a request for assistance for a 4 year rolling programme on "ESCAP Ship-Users Co-operation Project, 1977-1980". This represents a continuation of the ESCAP Shippers Council Project, and is the third and final Phase of the Programme.

As you are aware, the Shippers Council Project Phase I was carried out between the years 1971 and 1973 and Phase II extending from 1974 to the beginning of 1977 is currently being implemented by the Secretariat. In this connexion, it gives me a deep sense of satisfaction to convey to you the gratitude of the ESCAP member Governments for the valuable and generous assistance of your Government, thus enabling the project to proceed satisfactorily.

In order to meet the urgent need of the ESCAP member countries to obtain the full benefits of the work in this project, Phase III is thus formulated and is set out in the attachment to this letter. I should be grateful if you would forward it to Oslo, and trust that the request will receive your Government's favourable consideration.

Accept, Excellency, the assurances of my highest consideration.

J.B.P. Naranis  
Executive Secretary

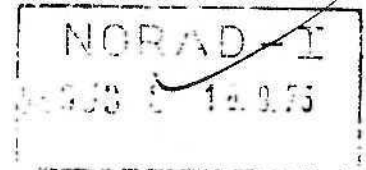
His Excellency Mr. Finn Koren  
Ambassador of Norway  
Bangkok



ESCAP SHIP-USER CO-OPERATION PROJECT (SUCOP)

FOUR-YEAR ROLLING PROGRAMME 1977-1980

CONTENTS



1. Summary of Request
2. Introduction
  - 2.1 Background
  - 2.2 Objectives
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  - 3.1 Action under the Four-year Rolling Programme
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    - 3.1.2 Action in Respect of the Intermediate Objective
    - 3.1.3 - Action in Respect of the Long-range Objective
  - 3.2 Information and Data Service
  - 3.3 Project Co-ordination and Management

ESCAP SHIP-USER CO-OPERATION PROJECT (SUCOP)

FOUR YEAR ROLLING PROGRAMME - 1977/80

(NOTE - The term "Shipper" has frequently been confused with "Shipowner" or other terms within the shipping industries. In order to denote clearly that the project is devoted to the ocean transport interests of traders, the term "ship-user" will be used in this document and throughout the ESCAP Ship-user Co-operation project, (ESCAP SUCOP))

1. SUMMARY OF REQUEST

The first two stages, Phases I and II of the ESCAP Ship-User Co-operation Project are producing the desired results, i.e. confirming the value of strong, concerted action at both government and commercial levels in co-operation among users of shipping services. The capability to improve the conditions for the overseas transportation of their commodities and products is becoming increasingly apparent to them, and the facility it provides for increasing international trade (which must be one of the cornerstones on which economic expansion in the ESCAP countries is built) is rapidly being recognised.

There is an eagerness for the acceleration of the next Phase of the project so that there may be early realisation of the full benefits which will accrue from the application of the techniques and tools developed in the earlier Phases.

A long-term plan of continuing action through ESCAP, national governments, national ship-user bodies (i.e. shippers' councils, commodity associations, etc.) is therefore needed. This request is submitted to help meet this need.

While it is the ultimate aim of SUCOP to become a financially self-sustaining and viable activity, experience at the present clearly indicates the need for continued sustained effort to be invested before this can be realised. These efforts will have to be on-going for a number of years, and be primarily concentrated on manpower development, and the transfer of knowledge and skills. It is expected, however, that as expertise is developed within the region, there will be a diminishing demand for external financial and expert assistance.

In summary, the request comprises a contribution in cash and a contribution in kind as follows:

|                         |                                 |               |
|-------------------------|---------------------------------|---------------|
| Total Grant - 1977/1980 |                                 |               |
| I.                      | Contribution in Cash .....      | US\$1,016,000 |
|                         | 14% Overhead Contribution ..... | US\$ 142,000  |
|                         |                                 | US\$1,158,000 |
| II.                     | Contribution in kind .....      | US\$1,327,000 |
|                         |                                 |               |
|                         | Total                           | US\$2,485,000 |

The figures presented in the Programme of Activities and Expenditure, summarised above, are based on 1975 costs and do not take into consideration any price fluctuations.

## 2. INTRODUCTION

### 2.1 Background

Balanced and rational economic development in the ESCAP region depends, very largely, on proper development of international trade of the countries in the region. Trade in commodities, as well as in manufactures is highly sensitive to the transport cost component in landed costs and its reflection in market prices. This is a general feature of all trade, but it applies in particular to most of the ESCAP countries because of their geographical location and the pattern of international trade of the region which involves Europe and Japan/USA as the principal trading partners of the countries concerned.

At the same time, the situation of ESCAP countries in respect of ocean transport is difficult inasmuch as their ports in the international shipping routes are generally way-ports, Hong Kong and Singapore being notable exceptions in that they are terminal points for some trades. This means that the developing countries in the ESCAP region have not, in the eyes of the international shipping industry, justified independent shipping services. In the past, this has made the developing countries of the region virtually dependent on the transport offered by regular lines, often operating within the confines of Shipping Conferences.

While it is true that shipping conferences are cartels, and often acquire a monopolistic dominance in a given trade, those operating in the international trade of the ESCAP countries have been and will continue to be, of great importance in the economic structure of the region. At the same time, however, commercial and political difficulties do arise because traders/ship-users and governments of the region have experienced frustrations in their endeavours to obtain fair and satisfactory terms and conditions from liner conferences. Since conferences generally have the support of the governments of the traditional maritime countries, problems which should be purely commercial matters tend to become distorted, and develop into political issues of international significance.

Within ESCAP, both at the level of the Commission itself and in the Committee on Trade, these problems have long been recognised as important impediments to regional development of trade. Likewise, the increased appreciation by ship-users of shipping economic issues, and helping them to co-operate among themselves in order to achieve better

shipping solutions for their trade requirements, have long been recognised by ESCAP as the most likely long-term effective solutions.

At the same time, it is noted that the shipping industry and governments of traditional maritime countries express a desire for the development of effective organisations of ship-users. The shipping industry is said to feel that a more meaningful dialogue with its customers is only possible when they - the ship-users - can speak through responsible and firmly organised bodies which, to be truly effective must accumulate a thorough understanding of the shipping economic issues involved as well as the transport requirements of international trade.

Having regard to all these circumstances ESCAP, long ago, determined to give priority to the development of SUCOP and took the appropriate legislative action at Commission and Committee levels for the planning, organising and implementing of the scheme.

Phase I of the project comprised the First Meeting of Government Representatives and Representatives of Shippers' Organisations in December, 1971, followed by the Training Course for Shippers' Councils Representatives in Hong Kong in 1972. The Second Meeting of Government Representatives and Representatives of Shippers' Organisations was convened in December, 1973.

This Phase had the effect of creating awareness of the possibility of solutions to the expressed concerns, and of identifying more coherently, the real problems.

Phase II of the project spans the four years from 1974 to 1977. The principal efforts under Phase II are directed towards the development of the analytical capabilities and skills of shipusers, the transfer of knowledge and skills to ship-users and government representatives through a long series of carefully linked seminars and workshops, and the development of tools by ship-users in determining the optimal services and proper costs and charges for the transportation of their cargoes.

Phases I and II of the project were made possible through grants from NORAD.

The importance and value of these activities have been repeatedly recognised by the governments of the countries of the ESCAP region. The appreciation of the governments has been expressed in the reports of the meetings and seminars referred to above, and in the reports of various sessions of the Committee on Trade and of the Commission itself. At the same time, governments have urged ESCAP to press forward with these activities and, if possible, to expand them.

## 2.2 Objectives

Since its inception, the objective of ESCAP SUCOP has been to ensure in the countries of the region, the capability to promote and protect the interests of ship-users. In particular, ship-user bodies should be provided with the tools needed to enable them to meet and negotiate effectively with the shipping industry, both in regard to their traditional carriers as well as suppliers of alternative transport services.

The foregoing objective remains the primary philosophy of the project. With the experience gained from Phases I and II of the project, the objective can now be refined and rationalised, and stated in clearer terms as follows:

### OVERALL OBJECTIVE

To develop a healthy relationship between users and suppliers of shipping services so that they may, on equal footing, work in a spirit of co-operation and mutual understanding towards the promotion of external trade.

- (i) Immediate objective - To develop understanding of the benefits to be derived from ship-user co-operation, and the acquisition of knowledge and skills in determining/achieving optimal movement of cargo.
- (ii) Intermediate objective - To build strong national ship-user bodies to act on behalf of ship-users as a whole.
- (iii) Long-range objective - To develop regional and sub-regional co-operation and action in ship-user matters in areas of common interest.

## 3. PROGRAMME OF ACTIVITIES AND EXPENDITURE

It is envisaged that Phase III of the project will take the form of a four-year rolling programme. This method has been adopted to ensure that all activities carried out within the framework of the project will be interlocking and be towards a definite end. Therefore, while the objective is to develop co-operation among Asian and Pacific ship-users to the point of self-sufficiency, and thus the elimination of all need for external assistance, it is essential that activities be kept constantly within a time frame of four years. A rolling

programme will permit this desired continuum. At the lapse of each year of activity, a further year of perspective will be added to the three years existing in the programme.

The following programme of activities and expenditure is a continuation of Phase II of the project. The last activity under Phase II will be a workshop early in 1977, dedicated to identification and development of national trainers. It is considered appropriate, therefore, that Phase III of the project should commence early in the year 1977.



PROGRAMME OF ACTIVITIES AND EXPENDITURE (1,000 US\$)

|   | 1977    |        | 1978    |        | 1979    |        | 1980    |        | Total   | %      |
|---|---------|--------|---------|--------|---------|--------|---------|--------|---------|--------|
|   | Cash    | Kind   | Cash    | Kind   | Cash    | Kind   | Cash    | Kind   |         |        |
| <u>Promotional Action</u>                                     |         |        |         |        |         |        |         |        |         |        |
| 1. Conference of Asian & Pacific Ship-users                   |         | 50.0   |         |        |         |        | 50.0    |        | 100.0   | 4.3    |
| 2. Meetings of Secretaries of Ship-user Organisations         | 10.0    |        | 12.0    |        | 14.0    |        | 16.0    |        | 52.0    | 2.2    |
| 3. Handbook/Bulletin for Ship-users                           |         | 8.0    |         | 8.0    |         | 8.0    |         | 8.0    | 32.0    | 1.3    |
| 4. Pamphlets & Special Information                            |         | 3.0    |         |        |         | 3.0    |         |        | 6.0     | 0.3    |
|   | (10.0)  | (61.0) | (12.0)  | (8.0)  | (14.0)  | (11.0) | (16.0)  | (58.0) | (190.0) | (8.1)  |
| <u>Manpower Development</u>                                   |         |        |         |        |         |        |         |        |         |        |
| 5. Regional & Sub-regional Workshops (cost est.: 52,000 each) | 104.0   |        | 156.0   |        | 156.0   |        | 156.0   |        | 572.0   | 24.5   |
| 6. Development of visual and other teaching aids              |         | 50.0   |         | 20.0   |         | 10.0   |         | 10.0   | 90.0    | 2.8    |
| 7. Development of national trainers                           |         |        | 35.0    |        | 35.0    |        | 20.0    |        | 90.0    | 3.8    |
| 8. Assistance with national training programmes               |         |        | 12.0    |        | 20.0    |        | 30.0    |        | 62.0    | 2.6    |
| 9. Fellowships  |         | 12.0   |         | 12.0   |         | 12.0   |         | 12.0   | 48.0    | 2.1    |
|   | (104.0) | (62.0) | (203.0) | (32.0) | (211.0) | (22.0) | (206.0) | (22.0) | (862.0) | (36.8) |
| Brought forward, Promotion and Manpower Development           | 114.0   | 123.0  | 215.0   | 40.0   | 225.0   | 53.0   | 222.0   | 80.0   | 1,052.0 | 44.9   |

|   | 1977         |         | 1978         |         | 1979         |         | 1980         |         | Total          | %            |
|---|--------------|---------|--------------|---------|--------------|---------|--------------|---------|----------------|--------------|
|   | Cash         | Kind    | Cash         | Kind    | Cash         | Kind    | Cash         | Kind    |                |              |
| Brought forward Promotion and Manpower Development  | 114.0        | 123.0   | 215.0        | 40.0    | 225.0        | 33.0    | 222.0        | 80.0    | 1,052.0        | 44.9         |
| <u>Technical Assistance</u>   |              |         |              |         |              |         |              |         |                |              |
| 10. Advisory services   | 45.0         |         | 55.0         |         | 70.0         |         | 70.0         |         | 240.0          | 10.2         |
| <u>Information and Data Service</u>   |              |         |              |         |              |         |              |         |                |              |
| 11. Data requirements, system of collection and establishment of network; classification, storage and retrieval |              | 160.0   |              | 80.0    |              |         |              |         | 240.0          | 10.2         |
| 12. Data collection and dissemination   |              |         |              | 65.0    |              | 115.0   |              | 115.0   | 295.0          | 12.7         |
| 13. Data terminals, training  |              | (160.0) |              | (157.0) |              | 22.0    |              | 30.0    | 64.0           | 2.7          |
|   |              |         |              |         |              | (137.0) |              | (145.0) | (599.0)        | (25.6)       |
| <u>Project Development &amp; Co-ordination</u>  |              |         |              |         |              |         |              |         |                |              |
| 14. External expertise & liaison  |              | 90.0    |              | 90.0    |              | 90.0    |              | 90.0    | 360.0          | 15.4         |
| 15. Travel in region  |              | 5.0     |              | 5.0     |              | 5.0     |              | 5.0     | 20.0           | 0.9          |
| 16. Advisory group  |              | 18.0    |              | 18.0    |              | 18.0    |              | 18.0    | 72.0           | 3.0          |
|   |              | (113.0) |              | (113.0) |              | (113.0) |              | (113.0) | (452.0)        | (19.3)       |
| NET TOTAL   | 159.0        | 396.0   | 270.0        | 310.0   | 295.0        | 283.0   | 292.0        | 338.0   |                |              |
|   | <u>555.0</u> |         | <u>580.0</u> |         | <u>578.0</u> |         | <u>630.0</u> |         | <u>2,343.0</u> | <u>100.0</u> |

### 3.1 Action Under The Four-Year Rolling Programme

The objectives which are indicated in Section 2.2. above require a large amount of effort and intensive action for their fulfilment. The aim of ESCAP SUCOP is to initiate and develop this process so that co-operation among ship-users in the ESCAP region will become a viable activity requiring no further need for outside assistance or influence.

A guiding principle of the programme would be that while during its earlier stages ESCAP SUCOP would concentrate on the building of ship-user co-operation - institutions, knowledge and skills - the project should later concentrate on ad hoc tasks as and when the system gains in its ability to stand on its own.

Another guiding principle would be that it should build expertise which would remain in the region. In other words, while during its initial stages, the project would draw on sources outside the region for its execution, the building in Asian and Pacific manpower, the capability to carry on the system, is a primary guideline. Throughout the programme, therefore, teaching of knowledge and training in skills take high priority.

The programme would be executed with a view to directing as much as possible of the action through existing ship-user bodies of the region, thereby strengthening their organisational ability and this is reflected in the expenditure budget inasmuch as funds are mainly used for work in the field.

#### 3.1.1 Action in Respect of the Immediate Objective

The achievement of the immediate objective of the project falls into three overlapping phases:

- 1 - the promotional period
- 1 - the educational period
- 1 - the service/functional period

It is envisaged that the activities under the project for the next few years will have to cover all of the above three main areas.

The promotional activities are required to teach ship-users the benefits that can be derived from their co-operation with each other. This promotion goes hand in hand with education and involves calling at least two conferences of Asian and Pacific ship-users. It further requires the continuation of the regional and sub-regional training schemes which were carried out during the first stages of the project.

The promotional efforts are directed not only towards ship-users but equally towards the government level inasmuch as officials dealing with ship-user and trade matters are to be included in the teaching and training activities.

The promotional action is covered by budget items 1 - 4, 8.1% of the total. Half of this would be devoted to the conferences of Asian & Pacific ship-users, which each would assemble approximately 300 participants. The conferences would be carried out through selected ship-user bodies, acting as hosts.

The meetings of Secretaries of Shippers' Councils will be for the purpose of improving communication between them, to provide opportunities for the exchange and cross fertilisation of ideas and for jointly solving common problems.

Experience during the first stages of the project show that in addition to teaching and training, the dissemination of day to day information is of both practical and promotional value to Asian shippers and government officials dealing with trade and ship-user matters. ESCAP should, therefore, from time to time, issue information bulletins for Asian and Pacific ship-users. This should be combined with periodic revisions of the Handbook for Ship-Users (budget items 3 and 4).

During the first stages of the project, the decision-making tools for obtaining the cheapest possible cargo movement were developed for use by shippers in day to day business and for negotiation with shipping interests. The application of these tools will constitute a continuing and particular objective of teaching and training.

During the first stages of the project, one regional and three sub-regional workshops dealt with these subjects. These are of great importance and many more similar training programmes will be required before there is sufficient lateral and vertical spread and experience to make the proper impact.

To achieve effect in depth, workshops which hitherto have been conducted on a regional or sub-regional basis, will have to be adapted to the national level in order to reflect national circumstances. A particular aspect of the rolling programme will, therefore, be the development of "multipliers", the training of trainers from individual countries. These trainers will be the

catalysts who will carry on training and education in their own countries on a continuing and deeper basis. The training of trainers will involve the development of visual aids and training programmes which they can use in their respective countries.

Manpower Development above is covered by items 5-9 of the expenditure budget, altogether 37% of the total. Thus, 44.9% of the total expenditure is to be devoted to Promotional and Manpower Development items.

These items are built so as to transfer gradually priority from regional training towards training on a national grass-roots basis. It is also envisaged that scholarships will be provided, as an added aid to develop throughout the region, a network of resource persons for advisory services.

Following the partly overlapping periods of promotional and educational activities under the project, an increasing need is seen for direct services from ESCAP to ship-users.

During the first stages of the project, a number of requests were received for advisory services to individual countries or commodity groups. As the awareness of the possibilities in the field of ship-user co-operation increases, it is foreseen that requests for such services will increase in number and volume. (This is covered by item 10 of the budget - 10.9% of the total.)

### 3.L2 Action in Respect of the Intermediate Objective

The development of strong national ship-user organisations is necessary before effective regional and sub-regional co-operation can take place. On a step-by-step basis, the building of national organisations will be as follows:

- (i) Bringing together concerned persons
- (ii) Drafting of Statutes of ship-user bodies; consideration of national supporting legislation
- (iii) Organising the secretariat function and its financing
- (iv) Establishment of the Council, Membership
- (v) Establishment of an executive body of the ship-user organisation
- (vi) Establishment of ad-hoc and specialised committees of the Council

Following the above steps, or moving parallel with them, the teaching and training schemes which, during the initial period of the project took place on the regional and sub-regional basis, would be adapted and conducted on a national basis. For this purpose ESCAP SUCOP would continue manpower development and training in individual countries, that could develop in depth on a national basis, that which hitherto had taken place laterally at the regional level.

The national teaching and training would concentrate on the same principal issues of - economic decision making in ocean transport, choice of transport and transport form, negotiation techniques.

### 3.L3 Action in Respect of the Long Range Objective

There are several forms of regional and sub-regional co-operation and action in ship-user matters:

- (i) Identifying and co-ordinating mutual interests
- (ii) Joint negotiation with the suppliers of services
- (iii) Joint action, i.e. chartering of vessels, booking of space.
- (v) Joint research, information, education and training services



In co-ordinating the efforts of ship-users across the ESCAP region, identification of mutual interests becomes a primary task. One important purpose behind regional co-operation is the development of regional negotiation capability. If ship-users are to be able to negotiate effectively, they must be clearly aware of what is and what is not their common interests - and what is their conflicting interest.

It is not proposed that ESCAP SUCOP should define mutual interests on behalf of ship-users of the region. It is best that they do this themselves. It is proposed that the organisational system which the project will help to establish should be so constructed as to enable ship-users and their organisations to undertake these and other tasks.

Joint exchange of information, research, educational and training programmes will continue to receive high priority within the project also in the long-term. It is from these efforts that ship-users themselves will acquire the knowledge and skills which are necessary for the whole ship-user co-operation system to be self-perpetuating and, eventually, to be financially self-sustaining.

### 3.2 Information and Data Service

During the first stages of the project, great frustrations were experienced at the paucity of information available and the disarray of what little could be obtained. Serious impediments to effective analysis and decision making by ship-users have thus been revealed. For instance the work of Shipping Consultants A/S in developing the decision making tools, has been seriously hampered. More importantly, it will prove difficult and frustrating in trying to use the tools at the institutional and ship-user level because of the lack of information resources. The successful use of the decision-making tools will depend on the quality and quantity of information available and the method of provision of the same.

In order to maximise the utilisation of scarce resources, information gathering and dissemination should be centralised. It would be a meaningless waste of effort if in every country, the individual ship-user organisations collected all the information which is required for the application of the decision-making tools.

The majority of this information is common e.g. commodity flows and shipping services; liner and other freight rates for different commodities for different trades; port information.

The rational solution, therefore, is the establishment of a centralised information and data service. The specialist staff required to run such a centre is minimal. Because of the capacity of modern information storage and retrieval systems, the centre could just as easily cover a number of countries as any one individual country.

It is proposed, therefore, to set up a Data and Servicing Centre to serve the region as a whole. It would have the following tasks:

(1) Collection of Information

This would involve the establishment of a network of correspondents. National ship-user bodies would be natural as correspondents. In addition there could be a number of specialised agents such as port authorities, etc.

(2) Collation and Analysis of Data

This would have to be carried out by the specialist staff within the centre.

(3) Storage and Retrieval of Information

This would be adapted to suit modern computer techniques. In the present development of such techniques, the requirement of the Data and Servicing Centre would be relatively unsophisticated.

(4) Dissemination of Information

The dissemination of information would be the principal result of the Data and Servicing Centre. It is envisaged that such dissemination would take place at two levels. First there should be periodic and routine distribution of standard data, e.g. change in freight rates, cargo flow and so forth. Second, there should be ad hoc distribution of information in response to requests from individual ship-user bodies. This will often require the Data and Servicing Centre to assist in the application of decision making tools, analysis of results and the making of recommendations.

In addition to the above routine services, the centre should be in a position to carry out ad hoc expert missions - advisory services.

The manning of the Data and Servicing Centre would be small. It would probably consist of no more than one leader, one or two coding officers and a clerk/typist.

The operation of the centre would be based on modern computer facilities, but would involve no major hardware. Computer time and storage facilities could be rented from one of several large computer systems that have facilities all over the world. Thus, the centre itself would only need data terminal equipment. At a later stage in the development, individual national ship-user bodies might be directly linked with the service via data terminals.

Items 11-13 of the expenditure budget cover the above activities. They comprise 25.6% of the budget.

While outside financing would be required for the development of the information service and for an initial period of operation of 2-4 years, the service would be built with an aim to become financially independent - as a non-profit organisation offering services against fee - attached to an existing ship-users body.

### 3.3 Project Co-ordination and Management

The project would continue to be operated under the supervision and guidance of the Advisory Group. This is covered by budget item 16. In view of the increasing size and complexity of the programme, three annual meetings of the Group are considered a minimum requirement.

The whole emphasis of the project is directed towards developing manpower in the countries of the region so that they may, on a solid foundation of knowledge and skill, be in a position to help themselves in matters relating to transport services for their external trade. Thus, it is not seen necessary to institutionalise the SUCOP project but to ensure that its strength will lie in ship-user organisations throughout the region rather than residing in an apex power point. Therefore, it is expected that ship-user organisations will themselves initiate and develop co-operative activities on a regional or sub-regional basis, with ESCAP keeping an interested eye on developments and providing the necessary services for such a role.

Thus, the SUCOP management and co-ordination for the initial development work would continue to be provided by external experts during the currency of the NORAD financial support. This is covered by item 14 of the expenditure budget which provides for up to 1½ man-years of high level manpower per annum.

While the technical expertise and leadership has been provided for in the developmental stage, the ESCAP Secretariat will provide, from its regular resources, administrative and substantive support to ensure the proper execution of the project and its subsequent on-going roles. This would comprise a high-level counterpart for the external experts, the necessary administrative personnel, secretariat services and so on.

3rd June, 1975

Request for the Continuation of the Project, 1981-1984

Pursuant to the talks which were held between Mr. J.B.P. Maramis, Executive Secretary of ESCAP and the Ministry of Foreign Affairs of the Government of Norway in Oslo during September 1979, an understanding was reached that - subject to the approval by the Norwegian Parliament - SUCOP could continue for another four-year period, (1981-1984), in direct extension of the present programme. Its structure would reflect the experience that has been gained so far, and the rate of development which has been attained.

5.1. Schedule of activities 1981-84

With this in mind, the following programme schedule is being proposed:

## ESCAP SHIP USERS' CO-OPERATION PROJECT (SUCOP)

Schedule of Activities for 1981-84  
(Figures in 1,000 US\$)

|   | 1981  | 1982  | 1983  | 1984  | Total     | %     |
|---|-------|-------|-------|-------|-----------|-------|
| 1. <u>Institutional Support Programme</u>   |       |       |       |       | (270.0)   | 9.3   |
| 1.1 Meetings of Chief Executives of Shippers' Councils, ad hoc working parties and regional association | 32.0  | 40.0  | 48.0  | 48.0  | 168.0     |       |
| 1.2 Officers' exchange programme  | 18.0  | 24.0  | 30.0  | 30.0  | 102.0     |       |
| 2. <u>Manpower Development Programme</u>  |       |       |       |       | (1,358.0) | 47.2  |
| 2.1 Regional Workshops and study tours  | 200.0 | 150.0 | 100.0 | 100.0 | 550.0     |       |
| 2.2 Development of national trainers  | 24.0  | 36.0  | 36.0  | 36.0  | 132.0     |       |
| 2.3 Assistance with national training programme, corresp. courses, country level W/S                    | 66.0  | 74.0  | 80.0  | 80.0  | 300.0     |       |
| 2.4 Fellowships and fellowship service  | 28.0  | 32.0  | 48.0  | 48.0  | 156.0     |       |
| 2.5 Development of visual and other teaching aids   | 40.0  | 40.0  | 40.0  | 40.0  | 160.0     |       |
| 2.6 Handbook for shippers, brochure   | 15.0  | 15.0  | 15.0  | 15.0  | 60.0      |       |
| 3. <u>Advisory Services</u>   |       |       |       |       | (690.0)   | 24.0  |
| 3.1 Data and Info. Service  | 80.0  | 90.0  | 90.0  | 90.0  | 350.0     |       |
| 3.2 Missions and Special Projects   | 80.0  | 80.0  | 90.0  | 90.0  | 340.0     |       |
| 4. <u>Project Development &amp; Coordination</u>  |       |       |       |       | (562.0)   | 19.5  |
| 4.1 External expertise & liaison  | 95.0  | 95.0  | 95.0  | 95.0  | 380.0     |       |
| 4.2 Travel and communications   | 30.0  | 30.0  | 32.0  | 32.0  | 124.0     |       |
| 4.3 Advisory Group Meetings   | 12.0  | 14.0  | 16.0  | 16.0  | 58.0      |       |
| 5. <u>NET PROJECT TOTAL</u>   | 720.0 | 720.0 | 720.0 | 720.0 | 2,880.0   | 100.0 |
| 6. 14% UN overhead contribution <sup>1/</sup>   | 100.8 | 100.8 | 100.8 | 100.8 | 403.2     | 14.0  |
| 7. <u>PROJECT TOTAL</u>   | 820.8 | 820.8 | 820.8 | 820.8 | 3,283.2   | 114.0 |

1/ To cover costs of supporting personnel and other overheads.



The main guideline of this schedule is to strengthen the self-reliance within the region in the field of shippers' co-operation and co-operation between shippers and shipowners.

#### 5.2. Manpower development

This guideline is most notable in the structure of the manpower development programme. The emphasis on regional workshops is gradually being built down in this project component. It is envisaged that while at present general shipping operational and economic principles is being taught/trained at the regional level, only special subjects (e.g. matters relating to maritime law and insurance) would be taught at the regional level as the project progresses. In addition, the training of trainers will be continued at the regional level. This is reflected in budget lines 2.1 and 2.2.

Parallel to the above, it is planned that manpower development activities at the national level should increase in volume, as indicated in budget lines 2.3 and 2.4.

The reasoning behind the above assignment of emphasis is as follows:

At the present stage of the project it has been possible to develop a fair number of centrally placed participants through workshops and other activities at the regional level. These participants represent the leadership of the national shippers' councils in the region as well as the beginnings of the sub-regional and regional co-operative institutions. They further represent officials of governments dealing with ocean shipping matters from a trade point of view, sometimes performing the functions of shippers' councils' secretariat. This nucleus is composed of, say about 300 persons.

In addition to the increase they have gained in know-how and skills, they benefit from enhanced communications with one another as a result of the various training schemes.

Beyond this number of persons, there is a large number of individual shippers, officers of shippers' councils' secretariats and government officials in each individual member country which would benefit from training. This group of people, say 3 to 5,000 persons throughout the region, make - or ought to make - decisions in shipping matters affecting

individual shippers and sectors of national economies. They are also the recruiting ground for the next generation of leaders for shippers' councils and responsible government positions.

Both from the viewpoint of practicability and from the economic viewpoint, it is obviously out of question to reach such a large group with training at the regional level. It is, however, not particularly difficult to envisage that they can all be reached within the scope of workshops and training programmes at the national level. This, obviously, requires that a number of well qualified national trainers could be identified and trained.

These principles have been realized and partly implemented already during the present stage of the project. The annual progress reports contain description of the various regional and country-level workshops. The relationship between the respective numbers of "participant working days" illustrate what has been stated above:

#### SUMMARY OF PARTICIPANT WORKING DAYS 1972-79

|                   | 1972-76<br>(4 yrs.) | 1977  | 1978  | 1979  | Total |
|-------------------|---------------------|-------|-------|-------|-------|
| Regional W/S      | 1,975 <sup>1)</sup> | 1,690 | 523   | 615   | 4,803 |
| Country-level W/S |                     |       | 1,258 | 1,340 | 2,598 |
| Total             | 1,975               | 1,690 | 1,781 | 1,955 | 7,401 |

1) Including sub-regional W/S held in New Delhi, Rarotonga, Manila.

In the proposed schedule of activities budget items 2.5 and 2.6 indicate supporting activities of the training efforts at both regional and national levels. It is believed that a larger number of national trainers could only be fully effective if supported with hand-books, manuals, slide programmes and video shows developed centrally and distributed to them (see description of the corresponding DIS function in the annual progress report for 1979).

### 5.3. Institutional support

The proposed schedule continues the present priority assigned to institutional support. This is indicated by budget lines 1.1 and 1.2. The increased allowances for the Meetings of Chief Executives of Shippers' Councils and ad hoc activities related to those meetings (e.g. ad hoc working parties dealing with particular subjects) will allow the continued strengthening of the institutions that have already been established. Because of the large discrepancies between the different shippers' councils in the ESCAP region, and as between some shippers' councils in the ESCAP region and shippers' councils in Australia and Europe, the programme for the exchange of officers has been continued and strengthened. This programme will both enhance the communications/coordination between shippers' councils, improve the working proficiency of individual officers, and improve the internal organization of the weaker councils.

### 5.4. Advisory Services

The advisory services component of the proposed schedule reflects the experience which has been gained so far, both in the operation of the Data and Information Service, and in the planning and conduct of special projects.

