



**USAID** | **FACILITANDO COMERCIO**  
DEL PUEBLO DE LOS ESTADOS  
UNIDOS DE AMERICA

# **Quarterly Progress Report**

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

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# Glossary

ADEX	Peruvian Exporters Association
	Agreement on Aspects regarding Commercial Intellectual Property Rights
ADPIC	
ADSL	Asymmetric Digital Subscriber Line
AEO	Authorized Economic Operator
AMCHAM	American Chamber of Commerce
AMPE	Peruvian Municipalities Association
APEGA	Peruvian Association of Gastronomy
APDAYC	Peruvian Association of Authors and Composers
BASC	Business Alliance to Promote Secure Commerce (Bolivia)
BID	Inter-American Development Bank
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
CAPLAB	Center of Services for Labor Training and Development
COO	Certificate of Origin
DIAN	Direction of National Taxes and Customs (Colombia)
	Dirección General de Control de Servicios de Seguridad y Control de Armas, Munición y Explosivos de Uso Civil
DICSAMEC	
DIGEMID	General Direction of Medicine and Drugs
DIGESA	General Direction of Health and Environment
DIN	INDECOPI's Directorate of Inventions and New Technologies
DSD	INDECOPI's Directorate of Distinctive Signs
	Judiciary's Technical Team for the Implementation of the Labor Procedural Law
ETII Laboral	
FAN	Friends of Nature Foundation
FCC	Federal Communications Commission
FINCYT	Programa de Ciencia y Tecnología (fondo concursable)
FUNDES	Foundation for Sustainable Development
GOB	Government of Bolivia
GOC	Government of Colombia
GOE	Government of Ecuador
GOP	Government of Peru
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	

IFC	International Finance Corporation
ILO	International Labor Organization
INDECI	National Institute of Civil Defense
	National Institute for the Defense of Consumers and Intellectual
INDECOPI	Property
ISO	International Standards Organization
ISPS	International Ship and Port Facility Security Code
ITC	U.S International Trade Commission
LPL	Labor Procedural Law
MCIT	Ministry of Commerce, Industry and Tourism of Colombia
MEF	Ministry of Economy and Finance
MINCETUR	Ministry of Foreign Trade and Tourism
MINJUS	Ministry of Justice
MIS	Management Information System
MOL - MINTRA	Ministry of Labor
MOU	Memorandum of Understanding
MTC	Ministry of Transportation and Communications
MVNO	Mobile Virtual Network Operators
NB	Bolivian Regulation
NCC	National Competitiveness Council
NLC	National Labor Council
NLPL	New Labor Procedural Law
	Ministry of Labor's General Office of Technical Cooperation and
OGCTAI	International Affairs
	Peruvian National Office of Electronic Government and
ONGEI	Informatics
	U.S. Office of Overseas Prosecutorial Development, Assistance
OPDAT	and Training
	Oversight Organism of Private Investment in
OSIPTEL	Telecommunications
PCB	Productivity and Competitiveness Project in Bolivia
PCM	Presidency of the Ministers' Council
PMM	Program for Municipal Modernization
PMS	Public Management Secretariat
PTPA	Peru Trade Promotion Agreement
SADA	Customs Anticipated Clearance System
SENASA	National Service of Agricultural Sanitation
SIC	Colombian Superintendence of Industry and Commerce
SIIT	Labor Inspections Informatics System
SME	Small and Medium Enterprise
TLT	Trademark Treaty
TOR	Terms of Reference
USG	United States Government
USPTO	U.S. Office of Patent and Trademark
VUCE / SW	Single Window of Foreign Trade

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## I. Executive Summary

The Project has continued its trade capacity building activities for the four Andean countries. All six components are well underway in Peru, and in Colombia the Project is currently finishing an expanded work plan to attend new technical assistance needs related to the implementation of the Trade Promotion Agreement signed with the U.S.

In an interest to expand trade facilitation activities, during the present quarter USAID | Facilitando Comercio has supported Peru and Colombia Customs authorities in applying for USAID's fund *Partnership for Trade Facilitation* in order to obtain and allocate additional resources towards the modernization of customs. These initiatives will also help both governments to fulfill the obligations set in their corresponding Trade Promotion Agreements.

In the reported quarter, the National Competitiveness Council (NCC) of Perú presented its National Competitiveness Agenda 2012-2013, which contains 60 goals. Of those, 16 correspond to Project activities.

In the following paragraphs we present a summary of the Project's progress over the last quarter:

### Labor

The Project has received several requests of technical support from the Judiciary, many of them as a consequence of the upcoming implementation of the Labor Procedural Law (LPL) this year in Lima, which requires substantial efforts.

The Project developed three nation-wide trainings for more than 100 public officials from the Labor Inspection System, in the cities of Chiclayo (North), Arequipa (South) and Iquitos (East). Trainings were based on five new Protocols on Occupational Safety and Health in metal-mechanics, bakeries and civil construction, freedom of association and child labor. In addition, work has started on redesigning the Ministry's Information System on Inspections, covering not only its implementation but the entire institutional framework to assure the sustainability of reforms.

It is important to state that the Ministry of Labor has deemed convenient that all requests for technical support be channeled through its Office of Technical Cooperation and International Affairs, therefore it has become the regular counterpart for all Project's activities. A Cooperation Agreement was signed in order to regulate this interaction.

Regarding the Ministry of Justice, the Project had planned to carry out an exchange of ideas and internships between MINJUS and MOL conciliators; however, the idea had to be put on hold due to its dependence on a required Inter-ministerial Agreement between both parties. Despite this delay, the Project has advanced in the training processes for public defenders and conciliators from both ministries in the LPL.

## Intellectual Property

The implementation of the module for generating electronic certificates of registration and entries and the module to allow the display, search and printing of such electronic certificates of registration and entries of the Distinctive Signs Directorate (DSD) has finally ended. Now the Project is coordinating with INDECOPI further activities regarding the improvement of its Management Information Systems, such as the digitation of DSD's certificates of registration and entries and the improvement of their distinctive signs' online registration system.

Meanwhile, the virtualization of contents of the first online course on trademarks is almost finished, as well as the layout and printing of the Patents Manual for Examiners and the Copyrights Guide. Both documents will be presented during the Intellectual Property Week (April 23-27).

In addition, the first part of the antipiracy campaign, consisting of the creation of three spots regarding music, movies and software piracy-- designed by the Project along with the US Embassy, the Antipiracy & Anti-Counterfeiting Commission (Ministry of Production) and INDECOPI-- has been completed and was launched on April 20<sup>th</sup>, 2012, with the presence of the Ambassador.

Finally, it's important to mention that the International Inventions Fair of Geneva took place with the participation of Dr. Oscar Patiño and Mr. Sixto Ramos, winners of Peru's X National Inventions Contest. The Project is pleased to report that both inventors were awarded the Gold and Bronze medal, respectively, proving that the support provided by the Project to Indecopi in the Inventions Contest was highly fruitful.

## Trade Facilitation

One major goal achieved in this component has been the official approval of the first measures to simplify trade related procedures in the National Bureau of Environmental Health (DIGESA). Main improvements include:

- Reduction of 40% to the Certificate of Authorized Commercialization's fee, as well as automatic approval (before, 5 days).
- Simplified requirements for the Sanitary Certificate by eliminating data requests; also, its renewal is now faster and the Sanitary Code doesn't have to be changed. In addition, non-substantial modifications to the Sanitary Certificate are now approved automatically (before, they were issued within 7 days)
- Legal framework updated and cleaned up by removing outdated and incompatible regulations.

Further measures are under development and they are expected to be published in July 2012. MINCETUR is fully committed to encouraging public entities to rely on Project support. As a result, we are currently assisting five entities (MINCETUR,

DIGEMID, DIGESA, ITP and SENASA) to implement trade facilitation measures. New Customs authorities took office this quarter and the Project met them to present the achievements and future plans of the Project. Response was very positive. The work plan is being executed as anticipated for the promotion of the Anticipated Clearance Procedure, the AEO implementation, and the Rules of Origin.

#### Administrative Simplification

In the first quarter of 2012 the Administrative Simplification Component started one of its most significant activities, the launching of the Second Virtual Diploma on Administrative Simplification, in a joint effort along with the Public Management Secretariat and the contractor Educaline. The interest surpassed expectations, having reached a total of 3,400 registered officials.

In addition to this activity, the Project continued providing technical assistance to municipalities and signing Commitment Acts with local Mayors, confirming their commitment to the reform of the business license procedure. Furthermore, the Operating License Information Leaflet was completed and sent to printing. The leaflet will be widely distributed across assisted municipalities and will serve as a guiding tool for entrepreneurs in obtaining their business license. The document was designed with support of the National Competitiveness Council and the National Institute of Civil Defense.

The Project has also finished reviewing contents of the document “Role of Municipal Governments in the Operation of New Businesses,” which is currently under tender for printing and is expected to be presented and distributed in May.

#### Medicines

The Project had the opportunity to meet with the Heads of the three DIGEMID Directorates (Sanitary Authorizations, Sanitary Control and Surveillance and Access and Use of Medicines) in order to discuss activities regarding trainings and outreach campaigns. A new meeting is expected with them in order to establish a schedule for all the proposed activities.

The major activity of this quarter was the development of the “East Region Forum against the Illegal Trade of Pharmaceuticals” in the city of Iquitos, which drew more than 180 people from across the country.

#### Telecommunications

The Project kept on supporting OSIPTEL and the Ministry of Transport and Communications with the improvement of the telecom sector focusing on key topics as unbundling and obstacles to telecom infrastructure expansion. As in trade facilitation, the National Competitiveness Council has joined our endeavors in this area as some of our targets were also considered within its short-term objectives, especially those related to the elimination of obstacles to telecom infrastructure expansion.

## Bolivia

The Project performed three outreach workshops to MSMEs in Cochabamba, Santa Cruz and La Paz on Intellectual Property issues, and is currently finishing a *Handbook of Intellectual Property Management* to help entrepreneurs who are interested in using IP rights for their businesses.

In addition, the Project has signed a Memoranda of Understanding (MOU) with the National Chamber of Industries and Friends of Nature Foundation, to begin activities regarding Quality and Bio Trade certifications, respectively. Also, a MOU has been approved by USAID Bolivia to be sign with the Chamber of Exporters of Cochabamba for support towards the implementation of its new technical assistance service in trade facilitation.

