



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

# **Quarterly Progress Report**

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

**October – December 2012**

January 2013

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



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

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

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# Glossary

ADEX	Peruvian Exporters Association
ADPIC	Agreement on Aspects regarding Commercial Intellectual Property Rights
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)
CAINCO	Chamber of Industry, Commerce, Services & Tourism of Santa Cruz (Bolivia)
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)
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
ETII Laboral	Judiciary's Technical Team for the Implementation of the Labor Procedural Law
FAN	Friends of Nature Foundation
FCC	Federal Communications Commission
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
IEPI	National Institute for the Protection of Intellectual Property, Ecuador
IFC	International Finance Corporation
ILO	International Labor Organization
INDECI	National Institute of Civil Defense

INDECOPI	National Institute for the Defense of Consumers and Intellectual 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 Communication
MVNO	Mobile Virtual Network Operators
NB	Bolivian Regulation
NCC	National Competitiveness Council
NLC	National Labor Council
NLPL	New Labor Procedural Law
OGCTAI	Ministry of Labor's General Office of Technical Cooperation and International Affairs
ONGEI	Peruvian National Office of Electronic Government and Informatics
OPDAT	U.S. Office of Overseas Prosecutorial Development, Assistance and Training
OSIPTEL	Oversight Organism of Private Investment in 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
WIPO	World Intellectual Property Organization

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## I. Executive Summary

USAID | Facilitando Comercio (the Project) is currently consolidating reforms achieved throughout its first two years of implementation. Several technical activities are in their final stages of execution and the Project has centered its efforts on promoting the implementation of its recommendations by public entities.

The current quarter involves the collection of results achieved, as well as the drafting of a proposed agenda for further reforms in the areas addressed by the Project.

In the following paragraphs a summary of the Project's progress over the last quarter is presented.

### Labor

During the reporting period, the Project began concluding ongoing activities, particularly those performed with the judiciary, as a new administration took office in January 2013. Thus, during the last three months the Project finalized (i) the design of a monitoring system for the implementation of the new Labor Procedural Law, (ii) a study to identify the economic and non-economic costs of labor processes, (iii) a proposal of new formats to measure the quality of rulings by judges, and (iv) a study to define new parameters for establishing the standard workload of labor courts.

Last quarter, the Minister of Labor was replaced. During the transition period, the Project gathered information about each activity's status in terms of validation, approval, use, and exploitation, and has put emphasis on incorporation of deliverables by current officials. Priority has been given to approving inspection guidelines and protocols on safety and health at work, agro-export companies, sea workers, mediation and outsourcing companies. The validation process for tools designed to improve the Labor Inspections Information System (LIIS) has continued, and is expected to conclude in January 2013. The Project will present all the Products to the Minister after its meeting with USAID Peru's Mission Director.

### Intellectual Property

This quarter's highlights were the XI National Inventions Contest, the launching of the web page and social networks of the Antipiracy Campaign, and the EQUIPU Tour around universities in Lima and Arequipa in order to promote the use of intellectual property among the students and researchers.

Similarly, the Project continued to develop copyrights guides for emerging cultural industries, a study on national collective trademarks and the identification of patentable material in the National University of Engineering, among other activities.

Finally, the Project supported AMCHAM in the organization of the first IP Mission to Washington D.C., in which 27 participants—Peruvian Government officials and people

from the private sector related to IP matters—were exposed to the IP policies of different American Institutions and the Peruvian delegation built relationships with these institutions and among themselves, which will facilitate the implementation of the pending obligations of the PTPA.

### Trade Facilitation

The project continued to achieve results with the implementation of procedural reforms in key regulatory bodies such as DIGESA and SENASA. The Authorized Economic Operator program that was promoted and supported by the Project was officially launched on October 2, 2012 in a ceremony led by the President of the Republic.

In December 2012, U.S. experts Robert Keller and Gerardo Ayzanoa visited Lima and Paita to interview officials and private sector representatives as part of the first TCBaseline monitoring report, which is expected to be concluded in January 2013. Also in December, the National Competitiveness Council presented the annual targets of its Competitiveness Agenda. During the presentation, public officials from more than five trade-related entities and private sector representatives acknowledged their support of the Project in the accomplishment of various targets.

Finally, USAID's Partnership for Trade Facilitation funds have been allocated in tasks linked to risk management and transparency.

### Administrative Simplification

During the reporting quarter the Project concluded the Second Virtual Diploma on Administrative Simplification. As a result, a total of 3,389 officials from more than 900 municipalities increased their capacities in administrative simplification and are now trained to implement such reforms in their institutions. A survey performed during the closing events showed that 79 percent of the attendees considered the Diploma a well-prepared course.

Also during this quarter, the National Competitiveness Council (NCC) presented a diagnostic and reform proposal for the National Institute of Civil Defense's Security Technical Inspection procedure. This proposal incorporated the idea presented by the Project to outsource technical inspections. This reform constitutes a very important step to simplify the operating license procedure.

Finally, the Prime Minister recently announced the GOP's commitment to support reforms related to administrative simplification, which reaffirms the alignment of the Project's work plan with Peruvian Policies. ([Prime Minister's Statement](#))

### Medicines

This quarter the Project provided support to the Directorate of Access and Use of Medicines from DIGEMID to organize an international training where their officers and

Ministry of Health's staff learned how to identify and demand the best quality of medicines to supply the Public Health Service.

The Project also initiated the development of handbooks for the Directorate of Sanitary Authorizations (Evaluation for Sanitary Registrations) and the Directorate of Control and Surveillance (Inspection of Pharmaceutical Drugstores and Laboratories), which will be used to train new officers throughout the country and to harmonize criteria in each regional directorate.

### Telecommunications

Project activities for this component are now complete. The final activity was a workshop for OSIPTEL's officials, conducted by U.S. expert George Ford, who addressed unbundling network elements and specific competition issues requested by OSIPTEL. Unbundling is an objective under the telecommunications chapter of the PTPA; however, to date, no significant developments have been shown in Peru. Authorities have acknowledged the support provided by the Project and have asked us to take part in discussions to formulate medium and long term activities.

### Bolivia

In November, COP Elena Conterno visited La Paz and Cochabamba to assess advances in activities in Bolivia. Meetings were held with USAID Bolivia, the National Chamber of Industries in La Paz, FUNDES, and the Chamber of Exporters of Cochabamba. She also visited Laboratorios Valencia, a company receiving support from the Project to gain ISO 22000 Certification.

### Colombia

USAID | Facilitando Comercio continues to work on improving enforcement measures for intellectual property rights. During the reporting period, changes in leadership within the National Police, strikes within the public attorney's office, and several legal modifications to laws impacting copyrights have hampered the Project's ability to make significant progress; however, incremental advancements were made.

In September, the Superintendence of Industry and Commerce (SIC) also changed leadership. The new Superintendent, Pablo Felipe Robledo, met with the Project in October to review the progress of ongoing activities and to discuss the possibility of the Project assisting SIC with the training of a newly formed group of legal officers that have been given authority to rule over IP cases with the same degree of legal authority as judges. Appealing IP disputes directly through SIC versus the Colombian courts will expedite case reviews and rulings. The Project has been in discussions with SIC over the design of this new activity, which is in line with the Project's objective to improve enforcement.

With respect to Trade Facilitation activities, important strides were made with the initiation of training on rules of origin for the private sector and for Colombia's customs authority, DIAN. Additionally, USAID | Facilitando Comercio provided key

inputs to Colombia's new custom code which is currently under revision. The Project has been instrumental in helping DIAN draft revisions needed to the sections involving customs clearance, rules of origin, advance rulings, and express deliveries to ensure that the new code is in compliance with CTPA commitments. The revised code is expected to be finalized in the first quarter of 2013. DIAN will then have six months to implement the related norms. After that phase is completed and time permitting, USAID | Facilitando Comercio will provide technical assistance to implement ensuing procedural changes.

#### Ecuador

As result of recent regulatory changes introduced in Ecuador, the Ecuadorian Institute of Intellectual Property has lost its independence to continue activities with the Project. In agreement with USAID Ecuador, the Project has shaped a set of activities involving the private sector to continue with the implementation of the Cacao Arriba Appellation of Origin.

## II. Introduction: Context

On November 7, President Barack Obama was re-elected to a second term (2012-2016). Expectations are that this second term will be marked by budget reductions to reduce the fiscal deficit. US foreign policy should remain the same, and there probably may be more emphasis on promoting U.S. exports. While the fiscal adjustments might have an impact on support for trade capacity building initiatives, U.S. exports will surely benefit from the simplification of trade-related procedures in recipient countries.

The National Competitiveness Council, a key partner to the Project, developed its first annual assessment of the results obtained in its National Competitiveness Agenda (2012 – 2013). Public officials from more than five trade-related entities acknowledged the support of the Project in the accomplishment of several of its targets.

On December 11, 2012 the European Union ratified the Free Trade Agreement (FTA) signed with Peru and Colombia. They are expected to enter into force early in 2013. This new FTA will not only boost trade between both countries and the Eurozone but will also increase the demand for more efficient customs procedures, creating even more pressure for the implementation of trade facilitation reforms.

Colombia continues to move forward with CTPA implementation efforts that contribute to enhancing economic opportunities between the United States and Colombia. One recent example of this is Colombia's competition authority (housed under SIC) request to negotiate an antitrust cooperation agreement with the U.S. Federal Trade Commission (FTC). This advancement was realized with the assistance of USAID | Facilitando Comercio, which brought an official from the FTC to work with the SIC to establish a collaborative working relationship among the two entities.

### III. Results Reporting Table

The following tables present the results achieved to date in Peru and Colombia against Project indicators for Fiscal Year 2012.

