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Quarterly Progress Report

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

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

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Glossary

| | |
|--------------|---|
| ADEX | Peruvian Exporters Association |
| | Agreement on Aspects regarding Commercial Intellectual Property Rights |
| ADPIC | |
| ADSL | Asymmetric Digital Subscriber Line |
| AEO | Authorized Economic Operator |
| AMCHAM | American Chamber of Commerce |
| AMPE | Peruvian Municipalities Association |
| APEGA | Peruvian Association of Gastronomy |
| APDAYC | Peruvian Association of Authors and Composers |
| BASC | Business Alliance to Promote Secure Commerce (Bolivia) |
| BID | Inter-American Development Bank |
| CADEX | Chamber of Exporters of Santa Cruz (Bolivia) |
| CADEXCO | Chamber of Exporters of Cochabamba (Bolivia) |
| | Chamber of Industry, Commerce, Services & Tourism of Santa Cruz (Bol) |
| CAINCO | |
| CANEB | Bolivian Institute of Foreign Commerce |
| CAPLAB | Center of Services for Labor Training and Development |
| COO | Certificate of Origin |
| DIAN | Direction of National Taxes and Customs (Colombia) |
| DIGEMID | General Direction of Medicine and Drugs |
| DIGESA | General Direction of Health and Environment |
| DIN | INDECOPI's Directorate of Inventions and New Technologies |
| DSD | INDECOPI's Directorate of Distinctive Signs |
| | Judiciary's Technical Team for the Implementation of the Labor Procedural Law |
| ETII Laboral | |
| FAN | Friends of Nature Foundation |
| FCC | Federal Communications Commission |
| FUNDES | Foundation for Sustainable Development |
| GOB | Government of Bolivia |
| GOC | Government of Colombia |
| GOE | Government of Ecuador |
| GOP | Government of Peru |
| HACCP | Hazard Analysis and Critical Control Points (Certification) |
| IBCE | Bolivian Institute of Foreign Commerce |
| IBNORCA | Bolivian Institute of Normalization and Quality |
| | National Institute for the Protection of Intellectual Property, Ecuador |
| IEPI | |
| IFC | International Finance Corporation |
| ILO | International Labor Organization |
| INDECI | National Institute of Civil Defense |

| | |
|--------------|---|
| 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 Communications |
| 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 Dispatch 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

Having concluded 27 months of operations, the Project has reached its maturity, with a very active presence in Peru, an increased one in Colombia and ad-hoc interventions in Bolivia and Ecuador.

The technical capacity of the Project and its network with public sector representatives were key elements in being able to leverage funding from the Partnership for Trade Facilitation Fund, which has granted US\$ 804,000 to expand trade facilitation activities in Peru and Colombia.

Having been informed that USAID Peru will not allocate additional funds to the Project beyond FY 2013, the Project has started a process of consolidating the achievements reached so far in sustainable, institutional reforms of the public sector.

Notwithstanding, USAID Colombia has expressed its willingness to allocate additional resources in FY 2013 and FY 2014, and other sources such as the Partnership for Trade Facilitation Fund are a possibility for additional funding, which could materialize if an extended period is granted to the Project to reach the originally planned 48 months of operations.

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

Labor

During the present quarter USAID | Facilitando Comercio completed almost all of the products regarding one of the Component's key activities: improving the Labor Inspections Informatics System. In that regard, only the implementation of the Digital Signature is pending, while users and the Ministry of Labor's (MOL) informatics area are validating the other products.

In addition, the Project has started a training course for MOL officials and inspectors regarding safety and health at work in the electricity, oiling and mining sectors. This initiative responds to the necessity of MOL to train their personnel in these subjects in order to perform supervision duties recently transferred from the Sector Regulator (OSINERGMIN) to this Ministry. Furthermore, the Project has also developed guidelines for the fishing sector, specifically regarding the labor regime of fishermen.

Another important line of action has been the support for the implementation of the Labor Procedural Law (LPL) activity, in which the Project has concluded the design of regulations for the new model of Labor Judiciary Dispatch and is currently building a baseline for monitoring the LPL.

Intellectual Property

This quarter was dedicated to training activities for INDECOPI and the general public. The Project launched the first online course on trademarks for INDECOPI officers nationwide, the first course for training new patent examiners, and two IP workshops for EQUIPU, one for students during the training for “Junior Innovation Analysts” and one for teachers during the course “Story to Meet You”.

The Project continued with activities directed to boost innovation in Peru, and started a program with the National University of Engineering (UNI) for identifying and registering patents and utility models developed by the university. Furthermore, it is also helping the Direction of Inventions to organize the strategic plan for the new Sub-Directorate of Support to Innovation, and has supported INDECOPI for launching the XI National Inventions Contest.

Finally, in order to promote the use of Intellectual Property as a tool for competitiveness, the Project has started to work with the National Association of Ecological Producers (ANPE) and the National University of Agriculture (through its program AGROECO) for the creation of “*FRUTOS DE LA TIERRA*”, a collective trademark to distinguish natural native products nationwide. Also, the Project has started to work with CITEMARKETING (Technical Innovation Center on Marketing) for the creation of a Handbook for the Management of Collective Trademarks.

Trade Facilitation

During the present quarter the Project concluded two nationwide trainings on Anticipated Release (one day workshop) and Public and Customs Law (four day course). Trainings were provided in more than 10 cities and with more than 1,400 participants in attendance, including public officials and entrepreneurs. In addition, the Project supported the incorporation of five of SENASA’s adjusted procedures in to the Single Window of Foreign Trade. Similarly, 14 DIGEMID procedures are to be officially simplified shortly.

Sunat officially launched the Anticipated Release Handbook it developed on September 12th and will post the web page on the anticipated dispatch procedure shortly. In addition, it officially launched the Authorized Economic Operator program, one of the Component’s main activities, on October 2, 2012.

Moreover, the Project assisted Customs by hiring an international expert to develop the first assessment of the Advance Ruling system. The study shows that despite the system being fully in place, it is necessary to make adjustments in order to simplify application requirements.

Administrative Simplification

The Virtual Diploma on Administrative Simplification will conclude with approximately 75-80 percent of students completing the course. This successful achievement is a

result of the important logistic efforts to limit the number of drop-outs and the course's high standard, which benefited the students and their institutions.

In addition, the Project designed and installed Inspector's Registration software for INDECI, which will simplify administrative tasks in the institution and will also enable citizens to inquire about the inspector's legal identity. Furthermore, the Project completed the technical and legal diagnostic and implementation proposal for the digital firm within SUNARP's Business Constitution Platform. It identified the opportunity for a plausible reduction from 15 to seven steps and from five days to 24 hours. These expected reductions will definitively have a considerable positive impact on the Business Constitution service.

Medicines

There have been no further developments in DIGEMID's activities during the quarter, due to new changes in its structure and authorities. Nevertheless, the Project has been coordinating with the FDA and the Directorate of Control and Sanitary Surveillance in order to start trainings and develop handbooks for its officials.

Telecommunications

Along with the Ministry of Transportation and Communications the Project has been focusing on reducing bureaucratic barriers to expand trade. The Project is currently discussing how to take advantage of the technical assistance supplied so far with OSIPTEL's new authorities. .

Bolivia

During this quarter, the 87 IP registrations to the National Service of Intellectual Property (SENAPI) by 37 Bolivian MSME, supported by the Project, and we are now awaiting the results. In addition, the Project is currently designing an IP Manual to help more MSMEs request and obtain IP rights.

In the area of trade facilitation, the Project has taken important steps to gather a critical mass of MSMEs to start the certification of ISO 9000, ISO 22000, Biotrade, and related certifications. Also, a consultant has been hired to develop eight customized HACCP guides for different industrial sectors.

Colombia

The Project continues to work closely with the Superintendence of Industry and Commerce (SIC) to strengthen the agency's internal capacity to meet the increasing volume of industrial property applications. The other key focus area for the Project is to improve enforcement of IPR. One of the main challenges to improving enforcement in a sustainable manner has been the frequent changes in personnel across the entire enforcement chain. A change in leadership within the SIC is also currently taking place. A new superintendent was named in mid-September and changes at the director level within the industrial property office are also expected. Despite the delays in

implementation that occur with such changes, the Project has been able to continue developing relevant material and has been working to foster strong relationships with all the entities involved.

Similarly, many changes in personnel were made within DIAN's customs division, including the Director of Customs, Customs Technical Division, and Risk Management. While the changes caused a delay in the implementation of activities, the personnel shift has been positive as there is increased interest from DIAN in receiving technical assistance from the Project. Additionally, the implementation challenges of the CTPA and DIAN's commitment to release a new customs code has increased DIAN's need to receive technical assistance. With secured buy-in from several directors within DIAN, USAID | Facilitando Comercio was able to get several pending work plan activities started in September 2012.

Ecuador

The Project is currently supporting the Ecuadorian Institute of Intellectual Property in strengthening its system to verify and control Appellations of Origin in Ecuador (especially Cacao Arriba). A regulatory reform proposal is currently underway. Similarly, the Project is performing a cost-benefit analysis for certifications to Cacao Arriba and CCN51 producer requests by the Ministry of Agriculture and the Cacao Producers Federation.

In addition, the Project is providing a representative of the Peruvian Appellation of Origin *Pisco* as a speaker in the international event called "*Ecuador and its origin products: implementing intellectual property as a tool for development* " organized by the IEPI in Guayaquil.

II. Introduction: Context

The 2012 edition of the Doing Business Report (DBR) was released in September and presented a detailed panorama of Peru's performance in 2012. Overall, since the baseline period of 2010 (DBR 2010), Peru has achieved a considerable increase of 15 positions in the ranking, from 56th to 41st. Both the "Starting a Business" and "Trading across Borders" categories, directly related to Project activities, have led the improvement.

| Doing Business 2010-2011-2012 | | | |
|--------------------------------------|-------|---------------------|------------------------|
| PERU | Rank | Starting a Business | Trading across Borders |
| 2010 (Baseline) | 56 | 112 | 91 |
| 2011 | 39 | 53 | 56 |
| 2012 | 41 | 55 | 56 |
| Improvement (2010 – 2012) | 15(↑) | 57(↑) | 35(↑) |

Source: Doing Business

It's important to note that during 2011 key reforms were implemented in both categories, obtaining considerable results such as a decrease of 34 percent in the time to start a business (from 41 to 27 days), 44 percent in its cost (24.5 percent to 13.6 percent of income per capita) and 33 percent in the number of procedures required (from 9 to 6). Similarly, the average time to import and export was reduced in 29 percent and 47 percent to 17 and 12 days, respectively.

The results obtained in 2012 have shown that during this period Peru has consolidated the reforms implemented in past years and also have reflected the sustainability of such improvements. In that regard, the GOP is aware that in order for Peru to obtain consistent increases in business enabling rankings such as the DBR it must undertake permanent reforms across all government agencies. In that regard, the Project is currently supporting important reforms such as the implementation of authorized economic operator and operating license simplification procedures to contribute to Peru's remarkable performance in the DBR of previous years.

In Colombia, the 2012 DBR shows a progress of five positions, from 47th to 42nd, led by reforms in the "Resolving Insolvency" category (reduction of time needed to resolve insolvency) and the "Paying Taxes" category (reduction of the number of yearly tax-related payments). The Project expects to contribute to this rising pattern by supporting the implementation of a wide variety of trade facilitation reforms such as the 48-hour release of goods in ports and the 6 hour time-release of express shipments of goods in Bogota's El Dorado Airport.

