Knowledge beyond borders

The Inter-American Development Bank (IDB) has established an Integration and Trade Capacity Building Programme as part of the implementation of its integration strategy to provide specific technical know-how to both public and private entities that introduce and pursue reforms to support integration through the implementation of trade agreements, trade facilitation and trade security, export promotion, and attraction of investment and integration infrastructure. The Programme offers content on e-learning, communities of practice, and face-to-face courses to acquire and enhance knowledge.

Eduardo Escobar regularly crosses the El Amatillo border between El Salvador and Honduras with his load of containers. Over 200 transporters make the same journey every day, after more than a five-hour wait to carry out all of the procedures, in the suffocating heat and humidity, which also affect their cargo. However, the waiting time for Eduardo and other transporters is being dramatically reduced thanks to the new International Goods Transit (TIM) system, which will enable Eduardo to fit in more journeys per week, thus increasing his family’s income, while considerably reducing his fuel expenses, the emissions from his lorry and cargo losses due to high temperatures and humidity. Another Central American transporter, Roberto Álvarez, does not even get out of his lorry in El Amatillo. He waits only 7-8 minutes and then continues on his journey, thanks to the TIM system that Mesoamerican countries have begun to introduce at border crossings with IDB support.

To make such a drastic change possible, the customs authorities in Mesoamerican countries first had to reach an agreement on adopting the TIM system, and cooperate to ensure that the sophisticated paperless transit system worked. Then, they had to obtain funding to purchase IT equipment, redesign the processes and adapt the checkpoint. Lastly, they had to ensure that the employees of the customs authorities and other trade entities knew how to operate the system and that the transport enterprises knew how to use it, by means of the specialized training offered by the IDB.

However, such delays do not only occur at border crossings. Before moving goods from one country to another, it is necessary to complete various procedures, which have high administrative costs for public entities and enterprises. As with the waiting time at border crossings, these costs can be reduced, thanks to the Single Window for Foreign Trade (VUCE) that many countries in the region are introducing, with the support of the IDB.
The VUCE has been in operation in Chile since 2013 and is expected to reduce processing costs by 50%. Given more than 1.4 million commercial transactions per year, the savings will be considerable. Enterprises such as AGROSUPER, which exports 800 containers of chicken per month, will be able to significantly reduce their costs if they use the VUCE online, instead of carrying out 19 public service procedures and using "seven or eight papers that cost a lot of money in terms of staff, time and errors", according to operations manager Claudio Rioseco. Despite its current state of stagnation, international trade has increased not only in volume in recent decades, but also in complexity, as goods are increasingly being produced in synchronized factories in different countries, which require expeditious and safe trade procedures. These growing requirements of international trade and the need to modernize processes in order to meet these requirements represent a significant challenge for countries in the region: large-scale training of public officials and private users in order for them to adapt and benefit from the new opportunities provided by international trade.

In 2012, the IDB established an Integration and Trade Capacity Building Programme as part of the implementation of its integration strategy to provide specific technical know-how to staff of public and private entities that introduce and pursue reforms to support integration through the implementation of trade agreements, trade facilitation and trade security, export promotion, and attraction of investment and integration infrastructure. The Programme offers content for the "acquisition and strengthening of knowledge", as explained Julia Aceves from the Mexican Tax Administration Service.

At the end of 2014, the IDB had provided over 100 courses to more than 3,000 specialists from public and private foreign trade entities. Eighty-five per cent of participants, over half of them women, successfully completed their courses.

In order to obtain a certificate, the participants spend 15 hours a week reading, completing exercises, participating in forums and sitting exams under the supervision and with the support of specialists on the subject, participant coordinators and the course director. Through the Inter-American Institute for Economic and Social Development (INDES), the Programme has certified over 100 experts in international trade as tutors, who teach the different course modules.

In Peru, for example, "the IDB trained 100% of VUCE officials, which helped save US$70 per transaction, representing an accumulated saving of US$11 million" in 2014, according to Abel Chaupis, the VUCE Coordinator at the Peruvian Ministry of Foreign Trade and Tourism. Through the TIM course, the IDB will have trained more than 100 implementers of the system in Mesoamerica, and offers training to users through the latest generation of Massive Open Online Courses (MOOCs), which are available for transporters like Eduardo Escobar.

In addition to virtual tutorials and face-to-face courses, the IDB offers MOOCs on the platform www.connectamericas.com, for users from the private sector, especially for small and medium-sized enterprises, and in 2015, on edX, a consortium of universities led by Berkeley, Harvard, MIT and the University of Texas. Furthermore, communities of practice are being established to continue supporting implementers, so as to enable them to share their knowledge and experience when applying the course topics. "The extensive use of a virtual environment has been something new for the participants from these entities", explained Jeovanny Feliz, the director of the Programme for Authorized Economic Operators in the Customs of the Dominican Republic.

