

SESSION 4: EXPERIENCES ON ENHANCING CUSTOMS CROSS-BORDER COOPERATION

**FINDINGS AND REFLECTIONS FROM THE LATIN AMERICAN
PREPARATORY MEETING FOR THE COMPREHENSIVE MIDTERM
REVIEW OF THE VIENNA PROGRAMME OF ACTION FOR THE
DECADE 2014-2024**

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Preparatory midterm review meeting of the Vienna Programme of Action for Latin American countries

Meeting held on June 11 and 12, 2019 at UN-ECLAC headquarters in Santiago, Chile

- Report was drafted to outline progress made on each VPoA priority in the first five years of implementation (2014-2019) in the Plurinational State of Bolivia and the Republic of Paraguay
- Meeting sessions were held on each priority area, which allowed:
 - the review of the implementation of the VPoA in Latin America,
 - the identification and sharing of best practices to accelerate implementation
 - the formulations of action-oriented recommendations to overcome the special problems of LLDCs
 - The formation of substantive inputs that will feed into deliberations at the comprehensive high-level midterm review of the VPoA to be held in New York in December 2019.

Examples of progress observed on cross border trade

Time needed to achieve border and documentary compliance for exports

Indicator	Bolivia		Paraguay		LAC	OECD
	2015	2018	2015	2018	2018	2018
Documentary compliance (hours)	192	144	72	24	52.5	2.4
Border compliance (hours)	216	48	144	120	61.9	12.5

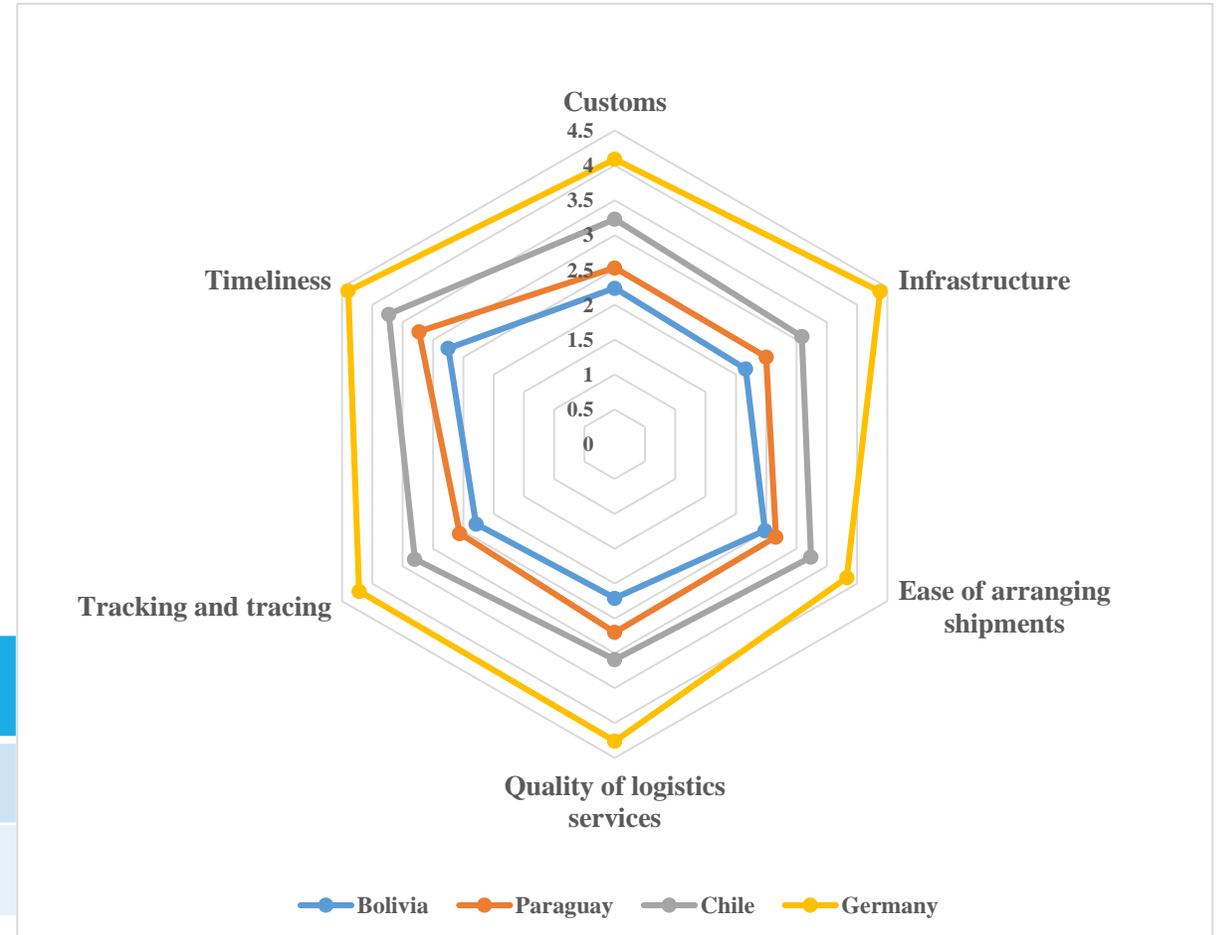
Source: Doing Business Report 2016 and 2019

Evolution of export inefficiencies

	Soybeans by road and inland water transport on the PPW			Soybeans by road through Arica		
	2012	2016	Diff.	2012	2016	Diff.
Bolivia	672	312	360	732	366	366

Source: Elaborated by the authors on the basis of Pérez-Salas, Sánchez and Wilmsmeier (2014) and Suárez, D. (2018)