#### Peru Indicators

Common Indicator	Second Year				Comments
	Target FY 2012	Results Oct 2011 –Sep 2012			
		Men	Women	Total	
Number of participants in USG-supported trade and investment capacity building trainings.	3,615	3,154	3,051	6,205	<p>There have been a total of 6,205 participants in the 193 events developed by USAID   Facilitando Comercio throughout the second year of the Project. Approximately 49% of the participants were female. The difference between targeted and actual number of participants in FY 2012 is mainly explained due to the following factors:</p> <ul style="list-style-type: none"> <li>• Intellectual Property Component increased the number of participants due to the request by the U.S. Embassy to support IP trainings on two events: Interactive Technological Camp (366 civil society representatives) and Citizen Project (126 teachers)</li> <li>• The Project expanded its training efforts by performing two nationwide training programs simultaneously: a Workshop on Anticipated Clearance in 13 cities (601 attendees among public and private sector) and a 4-day course on Public and Customs Law in 12 cities (841 attendees among public officials and entrepreneurs).</li> <li>• Administrative Simplification Component. As requested by some municipalities, training events were broadened to cover more (in some</li> </ul>

				cases almost all) officials from the municipality. As a result the Project trained approximately 500 more officials than planned.
Number of legal, regulatory, or institutional actions taken to improve implementation or compliance with international trade and investment agreements that is due to the support received from USG-assisted organizations.	13	13		<p>The Trade Facilitation Component has supported the development of the following products in order to improve implementation of the Trade Promotion Agreement (TPA):</p> <ul style="list-style-type: none"> <li>• Ministerial Resolution N° 097-2012 MINCETUR, passing the simplification of Foreign Trade proceedings.</li> <li>• Supreme Decree 186-2012EF Customs. Passing of the Authorized Economic Operator Statutes.</li> <li>• Legislative Decree 1109 – Customs, adjusting the labeling requirements for imports.</li> <li>• Directorial Resolution N° 2811-2012/DHAZ/DIGESA/SA approving check list of Food and Drinks’ requirements compliance.</li> </ul> <p>The Labor Component has developed the following topics:</p> <ul style="list-style-type: none"> <li>• Inspection Protocol on Occupational Safety and Health on Civil Construction</li> <li>• Inspection Protocol on Occupational Safety and Health on Bakeries</li> <li>• Inspection Protocol on Occupational Safety and Health on Metal-Mechanics</li> <li>• Inspection Protocol on Freedom of Association</li> <li>• Inspection Protocol on Child Labor</li> <li>• Protocol of Labor Conciliation</li> <li>• Guidelines for performing inspections in the Agribusiness sector</li> <li>• Special labor regime proposal for sea workers</li> </ul> <p>The Intellectual Component developed a:</p> <ul style="list-style-type: none"> <li>• Training Manual to be used by INDECOPI in the formation of Patent Examiners.</li> </ul>

<p>Number of U.S. supported training events held that related to improving the trade and investment environment.</p>	<p>159</p>	<p>193</p>	<p>The Labor Component has performed 9 trainings; 5 oriented to specializing judges on the new Labor Procedural Law, 2 trainings for Lima inspectors and 4 Macro-Regional workshops in different cities to provide nationwide trainings to inspectors.</p> <p>The Intellectual Property Component developed 1 course to train Patent Examiners, 2 workshops for strengthening capacities for IP enforcement, 4 for raising awareness of the mentioned topic in La Libertad, Piura, Tacna and Lambayeque, and 17 workshops to promote a culture of respect towards IP rights.</p> <p>Likewise, the Trade Facilitation Component performed 32 workshops: 3 regarding the Authorized Economic Operator proposal, 16 nationwide trainings for Anticipated Clearance and 13 Customs and Public Law nationwide trainings.</p> <p>The Administrative Simplification Component has carried out 124 trainings in 32 municipalities from across the country. As requested by municipalities, trainings were broadened to cover more municipal officials so the training events had to be expanded.</p> <p>In Medicines, the Project carried out 1 workshop in Loreto for raising awareness of counterfeit drugs and regulations.</p> <p>In Telecommunications, 1 workshop was held in May 2012 regarding bureaucratic barriers that hinder the development of telecomm services.</p>
<p>Reduction in the cost of trade of goods across borders as a result of U.S. assistance.</p>	<p>20 US\$</p>	<p>0 US\$</p>	<p>The reduction is measured yearly as information is published by the Doing Business Report. Baseline extracted from the 2010 edition shows an average cost of 885 US\$ (875 US\$ for exporting and 895 US\$ for importing a container of goods). The 2011 Doing Business edition showed that the average cost reduced in 15 US\$, to 870 US\$ (860 US\$ for export and 880 US\$ to import). The 2012 edition has maintained these results.</p>
<p>Reduction in the number of days required to trade across borders as a result of U.S. assistance.</p>	<p>0</p>	<p>-</p>	<p>The reduction will be measured yearly as the information is published by the Doing Business Report. The target for this indicator (reduction of 3 days) is intended to be met in 2013.</p>

Reduction in the number of procedures required to trade goods across borders as a result of U.S. assistance.	5	0	Even though the number of procedures has not been reduced, the Project has achieved the simplification of 5 of them related to Sanitary Registration of Food and Drinks.
Number of customs harmonization procedures implemented in accordance with internationally accepted standards as a result of U.S. assistance.	1	1	Authorized Economic Operator (AEO) was implemented based on international standards with the support of USAID   Facilitando Comercio. Legislative decree 1122 even adjusted the previous name (Customs Authorized User) to AEO, according to international use.
Number of legal obstacles to women's economic activities (due to legal discrimination) eliminated as a result of USG assistance.	0	-	Activities related to obstacles for women are scheduled to take place in 2013.
Number of institutions/organizations whose capacity/competency was strengthened as a result of USG assistance.	10	21	The Labor Component has improved capacities in the <u>Ministry of Labor</u> , the <u>Ministry of Justice</u> and the <u>Judiciary</u> . Intellectual Property Component has worked in the same way with <u>INDECOPI</u> , the Technical Office of Technological Innovation Centers ( <u>CITES</u> ) and the following Universities: <u>PUCP</u> , <u>UPCH</u> , <u>UNI</u> and <u>UCSM</u> . The Trade Facilitation Component is performing capacity strengthening for institutions involved with the Single Window for Foreign Trade (VUCE). In addition to the support to <u>MINCETUR</u> , 2 VUCE institutions have already been assisted: <u>DIGESA</u> (General Direction of Health and Environment) and <u>DIGEMID</u> (General Direction of Drugs, Supplies and Medicines). Likewise, trainings regarding VUCE have been focused on <u>Customs</u> , <u>National Service of Agricultural Health</u> , <u>Fishing Technological Institute</u> , <u>National Ports Authority</u> , the <u>Ministry of Transport and Communications</u> , <u>Ministry of Education</u> , <u>Coastguards Direction</u> and the <u>Regional Direction of Health</u> . Administrative Simplification Component trained officials from the <u>Municipality of Miraflores</u> for implementing a Citizen Attention Module.
Number of municipalities receiving U.S. assistance with regulatory/administrative	30	32	Technical assistance provided to local municipalities effectively started on January 2011. By September 30, 2012, the Project had assisted 32

simplification.			municipalities across the country: Utcubamba, La Banda de Schilcayo, Corrales, Mala, Nueva Cajamarca, San Martín, Santa Eulalia, Wanchaq, Barranca, Imperial, Monsefu, Olmos, San Sebastián, Zarumilla, Cañete, José Leonardo Ortíz, Motupe, Paita, Santa Rosa, Bagua, Chancay, La Victoria, Moyobamba, Pomalca, Sechura, Lambayeque, Aguas Verdes, Pisac, Cajamarca, Santiago, Cerro Colorado, and Tumbes.
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### Colombia Indicators

Indicators	Second Year					Comments
	Target	Results				
		Result	Total	Men	Women	
Number of participants in USG supported trade and investment capacity building trainings.	655	665	457	182	275	The Project held the following trainings: - Trade Facilitation (TF): Advance Rulings seminar with private sector (M:6,F:9) - Rules of Origin (ROO) training for private sector – agribusiness and textiles in the cities of Medellin, Barranquilla, Cali and Bogota. (M:176, F:266)
Number of participants in trade and investment environment trainings.			208	90	118	- IPR: Colombia’s Bureau of Criminal Investigation and Interpol (DIJIN) (M:22,F:2) - IPR: Chambers of Commerce in 15 cities. (M:27,F:60) - Rules of Origin training for Customs (M:23,F:41) - Advance Rulings / Tariff Classification training for Customs Officials (M: 18, F: 15)
Number of legal, regulatory, or institutional actions taken to improve implementation or compliance with international trade and investment agreements as a result of USG assistance.	3	3			- Trademark Law Treaty went into effect in April 2012 - Madrid Protocol went into effect in August of 2012 - Regulatory reform proposals for the new customs code that respond to CTPA commitments that will facilitate trade.	

Number of institutions/organizations undertaking capacity/competency strengthening as a result of USG assistance.	3	8	<ul style="list-style-type: none"> <li>- Colombia's Superintendence of Industry and Commerce (SIC)</li> <li>- Chambers of Commerce: Cartagena, Ibaguè, Cucuta.</li> <li>- Colombia's Bureau of Criminal Investigation and Interpol (DIJIN)</li> <li>- Colombia's Public Prosecutors training school</li> <li>- Colombia's Customs Authority (DIAN)</li> <li>- Proexport, Colombia's export promotion agency</li> </ul>
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## IV. Success Story

### ***Second Virtual Diploma on Administrative Simplification***

Within the framework of the National Policy on Administrative Simplification, the Public Management Secretariat (PMS) developed various products related to administrative simplification, including costing and administrative simplification methodologies. These products needed to be disseminated among public officials across the country in order to strengthen their appreciation of the benefits of administrative simplification and to provide them with knowledge and tools necessary to identify and simplify cumbersome procedures.

In 2011, the Project launched the first Administrative Simplification Diploma course, which was oriented towards public officials from national institutions and the 40 Type “A” municipalities. From a total of 932 participants that concluded all the modules, approximately 600 successfully passed it.

Recognizing the importance of this initiative, in 2012, the PMS requested technical assistance from the Project to develop a second diploma oriented towards municipal officials responsible for designing TUPAs (Single Text of Administrative Procedures), estimating costs and other related areas in small and medium-sized municipalities. The course was launched in March 2012.

Special emphasis was placed on disseminating the Diploma through the internet, in places such as Government webpages (MEF’s and PMS’) and the TRAMIFACIL webpage, and also by sending letters of invitation to municipal mayors and distributing leaflets at events held by the Association of Peruvian Municipalities (AMPE).



**Online banner with link to the Registration Website.**

As a result of this outreach effort, 3,753 officials registered for the Diploma and, after the profile evaluation and a basic knowledge test, 3,389 students from more than 900 municipalities across all the Departments of Peru were accepted to take part in the course. It is important to highlight this result as it shows that more than half of the 1794 municipalities in the country (excluding the 40 Type “A” municipalities) were involved in the Diploma. The comprehensive effort by the Project to reach out to municipalities nationwide proved successful as several municipal officials from rural municipalities subscribed to the Diploma. For example, Gladys del Carmen Cisneros, from the Municipality of Ocoyo (rural municipality with 1,398 residents, located 140km south of the Department Capital of Huancavelica) subscribed to the Diploma. Gladys successfully completed the Diploma in 29th position.

The virtual diploma started on February 6, 2012, covering five modules:

- I. Regulatory Framework of Administrative Simplification and Bureaucratic Barrier Disputes;
- II. Administrative Simplification Methodology for Public Officials;
- III. Costing Methodology for Public Officials;
- IV. Improve the Attention to Citizens; and
- V. Single System of Procedures.