## Colombia

With the ratification of the Colombia Trade Promotion Agreement (CTPA) by the U.S. Congress in October 2011, USAID/Colombia obligated additional funds to USAID | Facilitando Comercio to expand trade capacity building technical assistance that could respond to CTPA implementation needs by the Government of Colombia (GOC). In January of 2012, USAID | Facilitando Comercio set-up a permanent presence in Colombia by establishing a long-term implementation team to work on two technical components: trade facilitation and intellectual property rights (IPR).

Since the Project's inception, USAID | Facilitando Comercio has been working on IPR matters. During the reported quarter, the Project continued to roll out work plan activities under this component. However, Trade Facilitation is a new technical area of work for the Project in Colombia and, therefore, much of the quarter was dedicated to establishing relations with relevant Colombian public institutions such as: the Customs Authority (Dirección de Impuestos y Aduanas Nacionales- DIAN), the Port Authority (Superintendencia de Puertos), the Ministry of Commerce and Tourism (Ministerio de Comercio Industria y Turismo – MCIT), and the private/public export promotion entity, PROEXPORT. These consultations identified areas of assistance that would aid the GOC meet CTPA commitments under the Customs Administration & Trade Facilitation chapter. As a first step, an assessment of Customs procedures, using USAID's TCBaseline tool, was undertaken in the Buenaventura Port. The preliminary Report has already been presented to Custom authorities.

## Ecuador

USAID Ecuador is discussing with USAID Peru how to better support the promotion of Ecuadorian implementation of the Appellation of Origin *Cacao Arriba*. The activity will comprise the following:

- Technical Assistance on Appellation of Origin issues.
- Identification of certifications (organic, fair trade, etc.) that provide economic incentives to producers and detailed workplan to achieve certification.
- Participation of an international speaker on the *Salon de Chocolate*.

## II. Introduction: Context

After three years since the Peru Trade Promotion Agreement (PTPA) entered into force, the GOP has continued its efforts to comply with all its obligations. In that regard, notable advances have been achieved in topics involving Rules of Origin and Origin Procedures, Financial Services and Trade Facilitation.

Nevertheless, despite efforts to comply with all of the obligations there are still issues that the GOP needs to resolve. One of the most controversial is the elaboration of regulations under the Forest Law. There also are obligations in regards to the topics of Intellectual Property, Textiles and Apparel, and Technical Barriers to Trade that remain to be met. A meeting between GOP and USG officials is expected to be held in May to review pending implementation issues.

Responding to a request by USAID, the Project has developed a report to monitor the implementation of the PTPA, which will be updated through periodic meetings with GOP officials. The document will highlight the specific obligation along with its deadline for implementation, the current status, and the actions recently taken. It will be submitted to USAID Peru on a quarterly basis.

In the reported quarter the National Competitiveness Council (NCC) presented its National Competitiveness Agenda 2012-2013, which contains 60 goals. Of those, 16 correspond to Project activities:

<b>Comparison Between the National Competitiveness Council's 2012-2013 Competitiveness Agenda and USAID   Facilitando Comercio's Work Plan</b>	
<b>National Competitiveness Council 2012-2013 Competitiveness Agenda</b>	<b>USAID   Facilitando Comercio's 2011-2014 Workplan</b>
<b>Intellectual Property Rights</b>	
<p><b>GOAL 7:</b> Count with a system to support agents on Intellectual Property issues  <b>Strategy:</b> Strengthen the Intellectual Property Defense System and promote its use</p>	<p><b>Activity 2.5</b> Promote Intellectual Property as a Tool of Competitiveness  <b>Ongoing:</b> Support IP Courses and Training at Universities  <b>Planned:</b> Protect Traditional Knowledge of indigenous and other distinctive communities</p>
<p><b>GOAL 8:</b> Support commercial exploitation of 20 innovative projects originated within the Science-Technology-Innovation System  <b>Strategy:</b> 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><b>Activity 2.5</b> Promote Intellectual Property as a Tool of Competitiveness  <b>Done:</b> (i) Support INDECOPI's National Contest of Inventions. (ii) Perform Seminars on Technology Transfer at Universities  <b>Planned:</b> (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>

<b>Trade Facilitation</b>	
<p><b>GOAL 16:</b> Strengthen the Single Window for Foreign Trade (VUCE)</p> <p><b>Strategy:</b> 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><b>Activity 3.2</b> Simplify Foreign Trade Procedures and Single Window Project (VUCE)</p> <p><b>Ongoing:</b> Simplify VUCE procedures at Ministry of Production, National Agrarian Health Service, National Bureau of Flora and Wildlife, Weapons DICSCAMEC, and the National Agency for Protected Areas</p> <p><b>Planned:</b> (i) Integrate VUCE and Customs Clearance. (ii) Training Program on VUCE</p>
<p><b>GOAL 20:</b> 200 enterprises located in regions take advantage of commercial opportunities in countries where Peru has signed trade agreements</p> <p><b>Strategy:</b> 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><b>Activity 3.2.5</b> Training Program on VUCE</p> <p><b>Done:</b> (i) Rules of Origin handbook (ii) Rules of Origin trainings in regions</p> <p><b>Planned:</b> (i) Training program on VUCE regulation and administrative law. (ii) Online training module on VUCE</p>
<p><b>GOAL 22:</b> At least 25% of imports are made through Anticipated Clearance</p> <p><b>Strategy:</b> Optimize logistic procedures and improve dissemination of the Anticipated Customs Clearance System (SADA) in order to enable an adequate and agile entrance of merchandise</p>	<p><b>Activity 3.1</b> TCBaseline results implementation: Improve Anticipated Clearance Procedure (SADA).</p> <p><b>Ongoing:</b> (i) Communication Strategy of SADA. (ii) SADA Webpage</p> <p><b>Planned:</b> In-house Customs Team for the Prompt Attention of SADA Inquiries from Users</p>
<p><b>GOAL 23:</b> Implement the Authorized Economic Operator program</p> <p><b>Strategy:</b> 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><b>Activity 3.4</b> Authorized Economic Operator</p> <p><b>Ongoing:</b> (i) Support events to discuss the AEO implementation. (ii) Design of an AEO Handbook.</p> <p><b>Planned:</b> Assist Customs in the lawmaking process, dissemination and monitoring</p>
<p><b>GOAL 24:</b> Enable public access and dissemination of 100% of the logistic costs for import and export</p> <p><b>Strategy:</b> Establish conditions to allow transparency of costs in logistic procedures, as to increase competitiveness</p>	<p><b>Activity 3.1.2</b> Communication Strategy of Anticipated Clearance</p> <p><b>Planned:</b> Customs Clearance courses to officials and entrepreneurs, including a Logistic Costs module</p>
<b>Administrative Simplification</b>	
<p><b>GOAL 38:</b> Incorporate 10 high-demanded services to the State Interoperability Platform (PIDE)</p> <p><b>Strategy:</b> Strengthen the State Interoperability Platform for implementing high-demanded services</p>	<p><b>Activity 4.4</b> Optimize Business Constitution procedure</p> <p><b>Done:</b> Draft Law of Public Access for Citizens to Public Services, which will enable transferring public information within public institutions</p> <p><b>Planned:</b> Improve the Operating License Platform, which will be incorporated in the Interoperability Platform as one of the selected services</p>

<p><b>GOAL 39:</b> Implement a scheme to validate transactions among the State, until the final implementation of the digital signature</p> <p><b>Strategy:</b> 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><b>GOAL 40:</b> Implement a scheme to validate transactions among citizens and enterprises, until the final implementation of the digital signature</p> <p><b>Strategy:</b> 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><b>Activity 4.5</b> Law Project of Identity and Digital Inclusion</p> <p><b>Done:</b> 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><b>GOAL 45:</b> Enable public access of data registration of citizens and enterprises to public institutions</p> <p><b>Strategy:</b> Reduce barriers of access to information about citizens and enterprises by opening a legal database available for public institutions</p>	
<p><b>GOAL 47:</b> Establish, in 12 department capitals, the Electronic Service of Business Constitution</p> <p><b>Strategy:</b> Facilitate and reduce times and costs related to the constitution of businesses, through the automation of electronic procedures for business constitution</p>	<p><b>Activity 4.4</b> Optimize Business Constitution procedure</p> <p><b>Done:</b> Diagnostic on the Business Constitution procedure.</p> <p><b>Planned:</b> Simplify the Business Constitution procedure</p>
<p><b>GOAL 48:</b> Implement, in 25 municipalities, the electronic version of the operating license procedure</p> <p><b>Strategy:</b> 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><b>Activity 4.2.5</b> Implementation of the operating license online platform</p> <p><b>Planned:</b> (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><b>GOAL 49:</b> Improve the Technical Safety Inspection on Civil Defense (ITSDC)</p> <p><b>Strategy:</b> Analyze improvements and establish a new ITSDC procedure, based on risk criterion for each activity</p>	<p><b>Activity 4.1</b> Promote Administrative Simplification</p> <p><b>Done:</b> Feasibility Study for outsourcing the certification of safety conditions in civil defense</p> <p><b>Ongoing:</b> Develop Studies to identify key areas of the inspection that requires simplification.</p> <p><b>Planned:</b> Support the simplification of the Technical Safety Inspection on Civil Defense</p>

<b>Telecommunications</b>	
<p><b>GOAL 30:</b> Pass Regulation to reduce bureaucratic barriers against private investment (on Infrastructure)  <b>Strategy:</b> Implement measures that allow the identification of bureaucratic barriers that ought to be eliminated</p>	<p><b>Activity 6.3</b> Analyze and Propose Changes to Regional Regulations  <b>Done:</b> (i) Develop a 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"  <b>Planned:</b> Propose measures aimed at improving practices and overcoming obstacles to the deployment of telecom infrastructure</p>
<p><b>GOAL 35:</b> Connect 2,850 new settlements to telecom services  <b>Strategy:</b> Reduce bureaucratic barriers and improve telecom infrastructure in order to promote further connection of households to the communications grid</p>	

This Agenda confirms that an adequate selection of activities was made for the Project's Work Plan, and validates their execution, as authorities have specific targets to meet related to them.