#### 5.4.1. Data and Information Service

The functional structure of the Data and Information Service was explained in the progress report for 1979, and its various components have been explained in previous reports. The following breakdown is the basis for budget line 3.1:

BUDGET SCHEDULE FOR DIS 1981-84  
(US dollars)

|                                       | 1981          | 1982          | 1983          | 1984          | Total          |
|---------------------------------------|---------------|---------------|---------------|---------------|----------------|
| 1. Documentation                      |               |               |               |               |                |
| 1.1. Books, periodicals               | 5,000         | 6,000         | 6,000         | 6,000         | 23,000         |
| 1.2. Circulation, gen.info.           | 3,000         | 4,000         | 4,000         | 4,000         | 15,000         |
| 2. Distribution of teaching aids      | 2,000         | 3,000         | 4,000         | 4,000         | 13,000         |
| 3. Collection and storage:<br>records | 50,000        | 55,000        | 60,000        | 60,000        | 225,000        |
| 4. Models and Tools                   | 16,000        | 16,000        | 10,000        | 10,000        | 52,000         |
| 5. Training <sup>1)</sup>             | 4,000         | 6,000         | 6,000         | 6,000         | 22,000         |
| <b>TOTAL</b>                          | <b>80,000</b> | <b>90,000</b> | <b>90,000</b> | <b>90,000</b> | <b>350,000</b> |

1) Per diem only, travel costs etc. to be covered from 2.4.

The ultimate objective is that the Data and Information Service should become a self-sustained activity. For this to be realistic, however, one must envisage a number of years establishing a network of "information correspondents" and a centralized coordinating, storage and dissemination function with the least possible institutional implications. It is believed that the present pattern for the Data and Information Service is conducive to this development.

5.4.2. Missions and Special Projects

Ad hoc advisory missions have so far been arranged by finding individual advisers with relevant know-how and background to assist individual shippers' councils and similar institutions. Special projects (in particular off-shoot projects) have - in the main - been conducted by engaging the services of consultancy or similar organizations:

Most larger projects consist of three main components:

- i. preliminary discussions with the requesting party, and planning the project: terms of reference.
- ii. collecting background information and information required for application of proper methodology (e.g. input for the models and tools for decision making)
- iii. analysis, operational and economic planning and the drafting of recommendations

In particular, activities related to (ii) above may be time consuming and involve a lot of travel. The activities related to (i) and (iii) would usually require a high level of expertise, but need not be particularly time consuming. The expertise required would, also usually, be related partly to local conditions and partly to in-depth know-how of shipping and related activities.

Beyond the value for educational and demonstration purposes - which may be considerable - the lasting value of a special project depends on the use which is being made of it.

In many cases, it has been found that extensive studies, reports and similar exercises have left little mark on the practical scene. Apart from the possibility that this may be due to lack of thoroughness and quality, the major cause for this imbalance between input and outcome would be the possibilities which the recipient has to make use of the advice. In many cases, managerial, organizational, financial and other resources of the recipient are insufficient for effective implementation, even if the basis for advice and the advice itself are sound. Thus, the value of a special project may be reduced nil because of lacking resources in the follow-up process.

For all of the above reasons, it is envisaged that the continuation of on-going special projects, and new special projects which may be requested, would primarily be carried out by project teams jointly composed of participants from the requesting parties and experts engaged under the project. Further, preliminary experiments indicate that

costs can be significantly reduced by leaving the data collecting task to local contacts, after careful briefing and under careful monitoring.

While it is expected that the requirements for assisting with missions and special projects will continue, and increase, budget line 3.2 of the proposed schedule indicates that this could be carried out at moderate costs in the manner just described.

#### 5.5. Project co-ordination and development

The proposed schedule continues - under its item 4 - the present administrative and operational procedures under which the project has been run so far.



The Executive Secretary  
Economic Commission for Asia  
and the Far East  
Bangkok  
THAILAND

Dear Mr. Maramis

Re.: ESCAPE Shippers Council.

---

With reference to your letter dated 11th December, 1972, reference TP/D/33/1553, containing a request for assistance in connection therewith, I have the honour to propose the following for your consideration:

1. Norway will, subject to Parliamentary appropriations, provide a financial grant not exceeding Norwegian kroner 3,500,000 (three and a half million) (hereinafter referred to as the "Grant"), to be used exclusively to finance the project described in the Schedule annexed hereto (hereinafter referred to as the "Project").

2. ESCAPE will:

a) be responsible for the administration, planning and implementation of the Project;

b) promptly inform Norway or its representatives of any condition which interferes with or threatens to interfere with the successful accomplishment of the purpose of the Grant;

c) submit to Norway:

(i) Applications for payment of the costs of services to be financed from the Grant. Payments will be affected by ECAFE upon receipt of the Grant;

(ii) yearly progress reports, not later than February 28th of the following year. Such reports shall set out, inter alia:

- The progress in relation to the established programme schedule;
- amendments, if any, of the programme schedule and cost estimates;
- the programme of activities and a budget for the following year;

(iii) yearly statement of accounts in respect of the Project, not later than February 28th of the following year;

(iv) a certified statement of expenditures within one year after the completion of the Project.

3. ECAFE and Norway will co-operate fully to ensure that the purpose of the Grant is accomplished. To that end, ECAFE and Norway will furnish to each other all such information that may reasonably be required pertaining to the Project. ECAFE will permit the representatives of Norway to observe the activities under the Project.

In matters relating to the implementation of these proposals the Norwegian Agency for International Development (NORAD) and the International Trade Division will be competent authorities to represent Norway and ECAFE, respectively.

4. If any dispute arises relating to the implementation or interpretation of these proposals, there will be mutual consultations between ECAFE and Norway with a view to secure a successful realization of the purpose of the Grant.

These proposals will remain in force until the 31st December, 1977, unless terminated at an earlier date by either ECAFE or Norway by giving six months' written notice to that effect. Norway undertakes, within the financial limit set forth in paragraph 1 of this letter, to assume responsibility for all obligations and commitments made by ECAFE prior to receipt of the termination notice of said proposals.

If the foregoing proposals are acceptable to ECAFE, I have the honour to suggest that this letter, together with your reply thereto, shall be regarded as constituting an agreement between the Economic Commission for Asia and the Far East and the Government of the Kingdom of Norway in this matter.

## CONTENTS

### 1. Aim of the Project.

Amongst the countries in the ECAFE region there is a great need to intensify the efforts for shippers' co-operation, and a consultation and negotiating machinery between shippers and shipowners. Shippers' councils require an apparatus capable of maintaining a flow of information, and of preparing negotiations within the council and between council and shipowners. The aim of the Project is to train personnel in the ECAFE countries in the establishment and operation of shippers' councils. The principal component of the Project, therefore, is training of staff for establishment and running of shippers' councils and the institutional arrangements for consultation/negotiation between shippers' councils and the shipping industry, port authorities, governments and any other party of interest to shippers. Another principal component is research with a view to providing shippers with the analytical tools in the field of shipping and port economics, which they need for the purpose of effective negotiation.

### 2. Contents of the Project.

The content of the Project is divided into the following components:

#### 2.1 Regional Training Courses comprising i.a.:

- exchange of information and data collection
- transport economic research required from shippers as bases for negotiation and rationalization schemes

- development of regional cargo handling rationalization schemes
- the use of alternative modes of transport
- institutional requirements and financing.

## 2.2 Sub-regional Training Courses.

At the sub-regional level (land-locked countries, western region, South East Asia, and Pacific) the training courses will be held in the form of 'workshops'. Stress will be laid on practical 'drilling' for shippers representatives, taking into account the particular characteristics of each sub-region, i.e. in respect of geographical position, size of the national economy and business community, political and ethnic situation.

## 2.3 Shipping economic studies/research.

The programme will comprise the following main components:

### 2.3.1 Analysis of cost elements involved in

- (a) Liner shipping
- (b) Trade shipping
- (c) Bulk shipping.

### 2.3.2 Analysis of data - requirements

- (a) kinds of data required
- (b) data sources.

### 2.3.3 Calculation methods, development of standard programmes for:

- (A) General cargo complex (e.g. for use in discussions of general freight rate increases)
- (B) individual commodities (manufactures, primaries)
  - present mode of transport
  - alternative modes of transport.

2.3.4 Verification of the studies by applying them to different test cases.

#### 2.4 Advisory Committee.

An advisory committee will be established which will assist ECAFE in its execution of the Project. This committee will consist of four members appointed by NORAD and ECAFE jointly, who will meet at least once a year to review the Project and plan the next year's work, and who may be called on for advice at any time between meetings.

NORAD will be represented as observer by a representative from the Royal Norwegian Embassy, Bangkok.

#### 2.5 Handbook.

Preparing and distributing a handbook that shall be a guide to member governments in the organization and functioning of shippers' bodies in the ECAFE region. The handbook will be made on the loose-leaf system and will be kept up to date so that it will:

(i) be a handy reference book for people involved with shippers' co-operation, (ii) serve as a text-book for the training courses, with up-dated information resulting from field-work and research.

#### 2.6 Advisory Services.

The training courses will be followed up by advisory services. At the request of ECAFE member countries or individual shippers' organizations, on-the-spot assistance in the establishment and operation of shippers' councils may be provided. At the same time, contribution to the work concerning the collection and dissemination of information will be provided.



3. Estimated costs of the Project over four years (1974-77).

|  |                     |
|--|---------------------|
| Regional and sub-regional training courses including course preparations | US\$ 229,500        |
| Shipping Economic Studies/Research                                       | " " 155,500         |
| Advisory Services  | " " 124,400         |
| Handbook   | " " 25,600          |
| Advisory Committee   | " " 32,500          |
| 14% SN Overhead - Administration   | <u>" " 45,670</u>   |
|  | <u>US\$ 593,175</u> |

With NORAD's consent, funds for costs earmarked for one function may be used for another function.

AGREEMENTS BETWEEN NORWAY AND ESCAP

Bangkok, 2nd March, 1977.

Mr. J.B.P. Maramis  
The Executive Secretary  
Economic and Social Commission for Asia  
and the Pacific  
Bangkok.

JNB 33675-710  
1977

Dear Mr. Maramis,

Re: ESCAP Ship-Users' Co-operation Project (SUCOP), Phase III

With reference to your letter dated 12th June 1975, requesting assistance for the continuation of the ESCAP Shippers Council Project, I have the honour to propose the following for your consideration:

1. Norway shall, subject to annual Parliamentary appropriations, provide a financial grant not exceeding Norwegian Kroner 18 000 000 (eighteen million) (hereinafter referred to as the "Grant"), to be used exclusively to finance the project and in the manner described in the Schedule annexed hereto (hereinafter referred to as the "Project").

The objectives of the project and the individual activities covered by this Schedule are described in the original request, dated 12 June 1975, and the Progress Report for the year 1976.

2. ESCAP shall:

- a) Be responsible for the administration, planning and implementation of the Project;
- b) Promptly inform Norway or its representatives of any condition which interferes with or threatens to interfere with the successful accomplishment of the purpose of the Grant;

c) Submit to Norway:

- (i) yearly progress reports, not later than February 28th of the following year. Such reports shall set out, inter alia:
  - The progress in relation to the established programme schedule;
  - amendments, if any, of the programme schedule and cost estimates;
  - the programme of activities and a budget for the following year;
- (ii) yearly statement of accounts in respect of the Project, not later than 28 February of the following year;
- (iii) a consolidated financial statement of expenditures upon completion of the Project.

3. Following receipt of the letter of Agreement signed by ESCAP, Norway shall transfer the funds for 1977. Thereafter Norway shall at the beginning of each calendar year, upon the receipt of the yearly progress report, transfer through the Royal Norwegian Embassy in Bangkok in one sum the equivalent amount in dollars of the yearly allocation in Norwegian Kroner.

The difference between the amount budgeted in US dollars according to the cost plan and the amount transferred by Norway shall be administered by ESCAP as a separate account item. This amount can be used to cover deficits due to changes in the exchange rate or with the consent of Norway, to cover unforeseen expenses or additional project components.

4. Requests for financing of off-shoots projects shall be submitted to Norway for approval. Reporting on such projects shall be included in the yearly progress reports.

5. Norway and ESCAP will co-operate fully to ensure that the purpose of the Grant is accomplished. To that end, Norway and ESCAP will furnish to each other all such informations as may reasonably be required pertaining to the Project. ESCAP will permit the representatives of Norway to observe the activities under the Project.

In matters relating to the implementation of this agreement, the Norwegian Ministry of Foreign Affairs and the Executive Secretary of ESCAP shall be competent authorities to represent Norway and ESCAP respectively.

6. If any dispute arises relating to the implementation or interpretation of this agreement, there shall be mutual consultations between Norway and ESCAP with a view to secure a successful realization of the purpose of the Grant.

This agreement shall remain in force until 31 December 1981, unless terminated at an earlier date by either Norway or ESCAP by giving the other party six months' written notice to that effect. Norway undertakes, within the financial limit set forth in paragraph 1 of this letter, to assume responsibility for all obligations and commitments under the Project made by ESCAP prior to receipt of such termination notice.

If the foregoing proposals are acceptable to ESCAP, I have the honour to propose that this letter, together with your reply thereto, shall be regarded as constituting an agreement between the Government of the Kingdom of Norway

.....4

app. 6/4

JM - 10875-ED  
1977

and the Economic and Social Commission for Asia and the Pacific in this matter.

Yours sincerely,

Finn Koren  
Ambassador of Norway



ECONOMIC AND SOCIAL COMMISSION FOR ASIA AND THE PACIFIC  
UNITED NATIONS BUILDING, SALA SANTITHAM  
BANGKOK 2, THAILAND.

TELEPHONE : 2829161 2829171 2829181  
2829191 2829355 2829381

CABLE : ESCAP BANGKOK

SP/CONF/3/07 (187)

2 March 1977

JNE 02575-40D  
1977

Excellency,

I have the honour to acknowledge receipt of Your Excellency's letter of 2nd March 1977 concerning the Royal Norwegian Government's willingness to continue their financial support of the SUCOP project through its third phase, based on the outlines as put forward in the above mentioned letter, which reads as follows:

"With reference to your letter dated 12th June 1975, requesting assistance for the continuation of the ESCAP Shippers' Council Project, I have the honour to propose the following for your consideration:

1. Norway shall, subject to annual Parliamentary appropriations, provide a financial grant not exceeding Norwegian Kroner 18,000,000 (eighteen million) (hereinafter referred to as the "Grant"), to be used exclusively to finance the project and in the manner described in the Schedule annexed hereto (hereinafter referred to as the "Project").

The objectives of the project and the individual activities covered by this Schedule are described in the original request, dated 12 June 1975, and the Progress Report for the year 1976.

2. ESCAP shall:

a) Be responsible for the administration, planning and implementation of the Project;

b) Promptly inform Norway or its representatives of any condition which interferes with or threatens to interfere with the successful accomplishment of the purpose of the Grant;

/ c).....

His Excellency Mr. Finn Koren  
Ambassador of Norway  
Royal Norwegian Embassy  
Bangkok.



c) Submit to Norway:

(i) yearly progress reports, not later than February 28th of the following year. Such reports shall set out, inter alia:

- The progress in relation to the established programme schedule;
- amendments, if any, of the programme schedule and cost estimates;
- the programme of activities and a budget for the following year;

(ii) a yearly statement of accounts in respect of the Project, not later than 28 February of the following year;

(iii) a consolidated financial statement of expenditures upon completion of the Project.

3. Following receipt of the letter of Agreement signed by ESCAP, Norway shall transfer the funds for 1977. Thereafter Norway shall, at the beginning of each calendar year, upon the receipt of the yearly progress report, transfer through the Royal Norwegian Embassy in Bangkok in one sum the equivalent amount in dollars of the yearly allocation in Norwegian Kroner.

The difference between the amount budgeted in US dollars according to the cost plan and the amount transferred by Norway shall be administrated by ESCAP as a separate account item. This amount can be used to cover deficits due to changes in the exchange rate or with the consent of Norway, to cover unforeseen expenses or additional project components.

4. Requests for financing of off-shoot projects shall be submitted to Norway for approval. Reporting on such projects shall be included in the yearly progress reports.

5. Norway and ESCAP will co-operate fully to ensure that the purpose of the Grant is accomplished. To that end, Norway and ESCAP will furnish to each other all such information as may reasonably be required pertaining to the Project. ESCAP will permit the representatives of Norway to observe the activities under the Project.

In matters relating to the implementation of this agreement, the Norwegian Ministry of Foreign Affairs and the Executive Secretary of ESCAP shall be competent authorities to represent Norway and ESCAP respectively.

6. If any dispute arises relating to the implementation or interpretation of this agreement, there shall be mutual consultations between Norway and ESCAP with a view to secure a successful realization of the purpose of the Grant.

This agreement shall remain in force until 31 December 1981, unless terminated at an earlier date by either Norway or ESCAP by giving the other party six months' written notice to that effect. Norway undertakes, within the financial limit set forth

/in .....

in paragraph 1 of this letter, to assume responsibility for all obligations and commitments under the Project made by ESCAP prior to receipt of such termination notice.

If the foregoing proposals are acceptable to ESCAP, I have the honour to propose that this letter, together with your reply thereto, shall be regarded as constituting an agreement between the Government of the Kingdom of Norway and the Economic and Social Commission for Asia and the Pacific in this matter."

In reply, I have the honour to inform your Excellency that the Economic and Social Commission for Asia and the Pacific agrees to the above proposals and that Your Excellency's letter under reference, and this reply thereto, shall be regarded as constituting an Arrangement between the Royal Norwegian Government and ESCAP which enters into force on the date of this reply.

Once again, may I take this opportunity to express our deep gratitude to the Royal Norwegian Government for its continuing support and generous contribution to this project, and to say that, with the growing awareness of ESCAP's activities in this field, financed by your Government, this gratitude is shared increasingly by the member countries of the region.

Accept, Excellency, the renewed assurances of my highest consideration.



J.B.P. Maramis  
Executive Secretary

Schedule of activities for the years  
1977 - 1980

app. 6/8

|  | 1977            | 1978            | 1979            | 1980            | Total           | \$            |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|---------------|
|  | US \$           | US \$           | US \$           | US \$           | US \$           |               |
| <u>I. Main Project</u>   |                 |                 |                 |                 |                 |               |
| <u>Promotional Action</u>  |                 |                 |                 |                 |                 |               |
| 1. Institutional Support Programme   | 50.0            | 25.0            | 25.0            | 25.0            | 125.0           | 5.3           |
| 2. Meetings of Chief Executives of Snippers' Councils  | 10.0            | 12.0            | 14.0            | 16.0            | 52.0            | 2.2           |
| 3. Handbook/Bulletin for Ship-Users  | 6.0             | 8.0             | 8.0             | 8.0             | 32.0            | 1.4           |
| 4. Pamphlets and special information   | 3.0             | -               | -               | -               | 6.0             | 0.3           |
| <u>Manpower Development</u>  |                 |                 |                 |                 |                 |               |
| 5. Workshops 1)  | 146.0           | 161.0           | 175.0           | 175.0           | 657.0           | 28.0          |
| 6. Development of visual and other teaching aids   | 71.0            | 53.0            | 24.0            | 9.0             | 157.0           | 6.7           |
| 7. Development of national trainers  | -               | 15.0            | 15.0            | 15.0            | 45.0            | 1.9           |
| 8. Assistance with national training programmes, correspondence courses  | -               | 12.0            | 20.0            | 30.0            | 62.0            | 2.7           |
| 9. Fellowships   | 12.0<br>(229.0) | 12.0<br>(255.0) | 12.0<br>(246.0) | 12.0<br>(241.0) | 48.0<br>(969.0) | 2.1<br>(41.4) |
| <u>Technical Assistance</u>  |                 |                 |                 |                 |                 |               |
| 10. Advisory Services  | 40.0            | 55.0            | 70.0            | 70.0            | 235.0           | 10.0          |
| <u>Data &amp; Information Service</u>  |                 |                 |                 |                 |                 |               |
| 11. Data requirements, system of collection and establishment of network, classification storage and retrieval | 77.0            | 25.0            | 25.0            | 25.0            | 152.0           | 6.5           |
| 12. Data collection and dissemination  | -               | 65.0            | 65.0            | 65.0            | 195.0           | 8.3           |
| 13. Data terminals, training   | -               | 12.0            | 22.0            | 30.0            | 64.0            | 2.7           |
| <u>Project Development &amp; Co-ordination</u>   |                 |                 |                 |                 |                 |               |
| 14. External expertise and liaison   | 103.0           | 90.0            | 90.0            | 90.0            | 373.0           | 15.9          |
| 15. Travel & communications  | 24.0            | 24.0            | 24.0            | 24.0            | 96.0            | 4.1           |
| 16. Advisory Group Meetings  | 11.0<br>(138.0) | 11.0<br>(125.0) | 11.0<br>(125.0) | 11.0<br>(125.0) | 44.0<br>(513.0) | 1.9<br>(21.9) |
| <b>NET TOTAL</b>   | <b>555.0</b>    | <b>580.0</b>    | <b>603.0</b>    | <b>605.0</b>    | <b>2,343.-</b>  | <b>100.0</b>  |
| 14 % UN overhead contribution  | 77.7            | 81.2            | 84.4            | 84.7            | 328.4           |               |
| <b>TOTAL, Main project</b>   | <b>632.7</b>    | <b>661.2</b>    | <b>687.4</b>    | <b>689.7</b>    | <b>2,671.-</b>  |               |
| <u>II. Off-shoot Projects</u>  |                 |                 |                 |                 |                 |               |
| <b>Net total</b>   | <b>93.8</b>     | <b>112.6</b>    | <b>150.1</b>    | <b>168.9</b>    | <b>525.4</b>    |               |
| 14 % UN overhead contribution  | 13.1            | 15.8            | 21.-            | 23.7            | 73.6            |               |
| <b>TOTAL, Off-shoot projects</b>   | <b>106.9</b>    | <b>128.4</b>    | <b>171.1</b>    | <b>192.6</b>    | <b>599.-</b>    |               |
| <b>PROJECT TOTAL</b>   | <b>739.6</b>    | <b>789.6</b>    | <b>858.5</b>    | <b>882.3</b>    | <b>3,270.-</b>  |               |

- 1) 1977 : 3 regional and 3 country level workshops  
 1978 : 3 regional and 4 country level workshops  
 1979 + 1980 : 3 regional and 5 country level workshops

= ca 4.7

Bangkok, 6 February 1981

02147 (3)

1981

Dear Mr. Maramis,

Re.: ESCAP Ship Users' Cooperation Project (SUCOP), 1981-84

With reference to your letter dated 19 December 1979 requesting assistance for the continuation of the ESCAP Ship Users' Cooperation Project, I have the honour to propose the following for your consideration:

1. Norway shall, subject to annual Parliamentary appropriations, provide a financial grant not exceeding Norwegian kroner 16.400.000 (Sixteen million fourhundred thousand) (hereinafter referred to as the "Grant"), to be used exclusively to finance the project and in the manner described in the Schedule annexed hereto (hereinafter referred to as the "Project").

The objectives of the project and the individual activities covered by this Schedule are described in the original request, dated 12 June 1975, and the Progress Report for the year 1979.

2. ESCAP shall:

a. Be responsible for the administration, planning and implementation of the Project;

b. Promptly inform Norway or its representatives of any condition which interferes with or threatens to

Mr. J.B.P. Maramis  
Executive Secretary  
Economic and Social Commission  
for Asia and the Pacific  
B a n g k o k

.../2

interfere with the successful accomplishment of the purpose of the Grant;

c. Submit to Norway:

- (I) yearly progress reports, not later than February 28th of the following year. Such reports shall set out, inter alia:
  - The progress in relation to the established programme schedule;
  - amendments, if any, of the programme schedule and cost estimates;
  - the programme of activities and a budget for the following year;
- (II) yearly statement of accounts in respect of the Project, not later than February 28th of the following year;
- (III) a certified statement of expenditures within one year after the completion of the Project.

3. Norway shall at the beginning of each calendar year, upon the receipt of the yearly progress report, transfer through the Royal Norwegian Embassy in Bangkok in one sum the equivalent amount in dollars of the yearly allocation in Norwegian kroner.

The difference between the amount required in US dollars according to the Schedule and the amount transferred shall be administrated by ESCAP as a separate account item. With the consent of Norway this amount can be used to cover unforeseen expenses or additional project components.

4. Requests for financing of off-shoot projects shall be submitted to Norway for approval. Reporting on such projects shall be included in the yearly progress reports.

5. Norway and ESCAP will co-operate fully to ensure that the purpose of the Grant is accomplished. To that end, Norway and ESCAP will furnish to each other all such information as may reasonably be required pertaining to the Project. ESCAP will permit the representatives of Norway to observe the activities under the Project.

In matters relating to the implementation of this agreement, the Norwegian Ministry of Foreign Affairs and the Division for Shipping, Ports and Inland Waterways shall be competent authorities to represent Norway and ESCAP respectively.

6. If any dispute arises relating to the implementation or interpretation of this agreement, there shall be mutual consultations between Norway and ESCAP with a view to secure a successful realization of the purpose of the Grant.

This agreement shall remain in force until 31 December 1984, unless terminated at an earlier date by either Norway or ESCAP by giving the other party six months' written notice to that effect. Norway undertakes, within the financial limit set forth in paragraph 1 of this letter, to assume responsibility for all obligations and commitments under the Project made by ESCAP prior to receipt of such termination notice.

If the foregoing proposals are acceptable to ESCAP, I have the honour to propose that this letter, together with your reply thereto, shall be regarded as



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constituting an agreement between the Government of  
the Kingdom of Norway and the Economic and Social Com-  
mission for Asia and the Pacific in this matter.

Yours sincerely

Harald Neple  
Chargé d'Affaires a.i.



ECONOMIC AND SOCIAL COMMISSION FOR ASIA AND THE PACIFIC  
THE UNITED NATIONS BUILDING, RAJADAMNERN AVENUE  
BANGKOK 2, THAILAND.

TELEX : TH 2392 BANGKOK  
TH 2315 BANGKOK  
CABLE : ESCAP BANGKOK

2829181-200  
TELEPHONE : 2829381-389  
2829363

SP/CONF/3/07

12 February 1981

Sir,

I have the honour to acknowledge receipt of your letter of 6 February 1981 concerning the Royal Norwegian Government's willingness to continue their financial support of the SUCOP project through its third phase, based on the outlines as put forward in the above mentioned letter, which reads as follows:

"With reference to your letter dated 19 December 1979 requesting assistance for the continuation of the ESCAP Ship Users' Co-operation Project, I have the honour to propose the following for your consideration:

1. Norway shall, subject to annual Parliamentary appropriations, provide a financial grant not exceeding Norwegian kroner 16,400,000 (Sixteen million four hundred thousand) (hereinafter referred to as the "Grant"), to be used exclusively to finance the project and in the manner described in the Schedule annexed hereto (hereinafter referred to as the "Project").

The objectives of the project and the individual activities covered by this Schedule are described in the original request, dated 12 June 1975, and the Progress Report for the year 1979.

2. ESCAP shall:

a) Be responsible for the administration, planning and implementation of the Project;

b) Promptly inform Norway or its representatives of any condition which interferes with or threatens to interfere with the successful accomplishment of the purpose of the Grant;

/ c) ...

Mr. Harald Neple  
Charge d'Affaires a.i.  
Royal Norwegian Embassy  
BANGKOK

c) Submit to Norway:

- (i) yearly progress reports, not later than February 28th of the following year. Such reports shall set out, inter alia:
  - the progress in relation to the established programme schedule;
  - amendments, if any, of the programme schedule and cost estimates;
  - the programme of activities and a budget for the following year;
- (ii) yearly statement of accounts in respect of the Project, not later than 28 February of the following year;
- (iii) a certified statement of expenditures within one year after the completion of the Project.

3. Norway shall at the beginning of each calendar year, upon the receipt of the yearly progress report, transfer through the Royal Norwegian Embassy in Bangkok in one sum the equivalent amount in dollars of the yearly allocation in Norwegian Kroner.

The difference between the amount required in US dollars according to the Schedule and the amount transferred shall be administrated by ESCAP as a separate account item. With the consent of Norway this amount can be used to cover unforeseen expenses or additional project components.

4. Requests for financing of off-shoot projects shall be submitted to Norway for approval. Reporting on such projects shall be included in the yearly progress reports.

5. Norway and ESCAP will co-operate fully to ensure that the purpose of the Grant is accomplished. To that end, Norway and ESCAP will furnish to each other all such information as may reasonably be required pertaining to the Project. ESCAP will permit the representatives of Norway to observe the activities under the Project.

In matters relating to the implementation of this agreement, the Norwegian Ministry of Foreign Affairs and the Division for Shipping, Ports and Inland Waterways shall be competent authorities to represent Norway and ESCAP respectively.

6. If any dispute arises relating to the implementation or interpretation of this agreement, there shall be mutual consultations between Norway and ESCAP with a view to secure a successful realization of the purpose of the Grant.

/...

This agreement shall remain in force until 31 December 1984, unless terminated at an earlier date by either Norway or ESCAP by giving the other party six months' written notice to that effect. Norway undertakes, within the financial limit set forth in paragraph 1 of this letter, to assume responsibility for all obligations and commitments under the Project made by ESCAP prior to receipt of such termination notice.

If the foregoing proposals are acceptable to ESCAP, I have the honour to propose that this letter, together with your reply thereto, shall be regarded as constituting an agreement between the Government of the Kingdom of Norway and the Economic and Social Commission for Asia and the Pacific in this matter."

In reply, I have the honour to inform you that the Economic and Social Commission for Asia and the Pacific agrees to the above proposals and that your letter under reference, and this reply thereto, shall be regarded as constituting an Agreement between the Royal Norwegian Government and ESCAP which enters into force on the date of this reply.

Once again, may I take this opportunity to express our deep gratitude to the Royal Norwegian Government for its continuing support and generous contribution to this project, and to say that, with the growing awareness of ESCAP's activities in this field, financed by your Government, this gratitude is shared increasingly by the member countries of the region.

Accept, Sir, the renewed assurance of my highest consideration.



