



USAID | **FACILITANDO COMERCIO**

Annual Report October 2011 – September 2012

Peru and Andean Trade Capacity Building
Program: USAID/Facilitando Comercio

October 2012

This publication was produced by Nathan Associates Inc. for review by the United States Agency for International Development.

Annual Report October 2011 – September 2012

Peru and Andean Trade Capacity Building
Program: USAID/Facilitando Comercio

Contract No. EEM-I-00-07-00009-00, TO AID-527-TO-10-00002

DISCLAIMER

This document is made possible by the support of the American people through the United States Agency for International Development (USAID). Its contents are the sole responsibility of the author or authors and do not necessarily reflect the views of USAID or the United States Government.

Glossary

ADSL	Asymmetric Digital Subscriber Line
AEO	Authorized Economic Operator
BASC	Business Alliance to Promote Secure Commerce (Bolivia)
CADEX	Chamber of Exporters of Santa Cruz (Bolivia)
CADEXCO	Chamber of Exporters of Cochabamba (Bolivia)
	Chamber of Industry, Commerce, Services & Tourism of Santa Cruz (Bol)
CAINCO	
CANEB	Bolivian Institute of Foreign Commerce
COO	Certificate of Origin
DIAN	Direction of National Taxes and Customs (Colombia)
DIGEMID	General Direction of Medicine and Drugs
DIGESA	General Direction of Health and Environment
DIJIN	Direction of Criminal Investigation and INTERPOL (Colombia)
FCC	Federal Communications Commission
FUNDES	Foundation for Sustainable Development
GOC	Government of Colombia
GOE	Government of Ecuador
GOP	Government of Peru
GOB	Government of Bolivia
HACCP	Hazard Analysis and Critical Control Points (Certification)
IBCE	Bolivian Institute of Foreign Commerce
IBNORCA	Bolivian Institute of Normalization and Quality
	National Institute for the Protection of Intellectual Property, Ecuador
IEPI	
INDECI	National Institute of Civil Defense
	National Institute for the Defense of Consumers and Intellectual Property
INDECOPI	
ISO	International Standards Organization
ISPS	International Ship and Port Facility Security Code
MEF	Ministry of Economy and Finance
MINCETUR	Ministry of Foreign Trade and Tourism
MINJUS	Ministry of Justice
MIS	Management Information System
MOL	Ministry of Labor
MTC	Ministry of Transportation and Communications
MVNO	Mobile Virtual Network Operators
NB	Bolivian Regulation
NCC	National Competitiveness Council
NLPL	New Labor Procedural Law
OPDAT	Office of Overseas Prosecutorial Development, Assistance and

	Training
OSIPTTEL	Oversight Organism of Private Investment in Telecommunications
PMM	Program for Municipal Modernization
PMS	Public Management Secretariat
PTPA	Peru Trade Promotion Agreement
SADA	Customs Anticipated Dispatch System
SENASA	National Service of Agricultural Sanitation
SIC	Colombian Superintendence of Industry and Commerce
SME	Small and Medium Enterprise
TLT	Trademark Treaty
USG	United States Government
VUCE / SW	Single Window of Foreign Trade

Contents

I.	Executive Summary	6
II.	Introduction	10
III.	Activities and Major Achievements - Peru	14
	Component 1: Labor	14
	Component 2: Intellectual Property	21
	Component 3: Trade Facilitation	26
	Component 4: Administrative Simplification	33
	Component 5: Medicines	38
	Component 6: Telecommunications	39
IV.	Activities and Major Achievements – Andean Region	40
	Bolivia	40
	Colombia	42
	Component 2: Intellectual Property Rights	42
	Component 3: Trade Facilitation	46
	Demand Driven Technical Assistance	48
	Ecuador	49
V.	Allocation of Financial Resources	51
VI.	Performance Management Indicators	53
	Peru Indicators	53
	Colombia Indicators	61

I. Executive Summary

The present report summarizes USAID | Facilitando Comercio's main results and activities during the second year of the Project (October 2011 – September 2012). During this time the Project conducted activities in Peru, Colombia, Bolivia and Ecuador, contributing to strengthening trade capacities throughout the region.

Trade Promotion Agreements (TPAs) are important in fostering an enabling environment for trade capacity building initiatives. In Peru, the PTPA with the U.S. entered in to force on February 1, 2009. Since then the Peruvian Government (GOP) has continued efforts to fully implement the PTPA and strengthen trade capacities. In this context, throughout the past two years USAID | Facilitando Comercio has consolidated its position as a key GOP counterpart on a wide variety of trade-related policy and institutional reforms.

In addition, since 2012 the Project has implemented a monitoring matrix to track the implementation of PTPA requirements within the GOP. This tool is periodically updated based on meetings with different GOP officials from the Ministry of Commerce and other related entities, and shared with them in order to encourage action on PTPA commitments that are not fully implemented.

On October 12th 2011 the U.S. Congress ratified the CTPA with Colombia and suddenly made trade facilitation a high priority for the Government of Colombia (GOC). Accordingly, during its second year, USAID | Facilitando Comercio developed and put in action an enriched work plan to support the implementation of the CTPA, particularly in the customs area.

During the review period, USAID | Facilitando Comercio carried out work in Peru across the project's six components, implementing activities with a wide variety of public and private counterparts, including the Judiciary, the Ministry of Labor, the National Institute for the Defense of Competition and the Protection of Intellectual Property, and the Ministry of Foreign Trade and Tourism, among others. Support has been provided to 21 government institutions and 32 local municipalities and has included a total of 193 training events attracting 6,205 officials and entrepreneurs.

Regarding regional activities, the Project has focused on Intellectual Property and Trade Facilitation activities. In Colombia, the Project has worked with the Superintendence of Industry and Commerce (SIC) to reduce the number of backlogged IP cases, achieving a complete elimination of the backlog for trademark reconsiderations and cancelations and reducing the backlog of trademark oppositions by 65 percent. In addition, 8 institutions among the public and private sector have received technical support from the Project.

In Ecuador, two activities are currently underway: one to promote secure commerce certification by 40 Ecuadorian MSEs and the other to promote the differentiation of a cacao variety in the market. Because of the Bolivian government's reluctance to work with USAID, the Project has focused on activities with private sector counterparts. In that regard, it's expected that more than 90 MSEs will undertake training in trade and intellectual property topics.

The Project's key accomplishments in the evaluated period include:

<i>Peru</i>	
<i>Labor</i>	<ul style="list-style-type: none"> • Support the implementation of the new Labor Procedural Law (LPL) by helping to develop a Monitoring System with specific indicators, elaborating flowcharts and regulations regarding the new law and performing the first labor plenary meeting to standardize jurisdictional criteria of judges from the Supreme Court. • Optimize the inspection procedures by introducing new informatics tools to improve programming of inspections, workload distribution among inspectors and other operational and functional features. • Training for 75 MINJUS' officials and 35 Ministry of Labor public defenders and officials in the application of the new LPL. • Design of a "Basic Performance Protocol for Labor Conciliators" in order to improve and promote labor conciliation as an alternative to solve labor conflicts.
<i>Intellectual Property</i>	<ul style="list-style-type: none"> • Antipiracy campaign was launched in Lima, Piura, Chiclayo, Trujillo, Arequipa and Tacna and reached more than 1500 students from schools and universities. • Design and printing of 500 copies of the Manual for Patent Examiners to be used by INDECOPI. A course, based on the Manual, was initiated to train 40 new Patent Examiners. • Performance of the Tenth and Eleventh National Inventions Contest. 2 Inventors received worldwide recognition in the Geneva's International Inventions Fair.
<i>Trade Facilitation</i>	<ul style="list-style-type: none"> • Assessment and guidance to improve more than 150 trade- related procedures comprised in the VUCE, involving 12 regulatory bodies from more than 10 ministries. Five adjustments are already in place and 28 more are to be enacted. • Handbooks on PTPA rules of origin in textile and agriculture sectors were published. They are the first ever specialized publication regarding these rules. • Anticipated Dispatch Procedure trainings covering 13 cities and 601 attendees among public officials, entrepreneurs and general public. • Trainings in Public and Customs Law for 841 Single Window public officials and private sector across 12 cities of Peru.
<i>Administrative Simplification</i>	<ul style="list-style-type: none"> • Presentation and dissemination of the "Exploratory Study on Municipal Regulation for Businesses". 2,000 copies are being distributed among municipalities, specialists and public and private institutions. • Administrative Simplification Diploma for Municipal Officials: 2,500 are expected to receive the Diploma. • Development of reform proposals for the operating license procedure in 32 local municipalities, of which 27 have already put the reform in

	<p>place. Results show an average reduction from 174 to 19 hours to issue the operating license for businesses with less than 100m2, and from 325 to 52 hours for those ranging from 101 m2 to 500 m2; likewise, in the case of businesses with less than 100m2; costs, steps and areas involved have been reduced in 76%, 63% and 43%, respectively, while for those ranging from 101m2 to 500 m2 the reduction was of 57%, 54% and 38%, respectively.</p> <ul style="list-style-type: none"> •
Medicines	<ul style="list-style-type: none"> • Forum against the Illegal Trade of Pharmaceuticals in the city of Iquitos. Almost 200 attendees including officials from DIGEMID, Regional Health Directorates, Journalists, Regional Government, Municipalities and other key stakeholders as well as general public.
Telecomm.	<ul style="list-style-type: none"> • The Project developed a study on “Municipalities’ Practices in Regulations in Telecommunications Infrastructure Permits” and presented it to the Vice Minister of Communications, officials involved in the sector, municipalities’ and enterprises’ representatives.
Colombia	
Intellectual Property	<ul style="list-style-type: none"> • Procedural Guides for the Superintendence of Industry and Commerce on the Madrid Protocol, which went into effect August 2012, and the Patent Cooperation Treaty. • SIC, Confecamaras and USAID Facilitando Comercio signed a cooperation agreement to train Chambers of Commerce on the use and benefits of IPR with the use of a manual developed by the project. • Reduction of SIC’s backlogs (through August 2012): New Inventions reduced by 60% Distinctive Signs: <ul style="list-style-type: none"> ▪ Trademark applications; reduced backlog by 90% ▪ Trademark oppositions; reduced backlog by 65% ▪ Trademark reconsiderations; a 100% elimination of the backlog ▪ Trademark cancelations; a 100% elimination of the backlog
Trade Facilitation	<ul style="list-style-type: none"> • Two time release studies to establish baseline data for customs release time in the Port of Buenaventura for cargo and El Dorado Airport in Bogota for express deliveries. • Regulatory reform proposals for the new customs code that respond to CTPA commitments to facilitate trade.

Communications

From October 2011 to September 2012, continued efforts have been made to disseminate Project activities among counterparts, public officials and general public. In early 2012, the Project’s website had a major upgrade which has introduced a friendlier view and easier

navigation. Between early July and late September the website received 3,129 visits, at a daily rate of more than 50 visits. Also, a bimonthly newsletter has been developed to provide information about latest activities. It is currently being delivered to approximately 600 subscribers, who have signed up for it through the webpage.

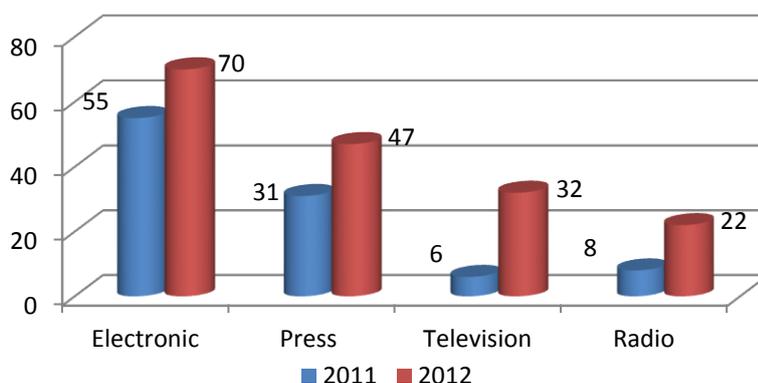
Similarly, the Project designed, printed and distributed the following material:

Publication	N° of copies
Copyrights Guide	400
Training Manual for Patent Examiners	500
Operating License Leaflet	90,500
Rules of Origin Manual: Agriculture Sector	1,500
Rules of Origin Manual: Textile and Apparel Sector	1,500
Anticipated Dispatch Guide	3,000
Role of Municipal Governments in the creation of Businesses	2,000
Total	99,400

Source: USAID | Facilitando Comercio

Regarding media coverage, in comparison with 2011 this year the Project has increased its media appearances by 71%, from 100 to 171, with a noteworthy increase on Television (433%) and radio (175%).

Media Coverage 2011 vs 2012



Elaboration: USAID | Facilitando Comercio

- ✓ 40.72% of articles have been published in electronic media, 27.55% in press, 18.56% in television and 13.17% in radio.
- ✓ 70% of media coverage is focused on Intellectual Property activities, 20% on Trade Facilitation, 7% on Administrative Simplification and 3% in other components.
- ✓ 100% of information has been positive, without any negative or controversial comments.

- ✓ 7.2% of headlines include the name of the Project, while the vast majority refers to the name of the activity.