In Bolivia, the USG has withdrawn its support to the fight against the production and distribution of drugs. This action reflects the difficulties that surround political relations between both countries and once more confirms the unwillingness of the Bolivian Government to embark on joint endeavors with the USG.

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"> • 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) • The Project expanded its training efforts by performing two nationwide training programs simultaneously: a Workshop on Anticipated Dispatch in 13 cities (601 attendees among public and private sector) and a 4-day course on Public and Customs Law in 12 cities (841 attendees among public officials and entrepreneurs). • Administrative Simplification Component. As requested by some municipalities, training events were broadened to cover more (in some |

| Common Indicator | Second Year | | | Comments | |
|---|-------------------|-------------------------------|-------|--|-------|
| | Target FY 2012 | Results Oct 2011 –Sep 2012 | | | |
| | | Men | Women | | Total |
| | | | | 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"> • Ministerial Resolution N° 097-2012 MINCETUR, passing the simplification of Foreign Trade procedures. • Supreme Decree 186-2012EF Customs. Passing of the Authorized Economic Operator Statutes. • Legislative Decree 1109 – Customs, adjusting the labeling requirements for imports. • Directorial Resolution N° 2811-2012/DHAZ/DIGESA/SA approving check list of Food and Drinks’ requirements compliance. <p>The Labor Component has developed the following topics:</p> <ul style="list-style-type: none"> • Inspection Protocol on Occupational Safety and Health on Civil Construction • Inspection Protocol on Occupational Safety and Health on Bakeries • Inspection Protocol on Occupational Safety and Health on Metal-Mechanics • Inspection Protocol on Freedom of Association • Inspection Protocol on Child Labor • Protocol of Labor Conciliation • Guidelines for performing inspections in the Agribusiness sector • Special labor regime proposal for fishermen. <p>The Intellectual Component developed a:</p> | |

| Common Indicator | Second Year | | | Comments | |
|---|-------------------|-------------------------------|-------|---|-------|
| | Target FY 2012 | Results Oct 2011 –Sep 2012 | | | |
| | | Men | Women | | Total |
| | | | | <ul style="list-style-type: none"> • Training Manual to be used by INDECOPI in training Patent Examiners. | |
| Number of U.S.-supported training events held that related to improving the trade and investment environment. | 159 | 193 | | <p>The Labor Component has performed 9 trainings; 5 oriented to specializing judges on the new Labor Procedural Law, 2 trainings for Lima inspectors and 4 macro-regional workshops in different cities to provide nationwide trainings to inspectors.</p> <p>The Intellectual Property Component developed 1 course to train Patent Examiners, 2 workshops for strengthening capacities for IP enforcement, 4 for raising awareness of the mentioned topic in La Libertad, Piura, Tacna and Lambayeque, and 17 workshops to promote a culture of respect towards IP rights.</p> <p>Likewise, the Trade Facilitation Component performed 32 workshops: 3 regarding the Authorized Economic Operator proposal, 16 nationwide trainings for Anticipated Dispatch and 13 Customs and Public Law nationwide trainings.</p> <p>The Administrative Simplification Component has carried out 124 trainings in 32 municipalities from across the country. As requested by municipalities, trainings were broadened to cover more municipal officials so the training events had to be expanded.</p> <p>In Medicines, the Project carried out 1 workshop in Loreto for raising awareness of counterfeit drugs and regulations.</p> <p>In Telecommunications, 1 workshop was held in May 2012 regarding</p> | |

| Common Indicator | Second Year | | | Comments | |
|--|----------------|----------------------------|-------|---|-------|
| | Target FY 2012 | Results Oct 2011 –Sep 2012 | | | |
| | | Men | Women | | Total |
| | | | | bureaucratic barriers that hinder the development of telecom services. | |
| Reduction in the cost of trade of goods across borders as a result of U.S. assistance. | 20 US\$ | 0 US\$ | | The reduction is measured yearly as information is published by the Doing Business Report. Baseline extracted from the 2010 edition shows 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. | |
| Reduction in the number of days required to trade across borders as a result of U.S. assistance. | 0 | - | | The reduction will be measured yearly as the information is published by the Doing Business Report. The target for this indicator is intended to be met in 2013. | |
| 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. | |

| Common Indicator | Second Year | | | | Comments |
|--|-------------------|-------------------------------|-------|-------|---|
| | Target FY 2012 | Results Oct 2011 –Sep 2012 | | | |
| | | Men | Women | Total | |
| Number of institutions/organizations whose capacity/competency was strengthened as a result of USG assistance. | 10 | | 21 | | <p>The Labor Component has improved capacities in the <u>Ministry of Labor</u>, the <u>Ministry of Justice</u> and the <u>Judiciary</u>.</p> <p>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>.</p> <p>The Trade Facilitation Component is performing capacity strengthening for institutions involved with the Single Window for Foreign Trade (VUCE). In addition to the support to <u>MINCETUR</u>, 2 VUCE institutions have already been assisted: <u>DIGESA</u> (General Direction of Health and Environment) and <u>DIGEMID</u> (General Direction of Drugs, Supplies and Medicines). Likewise, trainings regarding VUCE have been focused on <u>Customs</u>, <u>National Service of Agricultural Health</u>, <u>Fishing Technological Institute</u>, <u>National Ports Authority</u>, the <u>Ministry of Transport and Communications</u>, <u>Ministry of Education</u>, <u>Coastguards Direction</u> and the <u>Regional Direction of Health</u>.</p> <p>Administrative Simplification Component trained officials from the <u>Municipality of Miraflores</u> for implementing a Citizen Attention Module.</p> |
| Number of municipalities receiving U.S. assistance with regulatory/administrative simplification. | 30 | | 32 | | <p>Technical assistance provided to local municipalities effectively started on January 2011. By September 30, 2012, the Project assisted 32 municipalities across the country: Utcubamba, La Banda de Schilcayo, Corrales, Mala, Nueva Cajamarca, San Martín, Santa Eulalia, Wanchaq, Barranca, Imperial, Monsefu, Olmos, San Sebastián, Zarumilla, Cañete, José Leonardo Ortíz, Motupe, Paíta, Santa Rosa, Bagua, Chancay, La Victoria, Moyobamba, Pomalca, Sechura, Lambayeque, Aguas Verdes, Pisac, Cajamarca, Santiago ,Cerro Colorado ,and Tumbes.</p> |

Colombia Indicators

| Indicators | Second Year | | | | Comments |
|---|-------------|---------|-----|-------|---|
| | Target | Results | | | |
| | | Total | Men | Women | |
| Number of participants in USG-supported trade and investment capacity building trainings. | 655 | 341 | 134 | 207 | <p>The project held the following trainings as of September, 2012:</p> <ul style="list-style-type: none"> - IPR: Colombia's Bureau of Criminal Investigation and Interpol (DIJIN) - IPR: Chambers of Commerce - TF: Advance Rulings seminar with private sector - Rules of Origin training for private sector – agribusiness in the cities of Medellin, Barranquilla, Cali and Bogota. - Rules of Origin training for Customs - IPR Training for Chamber of Commerce in Villavicencio <p>The project has 11 more trainings on IPR for the Chambers of Commerce planned between October – December 2012. It also has 5 additional ROO trainings between October and November 2012. The project anticipates meeting its training target by mid-November 2012.</p> |
| Number of legal, regulatory, or institutional actions taken to improve implementation or compliance with international trade and investment agreements as a result of USG assistance. | 3 | 3 | | | <ul style="list-style-type: none"> - Trademark Law Treaty went into effect in April 2012. - Madrid Protocol went into effect in August of 2012. - Regulatory reform proposals for the new customs code that respond to CTPA commitments that will facilitate trade. |
| Number of institutions/organizations undertaking capacity/competency strengthening as a result of USG assistance. | 3 | 8 | | | <ul style="list-style-type: none"> - Colombia's Superintendence of Industry and Commerce (SIC) - Chambers of Commerce: Cartagena, Ibague, Cucuta. - Colombia's Bureau of Criminal Investigation and Interpol (DIJIN) - Colombia's Public Prosecutors training school - Colombia's Customs Authority (DIAN) - Proexport, Colombia's export promotion agency |

IV. Technical Implementation - Peru Component

Component 1: Labor

Activity 1.1 Build Capacity to Conduct Inspections (Mandatory)

a. Safety and Health at Work Training for Labor Inspectors and MOL officials

The Project designed and started a training course for 70 labor inspectors and 20 officials of the MOL regarding Safety and Health at Work (SHW) on the Electricity, Oiling and Mining sectors. This activity is of high relevance because the General Direction of Labor Inspections has recently received the task of supervising SHW regulation in these topics, replacing OSINERGMIN. This course intends to:

- Provide theoretical and empirical training on technical and legal regulations regarding SHW in the Electricity, Oiling and Mining sectors.
- Develop strategies, skills and competencies on inspection in order to effectively supervise businesses in SHW in the Electricity, Oiling and Mining sectors.

The course includes an entry assessment and a final evaluation to appraise improvements on attendees and will last five weeks (18 hours each week) until mid-October.

b. Labor Regime Proposal for Fishermen

The Project developed a regulatory framework proposal for fishermen in order for them to access labor and retirement benefits. The proposal includes a regulatory regime that takes into account the nature and characteristics of the different types of fishermen.

It is important to state that in 2012 the MOL formed a Committee to analyze the conditions under which labor relations developed in the fishing industry and the problems regarding health services and subsidies provided by the Health Social Security National Institute (EsSalud). The Committee mentioned that the rules governing the fishing industry were outdated, thus requiring new regulations to establish a minimum set of benefits to employees.

In that line, the current proposal seeks to implement a special labor and retirement regime for workers dedicated to the extraction of hydro-biological resources for industrial purposes, both for direct or indirect human consumption. Currently, the proposal is being discussed by a Multidisciplinary Commission formed by the Ministries of Labor, Production and Defense, and a Directive proposal is expected to be presented to the Congress. In addition, the proposal will also serve to strengthen inspections in the sector.

Activity 1.2: Optimize Inspection System Procedures (Mandatory)

The Optimization of the Labor Inspections Informatics System (LIIS) is 90 percent complete, with only the final development of the product related to digital signature still underway. The reform has taken into account the following guidelines:

- Improve the operational features of the LIIS through operational analysis and with the validation of the General Direction of Labor Inspections (GDLI).
- Improve processes in close coordination with the GDLI and the Office of Informatics and Communications, which is in charge of the informatics management of the LIIS.
- Concordance of LIIS modifications among all user areas and achievement of key points outlined in the design.
- Institutionalization of operations, procedures and other changes in the LIIS.

The products developed under the intervention address, in a practical and efficient way, problems identified within the system, from the planning and programming stages to workload distribution among inspectors and operational and functional problems.

The following interventions have been completed:

- ✓ Institutional and operational analysis of the LIIS, including assessment of policies, regulations, organizational structure, human resources and operational design.
- ✓ Modeling and validation of main processes (programming, supervision, inspections and sanctioning) and support (monitoring and control).
- ✓ Report of improvements to the informatics system (about 50) in the following modules: programming, supervision, digital signature and documentation.
- ✓ General implementation plan; including trainings, management, risks, quality, communications for internal and external costumers.

Activity 1.3: Build Capacity for Conciliation

a. Redesign and improve the Labor Economic Report

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

- Lack of willingness by companies to provide information. The fines for such acts were not high enough to promote compliance.
- The Organization and Functions Regulation (*Reglamento de Organización y Funciones - ROF*) is a complex administrative procedure. It does not include

differences and particularities between public or private enterprises or public institutions.