J.B.P. Maramis  
Executive Secretary

APPENDIX 7  
ESCAP SHIP-USERS CO-OPERATION PROJECT (SUCOP)

Schedule of activities for the years  
1977 - 1980

(Figures in 1,000 US \$)

|  | 1977            | 1978            | 1979            | 1980            | Total           | %             |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|---------------|
|  | US \$           | US \$           | US \$           | US \$           | US \$           |               |
| <u>I. Main Project</u>   |                 |                 |                 |                 |                 |               |
| <u>Promotional Action</u>  |                 |                 |                 |                 |                 |               |
| 1. Institutional Support Programme   | 50.0            | 25.0            | 25.0            | 25.0            | 125.0           | 5.3           |
| 2. Meetings of Chief Executives of Shippers' Councils  | 10.0            | 12.0            | 14.0            | 16.0            | 52.0            | 2.2           |
| 3. Handbook/Bulletin for Ship-Users  | 8.0             | 8.0             | 8.0             | 8.0             | 32.0            | 1.4           |
| 4. Pamphlets and special information   | 3.0             | -               | -               | -               | 6.0             | 0.3           |
| <u>Manpower Development</u>  |                 |                 |                 |                 |                 |               |
| 5. Workshops 1)  | 146.0           | 161.0           | 175.0           | 175.0           | 657.0           | 28.0          |
| 6. Development of visual and other teaching aids   | 71.0            | 53.0            | 24.0            | 9.0             | 157.0           | 6.7           |
| 7. Development of national trainers  | -               | 15.0            | 15.0            | 15.0            | 45.0            | 1.9           |
| 8. Assistance with national training programmes, correspondence courses  | -               | 12.0            | 20.0            | 30.0            | 62.0            | 2.7           |
| 9. Fellowships   | 12.0<br>(229.0) | 12.0<br>(253.0) | 12.0<br>(246.0) | 12.0<br>(241.0) | 48.0<br>(969.0) | 2.1<br>(41.4) |
| <u>Technical Assistance</u>  |                 |                 |                 |                 |                 |               |
| 10. Advisory Services  | 40.0            | 55.0            | 70.0            | 70.0            | 235.0           | 10.0          |
| <u>Data &amp; Information Service</u>  |                 |                 |                 |                 |                 |               |
| 11. Data requirements, system of collection and establishment of network, classification storage and retrieval | 77.0            | 25.0            | 25.0            | 25.0            | 152.0           | 6.5           |
| 12. Data collection and dissemination  | -               | 65.0            | 65.0            | 65.0            | 195.0           | 8.3           |
| 13. Data terminals, training   | -               | 12.0            | 22.0            | 30.0            | 64.0            | 2.7           |
| <u>Project Development &amp; Co-ordination</u>   |                 |                 |                 |                 |                 |               |
| 14. External expertise and liaison   | 103.0           | 90.0            | 90.0            | 90.0            | 373.0           | 15.9          |
| 15. Travel & communications  | 24.0            | 24.0            | 24.0            | 24.0            | 96.0            | 4.1           |
| 16. Advisory Group Meetings  | 11.0<br>(138.0) | 11.0<br>(125.0) | 11.0<br>(125.0) | 11.0<br>(125.0) | 44.0<br>(513.0) | 1.9<br>(21.9) |
| NET TOTAL  | 555.0           | 580.0           | 603.0           | 605.0           | 2,343.-         | 100.0         |
| 14 % UN overhead contribution  | 77.7            | 81.2            | 84.4            | 84.7            | 328.4           |               |
| TOTAL, Main project  | 632.7           | 661.2           | 687.4           | 689.7           | 2,671.-         |               |
| <u>II. Off-shoot Projects</u>  |                 |                 |                 |                 |                 |               |
| Net total  | 93.8            | 112.6           | 150.1           | 168.9           | 525.4           |               |
| 14 % UN overhead contribution  | 13.1            | 15.8            | 21.-            | 23.7            | 73.6            |               |
| TOTAL, Off-shoot projects  | 106.9           | 128.4           | 171.1           | 192.6           | 599.-           |               |
| PROJECT TOTAL  | 739.6           | 789.6           | 858.5           | 882.3           | 3,270.-         |               |

- 1) 1977 : 3 regional and 3 country level workshops  
 1978 : 3 regional and 4 country level workshops  
 1979 + 1980 : 3 regional and 5 country level workshops

## ESCAP SHIP USERS' CO-OPERATION PROJECT (SUCOP)

## Schedule of Activities 1977-1986

(1,000 US\$)

|   | 1977  | 1978  | 1979  | 1980  | 1981  | 1982  | 1983  | 1984    | 1985    | 1986    | Total     | %     |
|---|-------|-------|-------|-------|-------|-------|-------|---------|---------|---------|-----------|-------|
| 1. <u>Institutional Support Programme</u>                     |       |       |       |       |       |       |       |         |         |         | (635.0)   | 7.8   |
| 1.1 Meetings of Chief Executives et. sim.                     | 60.0  | 37.0  | 39.0  | 41.0  | 32.0  | 40.0  | 48.0  | 48.0    | 64.0    | 64.0    | 473.0     |       |
| 1.2 Officers' exchange programme                              | -     | -     | -     | -     | 18.0  | 24.0  | 30.0  | 30.0    | 30.0    | 30.0    | 162.0     |       |
| 2. <u>Manpower Development Programme</u>                      |       |       |       |       |       |       |       |         |         |         | (4,137.0) | 50.6  |
| 2.1 Regional Workshops and Study Tours                        | 146.0 | 161.0 | 175.0 | 175.0 | 200.0 | 150.0 | 100.0 | 100.0   | 150.0   | 150.0   | 1,507.0   |       |
| 2.2 Development of trainers                                   | -     | 15.0  | 15.0  | 15.0  | 24.0  | 36.0  | 36.0  | 36.0    | 48.0    | 48.0    | 273.0     |       |
| 2.3 Ass. with national training programmes <sup>1/</sup>      | -     | 12.0  | 20.0  | 30.0  | 66.0  | 74.0  | 210.0 | 310.0   | 340.0   | 340.0   | 1,402.0   |       |
| 2.4 Fellowships, fellowship service                           | 12.0  | 12.0  | 12.0  | 12.0  | 28.0  | 32.0  | 48.0  | 48.0    | 48.0    | 48.0    | 300.0     |       |
| 2.5 Development of visual and other teaching aids             | 71.0  | 53.0  | 24.0  | 9.0   | 40.0  | 40.0  | 40.0  | 40.0    | 60.0    | 60.0    | 437.0     |       |
| 2.6 Handbook for Shippers                                     | 11.0  | 8.0   | 11.0  | 8.0   | 15.0  | 15.0  | 15.0  | 15.0    | 80.0    | 80.0    | 258.0     |       |
| 3. <u>Advisory Services</u>                                   |       |       |       |       |       |       |       |         |         |         | (1,961.4) | 24.0  |
| 3.1 Data and information service                              | 77.0  | 102.0 | 112.0 | 120.0 | 80.0  | 90.0  | 90.0  | 90.0    | 30.0    | 30.0    | 821.0     |       |
| 3.2 Missions <sup>2/</sup> and special projects <sup>2/</sup> | 133.8 | 167.6 | 220.1 | 238.9 | 80.0  | 80.0  | 90.0  | 90.0    | -       | -       | 1,100.4   |       |
| 4. <u>Project Development and Co-ordination</u>               |       |       |       |       |       |       |       |         |         |         | (1,435.0) | 17.6  |
| 4.1 External expertise and liaison                            | 103.0 | 90.0  | 90.0  | 90.0  | 95.0  | 95.0  | 95.0  | 95.0    | 120.0   | 120.0   | 993.0     |       |
| 4.2 Travel and communications                                 | 24.0  | 24.0  | 24.0  | 24.0  | 30.0  | 30.0  | 32.0  | 32.0    | 40.0    | 40.0    | 300.0     |       |
| 4.3 Advisory Group Meetings                                   | 11.0  | 11.0  | 11.0  | 11.0  | 12.0  | 14.0  | 16.0  | 16.0    | 20.0    | 20.0    | 142.0     |       |
| 5. <u>Project Net Total</u>                                   | 648.8 | 692.6 | 753.1 | 773.9 | 720.0 | 720.0 | 850.0 | 950.0   | 1,030.0 | 1,030.0 | 8,168.4   | 100.0 |
| 6. <u>14/13 % UN Overhead Contribution</u>                    | 90.8  | 97.0  | 105.4 | 108.4 | 100.8 | 100.8 | 110.5 | 123.5   | 133.9   | 133.9   | 1,105.0   |       |
| 7. <u>PROJECT TOTAL</u>                                       | 739.6 | 789.6 | 858.5 | 882.3 | 820.8 | 820.8 | 960.5 | 1,073.5 | 1,163.9 | 1,163.9 | 9,233.4   |       |

1/ Includes off-shoot grants for ad hoc national programmes.

2/ Includes 1977-80 ad hoc off-shoot grants.





NORAD GRANT

A/C No. 520-7-264540

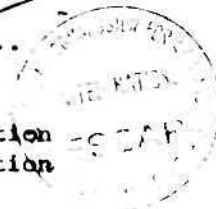
STATEMENT OF ACCOUNT AS OF 15 DECEMBER 1976

|   | US\$ | US\$       | US\$       |
|---|------|------------|------------|
| Fund received:  |      |            | 136,756.15 |
| Less: Expenditures incurred:  |      |            |            |
| 1. Sub-regional workshop:<br>Calculation of Ocean Transport<br>Costs: Cook Islands (18<br>February to 2 March 1976) |      | 20,921.73  |            |
| 2. Workshop on the Economic Statistics<br>of shipping (data generation) :<br>Bangkok (5 to 9 July 1976)             |      | 19,123.42  |            |
| 3. Workshop on the Calculation of<br>Ocean Transport Costs: Manila<br>(2 to 13 August 1976)                         |      | 20,751.79  |            |
| 4. Workshop on the Calculation of<br>Ocean Transport Costs: Bangkok<br>(15 to 26 November 1976)                     |      | 29,383.96  |            |
| 5. Advisory Group Meetings:<br>Travel and per diem  |      | 10,738.86  |            |
| 6. Printing of models and tools   |      | 6,500.00   |            |
| 7. Handbook, chapter on legal<br>questions:<br>fees : 5,000.00<br>printing : <u>1,000.00</u>                        |      | 6,000.00   |            |
| 8. Miscellaneous  |      | 6,213.91   |            |
| Sub-total   |      | 119,833.67 |            |
| 14% Administrative Overhead   |      | 16,748.71  |            |
|   |      |            | 136,382.38 |
| Unencumbered balance as of 15 December 1976   |      |            | 373.77     |

This is to certify that this  
is a true statement of account

.....  
L. L. Joshi  
Chief

Budget and Finance Section  
Division of Administration



NORWEGIAN GRANT

L/O No. 520-7-264450

Statement of Account as of 31 December 1977

|  | US\$               | US\$              |
|--|--------------------|-------------------|
| A. <u>Fund received:-</u>  |                    | 739,900.00        |
| B. <u>Less: Expenditures and obligations incurred:-</u>  |                    |                   |
| <u>Promotion Action</u>  |                    |                   |
| 1. Institutional support programme   | 49,332.30          |                   |
| 2. Meeting of Chief Executive of Shippers' Councils  | 9,140.16           |                   |
| 3. Handbook/Bulletin for Ship Users  | 8,000.00           |                   |
| 4. Pamphlets and special information   | 3,000.00           |                   |
| <u>Manpower Development</u>  |                    |                   |
| 5. Workshops (Training programmes)   | 131,809.22         |                   |
| 6. Development of visual and other teaching aids   | 70,990.00          |                   |
| 7. Development of national trainers  | -0-                |                   |
| 8. Assistance with national training programmes  | -0-                |                   |
| 9. Fellowships   | 3,699.09           |                   |
| <u>Technical Assistance</u>  |                    |                   |
| 10. Advisory services  | 37,935.23          |                   |
| <u>Data and Information Services</u>   |                    |                   |
| 11. Data requirements system of collection and establishment of network, classification, storage and retrieval | 25,568.34          |                   |
| 12. Data collection and dissemination  | -0-                |                   |
| 13. Data terminals, training   | -0-                |                   |
| <u>Project Development and Co-ordination</u>   |                    |                   |
| 14. External expertise and liaison   | 103,000.00         |                   |
| 15. Travel and communication   | 16,249.59          |                   |
| 16. Advisory Group meetings  | 9,974.15           |                   |
| <u>SUCOP Off-shoot Project</u>   | 94,000.00          |                   |
| Sub-Total  | 562,698.08         |                   |
| C. <u>14% Administrative Overhead</u>  | <u>78,777.73</u> = | <u>641,475.81</u> |

Unencumbered balance as of 31 December 1977 98,424.19

This is to certify that this  
is a true statement of account

.....  
L.L. Joshi, Chief  
Budget and Finance Section  
Division of Administration



Norwegian Grant

Statement of Account as of 31 December 1978

ESCAP SHIP USERS' CO-OPERATION PROJECT (SUCOP)

(A/C No. BK-SSP-324109-XXXX &amp; 595-7-263280)

|   |              |                                |
|---|--------------|--------------------------------|
| Receipt - Fund received 1978 (CRV 218923 of 7/2/78)         | \$833,010.46 |                                |
| Fund transferred balance of SUCOP 1977                      | 98,424.19    |                                |
| Fund transferred balance of Currency - exchange excess 1977 | 20,553.05    |                                |
|   |              | = US\$951,987.70 <sup>a/</sup> |

## LESS:

|   |            |   |
|---|------------|---|
| B. Expenditures - SUCOP Project 1978                  |            | (in US\$)                                     |
| I. Main project:                                      |            |   |
| 1. Institutional Support Programme                    | 24,704.53  |   |
| 2. Meetings of Chief Executives                       | 11,872.01  |   |
| 3. Handbook/Bulletin for Ship Users                   | 8,088.20   |   |
| 4. Pamphlets etc.                                     | - nil -    |   |
| 5. Workshops  | 154,216.09 |   |
| 6. Development of visual aids                         | 53,000.00  |   |
| 7. Development of national trainers                   | 13,279.12  |   |
| 8. Assistance with national training programmes       | 12,214.99  |   |
| 9. Fellowships  | 12,000.00  |   |
| 10. Advisory services                                 | 48,244.51  |   |
| 11. Data requirements etc.                            | 130,050.96 |   |
| 12. Data collection and dissemination                 | 64,825.25  |   |
| 13. Data terminals, training                          | 12,000.00  |   |
| 14. External expertise/liaison                        | 90,000.00  |   |
| 15. Travel and communications                         | 19,389.46  |   |
| 16. Advisory group meetings                           | 3,432.99   | = 657,318.11                                  |
| II. Off-shoot projects - Net allowance                |            | 112,250.00                                    |
| III. 14% overhead contribution                        |            | <u>111,611.23</u> = 881,179.34                |
| C. Unliquidated obligations                           |            |   |
| Currency exchange excess 1978                         |            |   |
| Mr. G. Verhaar - CAP/78/98                            | 5,000.00   |   |
| Mr. G. Verhaar - CAP/78/96                            | 5,000.00   |   |
| Norwegian Shipping Dev. Co. SHIPDECO A/S - CAP/78/226 | 20,900.00  |   |
| Norwegian Shipping Dev. Co. SHIPDECO A/S - CAP/78/227 | 12,400.00  | 43,300.00                                     |
|   |            | <u>43,300.00</u> = 924,479.34                 |
|   |            | 27,508.36                                     |
| Share of Interest earned on Investment                |            | <u>1,669.00</u>                               |
|   |            | Balance as of 31/12/78 = <u>US\$29,177.36</u> |

a/ SUCOP project 1978 budget total = US\$908,577.19  
 Currency Exchange Excess = 43,410.51  
 Total = US\$951,987.70

Certified that this  
 is a true statement of account

.....  
 L.L. Joshi, Chief  
 Budget and Finance Section  
 Division of Administration

Statement of Account as of 31 December 1979  
ESCAP SHIP USERS' CO-OPERATION PROJECT (SUCOP)  
 (A/C BK-SSP-324183-XXXX)

|   |                |                 |
|---|----------------|-----------------|
| <u>Receipt:</u> Fund received 1979 (CRV239012 of 15/2/79) | US\$926,519.15 |                 |
| Fund transferred balance of SUCOP 1978                    | 27,508.36      |                 |
| Share of Interest earned on Investment (including         | 28,206.16      |                 |
| Interest of A/C BK-SSP-324109-XXXX \$24,115.62)           |                | = \$ 982,233.67 |

SS:

Expenditures - SUCOP Project 1979 (in US\$)

I. Main Project:

|  |            |
|--|------------|
| <u>Promotional Action</u>  |            |
| 1. Institutional Support Programme   | 24,013.93  |
| 2. Meetings of Chief Executives of Shippers' Councils  | 12,498.10  |
| 3. Handbook/Bulletin for Ship Users  | 8,004.95   |
| 4. Pamphlets and Special Information   | 3,000.00   |
| <u>Manpower Development</u>  |            |
| 5. Workshops   | 137,874.33 |
| 6. Development of visual and other teaching aids   | 52,399.11  |
| 7. Development of national trainers  | 13,200.00  |
| 8. Assistance with national training programmes, correspondence courses  | 15,183.59  |
| 9. Fellowships   | 7,714.42   |
| <u>Technical Assistance</u>  |            |
| 10. Advisory services (including 78 balance)   | 91,165.53  |
| <u>Data &amp; Information Service (DIS)</u>  |            |
| 11. Data requirements, system of collection and establishment of network, classification storage and retrieval | 23,387.16  |
| 12. Data collection and dissemination  | 46,661.28  |
| 13. Data terminals, training   | 13,922.11  |
| <u>Project Development &amp; Co-ordination</u>   |            |
| 14. External expertise and Liaison   | 89,998.89  |
| 15. Travel & Communications  | 20,522.16  |
| 16. Advisory Group Meetings  | 6,612.70   |

I. Off-shoot Projects:

|  |       |              |
|--|-------|--------------|
| - FASC/FASA Study on Liner trade between South East Asia and Europe        | - 0 - |              |
| - APCC/South Pacifica Project on Ocean Transport of Copra Coconut Products | - 0 - | = 566,158.26 |

I. 14% UN Overhead Contribution 118,500.00 = 684,658.26

Balance as of 31 December 1979 US\$297,575.41

Certified that this  
 is a true statement of account  
 .....  
 L.L. Joshi, Chief  
 Budget and Finance Section

Norwegian Grant  
Statement of Account as of 31 January 1981  
ESCAP SHIP USERS' CO-OPERATION PROJECT (SUCOP)  
(A/C BK-SPI-324257-XXXX)

A. Receipt: Fund received 1980 (CRV 252087 of 31/1/1980) US\$996,796.00  
Fund transferred balance of SUCOP 1979 297,575.41  
Share of Interest Earned on Investment 115,242.17 = US\$1,409,613.58

LESS:

B. Expenditures - SUCOP Project 1980 (In US\$)

I. Main Projects

Promotional Action

|  |           |  |
|--|-----------|--|
| 1. Institutional Support Programme                   | 86,538.61 |  |
| 2. Meeting of Chief Executives of Shippers' Councils | 5,003.49  |  |
| 3. Handbook/Bulletin for Ship Users                  | 8,281.35  |  |
| 4. Pamphlets and Special Information                 | 6,060.50  |  |

Manpower Development

|   |            |  |
|---|------------|--|
| 5. Workshops  | 263,482.19 |  |
| 6. Development of visual and other teaching aids                        | 24,587.15  |  |
| 7. Development of national trainers                                     | 16,500.00  |  |
| 8. Assistance with national training programmes, correspondence courses | 28,918.33  |  |
| 9. Fellowships  | 4,207.16   |  |

Technical Assistance

|                       |            |  |
|-----------------------|------------|--|
| 10. Advisory Services | 187,728.54 |  |
|-----------------------|------------|--|

Data & Information Service (DIS)

|  |           |  |
|--|-----------|--|
| 11. Data requirements, system of collection and establishment of network, classification storage and retrieval | 17,004.67 |  |
| 12. Data collection and dissemination  | 90,052.79 |  |
| 13. Data terminals, training   | -nil-     |  |

Project Development & Co-ordination

|                                    |           |  |
|------------------------------------|-----------|--|
| 14. External expertise and liaison | 91,689.59 |  |
| 15. Travel & Communications        | 41,150.69 |  |
| 16. Advisory Group Meetings        | 8,724.71  |  |

II. Off-shoot Projects - Net Allowance 263,726.55

III. Port Development Project 50,514.22

IV. 14% Overhead Contribution 130,783.00 = 1,324,953.54

Balance as of 31 January 1981 US\$ 84,660.04

Certified that this  
is a true statement of account

.....  
*L.L. Joshi*  
L.L. Joshi, Chief  
Budget and Finance Section  
Division of Administration

Norwegian Grant  
Statement of Account as of 5 March 1982  
ESCAP SHIP USERS' CO-OPERATION PROJECT (SUCOP)

(A/C BK-SPI-324323-XXXX)

A. Receipts: Fund received 1981 (CRV 261150 of 6/3/81) US\$747,050.52  
 Share of Interest Earned on Investment 78,279.70 = US\$825,330.22

LESS : (In US\$)

B. Obligations and Expenditures - SUCOP Project 1981  
 =====

I. Main Projects

Institutional Support Programme

- |   |           |
|---|-----------|
| 1. Meeting of Chief Executives of Shippers' Councils, ad hoc working parties and regional association | 32,912.40 |
| 2. Officers' exchange programme   | 15,387.44 |

Manpower Development Programme

- |   |            |
|---|------------|
| 1. Regional Workshops and Study Tours   | 245,063.22 |
| 2. Development of national trainers   | 20,309.67  |
| 3. Assistance with national training programme, correspondence courses, country-level W/S | 65,626.12  |
| 4. Fellowships and fellowship services  | 15,663.94  |
| 5. Development of visual and other teaching aids  | 39,999.92  |
| 6. Handbook for Shippers, Brochure  | 14,999.77  |

Advisory Services

- |                                  |           |
|----------------------------------|-----------|
| 1. Data and Information Service  | 74,280.44 |
| 2. Missions and Special Projects | 60,141.60 |

Project Development and Coordination

- |                                   |           |
|-----------------------------------|-----------|
| 1. External expertise and liaison | 94,997.91 |
| 2. Travel and Communications      | 26,000.61 |
| 3. Advisory Group Meeting         | 8,069.06  |

II. 14% Overhead Contribution 99,883.29 = 813,335.39

Balance as of 5 March 1982

US\$ 11,994.83  
 =====

Certified that this  
 is a true statement of account  
 .....

L.L. Joshi, Chief  
 Budget and Finance Section  
 Division of Administration





app. 7/10

Norwegian Grant

Statement of Account as of 28 February 1983

BSCAP SHIP USERS' CO-OPERATION PROJECT (SUCOP)

(A/C BK-BPI-324387-XXXX)

A. Receipt: Fund received 1982 (CRV 404918 of 23.2.82) US\$690,447.10  
Share of Interest earned on Investment 70,395.36 = US\$760,842.46

LESS:

B. Obligations and Expenditures - SUCOP Project 1982

I. Main Projects

Institutional Support Programme

1. Meeting of Chief Executives of Shippers' Councils, ad hoc working parties and regional association 72,207.93  
2. Officers' exchange programme 7,729.68

Manpower Development Programme

1. Regional Workshops and Study tours 47,022.63  
2. Development of national trainers 12,200.57  
3. Assistance with national training programme, correspondence courses, country-level W/S 70,837.21  
4. Fellowships and fellowship services 4,616.37  
5. Development of visual and other teaching aids 40,000.00  
6. Handbook for Shippers, Brochure 15,000.00

Advisory Services

1. Data and Information service 81,900.26  
2. Missions and Special Projects 168,323.45

Project Development and Co-ordination

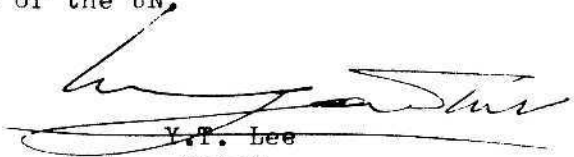
1. External expertise and liaison 95,000.00  
2. Travel and Communication 25,448.18

II. 13% Administrative programme support 84,277.22 = 732,563.50

Balance as of 28 February 1983

US\$ 28,278.96

This is to certify that the above expenditures were incurred in conformity with the rules and regulations of the UN.

  
Y.T. Lee  
Chief  
Budget and Finance Section  
Division of Administration

app. 7/11

Norwegian Grant  
Statement of Account as of 29 February 1984  
ESCAP SHIP USERS' CO-OPERATION PROJECT (SUCOP)  
(A/C BK-SPI-324452-XXXX)

A. Receipts: Fund received in 1983 US\$735,499.86  
Fund received in 1984 5,192.07  
Share of interest earned on investment 37,310.06 = US\$778,001.99

LESS:

B. Obligations and Expenditures - SUCOP Project 1983

I. Main Projects

Manpower Development Programme

1. Regional Workshops and study tours US\$102,509.10  
2. Development of national trainers 4,040.00  
3. Assistance with national training programme, correspondence courses, country-level W/S 47,842.87  
4. Fellowships and fellowship services -0-  
5. Development of visual and other teaching aids 40,000.00  
6. Handbook for shippers, brochure 15,000.00

Advisory Services

1. Data and Information service 75,298.10  
2. Missions and Special Projects 267,675.44

Project Development and Co-ordination


1. External expertise and liaison 95,000.00  
2. Travel and communications 25,335.95

II. 13% Administrative programme support 86,944.97 = 759,046.43

Balance as of 29 February 1984

US\$ 18,355.56  
=====

This is to certify that the above expenditures were incurred in conformity with the rules and regulations of the UN.

  
Y.T. Lee  
Chief  
Budget and Finance Section  
Division of Administration

## APPENDIX 7/12

### CHRONOLOGICAL TABLE OF SUCOP ACTIVITIES 1970-1983

#### 1970-1974

In 1970 a 5-year programme was adopted, produced by ESCAP-secretariat for shipping development in the region. The Ship-user Co-operation Project (SUCOP) came to be an important part of that programme.

First Meeting of Government Representatives and Representatives of Shippers' Organizations in 1971 (Bangkok).

Mr Petter C Omtvedt engaged as ESCAP consultant in 1970 and for SUCOP in 1972.

Training course for representatives of shippers' councils in 1972.

Second Meeting of Government Representatives and Representatives of Shippers' Organizations in 1973.

Advisory Group (Committee) was appointed in 1974.

#### Training Aids:

Handbook for Shippers and Models and Tools (textbook for the training of ship-users) were prepared.

Report on Training Course on Shippers' Cooperation

#### Norwegian grants:

1971: NOK 321.848

1974: NOK 709.512

#### 1975

4 meetings of Advisory Group. Secretariat functions transferred to Staff Service of Shipping and Ports (Danko Kulodrovic), later called Division for Shipping, Ports and Inland Waterways.

#### Workshops

Regional

Legislative Environment of Shippers (Bangkok)

Shippers' Cooperation: Calculation of Ocean Transport Costs  
(Bangkok)

Sub-regional

Shippers' Cooperation: Calculation of Ocean Transport Costs  
(New Dehli)

Training Aids:

HANDBOOK FOR SHIPPERS in loose-leaf form.

Report on Workshop on Consolidation of Cargo.

Work on Models and Tools (a calculation system to be applied  
in day-to-day decision-making) was started (Shipping Consultants,  
Oslo).

No Norwegian grant for 1975

1976

Comprehensive plan worked out for future activities, approved  
by Advisory Group, which held three meetings in 1976. Decided  
to introduce workshops at the national level.

Workshops

Regional

Economic Statistics of Shipping (Bangkok)

Shippers' Cooperation (Level II) (Bangkok)

Sub-regional

Shippers' Cooperation: Calculation of Ocean Transport Costs  
(Raratonga)

Shippers' Cooperation: Calculation of Ocean Transport Costs  
(Manila)

Training Aids:

Models and Tools for decision-making completed.

Other Activities:

Data and Information Service (DIS) was discussed, work started.

Norwegian grant:

NOK 1.220.000

1977

The Advisory Group held two meetings in 1977. Activities were sharply escalated as compared with previous years.

Workshops:

Regional

Calculation of Ocean Transport Costs (Bangkok)

Freight Study Units (Bangkok)

Port Environment of Shippers (Bangkok)

Legislative Environment of Shippers (Bangkok)

Country-level

Shippers' Cooperation: Calculation of Ocean Transport Costs (Jakarta)

Shippers' Cooperation: Calculation of Ocean Transport Costs (Port Moresby)

Training Aids etc.:

Model and Tool Systems was finalized.

Work was done on a legal addition to HANDBOOK FOR SHIPPERS.

A possible preparation of correspondence courses was discussed.

The preparation of a data and information service (DIS) was continued.

A SUCOP Training Centre was equipped at headquarters in Bangkok, with audio-visual and other teaching aids.

A number of workshop reports were published.

Other Activities:

Fellowships were awarded two participants in a study tour to Europe.

LINERS 1977: Assistance was given in connection with an analysis of the liner freight rates between UK/Continent and India, Sri Lanka, Pakistan and Bangladesh.

Advisory service was given to the Association of Natural Rubber Producing Countries on the currency adjustment factor (CAF) and other surcharges.

A pilot project regarding Cargo Consolidation in Malaysia was carried out by Thoresen International Ltd under contract with ESCAP (off-shoot project).

A pilot project in the Philippines - Joint Cargo Operations by Shippers - was started.

Norwegian grant:

NOK 4.379.342

1978

The Advisory Group held two meetings in 1978. A meeting of Chief Executives of Shippers' Councils was convened by SUCOP. This body would from now on supersede the advisory group.

Workshops

Regional

Shipping and Marketing of Coconut Products (Suva)  
Negotiations in Shipping (Langkok)  
Shipping Execises (Bangkok)

Country-level

Calculation (Models and Tools) (Kuala Lumpur)  
" " " (Singapore)  
" " " (Karachi)  
" " " (Dhaka)  
Joint Planning (Colombo)

Teaching Aids:

HANDBOOK FOR SHIPPERS and MODELS AND TOOLS were revised.  
A number of workshop reports were issued.

Support to Shippers' Councils:

Visits by experts to several countries with a view to strengthen the organization, management and funding procedures of the shippers' councils.

Joint Meeting with Shipowners:

A first joint meeting of shippers and shipowners was convened in Bangkok. A "Note of understanding" was drafted. Shipowners agreed to join in a scheme for collection and dissemination of operational cost data.

Other Activities:

LINERS 1977 was finalized.

Joint Cargo Operations (Philippines) was brought to an end.

A shipping study: Cooperation for Selfreliance was commenced.

The project Ocean Transport of Copra and Coconut Products was initiated, following the workshop in Suva.

Manuals etc. were prepared for the DIS project.

Norwegian grant:

NOK 5.300.000

1979

The Advisory Group held one meeting in 1979, and the Chief Executives also was convened once.

Workshops:

Regional:

Shippers' Cooperation (Bangkok)

Training Course on Trainers Development (Bangkok)

Shippers' Cooperation (Australia Overseas Liner  
Shipping) (Sydney)

Joint Planning of Shipping Services (Bangkok)



The programme shows that emphasis is now laid on training experts in the region for dissemination and knowledge, and on joint planning of shipping services.

Country-level:

Calculation (Bangkok)  
" (Seoul)  
Cargo Consolidation (Karachi)  
Legal Environment (Bombay)  
Calculation (Calcutta)  
Calculation (Chittagong)

Training Aids:

A series of slides and audio-cassettes were prepared, along with a handbook for use in seminars and workshops.

Other Activities:

Advisory services were rendered in connection with projects on copra and coconut transport, on the study of liner trades and on joint planning of shipping services in Sri Lanka.

A study tour to Europe was arranged for chief executives.

A working group on shippers institutions was appointed and gave its recommendations regarding cooperation between shippers' councils.

Norwegian grant:

NOR 4.762.400

1980

The Chief Executives of Shippers' Councils held one meeting.  
The Advisory Group was not convened.

Workshops:

Regional:

Port Environment of Shippers (Bangkok)  
Shippers' Cooperation: Legal and Institutional  
Framework, Negotiation  
in Shipping (Bangkok)  
Training Course for Trainers (Hong Kong, post-  
poned to February 1981)

Country-level:

Cooperation in Transport of Copra and Coconut  
Products (Suva)  
Joint Planning of Shipping Services (Beijing)  
Cargo Consolidation (Calcutta, postponed till  
January 1981)  
Calculation (Madras, postponed till February 1981)

Training Aids:

Visual teaching aids were developed for country-level use.