II. Introduction

USAID | Facilitando Comercio is a USAID economic growth project with a twofold objective: i) Increase Peru’s ability to apply the US – Peru TRADE Promotion Agreement (PTPA) to facilitate open and prosperous trade across a wide range of sectors and address systemic constraints that inhibit trade and investment; and ii) Increase the competitiveness of the private sector in the Andean region by strengthening the capacity of Andean countries to take advantage of trade opportunities. The Project’s scope is divided into 6 components, each one with strategic objectives:

Component	Strategic Objectives	Country of implementation in the period of report
Labor	Improve enforcement and protection of labor rights by strengthening the capacity and effectiveness of the Ministry of Labor (MOL) and the Judiciary.	Peru
Intellectual Property (IP)	Increase protection, enforcement, and use of intellectual property rights by implementing IP treaties and improving processes in IP offices and strengthening the judicial system.	Peru, Ecuador, Colombia & Bolivia
Trade Facilitation	Contribute to competitiveness, especially among SMEs, by simplifying customs procedures and strengthening Customs authority.	Peru, Ecuador, Colombia & Bolivia
Administrative Simplification	Simplify business registration processes and lower transaction costs.	Peru
Medicines	Strengthen oversight of medicines and pharmaceuticals.	Peru
Telecommunications	Increase telecommunications competition through improved regulation.	Peru

Source: USAID | Facilitando Comercio

In February 2012, the Peruvian National Competitiveness Council (NCC) presented its National Competitiveness Agenda 2012-2013, which contained 60 goals for improving Peru’s performance in specific competitiveness topics. Of those goals, 16 correspond to Project activities. This coordination with NCC goals was considered in the Project’s Work Plan and

creates a better enabling environment for the successful execution of activities. The following table summarizes the similarities of USAID | Facilitando Comercio and the National Competitiveness Agenda 2012 – 2013:

Comparison Between the National Competitiveness Council's 2012-2013 Competitiveness Agenda and USAID Facilitando Comercio's Work Plan	
National Competitiveness Council 2012-2013 Competitiveness Agenda	USAID Facilitando Comercio's 2011-2014 Workplan
Intellectual Property Rights	
<p>GOAL 7: Count with a system to support agents on Intellectual Property issues Strategy: Strengthen the Intellectual Property Defense System and promote its use</p>	<p>Activity 2.5 Promote Intellectual Property as a Tool of Competitiveness Ongoing: Support IP Courses and Training at Universities Planned: Protect Traditional Knowledge of indigenous and other distinctive communities</p>
<p>GOAL 8: Support commercial exploitation of 20 innovative projects originated within the Science-Technology-Innovation System Strategy: Foster and reward, through existing programs, such as FINCYT, the generation of technology-based enterprises within universities or articulated by them, in order to merge knowledge with the entrepreneurship of the general community</p>	<p>Activity 2.5 Promote Intellectual Property as a Tool of Competitiveness Done: (i) Support INDECOPI's National Contest of Inventions. (ii) Perform Seminars on Technology Transfer at Universities Planned: (i) Develop technology transfer guidelines/manuals (ii) Support INDECOPI create a unit to provide patentability assessment to inventors and businesses. (iii) Perform technology transfer trainings</p>
Trade Facilitation	
<p>GOAL 16: Strengthen the Single Window for Foreign Trade (VUCE) Strategy: Continue the execution of the VUCE project, incorporating new institutions, procedures and services in order to decrease time and costs of customs and port procedures</p>	<p>Activity 3.2 Simplify Foreign Trade Procedures and Single Window Project (VUCE) Ongoing: Simplify VUCE procedures at Ministry of Production, National Agrarian Health Service, National Bureau of Flora and Wildlife, Weapons DISCAMEC, and the National Agency for Protected Areas Planned: (i) Integrate VUCE and Customs Clearance. (ii) Training Program on VUCE</p>
<p>GOAL 20: 200 enterprises located in regions take advantage of commercial opportunities in countries where Peru has signed trade agreements Strategy: Disseminate export opportunities and create capacities in regional enterprises with international potential, in order for them to take advantage of commercial opportunities in countries where Peru has signed trade agreements</p>	<p>Activity 3.2.5 Training Program on VUCE Done: (i) Rules of Origin handbook (ii) Rules of Origin trainings in regions Planned: (i) Training program on VUCE regulation and administrative law. (ii) Online training module on VUCE</p>
<p>GOAL 22: At least 25% of imports are made through Anticipated dispatch Strategy: Optimize logistic procedures and improve dissemination of the Anticipated Customs Dispatch System (SADA) in order to enable an adequate and agile entrance of merchandise</p>	<p>Activity 3.1 TCBaseline results implementation: Improve Anticipated dispatch Procedure (SADA). Ongoing: (i) Communication Strategy of SADA. (ii) SADA Webpage Planned: In-house Customs Team for the Prompt Attention of SADA Inquiries from Users</p>

<p>GOAL 23: Implement the Authorized Economic Operator program Strategy: Implement the AEO program, certified by SUNAT, to facilitate control and custom procedures, therefore reducing transaction costs and improving control in the chain of product, in accordance of international trade trends</p>	<p>Activity 3.4 Authorized Economic Operator Ongoing: (i) Support events to discuss the AEO implementation. (ii) Design of an AEO Handbook. Planned: Assist Customs in the lawmaking process, dissemination and monitoring</p>
<p>GOAL 24: Enable public access and dissemination of 100% of the logistic costs for import and export Strategy: Establish conditions to allow transparency of costs in logistic procedures, as to increase competitiveness</p>	<p>Activity 3.1.2 Communication Strategy of Anticipated dispatch Planned: Customs Clearance courses to officials and entrepreneurs, including a Logistic Costs module.</p>
Administrative Simplification	
<p>GOAL 38: Incorporate 10 high-demanded services to the State Interoperability Platform (PIDE) Strategy: Strengthen the State Interoperability Platform for implementing high-demanded services</p>	<p>Activity 4.4 Optimize Business Constitution procedure Done: Draft Law of Public Access for Citizens to Public Services, which will enable transferring public information within public institutions Planned: Improve the Operating License Platform, which will be incorporated in the Interoperability Platform as one of the selected services</p>
<p>GOAL 39: Implement a scheme to validate transactions among the State, until the final implementation of the digital signature Strategy: Analyze and propose an alternative, in accordance with technological restrictions, to contribute with the compliance of the Law N°27269, specifically to validate virtual transactions among the State, while the digital signature is implemented</p>	
<p>GOAL 40: Implement a scheme to validate transactions among citizens and enterprises, until the final implementation of the digital signature Strategy: Analyze and propose an alternative, in accordance with technological restrictions, to contribute with the compliance of the Law N°27269, specifically to validate virtual transactions among citizens and enterprises, while the digital signature is implemented</p>	<p>Activity 4.5 Law Project of Identity and Digital Inclusion Done: Design bill of digital identity and provision of public services, administrative procedures and legal tutelage by secure electronic means. Once approved, it will enable the joint use of the digital signature and virtual DNI for virtual transactions</p>
<p>GOAL 45: Enable public access of data registration of citizens and enterprises to public institutions Strategy: Reduce barriers of access to information about citizens and enterprises by opening a legal database available for public institutions</p>	
<p>GOAL 47: Establish, in 12 department capitals, the Electronic Service of Business Constitution Strategy: Facilitate and reduce times and costs related to the constitution of businesses, through the automation of electronic procedures for business constitution</p>	<p>Activity 4.4 Optimize Business Constitution procedure Done: Diagnostic on the Business Constitution procedure. Planned: Simplify the Business Constitution procedure</p>

<p>GOAL 48: Implement, in 25 municipalities, the electronic version of the operating license procedure</p> <p>Strategy: Facilitate and reduce times and costs related to the operating license procedure, through the design of an online platform to simplify the service</p>	<p>Activity 4.2.5 Implementation of the operating license online platform</p> <p>Planned: (i) Provide Time Stamping and Digital Signature software (ii) Support the implementation of the electronic version in 5 of the 25 municipalities (iii) consider wider implementation in municipalities that receive technical assistance by the Project.</p>
<p>GOAL 49: Improve the Safety Technical Inspection on Civil Defense (ITSDC)</p> <p>Strategy: Analyze improvements and establish a new ITSDC procedure, based on risk criterion for each activity</p>	<p>Activity 4.1 Promote Administrative Simplification</p> <p>Done: Feasibility Study for outsourcing the certification of safety conditions in civil defense</p> <p>Ongoing: Develop Studies to identify key areas of the inspection that requires simplification.</p> <p>Planned: Support the simplification of the Safety Technical Inspection on Civil Defense</p>
Telecommunications	
<p>GOAL 30: Pass Regulation to reduce bureaucratic barriers against private investment (on Infrastructure)</p> <p>Strategy: Implement measures that allow the identification of bureaucratic barriers that ought to be eliminated</p>	<p>Activity 6.3 Analyze and Propose Changes to Regional Regulations</p> <p>Done: (i) Develop Study to identify key municipal and governmental regulations that hinder the deployment of telecommunications infrastructure. (ii) Elaborate legal report on a bill entitled "Complementary Measures to Promote Public Infrastructure and Services"</p>
<p>GOAL 35: Connect 2,850 new settlements to telecom services</p> <p>Strategy: Reduce bureaucratic barriers and improve telecom infrastructure in order to promote further connection of households to the communications grid</p>	<p>Planned: Propose measures aimed at improving practices and overcoming obstacles to the deployment of telecom infrastructure</p>

During the period October 2011 – September 2012 the Project expanded activities in Colombia, particularly the Trade Facilitation Component and carried on with operations in Bolivia, Ecuador and Peru. Regional activities have been implemented after extensive meetings with both USAID local offices and public / private counterparts, focusing on activities considered as mandatory under the task order and prioritized by local stakeholders. Work Plans covering all three years of the Project and its option year have been submitted and approved by USAID.

In the following sections an overview is presented on the main activities under each component and results achieved in the second year of operations, as well as a summary of the financial status. A list of performance monitoring indicators is also presented for Peru and Colombia.

III. Activities and Major Achievements - Peru

Component 1: Labor

Activity 1.1 Build Capacity to Conduct Inspections (Mandatory)

During the period under review USAID | Facilitando Comercio has supported the development, validation and adoption of guidelines and inspection protocols for the Ministry of Labor (MOL). Most of these products have been developed in a joint effort with beneficiaries (labor inspectors). The Project has undertaken the following activities:

- a. *Performance of the First Plenary Meeting of Labor Inspectors, December 15th, 16th and 17th 2011.*

The Project supported the First Plenary Meeting of Labor Inspectors, with the presence of Inspection Supervisors and Assistants from across the country. The aim was to analyze and discuss the evaluation criteria for relevant issues that require uniform action of the Labor Inspectorate.

This work is of particular relevance because the decentralization process has shifted responsibilities formerly exercised by the central government to the regional governments. In that regard, the General Direction of Labor Inspections (DGIT) is the body in charge of setting labor standards and criteria, and sharing them with regional governments in order to establish homogenous monitoring and enforcement actions nationwide.

The Plenary meeting resulted in consensus between MOL and the various Regional Offices and for standardizing criteria for performing inspections on the following topics:

- Bargaining in good faith and right to access information (5 criteria standardized)
- Effectiveness of Strikes (1 criterion standardized)
- Working hours (2 criteria standardized)
- Outsourcing (2 criteria standardized)

- b. *Protocol of Freedom of Association in Temporary Contracts and Indirect Procurement*

A Protocol has been developed for Inspection Performance on Freedom of Association in temporary contracts and indirect procurement. The Protocol is based on relevant national and international verdicts, legislation and standards set by international bodies. It also contains the systematization of guidelines for performing inspection activities in a more consistent manner.

The Protocol has been developed to act as a model for further initiatives to standardize inspection performance in other topics and also lays the groundwork for standardizing inspections across the country. The protocol is currently under review by the General Direction of Labor Inspections.

c. *Strategy for Labor Inspections in the Agribusiness sector*

As requested by MOL, the Project developed a strategy to improve the effectiveness and efficiency of labor inspections in the agribusiness sector. The objective was to establish a clear guideline to monitor compliance with labor regulations by agro-exporters. Based on the activity's findings, a set of rules were proposed in order to:

- Strengthen the presence of labor inspectors in the expanding agribusiness Sector, through coordinated inspections among all institutions involved in the sector (like the Ministry of Labor, Ministry of Agriculture and Sunat).
- Efficiently employ all resources from the Labor Inspections System including inspectors, economic resources and time.
- Control the planning and execution of inspection operations within the Labor Inspections System. Systematize results in order to use that information as input when scheduling new inspections.

The MOL is currently reviewing the Strategy and once it's approved it will start assessing the implementation of such recommendations.

d. *Macro Regional Workshops on Safety and Health at Work, Freedom of Association and Child Labor*

Four Macro Regional workshops were performed in order to strengthen capacities among public sector officials and validate with them 5 Sectorial Protocols. Attendees were assembled from Regional Labor Directions from across the country to discuss freedom of association, child labor, occupational health and safety and (OHS) within the metal-mechanics sector and OHS within civil construction and bakeries.

Macro Region	Location	Date	N° of attendees		
			Male	Female	Total
North: Tumbes, Piura, Lambayeque, Cajamarca, La Libertad & Ancash.	Chiclayo	February 23rd and 24 th	26	19	45
South: Ayacucho, Cuzco, Apurímac, Arequipa, Puno, Moquegua & Tacna.	Arequipa	March 8th and 9th	30	12	42
Orient: Amazonas, Loreto, San Martín, Ucayali & Madre de Dios	Iquitos	March 15th and 16th	27	5	32
Center: Metropolitan Lima, Callao, Lima, Huánuco, Pasco, Junín, Huancavelica & Ica.	Lima	March 28th, 29th, 30th	53	37	90
TOTAL			136	73	209

Elaboration: USAID | Facilitando Comercio

Supervisors, labor inspectors, auxiliary Inspectors and other key regional personnel that are part of the Labor Inspections System validated the protocols, which also included consultation mechanisms for union of workers and employers about these tools. In total, 209 officials were trained in the correct use of the protocols. The protocols are under the process of approval by the MOL.

e. *Labor Regime Proposal for Fishermen*

The Project developed a Regulatory Framework proposal for sea workers in order for them to access labor and retirement benefits. The proposal includes a regulatory regime oriented to taking into account the nature and characteristics of the different types of sea workers.

It's important to note that the MOL established in 2010 a committee to analyze the conditions under which labor employer-employee relations developed in the fishing industry and the problems regarding health services and subsidies provided by ESSALUD (Social Security). The committee indicated that the rules governing the fishing industry were outdated, thus requiring a new regulation to establish a minimum set of benefits for employees.

Accordingly, the proposal formulated by the Project's consultant seeks to implement a special labor and retirement regime for workers dedicated to workers of the fishing industry, both for direct or indirect human consumption, economic activity of significant importance in Peru.

Activity 1.2: Optimize Inspection System Procedures (Mandatory)

Improving the Labor Inspections Information System (LIIS) is one of the most important activities under the Project's scope of work. During 2011 the Project conducted, along with MOL, a study to review SIIT LIIS processes and proposed a series of improvements. As a result, five interventions to the system were planned:

- a) Analysis, redesign and development of the programming module
- b) Development of a reporting module on programming / monitoring
- c) Improvement and optimization of the LIIS
- d) Implementation of digital signatures
- e) Development of documents generated by the system

Overall, these interventions will introduce approximately 50 tangible improvements to the LIIS and will incorporate 40 new and simplified templates, formats and reports. As a result, the Project expects to increase the number and quality of inspections by improving the distribution of inspectors' workload, enhancing the productivity of inspectors and improving monitoring tasks.