- Regional Directions don't count with specialists in elaborating this type of Report.
- Lack of a specialized body within the MOL.
- The report lacks comparative analysis, and information of the electronic payroll is not used.
- The report is based on historic information, doesn't include macroeconomic information and isn't didactic.
- The delay in the submission of the report is so considerable that 50 percent of collective bargaining processes are solved or taken to strike without having received the report.

In that regard, the Project supported MOL in redesigning procedures and contents of the Labor Economic Report (LER), in order to provide parties (or the arbitrator) a sound valuation of the employees' request, a financial and comparative evaluation of the company, compared wages and additional economic information to contribute with the final settlement of the dispute. For doing so, a set of consultants analyzed LER regulations, interviewed public officials and users (unions and employers), identified updated sources of information, and developed new templates for obtaining labor and financial information and other related activities. A draft Directive of LER has been proposed to MOL, taking into account different models of LER according to the type of enterprise or institution.

Activity 1.4: Support Implementation of Labor Procedural Law

a. Monitor the Implementation of the LPL

The Project provided a consultant to the Judiciary in order to assist in the monitoring of the LPL's implementation with emphasis on the judicial districts of Southern Lima, Junín and La Libertad, identifying obstacles, lessons learned and best practices to be replicated in other courts. In addition, the consultant provided inputs to develop a results-oriented training plan for judges and assistants (*auxiliares*) to follow the [First Labor Plenary Meeting of the Supreme Court](#) held in May 2012.

This technical support has enabled the implementation of the new LPL in the jurisdictional district of Southern Lima in areas such as institutional adaptation, adaptation policy, physical and human resources, identifying requirements, constraints and risks. It also allowed sharing information on the status of the LPL's implementation, identifying risks and making recommendations to strengthen process.

Furthermore, the assistance facilitated the validation process of the monitoring system for the LPL's Implementation presented by USAID | Facilitando Comercio

and provided valuable recommendations to complete, validate and implement the system.

b. LPL's Baseline

In late September 2012 the Project started collecting baseline data for monitoring the implementation of the LPL. The set of indicators to be used in this monitoring tool was defined in a workshop organized by the Project on April 23, 2012, in which 22 judges and officials from the Judiciary participated. The baseline will be completed by December 2012.

c. Regulations for the new model of Judiciary Dispatch within labor processes

The Project has prepared regulation proposals in order to define a basic scheme for the new model of Judiciary Dispatch under the LPL. The Judiciary [formally expressed its gratitude](#) and approval of the products developed.

The following proposals have been completed:

- Regulation for the elaboration of virtual files. Includes the operation of technical support (informatics system, processing of information, virtual file, and other) and organization (roles and tasks of administrative personnel and judges)
- Regulation of Notifications
- Regulation of Audiences

All these proposals have served as valuable inputs for developing the new model of Judiciary Dispatch, which is to be approved by mid-October. The Project has also developed two trainings in the city of Huancayo (mid-September) to train 70 judges from across the country on Jurisdictional and administrative topics regarding the Jurisdictional Dispatch.

d. Comparative Study of Costs

The Judiciary required a comprehensive approach about costs incurred in judiciary processes focused on labor matters. To this end, the Project developed a comparative study of costs (economic and non-economic) faced by litigants in labor processes under the Law N°29497 (New Labor Procedural Law) and the Law N°26636 (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. The study enables the Judiciary to:

- Calculate the duration of labor processes under the previous and new laws.
- Calculate the difference between programmed and effective duration of hearings under labor processes.
- Identify bottlenecks (current and potential) within both laws.
- Compare indicators and key variables under both laws.

- Evaluate and qualify the level of satisfaction of users.
- Identify the profile of users from judiciary districts with and without the new law.

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

e. Training to Public Defenders of MOL

As requested by the MOL, a training course was provided to 35 public attorneys and officials on procedural labor topics. The course aimed to build capacities among MOL personnel of Metropolitan Lima's Regional Direction of Labor in order to facilitate the implementation of the LPL, which entered into force in mid-2012.

The lecturer was provided by a renowned expert and judge of the Superior Court of La Libertad. The course will be replicated in Lima by late 2012 in an event for public attorneys from across the country.

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

a. Virtualization Plan for Basic MOL services

The Project provided its support to the MOL for reshaping the virtual calculator of social benefits into JAVA language (which enable it to be of public use). The transformation is complete and the virtual calculator will be uploaded to MOL's webpage once they acquire the license to use the software. In addition, based on this intervention, the Project and the MOL are assessing the possibility of developing a virtualization plan to reshape further basic services in the short term.

b. Management Indicators for MOL

USAID | Facilitando Comercio has been supporting the modernization and optimization of MOL's management of procedures. In that regard, one key element for this reform has been promoting more intensive use of available or self-generated information. Accordingly, the Project developed a "Base diagnosis for the conceptual design of an information system to consolidate and centralize the management of statistical of information by MOL". This diagnosis includes specific recommendations for developing an integrated information system for use of the various areas of the ministry.

An area of great potential identified by the diagnosis is that different sources of information could be utilized to obtain a set of short-term indicators for management and labor market monitoring purposes. These sources range from daily administrative records to the electronic payroll, which has the potential to provide more information and greater coverage of the Peruvian labor market. In that regard the Project seeks to identify and validate a set of short-term indicators,

in order to create a monitoring and management tool for the Ministry of Labor. The activity is expected to conclude by late 2012.

c. Improve MOL's Enforced Collection System

In order to further improve the MOL's information systems, the Project is supporting the redesign of the Enforced Collection System. This system is oriented to integrate processes of different administrative offices in charge of imposing fines—such as labor inspections—with the Fines Control Unit, the Enforced Collection Unit and the Office of Finance. The current system counts with a series of weaknesses that hinder control and prevent the timely collection of fines.

During the present quarter the Project has worked along with MOL on planning the intervention and activities will start in October 2012.

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

a. Support the Office of Jurisdictional Performance Measurement

The Project provided technical assistance to support the Office of Jurisdictional Performance Measurement by developing an evaluation tool and a model of judicial ruling on labor matters. The aim of this intervention is to strengthen capacities in this office for improving the monitoring of quality standards and soundness of judicial rulings in labor cases. A guide for using the evaluation tool is currently being designed.

Component 2: Intellectual Property

Activity 2.2: Information Management System Improvement

a. Digitization of the Certificates of Registration and Entries of the Distinctive Signs Directorate (DSD)

POLYSYSTEMAS S.A.C. has already started to digitize the first package of certificates of the DSD corresponding to ITINTEC (INDECOPI's former name). The activity is developing on schedule.

Activity 2.3: Improving Technical Examinations

Training of New Patent Examiners

As communicated in the previous report, the Inventions and New Technologies Directorate (DIN) was very interested in starting trainings for members of the general public interested in becoming patent examiners. The Project teamed up with them and launched the first course in July.

I CURSO DE FORMACIÓN DE EXAMINADORES DE PATENTES

EXAMEN DE ADMISIÓN
 18 DE AGOSTO
 2012
 9:00 AM



Inscripciones : Del 19 de julio al 16 de agosto del 2012 [Más información...](#)



Chief of Party Elena Conterno at the course inauguration



Bruno Merchor, Director of Inventions, at the course inauguration

The course was designed for professionals with a bachelor of science degree in engineering, biology or chemistry. Two hundred and eighty-nine persons subscribed for the process and 104 of them took the entrance exam. Finally, 40 people were selected: 24 engineers, eight chemists and eight biologists.

The course began on September 3rd and it is programmed to conclude by October 24th, 2012. The course is currently being executed with great success and once concluded it is expected that the people trained during this first course would eventually work in the DIN.

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

a. XI National Inventions Contest

Due to the great success achieved in the X version of the National Inventions Contest, the Project decided to provide its cooperation for the organization of its XI edition.

The contest was launched in July and is currently ongoing. Applications were due on September 10, 2012 . and the contest received 248 applications throughout the country: 213 from natural persons and 35 from juridical persons. It is important to note that this year a record number of applications were received, exceeding the previous record by 89 percent (131 applications) achieved in the IX edition. This is a direct result of the dissemination strategy implemented for this

contest, which involved nationwide visits to universities and broad dissemination through social media.



Hebert Tassano
President of INDECOPI



Elena Conterno
Chief of Party
USAID | Facilitando Comercio



Sixto Ramos
Winner of the X National Inventions
Contest



Authorities and Inventors during the press conference for the launching of the XI National Inventions Contest

Applications came from the following cities: Lima (172), Ancash (13), La Libertad (12), Junin (8), Arequipa (8), Cusco (7), Huanuco (5), Apurimac (4), Ayacucho (3), Piura (3), Ucayali (3), Huancavelica (2), Puno (2), Tacna (2), Cajamarca (1), Ica (1), Loreto (1) and Moquegua (1).



The pre-selected inventions were published September 17th, with 226 inventions passing to the final stage of the contest. The Project is currently in the phase where inventors have to present their prototypes in order to be exhibited in the fair that will be held from November 6th to 15th. The awards ceremony will be held on November 15, 2012.

The Project will award the first place in each category (patent of invention and utility model) with full financing for the presentation of the winning inventions in the Geneva International Fair of Inventions.

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

The Project has engaged in helping the National University of Engineering (UNI) to promote between their researchers, professors and students the use of intellectual property in order to protect the innovations and creations that emerge from the University.

To this end, USAID | Facilitando Comercio has started an activity to provide information and promote the registration of intellectual property to 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 models.

The activity includes IP trainings that have been performed jointly with the DIN, who will also monitor the development of the consultancy. The consultant is currently working with the selected researchers and will start to write the patent documents with them in order to file applications for registration before the DIN.



Dr. Maria Quintana (UNI), Sergio Rodriguez (Deputy Director of the DIN), Catherine Escobedo (IP Component Leader) and Luis Fabian (Consultant) during the IP training at UNI



Sergio Rodriguez
Deputy Director of the DIN



Luis Fabian
Consultant USAID | Facilitando Comercio

It is expected to have at least 10 new patent applications at the end of the project (in December).

c. *Strategic Plan for the new Sub-Directorate of Support to Innovation*

The Project provided assistance to the new Sub-Directorate of Support to Innovation of INDECOPI to develop its strategic plan for the period 2012-2014 by helping them to bring Mr. Jorge Alzamora, Director of the Knowledge Transfer Directorate of INAPI (the Chilean IP Office) to Peru, with broad experience on innovation and patenting practices.

Mr. Alzamora had a number of meetings during a full day workshop with different actors related to innovation matters and shared with them and INDECOPI INAPI's best practices on supporting innovation and disseminating the benefits of patenting.

The strategic plan will be presented before the end of the year.



Officers from the new Sub-Directorate of Support to Innovation with Mr. Jorge Alzamora from INAPI and representatives of Universities and Research Centers



Officers from the new Sub Directorate of Support to Innovation with Mr. Jorge Alzamora from INAPI and Peruvian Inventors



Officers from the new Sub Directorate of Support to Innovation with Mr. Jorge Alzamora from INAPI and representatives of Cooperation Institutions, Red IDI, CONCYTEC and FINCYT

d. Management Handbook for Collective Trademarks

Collective Trademarks are another IP instrument that could be used by producers associations in order to verify and standardize the quality of their products. Peru currently has few collective trademarks registered, but there has not been a notable success story in any of them due to a weak management of the instrument.