The learning methodology covered a vast range of e-tools, such as virtual discussion forums, videos, case studies, power point presentations, online support provided by teachers, case studies as well as complementary bibliography and regulations. The Diploma demands 450 hours of dedication<sup>1</sup>.

It is important to mention that a fifth module was introduced in this edition of the Diploma to train municipal officials in the use of the Single System of Procedures (“SUT” is its Spanish acronym) that is being developed by PMS and is currently at the pilot stage. The Diploma is the first training effort performed on the subject and will help municipal officials to undertake simplification efforts in their municipalities in a more effective way with this tool.

Furthermore, the Project also invited INDECOPI to share its experience as a governing body in charge of ruling in bureaucratic barrier cases filed against municipalities. Its experience proved very useful as it showed officials that not all prohibitions issued by municipalities constituted bureaucratic barriers and that those which had a sound economic and legal rational often prevailed and had effective results.

The virtual course concluded on September 28, 2012. In closing, a set of seven workshops were held across the country to conclude the activity, summarize all topics and hand the Diploma to students. One thousand two hundred seventy four (1,274) students successfully completed the Diploma.

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<sup>1</sup> As requested by the PMS, each of the five modules was designed to have a length of one month and comprise 90 hours of academic material.

INDICATOR	RESULT
<b>Participants</b>	<b>3389</b>
<i>Approved</i>	<i>1274</i>
<i>Not approved</i>	<i>1303</i>
<i>Withdraws</i>	<i>812</i>
<b>Percentage of women</b>	<b>36%</b>
<b>Women in the top 10</b>	<b>4</b>
<b>Institutions involved</b>	<b>927</b>
<i>Provincial Municipalities</i>	<i>155</i>
<i>District Municipalities</i>	<i>758</i>
<i>Regional Governments</i>	<i>5</i>
<i>National Institutions</i>	<i>9</i>

**Source: USAID | Facilitando Comercio**

It is important to point out that the Diploma's cost per approved student was approximately US\$ 195, which is lower than other Diplomas offered in the market.



**Workshop in Lima**

*Some testimonials of students about their undertakings after finishing the Diploma:  
 "Currently, the Building Permit (Type "A") is a cumbersome procedure that lasts 30 days and costs 1.5% of the construction value. The proposal presented to the municipality will reduce the time by half and will have a flat cost of 50 soles"*

**Christian Pedro Antonio Muro Flores, Provincial Municipality of Ferreñafe. (1<sup>st</sup> Place)**

*"Using the tools provided by the Diploma we have managed to simplify the Procedure of Subscription or Transference of Properties in the Provincial Municipality of Ferreñafe. The time needed to complete this procedure has been reduced by 97%, from one month to one day, and the cost has been reduced by 47%, from 40 to 20 soles."*

**Alfredo Jesus Muro Flores, Provincial Municipality of Ferreñafe. (3<sup>rd</sup> Place)**

## V. Technical Implementation - Peru Component

### Component 1: Labor

#### Activity 1.1 Build Capacity to Conduct Inspections (Mandatory)

##### *a. Training for Labor Inspectors and MOL officials*

The Project concluded the training of 70 labor inspectors and 20 MOL officials on safety and health at work in the mining, petroleum and electricity sectors. It is notable that this training effort was of particular importance to the General Direction of Labor Inspections as it had recently been empowered (Supreme Decree N° 009-2012-TR that transferred these functions from OSINERGMIN to MOL) to monitor this particular topic. The course provided:

- Theoretical and practical formation on technical and legal dispositions concerning these particular sectors.
- Strategies, skills, and competencies to guide the inspector in effectively supervising companies.

The course had a duration of five weeks (18 teaching hours per week) and included the design of a proposal developed by inspectors (based on OSINERGMIN inspective procedures) of sanctioning procedures and classification of infringements that has been presented to the MOL and is currently under review for regulatory approval.

##### *b. Support the approval of different protocols and directives.*

The Project has coordinated with different areas of the Ministry to gain support for the approval of different protocols and directives that have been drafted with Project support. Approvals are expected for the first quarter of 2013.

#### Activity 1.2: Optimize Inspection System Procedures (Mandatory)

##### *Labor Inspections Information System (LIIS) reform*

The Project has successfully completed the five modules of the intervention that were originally planned. Nevertheless, this intervention has resulted in almost 100 products developed by consultants that have suffered delays on their approval due to the lack

of personnel in the MOL. This issue has been progressing in recent weeks and the current status of each module is as follows:

Module	Status
Templates and Catalogs	10 products, all approved.
Reports	20 products, all approved.
LIIS improvements	Under review by the General Direction of Labor Inspections. 30 of the 60 improvements have been approved. Deadline: Early January 2013.
Distribution and algorithm	Product completed and under review. Expected approval: Early January 2013.
Digital Signature	8 Products completed. Expected approval: Early January 2013.

**Source: USAID | Facilitando Comercio**

### Activity 1.3: Build Capacity for Conciliation

The main focus of the activity to reformulate procedures and content included in the Labor Economic Report (LER) is to provide the parties involved in a collective bargaining process with a document analyzing relevant financial information about the company and the sector involved, and thereby contribute to the final collective agreement.

During the period, the new LER content has been completed and approved by the MOL. The following are the main features of the improved LER:

- ✓ Differentiation between types of institutions: Financial, Governmental or Public Enterprise. This will allow a deeper analysis of the institution and increased accuracy of performance indicators.
- ✓ The analysis must be targeted to the objectives of the report. This means that the economic and financial information presented in the report must help assessing the impact and sustainability of the salary request.
- ✓ Comparative indicators: sector and wages, in order to assess the context and market situation to weight the position adopted by both parties involved in the collective bargaining process. The comparative indicators will also be useful to develop a LER if the company declines to provide information.
- ✓ Incorporate measures of labor productivity. This will allow accurate gathering of information about wages and a better understanding of the evolution of labor costs. In addition, relative indicators such as salary request as percentage of sales, profit, costs, and such, will also improve the quality of information provided by the LER.

The part corresponding to improvement of procedures is currently under design.

#### Activity 1.4: Support Implementation of Labor Procedural Law (LPL)

##### *a. Methodology to calculate workload of the new LPL*

The Judiciary requested technical support to develop tools to manage the workload resulting from the new LPL. In that regard, the Project recently concluded the assistance and presented three products to the Judiciary, which have been approved and acknowledged:

- ✓ Methodology proposal for the estimation of workload and average production of ordinary and summary processes under the new LPL, including spreadsheets with examples, statistical information and interviews with judges, as well as recommendations to manage the workload under the new LPL.
- ✓ Methodology proposal for the estimation of workload and average production in liquidation processes under the previous Labor Procedural Law (Law N° 26636), including spreadsheets with examples, statistical information and interviews with judges, as well as recommendations to improve the liquidation process in cases still under the previous Law.
- ✓ Guidelines for the progressive adaptation of superior courts to the new Judiciary Dispatch.

Estimating average production allows for better planning and allocation of human resources. As noted by the consultant, if judges receive a workload higher than their production average, delays will result and the new LPL will not achieve expected results.

##### *b. Baseline for monitoring the implementation of the new LPL*

The Project developed a survey to collect information about the implementation of the new LPL, based on a set of indicators previously developed and approved by the Judiciary. Once completed, the survey was submitted to each of the 11 courts where the LPL is currently in force. A total of eight courts completed the survey and based on this information the Project developed a final report.

The information covered the number and positions of the personnel of each court, such as judges and court staff; then it presented the estimated institutional and personnel capacity to implement the new LPL in such courts. Also, it presented a section of qualitative results on the current status of the LPL. This baseline will allow the Judiciary to monitor progress in the implementation of the new LPL and results achieved in this new context.

##### *c. Workshop to exchange experiences under the new LPL*

The Judiciary, supported by USAID | Facilitando Comercio, developed two workshops to exchange experiences learned in the implementation of the new LPL. The events were held in Huancayo, on September 13-14, 2012. The

attendance included judges and administrative personnel from the Superior Courts of Arequipa, Cañete, Cusco, Lambayeque, La Libertad, Tacna, Moquegua, Junín, Ica, Cajamarca, Santa, Lima, Lima Norte, Lima Sur and Callao.

The following were the most important conclusions:

- ✓ One of the most intense debates was based on the controversy of whether or not to develop a regulation or directive for using the new LPL. On one hand, some attendees defended the authority of judges as the supreme authority in charge of the process; on the other hand some attendees stated the importance of a regulation to protect or guide judges in a situation of ambiguity or legal void. The recommendation is to develop a guide (not a mandatory regulation such as a regulation or directive) to provide a minimum of support to the performance of judges and administrative personnel.
- ✓ Many judges perceive that the new Law seeks to increase controls in judicial activity and not facilitate the administration of justice. In this regard, the Judiciary faces the challenge of turning this situation around by further disseminating tools and information on this reform.
- ✓ The most important problems regarding the implementation of the new LPL are not of a legal or policy nature, but from limited access to technological tools by users, resistance to the use of technology by judiciary officials, lack of logistical means to develop audiences, and similar issues. Without adequate logistical support the new LPL will face great difficulty in obtaining expected targets. This is already visible in the long delays for hearings, which can take up to 6 months in the vast majority of judicial districts where the law is currently in force.

The Judiciary is taking action regarding the previous findings and has asked the Project to prepare an agenda of actions to be undertaken for the adequate implementation of the new LPL.

*d. Comparative Study of Costs*

The Project completed the comparative study about costs incurred by litigants in labor processes under the Law N°29497 (New Labor Procedural Law) and the Law N°26636 (Labor Procedural Law), and labor administrative-litigious processes under the Law N°27584 (Law to Regulate Administrative-Litigious Procedures). The information was collected from the Jurisdictional Districts of Lima, Arequipa and Junín by performing interviews and surveys, collecting statistical information and reviewing judiciary files.

The study focused on the most recurrent type of labor case: payments of social benefits. The data collected from Lima was adjusted taking into account the purchasing power in order to be comparable to the data of Arequipa and Junín.

In general terms, the New LPL reduces costs incurred by users, often substantially; nevertheless, there are still problems that limit its benefits. The information provided shed light on the problems and difficulties that have appeared during LPL implementation. The agenda that the Judiciary has asked the Project to develop will include recommendations on how to face these problems and difficulties.

e. Second Cycle of Conferences on Labor Procedural Law

After supporting the [National Judiciary Meeting on Labor](#) in late September, the Project also supported the Judiciary in the implementation of the Second Cycle of International Conferences on the Labor Procedural Law, held on November 22- 23, 2012. In addition, the Project hired an expert to organize the presentations and extract its most important findings. The report received acceptance and appreciation of the Judiciary.