90% of scheduled activities have been completed, only the remaining development of the product related to digital signature needs to be completed.

Activity 1.3: Build Capacity for Conciliation

a. Performance Protocol for Labor Conciliators

A “Basic Performance Protocol for Labor Conciliators” was designed by the Project to promote and improve arbitration procedures as alternative to solve labor conflicts. Its objective is to provide a didactic overview of concepts and basic guidelines required to perform mediations.

The protocol is currently being validated by the MOL and the Regional Labor Direction of Lima has already requested its use. It is important to highlight that the Lima Direction receives 12,000 labor conciliation claims per year.

In addition, this protocol is expected to be a useful training tool for the MOL and MINJUS in training activities starting the second semester of 2012.

b. Redesign and improvement of the Labor Economic Report

Article 56 of Decree Law N° 25593 establishes that during the collective bargaining process and by request of one of the parties or ex officio, the MOL will perform the valuation (Labor Economic Report or LER) of the requests and examine the financial situation of firms and their ability to meet such requests, taking into account existing situations among similar companies in the same business or in the same region. Despite this obligation, serious complications prevented the MOL from elaborating an accurate and useful evaluation.

In this regard, the Project supported MOL in redesigning procedures and contents of the LER in order to provide parties (or the arbitrator) a sound valuation of the employees’ request, a financial and comparative evaluation of the company, wage comparisons and additional economic information to contribute to the final settlement of the dispute. A draft directive of the LER, which includes different models according to the type of enterprise or institution, has been proposed to the MOL.

Activity 1.4: Support Implementation of Labor Procedural Law

The Project provided technical assistance and supported the Judiciary and both MOL and MINJUS in designing training processes and studies to implement the new Labor Procedural Law (LPL). The new LPL introduces improved management processes and steps, which will accelerate and simplify processes and sentences. The following activities have been undertaken throughout FY 2012:

a. Implementation of the LPL in the court of Southern Lima

The Project assisted the Judiciary in the monitoring of the LPL’s implementation with emphasis on the judicial districts of Southern Lima, Junín and La Libertad, identifying obstacles, lessons learned and best practices to be replicated in other courts.

This monitoring initiative has served to better implement the new LPL in the Jurisdictional district of Southern Lima in areas such as institutional adaptation, adaptation policy, physical and human resources, identifying requirements, constraints and risks. It also monitored the status of the LPL's implementation, identified risks and provided recommendations to strengthen the process.

b. Workshop to Validate Indicators from the LPL's Monitoring System

On April 23rd 2012 the Project organized, along with the Judiciary and GRADE, a workshop to validate the set of indicators to be used in the Monitoring System of the LPL's Implementation. Twenty two judges and other officials attended the meeting which served as the primary forum to establish the final list of indicators. The collection of the baseline data will begin in late September according to a workplan developed along the Judiciary

c. LPL Flowcharts and Regulations

The Project developed process flowcharts of the new LPL and all its sub processes. These tools will provide a detailed overview of the roadmap to be taken to implement the LPL, with an accurate detail of resources needed for this purpose. It is important to note that the LPL will represent a major reorganization of the whole labor judiciary system.

Based on these flowcharts, the Project developed a package of 3 regulations to institutionalize the Judiciary Dispatch under the new LPL. In response to the support, the Judiciary addressed an [official letter](#) to express its gratitude towards the Project for the support provided in developing such regulations.

d. First Labor Plenary Meeting of the Supreme Court

As part of its institutional reform policy the Judiciary is promoting greater transparency through the discussion of Supreme Justice Court rulings in Plenary Meetings. These meetings are designed to promote technical analysis and debate among supreme judges in order to improve the quality and soundness of judicial verdicts and avoid contradictory rulings. The Project provided technical assistance to the Judiciary in order to organize and perform the First Labor Plenary Meeting of the Supreme Court. The event was held on May 4th and 17th 2012 and engendered the active participation of judges and personnel of the Constitutional and Social Courtrooms. It's important to state that a Labor Plenary Meeting was essential since the Judiciary had identified contradictory verdicts on fundamental labor rights which needed to be studied and debated. The meeting helped the Judiciary to reach consensus about rulings on the following topics:

- I. Origin of reinstatement claims when groundless or illegal dismissals
- II. Compensation for damages from occupational hazards.
- III. Appraisal of overtime in the public or private sector

e. *Comparative Study of Costs*

The Judiciary required a comprehensive approach about costs incurred in judiciary processes on labor matters. Accordingly, the Project developed a comparative study of costs (economic and non-economic) faced by litigants in labor processes under the Law N°29497 (New Labor Procedural Law) and the Law N°26636 (former Labor Procedural Law), and labor administrative-litigious processes under the Law N°27584 (Law to Regulate Administrative-Litigious Proceedings).

The study is complete and under review by the Judiciary. The information provided will be a valuable boost to the timely and adequate implementation of the new LPL and will also shed light on the difficulties and problems involved in their implementation.

f. *Training to Public Defenders of MINJUS and MOL*

The Project trained approximately 75 MINJUS and MOL officials on the application of the new LPL through a course of 120 lecture hours. It is important to note that MINJUS' public defenders are responsible for providing free legal support on labor matters to people on need. Since the LPL places emphasis on providing special attention to persons with disabilities, minors and women with heavy family burdens, MINJUS officials felt it necessary to ensure that public officials involved have the skill sets needed to provide relevant legal assistance.

The Project trained 33 MOL public defenders and officials from Lima. The course was oriented to personnel from the Regional Direction of Labor and Labor promotion of Metropolitan Lima and was conducted by a legal expert and a judge from the Superior Court of La Libertad. The training is expected to be replicated in late 2012 at an event held in Lima with public defenders from across the country.

Activity 1.5: Implement MOL's integrated Information System (Mandatory)

The Project is currently supporting different sub-activities oriented towards the development of informatics and statistical tools for strengthening MOL capacities.

a. *Improvements to Administrative Registries and TUPA*

Support has been provided for MOL in order to improve some of its key TUPA (Single Text of Administrative Procedures) procedures by developing a diagnosis and an implementation plan for the System of Free Legal Counseling and Assistance to Workers and the System of Social Benefits Settlements. These products will serve as a pilot for the subsequent analysis of other administrative procedures.

b. *Management Indicators*

USAID | Facilitando Comercio has been supporting the modernization and optimization of MOL's management of procedures. In that regard, one key element for this reform has been the promotion of a more intensive use of available information. The Project

developed a base diagnosis for the conceptual design of an information system to consolidate and centralize the management of statistical information by MOL. This diagnosis includes specific recommendations for developing an integrated information system for use of by various departments with the Ministry.

An area of great potential identified by the diagnosis concerns the exploitation of different sources of information to obtain a set of short-term indicators for management and labor market monitoring purposes. These sources range from daily administrative records to the Electronic Payroll, which has the potential to provide more information and greater statistical analysis of the Peruvian labor market. Accordingly, the Project is currently identifying and validating a set of key short-term indicators covering the most important services of the Ministry as well as the labor market, in order to create a Monitoring & Management tool for the Ministry of Labor. The Project not only will calculate data for the third and fourth quarters of 2012 but also will transfer the methodology to MOL officials in order to ensure a periodic calculation of the indicators by them.

The activity is expected to conclude by late 2012.

Activity 1.6: Improve Statistical information on Labor Conflicts (Mandatory)

This activity is focused in improving the quality of statistical information, especially regarding the performance of judges.

The Project is currently supporting the Judiciary's Office of Judicial Performance for improving the quality of performance measurement by adjusting evaluation tools and the creation of a structured model of labor judicial verdicts. For this purpose, a sample of verdicts has been collected to be used as key input. The tool is on its final stage of design.

Activity 1.8: Promote Equal Opportunities and Nondiscrimination

Performance-Based Budgeting in Child Labor

Additionally, the Project has provided technical assistance for the design of a Performance-Based Budgeting (PBB) scheme on child labor activities for the MOL's Direction of Fundamental Rights, as to participate in the MEF PBB Initiative that will allow them to track better performance and request additional funding when expected results are achieved. The objective was to transfer theoretical and practical knowledge regarding PBB to the MOL's technical team. This training helps MOL officials to respond to observations made by the MEF regarding the Budget Proposal submitted earlier this year.

The workshop also allowed standardizing concepts related to public policy in the issue of Child Labor, strategies to fight it and monitoring indicators on the subject.

Component 2: Intellectual Property

Activity 2.2 Improve Information Management System (Mandatory)

The Project has been working very closely with the Distinctive Signs Directorate (DSD) of INDECOPI in order to improve its information management systems as established in Article 16.2.9 of the Peru TPA.

The Project has provided support to the DSD to implement two informatics modules: a) module of generation of electronic certificates of registration and entries for the Distinctive Signs Directorate and b) module to allow the display, search and printing of such electronic certificates of registration and entries. The Project also is currently providing its assistance to digitize more than a million images corresponding to Certificates of Registration and Entries. The digitized images will then integrate with the modules that have already been installed and will help examiners to improve their examinations.

Activity 2.3 Improve Technical Examinations

The examination of patent applications in Peru is led by the Directorate of Inventions and New Technologies (DIN) from INDECOPI. Its staff is small but highly specialized in these matters so it is very important for them to stay updated and also train new examiners in an easy and complete way. The Project developed a Manual to train Patent Examiners in Peru and printed 500 copies. The Manual was presented during the celebrations of the Intellectual Property Week in April 2012 and has attracted significant interest from legal firms, universities and researchers.



Cover of the Manual for Patent Examiners

The Project supported INDECOPI to organize a series of trainings to new examiners based on the Manual. 289 persons applied for taking the classification exam, after an initial screening 104 persons took the test and finally 40 people were selected.

It is expected that the people trained during this first course will eventually work in the DIN. Especially now that the New Subdirectorate of Support to Innovation has been launched and new products such as “Patente Rápida” (“Fast Patent”) are out to the public.

As informed in the previous report, the Project has provided its cooperation to INDECOPI to elaborate an online course on trademarks. The online course is already implemented and the Project is currently running the pilot version of the course directed at 105 officials of the regional offices of INDECOPI. Once this version of the course is finished it will be adjusted (if necessary) and will be opened for the general public.



Login page of the Virtual Trademark Course

Activity 2.4 Strengthen Capacity for Intellectual Property Rights Enforcement (Mandatory)

During this second year, the Project started a series of IP trainings directed at Criminal Judges who are in charge of resolving lawsuits related to IP crimes. Unfortunately, there are no specialized IP courts in Peru. For that reason, even when District Attorneys are formally trained on IP matters, when in court a significant number of lawsuits are dismissed or not properly adjudicated. More than 100 Judges were trained through the Project's workshops.



The Project has just finalized the adaptation of an IP Manual developed by Nathan Associates for judges under a former USAID Project, and it will be printed to be distributed among Judges.

Activity 2.5 Promote Intellectual Property as a Tool of Competitiveness

This year Peru launched its National Competitiveness Plan for years 2012-2013, which has among its goals two especially related to IP and innovation issues:

- **GOAL 7: Count with a system to support agents on Intellectual Property issues.**
 - **Strategy:** Strengthen the Intellectual Property Defense System and promote its use.

- **GOAL 8: Support commercial exploitation of 20 innovative projects originated within the Science-Technology-Innovation System.**
 - **Strategy:** Foster and reward, through existing programs, such as Fincyt, the generation of technology-based enterprises within universities or articulated by them, in order to merge knowledge with the entrepreneurship of the general community.

As a response, USAID | Facilitando Comercio has been supporting INDECOPI, universities, entrepreneurs and researchers in order to promote the use and respect of intellectual property. Performing these activities has built a relation of trust that has led the mentioned institutions and actors to consider the Project as a strategic partner for the dissemination of these matters.

National Inventions Contest

The Project provided assistance to INDECOPI to conduct the tenth edition of the contest in 2011. The following statistics summarize the achievements of the Event:

<p>Applications by Industrial sector</p> <p>Agricultural and Agribusiness 8.40% (10)</p> <p>Energy 11.76% (14)</p> <p>Industrial-Manufacturing 52.10% (62)</p> <p>Mining and Metallurgy 3.36% (4)</p> <p>Health 19.33% (23)</p> <p>Telecommunications 5.04% (6)</p>	<p>Applications by type of Previous Disclosure</p> <p>No divulgation 63.87% (76)</p> <p>No indication of divulgation or not 2.52% (3)</p> <p>Pending patent application (national) 26.89%(32)</p> <p>Pending PCT patent application 0.84% (1)</p> <p>Registered utility model patent 4.2% (5)</p> <p>Registered patent of invention 1.68% (2)</p>
<p>Category</p> <p>Natural Persons 15.13% (18)</p> <p>Corporate bodies 84.87% (101)</p>	<p>Date of application</p> <p>Until September 21st, 2011 40% (48)</p> <p>After September 21st, 2011 60% (71)</p>
<p>Place of applications</p> <p>Lima 69.75% (83)</p> <p>Arequipa 3.36% (4)</p> <p>Cusco 0.84% (1)</p> <p>Junín 0.84% (1)</p> <p>Ancash 0.84% (1)</p> <p>Piura 0.84% (1)</p> <p>Puno 0.84% (1)</p> <p>La Libertad 5.04% (6)</p> <p>Vía Internet 17.65% (21)</p>	<p>Inventors information</p> <p>Number of contestants 188</p> <p>Average age of the inventors 44.6</p> <p>Age of oldest inventor 79</p> <p>Age of youngest applicant inventor 8</p> <p>Age of youngest inventor exhibiting 14</p> <p>Percentage of women inventors 15.93% (30)</p> <p>Percentage of male inventors 84.04% (158)</p>

For the X edition, USAID | Facilitando Comercio also provided its cooperation for the awards ceremony as follows:

- First prize Natural Person: full funding for the inscription to the Geneva’s International Inventions Fair and for the trip to Switzerland. The winner was Dr. Oscar Patiño who participated in Geneva’s International Inventions Fair and won the Gold Medal in the Medicines Category with his invention “Tracheostomy Tube”.
- First prize Corporate Bodies: payment of all the fees for the registration of the invention through the Patent Cooperation Treaty. The winner was Mr. Sixto Ramos, a sightless inventor who also participated in the Geneva Fair and won the Bronze Medal in the Mechanics Category with his invention “Force Multiplier System”.

The XI edition of the National Inventions Contest is currently ongoing with the support of USAID | Facilitando Comercio.