Rating of Logistics Performance Index (LPI) components by country



Source: LPI 2018, World Bank

Drivers of progress for cross border trade

- Adoption of the WTO Trade Facilitation Agreement
- Role of regional integration and agreements (ALADI, MERCOSUR, CAN...) and other bilateral agreements
- Movement towards electronic exchange systems and paperless trade

WTO Trade Facilitation Agreement

Country	Date of Ratification	Implementation to date	Category A	Category B	Category C
Bolivia, Plurinational State of	January 2018	73.5 %	73.5 %	13.9 %	12.6 %
Paraguay	March 2016	68.5 %	52.5 %	19.3 %	28.2 %
Argentina	January 2018	97.5 %	<p>Paraguay has created a National Trade Facilitation Committee</p> <p>Bolivia in the process of establishing a Supreme Decree to create a National Trade Facilitation Committee</p>		
Brazil	March 2016	95.8 %			
Chile	November 2016	100 %			
Peru	July 2016	87 %			
Uruguay	August 2016	97.1 %			

TFA Article 8 – Border Agency Cooperation

1. Each Member shall ensure that its authorities and agencies responsible for border controls and procedures dealing with the importation, exportation, and transit of goods cooperate with one another and coordinate their activities in order to facilitate trade.
2. Each Member shall, to the extent possible and practicable, cooperate on mutually agreed terms with other Members with whom it shares a common border with a view to coordinating procedures at border crossings to facilitate cross-border trade. Such cooperation and coordination may include:
 - (a) alignment of working days and hours;
 - (b) alignment of procedures and formalities;
 - (c) development and sharing of common facilities;
 - (d) joint controls;
 - (e) establishment of one stop border post control.

Leveraging regional agreements - part 1

ALADI – Latin American Integration Association

(Members: Argentina, **Bolivia**, Brazil, Chile, Colombia, Cuba, Ecuador, Mexico, **Paraguay**, Peru, Uruguay, Venezuela)

- Simplify and harmonize customs procedures in accordance with WTO Bali Agreement on Trade Facilitation, and instruments of the WCO.
- Agreement on International Road Transport (ATIT): legal framework that regulates road and rail transport throughout member countries through the use of a unified form: International Cargo Manifest / Customs Transit Declaration (ICM/CTD)

Leveraging regional agreements - part 2

MERCOSUR – Southern Common Market

Full members: Argentina, Brazil, **Paraguay** and Uruguay.

Associated countries: **Bolivia**, Chile, Colombia, Ecuador, Guyana, Peru, Suriname. Full member Venezuela suspended as of 12.2016.

- Two tools have been developed to promote electronic exchange of customs information: INDIRA (Information Exchange of Customs Records) and SINTIA (International Customs Transit Computerized System), the latter developed by Paraguay, and for registration of ICM/CTDs.
- Integrated Control Areas (ICA) – bring together officials of both jurisdictions to jointly carry out activities through unified service hours and simplified administrative procedures and operational practices. Through Protocol 22 of the Economic Complementation Agreement for Trade Facilitation, these ICAs also exist between Mercosur State Parties and Bolivia.

Leveraging regional agreements - part 3

CAN - The Andean Community

Full members: **Bolivia**, Colombia, Ecuador Peru

Associated Countries: Argentina, Brazil, Chile, **Paraguay** and Uruguay

- TFA is used as frame of reference for trade facilitation matters
- The Single Customs Document (DUA)
- Community Customs Transit enables merchandise to travel between member countries by crossing one or more borders under the same operation and lifts applicable tariffs
- Binational Border Service Centers (CEBAF) - 1 operational between Bolivia and Peru with a second in process of development

Additional Border Agency Cooperation Agreements

Other Bilateral Agreements:

- Paraguay – Brazil: Overnight customs clearance at Ciudad del Este – Foz de Iguazu border crossing. Replicating this arrangements at other main border crossings is under consideration.
- Bolivia- Uruguay: Operational Agreement between the Administration of Port Services Bolivia and National Ports Administration of Uruguay to enable presence of ASP-B officials on Uruguayan soil to fortify information exchange and ensure preferential treatment of Bolivian goods.

Bolivia and Paraguay also participate in the WCO's Customs Cooperation Council which cooperates with the WTO in several spheres including the Information Technology Agreement (ITA). With the support of the WCO, the Authorized Economic Operator (AEO) programme has also been launched in both countries.

Moving towards integrated electronic information exchange

Bolivia

- Currently in use: Automated System for Customs Data (ASYCUDA)).
- Upgrade of information system in process - Customs Modernization System (SUMA) (planned conclusion end of 2019) .

Paraguay

- Currently in use: Fiscal Organization of Customs Levies (SOFIA) and Exporter's Single Window (VUE) - Both systems are integrated with one another.
- It is also implementing an Electronic Seal Monitoring System that monitors the real time location of goods through international transit operations.

Paperless cross-border trade helps accelerate and streamline processes, yet currently systems are numerous, overlapping and in need of greater integration. Reviewing, assessing, and if necessary, modifying the regulatory frameworks to promote transparency, the mutual respect of existing transit regulations and treaties, and the digitalization of processes would ensure a more expeditious transit of goods.

According to the TFA database the most highly requested type of assistance in Latin America relate to ICTs, legal and regulatory frameworks, human resources and capacity building, needs assessments, institutional processes, infrastructure and equipment. Most frequent Category C measures notified by Latin American countries are: testing procedures, single window, authorized operators, monitoring or expanded inspections notifications, formalities, average terms of release, and information services, among others.



THANK YOU

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