In Colombia, the GOC is also putting considerable efforts in to implementing its obligations. The Legislature recently passed Law 1520<sup>1</sup>, designed to comply with Colombia's PTPA obligations regarding Intellectual Property and Investment Regulatory Frameworks. This initiative constitutes part of the roadmap<sup>2</sup> designed by the GOC to implement PTPA obligations, expected for 2013 and comprising three areas: Regulatory Implementation, Institutional Adaptation and Commercial Exploitation.

<sup>1</sup> [http://www.camara.gov.co/portal2011/proyectos-de-ley?option=com\\_proyectosdeley&view=ver\\_proyectedeley&idpry=768](http://www.camara.gov.co/portal2011/proyectos-de-ley?option=com_proyectosdeley&view=ver_proyectedeley&idpry=768)

<sup>2</sup> <http://www.elpais.com.co/elpais/economia/noticias/anuncian-hoja-ruta-para-vigencia-del-tlc>

### III. Results Reporting Table

The following table presents the results achieved to date against Project indicators.

Common Indicator	Second Year				Comments
	Target FY 2012	Results 1 <sup>st</sup> Semester			
		Men	Women	Total	
Number of participants in USG supported trade and investment capacity building trainings.	3,615	1,425	986	2,411	There have been a total of 2,411 participants in the 101 events developed by USAID   Facilitando Comercio throughout the first six months of FY 2012. Approximately 41% of the participants were female.
Number of legal, regulatory, or institutional actions taken to improve implementation or compliance with international trade and investment agreements as a result of the support received from USG- assisted organizations.	13	6			<p>The Labor Component has developed 5 Official Inspection Protocols on the following topics:</p> <ul style="list-style-type: none"> <li>• Occupational Safety and Health on Civil Construction</li> <li>• Occupational Safety and Health on Bakeries</li> <li>• Occupational Safety and Health on Metal-Mechanics</li> <li>• Freedom of Association</li> <li>• Child Labor</li> </ul> <p>The Trade Facilitation Component promoted the passing of:</p> <ul style="list-style-type: none"> <li>• Ministerial Resolution approving the simplification of 5 of DIGESA's (General Direction of Environmental Health) procedures.</li> </ul>
Number of U.S. supported training events held that related to improving the trade and investment environment.	159	101			During the first semester of FY 2012, the Project has performed 101 training events throughout the country.
Reduction in the cost of trade of goods across borders as a result of U.S. assistance.	\$20	-			The indicator will be obtained in the last quarter of FY2012.

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 presented by MINCETUR. The target for this indicator is intended to be met in FY2013.
Reduction in the number of procedures required to trade goods across borders as a result of U.S. assistance.	5	-	The reduction will be measured yearly as the information is presented by MINCETUR.
Number of customs harmonization procedures implemented in accordance with internationally accepted standards as a result of U.S. assistance.	1	-	The harmonization is expected to be concluded by late FY 2012.
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 late 2012. The Labor Component will address discrimination issues by developing a guideline related to fighting gender discrimination.
Number of institutions/organizations whose capacity/competency was strengthened as a result of USG assistance.	10	11	The Labor Component has improved capacities in the <u>Ministry of Labor</u> , <u>Ministry of Justice</u> and the <u>Judiciary</u> . The Intellectual Property Component has worked in the same way with <u>INDECOPI</u> . The Trade Facilitation Component is performing capacity strengthening for institutions involved in the Single Window for Foreign Trade (VUCE). In addition to the support to <u>MINCETUR</u> , the Project has assisted <u>DIGESA</u> (General Direction of Environmental Health), <u>DIGEMID</u> (General Direction of Drugs, Supplies and Medicines), <u>Customs</u> and the <u>ITP</u> (Fishing Technological Institute). The Administrative Simplification is building capacities with <u>INDECI</u> (National Institute of Civil Defense) and training officials of the Municipality of <u>Miraflores</u> in regulations, civil defense and land register (cadaster).

Number of municipalities receiving U.S. assistance with regulatory/administrative simplification.	30	22	Up to March 31 <sup>st</sup> 2012, the Project has completed technical assistance to 22 municipalities throughout the country.
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## IV. Technical Implementation - Peru Component

### Component 1: Labor

#### Activity 1.1: Develop Guidelines and Training Material for Inspectors

As requested by the Ministry of Labor (MOL), the Project designed a “Basic Action Protocol for Labor Conciliators.” This tool is intended to support conciliators to resolve conflicts. This service is a legal extension of the MOL and its regional offices, but is also being promoted by the Ministry of Justice (MINJUS) and Human Rights. This Protocol will provide a concise and didactic lecture on conciliation concepts and basic guidelines to better perform conciliation and improve conciliators’ performances. Furthermore, this Protocol will be the main learning tool used in upcoming trainings regarding labor conciliation for both MOL and MINJUS.

In addition, the Project is developing a general regulatory framework for workers in the fishing industry. The regulatory framework will be specifically oriented towards individual and collective labor in the fishing industry and will support inspections procedures performed by the MOL.

#### Activity 1.2: Implement Ministry of Labor's (MoL) General Training Plan

Three Macro-Regional workshops were performed to train officials and validate Sector Action Protocols regarding Occupational Safety and Health in metal-mechanics, bakeries and civil construction, freedom of association and child labor, in a joint effort with the MOL. Public officials from several Regional Labor Directions were trained. The following chart summarizes the events:

Macro-Region	Location	Date	N° of Attendants		
			Male	Female	Total
North: Tumbes, Piura, Lambayeque, Cajamarca, La Libertad and Ancash.	Chiclayo	February 23rd and 24th	26	19	45
South: Ayacucho, Cuzco, Apurimac, Arequipa, Puno, Moquegua and Tacna.	Arequipa	March 8th and 9th	30	12	42
East: Amazonas, Loreto, San Martín, Ucayali and Madre de Dios	Iquitos	March 15th and 16th	27	5	32
Total			83	36	119

Source: USAID | Facilitando Comercio

## Results:

- Validated Action Protocols on Occupation Safety and Health in metal-mechanics, bakeries and civil construction, freedom of association and child labor. It is important to mention that all Protocols but one were developed by labor inspectors and improved by the Directorates involved in its use. The protocol on freedom of association was developed by USAID | Facilitando Comercio, and was presented in a workshop in Lima. The Ministry found it appropriate to use this tool for nationwide training events.
- Improved capacities among public officials from the Labor Inspection System across the country on the correct use of the 5 Action Protocols.

In addition, the Project and the MOL's Office of Technical Cooperation have considered it appropriate to resume previously pending activities such as:

- ✓ Publication of Regulatory Compendia on Occupational Safety and Health. The Project is awaiting the publication of the new Law's Regulation and some imminent sector changes.
- ✓ Editing of an Occupational Safety and Health Guide for port workers.
- ✓ Virtual Training Module for the correct filling of the Electronic Payroll, to be uploaded to the MOL's webpage. It is intended for all citizens who are responsible for filling the LABOR PDT (Online Declaration Program of SUNAT).
- ✓ Virtualization of the Manual of Hazard Identification and Risk Assessment in order to facilitate its access by Micro and Small Entrepreneurs throughout the country. The Manual will be uploaded in the MOL's webpage and related organizations.

In addition, technical assistance has been provided for the design of a Results Based Budget on Child Labor for MOL's Directorate of Fundamental Rights. The purpose was to transfer conceptual and applied knowledge to the MOL's technical team in order to address the observations made by the Ministry of Economy to the MOL's previous budget proposal.

Trainings were divided in to two stages:

- Courses – Workshops on the methodology for constructing a results based budget.
- Meetings to respond the observations and design a roadmap to carry on the next steps for the final approval of the Results Based Budget on Child Labor.

It is important to note that the courses allowed for the harmonization of concepts regarding public policy in child labor, the discussion of possible strategies for applying the methodology, and the process for learning and selecting appropriate public policy indicators on the topic.

### Activity 1.3: Conduct Dispute Resolution Training

Planned activities with the MINJUS and MOL with support of USAID| Facilitando Comercio regarding trainings on conciliation were delayed due to MINJUS's internal regulations. Therefore, a redesign of its ROF (Regulation on Organization and Functions) was carried out and resulted in the incorporation of the Direction of Extra-Judicial Conciliation in to the Direction of Public Defense. Having overcome this delay, an Inter-Institutional Agreement will be signed in order to establish guidelines to extend labor conciliation services to the MINJUS's scope.

### Activity 1.4: Integrate MoL's Information System

The Project has started improving the SIIT (Integrated System of Labor Inspections) in coordination with the MOL, addressing the following goals:

- ✓ Analysis, redesign, and development of a Programming Module
- ✓ Development of a Module for Programming/Monitoring Reports
- ✓ Development of corrections and optimizations for the SIIT
- ✓ Implementation of Digital Signatures
- ✓ Design of Documentation to be generated by the System.

The final output is to improve the efficiency of the SIIT through the analysis of processes and functions, identification and systematization of relevant activities, optimization of technology uses, and also taking into account the SIIT's final purpose and all labor regulations.

In order to achieve sustainability for these reforms, the Project not only will implement the new system but will also develop an institutional framework to enable public officials to incorporate further reforms to it. The following chart summarizes the steps to be taken:



It is important to state that during March the Project ran in to some delays due to MOL's requirement to sign a confidentiality agreement since the restricted nature of the information needs to be reviewed by the Project. The agreement was discussed and agreed and activities have restarted.

### Activity 1.5: Improve Tracking of Labor Dispute Processes

As part of the design and implementation of a system to measure performance of the Judiciary's judges, the Project is supporting the Office of Jurisdictional Performance Measurement and the Technical Implementation Team of the Labor Procedural Law

(ETII Laboral) to determine the workload and average production of labor courts under the new LPL. Based on those results, the hired consultant will run simulations on the process flow using specialized software and, in addition, will train Judiciary staff in using the simulator.

Furthermore, a specialized consultant in labor topics will be hired to support the Office of Jurisdictional Performance Measurement in measuring performance with an adjusted evaluation tool and support the creation of a structured model of judiciary resolutions on labor matters. As part of the same effort, an informatics specialist is supporting the design of a new set of Terms of Reference to implement the system, which will be concluded in April and will enable the launching of a tender.