Workshops on Innovation

The Project has built strong relations with Peru’s National Science and Technology Council (CONCYTEC), the Fund for Science and Technology (FINCYT), the National Council of Competitiveness (CNC) and the Technology Innovation Offices (OTCIT), with whom it has developed a series of workshops on intellectual property and innovation matters, especially during the visit of technology transference and innovation expert Mr. Marcelo Vergara, who was brought from Chile by the Project.

Mr. Vergara also lectured as main speaker during the IP month celebrations of University Cayetano Heredia which the Project supported for a second year. Mr. Vergara provided a course entitled “Universities as Engines of the Knowledge Economy: Using Intellectual Property” along with IP Consultant Luis Alonso Garcia. In addition, Mr Vergara also took part in meetings with different governmental offices and other universities. Combined, the training activities on innovation and Intellectual Property drew 540 attendants from Lima and Arequipa.

Finally, the Project provided assistance to develop a strategic plan for the period 2012-2014 for INDECOPI’s new Sub Directorate of Support to Innovation. The Project brought to Peru the Chilean expert Mr. Jorge Alzamora, Director of the Knowledge Transfer Directorate of INAPI (the Chilean IP Office) who has broad experience in innovation and patenting practices. Mr. Alzamora lectured a full day workshop to 22 participants among INDECOPI’s officials about innovation matters and also shared INAPI’s best practices on supporting innovation and disseminating the benefits of patenting. INDECOPI is currently designing its strategic plan taking into account inputs provided by Mr. Alzamora.

Education 2.0 Interactive Technology Camp

The Project supported the US Embassy with a two day Interactive Technology Camp in Lima on leveraging education with web 2.0 tools with participants from different cities of Peru. Our participation was through a conference on Copyrights and Creative Commons Licenses. More than 500 people attended (330 physically and 250 via webcast).

Activity 2.6 Raise awareness of Importance and Benefits of Intellectual Property Rights

Last year our Project teamed up with the Copyrights Directorate of INDECOPI in order to start a pilot project called “Education for the creation and promotion of a culture of respect for IP”. The pilot reached five cities of Peru namely Piura, Chiclayo, Lima, Arequipa and Iquitos. It was directed to 5th and 6th grade school teachers, who then replicated the training in their classrooms, evaluated their students and helped them write plays regarding IP matters. The project was a finalist for the price of Best Government Practices, from *Ciudadanos al Día*.

Due to the success of the trainings with teachers, the Methodological Guide developed for this Project has been used in other trainings with educational purposes such as CUENTO A TU ENCUENTRO (“Story to meet you”), where the Project provided a full IP training day for approximately 30 teachers and Proyecto ciudadano (“Citizen Project”) where the Project received the invitation of the US Embassy to be part of the trainings programmed for the month of June. 92 teachers from Lima were trained.

The Project also teamed up with the Copyrights Directorate of INDECOPI to help develop basic guides on copyrights. The first guide that was developed was the General Copyrights Guide, which was presented to the press and general public during the Intellectual Property week:



FrontPage of the Copyrights Guide

Finally, the Project continued to support INDECOPI’s Intellectual Property Week, and provided support for: presenting all the materials developed jointly, developing a photographic exhibition regarding Peruvian appellations of origin and launching of the Antipiracy Campaign. In the last two, the US Ambassador, the Director of USAID, the President of INDECOPI, the Technical Secretary of the Commission on Anti-Piracy & Counterfeiting and the Project’s Chief of Party had an active participation.

“COMPRA LEGAL, COMPRA ORIGINAL” (Buy Legal, Buy Original)

The main activity during IP week was the launching of the antipiracy campaign “COMPRA LEGAL, COMPRA ORIGINAL” (Buy Legal, Buy Original) under a joint effort between USAID|Facilitando Comercio, the US Embassy, the Antipiracy & Anti-Counterfeiting Commission (Ministry of Production) and INDECOPI.

The idea behind this campaign is to appeal to Peruvian pride and raise the public's respect for creations of the authors. The slogan of the campaign is "Buy legal, Buy original" (the slogan is mentioned in the spots as follows: "Are you proud of Peru? Peru is also proud of you: buy legal, buy original"). Three animated video spots were developed for the campaign.

The spots were launched in 6 cities (Lima, Piura, Trujillo, Chiclayo, Arequipa and Tacna) in events that were attended by more than 1,200 attendees, among Public officials, entrepreneurs, University and School students and general public.



Presentation of the Campaign "Compra Legal. Compra Original": (from left to right) USAID Peru Mission Director, Mr. Richard Goughnour; US Ambassador, Her Excellency Rose Likins; President of INDECOPI, Mr. Hebert Tassano and the Technical Secretary of the Commission on Anti-Piracy & Counterfeiting, Mr Jorge Cardenas

The results of the first outreach events planned throughout the country have been very successful and the Project has managed to convince certain organizations to start disseminating the spots developed in their institutions:

- SUNAT has already coordinated in order to show the spots and animatic in their waiting rooms nationwide. Arequipa is one of the first offices that will start showing the spots.
- The association of cinemas in Peru is interested in showing the movies spot in 100 cinemas from all over the country.
- The Ecuadorian Authority is interested in showing the spots and adapting them for their country.

Component 3: Trade Facilitation

Activity 3.1: TCBaseline Results Implementation: Improve Anticipated Dispatch Procedure

a. Logistic Mission to Los Angeles

Following on previous visits (Miami in 2009 and Washington, D.C. in 2010) the American Chamber of Commerce (AMCHAM) organized a so called Customs and Logistics field trip to the US west coast to gain knowledge on best practices and trends.

AMCHAM requested support from the U.S. Embassy and USAID to cover trip expenses for customs officials to Los Angeles, California from May 21- 25, 2012.

The mission provided useful demonstrations of the logistics and customs practices in those locations and the United States as a whole. It served also to strengthen relationships between Peruvian and U.S. customs officials and to raise awareness about forthcoming challenges to be faced by Peruvian authorities, like joint inspections and further use of risk information.

b. Develop Dissemination Strategy

Anticipated Release System handbook

The handbook on anticipated dispatch procedure was printed and launched on September 12th at a major event organized jointly with Customs and AMCHAM. Presentation of the manual was made by the Customs Chief Mr. Rafael García before top officials from Customs and Mincetur and representatives from trade operators such as brokers, freight forwarders, large importers and exporters, academics as well as port operators.

Anticipated Release System web page

The web page of Anticipated Dispatch Procedure has been developed and formally delivered to Customs which is currently making some adjustments on the content. The web page should be fully operational by October 2012.

The objective of the web page is twofold: it provides information regarding how ACP operates as well as the benefits on time and cost savings and, it enables importers and trade operators access to the ACP process. It's also expected that interactive services be implemented such as an online chat to facilitate inquiries from users. The portal is to be updated by customs officials with statistics and other useful information for contributing to increase imports based on the ACP.

c. TC Baseline awareness workshops in 10 Peruvian cities

The Project has completed the largest training program carried out within the trade facilitation component. In September the Project completed a nationwide training program to encourage the use of the ACP as well as to train public officials from regulatory bodies¹ and trade operators on public and customs laws. Customs officials led the workshops.

The activity raised great attention from trade operators especially in regions. Local media also covered the event and interviewed the Project's component lead. A total of 576 attendees were trained in 10 cities.

¹ Regulatory bodies are those public entities responsible for controlled merchandise such as drinks, food, medicines, timber, weapons, etc.

Activity 3.2: Simplify Foreign Trade Procedures and Single Window Project (VUCE)

a. *Controlled merchandise module*

This module is the most advanced as compared to port services and rules of origin and its role in trade facilitation is crucial given that it gathers public offices responsible for sanitary and phytosanitary regulations, medicines, timber and many other critical products which are sensitive to non-trade barriers.

Currently, the Project is helping the following entities to implement and streamline clearance procedures: National Health and Environment Bureau (DIGESA), National Bureau of Medicines, Supplies and Drugs (DIGEMID), Fishing Technologic Institute (ITP) and National Service of Agrarian Sanitary (SENASA).

Regulatory body	Proceedings posted in VUCE	Proceedings assessed	Proceedings in progress to be improved
DIGESA	20	20	20
DIGEMID	45	45	14
ITP	10	10	10
SENASA	1	6	0
MTC	7	7	0

Elaboration: USAID | Facilitando Comercio

DIGESA, which regulates food and drinks, has stood out by showing a great deal of commitment and leadership to adopt reforms. Short term reforms supported by the Project were completed this year after the publication in the Official Gazette in February. Five measures to reduce time and costs of procedures and the implementation of check lists aimed at limiting discretion from inspection officials. As a result, there is a 77% reduction in the time needed to issue permits as well as only 1.6% of rejections in the procedures for obtaining permits.

In the case of DIGEMID the Project managed to complete the assessments on all procedures related to the VUCE, including the analysis of modifications brought by recently published regulations. Based on those regulations and responding to DIGEMID's proposal, the Project will focus on the implementation of short term reforms of clearance procedures related to cosmetics (14).

ITP's team is also moving along and a plan is already complete. It sets short and medium term steps to be taken, the first of them being the issuance of a Supreme Decree to adjust the legal base of the procedures. Unfortunately, the implementation process has wavered due to sudden changes of top officials; however, a meeting with the new top officials took place in the end of September, and a new work schedule has been developed for implementing reforms.

Finally, SENASA (US APHIS counterpart) has also received technical support from the Project especially in the IT area in order to facilitate the exchange of information between VUCE and the SENASA. The activity was completed and SENASA posted 5 additional proceedings in the VUCE, development that was officially published in the official gazette last August. It is expected that further simplification procedures will be incorporated shortly.

b. Port Services module

This module includes permits for the entry and departure of vessels. Up to seven regulatory bodies operate at the same time but little coordination is deployed, therefore ship time in the port is longer than in other countries and costs are unfairly conveyed to the consignee.

The Project first completed a legal analysis which identified an alarming number of inconsistencies in clearance procedures which need to be addressed. The Project also supported the completion of an Operational Regulations draft for the operation of the Port Service Module. Such regulation purports to govern the services to be provided by the regulatory bodies and it encourages the provision of services efficiently through a closer coordination among them, use of on line platform and the employment of risk management criteria. The Operative Statute was pre published as shown below for discussion among incumbent entities.

c. Rules of Origin (RoO) module

Throughout the year the Project has supplied IT and RoOs experts to construct the module. One of the major challenges has been designing forms for each trade agreement or preferential trade regime in force which required a great deal of effort to harmonize data. The module is to be tested extensively before its implementation, however it is due to be fully operational in 2013.

d. International Conference on Single Window in Lima

The increasing interest on the Single Window (SW) in Latin America led the Government of Peru to host the Third Latin American and Caribbean Regional Meeting on International Trade Single Windows (ITSW), which focused on paperless trading and risk management in trading operations (November 28 and 29, 2011). This high level event was organized by the Permanent Secretariat of SELA and the Ministry of Foreign Trade and Tourism (MINCETUR) of Peru, and the Project became a key partner not only by taking part in the developing the schedule but also by bringing in international experts with extensive experience on the subject (Mr. William Nolle and Mr. Bryce Blegen).

The event gathered top SW policy makers from Latin America and key international organizations such as United Nations, World Bank and IADB, among others. Support from the Project was extensively highlighted.

e. *International Conference and workshop in Geneva.*

The component leader and the Manager of the VUCE attended the “*Global Trade Facilitation Conference on Single Window and Supply Chains in the Next Decade*” and the workshop on “*Single Window Project Planning and Implementation*” that took place from 12 to 15 December 2011 in Geneva, organized by the five UN regional commissions (UNECA, UNECE, UNECLAC, UNESCAP, UNESCWA). The valuable knowledge gained from the event prompted Peruvian decision makers to adjust the VUCE according to international best practices. It was attended by over 200 representatives worldwide from government, the business community and international organizations.

f. *Training in Public and Customs Law for SW public officials and private sector.*

Together with the Anticipated Dispatch workshop a two-day training course on Public and Customs Law was also carried out in 11 Peruvian cities from February to July 2012. The course was intended to refresh the participants’ knowledge of topics related to enhancing the quality of service provided by regulatory bodies. Attendance was actually massive which demonstrated the necessity and enthusiasm of participants. It is important to mention that the Project attained an implementing partnership with Universidad del Pacífico, which provided its brand-new facilities for the courses in Lima. Moreover, Promperu and Regional Governments also joined efforts to carry out courses. A total of 841 people attended the workshops.

g. *Publication of Rules of Origin Manuals.*

After a thorough preparation, including an intensive field work across several regions, Rules of Origin Manual for the agricultural and textile and apparel sectors were released on June 27th and presented in an event in conjunction with Promperu and Mincetur. Representatives from trade associations attended the event and welcomed the publication. The manuals provide the fundamentals of PTPA and it has a case-based approach leading the reader through a friendly step-by-step methodology to determine if products qualify for origin and tariff benefits.

This activity has also been linked to two tasks in progress: (i) the Origin module within the SW/VUCE and (ii) Colombian expansion of activities in trade facilitation, in which GoC has requested specific assistance in Rules of Origin within the framework of the free trade agreements with the US.



FrontPage of both handbooks

h. Seminar on instruments to benefit from the PTPA

Jointly with the US Foreign and Commercial Service, the Project supported the organization of a full-day seminar to analyze trade instruments (rules of origin, mainly) to be used by exporters and importers in the US market. Topics were related to Rules of Origin and US Customs requirements. High level speakers took part in the event such as Bill Methenitis, Global Director of Customs and International Trade of Ernst & Young, and James Fortsch from UPS Capital regional manager. The US Ambassador and Minister of Foreign Trade and Tourism gave welcoming remarks during the lunch. More than 70 companies attended the seminar.



The Minister of Foreign Trade and Tourism, Jose Luis Silva, and the US Ambassador, Her Excellency Rose Likins.

Activity 3.4: Authorized Economic Operators (AEO)

The Project has supported Peru's Customs Authority since its inception with the publication of the AEO handbook, which was adjusted according to local definitions.

As anticipated, the AEO program demanded a great deal of effort and coordination within the public sector and among trade operators. Customs in-house teams completed the pilot program with a few trade operators to validate the requirements drafted and pre published the AEO Statute for comments on June, 2012. The program officially adopted the denomination "Authorized Economic Operator"² as it is internationally known (before it was named Certified Customs Operator). The Project supported Customs by bringing a U.S. expert to provide an overview of Peru's Regulatory Framework in comparison to international experiences.