The aim of the event was to share experiences about reforms in labor procedures in various countries of Latin America, enabling the identification of ideas and lines of action to strengthen the implementation of the new LPL in Peru. The Project facilitated the participation of three renowned specialists from Colombia and Spain.

The audience was comprised of judges of the Superior Courts of Lima, Lima Norte, Lima Sur and Callao who attended the event and judges of the Superior Courts of Arequipa, Cañete, Cusco, Junín, Ica, La Libertad, Lambayeque, Moquegua, Santa and Tacna, who participated via webcast.

The Conferences covered the following topics: "The implementation of the new Labor Procedural Law and its prospects in the Peruvian Labor Justice", "The protection of fundamental rights in the new Labor Procedural Law", "The new Peruvian labor model in the framework of procedural reforms in Latin America", "The verbal use in the Colombian labor process" and "Legal argumentation: the ruling in the labor process."

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

USAID | Facilitando Comercio has supported the initiative to modernize and optimize the management of procedures in charge of the MOL based on a more intensive use of information generated by or available within the institution. In that sense, the Project has based the current intervention on the diagnostic made for this purpose in 2011.

The Project is currently developing a set of short term indicators that will support the MOL's management and monitoring of the labor market and the administrative actions undertaken by the Ministry and the Regional Labor Directions, which will be updated monthly. The monitoring matrix will be completed in the following weeks.

### Activity 1.6: Improve Statistical information on Labor Conflicts

The Project has concluded the study that will enable more accurate estimations of the quality of judiciary rulings by the Judiciary's Office of Quality Measurement. The study presents a new evaluation tool and the creation of a structured model for judiciary rulings on labor topics. These tools will facilitate the performance of judges by allowing the incorporation of guidelines and criteria to measure the quality of rulings, both in quantitative and qualitative terms. [The Judiciary has already announced a pilot ranking](#) to measure the productivity of judges under the new LPL.

## **Component 2: Intellectual Property**

### Activity 2.1: Implement PTPA IP Chapter

The Project cooperated with AMCHAM to organize an IP mission to Washington D.C., including Peruvian officers from institutions involved with Intellectual Property Matters such as INDECOPI, the Judiciary, DIGEMID, FINCYT, etc. The mission's purpose was for participants to learn some of the best IP policies and practices of American institutions such as the USPTO, USTR, USDC, etc., and so they could establish networks with these institutions in order to aid finalizing implementation of PTPA obligations.

Before the IP mission trip, the Project organized a roundtable with all the mission participants to review the current status of PTPA implementation. The speaker in charge of the roundtable was consultant Luis Alonso Garcia, former negotiator of the PTPA and a renowned IP attorney.



### Activity 2.3: Improving Technical Examinations

#### *a. Training of New Patent Examiners*

As noted in the previous report, the training for new patent examiners based on the manual that the Project developed in cooperation with the DIN, began on September 3, 2012 with 40 students of different specialties, and finished on October 24, 2012 with great success.

Three students were awarded as the best of each specialty:

1. Biology: Cinthya Lissett Aspajo Villalaz
2. Chemistry: Julisa Del Pilar Quiliche Chavez

### 3. Engineering: Sergio Sebastián Arrau Porras



**Bruce Abrams, Deputy Director of USAID Peru, Carlos Basadre and Hebert Tassano from INDECOPI with the awarded students.**

#### *b. Online course on Trademarks*

The course ended on October 11, 2012. Out of 103 participants from Indecopi's offices throughout the county, 100 completed the course (97%).

INDECOPI was very pleased with the results of the course and has committed to maintain it and to make it accessible to the general public as part as its e-learning trainings.

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

##### *a. XI National Inventions Contest*

The XI National Inventions Contest was launched with success on July and received 248 applications nationwide. The Awards ceremony was celebrated on November 14th at INDECOPI with wide coverage from the press. Bruce Abrams, Deputy Director of USAID Peru and Elena Conterno, Chief of Party of USAID Facilitando Comercio took part of the ceremony.

The winners of the XI edition were the following:

##### Patent of Invention Category:

Silvana Luzmila Flores Chávez y Oscar Eusebio Tinoco: *"Comprehensive remediation treatment for mining-metallurgical effluents through the process of obtaining dolomite as a remedy agent"*.

##### Utility Model Category:

José Ramón Ostaicochea González: *"Security system with adjustable height for pedestrian doors"*

Both of them were awarded by the Project with full financing for exhibiting their inventions in the International Inventions Fair of Geneva in Switzerland.



Jose Ramón Ostaiicochea, Winner Utility Model category



Silvana Luzmila Flores Chavez, Winner Patent of Invention category

As in the previous edition, the Project promoted the Contest through the web page and social networks. This year the Facebook page reached 27,251 fans.

*b. Technology Transference Workshop*

The Project cooperated with INDECOPI in offering a free Technology Transference Workshop to provide information and build knowledge about the processes of technology transfer, in particular those made from the area of the university to the market.

The workshop covered all the different scenarios where technology transfer could be developed, the university-industry linkage, regulations and management systems of intellectual property and knowledge production within university processes, as well as the components and major players in the technology transfer process, and offered a brief review of actual cases of transfer.



*c. Course: Valuation of Patents*

The Project also aided INDECOPI in organizing a course on valuation of patents to develop the participants' ability to estimate economic values of intangible assets related to technology, particularly those relating to intellectual property (patents, plant varieties) and know-how. The course included the theoretical basis of the

valuation processes of intangible assets related to technology and its importance as well as theoretical and practical development of different valuation methods.



**Marcelo Vergara, consultant of the Project;  
Sergio Rodriguez, Deputy Director of Inventions  
(INDECOPI) and Catherine Escobedo, IP  
Component Leader**



**Participants**

Due to the high level of specialization required for this workshop it was directed to university managers and officers from the government in charge of funding for R&D.

*d. Identification and Registration of patents and utility model of the National University of Engineering (UNI)*

USAID | Facilitando Comercio previously started an activity that will provide information and promote the registration of Intellectual Property at the National University of Engineering, in order to identify and protect the scientific and technological developments potentially patentable as patents of invention and / or utility model.

After the IP workshops provided to the researchers of the University, the consultant started a series of meetings with each of them in order to get a closer look at each of the 50 projects that are participating of the program. At the end he identified 10 projects that are patentable and has made recommendations for improvements in some other projects (if such recommendations are solved they will be probably included in the list of projects that are patentable).

The next stage of the activity will be preparing the technical documents required to file the corresponding patent applications with INDECOPI.

*e. Management Handbook for Collective Trademarks*

As previously reported, the Project teamed up with Mercadeando S.A. (CITEMARKETING), an organization that is part of the CITE (Technology Innovation Centers) Network of the Ministry of Production in order to develop a Management Handbook for Collective Trademarks that will not only contain the legal framework required for the construction and registration of a collective

trademark but best practices in the management and marketing of this kind of trademark.

The team has travelled to some cities in the country to search for information and has obtained the one required to develop a diagnostic of the current situation of Collective Trademarks in Peru, which is currently under review. The next steps will be to present the preliminary results of the diagnostic to different entities that work with collective trademarks and business development in order to adjust it. The team will then present the final version of the Management Handbook for Collective Trademarks.

*f. Collective trademark “FRUTOS DE LA TIERRA”*

The Project has been helping the National Association of Ecological Products (ANPE) to develop their collective trademark FRUTOS DE LA TIERRA, along with the National Agricultural University (UNALM) through its program AGROECO.

The rules of use of the mark have been written, and the trademark has been registered as a regular trademark in classes 29, 30, 31 and 32, to avoid any third party to take possession of the name.

The next steps are registering FRUTOS DE LA TIERRA as a collective trademark and offering IP trainings to its potential users.

*g. Seminar International Cooperation as a Tool for Innovation and Development*

The alumni association of Japan (APEBEJA) invited the IP Component leader to present a speech about the innovation projects that USAID | Facilitando Comercio had supported and to be part of a discussion panel on IP and innovation in Peru.



**Catherine Escobedo, IP Component  
Leader of USAID | Facilitando Comercio  
during her presentation**

**The panelists of the Seminar**

The Seminar took place on October 25, 2012 at University Cayetano Heredia.

*h. EQUIPU Tour 2012 (Lima and Arequipa)*

USAID | Facilitando Comercio has been working very closely with EQUIPU in the development of different activities and seminars in Lima and Arequipa where the Project has provided IP Trainings and conferences about technology transference

and the importance of the use of Intellectual Property as a tool for competitiveness.

Continuing with these activities and in order to reach more universities in the EQUIPU network, the Project decided to help EQUIPU to bring Dr. Elizabeth Ritter to Peru. Dr. Ritter is Director of the Technology Transference Office of the Catholic University of Rio Grande do Sul (PUCRS) in Brazil, the top South American country on technology development and IP protection. She provided a series of trainings and conferences, as well as meetings with authorities of the following universities:

- National University of San Marcos (UNMSM);
- Catholic University of Lima (PUCP);
- National University Federico Villarreal (UNFV); and,
- Santa Maria Catholic University– Arequipa (UCM)



**Dr. Elizabeth Ritter, Ronnie Guerra and Eduardo Ismodes (PUCP) with some of the students of EQUIPU PUCP after the Roundtable with students**



**Dr. Elizabeth Ritter during the International Seminar of Entrepreneurship Science, Technology and Innovation**

These activities took place November 5-8, 2012.

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

##### *a. Antipiracy Campaign “COMPRA LEGAL. COMPRA ORIGINAL”*

On November 22, 2012, USAID | Facilitando Comercio, the U.S. Embassy, the Antipiracy & Anti-Counterfeiting Commission (Ministry of Production) and INDECOPI presented to the press the new products of the national antipiracy campaign: “COMPRA LEGAL. COMPRA ORIGINAL” (buy legal, buy original) with the support of an important group of artists and enterprises.

The Vice Ministry of Production was in charge of the main speech during the presentation.

The products presented were the following:

Web page: [www.compralegaloriginal.pe](http://www.compralegaloriginal.pe)

The web page includes not only the three spots and animatic prepared for the campaign, but also information regarding where to buy legal and original goods.

People have been visiting the web page and giving positive comments about it. It is expected to have a growing number of visitors throughout the next year.

Facebook: [www.facebook.com/compralegalyoriginal](http://www.facebook.com/compralegalyoriginal)

The page has already 4,926 fans.

Twitter: [@legalyoriginal](http://www.twitter.com/legalyoriginal)

YouTube: <http://www.youtube.com/user/compralegalyoriginal>

Radio Spot: The radio spot is already circulating on the main radios of Peru.