In order to systematize best practices in the management of collective trademarks in Peru and thus capitalize on the multi-sector learning generated, the Project is currently developing a "Management Handbook for Collective Trademarks" that will serve as guidance for the different groups who wish to use this instrument. The guide will also provide a diagnosis of the current situation based on the collected information.

The handbook will not only contain the legal framework required for the construction and registration of a collective trademark but also best practices in the management and marketing of this kind of trademark.

For this activity, the Project has teamed up with CITEMARKETING, an organization that is part of the CITE (Technology Innovation Centers) Network of the Ministry of Production.

This handbook will then be used by the Ministry of Production and, specially, with the National Association of Ecologic Producers (ANPE) which whom the Project is currently developing the creation of their own collective trademark named FRUTOS DE LA TIERRA.

e. Collective trademark "FRUTOS DE LA TIERRA"

As mentioned above, the Project is currently providing its cooperation to ANPE to develop their collective trademark FRUTOS DE LA TIERRA. For this initiative the Project has teamed up with ANPE and the National Agricultural University (UNALM) through its program AGROECO.

ANPE has provided a list of products for which they would like to have protection. These have already been registered in four classes of the Nice International Classification of Trademarks as regular marks in order to prevent any third party from registering it before them.

Additionally, consultant Ray Meloni has visited three cities in Peru, where the majority of products are being produced, in order to talk and provide basic IP training to producer associations. In this way they have learned the importance of associativity in the implementation of a collective trademark.

The Project is currently writing the rules of use for the mark and the next phase will be registration and trainings on IP for all the potential users of this trademark.

f. IP workshop for the "Junior Innovation Analyst" training

The Junior Innovation Analyst Training was directed to students involved in a humanitarian project oriented to help people from New Caledonia, a low income district in Lima, to develop business initiatives. It is being held by the EQUIPU of Catholic University.

The organizers invited the Project to take part of the trainings through an IP workshop that was developed by the IP Component Leader. It was = focused on trademarks and utility models.

Seventy-seven students from Peruvian Universities were trained:

- Universities of Lima: Catholic University (PUCP), Cayetano Heredia University (UPCH), National University of Engineering (UNI), San Marcos National University (UNMSM) y Federico Villareal National University (UNFV).
- University of Iquitos: Peruvian Amazon National University (UNAP).
- University of Arequipa: Santa Maria Catholic University (UCSM)



Catherine Escobedo
IP Component Leader



Ronnie Guerra
EQUIPU Director



Students that attended the IP workshop

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

a. Antipiracy Campaign “COMPRA LEGAL. COMPRA ORIGINAL”

As mentioned in the previous report, USAID | Facilitando Comercio, the U.S. Embassy, the Antipiracy and Anti-Counterfeiting Commission (Ministry of Production) and INDECOPI have been working together designing a national antipiracy campaign called: “COMPRA LEGAL. COMPRA ORIGINAL” (buy legal, buy original) and have already created and launched three animated videos with a

strong message of national pride in order to promote the respect of creations and their authors and to convince people not to buy illegal products.

Complementary products for the campaign are currently been developed as follows:

1. Web page: The layout of the webpage has been accepted. Now the editorial committee is in the process of writing the content.



2. Radio Spot: The Commission on Anti-Piracy and Counterfeiting has presented some options with brief dialogues between a young man and a young woman talking about piracy and counterfeiting with the final message “COMPRA LEGAL, COMPRA ORIGINAL”. It is now working on the final one.
3. Press ad: The final ad will be the following:



b. *IP workshop during the Seminar CUENTO A TU ENCUENTRO (“Find Your Story”)*

This seminar was organized by EQUIPU FORMARTE of the Catholic University, for which the Project provided a full IP training day for approximately 34 teachers.

For this activity the Project teamed up with INDECOPI who provided the theoretical part of the training while the project provided the practical part of the training using the Methodological Guide to show the teachers how to apply in their classrooms the knowledge acquired. Through some exercises the Project showed teachers how to create a story based on Copyrights in order to teach their students to do the same and encourage using their creativity.



Ruben Trajtman
Deputy Director of Copyrights



Lidia Moreno
Consultant



Teachers that attended the training

c. Online course on Trademarks

The course started in August and is reaching 105 officers from INDECOPI throughout the country. It is currently being developed without any problem.

d. Copyright guides and trainings for emerging cultural industries

As previously reported, consultant Erick Iriarte finalized the drafting of the following guides: Copyrights for Musicians, Copyrights and Software, Copyrights for Literary Work and Copyrights and Book Publishing. They have all been approved by INDECOPI.

The remaining copyright guides for emerging cultural industries have been already drafted as follow: movies, theatre, visual arts, videogames, broadcasting, artisans, fashion industry, choreographies and architecture, and are currently in the editing process.

e. IP course for students and teachers

The activity has reached its end with great results. The agreement reached by INDECOPI and the Ministry of Education allowed them to incorporate IP themes in

the school curricula for fifth and sixth grade and facilitated the work performed with schools.

Here are some of the results:

1. Participation of schools: 104

| City | No. of schools affiliated |
|--------------|---------------------------|
| Arequipa | 20 |
| Chiclayo | 20 |
| Lima | 24 |
| Iquitos | 20 |
| Piura | 20 |
| TOTAL | 104 |

Source: USAID | Facilitando Comercio

2. Trainings to teachers: 440

| City | No. of schools | Women | Men |
|--------------|----------------|---------------|---------------|
| Chiclayo | 17 | 54 | 12 |
| Arequipa | 16 | 32 | 16 |
| Iquitos | 16 | 39 | 25 |
| Piura | 14 | 46 | 9 |
| Lima | 22 | 172 | 35 |
| TOTAL | 85 | 343 | 97 |
| % | 100% | 78.13% | 21.87% |

Source: USAID | Facilitando Comercio

3. Application in class: 400 teachers applied the lessons learned

| City | 2011 | | 2012 | |
|--------------|----------------|------------|----------------|------------|
| | No. of schools | Teachers | No. of schools | Teachers |
| Chiclayo | 9 | 19 | 7 | 16 |
| Arequipa | 8 | 22 | 8 | 24 |
| Iquitos | 16 | 17 | 13 | 26 |
| Piura | 13 | 48 | 13 | 38 |
| Lima | 18 | 80 | 14 | 110 |
| TOTAL | 64 | 186 | 55 | 214 |

Source: USAID | Facilitando Comercio

4. Students trained: 22,267

| City | 2011 | 2012 |
|----------|-------|-------|
| Chiclayo | 1,225 | 611 |
| Arequipa | 1,020 | 1,596 |
| Iquitos | 1,002 | 1,455 |
| Piura | 1,206 | 1,707 |
| Lima | 4,800 | 7,645 |

| | | |
|--------------|--------------|---------------|
| TOTAL | 9,253 | 13,014 |
|--------------|--------------|---------------|

Source: USAID | Facilitando Comercio

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

The Study has been completed and is currently under review by the Project and INDECOPI. Some of the main findings include the following:

- Small producers lack information about what an appellation of origin really is. Although they do know the general concept and identify INDECOPI officials and Municipal officers as the people who know about this concept, they have not learned about the real meaning of having such recognition, and therefore they do not meet the requirements to access the authorization of use of the appellation of origin.
- Although producers have increased the sale price coffee, the benefits are not visible because the costs of producing the coffee have also increased. However the quality of the product has risen and possibly, in the future, with the correct incentives, they could obtain a better price for the production.

In general terms, there is still a lot of work to do in order to promote the real benefits of the use of appellations of origin and to start observing a real impact in the lifes of producers.

Component 3: Trade Facilitation

Activity 3.1: TCBaseline Results Implementation: Improve Anticipated Dispatch Procedure

a. Anticipated Dispatch Procedure (ACP) use growth

The ACP has two modalities: Regular ACP and 48-hour Clearance. The Project has focused its support mainly to the latter since it provides certainty as to the time frame for release. This year, the Regular ACP's use has increased dramatically (from 18.7 percent of customs declarations in 2011 to 26.3 percent in 2012); however, the 48-hour Clearance has grown at a slower rate due to underlying constraints that the Project has already identified and is currently addressing.

In addition, the Project is discussing with Customs a plan to carry out a follow up study to TCBaseline. This study should be starting before the end of the year and is aimed at assessing the developments of the findings set out in the original.

b. Develop Dissemination Strategy

Anticipated Release System web page

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

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



Anticipated Release webpage's screenshot

Anticipated Release System handbook

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



Handbook's front page and index.

c. TCBaseline awareness workshops in 13 Peruvian cities

In July, the Project completed a nationwide training program to encourage the use of the ACP as well as to inform public officials from regulatory bodies¹ and trade operators on the Public and Customs Law. Various Customs officials presented at the workshop.

The activity successfully raised awareness of trade operators, especially in the regions. Local media was also aware of the developments thus the component leader was interviewed during the events.

| City | Date | Anticipated Release (1 day workshop) | | |
|------------|--------------------|--------------------------------------|------|--------|
| | | Total Trained | Male | Female |
| Piura | May 16, 2012 | 67 | 39 | 28 |
| Lima | May 23, 2012 | 100 | 50 | 50 |
| Trujillo | May 29, 2012 | 49 | 28 | 21 |
| Tumbes | June 15, 2012 | 42 | 27 | 15 |
| Lambayeque | June 16, 2012 | 39 | 22 | 17 |
| Tacna | June 28, 2012 | 44 | 27 | 17 |
| Arequipa | June 28, 2012 | 45 | 29 | 16 |
| Cusco | July 18, 2012 | 30 | 20 | 10 |
| Puno | July 18, 2012 | 62 | 42 | 20 |
| Huancayo | July 25, 2012 | 32 | 15 | 17 |
| Iquitos | August 7, 2012 | 39 | 25 | 14 |
| Matarani | August 15, 2012 | 27 | 20 | 7 |
| Huacho | September 26, 2012 | 25 | 11 | 14 |

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

| | | | |
|--------------|------------|------------|------------|
| Total | 601 | 355 | 246 |
|--------------|------------|------------|------------|

Source: USAID | Facilitando Comercio

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

a. *Controlled merchandise module*

This module is the most advanced as compared to port services and rules of origin. The Project is currently assisting the following entities to implement reforms: National Health and Environment Bureau (DIGESA), National Bureau of Medicines, Supplies and Drugs (DIGEMID), Fishing Technologic Institute (ITP) and National Service of Agrarian Sanitary (SENASA).

Below is a summary of the simplification process and results.

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

Source: USAID | Facilitando Comercio

DIGESA, which regulates food and drinks, has stood out, showing a great deal of commitment and leadership to adopt reforms. Their service improved substantially: reducing by 77 percent the time frame to issue permits as well as recording only 1.6 percent of rejections of permit applications.

The Project will continue assisting this entity to attain further progress. The multidisciplinary team has helped DIGESA in the preparation of regulatory adjustments. The proposal is due to be released shortly.

In the case of DIGEMID, the Project completed assessments on all VUCE procedures, including analyzing modifications brought by recently published regulations. Based on those regulations the Project agreed with DIGEMID to focus on the implementation of short term reforms of those procedures related to cosmetics, of which there are 14.

The multidisciplinary team has been working since this past June and is currently testing the proposed adjustments with DIGEMID. It is expected that improvements should be visible before the end of the year but more importantly, such adjustments should pave the way to restructure the procedures on medicines.