The implementation of an AEO system is remarkable not only for the trade community but also from the Customs authority who considers this program as a milestone towards a modern institution. The program was officially launched in October 2th 2012 through a major event where the President, two ministers and the U.S. Ambassador attended.

The Project has been asked to maintain its support during the operations of the program to provide technical assistance since it is likely that further adjustments are to be made as AEO program expands.

Activity 3.5 International Transactions and Competition Issues

a. Dissemination of PTPA

The Ministry of Justice (MINJUS) formally requested assistance to update the System of Legal Information – SPIJ with respect to PTPA requirements. SPIJ is the official internet-based source for legal norms which is widely used by practitioners and academics. The Project will deliver a report containing the references of the domestic regulation directly related to the PTPA provisions as well as to review the PTPA text incorporated in the MINJUS SPIJ System as compared to the official version. Its importance lays on the fact that trade agreement provisions are for the first time officially linked to the domestic regulation in a very detailed manner, thus ensuring that it be widely considered when applying or drafting regulations. It will pave the way to integrate others trade agreements provisions as well. Such task is to be completed in October 2012.

Partnership for Trade Facilitation: Advance Rulings

USAID Partnership for Trade Facilitation funds allowed the Project to extend its SOW towards the Advance Ruling System. This provision is established in the PTPA and has been fully in force in Peru since February 2012, though almost not used. The system covers valuation, origin, quota compliances as well as tariff classification. The Project considers this assistance was a strategic

² Legislative Decree No.1122, published on July 18th, 2012.

doorway to improve those mentioned topics which are pillars of an efficient and modern Customs service.

Customs expert Rober Holler, who actually is one of the main authors of the guideline of Advanced Rulings published by USAID within the framework of the TCBoost project and is familiar with Peru's customs operations has been entrusted to produce a baseline and diagnostic on the system features to identify areas to improve. He performed a field trip in mid-September and the final report is expected in mid-October 2012. The expert held several meetings with Customs Authority, Mincetur as well as companies to collect first-hand information regarding the use of advance rulings.

Component 4: Administrative Simplification

Exploratory Study on Municipal Regulation for businesses (Activity of FY 2011)

During the second year of activities, the Project, along with USAID | Pro Descentralización, presented the Document “Exploratory Study on Municipal Regulation for Businesses” at a public ceremony held in the Municipality of Miraflores. Guest included the Director of USAID Peru, Richard Goughnour, Mayor Jorge Muñoz Wells of the Municipality of Miraflores, both Chiefs of Party of USAID | Facilitando Comercio, Elena Conterno, and USAID | Peru Pro Descentralización Thomas Reilly and several public officials from municipalities, central government and other institutions.



Mr. Richard Goughnour, Director of USAID Peru; Mr. Jorge Muñoz Wells, Mayor of Miraflores; Mrs. Elena Conterno, Chief of Party USAID | Facilitando Comercio; and Mr. Thomas Reilly, Chief of Party USAID | Peru Pro Descentralización

The Project also distributed 2,000 copies of the study among target public audiences: provincial municipalities, Metropolitan Municipality of Lima, municipalities assisted by the Project, specialists, consultative committee members and public and private institutions related to the topic. This document is intended to guide local governments on reforming their business registration procedure so as to provide a more suitable environment for businesses and entrepreneurs.

Activity 4.1 Promote Administrative Simplification

4.1.1 Monitor TRAMIFACIL webpage

TRAMIFACIL, a public-private-international cooperation alliance was formed by a group of 27 public and private institutions with the objective of promoting administrative simplification reforms. During its first year of activities, USAID | Facilitando Comercio redesigned and updated the TRAMIFACIL webpage in order to improve this administrative simplification website. Fifteen months since its public presentation, the webpage has proved to be a useful instrument to promote and disseminate administrative simplification information. Since the launching event on May 16th 2011, visits to the webpage have risen by more than 2,000%, from an average of 5.5 visits to almost 120 visitors per day, which adds almost 60,000 visitors, to date.

The redesign of the TRAMIFACIL webpage along with other administrative simplification activities performed by the Project, have been positioned USAID as a key actor within the TRAMIFACIL alliance. Indeed, in the last TRAMIFACIL General Assembly USAID was selected to be part of its Executive Council for a period of two years, along with PROINVERSION and the National Confederation of Private Businesses (CONFIEP).

4.1.3 Promote application of costs methodology guide

One of the main obstacles to business formalization is the excessive cost that local governments charge for administrative procedures demanded by entrepreneurs, which are far higher than the real cost of the procedure. This inefficiency is created mainly because costing officers are neither trained or lack the appropriate tools to calculate fees using appropriate costing methodologies.

In 2011 the Public Management Secretariat (PMS) introduced a new costs methodology, which mandatory for all institutions across the three levels of government, to determine tariffs of administrative procedures and thus prevent citizens to pay inflated costs for them. In this regard, the PMS also developed an informatics tool to apply this new methodology in each institution. In this context, PMS requested technical assistance from USAID | Facilitando Comercio in order to build capacities among public officials in the use of the costs methodology and its informatics application.

The Project has developed three guides to support national, regional and municipal institutions in the implementation and use of the costs methodology and its

informatics application. The guides have been customized to provide examples that fit the profile of each level of institutions and have been edited with a language that is easy to understand and visually friendly. The Project expects to print and disseminate 7,000 copies in total.

4.1.4 Support virtual administrative simplification diploma for officials of Type B municipalities

Within the framework of the National Policy on Administrative Simplification, the PMS developed various products related to administrative simplification, including costing and administrative simplification methodologies. These products needed to be disseminated among public officials across the country in order to strengthen their capacities on administrative simplification matters, providing them knowledge and tools necessary to identify and simplify cumbersome procedures.

In this regard, the PMS considered it important to launch a Virtual Diploma on Administrative Simplification oriented towards public officials responsible for preparing the TUPA (Single Text of Administrative Procedures), costing and other related areas.

The Project put considerable emphasis on dissemination among public officials, especially rural and small/medium municipalities (Type B according to MEF's classification). As result, 3,753 officials registered for the Diploma and after the profile evaluation, 3,400 students from more than 900 municipalities from all the Departments in Peru were accepted to take part in the course. The virtual course of the Diploma started on February 6th 2012 and finished on September 28th 2012. In addition to the virtual course, a set of workshops will be provided across the country to conclude the activity, summarize all topics and hand the Diploma to students. Approximately 2,500 students are expected to approve the Diploma.

Improve Procedure of Safety Technical Inspection in Civil Defense

Many studies show that despite the implementation of the Operating License Framework Law, the licensing procedure remains cumbersome for entrepreneurs, especially when reaching the point where they have to pass the Safety Technical Inspection in Civil Defense (SFICD).

Throughout the second year of activities, the Project supported the National Institute of Civil Defense (INDECI) by assessing all regulations involving the SFICD and inspection registries to identify weaknesses, inconsistencies and overall coherence in the procedure.

It is important to highlight that during the collection of field data, very few municipalities used the verification list as an inspection tool, which showed how cumbersome and inefficient the list currently is and also the importance of simplifying it, not only for entrepreneurs but for municipalities as well. Accordingly, the NCC is currently preparing a reform of the SFICD, which has used the Project's studies as valuable inputs.

In addition to these activities, the Project is also supporting INDECI by developing an Online Application to manage the information of inspectors that carry out SFICD. It is important to note that INDECI is in charge of accrediting and managing the database of technical inspectors and thereby requires modern tools to supervise the performance of inspections and inspectors across the country. Currently, the Application is being installed on INDECI's server and is under stress tests.

Activity 4.2 Technical Assistance to Municipalities for Optimizing the Operating License Procedure

I. Technical Assistance to municipalities

After successfully achieving the reform in the first group of 20 municipalities the Project proceeded to work with a second group of 32 municipalities. As a result of the experiences and lessons learned from the first year of assistance the Project has made adjustments to improve this second intervention, especially for preventing delays in the final approval of the reform (passing the "Ordenanza" by the Mayor and Aldermen). For example, the Project is now emphasizing the attendance of Aldermen and officials in the first presentation to the Mayor, in order to involve all decision-making personnel that will be involved in the reform at the beginning of the process.

Average Result obtained in the 32 municipalities on the EX POST Operating License Procedure (Business until 100 m2, the inspection is performed after issuing the operating license)
Reduction from an average of 174 to 19 hours to issue the operating license
Reduction from 7 to 4 areas involved in the operating license procedure
Reduction from 63 to 23 steps to issue the operating license
Reduction of costs from S/. 336.00 to an average of S/.78.00

Elaboration: USAID | Facilitando Comercio

Average Result obtained in the 32 municipalities on the EX ANTE Operating License Procedure (Businesses from 101 to 500 m2, the inspection is performed as part of the operating license procedure)
Reduction from an average of 325 to 52 hours to issue the operating license
Reduction from 8 to 5 areas involved in the operating license procedure
Reduction from 74 to 34 steps to issue the operating license
Reduction of costs from S/. 553.00 to an average of S/.240.00

Elaboration: USAID | Facilitando Comercio

It's noteworthy that one of the main reasons why local governments are predisposed to adjust their management tools according to the Operating License Framework Law is the economic incentives provided by the Ministry of Economy and Finance to municipalities that meet certain targets, including compliance with the Law.

On July 31, 2012 a Supreme Decree (No. 134-2012-EF), was published for authorizing the transfer of resources to a list of local governments that have met certain number

of goals set in 2011. In this context, all of the twenty municipalities assisted in FY 2011 and the first eleven municipalities of FY 2012 (the assessment was up to December 31, 2011) received the economic incentive.

In total, 31 municipalities received S/.21 million, which represents an average of US\$ 260,000 per municipality. (The amounts assigned to each municipality are divided as a proportion of the total fund, preventing an accurate calculation of how much each municipality received specifically for abiding by the Operating License Framework Law.)

II. *Operating License Leaflet*

One of the most important recommendations made by different studies to municipalities for improving their operating license procedure is to provide suitable orientation and assistance to entrepreneurs. In the interest of ensuring the sustainability of the municipal reforms, the Project developed an Operating License Leaflet containing all the details of the procedure, the technical inspection in civil defense, benefits of formality and the rights and obligations of formal entrepreneurs. The Operating License leaflet was validated and approved by both NCC and INDECI.



Operating License Leaflet Cover Art

A total of 90,500 copies were printed and are being distributed among partner municipalities and other institutions. In addition, the leaflet has also served as a topic in two articles in important newspapers such as El Peruano and Peru21. In addition, INDECI presented the leaflet at an international workshop held in Ecuador regarding Safety Technical Inspections. The leaflet is of free distribution and can be found in the Project's and TRAMIFACIL's webpages.

III. Implementation of the Citizen Orientation Platform in the Municipality of Miraflores.

The Mayor of Miraflores requested support for implementing the “Citizen Orientation Platform”, a service designed by officials from the municipality and aimed to assist entrepreneurs in obtaining the operating license for their businesses. The Platform had not yet been implemented since municipal personnel were not trained on the procedure.

The Project provided trainings to municipal staff and also shared several recommendations to improve the Platform’s implementation and performance, which have been taken into account. The Platform is now fully operational.

Component 5: Medicines

Activity 5.3: Raise Awareness of Counterfeit drugs and Regulations of Pharmaceuticals

East Region Forum Against the illegal trade of pharmaceuticals in Iquitos

One of the main lines of action of the Project has been helping the Peruvian Government to strengthen the regulation and control of medicines and pharmaceuticals, as established in the Project’s Task Order. In the first year of activities the Project engaged in the organization, along with DIGEMID and CONTRAFALME, of a series of forums in Lima, Tumbes and Puno, where the general public and authorities had the opportunity to exchange information and concerns about the illegal trade of pharmaceuticals.

This year, the Project organized once again, along with DIGEMID, a forum against the Illegal Trade of Pharmaceuticals, this time in the East Region, in the city of Iquitos on March 28th and 29th, 2012.

Iquitos is a city with a significant amount of minorities and authorities have problems when trying to control the commercialization of illegal drugs between them. Therefore this forum was very advertised in order to gather the maximum amount of people, and the DIGEMID officers’ as well as our Medicines Component Leader were able to talk with the press about this alarming problem.

Based on prior experience, we assured the forum had more room for discussion between each conference and attendees were organized in teams since the beginning of the forum. This organization made it easier to exchange opinions among different authorities and even the general public had room to express their concerns.

Almost 200 people attended including officials from DIGEMID (Lima), officers from the DIRESA (Health Regional Directorates) of Madre de Dios, Ucayali, San Martin, Loreto, Amazonas, Arequipa, Apurimac, Lambayeque, Lima, Ancash, Cusco, Ayacucho, Puno, Cajamarca, representatives of GTM/CONTRAFALME, Customs Officers from Tumbes, Journalists, Regional Government, Municipalities, the National Association of Pharmaceutical Industries, the Lima

Chamber of Commerce, EsSalud (Social Security), ALAFARPE (National Association of Pharmaceutical) and the Panamerican Health Organization (PAHO).

Component 6: Telecommunications

Activity 6.1: Analyze International Best Practices on Telecommunications Regulations

Expert George Ford completed his analysis of the economic and legal theories behind the original unbundling paradigm contained in the Telecommunications Act of 1996 as well as the chronological account and description of relevant US Federal Communications Commission orders and court cases related to the U.S unbundling paradigm. The Project is discussing with OSIPTEL the schedule of the forthcoming visit of the consultant which is likely to be in October 2012. OSIPTEL is to indicate the specific topics that the consultant must address.

Activity 6.3: Analyze and propose changes on regional regulations

Along with the NCC a round table was organized to present the study on municipalities' "Practices in regulations in telecommunications infrastructure permits". The event took place on May 11th 2012, and it was headed by the Vice Minister of Communications with the participation of representatives from NCC, MTC, PCM, Indecopi and Municipality of Surco. Likewise, large telecom operators took part on it such as America Movil (Claro) and Nextel. The round table allowed the Project not only to validate the findings of the study but also to establish further actions to improve the attitude of Municipalities towards the telecom industry.

IV. Activities and Major Achievements – Andean Region

Bolivia

Component 2: Intellectual Property

Activity 2.1: Promote the use of Intellectual Property as a competitive tool

Under this activity, the Project supports FUNDES in providing a new service to MSMEs for promoting the use of IP as a competitive tool. The Project started this initiative with 30 enterprises and included additional ones with the same budget, and now is under implementation with 37 of them from the cities of La Paz, Cochabamba, El Alto and Santa Cruz.