As said before, the launching of these products has the support of a great group of artists (performers, musicians, composers, producers) and some enterprises who committed to disseminate these products through their own web pages and social networks.



**Martin Moscoso, Copyrights Director, during the launching of the new products**



**Vice Minister of Production encouraging the press to disseminate this campaign**



**Representative group of Peruvian artists and producers that supports the Antipiracy campaign**

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

Up to this point, the following guides had been approved: Copyrights for Musicians, Copyrights and Software, Copyrights for Literary Work and Copyrights and Book Publishing.

This quarter, the remaining Copyright guides have been approved: movies, theatre, visual arts, videogames, broadcasting, artisans, fashion industry, choreographies and architecture.

The next step will be the orthographic correction, layout, and printing of the guides.

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

*Activity 3.1: TCBaseline Results Implementation: Improve Anticipated Dispatch Procedure*

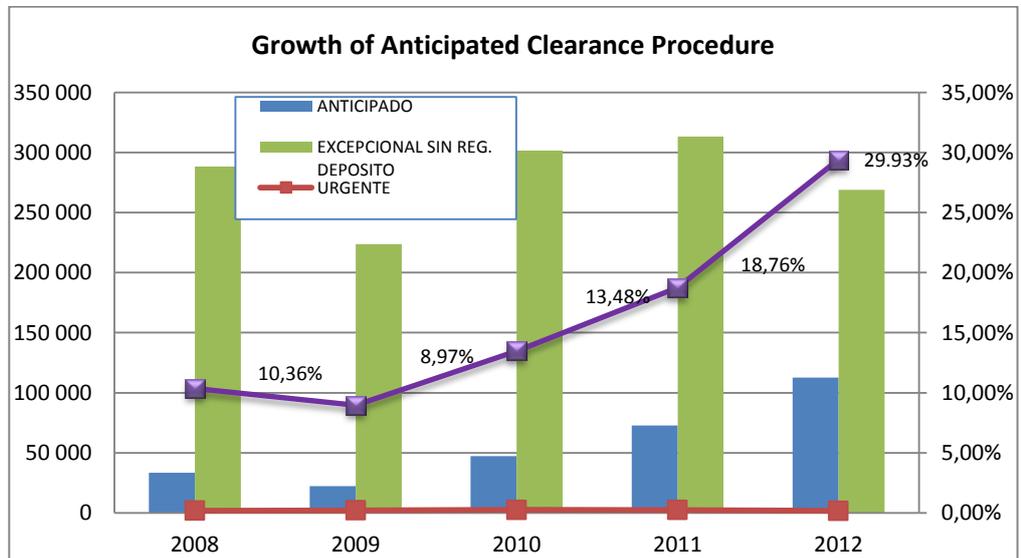
*a. Anticipated Dispatch Procedure (ACP) use growth*

One major activity for December 2012 and January 2013 is the TCbaseline monitoring report. This initiative has been discussed extensively with the Customs authority and focuses on ACP developments since November 2010 when TCBaseline was first executed. The activity was led by Robert Keller and Gerardo Ayzanoa along with two local counterparts. Even though the consultants were to follow the methodology already set, two sensitive topics were added as accorded with Customs: risk management and port logistics. The field work comprised meetings with principal stakeholders such as the Customs authority, SENASA, importers, freight forwarders, customs brokers, port operators among others.



**Field work in Paíta Port (TPE Terminal)**

It is important to mention that according to statistics from Customs, a significant increase in the ACP filings has been registered as compared with 2011:



**Source: Customs, December 2012.**

*b. Develop Dissemination Strategy*

*Anticipated Release System web page*

Even though the web page has been formally delivered, Customs is making some adjustments in the content and structure due to further requirements by the Customs Chief. The web page is expected to be fully operational in January 2013.

#### *Anticipated Release System handbook*

The handbook on the ACP has been distributed extensively throughout the country and has become a reliable guide for understanding and taking advantage of the ACP. Given that some adjustments will be enacted by Customs soon, it will likely require the Project to print out a third edition. Funding for this task is under evaluation.

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

#### *a. Controlled merchandise module*

After several meetings with the Ministry of Health's advisors, the second regulatory reform of 16 proceedings of DIGESA was published on October 21, 2012 (Resolución Ministerial No. 843-2012-MINSA).

Among the most notable reforms are:

- Single declaration for renewal of Sanitary Registry of Food and Drinks as well as reduction of fee for issuing a Certificate of Free Commercialization of food and drinks from 17.45 percent to 10 percent of UIT.
- Automatic validation of requirements in VUCE for solid waste and toy's import permits.
- Elimination of paper-based requirement in various proceedings which were illegal and irrational.

In the case of DIGEMID, the Project has completed the second stage of technical assistance which was focused on implementing reforms for cosmetics commercialization permits. Consultants have delivered to DIGEMID a full assessment of their IT necessities and a check list for each proceeding, which is under review. Furthermore, the Project set up a meeting with importers and manufacturers grouped in the Lima Chamber of Commerce wherein they were informed of the developments of our Project intervention. As set out in the previous quarterly report, it is expected that regulatory improvements should be visible in early 2013.

ITP's team has almost finished this stage's intervention and consultants have recommended major adjustments to the legal framework. The Project is discussing a Supreme Decree draft which is expected to be published in January 2013. Private sector (National Fishing Association) has played an important role in this intervention by supplying valuable information to be considered during the reform's discussions.

Finally, a key activity was conceived as further data was necessary to measure the impact of reforms in VUCE. The Project along with MINCETUR is analyzing the

regulatory costs of the most used proceedings in VUCE: (i) DIGESA's Registry for Food and Drinks and (ii) ITP's hydro-biologic export certificate. By setting a methodology/baseline to calculate direct and indirect costs (including opportunity costs) for these proceedings, the real impact of intervention will be clearer and such input will ease the policymaking process. The assessment is to be completed in January 2013.

*b. Port Services module*

Stakeholders are still discussing the draft Operative Statute. However due to organizational adjustments which reallocate several institutions' roles, it is necessary to first analyze whether the Operative Statute needs substantial modification. The Project is expecting MINCETUR to indicate how to proceed.

*c. Rules of Origin (RoO) module*

The team of consultants has almost completed the electronic forms for each trade agreement (Free Trade Agreement) or preferential trade regime (such as the Generalized Preferential Systems). Modules are to be tested shortly. The due date for start-up operations remains the first quarter of 2013.

*Activity 3.3: Facilitate Creation of a Surety System*

The TCbaseline monitoring report will show new findings on the impact of the Surety System in the growth of the 48 hour ACP. The inception report showed that the Surety System in place is a factor that discourages the expansion of ACP and recommendations were already conveyed to Customs authorities and MINCETUR. The Project expects that if this situation remains as it is, authorities will need to intervene to come to a solution.

*Activity 3.4: Authorized Economic Operators (AEO)*

The Authorized Economic Operator program was officially launched on October 2, 2012, in a massive event conducted by the President of the Republic, Mr. Ollanta Humala, together with the Chief of the Tax Authority Ms. Tania Quispe and the U.S. ambassador Ms. Rose M. Likins. USAID Facilitation Comercio's support was highlighted by Ms. Tania Quispe and other top GoP officials which gave credit to the Project commitment in moving this program along.

The regulation to qualify as an AEO was also published on September 22, 2012, and it was subject to comments, during the launch event, from the speakers, including CoP Elena Conterno.



***The AEO was officially launched by President Humala and top GoP officials***

During that week a regional workshop on the AEO program sponsored by the IADB and WCO was carried out. The Project's trade facilitation component leader was invited to take part in it. During the workshop, representatives from the several customs authorities discussed the AEO program's developments and challenges in each country. The exchange of experiences was fruitful and it clearly paved the way for AEO interoperability.

Complementary regulations are to be published shortly regarding benefits to those applicants to the program. Even though the Project will be monitoring the developments of the program, this activity is actually concluded.

### *Activity 3.5 International Transactions and Competition Issues*

#### *a. Dissemination of PTPA*

As requested by the Ministry of Justice, the Project delivered a report containing domestic regulation references directly related to the PTPA provisions and reviewed the PTPA text incorporated in the MINJUS SPIJ System as compared to the official version. This task was performed by past Vice Minister of Foreign Trade and negotiator of the PTPA, Mr. Luis Alonso García. This effort was actually of particular importance not only because the Project expanded its coverage to this sector (justice) but also because it will contribute to harmonizing the trade legal system.

### *Partnership for Trade Facilitation: Advance Rulings and others*

As requested by the Customs authority, the Project was granted additional funds within the framework of the USAID Partnership for Trade Facilitation. These funds have enabled us to expand our technical assistance to areas and topics initially uncovered by the Project which are actually complementary.

Accordingly, Customs expert Robert Holler completed the first ever assessment on Advance Rulings this quarter, and it was presented to the Customs Chief the first week of October. The report noted the scarce use of this trade facilitation tool (except for the case of classification's request which has been traditionally frequent). The consultant provided samples of Advance Rulings issued by the US Customs Authority which may serve as a reference for the Peruvian counterpart.

Secondly, the consultancy over the Transparency Portal is currently in progress. This internet-based source is long waited by the trade community, especially importers and exporters given that it will show the comparative costs of the various services provided by trade operators. They are also obligated to update any cost variation. This first stage is intended to set the bases for that source by establishing which operator and services are subject to this obligation.

Thirdly, the Project has paid attention to risk management and is encouraging entities which control restricted merchandise to apply this tool. The Project carried out a preliminary exploration of joint inspections in Customs check points. The Project noticed that risk management system is weak and entities' roles are confusing which negatively impacts costs and clearance times. As a result, in the TCBaseline monitoring report this component will be assessed to identify the main issues to be addressed. It is expected that findings will spread out among regulatory bodies and stakeholders to raise awareness on this important topic.



***Physical inspections in Off Dock Terminal***

Finally, the component leader was invited as a speaker at an event organized by the Foreign Trade Association (COMEX): Trade Agreements and Benefits of Economic

Integration held on November 20, 2012. The presentation addressed the activities performed by the Project in trade facilitation, emphasizing the results obtained.

## Component 4: Administrative Simplification

### TRAMIFACIL Commission of Institutional Reforms

USAID | Facilitando Comercio, head of the TRAMIFACIL's Commission of Institutional Reforms along Proinversion, presented its achievements in the Administrative Simplification field. The Project reported on the successful simplification of the Operating License in 56 municipalities, development of the Integrated Guide of Costs and the Virtual Diploma on Administrative Simplification which were provided to municipal officials, and progress made on the Guide for Teams in charge of Continuous Improvement and the Zoning Methodology. During the meeting, the Public Management Secretary, Mrs. Mariana Llona, acknowledged and expressed appreciation for the Project's execution of these activities.