ITP's team is also making progress and a proposal is already complete. The proposal comprises short and medium term targets and is expected to be

formalized through a Supreme Decree. Unfortunately, the process has received uneven support from the agency due to sudden changes of top officials; nevertheless, proposals will likely have a significant impact since ITP regulates high income export products (fish oil and fish flour among others).

Finally, SENASA has also received technical support from the Project especially in its IT layer in order to develop the system for the exchange of information between VUCE and the agency. The task was completed and SENASA posted five additional procedures in the VUCE, a development which was published in the official gazette last August as shown. It is expected that further procedures will be incorporated shortly.



Amplían relación de procedimientos administrativos que se tramitan a través de la Ventanilla Única de Comercio Exterior - VUCE y modifican la R.M. N° 233-2010-MINCETUR/DM

RESOLUCIÓN MINISTERIAL
N° 234-2012-MINCETUR/DM

Lima, 14 de agosto de 2012

**Anexo de la Resolución Ministerial
N° 234-2012-MINCETUR/DM que incorpora
05 procedimientos administrativos al listado
de procedimientos administrativos que se tramitan
a través de la Ventanilla Única de Comercio Exterior
aprobado por Resolución Ministerial
N° 137-2010-MINCETUR/DM**

| N° | Denominación del procedimiento | Entidad Competente |
|----|--|--------------------------------------|
| 84 | Registro de importadores, lugares de producción y responsables técnicos de material sujeto a cuarentena pos entrada y su renovación. | Servicio Nacional de Sanidad- SENASA |
| 85 | Modificación del Registro de Importadores, Lugares de producción y Responsables técnicos de material sujeto a cuarentena pos entrada. | Servicio Nacional de Sanidad- SENASA |
| 86 | Certificación Fitosanitaria de Lugares de producción. | Servicio Nacional de Sanidad- SENASA |
| 87 | Certificación de Plantas de Tratamiento y/o empaque. | Servicio Nacional de Sanidad- SENASA |
| 88 | Emisión del Permiso Sanitario de Importación - PSI, y Permiso Sanitario de Tránsito Internacional - PSTI de animales, productos y subproductos de origen animal e insectos de valor benéfico (abejas), que cuenten con requisitos aprobados y su modificación. | Servicio Nacional de Sanidad- SENASA |

Official Gazette "El Peruano", excerpt August 16, 2012

b. Port Services module

Firstly, the Project completed a legal analysis which pointed out significant inconsistencies in the procedures. Secondly, we supported the completion of the

Operative Statute draft of this module. This statute purports to govern the services to be provided by bodies and it encourages the provision of services efficiently through closer coordination among them, the employment of an online platform, and risk management criteria. The Operative Statute was pre-published as shown below for discussion among incumbent entities:

| PROYECTO | |
|--|---|
| COMERCIO EXTERIOR Y TURISMO | |
| Proyecto de “Reglamento Operativo del Componente de Servicios Portuarios de la VUCE” y el Decreto Supremo que lo aprueba | |
| <p style="text-align: center;">RESOLUCIÓN MINISTERIAL N° 224-2012-MINCETUR/DM</p> <p style="text-align: center;">San Isidro, 25 de julio de 2012</p> <p>Vistos, el Memorándum N° 347-2012-MINCETUR/VMCE, de fecha 13 de julio de 2012, del Despacho Viceministerial de Comercio Exterior, el Informe N° 121-2012-MINCETUR/VMCE/DNC, de fecha 12 de julio de 2012, de la Dirección Nacional de Desarrollo de Comercio Exterior y el Memorándum N° 295-2012-MINCETUR/SG/AJ, de fecha 13 de julio de 2012, de la Oficina General de Asesoría Jurídica;</p> <p style="text-align: center;">CONSIDERANDO:</p> <p>Que, mediante artículo 1° del Decreto Supremo N° 165-2006-EF, elevado a rango de Ley mediante la Primera Disposición Complementaria Final del Decreto Legislativo N° 1036, que establece los alcances de la Ventanilla Única de Comercio Exterior, se crea la Ventanilla Única de Comercio Exterior, VUCE;</p> <p>Que, mediante Ley N° 28977, Ley de Facilitación del Comercio Exterior, se establece como una de las medidas</p> | <p>sistema, normatividad y/o procedimientos de la VUCE y en la forma, plazos y lineamientos que acuerde la Comisión Especial, debiendo contar con la opinión favorable del MINCETUR sobre su adecuación a los mismos, procurando así la eficacia y eficiencia en los servicios que brinda el Estado en el comercio internacional;</p> <p>Que, el “Reglamento Operativo del Componente de Servicios Portuarios de la VUCE”, que se propone aprobar mediante Decreto Supremo, pretende el ordenamiento de los servicios portuarios, estableciendo criterios que permitan uniformizar estos a través de la VUCE, como también evitar la generación de obstáculos en el comercio y transporte de mercancías;</p> <p>Que, atendiendo la relevancia del contenido del proyecto normativo y los supuestos que pretende reglamentar, y siendo que se trata una norma legal de carácter general, resulta pertinente, conforme a las disposiciones contenidas en el Decreto Supremo N° 001-2009-JUS, Reglamento que establece disposiciones relativas a la publicidad, publicación de Proyectos Normativos y difusión de Normas Legales de Carácter General, se proceda a la prepublicación del referido proyecto conforme al procedimiento establecido;</p> <p style="text-align: right;">De conformidad con las Ley N° 27444. Lev del</p> |

Excerpt of Official Gazette “El Peruano”. July 29, 2012

Regulatory bodies and MINCETUR are discussing the content of the project and the final version is to be published next December.

c. Rules of Origin (RoO) module

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

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

Together with the ACP workshop, the Project carried out a two-day training course on Public and Customs Law between February and July. The course was intended to refresh attendees’ knowledge in those topics and enhance the quality of service provided by regulatory bodies. Attendance was much greater than anticipated, which demonstrated the interest and enthusiasm of participants. It is important to mention that the Project attained a strategic partnership with Universidad de Pacífico, which made available its brand-new facilities where courses were taught in Lima. Moreover, Promperu and Regional Governments also joined efforts to carry out courses.

| City | Dates | Public and Customs Law (4 day course) | | |
|-------------------|--|---------------------------------------|------------|------------|
| | | Total Trained | Male | Female |
| Piura | May 21, 22, 30, and 31 | 54 | 32 | 22 |
| Lima (2) | May 24, 29, 31, June 1, July 9, 10, 16, and 17 | 137 | 73 | 64 |
| Trujillo | May 28, 30, June 7 and 8 | 27 | 17 | 10 |
| Lambayeque | June 4, 5, 11, and 12 | 85 | 56 | 29 |
| Tumbes | June 7, 8, 13, and 14 | 88 | 59 | 29 |
| Tacna | June 26, 27, July 5 and 6 | 72 | 44 | 28 |
| Arequipa | June 26, 27, July 5 and 6 | 64 | 37 | 27 |
| Cusco | July 12, 13, 19, and 20 | 74 | 31 | 43 |
| Huancayo | July 16, 17, 23, and 24 | 54 | 29 | 25 |
| Puno | July 16, 17, 19, and 20 | 73 | 48 | 25 |
| Iquitos | July 24, 25, August 8 and 9 | 67 | 46 | 21 |
| Huacho | September 20, 21, 27, and 28 | 46 | 21 | 25 |
| Total | | 841 | 493 | 348 |

Source: USAID | Facilitando Comercio

Activity 3.3: Facilitate Creation of a Surety System

The surety system is tied in to the expansion of the anticipated dispatch procedure so it remains under development but will be an important instrument to encourage importers to utilize the 48 hour clearance system. The Project is discussing with Customs and MINCETUR how to address the recommendation for the cost reduction of this instrument.

Activity 3.4: Authorized Economic Operators (AEO)

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

As anticipated, the AEO program demanded a great deal of effort and coordination within the public sector and among trade operators. Fortunately, the Customs Authority has pointed out AEO implementation as one of its priorities and has set up an in-house team to implement the program.

The Customs in-house team completed the pilot program with a few trade operators to validate the requirements drafted and pre-published the AEO Statute for comments in June 2012. The program officially adopted the denomination “Authorized Economic Operator”² as it is internationally known title (before it was named Certified Customs Operator).

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

This effort is remarkable not only for the trade community but also from the Customs Authority who considers this program as a milestone towards becoming a modern institution. The program was officially launched on October 2th as part of a major event where the President of GOP attended.



La Superintendente Nacional de Aduanas y de Administración Tributaria
se complace en invitar a la

Ceremonia de lanzamiento oficial del programa
"Operador Económico Autorizado – Perú",

a realizarse el martes 2 de octubre de 2012 a las 16:00 horas.

Tania Quispe Mansilla, agradece su gentil asistencia.

R.S.V.P.
219-5150 anexo 20024
programaoeaperu@sunat.gob.pe

Sheraton Lima Hotel
Av. Paseo de la República 170
Lima

Official Invitation

Finally, the Project has been asked to maintain its support during the program's operation to provide technical assistance since it is likely that further adjustments will need to be made before the program realizes tangible benefits.

Activity 3.5 International Transactions and Competition Issues

a. Dissemination of PTPA

The Ministry of Justice (MINJUS) formally requested assistance from the Project to update the System of Legal Information (SPII). SPII is the official internet-based source for legal norms and is widely used by practitioners and academics. The Project will thus deliver a report containing domestic regulation references directly related to the PTPA provisions and review the PTPA text incorporated in the MINJUS SPII System as compared to the official version. Its importance lays in the fact that trade agreement provisions are for the first time officially linked to domestic regulations in a very detailed manner, which will pave the way to integrate other trade agreement provisions as well. This task will be completed in October.

Partnership for Trade Facilitation: Advance Rulings

The USAID Partnership for Trade Facilitation allowed the Project to expand its work into the advance ruling system. This provision is established in the PTPA and has been

fully in force in Peru since February 2012. The system covers valuation, origin, quota compliances, and tariff classification. The Project considers this assistance as a strategic doorway to improve advance rulings, which are pillars of an efficient and modern customs service.

Customs expert Robert Holler, one of the main authors of the guideline of Advanced Rulings published by USAID within the framework of the TCBoost project and is familiar with Peruvian customs operations, has been contracted to produce a baseline and diagnostic on the system features to identify areas for improvement. He completed a field trip in mid-September and the final report is expected before the end of October. The expert held several meetings with the Customs Authority, MINCETUR, and companies to collect first-hand information regarding the use of this tool.

Component 4: Administrative Simplification

Activity 4.1 Promote Administrative Simplification

a. *Virtual diploma in administrative simplification*

The Project arranged a meeting with the Public Management Secretariat (PMS) to present a general overview of the diploma, identifying constraints and issues as well as solutions for future diplomas. The following were the main results of the present diploma:

| Administrative Simplification Diploma: Programmed vs. Executed | | |
|--|--------------------------|------------------------------|
| | Programmed | Executed |
| Support Platform | PMS | EDUCALINE's and PMS |
| Officials Registered | 3,150 | 3,400 |
| Groups | 4 blocks of 787 students | 4 blocks of 800 and 1 of 200 |
| Duration | 5 months | 7 months |
| Active Students (%) | 80% - 85% | 75% |
| Active Students | 2,520 – 2,678 | 2,550 |
| Nationwide Workshops | 10 | 10 |

Source: USAID | Facilitando Comercio

The following recommendations were made:

- ✓ Position the PMS platform as a virtual training tool
- ✓ Strong focus on dissemination efforts to ensure critical mass of students
- ✓ Establish a clear set of rules and evaluation methodology since the beginning of each diploma
- ✓ Establish guidelines for the preparation and presentation of assignments
- ✓ Monitor officials from institutions in order to assess whether administrative reforms were implemented or not after taking the diploma.