Other Activities:

Assistance in establishing the sub-regional organization ASCOEIPS (Association of Shippers' Councils of India, Bangladesh, Sri Lanka and Pakistan).

Study tours for chief executives were arranged to Hong Kong, Tokyo and USA.

The project on Ocean Transport of Copra and Coconut Products was terminated.

The project Joint Planning of Shipping Services in Sri Lanka was finalized.

One of the results was the designing of vessels later to be contracted.

The possibility of building up a joint bulk parcel service between the ASEAN countries and Europe was studied.

Advice was given to Indonesia on a programme aiming at joint planning of shipping services and cargo handling of particular commodities (cement and copra).

Discussions with Chinese authorities regarding education at university level in the field of transport and shipping economics.

Norwegian grant:

NOK 5.013.150

1981

The Chief Executives of Shippers' Councils met twice. In addition, SUCOP sponsored meetings of chief executives of port authorities, of chief executives of customs authorities, and a joint meeting of chief executives of shippers' councils, of shipowners associations and of port and customs authorities. The intention was to facilitate the dialogue between the parties involved in shipping operations.

The Advisory Group was not convened.

Workshops:

Regional:

Containerization/Unit Loads - economic and legal  
implications for shippers  
(Bangkok)

Country-level:

Ocean Transport Costs (Jakarta)  
Planning and Management (Shanghai)

Training Aids:

HANDBOOK FOR SHIPPERS was expanded with new chapters on liner conferences, organizations of shippers and shipping economics.

Other Activities:

The project LINER -81 was started at the request of India, Pakistan and Bangladesh. The purpose was to analyze economic relationships in the trade between these three countries and Europe.

The copra transport was taken up for new consideration, but little came out of it.

The wind-powered vessel study was, however, an outcome of the copra transport project.

A project on consolidation of timber cargoes was started in Malaysia.

Norwegian grant:

NOK 4.551.435

1982

The Chief Executives of Shippers' Councils met once in 1982. In practice it had by then superseded the Advisory Group. (It should be mentioned that in 1983 there was no meeting of the chief executives, and they will not meet in 1984 either.) A joint meeting of executives of Shippers' Councils and of Shipowners' Associations was held.

Workshops:

Regional:

Freight Study Units and Shipping Information  
(Bangkok)

Country-level:

Legal Framework of Shippers (Calcutta)

" " " (Madras)

Ocean Transport Costs and Negotiating Techniques  
(Bombay)

Freight Booking Centre and Cargo Consolidation  
(Kuala Lumpur)

Shippers' Cooperation: Containerization/Unit  
Loads (Karachi)

Forecasting of Cargo and Shipping Movement  
(Shanghai)

Ocean Transport Costs and Negotiating Techniques  
(Dhaka)

Training of Trainers for Shipping Management and  
Economics (Jakarta)

Training Aids:

HANDBOOK FOR SHIPPERS was revised and expanded.  
Several reports on workshops were issued.

Other Activities:

Working groups of experts on Currency Adjustment Factors and Bunker Adjustment Factors met for three days. The same was the case with a working group on Shippers' Contracts.

A seminar on Freight Forwarding was arranged for the chief executives of shippers' councils.

The DIS project concentrated on statistical data for the Models and Tools system.

The Wind-powered Vessel project was given high priority in 1982.

Advisory service was rendered in respect of:

- currency adjustment factors (CAF)
- bunker adjustment factors (BAF)
- the preparation of a model shippers' contract (with liner companies)
- cargo consolidation in Malaysia
- inter-island shipping in Indonesia
- re-structuring of Papua New Guinea Shipping Corporation
- operation of a factory vessel for processing copra in the Pacific
- establishing of teacher training (in shipping) and graduate study in shipping economics at the Shanghai Maritime Institute.

Norwegian grant:

NOK 4.100.000

1983

No advisory body was convened in 1983.

Workshops:

Regional:

Implications of Currency Fluctuations in Shipping  
(Bangkok)

FASC Seminar on Freight Rate Making (Bangkok)

Country-level:

Shipping Policy Matters (Shanghai)

Calculation of Ocean Transport Costs (New Delhi)

Port Environment of Shippers (Calcutta)

Educational Projects in China:

A 3-year teacher development programme at the Shanghai Maritime Institute was started in 1985. The objective is to train teachers in shipping economics. The curricula have largely been worked out by the Economics Department of the University of Oslo. Assistance was given with the preparation of a 5-year undergraduate programme of transport and shipping economics. The SMI was also chosen for a project in the application of computer techniques, where models will be developed for market evaluation, investment analysis and voyage calculations.

Other Activities:

Advisory services were given to the same activities as in 1982.

Norwegian grant:

NOK 6.525.000

-----

For 1984 Norway has granted NOK 5.400.000. 8 workshops and seminars were planned, but the programme must probably be reduced. The reason is reported to be the dollar rate. A strategy meeting was held at Klekken, Norway, in February. The proceedings of the meeting are described in Appendix 8.





WORKSHOP PARTICIPATION

APPENDIX B

| Name of seminar/workshop/meeting (SUCOP Project)   |  | Australia | Bangladesh | China | Fiji | HongKong | India | Indonesia | Japan | Malaysia | Pakistan | Papua New Guinea | Philippines | Rep. of Korea | Singapore | Sri Lanka | Thailand | TOTAL |
|--|--|-----------|------------|-------|------|----------|-------|-----------|-------|----------|----------|------------------|-------------|---------------|-----------|-----------|----------|-------|
| 1981   |  |           |            |       |      |          |       |           |       |          |          |                  |             |               |           |           |          |       |
| -----  |  |           |            |       |      |          |       |           |       |          |          |                  |             |               |           |           |          |       |
| 1. U.N.-ESCAP Workshop on Calculation of Ocean Freight, Madras, 19-23 Jan. 1981  |  |           |            |       |      |          | 36    |           |       |          |          |                  |             |               |           |           |          | 36    |
| 2. Workshop on Training of Trainers, Hong Kong, 16-27 Feb. 1981  |  |           | 1          |       |      |          | 2     |           |       | 1        | 2        |                  |             |               | 1         |           | 1        | 8     |
| 3. Regional Workshop on Shippers' Co-operation: Containerization/Unit Loads - Economic and Legal Implications for Shippers, Bangkok, 12-16 Oct. 1981 |  |           | 3          | 2     |      | 2        | 2     | 4         |       | 2        | 1        | 1                | 2           | 1             | 1         | 2         | 6        | 28    |
| 4. Country-level Workshop on Shippers' Co-operation: Economic and Operational Decision-Making, Shanghai, 19-30 Oct. 1981                             |  |           |            | 32    |      |          |       |           |       |          |          |                  |             |               |           |           |          | 32    |
| 5. Joint Meeting of Chief Executives of National Shippers, Shippers' Port and Customs Authorities, Bangkok, 3-4 Dec. 1981                            |  | 2         | 7          | 3     |      | 2        | 8     | 21        | 6     | 8        | 2        | 3                | 5           | 5             | 2         | 3         | 12       | 90    |
| 1982   |  |           |            |       |      |          |       |           |       |          |          |                  |             |               |           |           |          |       |
| -----  |  |           |            |       |      |          |       |           |       |          |          |                  |             |               |           |           |          |       |
| 1. Workshop on Shippers' Co-operation: The Legal Framework of Shippers, Calcutta, 15-19 Feb. 1982  |  |           | 1          |       |      |          | 40    |           |       |          |          |                  |             |               |           |           |          | 41    |
| 2. Workshop on Legal Framework for Shippers, Madras, 22-26 Feb. 1982   |  |           |            |       |      |          | 26    |           |       |          |          |                  |             |               |           |           |          | 26    |
| 3. Workshop on Calculation of Ocean Transport Costs and Negotiating Techniques on Freight Rate Matters, Bombay, 1-5 Mar. 1982                        |  |           |            |       |      |          | 34    |           |       |          |          |                  |             |               |           |           |          | 34    |
| 4. Workshop on Freight Booking Centre and Cargo Consolidation, Kuala Lumpur, 26-27 Apr. 1982   |  |           |            |       |      |          |       |           | 84    |          |          |                  |             |               |           |           |          | 84    |
| 5. Regional Workshop on Freight Study Units and Shipping Information, Bangkok, 13-17 Sept. 1982  |  |           | 3          | 2     | 1    | 2        | 1     | 2         |       | 1        | 1        |                  | 3           |               | 2         | 2         | 6        | 26    |
| 6. Seminar on Freight Forwarding, Bangkok, 25 Oct. 1982  |  |           | 2          | 1     |      | 1        | 5     | 8         |       | 3        | 1        |                  | 2           | 1             | 1         | 1         | 3        | 38    |
| 7. Meeting of Chief Executives of National Shippers Organizations, Bangkok, 26-27 Oct. 1982  |  |           | 3          | 1     |      | 1        | 3     | 3         | 2     | 3        | 1        |                  | 2           | 1             | 1         | 3         | 9        | 33    |
| 8. Meeting of Chief Executives of National Shippers Associations, Bangkok, 27 Oct. 1982  |  |           | 1          |       |      |          | 1     | 9         | 2     | 1        |          |                  |             |               |           | 1         | 6        | 21    |
| 9. Joint Meeting of Chief Executives of National Shippers' Organizations and Shippers' Associations, Bangkok, 28 Oct. 1982                           |  |           | 4          | 1     |      | 1        | 4     | 13        | 4     | 4        | 1        |                  | 2           | 1             | 1         | 3         | 16       | 55    |
| 1983   |  |           |            |       |      |          |       |           |       |          |          |                  |             |               |           |           |          |       |
| -----  |  |           |            |       |      |          |       |           |       |          |          |                  |             |               |           |           |          |       |
| 1. Regional Workshop on Implications of Currency Fluctuations in Shipping, Bangkok, 15-25 March 1983   |  |           | 2          | 2     |      | 2        | 4     | 2         |       | 2        | 2        |                  | 2           | 2             | 2         | 2         | 5        | 29    |
| 2. FASC Seminar on Freight Rate Making, Bangkok, 5-6 May 1983  |  |           |            |       |      |          | 16    |           |       | 2        |          |                  | 2           | 2             |           |           | 2        | 10    |
| 3. Country-level Workshop on Calculation of Ocean Transport Costs, New Delhi, 12-17 Sept. 1983   |  |           |            |       |      |          | 45    |           |       |          |          |                  |             |               |           |           |          | 16    |
| 4. Workshop on Port Environment of Shippers & Containerization, Calcutta, 5-10 Dec. 1983   |  |           | 5          |       |      |          |       |           |       |          |          |                  |             |               |           | 2         |          | 52    |

| Name of seminar/workshop/meeting (SUCOP Project)   | Shippers | Shippers' Council | Government | Shipowners | Shipowners' Association | Port Authorities | Others | TOTAL |
|--|----------|-------------------|------------|------------|-------------------------|------------------|--------|-------|
| <b>1981</b><br>-----   |          |                   |            |            |                         |                  |        |       |
| 1. U.N.-ESCAP Workshop on Calculation of Ocean Freight, Madras, 19-23 Jan. 1981  | 31       |                   | 2          |            |                         | 3                |        | 36    |
| 2. Workshop on Training of Trainers, Hong Kong, 16-27 Feb. 1981  | 1        | 5                 | 2          |            |                         |                  |        | 8     |
| 3. Regional Workshop on Shippers' Co-operation: Containerization/Unit Loads - Economic and Legal Implications for Shippers, Bangkok, 12-16 Oct. 1981 | 1        | 7                 | 15         | 1          | 3                       | 1                |        | 28    |
| 4. Country-level Workshop on Shippers' Co-operation: Economic and Operational Decision-Making, Shanghai, 19-30 Oct. 1981                             |          |                   | 32         |            |                         |                  |        | 32    |
| 5. Joint Meeting of Chief Executives of National Shippers, Shipowners, Port and Customs Authorities, Bangkok, 3-4 Dec. 1981                          | 1        | 26                | 20         | 9          | 18                      | 16               |        | 90    |
| <b>1982</b><br>-----   |          |                   |            |            |                         |                  |        |       |
| 1. Workshop on Shippers' Co-operation: The Legal Framework of Shippers, Calcutta, 15-19 Feb. 1982  | 18       | 2                 | 2          | 15         |                         | 4                |        | 41    |
| 2. Workshop on Legal Framework for Shippers, Madras, 22-26 Feb. 1982   | 13       | 2                 |            | 5          |                         | 3                | 3      | 26    |
| 3. Workshop on Calculation of Ocean Transport Costs and Negotiating Techniques on Freight Rate Matters, Bombay, 1-5 Mar. 1982                        | 28       | 2 <sup>1/</sup>   | 2          | 2          |                         |                  |        | 34    |
| 4. Workshop on Freight Booking Centre and Cargo Consolidation, Kuala Lumpur, 26-27 Apr. 1982   | 61       |                   | 4          | 15         |                         | 2                | 2      | 84    |
| 5. Regional Workshop on Freight Study Units and Shipping Information, Bangkok, 13-17 Sept. 1982  |          | 1                 | 23         |            |                         | 2                |        | 26    |
| 6. Seminar on Freight Forwarding, Bangkok, 25 Oct. 1982  |          | 16                | 8          | 3          | 10                      |                  | 1      | 38    |
| 7. Meeting of Chief Executives of National Shippers' Organizations, Bangkok, 27 October 1982   |          | 23 <sup>2/</sup>  | 9          | 1          |                         |                  |        | 33    |
| 8. Meeting of Chief Executives of National Shipowners' Associations, Bangkok, 27 Oct. 1982   |          |                   | 4          | 6          | 11                      |                  |        | 21    |
| 9. Joint Meeting of Chief Executives of National Shippers' Organizations and Shipowners' Associations, Bangkok, 28 Oct. 1982                         |          | 24 <sup>3/</sup>  | 11         | 6          | 14                      |                  |        | 55    |
| <b>1983</b><br>-----   |          |                   |            |            |                         |                  |        |       |
| 1. Regional Workshops on Implications of Currency Fluctuations in Shipping, Bangkok, 15-25 Mar. 1983   | 3        | 12 <sup>4/</sup>  | 7          | 5          | 2                       |                  |        | 29    |
| 2. FASC Seminar on Freight Rate Making, Bangkok, 5-6 May 1983  |          | 9 <sup>4/</sup>   | 1          |            |                         |                  |        | 10    |
| 3. Country-level Workshop on Calculation of Ocean Transport Costs, New Delhi, 12-17 Sept. 1983   | 7        | 4 <sup>5/</sup>   | 1          | 2          |                         | 1                | 1      | 16    |
| 4. Workshop on Port Environment of Shippers & Containerization, Calcutta, 5-10 Dec. 1983   | 26       |                   | 1          | 14         |                         | 9                | 2      | 52    |
| <u>1/</u> 1 participant from Indian Merchant's Chamber.  |          |                   |            |            |                         |                  |        |       |
| <u>2/</u> 4 participants from Board of Trade included.   |          |                   |            |            |                         |                  |        |       |
| <u>3/</u> 5 participants from Board of Trade included.   |          |                   |            |            |                         |                  |        |       |
| <u>4/</u> 2 participants from Board of Trade included.   |          |                   |            |            |                         |                  |        |       |
| <u>5/</u> 2 participants from Chamber of Commerce included.  |          |                   |            |            |                         |                  |        |       |

UNITED NATIONS



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ECONOMIC AND SOCIAL COMMISSION FOR ASIA AND THE PACIFIC  
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2829381-389

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Dear Ms. Michelsen.

SUCOP Strategy Meeting, Klekken, 19-21 February 1984

I take pleasure in enclosing the report of the meeting, trusting that you will find summaries of the discussions as well as the conclusions to be in line with what we agreed. I would be very glad to receive any comments that you might have.

Let me reiterate our pleasure of your participation on behalf of the Royal Ministry of Development Co-operation. We feel that it is very important in a project of this kind to have a review/evaluation from time to time, with all parties concerned in the Project.

It goes without saying that this Organization is extremely grateful for the positive attitude of the Norwegian Government towards our Ship Users' Co-operation Project. As was repeatedly stated during the Klekken Meeting this gratitude is very much felt by our member countries.

With kind regards,

Yours sincerely,

D. Koludrovic  
Chief

Division for Shipping, Ports  
and Inland Waterways

Miss M. Michelsen  
Councillor  
Multilateral Department  
The Royal Ministry of Development Co-operation  
P.O. Box 8142 OSLO DEP  
Oslo 1  
NORWAY

**REVIEW OF ESCAP'S SHIP-USERS' CO-OPERATION PROJECT (SUCOP)**

**REPORT FROM THE STRATEGY MEETING  
19-21 FEBRUARY 1984**

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1. List of participants
2. Summary of manpower development activities 1972-83
4. Impact of Ship-Users' Co-operation Project -  
Statement by Mr. D. Koludrovic, Chief, Division for Shipping,  
Ports and Inland Waterways

**ESCAP'S SHIP-USERS' CO OPERATION PROJECT (SUCOP)**

**The strategy meeting for ESCAP's Ship-Users' Co-operation Project (SUCOP) was held at Klekken, Norway, 19-21 February 1984, with 14 participants attending (annex 1).**

**The purpose of the meeting was to discuss:**

**1. The objective of the project;**

**relating the original project terms of reference, as well as their subsequent modifications, to the current maritime transport needs of the region and requirements of economic development.**

**2. The target groups;**

**consideration of the recipients: shippers' organizations, shipping companies and organizations, ports, organizations servicing maritime transport, national ministries of transport and trade. Individual officials as well as the organizations themselves.**

**3. Substantive scope and quality of the project;**

- the extent to which the substantive composition of the project and its programme of activities relate to the objectives;**
- the relative priorities given to the main components of the project: manpower development, activities in support of manpower development, institutional support and other activities (e.g. advisory services);**
- the distribution of effort as between regional and country-level activities, in particular development of comprehensive country-level programmes;**
- textbooks, programmes for training courses (workshops and seminars) and educational schemes (development of national teachers and student education), reports of teaching/training activities, and reports on advisory services.**

**4. Organization of the project;**

**counterpart contribution and activities, project contribution to self-reliance.**

## 1. SUMMARY OF PROJECT ACTIVITIES

The objectives of the SUCOP project were originally defined in three points:

- (i) to increase the awareness of shippers of the benefit of co-operation;
- (ii) to impart shipping know-how to shippers in order that
  - (a) their ability to negotiate and consult with the shipping industry would improve, and
  - (b) their ability to define transport requirements and transport solutions would improve, thus contributing to rationalization of the transport of the foreign trade of countries in the ESCAP region;
- (iii) to develop the skills of shippers and their representatives in applying the knowledge acquired under (ii) above.

These objectives have been guiding the project throughout. However, experience gained during the conduct of the project has very much broadened its scope.

While originally aiming at shippers' councils or similar organizations only, the activities have increasingly come to involve shipowners, port authorities and national authorities responsible for trade and shipping as well. This development stems from a realization that maritime transport cannot be planned or executed from the viewpoint of one interested party alone. There are a number of legitimate national and commercial interests that have to be taken into account in order to achieve a balanced and equitable result. Even from the limited viewpoint of commercial interests, it has increasingly been realized that the achievement of positive results much depends on the insight and co-operation of all interested parties.

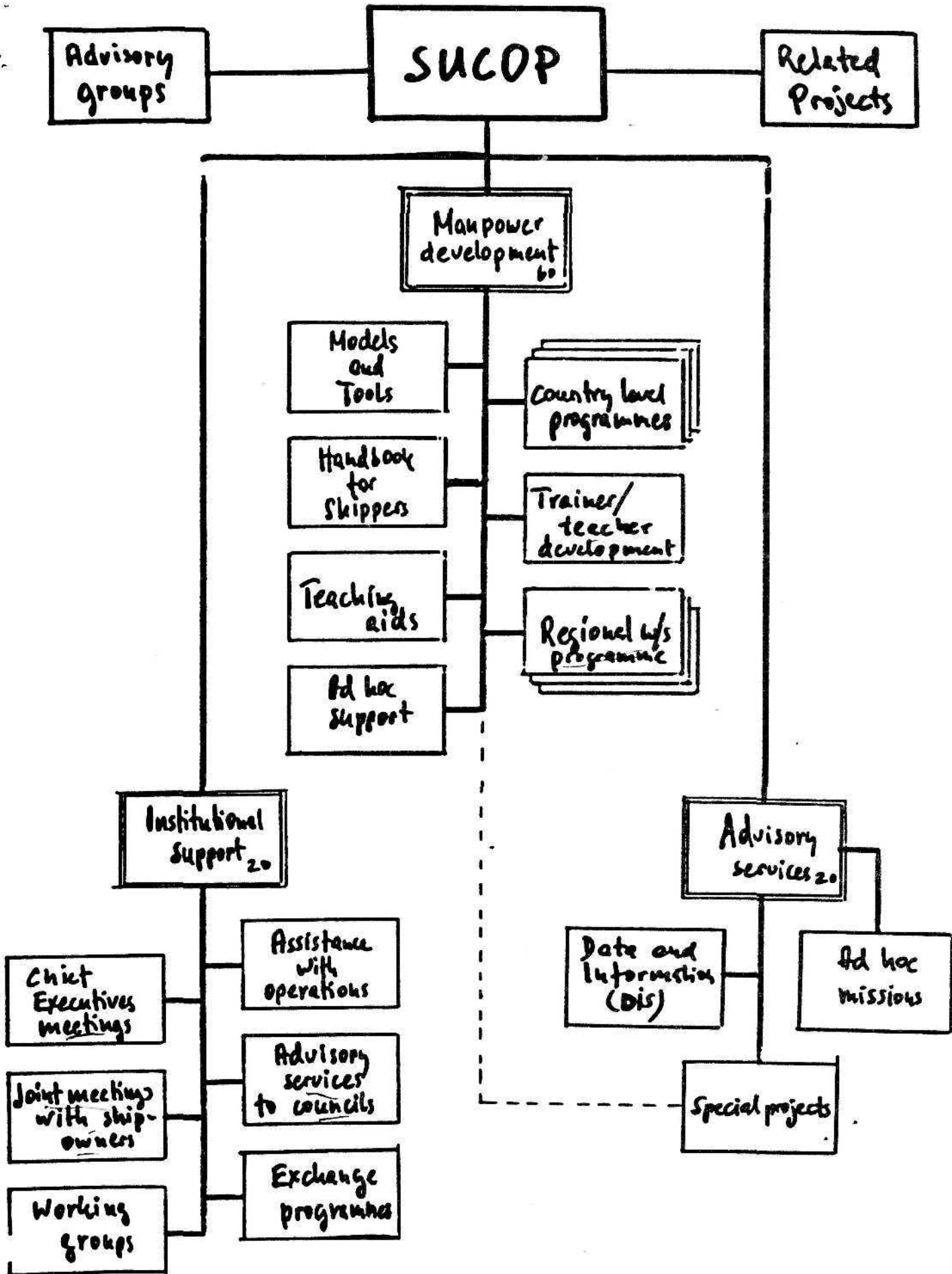
In addition to the objectives outlined above, the contribution to self-reliance in the region has been the chief principle of project implementation, e.g. by developing national teaching and analytical capabilities.

The main activities of SUCOP are:

- (i) manpower development
- (ii) institutional support
- (iii) advisory services

Relationship and principal contents of these project components are illustrated in figure 1.

Figure 1: The activities of SUCOP<sup>APP</sup> 9/5





### 1.1. Manpower development

The major component of SUCOP is manpower development, on the average accounting for about 60% of the use of resources in the project. The project undertakes two kinds of tasks:

- development of teaching materials
- educational and training programmes

Examples of teaching materials:

- Models and Tools - a comprehensive system for the purpose of guiding shippers in calculating the cost of ocean shipping and assessing freight rates.
- Handbook for Shipper: - serving as a guide for national shippers' organizations and government officials concerned with the development of shippers co-operation and co-operation between shippers and ship-owners.
- Teaching aids, - it is significant that in the substantive fields of maritime transport, there is a sorrowful lack of proper textbooks and other teaching material. In many cases, adaptation of developed methodology in general fields of economics to the specific purposes of maritime transport is lacking. Forecasting is an example of this. In consequence of these deficiencies, one of the aims of the project has been to produce textbooks, study material and exercise material.
- Ad hoc support - certain activities of applied research is necessary to support the teaching and to provide case studies and other input in the teaching activities.

#### 1.1.1. The substantive basis

The development of teaching materials, training programmes and educational schemes follows a basic substantive "philosophy", of which the main points are as follows:

"Maritime transport" signifies the transport services which are required to carry foreign or domestic trade from its inland origins to its inland destinations. One is, therefore, involved with a comprehensive transport situation in which shipping services, ports etc. form parts.

Whether they are looked upon from the angle of the shipowner, the shipper, the port authority or the national authorities, the substantive issues in maritime transport are identical (although they may be given different weights depending on viewpoint). It is essential that both industrial entrepreneurs (owners and shippers) master this substance in order to achieve rational decision-making at the operational and commercial level. It is further necessary that the issues of substance - as well as policy - are mastered by national authorities in order to achieve proper decision-making at national levels.

There are two basic approaches to the consideration of maritime services (i.e. the shipping industry): they may be viewed either as a service to trade and/or as an economic enterprise on par with other economic activities. While both viewpoints are fully legitimate, they have from time to time been difficult to reconcile, e.g. in the process of formulating national shipping policies.

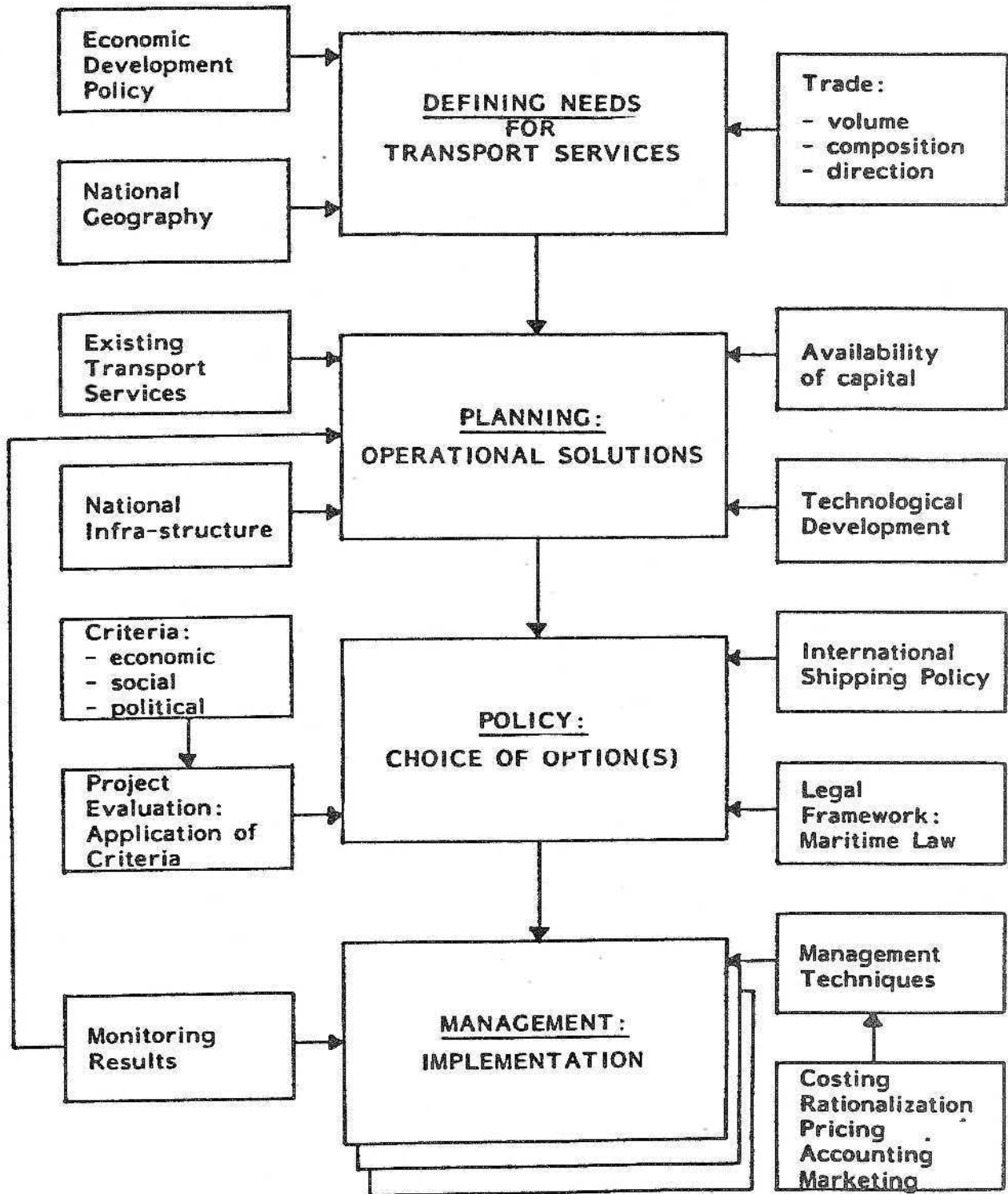
Figure 2 illustrates in its central column the main areas of analysis and decision-making in the field of maritime transport.

The first step comprises the definition of transport requirements. These requirements stem directly from present and future trade, involving a considerable need for forecasting techniques. Particular national circumstances, such as economic development policy and geographical structure of the country play important roles.

The second step involves the designing of operational (physical) solutions that are capable of taking care of the transport requirements: inland transport facilities, port facilities and shipping facilities. The nature and size of these facilities will depend on whatever is already available (e.g. existing shipping services), the national infrastructure in ports and inland transport (e.g. is containerization feasible?), technological development and financial resources which are available to the country in question.

In most cases, it is possible to devise more than one operational solution which would satisfy the present and future transport requirements - in the physical sense. The different solutions may, however, involve commercial and economic results or repercussions of widely differing impact on the individual enterprises and on the national economy.

**PLANNING, POLICY-MAKING AND MANAGEMENT  
IN MARITIME TRANSPORT - SHIPPING**



The third step, therefore involves choosing the option(s) which would most benefit the country in question in terms of commercial and economic results.

For the purpose of this choice, the procedure of "project evaluation" attains importance. Project evaluation must be based on certain, defined policies in regard to the economic, social and political criteria which would be applied.

In addition, the choice of transport solution will have to be guided by a certain external framework. This framework is primarily defined within the fields of international shipping policy and maritime law: the legal framework.

The fourth step involves implementation of the choice(s) that have been arrived at during the planning and policy-making stages. The question of whether the choice is a happy one much depends on management efficiency. Proper management is a decisive requirement. The basic ingredients of management become vital: the calculation of costs, rationalization of operations with a view to cost minimizing, the pricing of services (partly with regard to obtaining a revenue which makes continued operations possible, and partly with regard to competitive position of the enterprise in the market), accounting and marketing.

Regardless of whether the point of departure is to establish a viable shipping industry/enterprise (the industrial viewpoint) or whether the idea is to facilitate trade (shipping as a service), the above considerations apply. No commercial enterprise would be viable in the longer term if it does not tally with the requirements of trade. No trade policy would be satisfied with less than the best possible transport services.

In either case, both the economic enterprises and the national authorities will be required to continuously monitor the results. This would involve keeping a permanent check of whether the objectives embedded in economic and social policy and in commercial activity are being fulfilled.