#### Activity 1.6: Support the Implementation of the Procedural Labor Law

Activities in support of the implementation of the Procedural Labor Law have been expanded, after the Judiciary's decision to implement the new LPL in four Lima Judiciary districts from August to November 2012, which implies a significant increase in the cases addressed under the new legal framework. The Project has coordinated the following group of activities and technical assistance:

- ✓ Development of a new Judiciary Dispatch Model for the LPL, consultant Armando Plazolles.
- ✓ Development of three regulations related to the new Judiciary Dispatch (Regulations for Hearings, Notifications and Virtual Files).
- ✓ Design of a comparative study between costs (economic and non economic) assumed by litigants in labor processes under the new LPL (Law N°29497), the previous LPL (Law N° 26636) and the labor administrative-contentious processes filed under the Law N°27584.

The Project also has agreed with the Judiciary to develop a workshop to validate and update the matrix of indicators for the Monitoring System of the LPL's Implementation, which was developed with Judiciary officials by GRADE. The workshop will take place by mid-April and will give way to collecting a baseline for the monitoring system.

## **Component 2: Intellectual Property**

#### Activity 2.2: Information Management System Improvement

- a. *Module of generation of electronic certificates of registration and entries for the Distinctive Signs Directorate. Module to allow the display, search, and printing of such electronic certificates of registration and entries.*

The implementation of these modules has finally reached its conclusion. The modules are expected to be used progressively by the examiners in order to

reduce their examination times once the digitation of the certificates of registration and entries is finished.

*b. Digitation of the Certificates of Registration and Entries of the Distinctive Signs Directorate*

The tender launched in December 2011 was declared void. INDECOPI expressed its interest in finishing the above mentioned module before moving forward in the digitation. A new tender was launched in mid-April.

Activity 2.3: Improving Technical Examinations

*a. Manual for Directorate of Inventions and New Technologies' New Examiners and for people interested in becoming examiners*

The layout of the Manual is almost finished and will be printed in the following weeks. The final product will be presented as part of the celebrations of the Intellectual Property Week of INDECOPI.



**FrontPage of the Manual**

The Project expects to start trainings for DIN's examiners and people interested in becoming examiners by next semester.

Activity 2.4: Strengthen Capacity for Intellectual Property Rights Enforcement

*a. Training for Criminal Judges on IPR enforcement matters*

As informed in the previous report the Project was requested to continue with the trainings on Intellectual Property matters, but this time with Criminal Judges.

In that regard, trainings have been programmed for April 24<sup>th</sup> to 26<sup>th</sup>, 2012 and May 22<sup>nd</sup> to 24<sup>th</sup>, 2012, and will reach 60 Criminal Judges of Lima.

The first day will consist of a general training run by INDECOPI and the two remaining days will be undertaken by a Project consultant specialized in enforcement matters that will review the chapter of the Peruvian Criminal Code corresponding to Intellectual Property Crimes.

*b. Adapting the book “Intellectual Property: Principles and Practice” written by Judy Goans to Peruvian Law*

Bearing in mind the interest shown by the Judiciary on trainings, the Project decided to start developing additional materials. The first tool to be developed is the adaptation of the book “Intellectual Property: Principles and Practice” to Peruvian law. This book has already been translated to Spanish for its use in Colombia and provides an international view of Intellectual Property, including international legislation applicable in the Andean Countries such as the TRIPS (trade-related aspects of intellectual property rights) and Decision 486 and presents some examples from the U.S. Patent and Trademark Office.

The book consists of XIV Chapters, 8 of them have already been adapted and the remaining six will be adapted by the Project in upcoming weeks. The adaptation brings more precise references to Peruvian and Andean Law as well as some Peruvian examples. The Manuals will be used in trainings for judges on IP matters.

The next step will be to develop a special IP Manual for Peruvian Judges.

Activity 2.5: Promote the use of Intellectual Property as a Tool of Competitiveness

*a. Education 2.0 Interactive Technology Camp*

The Project supported the US Embassy’ initiative for having a two-day Interactive Technology Camp in Lima on leveraging education with web 2.0 tools with participants from the entire region, including teachers, civil society, technologists, bloggers, ministry officials, and marketing experts.

The main objective was to share experiences and create awareness of the opportunities that technology and web 2.0 tools can bring to education for educators and civil society organizations.

The event took place on March 16<sup>th</sup> and 17<sup>th</sup>, 2012 at the University of Lima.

The Project was requested to provide its cooperation to teach the participants on how to use internet resources in a legal way, that is to say, respecting the copyright of all the contents that they would like to share.

The Project contacted Creative Commons<sup>3</sup> Peru Director, Rafael Salazar, and he accepted to be in charge of the conference. He talked about Copyright and

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<sup>3</sup> Creative Commons is an organization that develops, supports, and stewards legal and technical infrastructure to maximize digital creativity, sharing, and innovation. The infrastructure consists of a set

emphasized its importance and the respect that all internet users should have for it and presented the use of resources bearing a Creative Commons license as a legal alternative.

The Conference was very successful and created a lot of interest among the participants. 948 people attended (380 physically and 568 via webcast), including entrepreneurs, public officials, and students. The event held 4 digital conferences that were webcasted from panelists in the U.S., France, Paraguay and from the city of Huancayo. Similarly, 16 presentations were broadcasted, reaching 568 online attendants--mostly Peruvians from more than 10 cities but also from Ecuador, Venezuela, Santo Domingo, Canada, United States, Argentina and Colombia. In addition, the event's blog received 11,000 visitors and the twitter hashtag was followed by more than 10,000 users, each day of the event.

The US Embassy has already asked the Project to help them to repeat the experience in the future.



**Rafael Salazar, Director  
Creative Commons Peru**



**Conference: Copyright and Education in the Digital Era**  
<http://www.slideshare.net/USEMBASSYPERU/presentacion-usaid-cc-per-12-0313>

You may find more information on the event here:

<http://educationitcamp.wordpress.com/>

***Activity 2.6: Raise awareness of the importance and benefits of Intellectual Property***

***a. Antipiracy Campaign "COMPRA LEGAL. COMPRA ORIGINAL"***

USAID | Facilitando Comercio, the US Embassy, the Antipiracy & Anti-Counterfeiting Commission (Ministry of Production) and INDECOPI have been

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of copyright licenses and tools that provide creators a standardized way to keep their copyrights while allowing certain uses of their work.

working together to design a national antipiracy campaign called: “COMPRA LEGAL. COMPRA ORIGINAL” (buy legal, buy original).

The main idea of the campaign is to associate Peruvian pride with the respect for Intellectual Property of authors. It is directed to young Peruvians (between 15 to 35 years old). In that sense, the Project has prepared three short commercials (of 1:20 m each) showing a person enjoying a variety of things Peruvians feel proud of, including a last scene showing the person’s decision to buy or not buy a pirated music CD, software CD and DVD (three different endings). The commercials will be shown on social networks (Facebook, Twitter, YouTube) and webpages. The Project is also coordinating with other Government Offices, the Antipiracy Crusade (public-private partnership led by INDECOPI and comprised by companies in the audiovisual sector), the Business Software Alliance and the Association of Banks to have the commercials shown in their public facilities.

As a complement, the Project will create a web page [www.compraoriginal.pe](http://www.compraoriginal.pe) that will be managed both by INDECOPI and the Antipiracy & Anti-Counterfeiting Commission, in close coordination with the Project. The webpage will present options to “buy legal” digital items and provide information on figures about piracy, news, events, etc.

The ceremony for the launching of the three commercials will be held on April 20th, 2012, at 10:00 a.m., at INDECOPI, to inaugurate the Intellectual Property week. The US Ambassador, Peru Government authorities, representatives of the music, cinema and software sector, artists, and the press will attend the ceremony.

*b. Online course on Trademarks*

As informed in previous reports, the contents of the online course on trademarks were already developed with the Project’s cooperation.

Currently, the Project has hired the services of a company (EDUCALINE) to virtualize those contents. The virtual course has been divided in to five modules that are accessible to participants only if they correctly answer the tests that have been created at the end of each previous module. It also has a space for an exchange of opinions and the possibility to consult with the teacher assigned to the course, among other facilities.

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### Snapshot of the virtual classroom

A final version of the online course is expected by the end of April 2012.

INDECOPI is expecting to launch the online course on a “test mode” by next semester and the first “students” to take this course will be their own officers nationwide. This will allow them to make all the necessary adjustments before launching it to the general public.

#### c. *General Copyright Guide*

The Project is helping INDECOPI update, correct, layout, and print its General Copyright Guide, which is oriented to people interested in learning the basics on the subject and will be distributed in future trainings.



This guide will be presented during INDECOPI’s Intellectual Property Week.

d. *Copyright guides and trainings for emerging cultural industries*

Music, cinema, video games, theater, etc. are some of the cultural industries that have experienced a substantial growth in the country throughout recent years. However, people that work in these industries are not aware of their rights over their creations, nor know how to correctly commercialize them. In such regard, the Copyright Directorate of INDECOPI has identified thirteen emerging groups that need training on Copyright matters and has requested the Project's cooperation to train them.



The Project is currently developing thirteen specialized informational guides: Copyrights for musicians, Copyrights for software, Copyrights for literary work, Copyrights for book publishing, Copyrights for movies, Copyrights for theatre, Copyrights in visual arts, Copyrights in videogames, Copyrights in broadcasting, Copyrights for artisans, Copyrights in the fashion industry, Copyrights in choreographies, and Copyrights for architecture.

Once the guides are developed, trainings will begin in targeted groups, using the previously mentioned General Copyright Guide and the corresponding Specialized Guide.

e. *IP course for students and teachers*

Due to school holidays during the summer, activities programmed for the Copyrights Directorate's initiative: "Education for the creation and promotion of a culture for the respect of Intellectual Property" were put on hold until late March. Now, the consultant has started to monitor the last activities of the Project, consisting in the creation and representation of plays related to IP matters and the final evaluation of the Project.

The Project is expected to end by May 2012. INDECOPI has presented this initiative to the Best Practices Award of *Ciudadanos al Día*.

f. *Study of the Economic Impact of the recognition of an Appellations of Origin over their producers*

The surveys taken by 220 coffee producers of Villa Rica and 230 of San Martin de Pangoa –control group- were developed as expected and have been completed.