Currently the Project and PMS have already coordinated and approved the schedule and locations for the workshops to be held as the final activity of the diploma, which are scheduled for October and November. Below is a detailed picture of the location and dates:

| Location | Nº of Students | Students from: | Dates |
|-----------------|----------------|--|----------------|
| Chiclayo | 550 | Piura, Tumbes, Lambayeque, Cajamarca, Loreto, Amazonas, San Martín | October 18-19 |
| Huaraz | 370 | Ancash, La Libertad | October 25-26 |
| Ayacucho | 318 | Huancavelica, Ayacucho, Apurimac | November 2 |
| Arequipa | 303 | Arequipa, Tacna, Moquegua | November 9 |
| Lima | 663 | Lima, Ica, Callao, Junin, Pasco, Huanuco | November 15-16 |
| Cuzco | 346 | Cuzco, Puno, Ucayali, Madre de Dios | November 22-23 |
| Total | 2,550 | | |

Source: USAID | Facilitando Comercio

It is important to note that the Project surveyed those students who had not participated in the diploma despite being registered. The survey showed the following results:

| Reasons stated for leaving the Diploma (more than one answer per student) | Number | Percentage |
|---|------------|-------------|
| Needed to Attend other Concerns | 41 | 22% |
| Difficulties with Internet Connection | 49 | 27% |
| Platform Difficult to Use | 9 | 5% |
| Did not receive support from Administrator | 25 | 14% |
| Lack of support by Superior | 11 | 6% |
| Other | 48 | 26% |
| Total | 183 | 100% |

Source: USAID | Facilitando Comercio

b. Integration of the Costs Methodology to the Informatics Application

During content development for the Costs Methodology Guide the Project identified the need to incorporate a chapter on administrative simplification to complement the implementation of the Costing Methodology. The guide was therefore renamed, “Guide of Administrative Simplification and its Articulation with the Costing Methodology of Administrative Procedures and Exclusive Services”.

To date the guide has been adapted for each of the three levels of government—local, regional and national. Each particular edition has taken into account pedagogical recommendations to develop a user-friendly document that is easy to

understand, according to the needs of each institution, especially considering that the Costing Methodology is not a common topic of study.

The PMS proposed collaborating with the German Agency for International Cooperation, which had previously developed a guide before the Costing Application that had failed to be published. The Project proposed that they finance the cost of publication and nationwide distribution, which was accepted and will be undertaken in the coming months.

c. Redesign of INDECI's informatics application for Registering Inspectors

The Project provided its support to modernize INDECI's informatics application for registering inspectors, which is INDECI's main tool for managing the information of inspectors across the country. The aim of this activity was to incorporate new features to the application, update its content and improve data quality standards in order to manage an accurate record of inspectors.

As previously reported, this activity suffered a delay because INDECI's coordinator, the Chief of Technical Inspections, resigned. The new official took a while to become engaged in the activity.

On September 26th, a meeting was held at INDECI to present the application and verify its correct operation, and after a thorough evaluation it was accepted. It is important to note that this meeting prompted officials from INDECI to notice how useful this software was, since it was going to replace three systems used to obtain similar results. Currently, the application and all its new features have been installed on INDECI's servers and are already in use by its technicians.

Mantenimiento de inspector

Editar inspector:

Código: 0703849

Nombre: EDUARDO MANUEL

Apellidos: ABERCA PALOMINO

Domicilio:

Departamento: AYACUCHO

Provincia: HUAMANGA

Distrito: AYACUCHO

Teléfono:

Teléfono:

Celular:

Correo electrónico:

Observación:

Tipo Inspector: Básico

Estatus: ACTIVO

Estatus de la profesión:

Grupo: PROFESIONALES

Categoría: ARQUITECTOS, INGENIEROS Y AFINES

Subcategoría: INGENIERO QUÍMICO

No. colegio: 69578

Nota: 8.00

Fecha técnico-bachiller:

Fecha profesional:

Experiencia profesional:

Experiencia:

Fecha vencimiento: 23/05/2008

Auditoría:

Código:

Creado por: Jimmy Salgado

Creado el: 02/01/2012 08:01:00 p.m.

Modificado por:

Modificado el:

Detalle de resoluciones del inspector

| Nro. | Indicador RJ | Resolución Jefatural | Fecha RJ | Curso |
|------|--------------|----------------------|------------|-------|
| 01 | | 00152 | 23/05/2005 | CURSO |

Referencia de ámbito según resolución Jefatural

| Nro. Res. | Dirección regional | Departamento | Provincia | Distrito |
|-----------|--------------------|--------------|-----------|----------|
| 01 | | AYACUCHO | | |

Cancelar Grabar e Imprimir Guardar

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Sample of an Inspector's profile

Activity 4.2 Technical Assistance to Municipalities for Optimizing Operating License Procedures

During the present quarter technical assistance to municipalities continued. To date 30 municipalities of the second group have signed Commitment Acts and 27 of them have also passed the "Ordenanza" to formally incorporate the reform into Municipal Statutes.

Five municipalities have not yet signed the "Ordenanza", yet consultants have already performed all technical assistance activities and much of the reform has already been implemented. The following reasons set back the passing of the remaining "Ordenanzas":

| Municipality | Hold back |
|-------------------------|---|
| Chancay (Lima) | Although the Project has explained that this constitutes a bureaucratic barrier, the Municipality desires to incorporate into the "Ordenanza" a working-hours restraint. The Project is coordinating a meeting between an INDECOPI official and the Mayor to advise on the topic. |
| Santiago (Cuzco) | Despite requesting technical assistance to the Project, the Municipality of Santiago has not passed the "Ordenanza" because it disagrees on the new costs calculated with the official Costs Methodology. A meeting between the Mayor |

| | |
|----------------------------------|---|
| | and the Activity Coordinator will take place shortly. |
| Wanchaq (Cuzco) | Similar to Santiago |
| Cerro Colorado (Arequipa) | The Aldermen council is being postponed by various reasons. The Project awaits a new date. |
| Cajamarca (Cajamarca) | Because of social instability in the region the Project has put a hold on the assistance. Activities are expected to be resumed by the first week of October. |

Source: USAID | Facilitando Comercio

The Project presented USAID a group of 32 municipalities to be assisted during the third year. The selection was done taking into account economic and social indicators such as:

- ✓ Population
- ✓ Number of licenses granted
- ✓ Regional development
- ✓ Accomplishment of goals set by MEF's program of incentives

However, due to the need to prioritize the allocation of resources in coordination with USAID, a reduction was made to include 10 municipalities. The list of municipalities selected for the third year is:

| N° | Region | Province | Municipality |
|----|-------------|----------|------------------|
| 1 | | Ascope | Casa Grande |
| 2 | La Libertad | Trujillo | Moche |
| 3 | | | Laredo |
| 4 | Lambayeque | Chiclayo | Tuman |
| 5 | Lima | Barranca | Paramonga |
| 6 | | Huaura | Huaura |
| 7 | Ayacucho | Huamanga | Carmen Alto |
| 8 | | | S. Juan Bautista |
| 9 | Ica | Ica | Ica |
| 10 | | | Parcona |

Source: USAID | Facilitando Comercio

The first "Ordenanza" of these municipalities has been approved in Laredo – Trujillo.

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

Accordingly, on July 31, 2012 a Supreme Decree (No. 134-2012-EF), was published for authorizing the transference of resources to a list of local governments that have met a certain number of goals set in 2011. In this context, all of the 20 municipalities

assisted in FY 2011 and the first 11 municipalities of FY 2012 (the assessment was up to December 31, 2011) received the economic incentive.

In total, 31 municipalities received S/.21 million, which represents an average of US\$ 260,000 per municipality. It is important to mention that the amount assigned varies by each municipality as there is no specification of how much is earned from fulfilling each particular goal but rather from the total number of goals accomplished during the year. Therefore, it is not possible to perform an accurate calculation of how much each municipality received specifically for abiding by the Operating License Framework Law, though it is clear that it has a positive impact on the amount received by each municipality.

Activity 4.4 Optimize Business Constitution Procedure

In order to simplify its business constitution procedures, SUNARP requested Project technical support to implement the digital signature on its business constitution platform. The Project accepted the request and planned a two-step intervention: first, to develop a diagnostic and a legal-technical-informatics proposal, and second, to implement the digital signature accordingly. This intervention will enable the electronic registration of applications and the generation of application files by the Registration officer in SUNARP's platform.

It is important to note that the National Competitiveness Council is also actively participating in the reform as it has set as a 2012-2013 Competitiveness Agenda's goal to incorporate digital signatures into the business constitution procedure.

Currently, the diagnostic has been completed and a roadmap identified to simplify the procedure and requirements such as software, equipment and the implementation team. The Project has incorporated into the proposal the implementation of a Digital Intermediation System, which will allow Notaries to use standardized templates for the procedure.

The implementation stage is currently underway. The Project expects to reduce the number of steps by more than 50 percent, from 15 to seven steps and thereby decreasing the time of the procedure by 80 percent, from five days to one day.

Component 5: Medicines

A new Director of the Directorate of Medicines, Supplies and Drugs has been appointed and therefore, some activities have been postponed. Despite this, the Project managed to identify some training needs for the Directorate of Control and Sanitary Surveillance and is currently coordinating with FDA to provide some of their expertise to DIGEMID officials.

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

The Project will cooperate with the Directorate of Access and Use of Medicines to organize an international technical meeting where officers from the directorate will learn about best practices in the rational use of medicines as well as clinical essays, pharmacoeconomics, critical reading of published pharmacoeconomic studies, etc.

The technical meeting will be held in November and the Project will finance the trips of three Spanish professionals that will be in charge of the trainings.

The Project will also develop handbooks for the Directorate of Sanitary Authorizations and the Directorate of Control and Surveillance (inspection of drugstores and laboratories) in order to train new officers throughout the country and to harmonize criteria in each regional directorate.

Component 6: Telecommunications

Activity 6.1 Analyze International Best Practices on Telecommunications Regulations

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

V. Technical Implementation - Regional Component

Bolivia

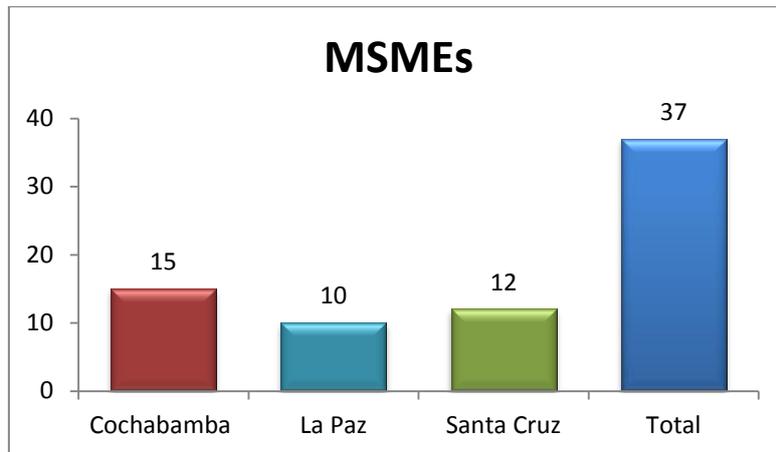
Component 2: Intellectual Property

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

Through this activity, the Project supports FUNDES in developing a new service to promote the use of IP as a competitive tool by MSMEs. This activity supports enterprises in obtaining legal protection for their products, logos, and names, which in turn provides as an additional advantage the ability to export, since many wish to do so.