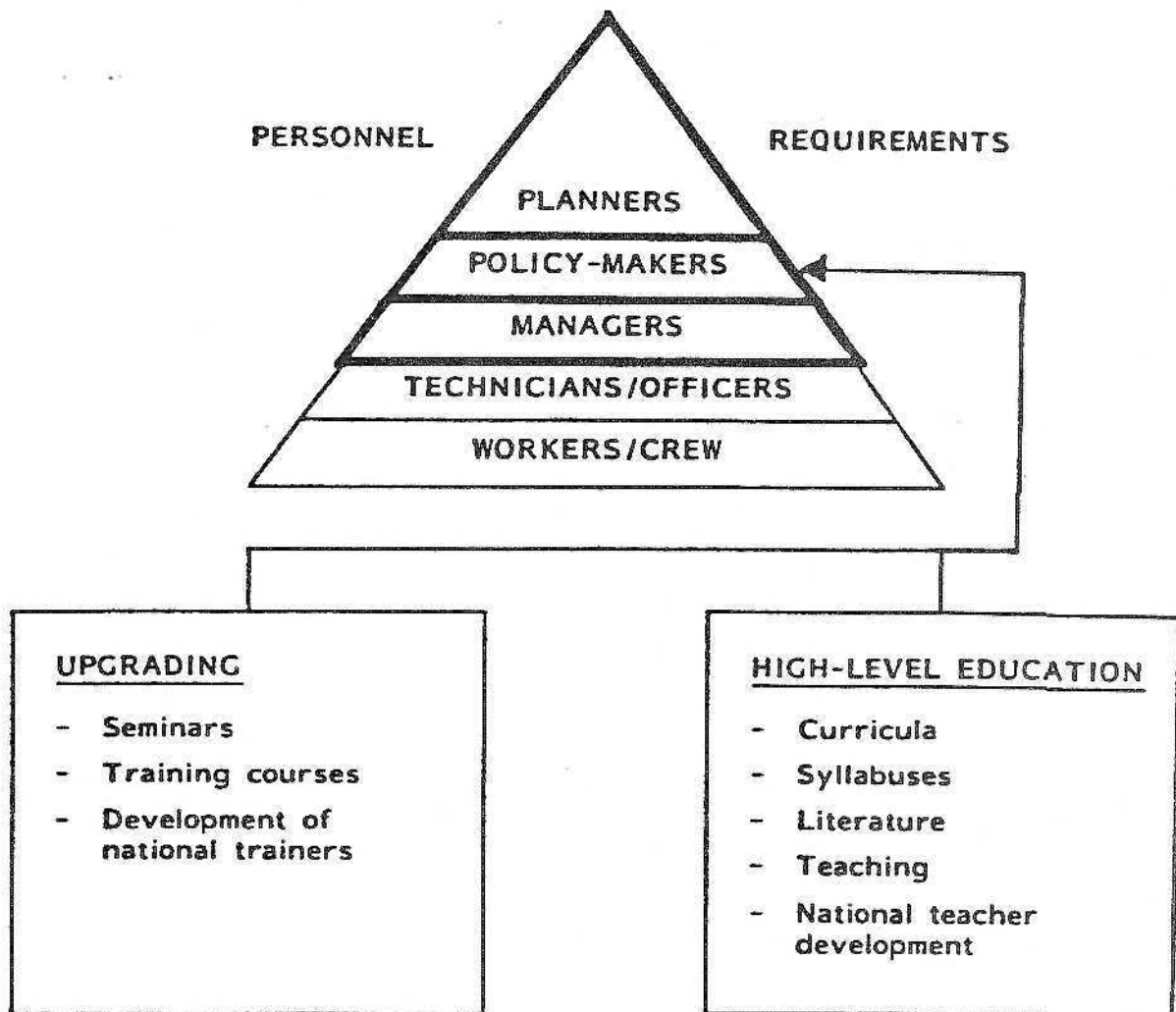
Proper analysis and decision-making techniques are passwords in all of the described activities. Qualified personnel at all levels will significantly contribute to rational decision-making. The importance of this is underscored by the direct relationship between maritime transport solutions, maintenance and expansion of trade, and economic development.

1.1.2. Manpower requirements

In most countries it is rare to find that specific educational schemes have been established for the purpose of maritime transport. SUCOP has worked for establishing special educational programmes within maritime transport.

Manpower requirements may be illustrated in a pyramid (figure 3) at the bottom of which one would find workers/crew, followed by technicians/officers, managers, policy-makers and planners.

Figure 3: Manpower development in maritime transport



The vertical ranging of these categories in the pyramid does not imply that one is less important than the other. Properly trained ships' crew are as vital to the efficiency of transport as would be planners or policy-makers. The pyramid does, however, indicate the number of personnel involved: obviously the number of officers and crew are far greater than those of managers, policy-makers and planners.

Most training/education for maritime transport purposes is directly aimed at the more numerous categories of personnel: ships' officers/technicians and crew/workers (e.g. port labour). While much attention continues to be devoted towards training and educating these personnel categories, the principal deficiencies in education and training are to be found in the less numerous, but equally important, categories of planners, policy-makers and managers.

The manpower development efforts under the SUCOP project are aimed at the personnel categories of planners, policy-makers and managers. In figure 3 these categories all appear in two distinct groups:

- (i) personnel which are already working in the hierarchy of maritime transport in national administrations, ports, shipping enterprises, individual shippers or shippers' organizations. In these cases, the efforts are directed towards upgrading their knowledge and skills;
- (ii) students who have finished their primary education, and are heading for higher education with a view to obtaining positions that will eventually make them eligible for managerial and other high-level posts in the maritime sector.

It is usually not practical for people in permanent jobs to seek leave of absence for longer periods of further education. For this reason, the manpower development activities consist of arranging seminars or training courses of short duration

These may be individual events dealing with a particular topic, or series of event which during the course of one or two years will cover a wider range of topics, which it would not be possible to deal with properly during one individual seminar or training course.

Under the project, it is a primary objective to contribute to self-reliance. Consequently, the development of national trainers and assisting with the construction and running of national programmes attain high priority.

The project assists with the establishment of educational schemes within existing university-level teaching institutions, for the purpose of high-level education in the maritime transport field.



These activities will necessarily have to be tailor-made to the circumstances in each individual case, since the curricula differ considerably from country to country and from institution to institution.

The general aim is to assist with the development of programmes which will bring students through graduate-level and post-graduate level studies - bachelors and masters.

The manpower development efforts of the project have followed the "model" described above.

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A number of workshops have been held and several hundreds of participants trained at the country-level and regional levels (see annexes 2 and 3). These workshops deal with the calculation of ocean transport costs, shipping statistics, containerization, cargo consolidation, techniques of consultation and negotiation, freight forwarding, development of alternative shipping services and joint planning of shipping activities, port environment and legislative aspects of shipping.

The project has also assisted with making curricula and syllabuses for a teacher development programme, and a five-year under-graduate programme in China, in accordance with the principles described above. The corresponding teaching involvement is undertaken by the project.

While directly related to a country-level project in China, these activities constitute "models" for similar efforts being discussed with India, Thailand and Indonesia.

### 1.2. Institutional support

SUCOP was conceived in a direct effort to contribute towards the elimination of the confrontation between ship-users and carriers. The project promotes co-operation among shippers as well as close co-operation between shippers and ship-owners in solving problems and disputes.

SUCOP has organized meetings of chief executives of national shippers' organizations and meetings of chief executives of regional shipowners' associations as well as bringing the executives of the two sides together at joint meetings.



The periodic meetings of chief executives of national shippers' councils have provided a forum in which shippers' councils throughout the region have been able to discuss common problems. The contacts established at the meetings have facilitated day-to-day close liaison between the regional shippers' councils.

While the chief executives' meetings have contributed to closer co-operation between shippers throughout the ESCAP region, they have also been useful in promoting insight into difficult shipping problems. The principal medium of this activity has been the ad hoc working groups that have dealt with such questions as currency adjustment factors, implications of the container impact and similar problems which the shippers face. The findings of the working groups have regularly been channelled back to the full chief executives' meetings for discussion and joint position-making.

The chief executives' meetings have been the fora in which closer regional and sub-regional co-operation has been established, e.g. by forming the Association of Shippers' Councils of Bangladesh, India, Pakistan and Sri Lanka (ASCOBIPS), and adopting the understanding of co-operation among Asian and Pacific shippers

Finally, the chief executives' meetings have been the medium through which shippers from within the ESCAP region have met with representatives of shippers "at other ends of trades": Australia and Europe. For instance, representatives of the European Shippers' Councils have attended chief executives' meetings in the ESCAP region. As a result, principles of co-operation have been worked out and close day-to-day contacts between shippers' councils in Europe and the ESCAP region have grown.

The project activities that have taken place within the framework of chief executives' meetings have resulted in continued co-operation between shippers' councils and their executives outside the framework of the project.

Apart from the chief executives' meetings, a number of project activities have been directed towards the support of shippers' councils. Advisory missions have been arranged for the purpose of assisting individual shippers' councils, e.g. Bangladesh, India, Sri Lanka, Thailand, Indonesia, Papua New Guinea. The object of these missions have ranged from assisting with the solution of particular shipping problems to assisting with organization and principles of operating the shippers' council itself.

As a further means of contribution towards institutional development, facilities have been extended under the project for the exchange of officers as between shippers' councils in the region - the purpose being to train less experienced councils officers through the medium of active participation in the work of more developed shippers' councils.

### 1.3. Advisory services

A certain amount of model or methodological development is undertaken. In addition to whatever value this research may have per se, it is considered to be a necessary supporting element in the manpower development activities.

The main activities in this category have been:

- Assistance with the application of computer techniques to decision-making in shipping;
- Studies on currency and bunker adjustments factors (CAF and BAF);
- Development of a cargo consolidation scheme in Malaysia;
- Analysis of liner shipping services in India, Pakistan, Bangladesh and Sri Lanka;
- Analysis of ocean transport of copra and coconut products;
- Development of a factory ship concept for collection and processing of copra in the South Pacific;
- Evaluation of the Papua New Guinea Shipping Corporation;
- Development of a concept for wind-powered vessels in commercial service;
- Analysis of a joint shipper/shipowner project for ocean transport of bulk commodities from South East Asia to Europe (FASC/FASA shipping study);
- Specifications for vessels of 3,000, 9,000 and 12,000 dwt for Sri Lanka;
- Joint cargo operations in the ASEAN countries, pilot project in the Philippines

The above projects are covered in separate reports.

The provision of a Data and Information Service (DIS) has constituted a continuous activity under the project.

As a result of the training taking place under the manpower development component of this project, the demand for information which is required in order to make use of the methodologies presented in the ESCAP Handbook for Shippers,

Models and Tools System for Decision-Making, in workshops and so on has been increasing. To meet these requirements the ESCAP Secretariat established a Data and Information Service in 1978. DIS has assisted several countries in obtaining data pertaining to vessel information, freight rates and other relevant information.

## 2. THE IMPACT OF THE PROJECT

Among the developing member countries of ESCAP, the ESCAP organization is a natural focal point of coordination, and a source of information and education. Insofar as co-operation among shippers and the contacts between shippers and the shipping industry are concerned, SUCOP has been the principal instrument of ESCAP. Thus, while certainly a lot of activity is carried out without the involvement of ESCAP, ESCAP/SUCOP has been an important factor in the region. This is reflected in the decisions of the legislative bodies of ESCAP in approving the programme of work of the Secretariat, and in guiding the priorities which are being followed by the Secretariat.

At its last session in December 1982, the Committee on Shipping and Transport and Communications (Shipping, Ports and Inland Waterways Wing) stressed the importance of SUCOP, which was considered to be an outstanding example of a comprehensive, continuing and practical programme of assistance to the developing countries. The Committee noted that the project had made significant contributions towards economic development by enhancing the knowledge and skills of shippers, enabling them to understand the economic and technical aspects of shipping and by promoting co-operation among shippers, and between them and shipowners. These views were endorsed by the Commission at its 39th session held in Bangkok in April 1983.

The representatives of the shippers' councils stated that SUCOP had brought great benefits to the developing countries in the ESCAP region. They said that the project had probably been the single most important factor behind developing shippers organizations in Asia and the Pacific, and that the know-how which the project had transferred had significantly contributed to improving shipping operations and economic results. In particular, they pointed out the value of the project in developing self-sustained training and teaching capability in ESCAP member countries.

The representative of the Philippines Shippers' Council drew the meeting's attention to the fact that the Government of the Philippines on the 10th Anniversary of the Philippines Shippers' Council on 20 July 1983 presented a plaque to the ESCAP Secretariat. The reason for this presentation was "... grateful recognition of the ESCAP valuable and practical medium and long-term work programme for the maritime development for Asia and the Pacific region, particularly its Shippers' Co-operation Project ....".

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Annex 4 contains the statement of Mr. Danko Koludrovic, Chief, Division for Shipping, Ports and Inland Waterways, in which he submits evidence of the impact of SUCOP in the ESCAP region.

### 3. THE FUTURE OBJECTIVES OF THE PROJECT

While the Strategy Meeting fully endorsed the objectives as presented in Chapter 1 of this report, viewpoints were expressed that emphasized the importance of certain concepts not explicitly stated in the objectives.

The project was originally aiming at primarily assisting shippers - the user-side of the shipping industry. However, in order to strengthen this unique angle of attack on the problems connected with the utilization of ocean transport to bolster world trade and enhance economic development, the activities have increasingly come to involve the other parties within the shipping industry beside shippers: owners, ports, etc. The meeting strongly supported this trend. It is of great importance that - even if the shippers still are the main target group - shipowners, port authorities and national authorities responsible for trade and shipping, i.e. all interestgroups of maritime transport, are considered part of the project.

It was pointed out that the objectives had to be interpreted in the context of the priorities of the 1980's and that developments within the maritime transport should be reflected in the works of SUCOP, e.g. economic implications of new technology, legal instruments, etc. This might involve taking up or giving increased priority to new activities in the project.

One implication of this would be to give additional priority to the "interface problem" between maritime and other forms of transport.

#### 4. RECOMMENDATIONS ON THE PRINCIPLES OF CONTINUED IMPLEMENTATION

The Strategy Meeting discussed the correspondence between the objectives and the activities within the project. It endorsed the substantive base on which the project is conducted. It pointed out, however, that even if the objectives remain unchanged, the contents and structure of the project may change because of changes in the environment and because of the development caused by the project.

The Meeting confirmed the important principle that project activities should contribute to self-reliance. This principle should be put to the test from time to time, i.e. certain activities should be abolished within the project (and taken over by the recipients themselves) while new and more demanding activities should be introduced.

It was the opinion of the Strategy Meeting that the manpower development should continue to be the main component of the project. It was pointed out that experience gained within the project indicate that manpower development programmes give great benefits for relatively small costs. The results are not as spectacular as physical building projects, but are at least of equal importance.

The institutional support programme and the advisory services should gradually be phased out, mainly as a consequence of the self-reliance principle (the institutions should be able to organize and support themselves and the people who have participated in training/educational schemes should be able to conduct analyses or know how to get them done). Partly, however, this conclusion was based on the desire to concentrate the efforts of the project within the field of manpower development.

It is of importance to have a research activity (although small) to support the educational programme.

The educational programme should consist of two parts:

- the upgrading programme
- the high-level education



As a result, the structure of SUCOP-activities would in principle be as expressed in figure 4.

Figure 4: The future main SUCOP activities

| I  | II   | III  |
|--|--|--|
| <p><b>UPGRADING PROGRAMME</b></p> <p><u>Purpose:</u></p> <p>Upgrading planners, policy-makers, managers</p> <p><u>Activities:</u></p> <p>Workshops</p> <p>Training programmes for trainers</p> <p>Special assistance to trainers</p> | <p><b>HIGH-LEVEL EDUCATION</b></p> <p><u>Purpose:</u></p> <p>Giving high-level education within maritime transport</p> <p><u>Activities:</u></p> <p>Student programmes</p> <p>Teacher development programmes</p> | <p><b>RESEARCH AND SUPPORT</b></p> <p><u>Purpose:</u></p> <p>Develop materials and give support relevant for the education and training programmes</p> <p><u>Activities:</u></p> <p>Research</p> <p>Advisory support</p> |

The Strategy Meeting considered the two kinds of educational programmes of equal importance. The research and support activities would be a much lesser component than the two educational programmes.

In both educational programmes the training/development of teachers should play an important role. This is important in order to - in the long run - have the programmes continue independently of the support of the SUCOP project.

It was proposed that the upgrading programme (workshop programme) and the high-level education programme should be country-level programmes. This is the case for the first high-level education programme actually running (the Chinese programme which should act as a blue-print for other high-level education programmes).

Workshops are currently held both on country level and regional level. Regional workshop programmes are expensive and should be abolished unless of a very specialized character. It was emphasized that regional workshops promote co-operation between people in different countries. This has been taken into consideration.

The length of a country-level programme should be comparable to a university study programme (3-5 years).

The criteria for choosing which countries should get a country-level educational programme was discussed. The main criteria should be that the receiver of the help should be able to absorb the help in an effective way.

The proposed structure of SUCOP activities (figure 4) differs from the present (figure 1). This, i.a., implies that the Institutional support programme will be phased out. It was strongly pointed out that there is still a need for supporting the chief executives meetings and that it is too early to stop the support of these meetings.

In accordance with the above, the advisory services programmes would also disappear from the project. The rationale would be that through the training and educational facilities of the project, and by means of methodology made available through the project, interested parties would be enabled to carry out the required investigations/analyses on their own.

##### 5. SOME FURTHER RECOMMENDATIONS

The following consists of recommendations on detail that were raised during the discussions at the Strategy Meeting:

- Workshops should be planned in series or programmes covering logical sequences of substance. Ad hoc workshops should be avoided.
- While the economics of maritime transport would continue to be the mainstay of the programmes, the following subjects should play more important roles on future workshop series:
  - New conventions
  - National shipping legislation
  - International shipping policy
  - The loyalty arrangements between shippers and carriers
  - Implications of containerization
  - Uniform freight invoicing
  - Documentation - the importance of reducing "red tape"



- The same people should attend all workshops in a workshop series. It is a great disadvantage to get participants who have not attended earlier workshops and lack the necessary background knowledge.
- The quality of the workshop reports should be improved in the sense that:
  - (i) Within new fields the reports should be aiming at becoming textbooks.
  - (ii) For "standard" workshops, there would be no need to repeat the substance each time, a mere record of the workshop would suffice.
- A bibliography of maritime transport literature should be worked out.
- "Models and Tools" should be revised and updated. The container point of view should be included in the handbook. A computer program of the calculations may be developed.
- The DIS (Data and Information Service) should be abolished. It is of greater importance to teach people to use models and computers than to use resources on collecting data.
- The meetings of the chief executives should rotate. Different shippers' councils should take the responsibility for arranging the meetings. This will make the meetings more independent of SUCOP and ESCAP, and eventually make them fully self-supporting.

**ECONOMIC AND SOCIAL COMMISSION FOR ASIA AND THE PACIFIC****Ship-Users' Co-operation Project (SUCOP)****Strategy Meeting****19-21 February 1984****Klekken, Norway****LIST OF PARTICIPANTS**

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Summary of manpower development activities 1972-83

|              | <u>Subject</u>                             | <u>Participant days</u> |       |
|--------------|--|-------------------------|-------|
| <u>1972</u>  |  |                         |       |
| Hong Kong    | Shippers' Co-operation                     |                         | 300   |
| <u>1974</u>  |  |                         |       |
| Bangkok      | Consolidation of Cargo                     |                         | 180   |
| <u>1975</u>  |  |                         |       |
| Bangkok      | Legislation                                | 220                     |       |
| Bangkok      | Models and Tools                           | 240                     |       |
| New Delhi    | Models and Tools                           | <u>180</u>              | 640   |
| <u>1976</u>  |  |                         |       |
| Rarotonga    | Models and Tools                           | 110                     |       |
| Bangkok      | Statistics                                 | 75                      |       |
| Manila       | Models and Tools                           | 384                     |       |
| Bangkok      | Level II                                   | <u>286</u>              | 855   |
| <u>1977</u>  |  |                         |       |
| Bangkok      | Calculation (M + T)                        | 260                     |       |
| Bangkok      | Freight Study Units                        | 70                      |       |
| Bangkok      | Port Environment                           | 250                     |       |
| Bangkok      | Legislative Environment                    | 250                     |       |
| Jakarta      | Calculation (M + T)                        | 490                     |       |
| Port Moresby | Calculation (M + T)                        | <u>110</u>              | 1,430 |
| <u>1978</u>  |  |                         |       |
| Suva         | Shipping and Marketing of Coconut Products | 108                     |       |
| Bangkok      | Negotiation                                | 162                     |       |
| Bangkok      | Shipping Exercises                         | 253                     |       |
| Kuala Lumpur | Calculation (M + T)                        | 360                     |       |
| Singapore    | Calculation (M + T)                        | 152                     |       |
| Karachi      | Calculation (M + T)                        | 119                     |       |
| Dacca        | Calculation (M + T)                        | 287                     |       |
| Colombo      | Joint Planning                             | <u>340</u>              | 1,781 |

|                | <u>Subject</u>              | <u>Participant days</u> |       |
|----------------|-----------------------------|-------------------------|-------|
| <u>1979</u>    |                             |                         |       |
| Bangkok        | Calculation                 | 260                     |       |
| Bangkok        | Trainers' Development       | 80                      |       |
| Sydney         | Shippers' Co-operation      | 85                      |       |
| Bangkok        | Joint Planning              | 190                     |       |
| Bangkok        | Calculation (M + T)         | 130                     |       |
| Seoul          | -----o-----                 | 125                     |       |
| Karachi        | Cargo Consolidation         | 450                     |       |
| Bombay         | Legal Environment           | 225                     |       |
| Calcutta       | Calculation (M + T)         | 225                     |       |
| Chittagong     | Calculation (M + T)         | <u>185</u>              | 1,955 |
| <u>1980</u>    |                             |                         |       |
| Bangkok        | Port Environment            | 260                     |       |
| Bangkok        | Negotiation                 | 300                     |       |
| Hong Kong etc. | Shippers' Co-operation      | 324                     |       |
| Suva           | Copra Transport             | 40                      |       |
| Beijing        | Joint Planning              | 1,030                   |       |
| Calcutta       | Cargo Consolidation         | 185                     |       |
| Madras         | Calculation (M + T)         | 185                     |       |
| Hong Kong      | Training of Trainers        | <u>80</u>               | 2,404 |
| <u>1981</u>    |                             |                         |       |
| Hong Kong      | Training of Trainers        | 120                     |       |
| Bangkok        | Containerization/Unit Loads | 125                     |       |
| Calcutta       | Port Environment            | 200                     |       |
| Madras         | Freight Calculation         | 200                     |       |
| Jakarta        | Ocean Cost Calculations     | 480                     |       |
| Shanghai       | Planning and Management     | <u>480</u>              | 1,605 |
| <u>1982</u>    |                             |                         |       |
| Calcutta       | Legal Framework             | 205                     |       |
| Madras         | Legal Framework             | 160                     |       |
| Bombay         | Negotiating                 | 170                     |       |
| Kuala Lumpur   | Cargo Consolidation         | 162                     |       |
| Karachi        | Containerization/Unit Loads | 228                     |       |
| Bangkok        | Freight Study Units         | 150                     |       |
| Shanghai       | Forecasting                 | 333                     |       |
| Dahka          | Ocean Transport Costs       | 165                     |       |
| Jakarta        | Training of Trainers        | <u>160</u>              | 1,733 |

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|             | <u>Subject</u>        | <u>Participant days</u> |               |
|-------------|-----------------------|-------------------------|---------------|
| <u>1983</u> |                       |                         |               |
| Bangkok     | Currency Fluctuations | 290                     |               |
| Bangkok     | Freight Rate Making   | 40                      |               |
| Shanghai    | Shipping Policy       | 400                     |               |
| New Delhi   | Ocean Transport Costs | 300                     |               |
| Calcutta    | Ports/Containers      | <u>300</u>              | <u>1,330</u>  |
|             |                       |                         | <u>14,213</u> |

In addition to the training activities under the workshop programme, the teaching during the first term of the teacher development programme at Shanghai Maritime Institute involved a total of 1350 participant days.

IMPACT OF SHIP USERS' CO-OPERATION PROJECT

Statement by Mr. D. Koludrovic

1. The Ship Users' Co-operation Project which is familiarly known as SUCOP has been implemented in this region since 1972, with the support of the Royal Government of Norway. It is hardly necessary for me to re-state the background and the purpose of this project as this will be mentioned in great detail in the course of this meeting. Nonetheless, it is felt necessary that in view of the great benefits that this project has brought to the developing countries in the ESCAP region, I should like to take this opportunity of keeping the meeting informed in the form of extracts taken from statements expressed by the member countries at the various ESCAP fora in the past few years.

2. At the fourth session of the Committee on Shipping, and Transport and Communications held in December 1980, in considering the Shippers' Co-operation Project (Quote) "The Committee fully endorsed the activities of the secretariat as outlined in documents E/ESCAP/STC.4/18 and E/ESCAP/STC.4/19. In particular, it endorsed the programme outline for 1981-1984 which constituted the continuation of the ESCAP ship users' co-operation project (SUCOP). The Committee underlined the importance of SUCOP for the development of the foreign trade of ESCAP countries, and for the general development of international trade and shipping. On being informed that the Norwegian Government had recently decided to continue financial support for the valuable SUCOP project for another four years, the Committee expressed its deep appreciation and requested the secretariat to convey the gratitude of the ESCAP member countries to the Norwegian Government." (Unquote)

/3. At the

3. In commenting on SUCOP at its session held in Bangkok in March 1980, the Commission, which is the highest inter-governmental policy making body of ESCAP (Quote) "... noted with satisfaction the progress made by the project in enhancing co-operation among national shippers' organizations, in stimulating moves for co-operation among national shipowners' associations and in starting to build co-operation between those two maritime sectors in the region as well as with their counterparts in Europe. The Commission was particularly pleased that the secretariat had initiated a move to bring about co-operation among national port authorities in the region, and between them and the shippers' and shipowners' organizations. It commended the secretariat in particular on organizing two joint meetings of chief executives of national shippers' organizations and shipowners' associations as those meetings facilitated a better understanding and appreciation of the problems faced by the two parties. The Commission recognized that without the co-operation of the shipowners and port authorities the interests of shippers could not be well served. In that connection, it welcomed the initiative which the secretariat would take in convening a meeting in the very near future between the shippers, shipowners and port authorities to create better understanding and co-operation among those three important groups in the sphere of shipping ..." (Unquote)

4. At the sixth session of the Committee held in December 1982, (Quote) " The Committee stressed the importance of ESCAP shipusers' co-operation project (SUCOP) which was considered to be an outstanding example of a comprehensive, continuing and practicable programme of assistance to developing countries. The reliance of the ESCAP member countries on foreign trade and ocean transport services was underscored by many representatives. The Committee noted that SUCOP had made significant contributions towards economic development by enhancing the knowledge and skills of shippers to enable them to understand the economic and technical aspects of shipping and by promoting co-operation among shippers and between them and shipowners.

/In that connection



In that connection, the Committee commended the secretariat for its effective implementation of the work programme in that field, and expressed deep appreciation to the Government of Norway of its making SUCOP possible through its generous financial support. It was noted that by providing funds on a continuing basis, the Government of Norway was contributing significantly to the economic growth of developing countries in the region.

In lauding the objectives of SUCOP listed below, the Committee noted that they were the basic guidelines being pursued in the continuing execution of the project:

- (a) To increase shippers' awareness of the need to co-operate;
- (b) To support the institutional means of shippers' co-operation;
- (c) To augment the knowledge of shippers and their organizations of shipping operations and economics, which would improve the ability of shippers to contribute to rational transport solutions and thereby improve their negotiating abilities in respect of both quality and strength,
- (d) To improve the skills with which shippers apply their knowledge;
- (e) To assist in establishing and maintaining an understanding and a sound working relationship between shippers and shipowners.

However, the Committee recognized that for SUCOP fully to achieve its objectives it would be necessary to involve all the relevant parties in shipping, namely, shippers, shipowners and other interests, e.g. port authorities and freight forwarders. It commended the secretariat for enhancing the effectiveness of the interested parties in co-operation, consultation, planning and execution of shipping services." (Unquote)

5. One of the main components of the Ship Users' Co-operation Project is the implementation of the manpower development programme. Through this project hundreds of participants from the region have been trained either at the regional or country-levels over the years. The subjects covered by the workshops included calculation of ocean transport costs, cargo consolidation, techniques of consultations and negotiations, freight forwarding, port environment of shippers and legislative aspects of shipping. As a result of the intensive implementation of this manpower training component the ESCAP secretariat has received a number of letters from the member countries'

6. Another success of this project can be gauged from the fact that the Government of Philippines on the 10th Anniversary of the Philippines Shippers' Council on 20 July 1983 presented a plaque to the ESCAP secretariat. This was unprecedented in the history of the ESCAP secretariat. A copy of this letter from His Excellency the Ambassador of the Philippines, Bangkok, is enclosed. The reason for this presentation is (Quote) "... grateful recognition of the ESCAP valuable and practical medium and long-term work programme for the maritime development for Asia and the Pacific region particularly its Shippers' Co-operation Project ... (Unquote).

7. A main objective of the Ship Users' Co-operation Project is to promote regional and subregional co-operation among shippers' councils in the Asian and Pacific region. In paying tribute to the ESCAP secretariat for its work in this field, the Chairman of Korean Shippers' Council in his address at the Federation of ASEAN Shippers' Councils (FASC) held in May 1982, Seoul, Korea, (Quote) "... stated that the United Nations ESCAP, based in Bangkok, Thailand, has given both guidance and inspiration for the development of sub-regional shippers' organizations within the Asian-Pacific region, and we see both in FASC and ASCOBIPS (Association of Shippers Councils of Bangladesh, India, Pakistan and Sri Lanka) the

/first concrete

the first concrete results of the ESCAP policy towards greater subregional and pan-regional shippers' co-operation. I am happy to report that in the North-east Asian subregion also, again under ESCAP auspices, the first concrete steps are being taken for closer mutual co-operation and consultation among the national shippers' councils of Hong Kong, Korea and Japan ..." (Unquote)

8. In commenting on ESCAP's efforts in the implementation of SUCOP, the Chairman of the Federation of ASEAN Shippers' Councils, His Excellency, Dato Lew Sip Hon, Deputy Minister of Trade and Industry of the Malaysian Government, expressed his gratitude to ESCAP in his speech in September 1982, he stated that (Quote "... I would like to take this opportunity to welcome Mr. Danko Koludrovic representing the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP). FASC has always valued the support which ESCAP has given to our organization by way of technical assistance and training for shippers' and shippers' organizations, either through individual country projects or joint projects for ASEAN or the ESCAP region as a whole. All these projects have been most valuable, and FASC wishes to place on record its appreciation for the work done in this field by ESCAP ..." (Unquote)

9. At its session held in March/April 1982, the Commission welcomed the rapid advances made by ESCAP in bringing about closer co-operation among shippers' organizations in the region and also between them and associations of shipowners and port and customs authorities. (Quote "...Recognizing the excellent work of the ship users' co-operation project, the Commission was deeply appreciative of the long-term generous contributions of the Government of Norway to the project, which had been of immense and lasting benefit to the developing countries of the region and to regional co-operation. It hoped that such a successful pattern of long-term extrabudgetary assistance could also be developed for other major sectors in the maritime programme, such as ports, shipping and inland water transport." (Unquote)

10. I hope the presentation of this paper will help to crystallize further the impact of this project on the member countries in this ESCAP region.