Two training programs have been provided to enterprises, one to introduce general aspects of IP and also to sensitize them about the importance and benefits of Intellectual Property Rights, the second training focused on how to apply for IP Rights including requirements, steps and other related topics. After this process, MSMEs started identifying different elements within their enterprises that could be the subject of IP registration. With support of the Project and FUNDES, these MSMEs currently have made 87 applications that are in the final stages of approval (Publication).



Elaboration: USAID | Facilitando Comercio



Visit to Facilities of Valencia Laboratory



Training event

In addition, the Project has developed an Intellectual Property Manual for MSMEs, which is currently being printed.

Component 3: Trade Facilitation

Activity 3.1: Certification of products and processes

This activity will support MSMEs in obtaining ISO 9001, NB12009, HACCP, FCC or ISO 22000 financing up to 50 percent of the respective certification. The National Chamber of Industries is

our implementation partner for all certifications but ISO 22000, which is being handled by FUNDES through its departmental offices throughout the country. The selection process was carried out in the cities of La Paz and El Alto, accepting 4 enterprises to proceed with the certification process, and selection is currently underway in the city of Santa Cruz.

For the ISO 22000 certification, the Project teamed with FUNDES in order to support 15 MSMEs in obtaining this certification. Currently 14 MSMEs have been accepted to take part in the activity and will begin the certification process as soon as the 15th enterprise is accepted.

Activity 3.2: Promote best BioTrade practices

The Project supports the National Chamber of BioTrade of Bolivia (BIONATIVA) and the Friends of Nature Foundation (FAN) for obtaining the incorporation as Members of at least 8 enterprises to the Union for BioEthical Trade (UEBT).

In order to stimulate the interest of enterprises and certification agencies, a representative of the Union for Ethical Bio Trade (UEBT) explained the purpose of UEBT and discussed the steps to be followed by any company in order to obtain membership (process, conditions and obligations, among others). Currently, FAN is completing the list of enterprises that will take part in this activity.



Workshops

Activity 3.4: Institutional strengthening for technical assistance in trade facilitation

Under this activity, USAID | Facilitando Comercio and the Chamber of Exporters of Cochabamba (CADEXCO) signed a Memorandum of Understanding for institutional strengthening, which included the following activities:

- ✓ Development of a Study on Trade Facilitation Procedures.
- ✓ Trainings on packaging, labeling and marking.
- ✓ HACCP, Organic and CSR Guidelines.

The guidelines are currently under elaboration and TORs for the other two products are being drafted.

Activity 3.5: Dissemination of best practices in trade facilitation

The Forum on Trade Facilitation, held on November 23rd and 24th, 2011 was organized by the Chamber of Exporters of Santa Cruz and supported by USAID | Facilitando Comercio. The Forum was sought to share, debate and identify key trade facilitation aspects for the consolidation and insertion of MSMEs into the global context, in order to increase social inclusion and regional integration.

The Forum included the participation of 122 members of the private sector, both local and international, who expressed satisfaction with the speakers and the forum overall, noting that the topics covered were very relevant to their companies' work.



Trade Facilitation Forum

Colombia

Component 2: Intellectual Property Rights

Activity 2.1: CTPA Implementation

Colombia's Superintendence of Industry and Commerce (SIC) houses the industrial property office responsible for implementing various articles of the CTPA's IPR chapter. However, the responsibility of protecting intellectual property is shared with other entities, such as customs officials, the national police, public prosecutors, and judges, all which make up part of an enforcement chain. USAID|Facilitando Comercio has focused its assistance on building the organizational technical capacity of the SIC and those entities involved in the protection of IPR.

Activity 2.11: Implementation of IP Treaties

In line with SIC priorities, the project assisted the IP office with the implementation of two IPR treaties stipulated in the CTPA, the Madrid Protocol for trademarks and the Patent Cooperation Treaty (PCT). Both treaties work to reduce the time and cost of internationally registering trademarks and patents, respectively. While Colombia became a member of the PCT prior to the signing of the CTPA, the private sector doesn't use it to register its patents overseas, and similarly, SIC is not familiar with the steps needed to file patents using the PCT mechanism. With regards to the Madrid Protocol, the treaty went into effect in August of

2012, thereby introducing a new filing procedure for trademarks amongst the private sector and SIC.

To address SIC's institutional capacity needs to process registrations under both treaties, USAID|Facilitando Comercio engaged experts in the respective treaties to develop procedural guides that address the differences between filing processes for domestic protection and international protection as required by the treaties. The guides include overviews of the functions to be conducted by examiners, the steps to undertake international searches, and the required timeframes. Both guides have been completed and are undergoing review by SIC. While these guides are developed principally for SIC staff, their use by the private sector is also anticipated so that the benefits of each treaty can be better understood.

Activity 2.12: Enforcement of IPR

Colombia remains a Watch List country in the 2012 U.S. Trade Representative (USTR) Special 301 Report to US Congress. This is mainly due to Colombia's weak and lengthy enforcement mechanism. Article 16:11 of the CTPA lays out the enforcement obligations and border measures to be taken by the government of Colombia to protect IPR. To implement this article, it is important to evaluate IPR awareness and comprehension among Colombia's enforcement entities in order to develop appropriate trainings that address the gaps and the individual entities enforcement roles.

a. 2.121 Evaluate effectiveness of judges training

In September 2011 USAID|Facilitando Comercio, in partnership with the Rodrigo Lara Bonilla Judges School, concluded a series of IPR trainings for judges in 16 Colombian cities. Ten months after the training, the project reached out to the 410 judges who participated in the training to evaluate the number and type of IPR-related cases being ruled on by the judges and the type of rulings with the objective of evaluating the effectiveness of the nation-wide training initiative. The following summarizes the results of the monitoring and evaluation activity that was conducted:

- 7 judges confirmed having IP-related civil cases; 61 cases in total.
- 5 judges confirmed having IP-related cases in criminal court; 164 cases in total
- The majority of civil cases dealt with copyright violations, piracy, and trademark infringement and resulted in monetary fines for the violator.
- Most cases are being presented in Bogota, with a few cases also being handled in Medellin and Cartagena.
- Economic fines are being issued for most cases seen. However, judges requested additional assistance in determining fines and appropriate compensation for the type and degree of infringement, particularly in the case of copyright violations.
- Judges seeing IP cases in Bogota felt additional training on IP was needed.

b. 2.123 Train national police on IP enforcement

Similar to the approach being taken with public prosecutors, the project held a workshop with the national police in June 2012 to identify their training needs. A basic

overview of IPR was given to a group of 26 police officers working in the business security division of the DJIN (Bureau of Criminal Investigation and Interpol). The majority of the cases being seen by this division involve piracy. Training material will be developed with the objective of it being incorporated into the DJIN's cadet training program.

2.2 Work Plan Activities Year 1 & 2

Activity 2.21: Assist the Superintendence of Industry and Commerce (SIC) in providing regional services supported by chambers of commerce.

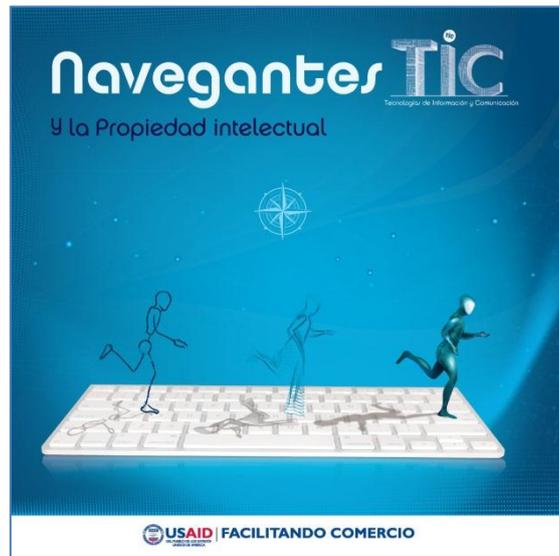
During the reporting period, SIC, USAID|Facilitando Comercio and Confecamaras, the Colombian Confederation of Chambers of Commerce, signed a cooperation agreement to work together to enhance the services offered to the business community through the Chambers' Business Attention Centers (Centros de Atención Empresarial). Subsequently, 15 chambers of commerce signed on to the initiative to receive training on IPR and the type of guidance that can be offered to entrepreneurs and the businesses community on the use of trademarks. USAID|Facilitando Comercio attended the signing ceremony and highlighted its commitment to disseminating the use of IPR throughout Colombia. The final version of the manual was approved by SIC in June and trainings to the chambers initiated in September with a three-day workshop at the Cartagena Chamber of Commerce.



Sandra Villanueva, DCOP, USAID|Facilitando Comercio; Julián Domínguez Rivera, President of Confecamaras; José Miguel de la Calle, Superintendente de SIC; Jose Luis Londoño, Delegado de Propiedad Industrial, SIC

Activity 2.22: Foster respect for intellectual property in schools

USAID|Facilitando Comercio is working to increase the awareness of IPR, specifically copyrights, among school age children through workshops using an educational, age-appropriate handbook focused on information and communication technology. The contents of the manual were finalized with the inputs of teachers and organizations, such as BiblioRed, Colombia's network of public libraries, Colombia's Antipiracy Campaign, Bogota's Secretary of Education, and the National Copyrights Office. The manual was printed in September and workshops with schools will commence during the same month with the objective of reaching 5,000 students.



Navigating Information and Communication Technology and Intellectual Property Guide

Activity 2.23: Assist SIC reduce its backlogs to improve its internal capacity

In line with Colombia's economic growth, the number of trademark and patent applications received by SIC has increased. Between 2010 and 2011, trademark applications increased by 35% and patents increased by 48%. This growth contributed to the backlogs of registry applications and other related filings, such as trademark oppositions, the SIC has been trying to eliminate for the past few years. To address the concern of emitting timely registrations, SIC requested assistance with the examination of applications through the use of temporary examiners. USAID | Facilitando agreed to support this initiative if SIC would in return increase the human capital of their examination divisions.

Between 2011 and 2012, the distinctive signs division increased personnel in their examination team by 45 percent, and the new inventions division increased theirs by 100 percent, some of which include the temporary examiners contracted under the project. With the project's assistance the following results have been achieved to date:

- Reduced the New Inventions backlog by 60%, disaggregated by the following type of application:
 - 330 industrial designs;
 - 332 patents;
 - 118 utility models.
- Distinctive Signs:
 - 1,743 Trademark applications; reduced backlog by 90%
 - 1,000 trademark oppositions; reduced backlog by 65%
 - 281 trademark reconsiderations; a 100% elimination of the backlog
 - 150 trademark cancelations; a 100% elimination of the backlog
 - 54 trademark appeals; reduced backlog by 5%.

With these figures in mind, it is currently taking SIC an average of seven months to register trademarks that don't have oppositions, and 10 months for those with oppositions. For the

New Inventions unit, SIC is averaging 71 months (six years) to issue patents. As an additional effort to improve efficiencies within SIC, the IP office has now eliminated the possibility of reconsiderations. A study by a third party was conducted and found that rulings by SIC were rarely overturned, and that reconsiderations were resulting in an additional process with no value added. SIC eliminated reconsiderations and now only processes appeals.

Component 3: Trade Facilitation

Activity 3.11: Assist DIAN with a 48-hour release of goods

To support the GOC's compliance with Article 5.2 of the CTPA, which requires Colombia to release cargo goods from customs within 48 hours, the project needed baseline information to determine the ports' average release times. The information received by Colombia's customs authority's (DIAN) was inconclusive, therefore, it was agreed with the entity that the project would conduct a diagnostic and time-release assessment at the Port of Buenaventura, where 65 percent of imports are received. The sub activities below were prioritized with DIAN's customs director in April 2012, and incorporated into the project's work plan. However, in July 2012, a new customs director was named and many directors of relevant technical areas were changed, which resulted in a delay in the implementation of activities. As of September 2012, DIAN's new customs director is considering a request for additional technical assistance across other core areas, such as risk management and IT systems that could lead to improved release times.

3.111 Conduct TCBaseline diagnostic and related assessments

In March 2012, USAID|Facilitando Comercio carried out an assessment using the TCBaseline methodology, to measure DIAN's institutional capability and efficiency, which included a time-release study of its operation at the Port of Buenaventura. The study was used to identify areas of intervention to assist DIAN in building capacity and meeting the CTPA commitment for a 48-hour release of goods; key findings include:

- 93 percent of goods entering Buenaventura clear customs on an average of 9 days;
- 7 percent of goods clear customs in 43 hours with the use of anticipated declarations;
- Lack of inspector training; and
- The need for regulatory modifications to the current customs code to improve clearance times.

Meetings were held with several of DIAN's technical areas, including foreign trade, organizational management, risk management, and the training school to discuss report findings and recommendations in detail. Additionally, the Project made the following recommendations to modify the current customs' code, which were incorporated and made public in September 2012:

- The selectivity process to determine whether an imported good should be inspected should occur before the payment of duties, rather than after, allowing for a faster clearance of goods passing through the green channel, which is about 85 percent of the goods in Buenaventura.
- Payment of duties should occur after goods have been released from customs, thereby allowing for speedier clearance times.

When the diagnostic's findings were shared with DIAN, many of the report's recommendations were said to be in-house initiatives of DIAN, where outside technical assistance was not required. Since then, DIAN has expressed interest in exploring recommendations further. The possibility of doing time-release studies in Colombia's other major ports has also been of interest to DIAN, with the objective of comparing practices and determining what effective processes can be incorporated across all ports.

Activity 3.12: Assist DIAN in Establishing 6-hour release of express shipments

USAID|Facilitando Comercio carried out a process mapping diagnostic and time release study for express deliveries at Bogota's airport, where the majority of express deliveries are received. Under Article 5.7 of the CTPA, a separate and expedited customs procedure is required for express shipments with the objective of clearing customs within six hours after submission of the necessary documents.

Based on the diagnostic, USAID|Facilitando Comercio is in the process of initiating a technical assistance plan that includes process reengineering and adjustments to DIAN's IT systems.

Activity 3.14: Promote the implementation of Advance Rulings

The CTPA also obligates Colombia to issue advance rulings prior to imported goods entering the country at the request of the exporter or importer. Rulings can be done for seven different categories (tariff classification, customs valuation, origin, quotas, duty drawbacks, duty deferral, and treatment of goods in transit).