Now, the consultant is creating the database and studying its results in order to develop the next actions to be taken for finishing the Baseline Study.

*g. Intellectual Property Week (INDECOPI)*

The Project is actively involved in the planning of INDECOPI's Intellectual Property week, to start on April 20<sup>th</sup>, with two main activities:

- Launching of three antipiracy commercials that have been developed by the Project along with the US Embassy, the Antipiracy & Anti-Counterfeiting Commission (Ministry of Production) and INDECOPI.
- Photographic exposition of pictures taken for the book "Appellations of Origin: Wonders of the Peruvian Spirit" that was produced with the Project's cooperation.

On the other hand, as explained in the lines above, INDECOPI will be presenting the Patent Manual for Examiners and the General Copyrights Guide, which were developed with the Project's cooperation.

### **Component 3: Trade Facilitation**

The Project has common goals with those proposed by the National Competitiveness Council (NCC) in its National Competitiveness Agenda 2012-2013. This reinforces the project's role in supporting major trade policy reforms and facilitates collaboration with public sector partners.

Activity 3.2: Dissemination of Anticipated Release System Benefits

*a. Develop Dissemination Strategy*

Dissemination activities are in progress and results will be seen soon. The webpage of Anticipated Clearance has been finally approved by Customs and should be operating in May. The manual on anticipated clearance procedure is to be printed out next May as well.



**Frontpage of the Orientation Guide**

*b. TCbaseline awareness workshops in 10 Peruvian cities*

Terms of Reference for this activity have been drafted and discussed with MINCETUR and Customs. The workshop comprises three modules: (i) public law, (ii) customs law and (iii) anticipated release system. It is expected to be initiated next May 2012.

The training program to be initiated also in May will cover workshops in Anticipated Clearance procedure, yet such workshops will be made along with the Tax Training Institute (IATA) from Sunat which offered to send at least one customs official for each region identified.

*Activity 3.3: Simplify Import Related Procedures*

Important landmarks have been set in this period. The Project met top officials from MINCETUR and the Ministry of Health to ratify objectives and forthcoming actions. Both are aware of progresses and difficulties of the assistance; however, they remain optimistic about results. VUCE is gaining much more attention from policymakers.

*a. Controlled products module*

The Project is working in the following entities: the National Environmental Health Bureau (DIGESA), the National Bureau of Medicines and Drugs (DIGEMID), the Fishing Technologic Institute (ITP) and the National Service of Agrarian Sanitation.

As above mentioned, a remarkable goal has been achieved with the publication of five (5) trade facilitation measures of DIGESA which reduced requirements and costs of key administrative procedures. Reforms were focused on the Sanitary

Certificate for food and drinks and associated procedures. Main improvements are as follows:

- The legal framework has been updated and cleaned up by removing outdated and incompatible regulations which raised confusion among users.
- Requirements to obtain the Sanitary Certificate were simplified by eliminating data requests. Renewal of Certificate<sup>4</sup> is faster and the Sanitary Number is maintained (before, that Sanitary Number had to be changed when renewed). It is not necessary to submit the product label as it goes to the market but only its basic content.
- Non-substantial modifications of the Sanitary Certificate are approved automatically (before, 7 days). This streamlines procedures by focusing on the core assessment and letting those minor adjustments to be approved faster.
- Certificate of Authorized Commercialization<sup>5</sup> approved automatically (before, 5 days). Moreover, fee has been reduced in 40%.

**SALUD**

**Modifican procedimientos seguidos  
ante la DIGESA contenidos en el  
TUPA del Ministerio y sus Órganos  
Desconcentrados**

**RESOLUCIÓN MINISTERIAL  
N° 097-2012/MINSA**

Lima, 3 de febrero del 2012

Visto los Expedientes N°s. 11-018887-065, 11-018887-066 y 11-018887-106, que contienen la Nota Informativa N° 360-2011-DG/DIGESA, que a su vez contiene el Informe N° 004288-2011/DHAZ/DIGESA, y el Informe N° 552-2012/DHAZ/DIGESA, de la Dirección General de Salud Ambiental, así como el Informe N° 005-2012-OGPP-OO/MINSA y el Memorandum N° 078-2012-OGPP-OO/MINSA, de la Oficina General de Planeamiento y Presupuesto; y,

DIGESA's reform published in the Official Newspaper  
El Peruano. On February 7<sup>th</sup> 2012

The norm was published in early February and was highly welcomed by the private sector. The Project is working hard to support the approval of the next reforms which are expected to be more relevant and will positively impact the trade facilitation policy.

<sup>4</sup> Sanitary Certificate is for 5 years.

<sup>5</sup> CAC is the official document which proves that goods meet sanitary standards and they are allowed to be traded in the country.

In the case of DIGEMID, which is one of the toughest entities to simplify due to their complex procedures, the Project finally was allowed to help them implement the TUPA (Single Text of Administrative Proceedings), which creates a unique opportunity to produce deeper adjustments.

b. *Port Services module*

This module has been running at a different pace given that its final structure needs to be clarified, nevertheless the Project was required to provide a legal analysis as performed with controlled merchandise.

c. *Rules of Origin module*

This component has shown important developments, the Project has allocated important resources to build up the software module as well as to draft guidelines. This component is actually becoming strategic for interoperability purposes (with other Single Windows -SW) given that other SWs , including Colombia's and Costa Rica's, are able to share and exchange information.

Activity 3.4: Facilitate Creation of a Surety System

The surety system is tied up with the expansion of the anticipated clearance procedure, encouraging importers to access the clearance procedure will build demand for a surety system. The Project is discussing with Customs and MINCETUR the scope of a study of the Surety System in order to devise specific actions for the cost reduction of this instrument.

Activity 3.5: Support Creation of Authorized Economic Operators (AEO)

The Customs AEO team has completed the pilot program with two export companies, a warehouse and DP world port operator. According to the NCC goal on this matter, the program is supposed to be launched by June 2012, focusing on certain trade operators. Hence, USAID | Facilitando Comercio is organizing, along with Customs, several activities in April aimed at discussing the features of the program to be implemented. Such activities will count with the participation of C-TPAT official Mr. Carlos Ochoa who has also been closely supporting the program.

Activity 3.6: Rules of Origin Handbooks

The handbooks, which are under development, are intended to ensure the understanding of a complex discipline regarding key exporting sectors (agriculture and textile). Such documents have received a thorough preparation with practical examples and didactic definitions to understand the topic. Both handbooks are to be published in April 2012.

## Component 4: Administrative Simplification

### Conduct baseline study on municipal regulation of business operations (Activity from First Year Workplan)

Along with USAID | Pro Descentralización the Project concluded the design and diagramming of a document to present all findings. In the first days of May an event will take place in the Municipality of Miraflores to present the study to local government officials. 3,000 copies will be printed for distribution.

The document will help local governments assess and understand their granting powers and monitoring responsibilities, and therefore help them to identify and solve problems in their jurisdiction.



FrontPage: “Role of Local Governments in the Operation of New Businesses”

### Consolidate information and products developed for administrative simplification (Activity from First Year Workplan)

After taking part in the TRAMIFACIL General Assembly, the Project attended two additional meetings to elaborate the 2012-2013 TRAMIFACIL Workplan, in a joint effort with the Public Management Secretariat, Pro Inversión, CONFIEP (Enterprises Guild) and the Association of Peruvian Municipalities. The Workplan covers two main lines of action:

- i. Reforms in registration procedures to improve the business environment and the quality of life for citizens.
- ii. Support the consolidation of administrative simplification initiatives.

In addition, the meetings proved very useful as important management issues were addressed, such as enabling the periodic rotation of members in the Executive Council and therefore allowing the participation of more public and private institutions in the decision-making process.

Activity 4.1 Promote Administrative Simplification

a. *Monitor TRAMIFACIL webpage*

Regarding the TRAMIFACIL webpage, recently redesigned by the Project, it is proving to be a useful tool of consultation and dissemination of administrative simplification issues. Since its launching, the new webpage has received 31,386 visits in a period of 10 months, mainly by local government officials and entrepreneurs seeking for information about how to formalize their business. The reform has increased the number of daily visits by approximately 2,000%, from 4.9 to more than 100.



**Screenshot of the number of visits received in the new TRAMIFACIL webpage**

b. *Critical analysis of the verification lists used in the technical safety inspection in civil defense procedures, annex 10 of the manual for executing technical safety inspections in civil defense.*

The Reports were shared with the National Competitiveness Council (NCC) in order to be used as input for developing a consultancy on the Risk Matrix, a basic tool for improving the technical safety inspection procedure and the abidance with the Framework Law of Operating License.

c. *Elaboration of a noncompliance chart based on the verification list for the technical safety inspection in civil defense procedures*

In the last semester of 2011 a study was developed for identifying the most common types of noncompliance in technical inspections performed by Regional Governments, which were:

- The inappropriate use of glasses on structural security, with rates over 40%.
- In a nonstructural level, the most common noncompliance was the difference between blueprints and the real facility, with rates higher than 35%.
- The miscalculation of capacity, with over 47% of noncompliance.

- Lack of fire extinguishers, with over 42% of noncompliance.

This study has been submitted to the NCC to be used as an input for elaborating a Risk Matrix to improve the Technical Inspections Procedure. In addition, in a meeting held with Officials of the National Institute of Civil Defense (INDECI), the Project agreed to develop a new study comprising Basic Technical Inspections, which are performed by local governments and represent more than 80% of all inspections. As input for this second study, INDECI provided more than 600 inspection formats from the Municipality of San Isidro.

The second study is currently underway.

*d. Virtual diploma in administrative simplification*

This activity intends to strengthen capacities among municipal officials on topics regarding administrative simplification by providing them with the necessary knowledge and tools to identify and simplify burdensome procedures. The target was set at 3,200 trained officials.

The Project finished the online programming and started the registration of students. The following dissemination activities were performed:

- Elaboration of a database of rural –Type B municipalities
- Submission of invitation letters to approximately 1,350 municipalities
- Submission of Press Notes
- Coordinate interviews for a Public Management Secretariat official in media such as Andina and La Exitosa radio, to disseminate the Diploma.
- Printing of leaflets for its distributions to Municipalities.
- Marketing on Radio Programas, TRAMIFACIL and the Ministry of Economy webpages, and Social Networks such as Facebook and Twitter.
- Publication in the Bimonthly Newsletter of USAID | Facilitando Comercio.