### Activity 4.1 Promote Administrative Simplification

#### a. *Virtual diploma in administrative simplification*

In November, the Project concluded the Second Virtual Diploma on Administrative Simplification with the execution of seven workshops in five cities across the country. From a total of 3899 subscribed students, 2,582 students actively participated in the Diploma. After the fifth module, a total of 1,274 students successfully completed the Diploma.

The results show that only 50 percent of students passed the Diploma. This output was mainly due to the strictness of the grading methodology, which required students to identify and solve practical situations within their day to day activities by using the administrative simplification tools provided by the Diploma.

#### **Workshops of the Second Virtual Diploma on Administrative Simplification**

Location	Nº of Approved Students	Students from:	Dates
<b>Ayacucho</b>	112	Huancavelica, Ayacucho and Apurimac	October 31
<b>Arequipa</b>	197	Arequipa, Tacna and Moquegua	November 9
<b>Chiclayo</b>	466	Piura, Tumbes, Lambayeque, Ancash, Cajamarca, Amazonas, San Martín and La Libertad	November 15 & 16

<b>Lima</b>	368	Lima, Callao, Ica, Junin, Pasco, Huanuco, Ucayali, Loreto	November 22 & 23
<b>Cuzco</b>	131	Cuzco, Puno, Madre de Dios	November 30
<b>Total</b>	<b>1274</b>		

Source: USAID | Facilitando Comercio

The official Diploma, endorsed by the University of San Martín de Porres, was handed to the students who passed the Course.

### *Diploma handed to students*



In order to assess the perception of students about the Diploma, the Project performed a survey, with the following results:

Topic	Results	Percentage of Positive Comments
<b>Usefulness of Contents</b>	Very useful (70%) / Useful (29%)	99%
<b>Readiness to use learned skills</b>	Very well prepared (13%) / Well Prepared (66%)	79%
<b>Forums</b>	Very useful (32%) / Useful (62%)	94%
<b>Message Inquiries</b>	Very useful (4%) / Useful (54%)	58%
<b>Case Studies</b>	Very useful (55%) / Useful (42%)	97%
<b>Online format</b>	Very useful (54%) / Useful (42%)	96%
<b>Quality of Contents</b>	Excellent (40%) / Very Good (55%)	95%

Quality of Tutors	Very Well prepared (28%) / Well prepared (67%)	95%
Tutors solved inquiries	Always (88%)	88%
Overall Satisfaction	Completely satisfied (60%)	60%

Source: **EDUCALINE**

Currently, the Project is coordinating with the Public Management Secretariat (PMS) to submit letters to mayors and inform them about the grades obtained by their officials, especially for the top 100 students. This list will also be uploaded into the TRAMIFACIL and PMS' webpages.

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

After completing the content, the German Cooperation Agency started diagramming and printing the three guides. To date, the guide for national institutions has been already printed and the other two are under diagramming. The following is the final cover art of the three guides:



Activity 4.2 Technical Assistance to Municipalities for Optimizing Operating License Procedures

The Project has reorganized the activity given the adjusted Project horizon and is focusing on the following tasks:

- I. Provide technical assistance to all the municipalities scheduled for the second year of activities. Currently, 31 Commitment Acts have been signed and 28 municipalities have successfully signed the “Ordenanza” that legally incorporates the reform. There are four municipalities that are showing reluctance to incorporate the reform. In each case the Project is taking actions to overcome this difficulty.
- II. Perform monitoring and evaluation tasks on the first group of municipalities. This activity will begin early in 2013.

- III. Provide assistance to 10 additional municipalities of the third group (all which had already accepted the assistance).

Regarding the third task, USAID | Facilitando Comercio has successfully implemented the reform in seven municipalities (including the corresponding “Ordenanza”). The following charts present important reductions derived from the reform:

**Comparison between Municipal Performance before and after the Reform in the EX POST procedure<sup>2</sup>**

N°	Municipality	Time (hours)		Areas Involved		Steps		Cost (S/.)	
		Current	Proposal	Current	Proposal	Current	Proposal	Current	Proposal
1	Paramonga	71.50	11	7	5	46	22	357.41	144.62
2	Casa Grande	126	3	9	3	74	18	146.30	55.18
3	Carmen Alto	74	6	4	3	42	18	75 -745	65.72
4	Laredo	122	3	9	4	46	12	75.40	53.94
5	Tuman	173.32	2.42	7	3	98	29	243.20	57.60
6	Huaura	37	1	6	4	28	13	297.21	85.90
7	Moche	8	4.5	5	3	13	13	132.7	113.1

Source: Fahsbender Consulting

Elaboration: USAID | Facilitando Comercio

**Comparison between Municipal Performance before and after the Reform in the EX ANTE procedure<sup>3</sup>**

N°	Municipality	Time (hours)		Areas Involved		Steps		Cost (S/.)	
		Current	Proposal	Current	Proposal	Current	Proposal	Current	Proposal
1	Paramonga	71.5	20.83	7	6	46	27	1371.4	355.94
2	Casa Grande	209.45	53.03	10	4	86	27	227.40	161.49
3	Carmen Alto	304	54.77	7	4	78	28	435-1115	202.86
4	Laredo	122	37.17	9	5	46	22	75	175.43
5	Tuman	200.95	4.95	8	4	116	38	547.6	161.5
6	Huaura	69	11.58	7	5	32	20	479	293.9
7	Moche	80	8	5	4	18	18	180.5	249.1

Source: Fahsbender Consulting

Elaboration: USAID | Facilitando Comercio

<sup>2</sup> In the EX POST procedure the inspection is performed after issuing the operating license. Only businesses up to 100m<sup>2</sup> are able to apply to this procedure.

<sup>3</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.

**Comparison between Municipal Performance before and after the Reform for businesses with more than 500m<sup>2</sup><sup>4</sup>**

N°	Municipality	Time (hours)		Areas Involved		Steps		Cost (S/.)	
		Current	Proposal	Current	Proposal	Current	Proposal	Current	Proposal
1	Paramonga	71.50	10.58	7	5	46	22	357.41	101.42
2	Casa Grande	126.40	2.98	9	3	74	18	146.30	11.93
3	Carmen Alto	74.32	45.13	4	3	42	18	745-3665	22.51
4	Laredo	122.33	2.92	9	4	46	12	75.4	10.74
5	Tuman	163.32	2.42	7	3	98	29	1000	14.40
6	Huaura	36.92	1.22	6	4	28	13	326.09	42.70
7	Moche	8	4.5	5	3	13	13	313.20	69.90

Source: Fahsbender Consulting

Elaboration: USAID | Facilitando Comercio



**Diagnostic Workshops in the Municipalities of Carmen Alto – Ayacucho and Moche – La Libertad.**

As part of the strategy, the Project is submitting letters to the presidents of Regional Chambers of Commerce to inform them about reforms undertaken in their jurisdiction. This has a two-fold objective: on one hand, it promotes the reform across other municipalities and on the other hand, it seeks to ensure that key stakeholders are aware of the relevance of these reforms and thereby supervise their maintenance.

**Activity 4.3 Optimize Municipal Zoning Process**

A study on the role of local governments in the operation of new businesses identified that the majority of municipalities lack an updated zoning map or worse, do not use such tool at all<sup>5</sup>. This deficiency results in delays to investors that request the operating license procedure. In such regard, the Project identified the need to develop

<sup>4</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 costs are not included in the operating license procedure.

<sup>5</sup> The zoning map delimitates which areas of the municipal territory are allowed for industrial, residential, farming, commercial or other purposes.

a methodology to design such map in every municipality. A consultant has been hired and is currently in the process of collecting information.

This activity is being developed within the framework of TRAMIFACIL's plan and is being executed in coordination with the PMS. The NCC is also expected to join the activity soon.

## **Component 5: Medicines**

### Activity 5.1: Strengthen DIGEMID's capacity to evaluate new drug applications

#### a. International Technical Meeting on best practices in the Rational Use of Medicines

As noted in the previous report, the Project cooperated with the Directorate of Access and Use of Medicines in organizing an international technical meeting where the directorate's officers could learn about best practices in the rational use of medicines, clinical essays, pharmacoeconomics, critical reading of published pharmacoeconomic studies, and other topics.

The technical meeting took place November 6-9, 2012. The Project financed the trip of the three Spanish professionals leading the trainings: Drs. Beatriz Calderon Hernanz, Pedro Ventayol Bosch and Clara Martorell Puigserver. DIGEMID [expressed its gratitude](#) for the support provided.



## **Component 6: Telecommunications**

### Activity 6.1 Analyze International Best Practices on Telecommunications Regulations

In mid-October expert George Ford led a two-day workshop and presented his paper analyzing the economic and legal theories behind the original unbundling paradigm contained in the U.S. Telecommunications Act of 1996. Additionally, as requested by

OSIPTEL, the expert addressed competition topics regarding telecommunication in a few in-house sessions.

Even though these component's activities are completed, the Project is holding discussions with CNC to help them establish a roadmap for dismantling bureaucratic barriers blocking the expansion of telecommunication services.

## VI. Technical Implementation - Regional Component

### Bolivia

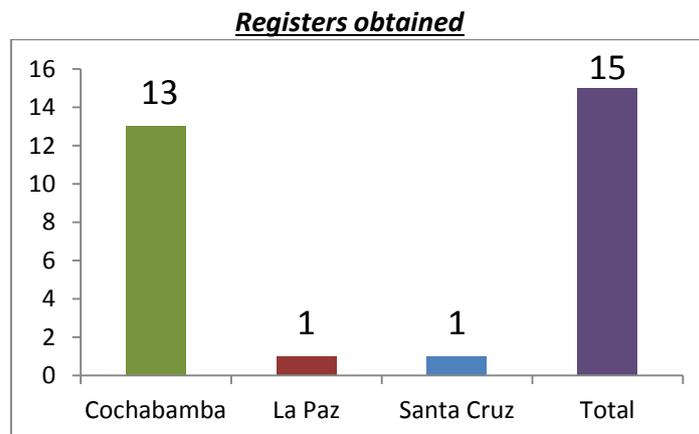
#### Component 2: Intellectual Property

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

The Project, along with FUNDES, supports MSMEs in the use of IP rights as a competitiveness tool. This activity is very important for enterprises that wish to obtain legal protection of their products, logos and names. Furthermore, it allows them to have an additional tool to be able to export.

Initially, the list of beneficiary companies contained 30 companies in the cities of La Paz, Cochabamba, El Alto and Santa Cruz. This number increased during the past three months to 37, but stayed within the same budget.