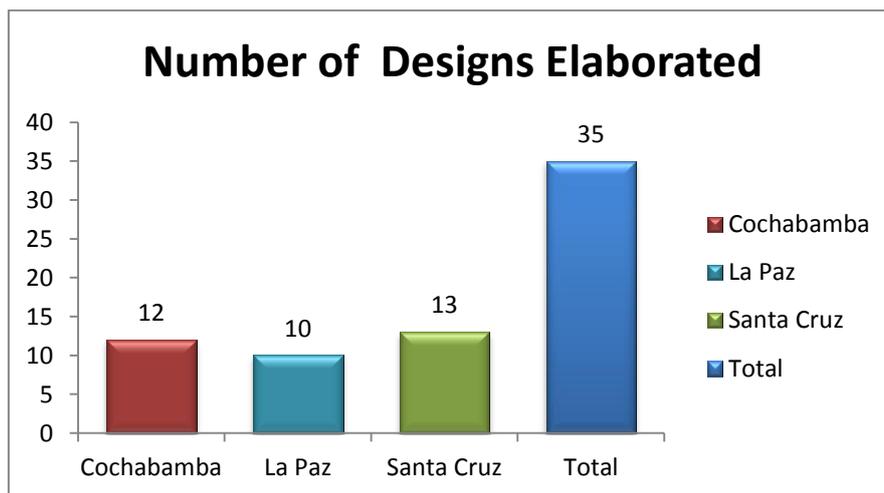
The objective is the promotion of the use of intellectual property to increase the competitiveness of Bolivian MSMEs. Initially, the list of beneficiary companies was of

30 companies in the cities of La Paz, Cochabamba, El Alto and Santa Cruz, however this number has increased during the last three months to 37.



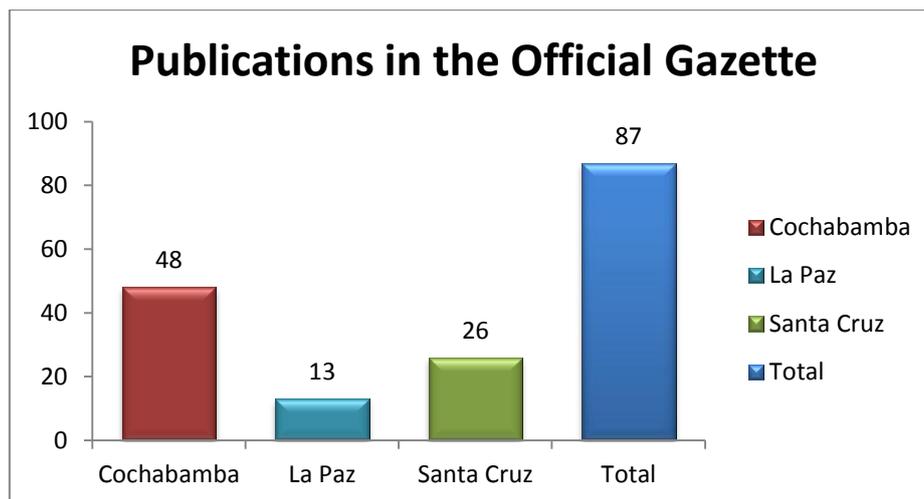
Source: USAID | Facilitando Comercio

The designs elaborated under the activity such as trademarks and slogans are 35. This number could increase.



Source: USAID | Facilitando Comercio

It is important to state that registering distinctive signs in Bolivia can take approximately eight months. Currently 87 registrations have been published in the Official Gazette:



Source: USAID | Facilitando Comercio

With respect to the IP Manual, the Project is analyzing proposal prices from companies for its publication.

Component 3: Trade Facilitation

Activity 3.1: Certification of products and processes

This activity will support MSMEs in obtaining certifications such as: ISO 9001, NB12009, HACCP, and FCC, among others, by financing up to 50 percent of the respective certification costs. The activity's implementation partner is the National Chamber of Industries (NCI) through its departmental offices throughout the country.

An initial list of enterprises from La Paz and El Alto were presented, including a preliminary list of 70 companies; but, after a thorough evaluation, only four of them were found ready for certification. The NCI is currently evaluating a group of companies in Santa Cruz to take part in the activity.

During this period, the Project decided to expand this activity to the certification of companies for ISO 22000. This stage will take place jointly with FUNDES. There is a list of 15 companies interested in the Project; 14 of them have already received approval from USAID | Bolivia.

Activity 3.2: Promote best BioTrade practices

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

The activities began once the list of companies was validated by USAID | Facilitando Comercio and USAID | Bolivia. The implementation of phase III started and currently the UEBT is coordinating the training of auditors. Trainings will be held in October.

Some of the enterprises that were originally committed to become members of the UEBT have declined to continue with the activity mainly because of financial constraints. In that regard, the Project and FAN have contacted Chambers of Exporters and Industries in major cities to search for companies interested in the membership.

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 Trade Facilitation) that includes the following activities:

- Development of a study on trade facilitation procedures.
- Trainings on packaging, labeling and marking.
- HACCP, Organic and CSR guidelines.

A specialist in packaging was hired and will train CADEXCO's Support Centre staff in packaging, labeling and marking so that they can provide optimal service to companies aiming to supply the international market.

In addition, the specialist will provide individualized technical assistance for a group of 15 selected companies, who desire to strengthen their capacities in export management. Finally, the specialist will also develop a guide on packaging, labeling and marking in order to support the work of officials and CADEXCO MSMEs wishing to export.

Terms of reference for the HACCP guides are in the last phase of revision by the Chamber of Exporters of Cochabamba.

Colombia

Component 2: Intellectual Property

Activity 2.11 Implementation of IP Treaties

USAID | Facilitando Comercio has been assisting SIC with the implementation of two IP treaties, which are CTPA commitments and have been prioritized by SIC. The Project has been working on examiner manuals for the Madrid Protocol and the Patent Cooperation Treaty (PCT). Both manuals are being developed in English with a focus on international best practices. SIC is then incorporating the relevant Colombian and Andean laws into the manuals and will then be translating them into Spanish.

The PCT manual was completed by the Project in September 2012. It is anticipated that SIC will finish with its incorporations by October 2012, and the Madrid Protocol manual should be ready for SIC's integrations in October.

It is important to note that the Madrid Protocol went into effect in Colombia in late August 2012. Colombia is the third Spanish-speaking country to implement the treaty, after Spain and Cuba. The expertise gained on the treaty and the use of the manual

developed by the Project should position Colombia's IP office to lead in the transfer of knowledge in the region for the new filing procedure related to trademarks.

Activity 2.121 Evaluate the effectiveness of judges' training

In September 2011 USAID | Facilitando Comercio, in partnership with the Rodrigo Lara Bonilla Judges School, concluded a series of trainings for judges in 16 cities of Colombia on IPR. In July 2012, the Project conducted an initial survey of the 410 judges that had participated in the training, to evaluate the number and type of IP cases being seen by these judges and to evaluate the effectiveness of the Project's training. Despite several attempts made to reach the majority of the judges who participated, the Project only received a response from 8 percent of the total group (31 judges). From that group, the following information was gathered:

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

USAID | Facilitando Comercio will evaluate whether further monitoring and evaluation of the judges that have had IP cases is beneficial for the design of any future trainings directed at judges.

Activity 2.122 Train public prosecutors on IP enforcement

The Project has held ongoing meetings with the public prosecutor's school to develop training material that would give district lawyers the fundamentals of IPR and the legal elements needed to prosecute a case. The training material developed is currently undergoing revisions to incorporate judicial guidelines for copyright infringement based on jurisprudence and case studies. Once the material is finalized, USAID | Facilitando Comercio will work with a selected group of prosecutors to implement a training of trainers program.

2.124 Develop enforcement tool and train DIAN on Border Measures

The IPR chapter of the CTPA commits Colombia to improving enforcement at the borders to prevent counterfeit goods from entering the country. This responsibility falls under the direction of Colombia's National Tax and Customs Agency (DIAN) with customs inspectors being at the forefront of enforcement. During the reporting period, USAID | Facilitando Comercio held initial meetings with DIAN's foreign trade division, risk management division, and visited the ports of Buenaventura, Cartagena, and the airport of Bogota to observe the inspection process for imports. These meetings

revealed a lack of inspector training, showing a need for an improved risk management system that profiles exporters and importers, and a need for basic guidelines for identifying counterfeit goods.



DIAN Inspector at the Port of Cartagena inspecting a container of tires.

USAID | Facilitando will share the findings of their port visits and report on inspector deficiencies in October 2012. The Project anticipates incorporating border measures into the inspector training program being developed for DIAN as part of the initiative to improve clearance times under the Project's Trade Facilitation Component.

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

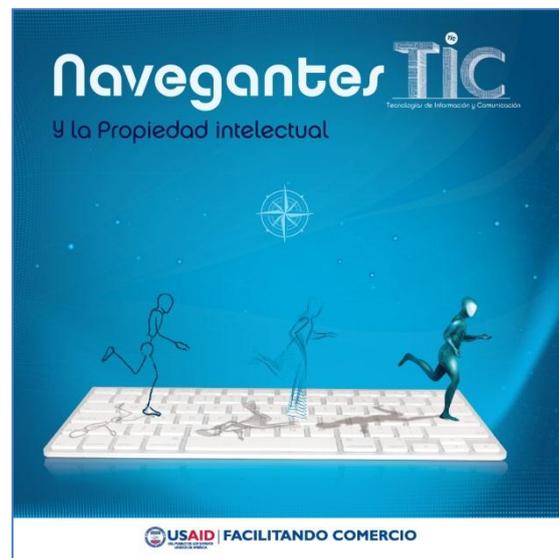
One of SIC's organizational goals is to promote the use of industrial property amongst the private sector through a country-wide initiative. SIC and Confecamaras entered into an agreement, whereby, the chamber of commerce business attention centers (Centros de Atención Empresarial, CAEs) would provide general guidance to businesses and entrepreneurs on the IP registration process, particularly trademarks and commercial names, through knowledge gained from trainings on IP. To help carry this out, USAID | Facilitando Comercio assisted SIC develop the training material for the CAEs and is providing the training to the chambers of commerce. In September, trainings were held in Cartagena, Ibaguè and Cucuta. The printing of the manual is expected in early October and will be disseminated to all the CAEs participating in the program.



IP Guide developed for the Chambers of Commerce

Activity 2.22: Foster respect for intellectual property in schools

USAID | Facilitando Comercio is working to increase IPR awareness among school age students through workshops using an educational, age-appropriate handbook focused on information and communication technology and copyrights. The contents of the manual were finalized with the inputs of teachers and organizations, such as BiblioRed, Colombia’s network of public libraries, Colombia’s Antipiracy Campaign, Bogota’s Secretary of Education, and the National Copyrights Office. Workshops initiated in late September with schools in the Cundinamarca District.



Navigating Information and Communication Technology and Intellectual Property Guide

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

The number of IP applications received by SIC over the last few years surpassed their internal capacity to review potential registrations in a timely manner, creating significant backlogs. In 2010 it was taking 70 months to issue a patent registration and 20 months to issue a trademark. To assist the IP office in eliminating those backlogs,

USAID | Facilitando Comercio contracted temporary examiners to review applications in the distinctive signs and new inventions unit, while at the same time, SIC worked to increase personnel.