These dissemination activities achieved great success, helping obtain a total of 3,470 registered officials, which were evaluated and selected according their profile and finally a total of 3,400 proved fit to take the Diploma. Students have been divided into 5 blocks, the first four of 800 and the fifth of 200. Students have also been sub-divided into classrooms of 200 students, taking into account the geographical proximity between each other.

Group	Start Date	N° of Students
<b>First Block</b>	<b>February 6<sup>th</sup></b>	<b>800</b>
<b>Second Block</b>	<b>February 20<sup>th</sup></b>	<b>800</b>
<b>Third Block</b>	<b>March 12<sup>th</sup></b>	<b>800</b>

<b>Fourth Block</b>	<b>March 23<sup>rd</sup></b>	<b>800</b>
<b>Fifth Block</b>	<b>April 16<sup>th</sup></b>	<b>200</b>
<b>Total</b>		<b>3,400</b>

Source: Educaline

It is important to remark that the fifth block will be supported by the Public Management Secretariat's online platform in order to evaluate its capacity to support future editions of the Diploma.

The second Diploma covers municipal officials from all across the country; the following chart summarizes the number of registered students from the first four blocks. Information about the fifth block will be submitted in shortly by consultants.

<b>Department</b>	<b>Registered Officials</b>	<b>N° of Municipalities</b>
<b>Amazonas</b>	66	19
<b>Ancash</b>	271	88
<b>Apurímac</b>	113	38
<b>Arequipa</b>	247	46
<b>Ayacucho</b>	160	47
<b>Cajamarca</b>	170	57
<b>Callao</b>	38	5
<b>Cusco</b>	228	68
<b>Huancavelica</b>	129	51
<b>Huánuco</b>	146	44
<b>Ica</b>	55	19
<b>Junín</b>	175	61
<b>La Libertad</b>	184	36
<b>Lambayeque</b>	126	25
<b>Lima</b>	353	82
<b>Loreto</b>	58	17
<b>Madre de Dios</b>	4	2
<b>Moquegua</b>	29	11
<b>Pasco</b>	50	15
<b>Piura</b>	151	35
<b>Puno</b>	162	61
<b>San Martín</b>	123	40
<b>Tacna</b>	109	23
<b>Tumbes</b>	8	3
<b>Ucayali</b>	45	9
<b>Total</b>	<b>3200</b>	<b>902</b>

Source: Educaline

The learning material is currently being developed and to date the First three modules have been completed, which can be found in the following webpage:

[www.pcm.gob.pe/diplomado](http://www.pcm.gob.pe/diplomado)

User: rcastillod

Password: rcastillod



**Frontpage of the Administrative Simplification Methodology Module**

*e. Integration of the Costs Methodology to the Informatics Application*

The Public Management Secretariat has developed a virtual informatics system to be used as a new tool for standardizing cost estimation in all public institutions, which will include the New Costs Methodology for estimating the cost of operating licenses in municipalities. To support this effort, the Project is assisting with the design of 3 sets of guides for local, regional and 32 national institutions, integrating the Costs Methodology with the User Manual for the Informatics System.

Currently, a partial report on the three guides has been submitted by the consultant, covering the following activities:

- Review of existing documentation
- Interviews with Public Management Secretariat officials
- Regulations and the Methodology
- Tests on the Costs Methodology

As result, a proposed Index of topics has been presented and the preliminary version of the three guides is expected for April.

f. *Training for officials of the Municipality of Miraflores on the Citizen Service Platform*

As requested by the Mayor of Miraflores, Dr. Jorge Muñoz, the Project has started training municipal officials in municipal regulations, consisting of the following topics:

- ✓ Operating License Framework Law
- ✓ Law of General Administrative Procedures
- ✓ Law of Ex Post Supervision
- ✓ Law of Administrative Silence
- ✓ Organic Law of Municipalities
- ✓ Regulation of Technical Inspections in Civil Defense.
- ✓ Regulations that related to the Municipality

The main objective is to build simplification capacities among officials in order to support the creation of a *Citizen Service Platform*, which is a project developed internally by the Municipality. In addition, the activity will promote the formalization of the district and also well informed citizens. Currently, the activity is being implemented.

g. *Improvement and redesign of INDECI's inspector registries informatics application*

The main objective of the activity is to provide to INDECI an informatics tool for managing the database of technical inspectors in civil defense. The activity is currently underway.

Activity 4.2 Technical Assistance to Municipalities for Optimizing Operating License Procedures

The Project continued providing technical assistance to selected municipalities. Ten additional Commitment Acts were signed with municipalities during the present quarter, adding up to a total of 24 in the first semester of FY2012. From that group, the Project has already concluded 22 reforms (including the signing of the *Ordenanza*) leaving them in complete abidance with the Operating License Framework Law. The following list shows the municipalities that signed the *Ordenanza* during the present quarter:

Municipality	Province
San Sebastián	Cusco
La Victoria	Chiclayo
Santa Rosa	Chiclayo
San Vicente de Cañete	Cañete
Mala	Cañete
Pisac	Cusco
Olmos	Chiclayo

<b>Motupe</b>	<b>Chiclayo</b>
<b>Tarapoto</b>	<b>San Martín</b>
<b>Aguas Verdes</b>	<b>Zarumilla</b>

Source: USAID | Facilitando Comercio



**Workshops performed in the Municipalities of Mala, Santa Rosa, Imperial y Motupe**

It is important to state that the workshops have generated significant attendance and participation from local officials, demonstrating a strong commitment for changes. During the second year a total of 1,413 officials have been trained across 25 municipalities nation-wide.



Signing of Commitment Acts with Mayors of Cañete, Imperial, Mala and Chancay

The following charts present a summary of results accomplished by the 11 municipalities that completed technical assistance during the present quarter:

**Comparison between Municipal Performance before and after the Reform in the EX POST procedure<sup>6</sup>**

N°	Municipality	Time (hours)		Areas Involved		Steps		Cost (S/.)	
		Current	Proposal	Current	Proposal	Current	Proposal	Current	Proposal
1	Olmos	175	26	6	4	35	22	150	52
2	Mala	64	11	7	5	35	16	360	115
3	Aguas Verdes	40	3	6	4	31	15	360	65
4	Tarapoto	149	78	13	6	112	44	184	84
5	Santa Rosa	331	1	8	2	92	19	374	59
6	Santiago	31	4	7	4	31	16	350	86
7	Lambayeque	337	2	8	4	132	28	684	60
8	La Victoria	10	1	5	3	65	16	264	52
9	Cañete	171	8	8	5	44	18	576	159
10	Imperial	274	12	8	4	45	18	730	166
11	Motupe	363	5	7	3	69	18	571	56
<b>AVERAGE</b>		<b>177</b>	<b>14</b>	<b>8</b>	<b>4</b>	<b>63</b>	<b>21</b>	<b>418</b>	<b>87</b>

Source: Fahsbender Consulting

Elaboration: USAID | Facilitando Comercio

<sup>6</sup> In the EX POST procedure the inspection is performed after issuing the operating license. Only Businesses until 100 m2 are able to apply to this procedure.

**Comparison between Municipal Performance before and after the Reform in the EX ANTE procedure<sup>7</sup>**

N°	Municipality	Time (hours)		Areas Involved		Steps		Cost (S./.)	
		Current	Proposal	Current	Proposal	Current	Proposal	Current	Proposal
1	Olmos	205	35	7	5	40	29	250	191
2	Mala	187	48	7	6	43	25	742	430
3	Aguas Verdes	61	24	7	5	47	35	360	179
4	Tarapoto	347	106	16	9	156	62	346	249
5	Santa Rosa	331	6	8	3	92	32	446	178
6	Santiago	82	21	9	5	55	28	350	246
7	Lambayeque	337	5	8	4	132	39	648	194
8	La Victoria	12	2	6	4	75	24	536	165
9	Cañete	431	29	8	6	47	26	1152	457
10	Imperial	274	55	9	5	45	27	3650	653
11	Motupe	363	67	7	5	69	31	571	328
<b>AVERAGE</b>		239	36	8	5	73	33	823	297

Source: Fahsbender Consulting

Elaboration: USAID | Facilitando Comercio

**Comparison between Municipal Performance before and after the Reform for businesses with more than 500m<sup>2</sup><sup>8</sup>**

N°	Municipality	Time (hours)		Areas Involved		Steps		Cost (S./.)	
		Current	Proposal	Current	Proposal	Current	Proposal	Current	Proposal
1	Olmos	175	26	6	4	35	22	500	8
2	Mala	64	11	7	5	35	16	360	72
3	Aguas Verdes	40	1	6	4	47	35	360	21
4	Tarapoto	149	78	13	6	112	44	134	41
5	Santa Rosa	331	1	8	2	92	19	1886	15
6	Santiago	31	4	7	4	31	16	350	43
7	Lambayeque	337	2	8	4	132	28	900	16
8	La Victoria	102	1	5	3	65	16	264	8
9	Cañete	171	8	8	5	44	18	576	116
10	Imperial	274	12	N/A	N/A	45	18	730	123
11	Motupe	363	5	7	3	69	18	923	12
<b>AVERAGE</b>		185	14	8	4	64	23	635	43

Source: Fahsbender Consulting

Elaboration: USAID | Facilitando Comercio

<sup>7</sup> In the EX ANTE procedure the inspection is performed as part of the operating license procedure. Only Businesses from 101m<sup>2</sup> to 500m<sup>2</sup> are able to apply to this procedure.

<sup>8</sup> When a business exceeds 500m<sup>2</sup>, the Technical Inspection in Civil Defense is performed by the Regional Government before starting with the Operating License Procedure, therefore its cost are not included in the operating license procedure.