A total of 96 logos, names and other designs have been published in the Official Gazette: 54 in Cochabamba, 28 in Santa Cruz, and 14 in La Paz. There are only six objections, which are being analyzed. Fifteen registers have been obtained so far.



## Component 3: Trade Facilitation

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

This activity supports MSMEs in obtaining ISO 9001, NB12009, HACCP, and FCC certifications, with financing for up to 50 percent of the respective certification. The National Chamber of Industries is our main counterpart, through its departmental offices throughout the country.

While in Bolivia, the COP met with the Chamber to assess advances and constraints in identifying MSMEs willing to participate in the activity. Among the reasons stated were the lack of a culture of quality in Bolivian enterprises and the significant amount of alternatives to receive technical and financial support provided by other institutions. Despite these facts, the Project has started the certification stage with 5 enterprises. In addition, three MSMEs are in the process of implementing recommendations, observations, which will enable them to participate in this second stage.

In the visit of the COP to the National Chamber of Industries it was determined that the first phase (selection of MSMEs) will conclude in December and the certification stage will start in January.

This activity also has a sub-activity, performed jointly with FUNDES, for the certification of 14 MSMEs in ISO 22000. The following enterprises have been selected for this sub-project:

#### LA PAZ

1. Sociedad Agropecuaria Industrial y Técnicas SRL. "SAITE SRL"
2. Sociedad Industrial Molinera S.A. "SIMSA"
3. Fabrica La Estrella SRL.
4. Pastelería Victoria's

#### SANTA CRUZ

1. Cedrovet SRL.
2. Gran Alimentos SRL.
3. Newrest Bolivia Soporte SRL.
4. Industria Kral SRL
5. Flexo & Converting Group Landivar S.A.

#### COCHABAMBA

1. Productos Ecológicos Naturales S.A.
2. Coronilla Sociedad Anónima
3. Odett Sabja Dabdub
4. Grupo Empresarial Valencia SRL.
5. Pa & Pa

For this activity, ICONTEC was selected to audit the enterprises. Accordingly, in December an auditor of this company and the National Coordinator visited all the enterprises to evaluate them.



**Meeting in FUNDES**



**Meeting in Laboratorios Valencia**

### Activity 3.2: Promote good Bio-Trade practices

This activity is carried out with the National Chamber of BioTrade Bolivia (BIONATIVA) and the Fundación Amigos de la Naturaleza (FAN), and is aimed at supporting them to increase the number of members of the Union for Ethical BioTrade (UEBT).

Activities began once the list of companies was validated by USAID / Facilitando Comercio and USAID / Bolivia. At the moment, six enterprises have been audited and four have been accepted as provisional members of UEBT; they must define a program to become official members.

FAN not only consistently supports companies in filling out forms and on other topics, but has also continued to search for new enterprises. Chambers of exporters and industries in major cities were contacted to search for companies interested in the activity.

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

This is an activity to support the Chamber of Exporters of Cochabamba (especially its Support Center for MSMEs in the area of technical assistance for trade facilitation) that includes the following activities:

- Design of a Procedures Simplification Study
- Training in packaging, labeling and marking
- Guides for HACCP, Organic and Corporate Social Responsibility (CSR)

A specialist in packaging was hired to train the PYMEX staff of CADEXCO, provide specialized technical assistance for a group of selected companies in packaging, labeling, and marking, and deliver a lecture as part of the international meeting of packaging. The same specialist is developing a guide on packaging, labeling, and marking to be published in the next quarter.

The HACCP guides have been finished and approved. At this moment, the tender for editing and printing the guides is open.

## Colombia

### Component 2: Intellectual Property

#### Activity 2.11 Implementation of IP Treaties

In an effort to assist the Superintendence of Industry and Commerce (SIC) with the implementation of the Madrid Protocol, USAID|Facilitando Comercio developed a manual to be used by both SIC examiners and the private sector. The manual underwent several revisions, including additions of Colombian and Andean law, which were incorporated by SIC. A final version of the manual was submitted to the IP office in December. The manual will now be translated by SIC and will be posted on their website in early 2013, in both English and Spanish.

#### Activity 2.121 Evaluate the effectiveness of judges' training

Earlier in 2012, USAID|Facilitando Comercio conducted surveys of the judges it trained in 2011 in an effort to measure the impact of the training program it conducted jointly with the Rodrigo Lara Bonilla Judges School. The results of the surveys were reported in the previous quarterly report. As a follow-up to that effort, the Project interviewed one of the eight judges in Bogota who reported having seen 18 IP-related cases since receiving training from the Project. The judge confirmed that all the cases brought to her were related to piracy and that most dealt with street vendors selling illegal copies of books, music, and movies. These results were shared with the judge's school in an effort to better target future trainings.

#### Activity 2.122 Train public prosecutors on IP enforcement

USAID|Facilitando Comercio spent much of the quarter developing a guide of the legal norms for copyrights and related rights. This required waiting for the outcome of the Constitutional Court's decision over what authority the public attorney's office should have over cases dealing with public communication productions and artistic works. The completed guide was submitted to the training school in November. This guide will be converted into digital format to be posted on the public attorney's website.

Training for the public attorneys is expected during the second quarter of 2013. This too has been delayed as the attorneys in several districts have been on strike since October 2012.

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

The Project developed training material for the chamber of commerce business attention centers (*Centros de Atencion Empresarial, CAEs*), with a focus on trademarks, their utility for the private sector, and the steps needed to register a trademark with the SIC. This material was developed into a manual, which was used to train 15 chambers of commerce throughout Colombia. A total of 87 CAE staff members were trained, many of which were not familiar with IPR or the services SIC provides related

to industrial property rights. The manual was disseminated to the respective chambers of commerce, Confecamaras (Confederation of the chambers of commerce), and SIC.

***Number of CAE Staff Members Trained***

Chamber of Commerce	No. of staff trained
Cauca	7
Ibagué	11
Villavicencio	6
Cúcuta	9
Barranquilla	5
Bucaramanga	8
Cartagena	4
Sur oriente del Tolima	6
Buga	3
Palmira	8
Tuluá	5
Florencia	4
Riohacha	2
Facatativá	9
<b>Total</b>	<b>87</b>

***Source: USAID | Facilitando Comercio***

***Activity 2.22: Foster respect for intellectual property in schools***

USAID|Facilitando Comercio conducted 12 seminars for school age children (ages 10 – 17) focused on increasing awareness of IPR with an emphasis on copyrights and information and communication technology. The seminars were held at 8 public schools in Bogota and its surrounding districts, with a total attendance of 3,200 students. To carry this out, the Project partnered with Colombia’s network of public libraries, Colombia’s Antipiracy Campaign, and the National Copyrights Office. The Project will continue with the seminars in 2013 to reach more children and expand its geographical focus.



***Children attending the IPR seminar looking through the publication produced by the Project.***

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

SIC continues to work on reducing its backlog of IP applications. USAID | Facilitando Comercio is helping SIC with this initiative through the contracting of temporary examiners. Throughout the last quarter, the Project worked on patent and utility model applications. The reduction of the backlog attributed to the Project's effort is shown in the table below.

**Backlog Elimination**

Type of Application		Total Number of Applications resolved to date
Patents & Utility Models	Pharmaceutical	323
	Mechanical Engineering	292
	Total	615

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

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

Article 5.2 of the Colombia Trade Promotion Agreement (CTPA) requires Colombia to release cargo goods from customs within 48 hours. The baseline data gathered by the Project at the Port of Buenaventura, where about 65 percent of imports are received, revealed an average of nine days for goods to be released. To help lower these times, the Project recommended the new customs code eliminate the need to file inconsistency reports when importers receive more or less than what was reported in the bill of lading. A recommendation was also made to allow the selectivity process to occur before the payment of duties. These changes to the customs code along with activities below are time-cutting measures to improve the release times. .

3.111 Conduct TCBaseline diagnostic and related assessments

The Project met with DIAN to reinforce the relevance of the best practice recommendations made in the TCBaseline diagnostic. The need for DIAN to conduct their own time-release studies based on a standard methodology using data gathered in their information system was discussed with the customs director. With that objective in mind, DIAN requested the Project conduct another time-release study at another major Colombian port to: 1) compare practices across the ports to determine what effective processes can be incorporated across all ports; and 2) assist DIAN with the programming of a routine, self-generated time-release report. This will enable

DIAN to monitor its own progress in meeting the 48-hour release commitment established in the CTPA.

Activity 3.112: Train DIAN examiners

The TC Baseline recommended training for all inspectors at the Port of Buenaventura through the use of DIAN's training school's e-learning platform and an on-the-job field training program based on the US Customs Border Patrol (CBP) methodology. The Project assessed current examination practices more closely through field visits to the ports of Cartagena and Buenaventura, and Bogotá's airport. Based on that field study, the Project developed an action plan for the implementation of an on-the-job training program. The plan includes five phases, starting with the design of a training strategy, curriculum development, strategy design for a Training of Trainers (TOT) program, the piloting of the training and lastly a phase to adjust the methodology based on the pilot program. This activity will be focused on the inspection of imports and is intended to be piloted with 20 inspectors in 2013.

Activity 3.1.2: Assist DIAN with a 6 hour time-release of express shipments of goods.

USAID | Facilitando Comercio carried out a process mapping diagnostic and time release study for express deliveries at Bogotá's airport, where the majority of express deliveries are received. Article 5.7 of the CTPA stipulates a separate and expedited customs procedure for express shipments with the objective of clearing customs within six hours after submission of the necessary documents. The Project's diagnostic revealed clearance times between 19 and 75 hours. The final report of this assessment was submitted to DIAN and then a follow-up action plan was discussed to ensure DIAN was able to make needed time commitments to begin implementing reforms. The implementation phase is scheduled to begin in early 2013.

Additionally, throughout the quarter the Project worked closely with the drafters of DIAN's new customs code, the Ministry of Information Technology and Communication and the private sector, serving as a communication facilitator among the different entities and assisting with the drafting and revisions of pertinent sections of the customs code. USAID | Facilitando Comercio also monitored the incorporation of the valued added tax exemption to express deliveries in Colombia's tax reform to ensure CTPA compliance.

Activity 3.13: Train DIAN on Origin Verification

In early 2012, DIAN established a new unit in charge of origin verifications. However in October, DIAN began reconsidering the role of this unit and has taken the issue up with its legal office to determine which unit within DIAN should have the responsibility to conduct verifications. So as to not delay the training schedule established with DIAN, the Project moved forward with trainings on the application of Rules of Origin (ROO) for DIAN's technical ROO division.