The Project has helped SIC reduce the backlogs as seen in the following table. It now takes SIC an average of 55 months (4.5 years) to issue a patent registration and five months to issue trademarks.

SIC Backlog Elimination

| Type of Application | | Total Number of Applications resolved to date | Current Status |
|--------------------------|------------------------|---|---|
| Trademarks | Oppositions | 1,000 | 65% of backlog eliminated; SIC only has 2012 oppositions to resolve |
| | Reconsiderations | 230 | 100% of backlog eliminated |
| | Cancelations | 146 | 100% of backlog eliminated |
| | Appeals | 54 | A backlog of 800 appeals remains |
| Patents & Utility Models | Pharmaceutical | 238 | 44% of backlog eliminated |
| | Mechanical Engineering | 143 | 26% of backlog eliminated |

Source: USAID | Facilitando Comercio

Component 3: Trade Facilitation

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

Article 5.2 of the CTPA requires Colombia to release cargo goods from customs within 48 hours. Current baseline data gathered at the Port of Buenaventura, where about 65 percent of imports are received, reveals an average of nine days, for goods to be released. The activities below work to address the need to reduce clearance times.

3.111 Conduct TCBaseline diagnostic and related assessments

The Project presented the TCBaseline findings to the new DIAN Custom Director and deputy directors in September 2012, which resulted in DIAN expressing an increased interest in exploring recommendations further. DIAN would like to explore the possibility of doing time-release studies in Colombia’s other major ports, with the objective of comparing practices and determining what effective processes can be incorporated across all ports. This request is currently being explored by the Project.

Included in the TCBaseline recommendations, was the need to modify the current customs code with the following:

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

These two recommendations were included in the draft customs code that was made public for comment in late September.

Activity 3.112: Train DIAN examiners

The TCBaseline assessment revealed a lack of proper training for DIAN's cargo examiners and an inadequate understanding of tariff nomenclature and the GATT agreement on customs valuation. As a result, the inspectors' rulings are often arbitrary, inconsistent and have a negative impact on time release.

The assessment recommended training for all examining officers stationed at Buenaventura using DIAN's training school's e-learning platform and an on-the-job field training based on the U.S. Customs and Border Patrol (CBP) methodology. Meetings were held with DIAN's foreign trade division and the training school to explore training possibilities and it was discovered that very few inspectors from Buenaventura had received formal training in 2011. As a result, DIAN requested assistance in developing a comprehensive training program that could be used to train all of DIAN's inspectors.

USAID | Facilitando Comercio is currently working with a former CBP inspector who also has experience working in the CBP academy to design a training program for DIAN. The first step was to identify the examination processes at the port of Cartagena, Buenaventura and airport of Cartagena to determine if there were standardized practices in place and evaluate the type of training being received at the individual ports. This field assessment was conducted in mid-September and initial findings include ad hoc on-the-job training, inconsistent inspection practices across all three ports, and a severely weak risk management system.

In the following months, USAID | Facilitando Comercio will begin the design of the training program, with an emphasis on the inspection of imports, and will then pilot it with 70 examiners.



DIAN inspecting a container of chemicals arriving from the US.

Activity 3.12: 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 Bogota's airport, where the majority of express deliveries are received. Under Article 5.7 of the CTPA, a separate and expedited customs procedure is required for express shipments with the objective of clearing customs within six hours after submission of the necessary documents. The Project's diagnostic revealed clearance times between 19 and 75 hours and the scanning of all express shipments passing through DIAN's warehouse.

Based on the diagnostic, USAID | Facilitando Comercio is in the process of initiating a technical assistance plan that includes process reengineering and adjustments to DIAN's IT systems. The Project also put forward recommendations for regulatory changes to the custom code so that Colombia could comply with Article 5.7 of the CTPA. The customs code that was released for public comment in September included the Project's recommendation to separate express deliveries from the national postal service with an established de minimis threshold.

Activity 3.13: Train DIAN on Origin Verification

The CTPA allows for the importer, exporter, or producer to certify the origin of its good, rather than having a government entity certify it. Therefore, Colombia will no longer have a government agency issuing certifications, but rather will only verify rules of origin (ROO) when imported goods are called into question. In early 2012, DIAN established a new unit in charge of verifications, which resulted in responsibilities that require new technical skills. To address this need, USAID | Facilitando Comercio has spent the reporting period developing a training plan with DIAN that includes two components: application of rules of origin and origin verification. The training will be divided in two different modules, basic and advanced, to meet the needs of the different officials, and will begin in October 2012.

Activity 3.14: Promote the implementation of Advance Rulings

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

To begin preparing DIAN for the implementation of this trade facilitation tool, USAID | Facilitando Comercio worked closely with DIAN for one week in September reviewing international best practices and addressing implementation concerns of both DIAN and the private sector. The Project also advised DIAN on the implications advance rulings have on the new customs code being drafted.

Activity 1.5 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 those manuals to develop guides for Colombia's agribusiness and textiles sectors. In collaboration with Proexport, the Project initiated field visits to agribusiness plants in Bogota, Barranquilla, Cali and Medellin to begin collecting specific examples of goods being produced in Colombia that could benefit from preferential treatment. With the specific examples that were collected during the field work, USAID | Facilitando Comercio and Proexport will hold ROO seminars for agribusiness companies in Medellin, Barranquilla, Cali and Bogota starting in late September.

Ecuador

In order to continue promoting best practices among Cacao Arriba and CCN51 farmers, the Project is providing its cooperation for the following:

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

To achieve this, the Project has hired two consultants to develop the above-mentioned activities, one from Ecuador and one from Peru who are currently working on them.

In addition, the Project is providing its cooperation to the IEPI by having a representative of the Peruvian Appellation of Origin *Pisco* as a speaker in the international event called "*Ecuador and its origin products: implementing intellectual*

property as a tool for development " organized by them in Guayaquil. The European Union, Mexico, Honduras, etc. are also presenting speakers representing some of their most important appellation of origin. This will be a big opportunity for Ecuador to show other countries what they have done regarding this subject and to learn from foreign successful experiences which are the best practices to apply them over their own appellations of origin, namely Cacao Arriba and Sombreros Montecristi (Panama hats).

VI. Communications

USAID | Facilitando Comercio has continued working towards sharing knowledge about its activities and benefits with stakeholders, always bearing in mind the importance of maintaining a high corporate image and fluent inter-institutional relations as key to successfully positioning the Project.

The most common dissemination mechanisms used by the Project, such as a dynamic and attractive webpage complemented by a bimonthly bulletin of activities, have increased the number of persons and institutions that are aware of its activities. This is acknowledged by the increasing amount of communications received through both means requesting further information about components or specific activities, such as the labor conciliation trainings or the operating license simplification. Likewise, the Project has also identified an increasing amount of news that is directly related to the Project, such as the National Inventions Contest, the Operating License reform, Anticipated Dispatch and labor conciliation topics.

During this quarter, the Project increased its nationwide dissemination efforts as Project activities expanded to regions. In each particular activity the Project contributed to organizing dissemination activities, providing information according to the reality and needs of the targeted public, and engaging key partners and local media to broaden its range and increase its effectiveness. ([Summary of Publications](#))

The following are the highlighted activities of the period:

- **Launching of the XI National Inventions Contest:** The Project supported the organization, production and execution of the first phase of the 2012 Contest. The Project provided a graphic line design, banners, manuals, guides, webpage, and Facebook profile, among others. In addition, USAID | Facilitando Comercio participated in the organization of the launching press conference, enabling a broader nationwide dissemination. The Project will carry on providing support for the two remaining phases: Exposition of Inventions and Award Ceremony.





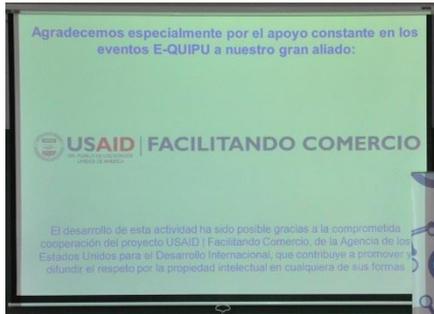
- Update of the Project's webpage and development of Bimonthly Bulletin:** Both products are under constant improvement by updating news, publications, photographs and videos. With respect to the webpage, during the last two months it has received 3,129 visits, which represent approximately 52 visitors per day. 85 percent of them are from Peruvian visitors, 4 percent of Colombian, and 11 percent of other countries. Similarly, 39 percent of the visits focused on the Virtual Diploma on Administrative Simplification, 26 percent on the Project's main page and 15 percent on Publications.

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Screenshot of www.facilitandocomercio.com

- Forums, workshops and trainings:** The Project participated in the coordination, organization, and/or dissemination of various activities, such as (i) forums concerning the defense of intellectual property, workshop for educators within the "Cuento a tu Encuentro" initiative, and others conducted in universities, schools and the [Judiciary](#), (ii) participation in the organization of workshops for the Ministry of Labor, (iii) workshops and analysis on invention, innovation records, processes, etc., among others.





- Baseline on the perception of journalists about Intellectual Property:** The study to appraise the perception of intellectual property by the media was concluded. It will help Indecopi to identify important issues on the matter and elaborate a sound dissemination plan for this purpose.



- Nationwide Courses on Public and Customs Law:** The Project coordinated consultants' appearance in local media (newspapers, radio and television) in order to disseminate the activity and ensure necessary participation by local entrepreneurs. In addition, the Project ensured the distribution of leaflets and other material with the Project's overview and also provided banners to be placed in each auditorium.



Fiscal Superior que en el caso de

USAID Dará curso gratuito

Se tramitarán vía electrónica solicitudes para obtener donaciones de Aduanas y el ingreso de equipos

El Cusco contará a partir del próximo mes con la ventajosa oficina de Comercio Exterior (VUCE), que evitará los burocráticos viajes a la o cualquier tipo de cobros.

La norma, mediante el presente, permite la tramitación electrónica de las solicitudes de licencia a través de la Ventanilla Única (VUCE), que en dicho sentido, una herramienta para lograr la agilización de los trámites que se realizan, principalmente en municipalidades rurales o distritos cuando resulta la obtención de alguna donación.

Por ello, el proyecto USAID desarrollará los cursos de capacitación de Derecho Administrativo y

Los cursos en referencia son gratuitos en el nivel de proporción que realiza USAID del Pueblo de los Estados Unidos de América, los días 12 y 13 de julio en el auditorio del Hotel San Agustín, el Dorado y el auditorio del Hotel San Agustín, Interoceánico de la calle Mariscal.

Según la convocatoria que realiza la organización internacional podrá participar el público interesado, pero no debe haberse realizado los trámites públicos que están ligados a este asunto, ya que a partir de la fecha se iniciará el cobro.

El presidente regional ha sido invitado para inaugurar los cursos y luego los especialistas de USAID presentarán los nuevos diseños que se le norma para uso fr.

Los trámites fijados por la norma, Ley de los empresarios también por empresarios innovadores en el sector exportador y exportadores, quienes serán los más beneficiados con la aplicación de sus respectivos trámites.

Debe señalar que, para la ejecución de este evento han sido invitados representantes del ministerio de Comercio Exterior y Turismo, la Superintendencia Nacional de Aduanas y Administración Tributaria, Prom. Perú, Perú Cámara, la Cámara de Comercio del Cusco y la dirección regional de Comercio Exterior y Turismo.

MEF desbloqueó cuentas de la