The Project considers it crucial to develop informative material to disseminate the reform among the population and to support its sustainability. Accordingly, the Project developed a leaflet to present detailed information about the operating license, technical inspections in Civil Defense and the benefits, rights and duties of formality. The leaflet was validated with the NCC and the INDECI and is currently under print. A total of 90,500 copies will be distributed in the following way:

Receiver	N° of Copies
<b>Assisted Municipalities (81)</b>	<b>81,000</b>
<b>MEF's Incentives Program</b>	<b>8,000</b>
<b>INDECI</b>	<b>500</b>
<b>NCC</b>	<b>500</b>
<b>USAID   Facilitando Comercio</b>	<b>500</b>
<b>TOTAL</b>	<b>90,500</b>

Source: USAID | Facilitando Comercio

It is important to mention that the MEF's Incentives Program is currently performing workshops in Lima for Municipalities and has requested a total of 8,000 leaflets to be distributed as training material to municipal officials.



Cover of the Operating License Informative Leaflet

## 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*

As informed in the previous report, the Project organized, along with DIGEMID and CONTRAFALME the “East Region Forum against the Illegal Trade of Pharmaceuticals” in the city of Iquitos on March 28<sup>th</sup> and 29<sup>th</sup>, 2012, as a continuation of the previous forums organized in Lima, Tumbes, and Puno.



**Press conference (From right to left):**

**Mr. Ricardo García Pye, Lima Chamber of Commerce.**

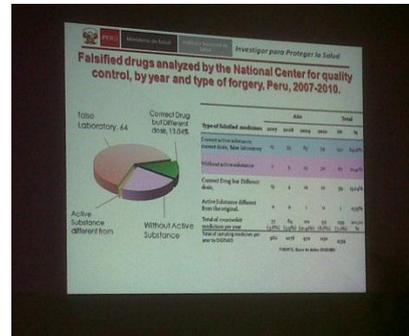
**Dr. Manuel Vargas, Director of DIGEMID.**

**Ms. Catherine Escobedo, Intellectual Property & Medicines Component Leader of USAID | Facilitando Comercio.**

This time attendants were organized in teams since the very beginning and the event was organized in a way that allowed more room for discussion between each conference. This organization made it easier for authorities and the general public to express their opinions and concerns on the matter.



**Dr. Manuel Vargas, Director of DIGEMID**



**Dr. Ruben Tabuchi's conference on the role of the National Center of Quality Control**



**Part of the Audience**

Almost 200 people attended including officers from DIGEMID (Lima), officers from the DIRESA (Health Regional Directorates) of Madre de Dios, Ucayali, Loreto, Amazonas, Ancash, Cusco, Ayacucho, Puno, Customs Officers from Tumbes, Journalists, Regional Government, Municipalities, the National Association of Pharmaceutical Industries, the Lima Chamber of Commerce, etc.

The Project is awaiting the consolidated data of the Forum in order to study the next activities regarding this matter.

## **Component 6: Telecommunications**

### Activity 6.1 International Best Practices on Unbundling of Network Elements

U.S. expert George Ford has concluded a thorough report regarding the U.S. experience on unbundling through the analysis of the economic and legal foundations behind regulations contained in the US Telecommunications Act of 1996 and the description of major Federal Communications Commission orders and court cases, as well as an explanation of the ultimate demise of the U.S. unbundling paradigm. The study will provide valuable lessons for Peruvian policy makers when regulating this topic. The expert will present the study in a seminar in Lima next June.

### Activity 6.3: Analyze and propose changes on regional regulations

The study on bureaucratic barriers elaborated by consultant Enrique Delgado was discussed with officials of the Ministry of Transports and Communications (MTC) who found it very useful and aligned with their policies. The Project will organize in May a roundtable to discuss the findings and establish a work plan to address the problems identified. Major telecom operators, MTC, municipalities' representatives, INDECOPI, congressmen, and other stakeholders will participate in the event, which is being organized together with the National Competitiveness Council and the Ministry of Transports and Communications.

The Project is highly committed to support further actions decided by authorities regarding the simplification of municipal licenses and authorizations for telecommunication operators. Possible activities include: carrying out training programs for authorities and the monitoring of regulatory adjustments based on our recommendations.

## V. Technical Implementation - Regional Component

### Bolivia

#### Component 2: Intellectual Property

##### *Activity 2.1: Promote the use of Intellectual Property as a Competitiveness Tool*

Through this activity, the Project supports FUNDES in developing a new service to promote the use of IP as a competitiveness tool by MSMEs, by developing training material and the respective trainings.

In January, the Project conducted workshops for enterprises from three cities:

- Cochabamba, January 10.
- Santa Cruz, January 16.
- La Paz, January 16.

In these workshops, enterprises received information about intellectual property rights and the specific topics to be addressed by the Project. It was stressed that each case will be treated individually.



In February, a "National Quality Circle" diagnostic was performed in order to analyze the enterprises that will participate in the activity and to identify areas of work with each of them. Agreements were signed with each of the selected companies and activities were initiated.

Currently the *Handbook of Intellectual Property Management* to be used in the trainings for enterprises is under review and the hiring process of graphic designers that will help enterprises in designing their trademarks is underway.

### **Component 3: Trade Facilitation**

#### *Activity 3.1: Certification of products and processes*

This activity will support SMEs in obtaining ISO 9001, NB12009, HACCP and FCC, by financing up to 50% of the respective certification; it is performed in association with the National Chamber of Industries, through its departmental offices throughout the country.

In March, Elena Conterno, Chief of the Project USAID | Facilitando Comercio and Fernando Hinojosa, General Manager of the National Chamber of Industries, signed and adjusted a MOU , which allows CNI to directly conduct the pre-audits.

Through its Quality Management Unit, the National Chamber of Industries will conduct diagnostics on the potential companies, in which the respective contracts are in preparation. The final list of potential companies is in the final stage of review.

#### *Activity 3.2: Promote best BioTrade practices*

The Project will support the National Chamber of BioTrade Bolivia (BIONATIVA) and Friends of Nature Foundation (FAN), so that the chamber can affiliate its associates to become members of the Union for Ethical BioTrade (UEBT).

On March 23<sup>rd</sup> the Executive Director of Friends of Nature Foundation (FAN), Humberto Gomez signed a MOU with the Project for the Promotion of Best BioTrade Practices in Bolivian Enterprises. The MOU was previously validated by USAID | Bolivia.

The final list of selected companies has already been completed. Activities are at their initial stage.

#### *Activity 3.4: Institutional strengthening for technical assistance in trade facilitation*

This activity aims to support the Chamber of Exporters of Cochabamba (CADEXCO) in the implementation of its new range of technical assistance in trade facilitation.

USAID | Bolivia concurred with the Memorandum of Understanding and it will be signed in upcoming days.

## Colombia

### Component 2: Intellectual Property

#### Activity 1.1: Support Superintendence of Industry and Commerce (SIC) in the designing of IP orientation services at the regional level through Colombia's Chamber of Commerce

SIC's services are currently and predominantly provided by its main office in the capital city of Bogota. In an effort to expand its services throughout the country and to better meet the needs of Colombia's private sector, the Project is helping SIC develop a service through the existing chamber of commerce regional offices that can be directed towards enterprises. Most regional offices have an attention desk to help orient businesses with their various needs, called *Centros de Atencion Empresarial* (CAE). During the reporting quarter, the Project finalized a training manual for the CAE's that includes a general overview of IPR and the benefits it can have for businesses, along with an outline of steps needed to register intellectual property (trademarks, commercial names, patents, utility models) with SIC. Through this material, those working the CAE help desk, will be able to provide general IP orientation to businesses seeking information.

The contents of the manual were finalized and approved by SIC in early February 2012. The Project is now awaiting the conclusion of negotiations between SIC and Confecamaras (Confederación Colombiana de Cámaras de Comercio), Colombia's Chamber of Commerce Confederation, to define the chamber's commitment to a training schedule for their respective CAE's. Training for CAE personnel is anticipated in the following quarter.

#### Activity 1.4- 1.7: Provide training and related material to increase enforcement of IPR

Under the CTPA's IPR chapter, the GOC has committed to improve the enforcement of IP rights. In Colombia the enforcement chain is made up of: judges, the public prosecutor's office (Fiscalia), the national police (POLVA), and the customs authority (DIAN). In the previous quarter, the Project set out to train 400 judges on IP material. During this quarter, the Project has begun working with the rest of the enforcement chain to understand their specific needs to be able to provide enforcement.

The Project met with Fiscalia, POLFA and DIAN to begin mapping their individual training needs. Both Fiscalia and POLVA are in need of training materials to be incorporated into their respective training schools. This material includes a general overview of IP, study cases, and recommendations of criteria to be used when determining infringement.

Meetings with DIAN were also held, both the taxation arm and the customs body. Both divisions are in need of training; however, their needs are different than Fiscalia and POLFA. Rather than developing training manuals, DIAN requires a more practical tool that can help them with verifications. The design of this tool is still under discussion.

Activity 1.12: Foster respect for copyrights in schools

In collaboration with Colombia’s Antipiracy Association (Convenio Antipiratería para Colombia), the Project is rolling out an activity to increase the awareness of IPR, specifically copyrights, for school age children (ages 12- 17) and their respective teachers, in an effort to instill a culture of respect for IP in academic institutions and young citizens.

During the reporting period, the Project began to design and develop material that would bring awareness to what encompasses IP and its everyday use in technology, information, and communication mediums. The material is being designed with a focus on how children between the ages of 12 – 17 are beginning to do research online, learn the value of creativity, and comprehend the need to give credit by citing sources. The contents of the informational pamphlet are currently under review for printing and its use in workshops will take place in the following quarter.

Activity 1.15: Support SIC in implementing IP treaties

Under the CTPA, Colombia has committed to implement the Patent Cooperation Treaty (PCT) and to make reasonable efforts to implement the Madrid Protocol for trademarks. SIC has requested assistance from the Project in implementing both treaties at a practical, operational level. The Project started identifying and defining the contents of training material for both treaties in a series of meetings with SIC and with the help of international IP experts on the matter. The drafting of training material will begin next quarter.

Activity 1.16 – 1.17: Assist SIC reduce its backlog of applications

As SIC aims to increase its institutional capacity to keep up with the growing number of IP registration applications it is receiving on a yearly basis, the Project has set out to help them reduce current backlogs. In the previous quarter the Project hired six consultants to review trademark applications. In addition, under the current quarter, the Project hired an additional six consultants to study patent and utility model applications for pharmaceutical and mechanical engineering inventions. Each application studied results in decisions. The following is the gross output of decisions made/applications resolved to date:

Type of Application		Number of Applications resolved
Trademarks	Oppositions	543
	Reconsiderations	89
	Cancelations	77
ts & Utility Model	Pharmaceutical	2

	Mechanical Engineering	6
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Source: USAID | Facilitando Comercio

The increase in the number of applications received by SIC is a positive sign of economic activity in the country. SIC has committed to increasing their personnel dedicated to examinations to avoid future potential backlogs and avoid hindering the competitiveness of the country.