In October, the Project held a one week rules of origin application seminar for 66 DIAN officers for Bogotá's headquarter office and 17 regional offices with the aim of forming

an expert team at headquarters and training at least one rules of origin expert from DIAN's main regional offices. . As a follow-up to that training, during the months of November and December, the Project developed a virtual ROO class using DIAN's training school's platform. Five assignments were sent to the officers who attended the October training. Videoconferences were set-up on a weekly basis for the DIAN officers to work through the assignment solutions. About 82 percent of the 66 participants participated actively in the problem solving exercises.



***Rules of Origin Training for DIAN***

Additionally, USAID | Facilitando Comercio held its ROO trainings with PROEXPORT for the private sector in October and December. DIAN officers from the regional offices were also invited to attend the 2 day seminars. Their participation added an enhancing element to the seminars as it allowed for the private and public sector to freely dialogue over a technical matter where differences of opinion were prevalent. . A total of 23 DIAN officers attended the ROO training for agribusiness companies, and 36 officers for the textile and apparel sector.

The Project will continue with ROO trainings in 2013 with a more advanced ROO seminar that builds upon the knowledge acquired in the preceding courses and focuses on CTPA specifics. The origin verifications training will also be carried out.

**Activity 3.14: Promote the implementation of Advance Rulings**

The CTPA also obligates Colombia to issue advance rulings prior to imported goods entering the country at the request of the exporter, importer or producer, by 2015. Rulings can be done for seven different categories (tariff classification, customs valuation, origin, quotas, duty drawbacks, duty deferral, and treatment of goods in transit).

The Project has been working with DIAN to develop trainings on how to implement advance rulings focusing on tariff classification. . After the best practices workshops held in September, the Project presented an assessment of the current tariff classification concepts DIAN emits and a work plan for the implementation of the tariff advance rulings.

In November, the Project teamed up with the World Customs Organization to conduct a one week training seminar on tariff classification. It was attended by 35 DIAN officers

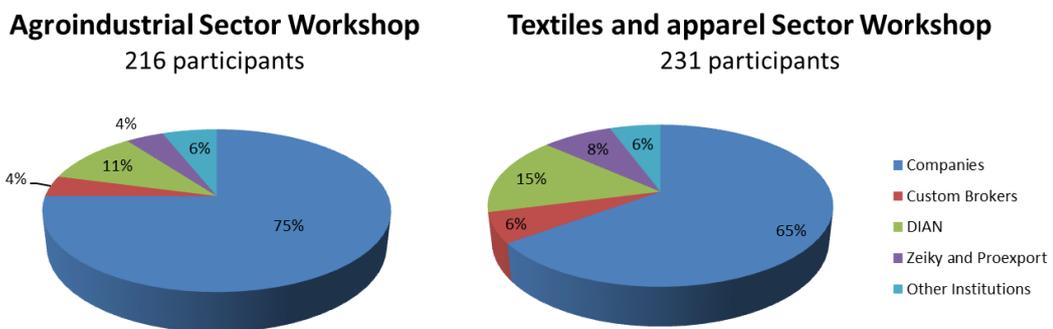
from the headquarters division and 10 officers from regional offices. The training served to improve the technical skills of those working in the headquarter office, who will be in charge of issuing rulings and those in the regional offices, who will be receiving the advance rulings from the importers.

In December, the Project also made comments to the new customs code draft and provided DIAN with a comparative analysis of the tariff classification advance rulings procedures and requirements in the US, Peru, Chile and Guatemala. This analysis explains the different options that these countries have taken in terms of critical implementation issues that currently are being discussed by DIAN, such as: validity period, right to appeal, and third party use of a ruling.

The Project is expecting to start the implementation of this activity’s work plan in early 2013, however, advancements will be heavily dependent on the finalization of the new customs code.

Activity3.21: Promote use of ROO in collaboration with Proexport

Building on the ROO manuals developed for Peru’s private sector, USAID |Facilitando Comercio is working with the same author of the manuals to develop guides for Colombia’s agribusiness and textiles sectors. In collaboration with Proexport, the Project held seven workshops in four cities for 162 agribusiness companies and 150 textiles and apparel manufactures. Additionally, 59 DIAN officers, 23 customs brokers, 27 Proexport employees, and 26 people from other trade associations attended, as is illustrated in the graph below.





***Rules of Origin training for agribusiness sector in Bogota***

Colombian-specific examples were presented at the seminars to exemplify the application of rules of origin. As noted above, these seminars contributed to enhancing communication between the private and public sector. At one particular seminar, after some concerns were voiced by the private sector about what information needed to be on the self-certifications, DIAN agreed to develop two different voluntary origin certificate formats for imports and exports. The Project will assist with this effort by continuing to facilitate the communication between the two groups to reach a mutually suitable format.

## **TA on Demand**

In addition to the technical assistance under the IPR and Trade Facilitation components, the Project set aside resources for demand-driven technical assistance that could arise for the implementation of other CTPA chapters. To date this has included capacity building for SIC's relatively new antitrust division.

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

Under the CTPA's Competition Chapter, the US and Colombia committed to enhancing coordination to enforce their respective competition laws. Colombia's competition authority, housed in the SIC (Superintendence for Industry and Commerce), is in the process of establishing procedures and guidelines for their office. To encourage the exchange of information between the US Federal Trade Commission (FTC) and SIC, USAID | Facilitando Comercio funded a two-month field assignment for an FTC antitrust specialist to work with SIC on revising SIC's merger guidelines and to work with the office on competition assessments.

As follow-on to that initial field visit by the FTC, SIC has expressed interest in negotiating a bilateral antitrust cooperation agreement with the US. Related discussions between SIC, the US Department of Justice and FTC were initiated in December. To continue fostering a coordination and knowledge sharing,

USAID | Facilitando Comercio will assist SIC with the financing needed to send one of their staff members to work with the FTC for three months in early 2013.

## **Ecuador**

As a result of recent regulatory changes introduced in Ecuador, the Ecuadorian Institute of Intellectual Property has lost its independence to continue activities with the Project. Given this situation, in agreement with USAID/ Ecuador, the Project has decided to work directly with the private sector on the following activities:

- I. Design an institutional proposal for the Association of Beneficiaries of the Appellation of Origin Cacao Arriba (AOCA). The pilot will be presented to two institutions: The Ecuadorian National Union of Organizations of Cacao Farmers and the Marplantis Association of Guayaquil.
- II. Supervise the standardization of quality standards established in the AOCA.
- III. Design a manual that establishes requirements and procedures to allow producers to access the authorization of use of the AOCA.
- IV. Design a guide of requirements for the AOCA to be acknowledged in current and potential markets as well as to differentiate from the competition.
- V. Design a guide to establish requirements and procedures to allow producer of Cacao Arriba to obtain the most suitable international certifications according to each market.
- VI. Training and sensitization of members of the chain of commercialization of the AOCA.

The Project is waiting for the approval of USAID/Ecuador to begin with these activities.

## **VII. Communications**

USAID | Facilitando Comercio has carried out dissemination activities oriented to present its results to stakeholders and the general public, always taking into account good practices when using the brand and corporate image, as well as when interacting with other institutions.

The Project has emphasized the use of webpages and the bimonthly newsletter to spread news about component activities widely; likewise, the presence of Project activities in different types of media such as newspaper, television, and the internet has remained substantial, especially regarding topics such as the National Inventions Contest, Single Window of Foreign Trade, Patents, Operating License, Anticipated Clearance and Labor Procedural Law.

Similarly, it has continued to coordinate with agencies and strategic partners that work jointly with the Project so as to promote the dissemination of results from within its communications areas. In each particular case, the Project developed specific strategies to better achieve dissemination of activities.

The most relevant activities were:

- **Presentation and Awards Ceremony of the 2012 National Inventions Contest:** The Project participated in the organization and execution of the 2012 Contest. A new graphic line was designed, which included banners, leaflets, manuals, guides, etc. It also served for updating the website and Facebook profile. In addition, jointly with INDECOPI, the Project arranged two press conferences, an inventions exposition and award ceremony, invitations, etc. ([Summary of Publications](#))



- **Second Virtual Diploma on Administrative Simplification:** Support was provided to organize and disseminate the second Administrative Simplification Diploma aimed to reach more than 3,000 officials from provincial and district municipalities from all across the country. As part of the Virtual Diploma, a series of workshops were developed jointly with the Public Management Secretariat in the cities of Ayacucho, Arequipa, Chiclayo, Lima and Cusco.



Lima





Equipo de Expositores y Organizadores



Ayacucho

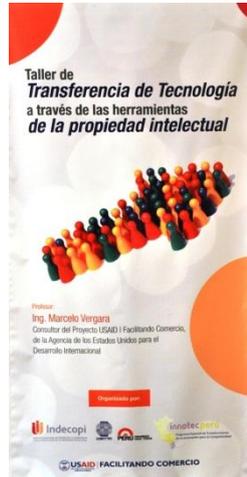


Arequipa

- Antipiracy Campaign “Compro Legal Compro Original” (I buy Legal, I buy Original):** The Project supported Indecopi and the Ministry of Production in the organization and design of dissemination tools such as a website, Facebook profile, poster, tv and movie spots, etc. In addition the Project provided its active support to carry out a press conference to present the Campaign.



- Project activities such as forums, workshops and training events:** USAID | Facilitando Comercio actively supported the organization and/or dissemination of the following activities. [\(Summary of Publications\)](#)
  - International workshop for assessment and selection of drugs; developed by DIGEMID in order to strengthen its drugs policy across the country.
  - Intellectual property workshops oriented to university students, such as “Challenges for Universities in the 21<sup>ST</sup> Century: Exchange of Experiences Peru – Brasil”; “Current Situation of Research in Universities: Experiences and Improvement Proposals”; “Intellectual Property and Technological Transfer: Current Situation and Challenges for Peru”; “Intellectual Property in Universities and Enterprises: Experiences and Cases”, among others.
  - Support SUNAT in the launching of the Authorized Economic Operator (AEO)
  - Patent Assessment Workshops
  - Technological Transfer workshops
  - Roundtable on the implementation of Trade Promotion Agreement subscribed by Peru and the United States.



- **Update the website and bimonthly newsletter:** both products are updated with news, publications, photos, videos and more. With regard to the web, a special emphasis has been placed into the video channel. In the case of the newsletter, the material presented covers the latest activities developed by Project Components during the last two months.
- **Statistics:** During November 2012, the Project’s website received 1,252 visits, and visitors accessed a total of 2,126 pages. This result is slightly lower than the one obtained in October (1,443 visits, 2,413 pages). Approximately 75 percent of the visitors are from Peru, while the rest are especially from Colombia, Mexico and the United States.

In the case of the National Inventions Contest’s webpage, it has received 21,625 visits since its launching in July 2012, which represents an average of 3,604 visitors per month ([Summary of Statistics](#)).