To begin preparing DIAN for the implementation of this trade facilitation tool, USAID|Facilitando Comercio worked closely with DIAN for one week in September reviewing international best practices and addressing implementation concerns of both DIAN and the private sector. The project also advised DIAN on the implications advance rulings have on the new customs code being drafted. As a follow-up, a work plan that includes trainings, drafting of new forms and templates, assessing the human resources needed to implement advance rulings, and manual drafting is currently being developed. Technical assistance is scheduled to start in October 2012.

Activity 3.2: Promote CTPA Trade Facilitation measures among private sector

USAID|Facilitando Comercio aims to not only assist the government of Colombia in implementing CTPA trade facilitation measures, but to also promote the benefits of open trade to the private sector while strengthening its capacity to take advantage of the benefits of the trade agreement. To reach the private sector, the project has been working on the below

activity with Colombia's export promotion agency, Proexport, to complement USAID|Facilitando Comercio's work with the public sector.

Activity 3.21: Promote use of Rules of Origin (ROO) in collaboration with Proexport

Building on the ROO manuals developed for Peru's private sector, USAID|Facilitando Comercio is working with the same author of those manuals to develop guides for Colombia's agribusiness and textiles sectors. In collaboration with Proexport, the Project initiated field visits to agribusiness plants in Bogota, Barranquilla, Cali and Medellin to begin collecting specific examples of goods being produced in Colombia that could benefit from preferential treatment in the US according to the origin of ingredients or intermediate goods used to make the final product.

One major highlight of the plant visits conducted in July, included a visit to a company in Cali that was still obtaining the origin certificate from DIAN, which as of May 15, 2012, when the CTPA entered into force, is no longer a requirement. USAID|Facilitando Comercio informed DIAN's Cali office of this, making reference to the CTPA article that allows for importers, exporters, or producers to certify the origin of its good. DIAN responded by removing the link to ROO certificates for the US from its internal IT system.

With the specific examples that were collected during the field work, USAID|Facilitando Comercio and Proexport will hold ROO seminars for agribusiness companies in Medellin, Barranquilla, Cali and Bogota starting in late September. In addition to these seminars, the project will begin plant visits to textile/apparel companies to begin collecting relevant examples that will be used in seminars in November. The manuals for these two sectors will then be published in early 2013.

Demand Driven Technical Assistance

In addition to the technical assistance under the IPR and Trade Facilitation components, the Project set aside resources for demand -driven technical assistance that could arise for the implementation of other CTPA chapters. During the reporting period, one demand-driven activity was carried out.

Activity X.1: Assist SIC's antitrust division on conducting economic analysis through FTC training

Under the CTPA's Competition Chapter, the US and Colombia committed to enhancing coordination to enforce their respective competition laws. Colombia's competition authority, housed in the SIC, is a fairly new office in the process of establishing procedures and guidelines. To encourage exchange of information between the US Federal Trade Commission (FTC) and SIC, FTC sent an antitrust specialist to Colombia for two months to work with SIC staff on competition assessments. The FTC employee concluded his field visit at the end of June with a review of SIC's merger guidelines and a list of recommendations for SIC to consider. Additionally, the FTC antitrust specialist noted the following for SIC's superintendent to take into consideration:

- SIC's merger investigations need to be more in depth and supported by more objective records.
- SIC requires more training and in house expertise in carrying out industry-wide, economic impact analysis post-merger and acquisition rulings.
- Currently, SIC has the power to continue to request information from merger and acquisition parties until they believe they have all of the information necessary to make a decision. This gives SIC almost unlimited power over the timing of the parties' merger. SIC should limit this power by law to make regulation fairer.

Ecuador

Promote the Appellation of Origin Cacao Arriba

USAID | Ecuador's Local Business Development Program (PRODEL) has strongly promoted the application of best practices among cacao (Cacao Arriba and CCN51) farmers, processors and exporters, regardless of actual and potential certifications. PRODEL has also facilitated, and in some cases, promoted the application and process for certifications desired by international markets such as organic, rain forest, bird friendly practices and fair trade, among others. Thousands of farmers, individually and in association, have registered and obtained one or more of these certifications.

Meanwhile, the Ecuadorian Government through its Institute of Intellectual Property (IEPI) has been working strongly in promoting the Cacao Arriba appellation of origin, not only in Ecuador but around the world. Therefore, in order to continue with the promotion of best practices among Cacao Arriba and CCN51 farmers the Project decided to provide its cooperation through the following:

- Provide technical assistance to the Ecuadorian Institute of Intellectual Property (IEPI) in developing regulatory reform proposals and planning to strengthen the system of checks and quality control of Appellations of Origin in Ecuador, and specifically the appellation of origin Cacao Arriba.
- Provide support to Cacao Producers Federation and Ministry of Agriculture by performing the cost / benefit analysis of various certifications desired by the market and that Cacao Arriba and CCN51 producers can comply with.

The Project hired two consultants to develop the above mentioned activities, one from Ecuador and one from Peru who are currently working on them.

In addition, the Project is providing its support to IEPI to bring in a representative of the Peruvian Appellation of Origin Pisco as a speaker in the international event called "Ecuador and its origin products: implementing intellectual property as a tool for development " in Guayaquil. The European Union, Mexico, Honduras, etc. are also presenting speakers representing some of their most important appellation of origin. This will be a big opportunity for Ecuador to show other countries what they have done regarding this subject and to learn

from foreign successful experiences which are the best practices to apply them over their own appellations of origin, namely Cacao Arriba and Sombreros Montecristi (Panama hats).

Promotion of Secure Commerce

A Memorandum of Understanding was signed with BASC to promote certification of security standards for SMEs. Although BASC implemented different dissemination activities, only five enterprises have shown interest in participating: Mariscalsa, Serpotransa, Grovice, Transporte Linetran, Transasia. USAID Ecuador agreed that these enterprises participate in the Program.

V. Allocation of Financial Resources

Since the beginning of the Project in June 2010 up to the conclusion of this second reporting period in September 2012, the Project has spent an estimated USD 9,9 million. This amount represents 70.37 % of the base period budget set in US\$ 14,039,234.00 and 58.12 % if including the optional year's budget (US\$ 16,996,502.00).

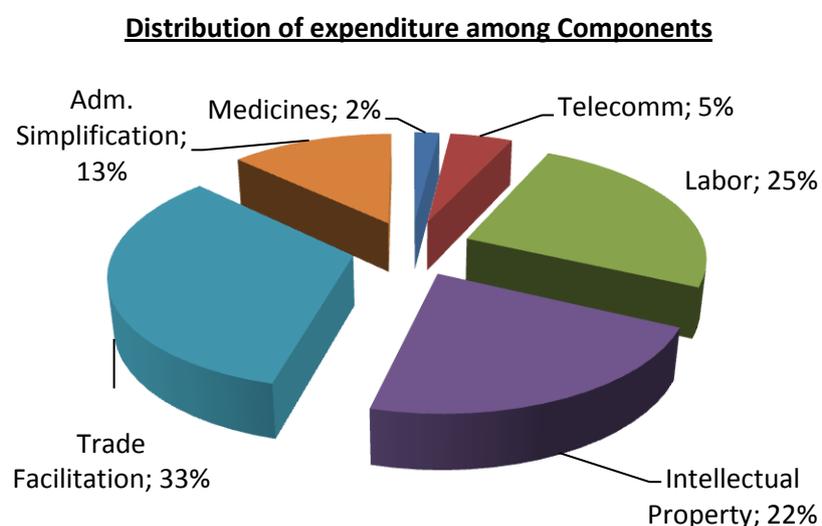
During the second reporting period, the Project applied and estimated of USD 5,614,000 to programming. This represents 31.6 % more than the first reported period (USD 4,265,199.80). The following table summarizes the expenditure in the two years of operations.

Component	Expenditure (US\$) Year 1	Distribution Year 1	Expenditure (US\$) Year 2	Distribution Year 2	Total Expenditure (US\$)	Cumulative Distribution
1. Labor	1,277,597.61	29.95%	1,174,473.61	20.92%	2,452,071.22	24.82%
2. Intellectual Property Rights	801,102.26	18.78%	1,391,762.89	24.79%	2,192,865.15	22.20%
3. Trade Facilitation	1,257,095.71	29.47%	2,055,767.74	36.62%	3,312,863.45	33.53%
4. Administrative Simplification	545,042.09	12.78%	762,329.78	13.58%	1,307,371.87	13.23%
5. Medicines and Pharmaceuticals	93,647.29	2.20%	54,558.39	0.97%	148,205.68	1.50%
6. Telecommunications	290,714.84	6.82%	174,846.74	3.11%	465,561.58	4.71%
TOTAL	4,265,199.80	100.00%	5,613,739.16	100.00%	9,878,938.96	100.00%

Year 1 corresponds to June 2010 to September 2011, and year 2 from October 2011 to September 2012

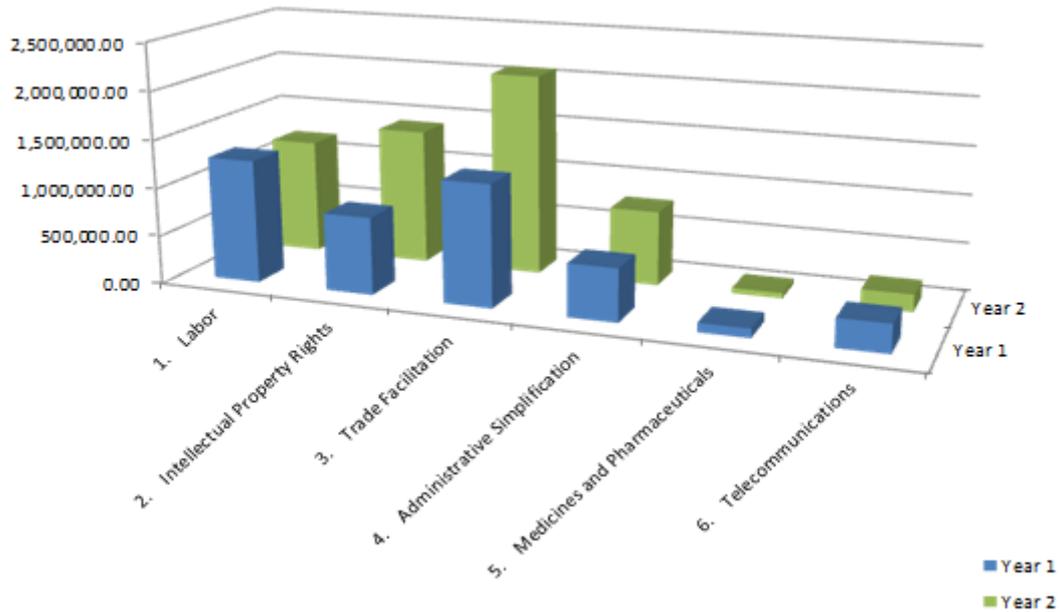
Source: USAID | Facilitando Comercio

The cumulative distribution of resources executed in the six Components is shown in the following graphic:



As planned at the beginning of the project, 80% of the total has been spent in 3 components, Labor Rights, Intellectual Property Rights, and Trade Facilitation and the distribution of the expenses through the six components has kept a similar proportion the 2 years.

Distribution of expenditure among Components and Years



Following the signing of the FTA between the U.S. and Colombia last October, USAID-Colombia decided to finance additional activities to help in its implementation and has assigned funds to the Project to develop an extended work plan in this country. In year 2012 USAID-Colombia obligated US\$ 1,690,000 to the Project, and US\$ 1,500,000 is expected from Fiscal Year 2013.

In addition, during year 2, the Project coordinated with Customs authorities to develop requests to the Partnership for Trade Facilitation fund from USAID/EGAT in Washington. A Scope of Work and budget was prepared, and the Project received funding from this fund: USD 400,000 for Peru and USD 404,000 for Colombia.

VI. Performance Management Indicators

Currently, USAID | Facilitando Comercio has developed Performance Management Plans (PMP) for Peru ,Colombia and Bolivia. For Bolivia, activites are currently underway and indicators will be presented in FY 2013.

Peru Indicators

Table 1. Peru's PMP Targets and Results

Final Objective and Intermediate Results	Results Indicators	Source	Baseline	Target 2012	Result 2012	Comments
Impacts: Contribute to Peru's competitiveness and adequate business environment, so that more people can reap the benefits of open trade.	Business environment in Peru (Doing Business)	World Bank, Doing Business Report, Doing Business Ranking (Peru / # countries)	56 / 183 (2010)	35	41 (2012)	Despite its decrease in 2 positions since 2011, Peru's business environment has improved in the "Starting a Business" category, achieving a reduction in the number of procedures, days and cost to start a business.
	Competitiveness in Peru (World Economic Forum Index)	World Economic Forum, The Global Competitiveness Report, Competitiveness Index Ranking (Peru/# countries)	78 / 133 (2009-2010)	71	67 (2011-2012)	Peru has improved 6 positions from past year's index based on its sound Macroeconomic environment, especially its positive Government budget balance for 2012.
IR1: Improved enforcement and protection of labor rights because of strengthened capacity and effectiveness of the	Duration of labor disputes	Statistics Unit of the Judiciary	4.5 years (2010)	1.5 years	TBD	Baseline data is currently being collected from Superior Justice Courts involved in the Project's scope.
	Number of inspection orders issued	Statistics Unit of the Ministry of Labor	49,485 (2008)	57,000	86,346 (2011)	Lack of information prevented from using 2012 information. Nevertheless, 2011 data shows an increase of 51% against

Table 1. Peru's PMP Targets and Results

Final Objective and Intermediate Results	Results Indicators	Source	Baseline	Target 2012	Result 2012	Comments
Ministry of Labor (MOL) and the Judiciary						targeted number of inspection orders issued.
	Number of labor disputes resolved by the Judiciary	Superior Justice Courts involved in the Program's scope.	TBD			Baseline data will be gathered for each Superior Justice Court involved in the Project's scope. Currently the Project has started the collection of information of Superior Courts. Data will be available on 2013.
IR2: Increased protection, enforcement, and use of intellectual property rights because of the implementation of IP treaties, improved processes in IP offices and strengthened Judicial System.	Number of Intellectual Property applications granted	INDECOPI data base	20,261 (2009)	25,500	26,023 (2011)	Granted Intellectual Property applications have grown 2% in 2011
	Decrease in time for registration procedures	INDECOPI. Distinctive Signs Unit	120 days	100	120	The Program will implement software on 2011, trials will be conducted on 2012 and the reform will be fully operative on 2013. It's important to outline that results presented are obtained from INDECOPI's TUPA, which establishes the legal time limit to issue a verdict, which doesn't necessarily reflects actual duration of procedures.
		INDECOPI. Inventions and New Technologies Unit.	1170 days	700	1170	
IR3: Simplified trade-related procedures, especially for SMEs, and Aduanas strengthened.	Number of days required to import (average)	Doing Business	6 days	-	6 days	Average days required to import and export remain similar as reforms set in late 2009 are expected to have a progressive impact throughout the Project's lifetime. Source has been modified from MINCETUR to Doing Business due to lack of updated data.
	Number of days required to export (average)	Doing Business	6 days	-	6 days	