1.18 Support IP registration for Colombian Artisans

Starting in Year 1, the Project partnered with Artesanías de Colombia to assist 20 artisan communities in the registration of a collective mark with the purpose of (1): enhancing the competitiveness of their cultural, artisan goods; and (2): protecting the uniqueness of the good through legal rights. The collective mark serves as a characterization of the geographical origin, material used, and the method of production for a particular good. After working with the communities to encourage the formation of associations (comprised of artisans or enterprises from their respective communities to become owners of a collective mark), the Project assisted with the legal application that must be presented to SIC for registration.

In December 2011, 5 collective mark applications were submitted for review by SIC. Those 5 marks were published by SIC in March 2012, to give public notice of the registrant’s claim to ownership of the mark. It will take approximately another six to nine months for the mark to undergo a technical review by SIC to determine registration.

Also in March of this quarter, 14 additional collective mark applications were submitted to SIC. The following is a [link](#) to all the Distinctive Signs registered for Artesanías de Colombia.

**Component 3: Trade Facilitation**

Once the CTPA goes into force, DIAN has an established timeframe for implementing a number of measures that will facilitate foreign trade, many of which are focused on reducing clearance times and to improving verification and valuation of imported goods. Much of the first quarter of 2012 was devoted to discussing those priority measures with DIAN and other relevant entities to establish a work plan for the Project. In addition to validated work plan activities, the Project worked on the three undertakings below.

Activity 1.1 Assist DIAN with a 48 hour time-release of goods to meet CTPA commitment

One of the first action items for DIAN will be to reduce the time release of goods to be within 48 hours of arrival into a Colombian port of entry. As a first step in assisting DIAN meet this commitment, USAID|Facilitando Comercio carried out a baseline

diagnostic, using the TCBaseline methodology, to measure DIAN's institutional capability, efficiency, and its operations at the Port of Buenaventura. The Project measured qualitative indicators and took time measurements of clearance times in Buenaventura to identify areas of intervention that can lead to an improvement in the time release of goods. Conclusions of that study were presented to DIAN at the end of March and include the following key findings from a sample of 591 declarations:

- Release of goods, without advance rulings, is averaging 9 days;
- Release of goods with advance rulings is averaging 43 hours and 44minutes;
- Advance rulings were only used for 7 percent of the declarations studied.

Based on the findings, USAID | Facilitando Comercio has begun to identify technical assistance activities with DIAN to be included in the Project's work plan.

*Activity 1.2: Promote the use of rules of origin within the private sector*

The Project met with Proexport to begin discussing private sector needs that would allow SMEs to take advantage of economic opportunities under the CTPA. Proexport identified the need to train sector-specific companies on rules of origin (ROO). The Project has started defining the scope of this activity by identifying the sectors (most likely textiles and cosmetics) and identifying a qualified ROO expert that could develop training material to be used at Proexport seminars.

Assistance with ROO training for customs officials was also discussed with DIAN and is being incorporated in the Project's work plan.

*Activity 1.3: Strengthen the country's single window operation for imports/exports by integrating providers within the logistics chain*

MCIT is the leading government entity in charge of the country's single window (VUCE) operation, which is made up of 18 government offices. MCIT is currently defining a new level of integration for the single window to include stakeholders involved in the logistics chain. USAID | Facilitando Comercio held several meetings with MCIT throughout the quarter to help define the objective, resources, and reach of this new level of integration. The Project concluded that what MCIT was interested in was establishing a port community system with all its sea and air ports that would interconnect the government entities with the private sector players, such as freight forwarders, transporters, terminal operators, etc. To undertake this activity, the Project advised on first carrying out a study of the single window's current capabilities to incorporate a new level of connectivity before moving forward into a design phase. As MCIT currently has resources earmarked for this activity that must be executed by the end of the year, it is evaluating the possibility of undertaking it with its own resources under an expedited implementation timeframe. The Project may end up assisting MCIT with very specific technical assistance needs in relation to this activity.

## **Ecuador**

### Intellectual Property

The last days of December 2012, USAID | Facilitando Comercio presented to USAID Ecuador a draft Memorandum of Understanding containing a proposal to promote and strengthen *Cacao Arriba* as a quality-certified product. This proposed activity involved joint work with IG-DE Corporation, a nonprofit organization with vast experience in the Appellation of Origin *Cacao Arriba*. USAID | Ecuador has been coordinating directly with USAID | Peru to define the activities to be undertaken for the promotion of *Cacao Arriba*.

The Project was requested by USAID | Peru to present comments to the possibility of working in:

- Technical assistance to help certify the designation of origin and set clearly designed standards of quality to meet the requirements for appellation of origin.
- Identify certifications (organic, fair trade, etc) that provide economic incentives to the producers and outline a work plan to achieve certification.
- Provide a Speaker for the upcoming event "*Salon de Chocolate*".

The Project has agreed with the activities proposed by USAID | Peru, and is waiting for instructions on next steps.

### Trade Facilitation

The Project is coordinating with BASC for further dissemination of activities to meet the targeted number of enterprises to obtain the BASC certification. BASC is expected to present a detailed report of progress to date by the end of April.

## VI. Communications

USAID | Facilitando Comercio has continued complementing its technical activities with communications strategies, which covers a wide range of tasks such as developing dissemination products, editing publications, coordinating for media coverage in public activities, among others. In addition, the Project has redesigned its webpage and developed a bimonthly bulletin to disseminate Project activities across the country.

It is also important to outline that during the present quarter, the Project has extensively worked jointly with the press and public relations departments of key strategic partners, in order to complement dissemination efforts for joint activities.

The activities that gained more public exposure throughout the reported quarter were:

- **Redesign of USAID | Facilitando Comercio's webpage:** The purpose was to provide the webpage with a friendlier image and a clearer structure, introducing new links to component activities and to the Project's Youtube channel. ( [www.facilitandocomercio.com](http://www.facilitandocomercio.com) )



Screenshots of the Webpage

- **Bimonthly Bulletin:** the newsletter reports activities performed throughout the period. Its online format enables its nationwide dissemination and it is currently mailed to 600 persons, among public officials and private sector representatives. It can also be accessed through the Project's webpage.

- **Rules of Origin Manuals for the Agribusiness and Textiles sectors:** Graphic line and Rules of Origin Manuals designed for the Trade Facilitation component, which will serve as a conceptual and methodological tool by exporters and importers for undertaking procedures within the Peru Trade Promotion Agreement signed with the U.S.



**Frontpage of the Rules of Origin Manuals**

- **Anticipated Clearance User Guide:** In order to carry on with the strategy developed to promote the use of Customs services, the Trade Facilitation Component developed a Guide to orient importers in the use of the Anticipated Clearance. In that regard, a graphic line and a proper format for the publication were designed.



**Frontpage of the Orientation Guide**

- **Virtual Diploma on Administrative Simplification:** The Project focused efforts on promoting the Diploma, which aims to train 3,000 officials from nearly 1,500 nation-wide municipalities. The Project enabled the registration via its webpage and bulletin; likewise, it arranged an [interview](#) with a Public Management Secretariat official for disseminating the Diploma.



Online link to the Diploma

- **Operating License Manual:** The Communications area of the Project supported the design and graphic line for the Manual, which was developed jointly with INDECI and the National Competitiveness Council.



FrontPage of the Operating License Manual

- **Other activities:** The Communications area provided support for coordinating / disseminating Project activities such as: (i) Forum against Trade of Illegal Medicines held in Iquitos, (ii) Intellectual Property week, which comprises a Photographic Exposition of Appellations of Origin, a Survey on IP knowledge by media representatives and the design and printing of the Patents and Author Rights Manual, (iii) Signing of Agreement Acts with Municipalities, (iv) [Inventions Contest](#), among others.



Publicity of the Forum against Trade of Illegal Medicines held in Iquitos

MUNICIPALIDAD DISTRICTAL DE IMPERIAL

Concejo Municipal 2011 - 2014

Eddy del Mazo Tello  
Alcalde del Distrito

MARTES 21 DE FEBRERO DE 2012

**ALCALDE DE IMPERIAL SUSCRIBE COMPROMISO CON AGENCIA NORTEAMERICANA PARA RECIBIR ASISTENCIA TÉCNICA**

El alcalde del distrito de Imperial, Eddy del Mazo Tello suscribió un acta de compromiso para recibir asistencia técnica en la simplificación del procedimiento de licencia de funcionamiento de parte de la Agencia de los Estados Unidos para el Desarrollo Internacional-USAID/Facilitando Comercio.

El acta fue suscrito entre el burgomaestre con la Jefe de Proyecto, Elena Conterno Martirelli y Rocio Castillo Diaz, líder del componente de Simplificación Administrativa.

SERENAZGO DE IMPERIAL

PRESENCIA GRATUITA  
A PERSONAS EN SITUACIÓN DE RIESGO  
DEBEN CALIFICAR EN EL PRONTO AUXILIO  
ASISTENCIA SALUD HOSPITALIALES

**LAS 24 HORAS**

SERENAZGO  
9-88-23268  
9-88-22767  
9-88-22768  
01 - 695-0895

PRESENCIA GRATUITA  
A PERSONAS EN SITUACIÓN DE RIESGO  
DEBEN CALIFICAR EN EL PRONTO AUXILIO  
ASISTENCIA SALUD HOSPITALIALES

MUNICIPALIDAD DISTRICTAL DE IMPERIAL

Serenazgo atiende en situación de riesgo

POLICLINICO "ERNESTO MISPIRETA"

AL SERVICIO DE LA POBLACION  
POLICLINICO ESPECIALIZADO

"ERNESTO MISPIRETA VALDIVIA"

LABORATORIO  
PSICOLOGIA  
GINECOLOGIA  
PODILOGIA  
FISIOTERAPIA  
REHABILITACION  
SERVICIOS DE URGENCIAS

Article in the Municipality of Imperial's webpage