## APPENDIX 10

### DEVELOPMENT OF SHIPPERS' ORGANIZATIONS IN SOME ESCAP COUNTRIES

#### Sri Lanka

A national Shippers' Council was formed in March 1966 by the Chambers of Commerce for consultation and negotiation between shippers and shipping lines. Members of the Council are exporters' and importers' associations, manufacturers' associations, government departments and corporations which are major importers or exporters. Any other traders' and manufacturers' associations not represented on the Council may submit their shipping problems to the Council and seek solution through it. The formation of the Council was sponsored by the Government.

There was no separate freight study unit in Sri Lanka. The Shipping Section of the Department of Commerce, however, make studies on freight rates on a commodity bases and requests the conferences to rationalize the rates wherever the existing rates are considered to be too high or discriminatory.

#### India

In 1966 there were three regional shippers' associations in India. The Western India Shippers' Ass. at Calcutta, the Eastern India Shippers' Ass. and the Southern India Shippers' Ass. at Madras. An all-India body of shippers to deal with the conferences at the national level is established in Dehli.

The membership in each association consists of trade bodies, export promotion councils and individual companies engaged in the export trade.

The association take up problems relating to shipping space and freight rates brought to their notice by their members with the shipping conferences through discussion and correspondance. When necessary the assistance of the Governments Freight

Investigation Bureau is involved. The Bureau is entrusted with the task of bringing shippers together and convincing them of the benefit of collective negotiation. The experience from the shipper councils is that there has been an improvement in the relationship between shippers and regular lines in respect of better co-operation and mutual understanding, adjustment of freight rates and introduction of promotional rates and better services, especially for export trade.

The shipper associations have set up a liaison committee to meet with the conferences at regular intervals and exchange views on common problems. This has helped the parties to appreciate and understand each other's difficulties and sort out local problems such as allocation of space for specified commodities, improvements in booking procedure etc.

The Freight Investigation Bureau established in 1959 (as a part of the Directorate General of Shipping) conducts freight studies. It has been instrumental in identifying anomalous, high and discriminatory rates in a number of instances and in prevailing upon the shipping conferences to make necessary adjustments in rates. The Bureau has also assisted shippers and shipping lines in evolving healthy shipping practices, e.g. advance notice of rate variations, announcement of sailing programmes sufficiently in advance and granting of timely dispensation when conferences are unable to provide space for cargo on the due date. The Bureau has also undertaken studies of freight rates on individual commodities moving in various routes where they were found to inhibit exports with a view to bringing about rate adjustments.

#### Thailand

There is no shippers' council in Thailand. The task of studying the movement of freight rates and related problems is shared between private and several government organizations. Occasional consultations between Government and shipping lines have yielded limited results, usually in the form of temporary postponement of increases in freight rates.

The Board of Trade, a confederation of chambers of commerce, trade and exporters' ass. has negotiated with shipping lines,

but the results have not been entirely satisfactory. Exporters ass. are organized for general trading purposes rather than for negotiation with shipping conferences. They assume the negotiating function only when an increase in freight rates threatens their respective trades. The conferences refusal to negotiate with many of them has forced them to seek the help of the Government to negotiate on their behalf.

### Indonesia

The organization concerned with Cargo transport at sea is the Ocean Traffic Council, established in 1965. The Council, which was initiated by the Government consisted of a Cargo Commission and a Carriers Commission (comprizing of only domestic shipowners).

The Cargo Commission, being a consultative body for Biro l'engapalan Indonesia (Bipalindo) acts on behalf of ship-users. Its members are governmental and private establishments. Consultations and negotiations are conducted solely between the Gargo Commission and the Carriers Commission and not with foreign shipping lines.

Since the establishment of the Commissions there has been an improvement in ship scheduling. Any increase in freight rates requires government approval through recommendations of Bipalindo/OTC.

A Freight Study Unit has not been established.

### Philippines

There was no national shippers' council or consultative machinery in the Philippines. An Organizing Committee on Maritime Affairs under the Philippine Committee on ECAFE Matters was established to look into the feasibility of organizing a national shippers' council. The proposed formation of such a council received over-all endorsement and support; it was the view that the Government should take an active role in the organizing and operation of the council.



The existing shippers' bodies are mostly associations which represent particular export commodities. Some attempts have been made by these bodies to obtain a bargaining position with shipping conferences to negotiate the reduction of excessive freight rates. The Maritime Affairs Unit of the Department of Commerce and Industry is responsible for intervening and arranging meetings with all parties concerned with a view to finding solutions.

In accordance with recommendations from UNCTAD I the Government has conducted extensive commodities and route studies connected with shipping services.

In view of the difficulties involved in having the country's ocean-going vessels join shipping conferences the Government has as an alternative entered into bilateral trade agreements and regional co-operation. With India is agreed (1966) upon (a) a joint-liner service arrangement for the Far East-Europe route within the framework of a shipping conference, (b) joint tramp service from Indonesia and the Philippines to foreign ports, particularly for bulk-cargo and (c) Island to island (Indonesia - Philippines) service for the carriage of goods and passengers.

### Singapore

In Singapore there is no shippers council . The Government is considering steps to establish a shipping development unit whose function inter alia will be to examine the advisability of setting up consultative machinery.

Negotiations with shipping conferences have been carried out by individual exporters' associations (such as rubber, copper, timber ass.). The Government has intervened only when so requested by the shippers or when private negotiations have failed. On the whole the results of such ad hoc procedures to shipping problems have not been satisfactory, mainly because the existing ass. were formed for general trading purposes and not for negotiations on shipping and freight rate problems.

Hong Kong

A Freight Joint Committee was formed in 1961 under the aegis of Federation of Hong Kong Industries. The Committee was later ren unced and reorganized to the Hong Kong Shippers' Council with the following terms of reference: to consider with the objective of reaching a united view, all matters of policy on, and any major developments in, the relationship between shippers and shipping and air interests, and to enter into such negotiations and take such action as a united body as may be deemed necessary.

To the Freight Joint Committee representation from shipping companies or liner conferences could be invited to discuss difficult issues.

The Hong Kong Freight Committee and Shippers' Council established contact with the British Shippers Council and received guidance.



SOME REFLECTIONS ON THE SUCOP AND ITS PROGRAMME

By the Hon. Romulo B. Lumaig  
Deputy Minister, Trade and Industry

1. The Philippines' Ministry of Trade and Industry (MTI) considers shipping as a vital service to trade. In 1982 the country's overseas freight remittances amounted to over USD1.2 Billion while the value of our foreign trade was over USD5 Billion. Our national balance of payments deficit in that year was USD 1.1 Billion. These data indicate the importance which shipping plays in the national economy.
2. MTI has therefore been concerned with reducing the dollar freight payments of the economy and the freight expenses of Filipino exporters and importers.
3. This goal can be attained by more efficient and economical shipping services and better cooperation between shippers through the national shippers' council and shipowners through the liner conferences.
4. ESCAP's Ship-Users' Cooperation Project, which has been generously funded by the Royal Norwegian Government for the past 13 years, has greatly helped in promoting such cooperation by first broadening the knowledge of shippers of the complicated business of shipping particularly ocean transport costs and enhancing their skills in consultations with the liner conferences.
5. The Philippine Shippers' Council (SHIPPERCON), as representative of Philippine shippers, has been the beneficiary of the manpower development, advisory services and technical studies components of the SUCOP programme. Its secretariat has gained in the transfer of shipping technology fostered by SUCOP. It has acquired better understanding of shipping operations involved in the transport of shipper's cargoes and their costings. In grateful recognition of the valuable assistance from SUCOP, SHIPPERCON had the honor to award the Royal Norwegian Government with a Plaque of Appreciation for its farsightedness and altruism in establishing SUCOP, in ESCAP.
6. We consider it necessary, however, for SUCOP, which terminates this year 1984, to be extended by another four years. SHIPPERCON is still in need of technical assistance. The task of building up of national shippers' institutions in Asia and the Pacific is not yet complete. Cooperation between shippers councils and national shipowners associations and port authorities in the ESCAP region is still in the formative stage. It would be inadvisable and uneconomic if, after having started to build

bridges of cooperation in the maritime industry, SUCOP would stop at mid-stream, so to speak.

7. SUCOP's directions have of course, to be modified in the next phase to keep in step with developments. The principle of national and collective self-reliance and the manpower development component should continue to be emphasized. Along this line would be (a) expansion in the training of trainers (b) holding of seminars/workshops increasingly at the sub-regional and the national levels (c) training of shippers as ship-users (no longer as negotiators with conferences) such as in how they can reduce the costs of transporting their cargoes even within existing tariff structures/requirements of liner conferences, marine insurance, stevedoring and haulage.

8. It would be worthwhile if SCUOP could provide the shipowners, and port authorities especially of developing countries with opportunities to know and understand better the position of shippers in the same manner that a series of training courses for shippers was conducted on calculation of ocean transport costs by shipowners.

9. Furthermore, there are the new international maritime conventions and developments which require better understanding on the part of shippers, shipowners and port authorities. SUCOP could help to a greater extent in this regard. Among these are the UN Liner Code, the multimodal transport of goods, the Hamburg rules, containerization and its impact on shippers, shipowners, port authorities, freight forwarders and national maritime policy and planning.

10. In the Philippines, as in many developing countries in the ESCAP region, transport and shipping economics has not been given due importance in tertiary education, much less in specialized maritime training courses. SUCOP would help fill this vacuum.

These are some reflections which have initially arisen as the SUCOP Evaluation Team visits with us in Manila on 17 August 1984.

UNITED

REQUEST FOR PHASING OUT OF THE PROJECT

UNIES

ECONOMIC AND SOCIAL COMMISSION FOR ASIA AND THE PACIFIC  
 THE UNITED NATIONS OFFICE FOR ASIA AND THE PACIFIC  
 BANGKOK 10000 THAILAND.

TELEX : 82392 ESCAP TH  
 82315 ESCAP TH  
 CABLE : ESCAP BANGKOK

TELEPHONE : 2829161 - 200  
 2829381 - 389

SP/CONF/3/07

8 June 1984

Dear Mr. Pedersen,

ESCAP Shippers' Co-operation Project (SUCOP) -  
 Request for phasing out of the Project

|  |
|--|
| DEPT FOR<br>NORAS<br>84/8862-1<br>- 2 JULI 1984<br>& MUL/MDM<br>Arkv 47-ESCAP<br>Opp |
|--|

In the SUCOP Progress Report for 1983, and in the letter of its submission (19.12.83) we indicated the wish to discuss possible continuation of the SUCOP Project and the expansion of the off-shoot grant for the country-level programme in China.

As bases for such discussions I am pleased to attach the following:

1. Schedule of activities for phasing out of the SUCOP Main Project
2. A note describing the SUCOP regional off-shoot project at the Shanghai Maritime Institute.
3. Summary of proposed SUCOP project costs 1985-88.

We would be glad to supply detailed descriptions of the various proposed activities if requested by you. At this stage, I would limit my explanations to a few central points:

At the SUCOP Strategy Meeting 19-21 February this year, the main conclusions were as follows:

- the original objectives of the project are still valid, but its scope should be enlarged to embrace all parties in maritime transport, i.e. shipowners, and ports as well as shippers.
- the overall priority of SUCOP activities should be given to the recipient countries' obtaining self-sufficiency in decision-making on resource allocation, policy development and management in matters relating to the use of maritime transport.

/- consequently...

Mr. Herman Pedersen  
 Deputy Director-General  
 Royal Norwegian Ministry of  
 Development Co-operation  
 Oslo 1  
 NORWAY

- consequently, priority should be given to manpower development and activities in support of manpower development.
- manpower development efforts should continue at two levels: upgrading knowledge and skills of existing personnel and the education of new personnel.

The proposed over-all schedules of activities (annex 3) would involve 85% of project expenditures being directed at manpower development and a sizeable part of the remainder being used in supporting activities of manpower development.

The proposed activities under the main project (annex 1) would principally be directed towards developing educational "tools" (textbooks, reports on special subjects, computer programmes and case materials for simulation exercises) as well as assisting national authorities/organizations with developing national trainers/teachers and conducting training schemes.

The expanded off-shoot programme based on the Shanghai Maritime Institute (annex 2) would result in a self-sustained educational facility in China, which would also be available for participants from other countries. The Ministry of Communications in China and the Shanghai Maritime Institute are committed to a counterpart contribution in the region of 1.5 million US\$ for this purpose.

The SUCOP project has had considerable impact on maritime planning and contributed to rationalizing the use of maritime services throughout the region - both in regard to saving freight costs, and in regard to improving services. This is evidenced by numerous statements and recommendations in the ESCAP legislative bodies, in the regional press and in day-to-day contacts between the secretariat and organizations in the region. We firmly believe that by implementing the proposed last stage of the project, the efforts will have long-lasting effects.

Subject to our agreeing on the principles involved in the attached proposals we would be glad to continue consultations on clarification/modification of the various project components through the offices of Mr. Petter C. Omtvedt, Senior Shipping Adviser - as this process could most rationally be carried out in Oslo.

With kind regards

Yours sincerely,



D. Koldurovic  
Chief

Division for Shipping, Ports  
and Inland Waterways



ESCAP's Ship-users' Co-operation Project  
Schedule of activities for phasing out of the SUCOP Main Project

| SUCOP-MAIN PROJECT<br>(final stage)                        | 85           | 86           | 87           | 88           | TOTAL          |
|--|--------------|--------------|--------------|--------------|----------------|
| <b>1. INSTITUTIONAL SUPPORT PROGRAMME</b>                  |              |              |              |              |                |
| 1.1 Meetings of Chief Executives                           | 48,0         | 28,0         |              |              | 76,0           |
| 1.2 Officers' exchange programme                           | 30,0         | 30,0         |              |              | 60,0           |
| <b>2. MANPOWER DEVELOPMENT PROGRAMME</b>                   |              |              |              |              |                |
| 2.1 Regional Workshops                                     | 65,0         | 65,0         |              |              | 130,0          |
| 2.2 Development of national trainers and teachers          | 80,0         | 80,0         |              |              | 160,0          |
| 2.3 Ass. with national training and educational programmes | 190,0        | 180,0        |              |              | 370,0          |
| 2.4 Models & Tools revision/extension                      | 140,0        | 140,0        |              |              | 280,0          |
| 2.5 Computer application                                   | 65,0         | 65,0         |              |              | 130,0          |
| 2.6 Simulation exercise dev.                               | 40,0         | 40,0         |              |              | 80,0           |
| <b>3. ADVISORY SERVICES</b>                                | 50,0         | 50,0         |              |              | 100,0          |
| <b>4. PROJECT DEVELOPMENT &amp; CO-ORDINATION</b>          |              |              |              |              |                |
| 4.1 External expertise and liaison                         | 120,0        | 120,0        | 100,0        | 100,0        | 440,0          |
| 4.2 Travel and Communications                              | 40,0         | 40,0         | 20,0         | 20,0         | 120,0          |
| <b>PROJECT NET TOTAL</b>                                   | <b>868,0</b> | <b>838,0</b> | <b>120,0</b> | <b>120,0</b> | <b>1,946,0</b> |
| 13%  | 112,8        | 108,9        | 15,6         | 15,6         | 252,9          |
| <b>PROJECT TOTAL</b>                                       | <b>980,8</b> | <b>946,9</b> | <b>135,6</b> | <b>135,6</b> | <b>2,198,9</b> |

ANNEX 2

DRAFT

8 June 1984

**MARITIME TRANSPORT IN CHINA: THE NEED FOR EDUCATION AND  
TRAINING AT EXECUTIVE, PLANNING AND POLICY-MAKING LEVELS**

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*Developing the Shanghai Maritime Institute as a  
regional educational facility*

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The expansion of foreign trade is an important factor in the economic development of the People's Republic of China. At present, China has trade relations with more than 100 countries, while trade and navigation agreements have been concluded with more than 30 countries.

It is expected that in 1984, the value of China's foreign trade will exceed 35 billion US\$. During the first four months of 1984, foreign trade increased more than 15% compared to the same period of 1983. At a rough estimate, freight costs of around 2.5-3 billion US\$ would be incurred.

The major part of China's foreign trade is carried by ships. Maintaining and expanding efficient maritime services are priority tasks.

The China Ocean Shipping Company (COSCO) is responsible for the international shipping services. A large coastal fleet, a number of major and smaller ports, as well as an extended system of inland waterway transport support the ocean-going maritime services. COSCO owns about 450 ocean-going vessels, aggregating more than 8 mill. dwt. The 6th Five-year Plan (1981-85) calls for adding 4.26 mill. dwt. to the COSCO fleet.

In addition to ships owned by COSCO there are about 400 vessels on charter. Thus, the operation and management of nearly 1,000 ocean-going ships fall directly under Chinese responsibility.

While primarily established as a service to trade, Chinese shipping enterprises, ports and inland waterways constitute important elements of economic activity, contributing to economic diversification and expansion.

China is allocating large investments of domestic capital, as well as international loans (e.g. from the World Bank) to the maritime sector, including ports and inland transport.

A great number of personnel at many levels are involved in operation and management, as well as planning and policy-making for the maritime services of China. Their level of competence is crucial for economical utilization of resources and efficient operations. Even marginal improvements and rationalization in the decision-making processes, planning and policy-making would mean important savings in transport costs and contribute heavily to national economic and social development.

As a consequence, China attaches high priority to the development of a comprehensive and balanced educational system in the field of maritime transport.

In the field of ocean shipping (as distinct from port operations and the operation of inland waterways) the principal educational facilities of China are the Dalian Marine College and the Shanghai Maritime Institute. The student capacity of these two institutions is altogether 6-7,000 with plans calling for rapid increases within the present decade. Sea-going personnel, comprising the largest part of the students, are educated at both Dalian and Shanghai. "Management personnel" are educated only at the Shanghai Maritime Institute.

The Shanghai Maritime Institute is a university level educational institution founded in 1959. Since 1981 the Institute is entitled to give PHD degrees. The SUCOP project has enabled the Institute to teach at graduate and under-graduate levels in the fields of economics, transport economics, shipping economics and management. The purpose of this teaching is to qualify graduates for work in the upper ranges of management in shipping corporations, trading organizations, ports and ministries which have to take decisions on investment and other resource allocation and on pricing and international policy in the maritime sector.

The Institute is unique in that in addition to the above it also teaches engineering and navigation. It is therefore able to contribute to a development in which advanced planning and management techniques (where and how to invest resources) will be balanced by modern seafaring techniques (how to use and maintain resources).

Further development of the educational facilities of the Shanghai Maritime Institute is a priority issue, both in the sector of navigation/engineering and in the management sector. The Institute is destined to become the centre of maritime learning in China.

1. Requirements and related activities in regard to  
Chinese manpower development

Manpower requirements and related activities may be illustrated in a pyramid (figure 1) at the bottom of which one would find workers/crew, followed by engineers/officers, managers, policy-makers and planners.

The vertical ranging of categories in the pyramid does not imply that one is less important than the other. Properly trained ships' crew or port labour are as vital to the efficiency of transport as would be planners or policy-makers. The pyramid does, however, indicate the number of personnel involved: obviously the number of officers and crew are far greater than those of managers, policy-makers and planners.

It is fairly obvious that mistakes in the policy-making, planning and managerial ranks will have more far-reaching consequences than mistakes in other ranks. Proper training and education of personnel represented by the upper part of the pyramid in fig. 1 become correspondingly important.

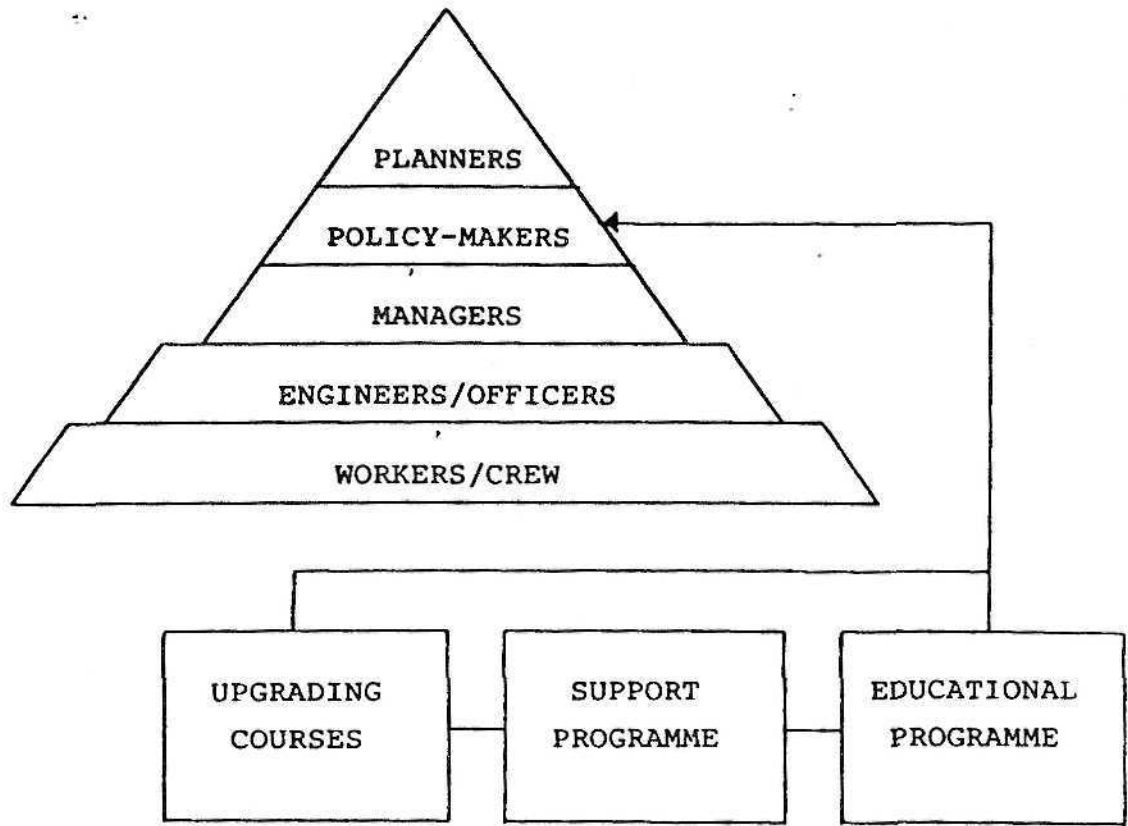
It is therefore an anomaly that whereas (although in need of modernization) training of officers and crew is quantitatively well advanced, large gaps exist in the education and training of the less numerous categories of planners, policy-makers and managers.

In order to remedy such anomalies, a particular country-level programme under the SUCOP project<sup>1/</sup> was established at the Shanghai Maritime Institute under the sponsorship of the Ministry of Communications in Beijing.

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<sup>1/</sup> The ESCAP Ship-Users' Co-operation Project (SUCOP) is financed by extra budgetary contributions from Norway.

Fig. 1: Manpower requirements and related educational/training activities



The programme so far has comprised the following activities:

1.1 A programme of workshops  
-----

|   | <u>Participants days</u> |
|---|--------------------------|
| Country-level Workshop on Planning of Shipping Services,<br>27 October - 7 November 1980, Beijing                           | 1,030                    |
| Country-level Workshop on Shippers' Co-operation: Economic and Operational Decision-Making,<br>19-30 October 1981, Shanghai | 480                      |
| Country-level Workshop on Forecasting of Cargo and Shipping Movement<br>20-29 September 1982, Shanghai                      | 333                      |
| Country-level Workshop on Shipping Policy Matters,<br>18-27 May 1983, Shanghai  | 400                      |
| Country-level Workshop on Maritime Law for Managers<br>2-13 April 1984, Shanghai  | 170                      |
| Country-level Workshop on Marine Insurance for Managers,<br>21 May - 1 June 1984, Shanghai                                  | 170                      |

The above workshops represent altogether 2,583 participant days.

The workshops are directed at personnel who already work in the hierarchy of maritime transport in China. Since, however, the number in this personnel category is extremely large the principal aim of the workshop programme is to develop national trainers, who in turn will be able to run seminars and training courses throughout China.

1.2 A teacher development programme  
-----

This programme is designed to assist the Institute in acquiring teaching capability in shipping economics and management. Under the programme, the Institute was assisted with drafting a modern curriculum in economics, transport economics, shipping economics and management. The course runs over 6 terms, the first term starting in September 1983. It comprises 15 teacher-students who upon graduation will be given teaching and research assignments at the Institute.



In addition to assisting with the drafting of the course curriculum and providing highly qualified university professors and other expatriate teachers, a library of relevant literature is being supplied under the programme.

### 1.3 The computer application project

Planning and management of maritime transport involve analysis and decision-making on the basis of complex "models" and large volumes of information or input data.

In order to secure the practical applicability of the methods and techniques which are being taught under the workshop programme and in the teacher development programme, the computer application project consists of two components:

- (i) the establishment of a joint team for the purpose of developing models/programmes for investment analysis in shipping, voyage cost calculation and market evaluation;
- (ii) installation of computer equipment, and assistance with training of hardware/software personnel in order to give the Institute sufficient capability to support the ongoing programmes of education/training as well as prepare it for the research activities which will have to be established in support of its further educational development. This project component has involved the co-operation of Norsk Data A/S.

The above activities are reflected in figure 1, which illustrates that upgrading of existing personnel (the workshop component) and education of new personnel (the teacher development programme) as well as the support programme (the computer application project) are directed towards the personnel categories of planners, policy-makers and managers. However, on the basis of Chinese manpower requirements and on the basis of experience gained during the implementation of the above activities, the following has become evident:

First: The methods and techniques, as well as the underlying knowledge, propagated under SUCOP, contribute to fill an urgent need to enhance Chinese capabilities in the field of ocean transport economics and management.

Second: In order to obtain full and balanced benefit, it is necessary to expand the activities in two directions:

Horizontally by adding the sector of modernizing the teaching of navigational and engineering officers.

Vertically by (i) continuing the workshop programme to develop national trainers and giving increased weight to the sectors of maritime law, marine insurance and shipping policies, (ii) adding an undergraduate course to the ongoing teacher development programme, and (iii) strengthening the support component in order to fully sustain the educational and training activities.

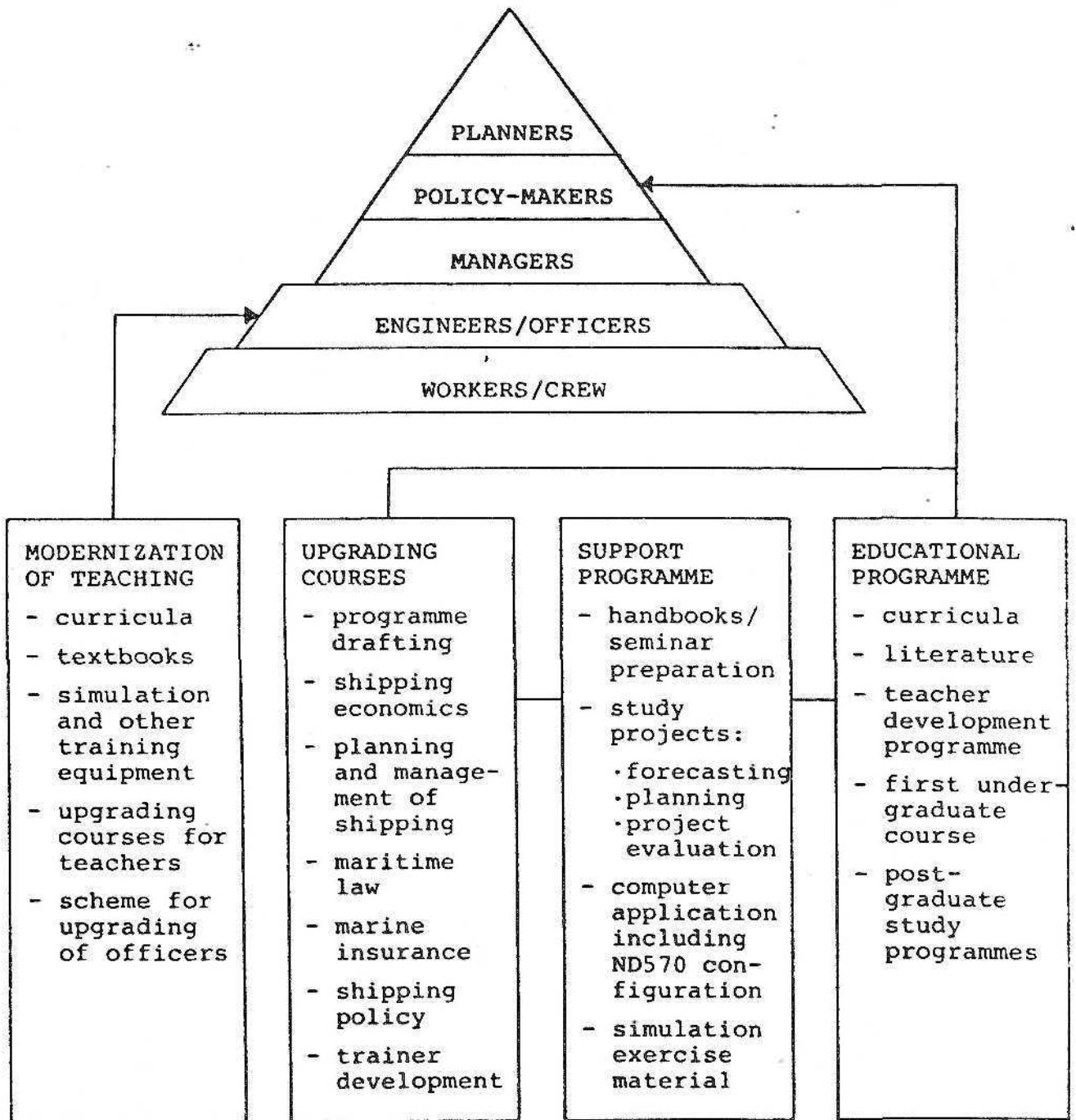
This is illustrated in figure 2 and would, in concrete terms, involve the 4-year programme (1985-88) set out in Section 2.

## 2. Programme of activities at the Shanghai Maritime Institute 1985-1988

The programme is designed with a view to the Institute becoming fully self-sustained in the described sectors with the proposed period. It is further designed with a view to making the Shanghai Maritime Institute a nucleus centre of shipping education and research, from which other educational facilities in China and other regional countries may draw knowledge and skills.

As of the second half of 1986, the Institute would be in a position to accept students from other countries.