Table 1. Peru's PMP Targets and Results

Final Objective and Intermediate Results	Results Indicators	Source	Baseline	Target 2012	Result 2012	Comments
	Number of simplified procedures	Monitoring and Progress Reports	243 procedures	18	5	5 of DIGESA's most demanded proceedings regarding Sanitary Registration of Food and Drinks were simplified (Approximately 40% of all DIGESA's registrations and 58% of VUCE's). Likewise, 14 additional proceedings related to Food and Drinks Permits are in their final stage of approval for achieving their simplification.
IR4: Simplified business registration and reduced transaction costs	Cost to register a business in a local municipality	Municipal filings of requests (Ex Post Inspection)	S/. 336	S/. 78	-	Baseline data refers to the average hours and resources spent by the second group of 32 supported municipalities to issue operating licenses. Results will be gathered six months after the reform's implementation by performing a survey to measure effective results. Currently the Project is performing such surveys.
		Municipal filings of requests (Ex Ante Inspection)	S/. 553	S/. 240	-	
	Time to register a business in a local municipality	Municipal filings of requests (Ex Post Inspection)	174 Hours	19 Hours	-	
		Municipal filings of requests (Ex Ante Inspection)	325 Hours	52 Hours	-	
IR5: Strengthened oversight of medicines and pharmaceuticals in Peru.	Number of Male / Female public servants trained	Monitoring and Progress Reports	0	50		
IR6: Increased telecommunications competition in Peru because of improved regulation.	Number of people trained in technical fundamentals to improve telecom regulation	Monitoring and Progress Reports	0	15	15	Working table for the reduction of bureaucratic barriers in Telecommunications.

Table 2. USAID Indicators. Targets and Results

Code	Common Indicator	Second Year				Comments
		Target	Results Second Year			
			Men	Women	Total	
4.2.2-5	Number of participants in USG supported trade and investment capacity building trainings.	3,615	3,154	3,051	6,205	<p>There have been a total of 6,205 participants in the 193 events developed by USAID Facilitando Comercio throughout the second year of the Project. Approximately 49% of the participants were female. The difference between targeted and actual number of participants in FY 2012 is mainly explained due to the following factors:</p> <ul style="list-style-type: none"> • Intellectual Property Component increased the number of participants due to the request by the U.S. Embassy to support IP trainings on two events: Interactive Technological Camp (366 civil society representatives) and Citizen Project (126 teacher) • The Project expanded its training efforts by performing two nationwide training events simultaneously: a Workshop on Anticipated Dispatch in 13 cities (601 attendees among public and private sector) and a 4-day course on Public and Customs Law in 12 cities (841 attendees among public officials and entrepreneurs). • Administrative Simplification Component. As requested by some municipalities, training events were broadened to cover more (in some cases almost all) officials from the municipality. As a result the Project trained approximately 500 more officials than planned.

Table 2. USAID Indicators. Targets and Results

Code	Common Indicator	Second Year			Comments
		Target	Results Second Year		
			Men	Women	
4.2.1-5	Number of legal, regulatory, or institutional actions taken to improve implementation or compliance with international trade and investment agreements that is due to the support received from USG- assisted organizations.	13	13		<p>The Trade Facilitation Component has developed the following products in order to improve implementation of the Trade Promotion Agreement (TPA):</p> <ul style="list-style-type: none"> • Ministerial Resolution N° 097-2012 MINCETUR, passing the simplification of Foreign Trade proceedings. • Supreme Decree 186-2012EF Customs. Passing of the Authorized Economic Operator Statutes. • Legislative Decree 1109 – Customs, adjusting the labeling requirements for imports. • Directorial Resolution N° 2811-2012/DHAZ/DIGESA/SA approving check list of Food and Drinks´ requirements compliance. <p>The Labor Component has developed the following topics:</p> <ul style="list-style-type: none"> • Inspection Protocol on Occupational Safety and Health on Civil Construction • Inspection Protocol on Occupational Safety and Health on Bakeries • Inspection Protocol on Occupational Safety and Health on Metal-Mechanics • Inspection Protocol on Freedom of Association • Inspection Protocol on Child Labor • Protocol of Labor Conciliation • Guidelines for performing inspections in the Agribusiness sector • Special labor regime proposal for sea workers <p>The Intellectual Component developed a:</p> <ul style="list-style-type: none"> • Training Manual to be used by INDECOPI in the formation of Patent

Table 2. USAID Indicators. Targets and Results

Code	Common Indicator	Second Year			Comments
		Target	Results Second Year		
			Men	Women	
					Examiners.
4.2.1-9	Number of U.S. supported training events held that related to improving the trade and investment environment.	159		193	<p>The Labor Component has performed 9 trainings; 5 oriented to specializing judges on the new Labor Procedural Law, 2 trainings for Lima inspectors and 4 Macro-Regional workshops in different cities to provide nationwide trainings to inspectors.</p> <p>The Intellectual Property Component developed 1 course to train Patent Examiners, 2 workshops for strengthening capacities for IP enforcement, 4 for raising awareness of the mentioned topic in La Libertad, Piura, Tacna and Lambayeque, and 17 workshops to promote a culture of respect towards IP rights.</p> <p>Likewise, the Trade Facilitation Component performed 32 workshops: 3 regarding the Authorized Economic Operator proposal, 16 nationwide trainings for Anticipated Dispatch and 13 Customs and Public Law nationwide trainings.</p> <p>The Administrative Simplification Component has carried out 124 trainings in 32 municipalities from across the country. As requested by municipalities, trainings were broadened to cover more municipal officials so the training events had to be expanded.</p> <p>In Medicines, the Project carried out 1 workshop in Loreto for raising awareness of counterfeit drugs and regulations.</p> <p>In Telecommunications, 1 workshop was held in May 2012 regarding bureaucratic barriers that hinder the development of telecomm services.</p>
4.2.1-10	Reduction in the cost of trade of goods across borders as a result of U.S. assistance.	20 US\$		0 US\$	The reduction is measured yearly as information is published by the Doing Business Report. Baseline extracted from the 2010 edition shows

Table 2. USAID Indicators. Targets and Results

Code	Common Indicator	Second Year			Comments
		Target	Results Second Year		
			Men	Women	
					an average cost of 885 US\$ (875 US\$ for exporting and 895 US\$ for importing a container of goods). The 2011 Doing Business edition showed that the average cost reduced in 15 US\$, to 870 US\$ (860 US\$ for export and 880 US\$ to import). The 2012 edition has maintained these results.
4.2.1-11	Reduction in the number of days required to trade across borders as a result of U.S. assistance.	0	-		The reduction will be measured yearly as the information is published by the Doing Business Report. The target for this indicator is intended to be met in 2013.
4.2.1-13	Reduction in the number of procedures required to trade goods across borders as a result of U.S. assistance.	5	0		Even though the number of procedures has not been reduced, the Project has achieved the simplification of 5 of them related to Sanitary Registration of Food and Drinks.
4.2.1-2	Number of customs harmonization procedures implemented in accordance with internationally accepted standards as a result of U.S. assistance.	1	1		Authorized Economic Operator (AEO) was implemented based on international standards with the support of USAID Facilitando Comercio. Legislative decree 1122 even adjusted the previous name (Customs Authorized User) to AEO, according to international use.
4.7.4-2	Number of legal obstacles to women's economic activities (due to legal discrimination) eliminated as a result of USG assistance.	0	-		Activities related to obstacles for women are scheduled to take place in 2013. The Labor Component will address discrimination issues by developing a guideline related to fighting gender discrimination.
4.6.1-5	Number of institutions/organizations undertaking capacity/competency strengthening as a result of USG assistance.	10	21		The Labor Component has improved capacities in the <u>Ministry of Labor</u> , the <u>Ministry of Justice</u> and the <u>Judiciary</u> . Intellectual Property Component has worked in the same way with <u>INDECOP</u> , the Technical Office of Technological Innovation Centers (<u>OTCIT</u>) and the following Universities: <u>PUCP</u> , <u>UPCH</u> , <u>UNI</u> and <u>UCSM</u> .

Table 2. USAID Indicators. Targets and Results

Code	Common Indicator	Second Year			Comments
		Target	Results Second Year		
			Men	Women	
					<p>The Trade Facilitation Component is performing capacity strengthening for institutions involved with the Single Window for Foreign Trade (VUCE). In addition to the support to <u>MINCETUR</u>, 2 VUCE institutions have already been assisted: <u>DIGESA</u> (General Direction of Health and Environment) and <u>DIGEMID</u> (General Direction of Drugs, Supplies and Medicines). Likewise, trainings regarding VUCE have been focused on <u>Customs</u>, <u>National Service of Agricultural Health</u>, <u>Fishing Technological Institute</u>, <u>National Ports Authority</u>, the <u>Ministry of Transport and Communications</u>, <u>Ministry of Education</u>, <u>Coastguards Direction</u> and the <u>Regional Direction of Health</u>.</p> <p>Administrative Simplification Component trained officials from the <u>Municipality of Miraflores</u> for implementing a Citizen Attention Module.</p>
4.6.1-5	Number of municipalities receiving U.S. assistance with regulatory/administrative simplification.	30		32	<p>Technical assistance provided to local municipalities effectively started on January 2011. By September 30th 2012, the Project assisted 32 municipalities across the country: Utcubamba, La Banda de Schilcayo, Corrales, Mala, Nueva Cajamarca, San Martín, Santa Eulalia, Wanchaq, Barranca, Imperial, Monsefu, Olmos, San Sebastián, Zarumilla, Cañete, José Leonardo Ortíz, Motupe, Paita, Santa Rosa, Bagua, Chancay, La Victoria, Moyobamba, Pomalca, Sechura, Lambayeque, Aguas Verdes, Pisac, Cajamarca, Santiago ,Cerro Colorado ,Tumbes</p>

Colombia Indicators

Table 4. USAID | Facilitando Comercio indicators

Final Objective and Intermediate Results	Results Indicators	Source	Baseline	Target 2012	Result 2012	Comments
Impacts: Contribute to Colombia's competitiveness and improved business environment, so that more people can reap the benefits of open trade.	Competitiveness in Colombia (World Economic Forum Index)	World Economic Forum, The Global Competitiveness Report, Competitiveness Index Ranking (Colombia/ No. of countries)	69 / 133 (2009-2010)	Annual Increase	68 / 139 (2011-2012)	Colombia has maintained its position on the 2011-2012 competitiveness report. Nevertheless, it's important to highlight an improvement of 7 positions, from 93 to 86 on the "Intellectual Property protection" indicator.
IR2: Increased protection, enforcement, and use of intellectual property rights because of the implementation of IP treaties, improved processes in IP offices and strengthened Judicial System.	Number of Industrial Property applications requested	SIC. Patents (Year)	1,320 (2010)	1,455	1,968*	*Preliminary result of 1,312 as to August 30 th 2012 is used as a base for estimating a total of approximately 1,968 invention and utility model patent applications requested by the end of the year, resulting in an expected increase of 35.2% against targeted.
		SIC. Trademarks (Year)	21,563 (2010)	28,517	27,426*	*Preliminary result of 18,284 as to August 30 th 2012 is used as a base for estimating a total of approximately 27,426 trademark applications requested by the end of the year, resulting in an expected decrease of 3.8%.
	Reduction of Backlog trademarks and Patents	SIC. Distinctive Signs Unit	1,900	630	1,585	The projected reduced the following backlogs in 2012: - 1,000 trademark oppositions; reduced backlog by 65%

Table 4. USAID | Facilitando Comercio indicators

Final Objective and Intermediate Results	Results Indicators	Source	Baseline	Target 2012	Result 2012	Comments
	applications					<ul style="list-style-type: none"> - 281 trademark reconsiderations; a 100% elimination of the backlog - 150 trademark cancelations; a 100% elimination of the backlog - 54 trademark appeals; reduced by 5%.
		SIC. Inventions and New Technologies Unit.	1,400	470	423	*Preliminary results through September 2012 The target indicates number of patent and utility model applications. The Project fell short of its stated goal for 2012, but is expecting to complete its target by October 2012.

Table 3. Common Indicators for USAID | Facilitando Comercio

Code	Indicators	Second Year				Comments
		Target	Results			
			Total	Men	Women	
4.2.2-5	Number of participants in USG supported trade and investment capacity building trainings.	655	341	134	207	<p>The project held the following trainings as of September, 2012:</p> <ul style="list-style-type: none"> - IPR: Colombia's Bureau of Criminal Investigation and Interpol (DIJIN) - IPR: Chambers of Commerce - TF: Advance Rulings seminar with private sector - Rules of Origin training for private sector – agribusiness in the cities of Medellin, Barranquilla, Cali and Bogota. - Rules of Origin training for Customs - IPR Training for Chamber of Commerce in Villavicencio <p>The project has 11 more trainings on IPR for the</p>

						Chambers of Commerce planned between October – December 2012. It also has 5 additional ROO trainings between October and November 2012. The project anticipates meeting its training target by mid November 2012.
4.2.1-5	Number of legal, regulatory, or institutional actions taken to improve implementation or compliance with international trade and investment agreements as a result of USG assistance.	3		3		<ul style="list-style-type: none"> - Trademark Law Treaty went into effect in April 2012 - Madrid Protocol went into effect in August of 2012 - Regulatory reform proposals for the new customs code that respond to CTPA commitments that will facilitate trade.
4.6.1-5	Number of institutions/organizations undertaking capacity/competency strengthening as a result of USG assistance.	3		8		<ul style="list-style-type: none"> - Colombia's Superintendence of Industry and Commerce (SIC) - Chambers of Commerce: Cartagena, Ibague, Cucuta. - Colombia's Bureau of Criminal Investigation and Interpol (DIJIN) - Colombia's Public Prosecutors training school - Colombia's Customs Authority (DIAN) - Proexport, Colombia's export promotion agency