Fig. 2: Manpower requirements and proposed expansion of educational/training activities



| SCHEDULE OF ACTIVITIES  | 1985 | 1986 | 1987 | 1988 |
|---|------|------|------|------|
| 1. Economics of maritime transport and management                                     |      |      |      |      |
| 1.1. Teacher development programme  |      | →    |      |      |
| 1.2. Under-graduate course  |      |      |      | →    |
| 1.3. Seminar programme  | →    | →    | →    | →    |
| 1.4. Support-programme (special projects - joint teams)                               |      |      |      |      |
| 1.4.1. Shipping management (preparation of handbooks and seminar background material) |      |      |      |      |
| - principles of shipping management and financing (-85)                               | →    |      |      |      |
| - vessel management (-86)   |      | →    |      |      |
| - cost analysis and budgeting (-87)   |      |      | →    |      |
| - pricing (freight rate making) and market evaluation (-88)                           |      |      |      | →    |
| 1.4.2. Transport (shipping) planning (three post-graduate projects)                   |      |      |      |      |
| - the need for transport (forecasting)  |      | →    |      |      |
| - operational planning, including the interfacing of sea and land transport           |      |      | →    |      |
| - project evaluation (choice of transport)  |      |      |      | →    |
| 1.4.3. Computer application project (see also items 2.2. and 2.3.)                    |      |      |      |      |
| - installation of hardware + training   |      | →    |      |      |
| - building a data base system (incl. external sources)                                |      |      |      | →    |
| - program development in support of 1.4.2.  |      |      |      | →    |
| 1.4.4. Simulation exercise development  |      |      |      |      |
| - case studies for teaching purposes  |      |      |      | →    |

| SCHEDULE OF ACTIVITIES   | 1985 | 1986 | 1987 | 1988 |
|--|------|------|------|------|
| 2. The legal environment: maritime law, marine insurance law and international shipping policy                                     |      |      |      |      |
| 2.1. Teacher seminars on development of national maritime legislation, and legislation on marine insurance                         | →    | →    | →    | →    |
| 2.2. Joint project on maritime law case information: the establishment of computer register of law decisions                       | →    |      |      |      |
| 2.3. Joint project on shipping policy information system: the establishment of computer register of shipping policies              | →    |      |      |      |
| 3. Modernization of navigation and engineering departments at SMI  |      |      |      |      |
| 3.1. Development of curricula/ syllabi: identification and provision of literature   | →    |      |      |      |
| 3.2. Upgrading courses for teachers  | →    | →    |      |      |
| 3.3. Assistance with developing a scheme for upgrading of officers, pilot seminar  |      | →    |      |      |
| 3.4. Assistance with developing training schemes for supply- and stand-by vessel officers in off-shore oil industry, pilot seminar |      |      | →    |      |
| 3.5. Provision of hardware, training   | →    |      |      |      |

The above activities would require a very considerable amount of co-ordination and project management. As far as the expatriate contribution is concerned, this would be provided from the SUCOP main project (items 2 and 4 of the SUCOP project schedule of activities) and would also involve the administrative support of ESCAP's general services.

With regard to the Chinese contribution, the Ministry of Communications/Shanghai Maritime Institute would undertake all domestic administrative support of expatriate staff (accommodation, domestic transport, office facilities, etc.). They would also provide manpower contributions at all levels of activity in order to facilitate completion of the project in accordance with the agreed timetables. In particular they would secure the occupational permanency of Chinese personnel which is necessary to achieve its main objective: fully self-sustained Chinese capabilities within the scope of the project, after its completion.

### 3. Project costs and counterpart contribution

The tentative budgets for the different components of the project are contained in annexes 1-6. In summary, the total project costs would be as follows:

|   | (US\$)                  |                       |                |                |                  |
|---|-------------------------|-----------------------|----------------|----------------|------------------|
|   | 1985                    | 1986                  | 1987           | 1988           | TOTAL            |
| 1. ECONOMICS OF MARITIME<br>TRANSPORT AND MANAGEMENT                      |                         |                       |                |                |                  |
| 1.2. Undergraduate course   | 114,413                 | 233,006               | 350,639        | 63,845         | 761,903          |
| 1.3. Seminar programme  | 41,697                  | 41,697                | 46,081         | 48,002         | 177,477          |
| 1.4. Support programmes   | 575,735 <sup>1)</sup>   | 350,286 <sup>2)</sup> | 209,717        | 151,149        | 1,286,887        |
| 2. THE LEGAL ENVIRONMENT  | 66,614                  | 97,745                | 110,740        | 106,039        | 381,138          |
| 3. MODERNIZATION OF<br>NAVIGATION AND ENGI-<br>NEERING DEPARTMENTS OF SMI | 1,062,544 <sup>3)</sup> | 696,444 <sup>4)</sup> | 112,819        | -              | 1,871,807        |
| <b>PROJECT TOTAL</b>  | <b>1,861,003</b>        | <b>1,419,178</b>      | <b>829,996</b> | <b>369,035</b> | <b>4,470,012</b> |

1) of which direct purchase of equipment: US\$ 450,000 (Norsk Data A/S)  
 2) " " " : US\$ 175,000 (Norsk Data A/S)  
 3) " " " : US\$ 1,000,000 (Norcontrol A/S)  
 4) " " " : US\$ 600,000 (Norcontrol A/S)

The counterpart contribution would i.e. comprise permanent offices at SMI for expatriate teachers and project management, provision of permanent class-rooms as well as facilities for ad hoc seminars and rooms for expatriate seminar lecturers, adequate administrative and other support, adequate local transport, library and computer-station services, and accommodation for foreign students/trainers.

In terms of time-allocations, Chinese personnel for participation in joint project teams and for providing the Chinese teaching component required in the undergraduate course and seminars, would amount to approximately three times that of the expatriate contribution, i.e. 3,000 man/weeks (approx. 15 man/years).

Because of differences in wage and cost-levels between China and the countries from which the expatriate components would be drawn, it is difficult to provide fully comparable figures of costs involved at expatriate and domestic level. In terms of domestic costs, the Chinese contribution would amount to approximately RMB 3 million (1.5 million US dollars).



Annex 1

1.1. TEACHER DEVELOPMENT PROGRAMME

| TERMS       | HOURS | TEACHERS | CONTRACT WEEKS | CONTRACT COSTS | TRAVELS | PER DIEM | LITERATURE/EQUIPMENT | EXTERNAL PREP. & MISC. | NET PROJECT COSTS | TOTAL INCL. 130 |
|-------------|-------|----------|----------------|----------------|---------|----------|----------------------|------------------------|-------------------|-----------------|
| 2 - 1984    | 266   | 2        | 41             | 41,000         | 6,000   | 21,525   | 2,000                | 24,475                 | (95,000)          | (107,350)       |
| 1 - 1985    | 226   | 3        | 38             | 41,800         | 9,000   | 19,950   | 3,000                | 39,750                 | 200,000           | 226,000         |
| 2 - 1985    | 254   | 4        | 44             | 48,400         | 12,000  | 23,100   | 3,000                |                        |                   |                 |
| 1 - 1986    | 244   | 3        | 40             | 50,000         | 9,000   | 28,000   | 3,000                | 23,000                 | 113,000           | 127,690         |
| TOTAL 85-86 |       |          |                |                |         |          |                      |                        | 313,000           |                 |

~~contained in budget already granted, not contained in summary of project costs~~

## Annex 2

## 1.2. UNDER-GRADUATE COURSE

| TERMS       | HOURS | TEACHERS | CONTRACT WEEKS | CONTRACT COSTS | TRAVELS | PER DIEM | LITERATURE/<br>EQUIPMENT | EXTERNAL<br>PREP. & MISC. | NET PROJECT<br>COSTS | TOTAL<br>INCL. 138 |
|-------------|-------|----------|----------------|----------------|---------|----------|--------------------------|---------------------------|----------------------|--------------------|
| 2 - 1984    | 65    | 1        | 11             | 11,000         | 3,000   | 5,775    | 4,000                    | -                         | (23,775)             | (26,866)           |
| 1 - 1985    | 65    | 1        | 11             | 12,100         | 3,000   | 5,775    | 12,000                   | 25,000                    | 101,250              | 114,413            |
| 2 - 1985    | 130   | 2        | 23             | 25,300         | 6,000   | 12,075   |                          |                           |                      |                    |
| 1 - 1986    | 180   | 2        | 29             | 36,250         | 6,000   | 20,300   | 8,000                    | 35,000                    | 206,200              | 233,006            |
| 2 - 1986    | 300   | 3        | 47             | 58,750         | 9,000   | 32,900   |                          |                           |                      |                    |
| 1 - 1987    | 320   | 3        | 49             | 68,600         | 10,000  | 34,300   | 12,000                   | 45,000                    | 310,300              | 350,639            |
| 2 - 1987    | 350   | 5        | 59             | 82,600         | 16,500  | 41,300   |                          |                           |                      |                    |
| 1 - 1988    | 90    | 1        | 15             | 22,500         | 3,500   | 10,500   | 5,000                    | 15,000                    | 56,500               | 63,845             |
| TOTAL 85-88 |       |          |                |                |         |          |                          |                           | 674,250              | 761,903            |

Annex 3

1.3. SEMINAR PROGRAMME

| ANNUAL SEMINARS | CONTRACT WEEKS | CONTRACT COSTS | TRAVELS | PER DIEM | BACKGROUND MAT. & REPORT | NET PROJECT COSTS | TOTAL INCL. 13% |
|-----------------|----------------|----------------|---------|----------|--------------------------|-------------------|-----------------|
| 1985            | 12             | 15,000         | 9,000   | 5,400    | 7,500                    | 36,900            | 41,697          |
| 1986            | 12             | 15,000         | 9,000   | 5,400    | 7,500                    | 36,900            | 41,697          |
| 1987            | 12             | 16,800         | 10,000  | 6,480    | 7,500                    | 40,780            | 46,081          |
| 1988            | 12             | 18,000         | 10,500  | 6,480    | 7,500                    | 42,480            | 48,002          |
| TOTAL 85-88     |                |                |         |          |                          | 157,060           | 177,477         |

| PROJECT ITEM                                      | CONTRACT WEEKS | CONTRACT COSTS | TRAVELS | PER DIEM | LITERATURE | HARDWARE | NET PROJECT COSTS | TOTAL INCL. 13% |
|---|----------------|----------------|---------|----------|------------|----------|-------------------|-----------------|
| <u>1985</u>                                       |                |                |         |          |            |          |                   |                 |
| 1.4.1. Shipping management                        |                |                |         |          |            |          |                   |                 |
| - principles of shipping management and financing | 24             | 30,000         | 6,000   | 2,800    |            |          |                   |                 |
| - vessel management                               | 16             | 20,000         | 3,000   | 1,400    |            |          |                   |                 |
| 1.4.2. Transport planning                         |                |                |         |          |            |          |                   |                 |
| - the need for transport (forecasting)            | 18             | 22,500         | 3,000   | 1,400    | 2,000*     |          | 561,500           | 575,735         |
| 1.4.3. Computer application project               |                |                |         |          |            |          |                   |                 |
| - installation of hardware + training             |                |                |         |          |            | 450,000* |                   |                 |
| - building a data base system                     | 12             | 15,000         | 3,000   | 1,400    |            |          |                   |                 |
| <u>1986</u>                                       |                |                |         |          |            |          |                   |                 |
| 1.4.1. Shipping management                        |                |                |         |          |            |          |                   |                 |
| - vessel management                               | 8              | 10,000         | 3,000   | 1,400    |            |          |                   |                 |
| - cost analysis and budgeting                     | 16             | 20,000         | 3,000   | 1,400    |            |          |                   |                 |
| 1.4.2. Transport planning                         |                |                |         |          |            |          |                   |                 |
| - the need for transport (forecasting)            | 18             | 22,500         | 6,000   | 2,800    |            |          |                   |                 |
| - operational planning                            | 18             | 22,500         | 3,000   | 1,400    | 2,000*     |          |                   |                 |
| 1.4.3. Computer application project               |                |                |         |          |            |          | 330,350           | 350,286         |
| - installation of hardware + training             |                |                |         |          |            | 175,000* |                   |                 |
| - building a data base system                     | 12             | 15,000         | 3,000   | 1,400    |            |          |                   |                 |
| - program development                             | 12             | 15,000         | 6,000   | 2,800    |            |          |                   |                 |
| 1.4.4. Simulation exercise development            | 7              | 8,750          | 3,000   | 1,400    |            |          |                   |                 |
| <u>1987</u>                                       |                |                |         |          |            |          |                   |                 |
| 1.4.1. Shipping management                        |                |                |         |          |            |          |                   |                 |
| - cost analysis and budgeting                     | 8              | 11,200         | 3,500   | 1,680    |            |          |                   |                 |
| - pricing and market evaluation                   | 16             | 22,400         | 3,500   | 1,680    |            |          |                   |                 |
| 1.4.2. Transport planning                         |                |                |         |          |            |          |                   |                 |
| - operational planning                            | 18             | 25,200         | 7,000   | 3,360    |            |          |                   |                 |
| - project evaluation                              | 18             | 25,200         | 3,500   | 1,680    | 2,000*     |          |                   |                 |
| 1.4.3. Computer application project               |                |                |         |          |            |          | 185,820           | 209,717         |
| - building a data base system                     | 12             | 16,800         | 3,500   | 1,680    |            |          |                   |                 |
| - program development                             | 12             | 16,800         | 7,000   | 3,360    |            |          |                   |                 |
| 1.4.4. Simulation exercise development            | 14             | 19,600         | 3,500   | 1,680    |            |          |                   |                 |
| <u>1988</u>                                       |                |                |         |          |            |          |                   |                 |
| 1.4.1. Shipping management                        |                |                |         |          |            |          |                   |                 |
| - pricing and market evaluation                   | 8              | 12,000         | 3,500   | 1,680    |            |          |                   |                 |
| 1.4.2. Transport planning                         |                |                |         |          |            |          |                   |                 |
| - project evaluation                              | 18             | 27,000         | 7,000   | 3,360    |            |          |                   |                 |
| 1.4.3. Computer application project               |                |                |         |          |            |          | 133,760           | 151,149         |
| - building a data base system                     | 12             | 18,000         | 3,500   | 1,680    |            |          |                   |                 |
| - program development                             | 12             | 18,000         | 7,000   | 3,360    |            |          |                   |                 |
| 1.4.4. Simulation exercise development            | 15             | 22,500         | 3,500   | 1,680    |            |          |                   |                 |
|   |                |                |         |          |            |          | 1,211,430         | 1,286,887       |

\* direct purchase, no counterpart contribution

## Annex 5

## 2. THE LEGAL ENVIRONMENT: MARITIME LAW, MARINE INSURANCE LAW AND INTERNATIONAL SHIPPING POLICY

| PROJECT ITEM   | CONTRACT WEEKS | CONTRACT COSTS | TRAVELS | PER DIEM | LITERATURE | NET PROJECT COSTS | TOTAL INCL. 13% |
|--|----------------|----------------|---------|----------|------------|-------------------|-----------------|
| <u>1985</u>  |                |                |         |          |            |                   |                 |
| 2.1. Teacher seminars                                    | 12             | 15,000         | 9,000   | 5,400    | 2,000      |                   |                 |
| 2.2. Joint project on maritime law case information      | 6              | 7,500          | 3,000   | 1,400    |            | 58,950            | 66,614          |
| 2.3. Joint project on shipping policy information system | 9              | 11,250         | 3,000   | 1,400    |            |                   |                 |
| <u>1986</u>  |                |                |         |          |            |                   |                 |
| 2.1. Teacher seminars                                    | 12             | 15,000         | 9,000   | 5,400    | 2,000      |                   |                 |
| 2.2. Joint project on maritime law case information      | 12             | 15,000         | 6,000   | 2,800    |            | 86,500            | 97,745          |
| 2.3. Joint project on shipping policy information system | 18             | 22,500         | 6,000   | 2,800    |            |                   |                 |
| <u>1987</u>  |                |                |         |          |            |                   |                 |
| 2.1. Teacher seminars                                    | 12             | 16,800         | 10,000  | 6,480    | 2,000      |                   |                 |
| 2.2. Joint project on maritime law case information      | 12             | 16,800         | 7,000   | 3,360    |            | 98,000            | 110,740         |
| 2.3. Joint project on shipping policy information system | 18             | 25,200         | 7,000   | 3,360    |            |                   |                 |
| <u>1988</u>  |                |                |         |          |            |                   |                 |
| 2.1. Teacher seminars                                    | 12             | 18,000         | 10,500  | 6,480    | 2,000      |                   |                 |
| 2.2. Joint project on maritime law case information      | 12             | 18,000         | 3,500   | 1,680    |            | 93,840            | 106,039         |
| 2.3. Joint project on shipping policy information system | 19             | 28,500         | 3,500   | 1,680    |            |                   |                 |
|  |                |                |         |          |            | 337,290           | 381,138         |

## Annex 6

## 3. MODERNIZATION OF NAVIGATION AND ENGINEERING DEPARTMENTS AT SMI

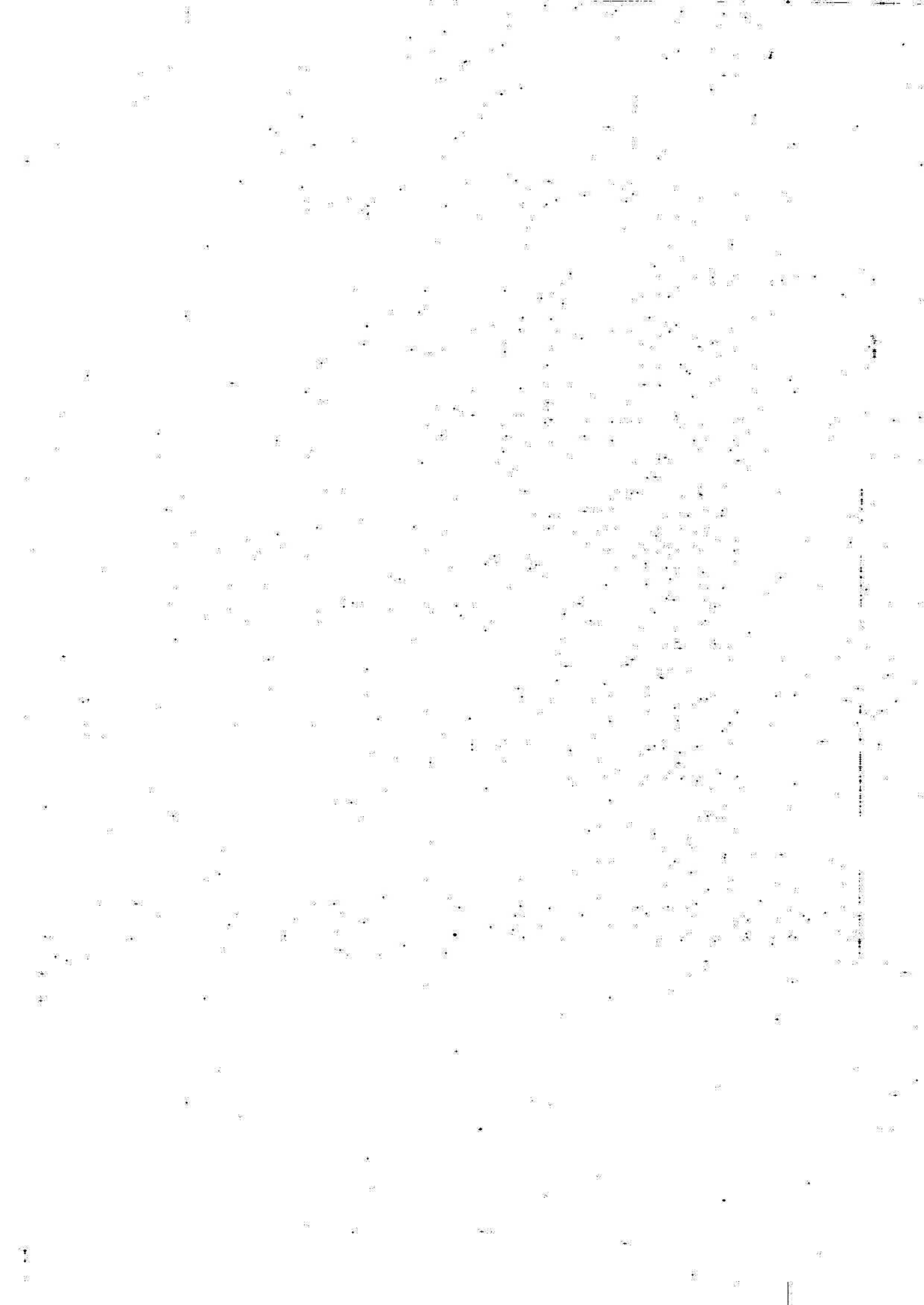
| PROJECT ITEM  | CONTRACT WEEKS | CONTRACT COSTS | TRAVELS | PER DIEM | LITERATURE | HARDWARE   | NET PROJECT COSTS | TOTAL INCL. 139 |
|---|----------------|----------------|---------|----------|------------|------------|-------------------|-----------------|
| <u>1985</u>   |                |                |         |          |            |            |                   |                 |
| 3.1. Development of curricula/syllabi   | 16             | 20,000         | 6,000   | 2,800    | 30,000*    |            | 1,058,800         | 1,062,544       |
| 3.5. Provision of hardware, training  |                |                |         |          |            | 1,000,000* |                   |                 |
| <u>1986</u>   |                |                |         |          |            |            |                   |                 |
| 3.1. Development of curricula/syllabi   |                |                |         |          | 30,000*    |            |                   |                 |
| 3.2. Upgrading courses for teachers (2)   | 24             | 30,000         | 18,000  | 10,800   |            |            | 688,800           | 696,444         |
| 3.5. Provision of hardware, training  |                |                |         |          |            | 600,000*   |                   |                 |
| <u>1987</u>   |                |                |         |          |            |            |                   |                 |
| 3.3. Assistance with developing a scheme for upgrading of officers, pilot seminars (2)  | 24             | 33,600         | 20,000  | 12,960   |            |            |                   |                 |
| 3.4. Assistance with developing training schemes for supply- and stand-by officers in off-shore oil industry, pilot seminar (1) | 12             | 16,800         | 10,000  | 5,480    |            |            | 99,840            | 112,819         |
|   |                |                |         |          |            |            | 1,847,440         | 1,871,807       |

\* direct purchase, no counterpart contribution

Summary of proposed SUCOP project costs 1985-88  
Over-all schedules of activities

| SUMMARY OF SUCOP PROJECT COSTS 85-88          | 85      | 86      | 87      | 88    | TOTAL   |
|---|---------|---------|---------|-------|---------|
| MAIN PROJECT                                  | 868,0   | 838,0   | 120,0   | 120,0 | 1,946,0 |
| REGIONAL OFF-SHOOT                            |         |         |         |       |         |
| - SMI (Cash contribution)                     | 411,0   | 644,2   | 830,0   | 369,0 | 2,254,2 |
| - SMI (Contribution in kind)                  | 1,450,0 | 775,0   | -       | -     | 2,225,0 |
| PROJECT NET TOTAL                             | 2,729,0 | 2,257,2 | 950,0   | 489,0 | 6,452,2 |
| 13% overhead on contribution in cash          | 166,3   | 192,7   | 123,5   | 63,6  | 546,1   |
| PROJECT TOTAL (NEW REQUEST) 85-88             | 2,895,3 | 2,449,9 | 1,073,5 | 552,6 | 6,971,3 |
| =====   | =====   | =====   | =====   | ===== | =====   |
| TEACHER DEV. (SMI), incl 13% (PREVIOUS GRANT) | 226,0   | 127,7   | -       | -     | 353,7   |





SPEECH BY  
YBM TENCKU RAZALEIGH HAMZAH,  
MINISTER OF TRADE AND INDUSTRY, MALAYSIA,  
AT THE 8TH. ANNUAL MEETING OF THE  
FEDERATION OF ASEAN SHIPPERS' COUNCILS (FASC)  
MONDAY 20 AUGUST 1984, AT MERLIN HOTEL,  
KUALA LUMPUR AT 9.00 A.M.

YB Encik Oo Gin Sun, Chairman FASC,  
Your Excellencies,  
Distinguished Guests,  
Ladies and Gentlemen,

On behalf of the Government of Malaysia, I would like to extend a very warm welcome to you all, and especially to our guests from other ASEAN countries, as well as those from Pakistan, the Republic of Korea, and the Secretariat of the UN Economic And Social Commission for Asia and the Pacific.

...2/-

- 2 -

2. I should also like to welcome ASEAN's newest member, Negara Brunei Darussalam. I am sure there will be a lot to share in terms of views and experience with our new member.

3. I feel greatly honoured for the privilege of addressing such a distinguished gathering of shippers, maritime experts and experts in other related fields.

4. I notice that that you have a long and broad agenda ahead of you in the next three days centred around problems and issues affecting Asean in the highly specialised field of shipping.

...3/-

10. As a result, Conferences have been freely dictating terms by imposing General Freight Rate Increases (GRIs) even though trade is hardly recovering. They impose surcharges for bunker fuel, currency variations and port congestions for periods longer than necessary. They do not adhere to satisfactory guidelines, let alone provide justifications for GRIs.

11. They base their arguments upon cost increases, and seek freight recoveries by imposing large freight increases upon low value commodities, which represent the bulk of exports

...6/-

- 6 -

from this region.

12. Repeated requests to Conferences to consider the adverse impact of their policies on the international trade of ASEAN have not been heeded. And this worries all those involved in planning for shipping in ASEAN.

13. I am told that in pushing the point to shipping Conferences, members of the Federation of ASEAN Shippers Councils (FASC) have even acted as a joint body to stress the importance of the problem, especially in terms of its direct implications on our economies.

...7/-

5. I do not wish to take much of your time, but I should like to touch on certain issues which, I believe, are most crucial to us in ASEAN at this time.

6. The problem of invisibles deficit has been a growing concern for most of us in the Third World.

7. In Malaysia alone the deficit in the services trade reached the unsettling level of \$6,560 million ringgit in 1983. Out of this, freight and insurance took \$2,467 million ringgit, or 36 per cent of the total services deficit.

...4/-

- 4 -

8. We are now exploring measures to reduce this deficit, which reflects not only a lack of shipping functions undertaken by Malaysian shippers, but a direct dependence upon foreign shipping tonnage to carry the nation's trade.

9. The pricing policies of Liner Conferences or shipping cartels have affected our export competitiveness. Even after a decade of shipper-conference relationships, the basic issues have not really been addressed. This is due to the intransigence of Conferences to accommodate views of shippers organisations.

...5/-

14. You will, therefore, appreciate why this problem with the shipping monopolies has remained a top issue within the ASEAN shipping community.

15. The most recent example of such behaviour is the Far Eastern Freight Conference's imposition of a General Rate Increase of 12 per cent, in defiance of pleas for reasonableness from shippers organisations in ASEAN.

16. The GRI was imposed early this year at a time when our economies were just coming out of the long recession.

...8/-

- 8 -

The Conference's excuse, was that they had to meet their trading requirements in certain regions. But the trade of such regions was completely unrelated to ASEAN. Yet the increase was forced upon our shippers.

17. Coming from a Conference that is considered the most important in the world today, such an attitude is most unfortunate.

18. Another example is the Malaysia Pacific Rate Agreement and the Straits New York Conference. Both serve the Pacific

...9/-

trade to the United States.

19. These Conferences have imposed increases in freight charges without holding any consultations with shippers in ASEAN. The reason for the refusal is not new to us here in ASEAN, considering the strict provisions of the United States anti-trust laws related to shipping monopolies.

20. However, the recently passed US Shipping Act 1984 is believed to contain provisions allowing for consultations with shippers organisations. But the true extent remains unclear.

...10/-

- 10 -

And so far, no clarifications have been forthcoming. This subject, I am sure, will receive serious consideration at this meeting, which should come up with some practical measures to counter the unfair unilateral actions of shipping monopolies.

Ladies and Gentlemen,

21. In the long-term interests of all involved, relations between shippers bodies and Conferences must, surely, be based on the principle of mutual trust and benefit. They must be based on cooperation, not confrontation.

...11/-



22. For quite sometime to come, the developing economies of ASEAN will need the dependence, the reliability and the efficiency of the services provided by Liner Conferences. This in turn will further encourage the movement of carques from developed nations to supply the needs of the growing economies of this region.

23. There is obviously a need for a two-way mutually beneficial marine transport network to be developed, providing the impetus for economic growth. The well-known reliability of Liner Conferences could form the basis for such a

...12/-

- 12 -

relationship. This is one cooperative and friendly approach which we, in ASEAN, are advocating, and which anyone believing in the long-term security and prosperity of world trade should support and promote.

24. After all, some national flag lines of ASEAN countries are also in the Conference. And a collapse in the conference system of international maritime trade is something no one relishes.

...13/-

Ladies and Gentlemen,

25. I am pleased to note that this meeting will also discuss cooperation in shipping on a broader scope within ASEAN. Specifically, the ASEAN Integrated Work Programme in Shipping. This important programme should be actively implemented, so that the achievement of the ultimate objective of self-reliance in shipping in ASEAN can be speeded up.

26. ASEAN as a body would certainly be keen to know of the progress to date. In this connection, I am pleased

...14/-

- 14 -

to announce that Malaysia has launched one project in the form of a company called the Malaysia Freight Booking Centre Sendirian Berhad. Its task is to assist Malaysian exporters to overcome their shipping problems. This project has the blessings of other ASEAN members and we want it to succeed.

27. There is already tremendous potential in terms of shipping capacity in ASEAN, which in 1983 alone, amounted to 13.46 million Gross Register Tonnes (GRT) or 3.2 per cent of world total.

...15/-

28. With this size of shipping, there is compelling reason for a pooling of our regional resources to achieve ASEAN's objective of self-reliance in shipping.

29. It may also be necessary in the long run to give serious thought to supporting Non-Conference services, both liner and non-liner, without giving up support altogether for the Conference system. These are the resources and the options that this meeting may wish to consider for the future. The suggestion of the joint liner service on an extra-ASEAN

...16/-

- 16 -

trade approach should, therefore, also be an appropriate measure.

Ladies and Gentlemen,

30. I am glad to see that ASEAN shippers have established links with their counterpart organisations in regions outside ASEAN. The Association of Shippers Councils for Bangladesh, India, Pakistan and Sri Lanka is represented here at this meeting. There is no question that such cooperation will benefit all concerned and should be encouraged, in the interest of more meaningful approaches to common problems.

...17/-

31. In order to be effective as an organisation, FASC must have the ability to organise properly and understand issues indepth. In this connection, FASC has benefited somewhat from the advice and support given by the UN ESCAP Secretariat.

32. The Shipusers Cooperation Project, which was generously funded by the Royal Norwegian Government, has made possible the extension of financial and technical assistance toward improving operational capability of shippers bodies. I would like to register Malaysia's appreciation to the contribution

...18/-

- 18 -

of the Norwegian Government and to the active role of the ESCAP Secretariat in ensuring that the resources were put to good use.

Ladies and Gentlemen,

33. Your work schedule may be too compact to allow for much free time to enjoy the sights in Kuala Lumpur. But I am sure this can be worked out. I wish you all a very pleasant stay here.

...19/-

34. On this friendly note, I now have great pleasure in declaring open this 8th Annual Meeting of the Federation of ASEAN Shippers Councils and hope that your discussions today and in the next two days will produce positive results for the common welfare of ASEAN.

Thank you.



ESCAP SHIP USERS' CO-OPERATION PROJECT (SUCOP)Country-Level Workshop on  
Shipping Policy Matters

16-28 May 1983

ESTIMATED COST PLANI. Expenses for ESCAP Staff Member:

## A. Mr. Lie Siao Sing

|                                   |            |              |
|-----------------------------------|------------|--------------|
| 1. Travel - Bkk/Shanghai/Bkk..... | \$US 900.- |              |
| Excess baggage.....               | \$US 675.- |              |
| Term. & misc. exp.....            | \$US 58.-  |              |
| 2. DSA (incl. travel time)        |            |              |
| \$US 47.- x 17 days.....          | \$US 799.- |              |
|                                   |            | \$US 2,432.- |

II. Expenses for lecturers:

## A. Mr. Even S. Engelstad

|  |              |              |
|--|--------------|--------------|
| 1. Travel - Oslo/Bkk/Sing/Hk/<br>Tokyo/Shanghai/Bkk..... | \$US 3,300.- |              |
| Term. & misc. exp.....                                   | \$US 130.-   |              |
| 2. DSA (incl. travel time)                               |              |              |
| \$US 47.- x 4 days in Shanghai..)                        |              |              |
| \$US 66.- x 3 days in Calcutta..)                        | \$US 914.-   |              |
| \$US 88.- x 6 days in Bkk.....)                          |              |              |
| 3. Honorarium.....                                       | \$US 3,750.- |              |
|  |              | \$US 8,094.- |

## B. Mr. Thor Falkanger

|                                     |              |              |
|-------------------------------------|--------------|--------------|
| 1. Travel - Oslo/Shanghai/Oslo..... | \$US 3,500.- |              |
| Term. & misc. exp.....              | \$US 58.-    |              |
| 2. DSA (incl. travel time)          |              |              |
| \$US 47.- x 13 days.....            | \$US 611.-   |              |
| 3. Honorarium.....                  | \$US 3,750.- |              |
|                                     |              | \$US 7,919.- |

## C. Mr. Gerard Verhaar

|                                     |              |              |
|-------------------------------------|--------------|--------------|
| 1. Travel - Ams/HK/Shanghai/Ams.... | \$US 3,300.- |              |
| Term. & misc. exp.....              | \$US 82.-    |              |
| 2. DSA (incl. travel time)          |              |              |
| \$US 47.- x 12 days in Shanghai.)   |              |              |
| \$US 138.- x 2 days in HK.....)     | \$US 840.-   |              |
| 3. Honorarium.....                  | \$US 3,750.- |              |
|                                     |              | \$US 7,972.- |

\$US 26,417.-

=====



b/f

\$US 26,417.-

## D. Mr. Rolf Bjarne Saether

|  |              |
|--|--------------|
| 1. Travel - Brussels/Bkk/Shanghai/.... | \$US 3,500.- |
| Term. & misc. exp.....                 | \$US 58.-    |
| 2. DSA (incl. travel time)             |              |
| \$US 48.- x 13 days in Shanghai.....   | \$US 611.-   |
| 3. Honorarium.....                     | \$US 3,750.- |
|  | \$US 7,919.- |

## E. Mr. Roberto Salvarani

|                                       |              |
|---------------------------------------|--------------|
| 1. Travel - Brussels/Bkk/Shanghai/    |              |
| Brussels.....                         | \$US 3,300.- |
| Term. & misc. exp.....                | \$US 82.-    |
| 2. DSA (incl. travel time)            |              |
| \$US 88.- x 6 days in Bkk.....)       |              |
| \$US 47.- x 12 days in Shanghai.....) | \$US 1,092.- |
| 3. Honorarium.....                    | \$US 3,750.- |
|                                       | \$US 8,224.- |

III. Expenses for Resource Person

## A. Ms. Randi Slind

|                                   |              |
|-----------------------------------|--------------|
| 1. Travel - Oslo/HK/Shanghai/Bkk/ |              |
| Oslo.....                         | \$US 3,300.- |
| Term. & misc. exp.....            | \$US 130.-   |
| 2. DSA (incl. travel time)        |              |
| \$US 138.- x 4 days.....)         |              |
| \$US 47.- x 15 days.....)         | \$US 1,785.- |
| \$US 88.- x 6 days.....)          |              |
|                                   | \$US 5,215.- |

IV. Miscellaneous.....\$US 1,000.-

TOTAL: charge to line 3.2.....\$US 49,867.-

V. UN Administrative Overhead

13% of US\$ 49,867.-.....\$US 6,483.-

GRAND TOTAL.....\$US 56,350.-

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ESCAP SHIP USERS' CO-OPERATION PROJECT

Country-level Workshop on Port Environment of  
Shippers, 5-10 December 1983, Calcutta

\*\*\*\*\*

I. Expenses for participants

## (a) Cost of round-trip economy airfares

| Country    | Itinerary   | Round-trip<br>per person<br>(US\$) | No. of persons | Total<br>airfares<br>(US\$) |
|------------|-------------|------------------------------------|----------------|-----------------------------|
| Bangladesh | DAC/CCU/DAC | 550.-                              | 2              | 1,100                       |

(b) Cost of DSA  
US\$63 x 8 days x 2 persons.....1,008

II. Expenses for lecturers

## (a) Mr. E.S. Engelstad

(1) Travel - OSL/CCU/OSL.....\$2,300  
Term. & misc. expenses.....\$ 58  
(2) DSA - \$63 x 9 days.....\$ 567  
(3) Honorarium.....\$2,500

\$ 5,425

## (b) Mr. J.M. Rossington

(1) Travel - LDN/CCU/LDN.....\$2,300  
Term. & misc. expenses.....\$ 58  
(2) DSA - \$63 x 9 days.....\$ 567  
(3) Honorarium.....\$2,500

\$ 5,425

## (c) Mr. S.K. Gupta

(1) Honorarium.....\$1,000

## (d) Mr. T.C. Dutt

(1) Honorarium.....\$ 250

\$ 1,250

Grand total.....\$ 14,208

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ESCAP SHIP USERS' CO-OPERATION PROJECT

Regional Workshop on the Implications of UN Liner Code for  
Maritime Parties in the ESCAP Region, 5-9 March 1984  
Bangkok

\*\*\*\*\*

I. Expenses for participants(a) Cost of round-trip economy airfares

| Country          | Itinerary   | Round-trip<br>per person<br>(US\$) | No. of persons | Total airfares<br>(US\$) |
|------------------|-------------|------------------------------------|----------------|--------------------------|
| Australia        | SYD/BKK/SYD | 2,250                              | 1              | 2,250                    |
| Bangladesh       | DAC/BKK/DAC | 500                                | 2              | 1,000                    |
| China            | PEK/BKK/PEK | 950                                | 2              | 1,900                    |
| Hong Kong        | HKG/BKK/HKG | 530                                | 2              | 1,060                    |
| India            | DEL/BKK/DEL | 695                                | 2              | 1,395                    |
| Korea            | SEL/BKK/SEL | 1,200                              | 1              | 1,200                    |
| Malaysia         | KUL/BKK/KUL | 410                                | 2              | 820                      |
| Pakistan         | KHI/BKK/KHI | 800                                | 2              | 1,600                    |
| Papua New Guinea | POM/BKK/POM | 2,000                              | 1              | 2,000                    |
| Philippine       | MNL/BKK/MNL | 790                                | 2              | 1,580                    |
| Singapore        | SIN/BKK/SIN | 500                                | 2              | 1,000                    |
| Sri Lanka        | CMB/BKK/CMB | 700                                | 2              | 1,400                    |
| Thailand         | -           | -                                  | 13             | -                        |
|                  |             |                                    | 34             | 17,205                   |

(b) DSA

|     |                                 |          |
|-----|---------------------------------|----------|
| (1) | \$88 x 7 days x 21 persons..... | \$12,936 |
| (2) | \$104 x 1 day x 1 person.....   | \$ 104*/ |

\$13,040

II. Expenses for lecturers(a) Mr. E.J.M. Verhaar

|     |                             |          |
|-----|-----------------------------|----------|
| (1) | Travel - AMS/BKK/AMS.....   | \$ 2,188 |
|     | Term. & misc. expenses..... | \$ 58    |
| (2) | DSA - \$88 x 7 days.....    | \$ 616   |
| (3) | Honorarium.....             | \$ 3,175 |

\$ 6,037

(b) Mr. R.W.D. MacIntosh

|     |                             |          |
|-----|-----------------------------|----------|
| (1) | Travel - LDN/BKK/LDN.....   | \$ 2,900 |
|     | Term. & misc. expenses..... | \$ 58    |
| (2) | DSA - \$88 x 7 days.....    | \$ 616   |
| (3) | Honorarium.....             | \$ 2,500 |

\$ 6,074

Grand Total.....\$43,356

\* / DSA of 1 day in Singapore provided for PNG participant due to flight connections.

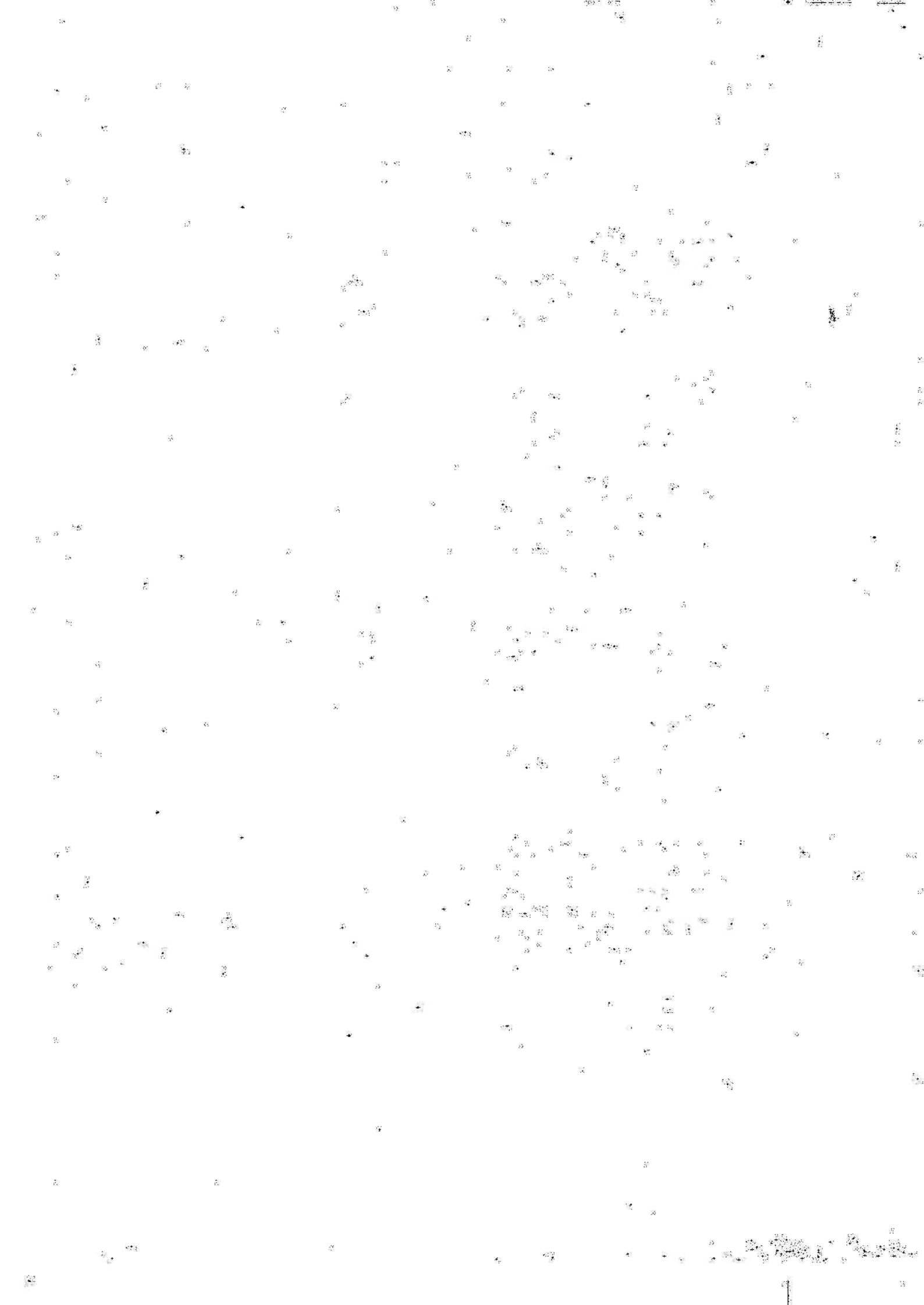
SEMINAR ON FREIGHT FORWARDING  
9-13 April 1984, Beijing

I. Expenses for lecturers

|                                    |          |  |          |
|------------------------------------|----------|--|----------|
| (a) Mr. W. Zeilbeck                |          |  |          |
| (1) Travel - ZRH/PEK/ZRH.....      | \$ 2,900 |  |          |
| Term. & misc. expenses.....        | \$ 58    |  |          |
| (2) DSA - \$56 x 7 days.....       | \$ 392   |  |          |
|                                    |          |  | \$ 3,350 |
| <br>                               |          |  |          |
| (b) Mr. A. Horisaki                |          |  |          |
| (1) Travel - TYO/PEK/TYO.....      | \$ 850   |  |          |
| Term. & misc. expenses.....        | \$ 58    |  |          |
| (2) DSA - \$56 x 6 days.....       | \$ 336   |  |          |
|                                    |          |  | \$ 1,244 |
| <br>                               |          |  |          |
| (c) Mr. T. Matsuo                  |          |  |          |
| (1) Travel - TYO/PEK/TYO.....      | \$ 850   |  |          |
| Term. & misc. expenses.....        | \$ 58    |  |          |
| (2) DSA - \$56 x 5 days.....       | \$ 280   |  |          |
|                                    |          |  | \$ 1,188 |
| <br>                               |          |  |          |
| (d) Mr. H.J. Buehler               |          |  |          |
| (1) Travel - ZRH/PEK/ZRH (50%).... | \$ 1,450 |  |          |
| Term. & misc. expenses.....        | \$ 58    |  |          |
| (2) DSA - \$56 x 6 days.....       | \$ 336   |  |          |
|                                    |          |  | \$ 1,844 |
| <br>                               |          |  |          |
| (e) Mr. A. Parikh                  |          |  |          |
| (1) Travel - BOM/PEK/BOM (25%).... | \$ 450   |  |          |
| Term. & misc. expenses.....        | \$ 58    |  |          |
| (2) DSA - \$56 x 7 days.....       | \$ 392   |  |          |
|                                    |          |  | \$ 900   |

II. Expenses for ESCAP staff members

|                               |        |  |                          |
|-------------------------------|--------|--|--------------------------|
| (a) Mr. D. Koludrovic         |        |  |                          |
| (1) Travel - BKK/PEK/BKK..... | \$ 950 |  |                          |
| Term. & misc. expenses.....   | \$ 58  |  |                          |
| (2) DSA - \$56 x 5 days.....  | \$ 280 |  |                          |
| - \$119 x 1 day (HKG).....    | \$ 119 |  |                          |
|                               |        |  | \$ 1,407                 |
| <br>                          |        |  |                          |
| (b) Mr. P.K. Lim              |        |  |                          |
| (1) Travel - BKK/PEK/BKK..... | \$ 950 |  |                          |
| Term. & misc. expenses.....   | \$ 58  |  |                          |
| (2) DSA - \$56 x 5 days.....  | \$ 280 |  |                          |
| \$119 x 1 day (HKG).....      | \$ 119 |  |                          |
|                               |        |  | \$ 1,407                 |
|                               |        |  |                          |
|                               |        |  | Grand total.....\$11,340 |



Bilateral Assistance to Regional Projects  
1983

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|   | <u>US\$</u> |
|---|-------------|
| 1. <u>UNITED NATIONS REGULAR PROGRAMME</u>  |             |
| Mr. O.P. Narula's services as Regional Adviser<br>on Dredging for Ports and Inland Waterways      |             |
| 2. <u>UNITED NATIONS DEVELOPMENT PROGRAMME</u>  |             |
| - Regional Co-operation in Shipping, Ports and<br>Inland Waterways                                | 184,299     |
| - Development of Maritime Transport Resources<br>and Sub-regional Co-operation in ASEAN countries | 188,800     |
| 3. <u>EXTRA-BUDGETARY ASSISTANCE (FUNDS-IN-TRUST)</u>   |             |
| (i) <u>France</u>   |             |
| - Provision of services of an expert on<br>inland Waterways (8 months)                            | 66,600      |
| - Seminar on Inland Waterways   | 60,000      |
| (ii) <u>Denmark</u>   | 15,000      |
| (iii) <u>Japan</u>  |             |
| - Seminar-cum-Study Tour on Coastal Shipping  | 71,665      |
| - Seminar on Seafarers' Training and Certification  | 66,569      |
| - Provision of services of a shipping expert  | 80,000      |
| - Provision of services of a port expert  | 80,000      |
| - Japan Shipbuilding Industry Foundation's<br>grant for Seafarers' Training Centers in China      | 200,201.53  |
| (iv) <u>Malaysia</u>  |             |
| Implementation of Model Port Information Systems  | 16,950      |

|   | <u>US\$</u>                  |
|---|------------------------------|
| (v) <u>Netherlands</u>                                |                              |
| - Maritime Law Phase II (Philippines Project)         | 54,327                       |
| - Implementation of Maritime Legislation              | 190,160                      |
| (vi) <u>Norway</u>                                    |                              |
| Ship-users' Co-operation Project                      | 735,499.57                   |
| (vii) <u>United Kingdom</u>                           |                              |
| Country-level Training Seminar on Planned Maintenance | 32,843.24                    |
| (viii) <u>USSR</u>                                    |                              |
| Provision of shipping expert                          | <u>20,000</u>                |
| Total   | <u>2,062,914.34</u><br>===== |



Bilateral Assistance to Regional Projects  
1982

|   | <u>\$US</u> |
|---|-------------|
| <b>1. <u>UNITED NATIONS REGULAR PROGRAMME</u></b>   |             |
| Mr. O.P. Narula's services as Regional Adviser<br><i>dredging of</i><br>on/Ports and Inland Waterways |             |
| <b>2. <u>UNITED NATIONS DEVELOPMENT PROGRAMME</u></b>   |             |
| - Regional Co-operation in Shipping, Ports and<br>Inland Waterways                                    | 189,500     |
| - Development of Maritime Transport Resources<br>and Sub-regional Co-operation in ASEAN Countries     | -           |
| <b>3. <u>EXTRA-BUDGETARY ASSISTANCE (FUNDS-IN-TRUST)</u></b>  |             |
| <b>(i) <u>France</u></b>  |             |
| Provision of services of an expert on inland waterways  | 100,000     |
| <b>(ii) <u>Japan</u></b>  |             |
| - Port Development Policy Seminar   | 27,889      |
| - Provision of services of a shipping expert  | 80,000      |
| - Provision of services of a port expert  | 80,000      |
| <b>(iii) <u>Netherlands</u></b>   |             |
| - IMA (Phase II)  | 70,000      |
| - Maritime Model Law (Phase III)  | 25,000      |
| - Riverine port development and feeder services<br>in Bangladesh                                      | 54,000      |
| <b>(iv) <u>New Zealand</u></b>  |             |
| - Seminar on Port Containerization  | 19,893.58   |
| <b>(v) <u>Norway</u></b>  |             |
| - Ship-Users' Co-operation Project  | 690,447.10  |
| <b>(vi) <u>Poland</u></b>   |             |
| - Provision of services of a compute system analyst   |             |

|   | <u>\$US</u>           |
|---|-----------------------|
| (vii) <u>United Kingdom</u>   |                       |
| - Workshop on Planned Maintenance for Port Equipment  | 40,000                |
| (viii) <u>USSR</u>  |                       |
| - Provision of services of an expert to carry out<br>Jute Snipping Study in Bangladesh, India and Nepal | 20,000                |
|   | <hr/>                 |
| TOTAL   | 1,396,729.68<br>===== |

Bilateral Assistance for 1981

|  | <u>US\$</u>         |
|--|---------------------|
| 1. <u>UNITED NATIONS REGULAR PROGRAMME</u>   |                     |
| 2. <u>UNITED NATIONS DEVELOPMENT PROGRAMME</u>   |                     |
| - Regional Co-operation in Shipping, Ports and<br>Inland Waterways                                       | 83,671.-            |
| - Seminar-cum-Study Tour on Inland Ports and Waterways   | 70,397.-            |
| - Mobile Training Seminar on Ship Financing  | 50,000.-            |
| 3. <u>EXTRA-BUDGETARY ASSISTANCE</u>   |                     |
| (i) <u>FRANCE</u>  |                     |
| - Provision of services of Expert on Inland<br>Waterways (J.M. Deplaix)                                  | 100,000.-           |
| (ii) <u>JAPAN</u>  |                     |
| - Provision of services of Senior Shipping Expert<br>(J. Ohsaki)   | 70,000.-            |
| - Provision of services of Port Expert (I. Irie)   | 70,000.-            |
| (iii) <u>NETHERLANDS</u>   |                     |
| - Maritime Model Law   | 30,360.-            |
| - Inventory of Maritime Capacities and<br>Activities, Phase I, Part (i)                                  | 90,000.-            |
| (iv) <u>NORWAY</u>   |                     |
| - Ship-Users' Co-operation Project   | 747,050.52          |
| (v) <u>UNITED KINGDOM</u>  |                     |
| - Provision of services of Experts on Port<br>Information Systems (Sir Peter Austin<br>Mr. Brian Cousen) | 100,000.-           |
| (vi) <u>TCDC/ECDC SUPPLEMENTARY FUNDING</u>  | <u>937.-</u>        |
| Total for 1981   | <u>1,412,415.52</u> |

Bilateral Assistance for 1980

|  | <u>US\$</u>           |
|--|-----------------------|
| <b>1. <u>UNITED NATIONS REGULAR PROGRAMME</u></b>  |                       |
| - Mr. N.V.A. Narasimham's services on<br>Freight Study Units (L-5 Step 4)                                  | 45,000.-              |
| <b>2. <u>UNITED NATION DEVELOPMENT PROGRAMME</u></b>   |                       |
| - Regional Co-operation in Shipping, Ports and<br>Inland Waterways (RAS/78/041) (Umbrella Project)         | 261,050.-             |
| - Development Analysis and Implementation of Economic<br>Data on Shipping (L-2 Scheme Shipping Statistics) | 115,700.-             |
| <b>3. <u>EXTRA-BUDGETARY ASSISTANCE (FUNDS-IN-TRUST)</u></b>   |                       |
| <b>(i) <u>FRANCE</u></b>   |                       |
| - Provision of services of Expert on Inland<br>Waterways (J.M. Deplaix)                                    | 100,000.-             |
| - Paris Seminar  | 60,000.-              |
| <b>(ii) <u>JAPAN</u></b>   |                       |
| - Seminar on Planning & Management   | 69,295.-              |
| - JASIF Grant for Seafarers' Training Centres in India,<br>the Philippines and Thailand                    | 227,690.89            |
| - Provision of services of Senior Shipping Expert<br>(K. Enomoto)  | 70,000.-              |
| - Provision of Port Expert (I. Irie)   | 70,000.-              |
| <b>(iii) <u>NETHERLANDS</u></b>  |                       |
| - Maritime Model Law for the region  | 51,357.-              |
| - Port Clearance Procedures and Inland Transport<br>Systems  | 62,700.-              |
| - Impact of Containerization on the Transport Systems<br>of Developing countries in the ESCAP Region       | 53,580.-              |
| - Ad Hoc Advisory Services for Bulk Cargo Handling<br>- Ports  | 20,000.-              |
| <b>(iv) <u>NORWAY</u></b>  |                       |
| - Ship Users' Co-operation Project   | 996,796.-             |
| <b>(v) <u>UNITED KINGDOM</u></b>   |                       |
| - Provision of services of Expert on Maritime<br>Training (L.J. Money)                                     | 8,000.-               |
| - Port Information System  | 80,000.-              |
| <b>(vi) <u>USSR</u></b>  |                       |
| - Provision of services of Shipping Expert<br>(V.M. Saveliev)  | 60,000.-              |
| Total  | 1,840,000.89<br>===== |

Bilateral Assistance for 1979

|  | <u>US\$</u>  |
|--|--------------|
| 1. <u>UNITED NATIONS REGULAR PROGRAMME</u>   |              |
| - Mr. N.V.A. Narasimham's regional advisory services on freight study units  | 43,000.-     |
| 2. <u>UNITED NATIONS DEVELOPMENT PROGRAMME</u>   |              |
| - Regional co-operation in shipping, ports and inland waterways (RAS/78/041)   | 114,503.-    |
| - Development and analysis of economic data on shipping  | 95,100.-     |
| - Seminar on Ship Chartering   | 113,348.-    |
| 3. <u>EXTRA-BUDGETARY ASSISTANCE (FUNDS-IN-TRUST)</u>  |              |
| (i) <u>AUSTRALIA</u>   |              |
| - Workshop on Shippers' Co-operation: Australia's Overseas Liner Shipping: Policy and Practices  | 45,000.-     |
| (ii) <u>FRANCE</u>   |              |
| - Expert's visit on inland waterways (J.M. Deplaix)  | 10,000.-     |
| (iii) <u>INDIA</u>   |              |
| - Expert's participation in the prefeasibility study mission in shipping, ports, inland waterways and dredging to the Socialist Republic of Vietnam (Mr. O.P. Narula - TCDC) | 1,644.-      |
| (iv) <u>JAPAN</u>  |              |
| - Provision of services of a senior shipping expert  | 65,000.-     |
| - Provision of services of a port expert   | 65,000.-     |
| - JASIF Grant to Seafarers' Training Institutions in India, Philippines and Thailand (survey mission)  | 25,984.56    |
| (v) <u>NETHERLANDS</u>   |              |
| - Development of optimal regional shipping network (additional costs)  | 45,600.-     |
| - Study on the preparatory work for establishing a regular regional training course or seminar programme in shipping management  | 37,050.-     |
| (vi) <u>NORWAY</u>   |              |
| - Ship Users' Co-operation Project   | 926,519.15   |
| (vii) <u>UNITED KINGDOM</u>  |              |
| - Expert on maritime training  | 10,000.-     |
| (viii) <u>USSR</u>   |              |
| - Provision of services of a shipping expert (V. Saveliev)   | 65,000.-     |
| - Expert's participation in the prefeasibility study mission in shipping, ports, inland waterways and dredging to the Socialist Republic of Vietnam                          | 10,000.-     |
| Total  | 1,677,308.71 |
|  | =====        |

Bilateral Assistance for 1978

|   | <u>US\$</u>         |
|---|---------------------|
| 1. <u>UN REGULAR PROGRAMME</u>  |                     |
| - Mr. N.V.A. Narasimham's services on<br>Freight Study Units (L5 step 2)  | 40,000.00           |
| 2. <u>UNDP</u>  |                     |
| - Development Analysis and Implementation of<br>Economic Data and Shipping  | 37,300.00           |
| 3. <u>EXTRA-BUDGETARY ASSISTANCE (FUNDS-IN-TRUST)</u>   |                     |
| (i) <u>Japan</u>  |                     |
| - Shipping Management and Policy Seminar  | 50,000.00           |
| - Provision of services of a senior<br>shipping expert  | 65,000.00           |
| - Provision of services of a port expert  | 65,000.00           |
| (ii) <u>Netherlands</u>   |                     |
| - Regional Pivot Ports and Feeder<br>Shipping Services  | 70,000.00           |
| - Analysis of Vessel Delays in Regional Ports   | 12,550.00           |
| - Ad hoc advisory services/consultations  | 20,000.00           |
| - Possibilities of job creations with the<br>introduction of Modern Transportation<br>Systems in a port in the ESCAP region | 85,000.00           |
| (iii) <u>Norway</u>   |                     |
| - Ship Users' Co-operation Project  | 833,010.46          |
| - Port Management   | 194,080.54          |
| (iv) <u>USSR</u>  |                     |
| - Provision of services of a shipping expert  | 65,000.00           |
| (v) <u>United Kingdom</u>   |                     |
| - Provision of services of expert on maritime<br>training (4 months)  | <u>20,000.00</u>    |
| Total for 1978  | <u>1,556,941.00</u> |

Bilateral Assistance for 1977

|   | <u>US\$</u>                  |
|---|------------------------------|
| 1. <u>UN REGULAR PROGRAMME</u>  |                              |
| - Mr. R.G. Emata's regional advisory services on shippers' organizations            | 18,667.-                     |
| 2. <u>UNDP</u>  |                              |
| - Development and analysis of economic data on shipping                             | 54,328.-                     |
| 3. <u>EXTRA-BUDGETARY ASSISTANCE (FUNDS-IN-TRUST)</u>                               |                              |
| (i) <u>Germany (Federal Republic of)</u>  |                              |
| - Provision of services of an expert on inland waterways and inland water transport | 32,046.-                     |
| (ii) <u>Japan</u>   |                              |
| - Provision of services of a senior shipping expert                                 | 62,000.-                     |
| - Provision of services of a port expert  | 62,000.-                     |
| - UNCTAD/ESCAP Seminar on Port Planning, 17-28 October 1977, Manila                 | 6,348.-                      |
| (iii) <u>Netherlands</u>  |                              |
| - Development of an optimal regional shipping network                               | 162,480.-                    |
| - Annual review of shipping   | 28,500.-                     |
| - Short-term advisory missions  | 10,000.-                     |
| - Provision of a regional port adviser  | 30,300.-                     |
| (iv) <u>Norway</u>  |                              |
| - Ship Users' Co-operation Project  | 908,577.19                   |
| (v) <u>USSR</u>   |                              |
| - Provision of services of a shipping expert  | 62,755.-                     |
| Total   | <u>1,438,001.19</u><br>===== |



## SUMMARY

XB Financial Assistance  
1974-76

|   |      |                       |
|---|------|-----------------------|
| 1974 (Norway 7,500 and others)                    | US\$ | 150,000               |
| 1975  |      | ,150,000              |
| 1976 (UK 30,000, Japan 21,000,<br>Norway 121,000) |      | <u>176,000</u>        |
|   | US\$ | <u><u>476,000</u></u> |

EXTRA-BUDGETARY RESOURCES RAISED/PLEDGED 1968-1973  
FOR SHIPPING PURPOSES UNDERTAKEN BY THE INTERNATIONAL TRADE DIVISION

| <u>Country (Agency)</u>        | <u>Project</u>   | <u>\$</u>               | <u>\$</u>      |
|--------------------------------|--|-------------------------|----------------|
| 1. SWEDEN (SIDA)               | (a) Financed and expertise provided for First Training Course on Shipping Economics and Administrative Policy (January 1970) | 35,000                  |                |
|                                | (b) Additional assistance requested L.2 scheme   | <u>93,000</u>           | 128,000        |
| 2. UNITED KINGDOM (IDO)        | (a) Assistance to develop and implement statistics L.2 scheme (Professor A.A. Walters)                                       | 20,000                  |                |
|                                | (b) Training Course in Shipping: Tramp, Tanker and purpose built vessels management, Singapore May 1972                      | 35,000                  |                |
|                                | (c) Maritime Training, implementation of Commission's Resolution 108 (XXVI) - Mr. L. Money services provided twice 1971/73   | 45,000                  |                |
|                                | (d) Professor E. Bennathan - Shippers' Meeting November 1971   | <u>3,000</u>            | 103,000        |
| 3. NORWAY (NORAD)              | (a) Port Development and Domestic Shipping long-term work programme (Mr. P. Omtvedt)   | 8,000                   |                |
|                                | (b) Shippers' Council Project 1971/72 including November 1971 meeting<br>Mr. P. Glatved - one year service                   | 50,000<br><u>48,000</u> | 106,000        |
| 4. FEDERAL REPUBLIC OF GERMANY | (a) Shipping and Ocean Freight Rates, Work Programme for 1971-1975, P. Bethkenhagen  | <u>48,000</u>           | 48,000         |
|                                | (b) Additional assistance promised   |                         |                |
| 5. NETHERLANDS                 | (a) Training Course in Shipping, 1973, Jakarta   | 33,000                  |                |
|                                | (b) Discussing possibility to provide Trade Division with a shipping officer   | 40,000                  |                |
|                                | (c) Additional assistance promised Maritime Training Centre  | <u>10,000</u>           | <u>83,000</u>  |
|                                |  |                         | <u>468,000</u> |