Thanks to this wide range of courses and communities of practice to serve our customers, the IDB has been able to set up an association with multilateral bodies such as the International Trade Centre, the World Customs Organization, the World Trade Organization, subregional institutions in Latin America and the Caribbean, and education partners of the IDB, such as INDES and the Institute for the Integration of Latin America and the Caribbean (INTAL). This Programme has also attracted donors from the Regional Infrastructure Integration Fund (RIIF) and the Aid for Trade Fund, whose resources make it possible to train the public and private sectors so that they can benefit from regional and international integration.
Q4: Please add here web links to project/programme materials

Interview with Eduardo Escobar: https://www.youtube.com/watch?v=7oxpjtw01aQ

Video on the TIM system: https://www.youtube.com/watch?v=7oxpjtw01aQ

Video on the Single Window for Foreign Trade (VUCE): https://www.youtube.com/watch?v=vOhcpO7RN7yU

Publication by the IDB on synchronized factories: http://www.fabricas-sincronizadas.com


List of courses available under the Integration and Trade Capacity Building Programme: http://www.iadb.org/es/indes/cursos-integracion-y-comercio,7785.html

Interview with Julia Aceves: http://www.youtube.com/watch?v=9oZ95ZnkWrU

EdX portal: https://www.edx.org


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Q5: YOUR CONTACT DETAILS

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Ministry/Institution/Organization: Inter-American Development Bank
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Email address: jtres@iad.org

Q6: FUNCTION

Other (please specify): Multilateral organization

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Q7: FUNDING PARTNER

(Tick the appropriate box(es))

Bilateral donor, Multilateral organization, South-South partner

Q8: Additional information:

The Integration and Trade Capacity Building Programme was made possible through the collaboration of multilateral bodies such as the International Trade Centre, the World Customs Organization, other subregional institutions in Latin America and the Caribbean and education partners of the IDB, such as INDES and INTAL. The Programme receives funding from donors from the RIIF (Canada, Colombia, Mexico, Spain and the United States) and the Aid for Trade Fund (Canada, Chile, Switzerland and the United Kingdom), whose resources make it possible to train the public and private sectors so that they can benefit from regional and international integration

Q9: START DATE OF PROJECT/PROGRAMME

2012

Q10: STATUS OF PROJECT/PROGRAMME

Ongoing

Q11: DURATION OR, IF ONGOING, EXPECTED DURATION OF PROJECT/PROGRAMME

Between three and five years
Q12: COST OF THE PROJECT/PROGRAMME
Between US$1 and US$5 million

Q13: Additional information
Respondent skipped this question

Q14: TYPE OF FUNDING FOR PROJECT/PROGRAMME
Grant

Q15: PROJECT/PROGRAMME TYPE
Regional

Q16: SINGLE COUNTRY/CUSTOMS TERRITORY
Respondent skipped this question

Q17: REGION (If the region does not appear in the drop down menu, please enter manually)
Other (please specify)
Borrowing member countries of the IDB in Latin America and the Caribbean

Q18: MULTICOUNTRY (Enter all countries or customs territories)
The Programme is open to all borrowing member countries of the IDB.
http://www.iadb.org/es/paises/seleccione-un-pais,1000.html

Q19: CASE STORY FOCUS
Reducing trade costs for merchandise goods
Reducing trade costs for services

Q20: HOW SUCCESSFUL WAS THE PROJECT/PROGRAMME
Very successful

Q21: WHAT WERE THE OUTPUTS OF THE PROJECT/PROGRAMME
Official trained

Q22: Additional information:
Under the Programme, 100% of VUCE officials in Peru were trained, which helped save US$70 per transaction, representing an accumulated saving of US$11 million in 2014.

Q23: WHAT WERE THE OUTCOMES OF THE PROJECT/PROGRAMME
Other (please specify)
The Programme provides support for specific trade facilitation programmes such as the Single Window for Foreign Trade, the International Goods Transit system, the Programme for Authorized Economic Operators, etc., the outputs of which are described in previous sections.
Q24: Additional information:  
(Maximum 300 words)  
Respondent skipped this question

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Q25: WHAT WERE THE IMPACTS OF THE PROJECT/PROGRAMME  
(Tick the appropriate box(es))  
Other (please specify)  
The Programme provides support for specific trade facilitation programmes such as the Single Window for Foreign Trade, the International Goods Transit system, the Programme for Authorized Economic Operators, etc., the impacts of which are described in previous sections.

Q26: Additional information:  
(Maximum 300 words)  
Respondent skipped this question

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Q27: Lessons learnt  
(Tick the appropriate box(es))  
Importance of good project design,  
Importance of alignment with national priorities,  
Importance of alignment between different development partners in programming,  
Importance of agreeing clear project implementation responsibilities,  
Importance of agreeing clear project monitoring and evaluation process and procedures,  
Importance of agreed accountability frameworks,  
Importance of attention to long-term sustainability,  
Importance of political will and commitment by project partners.

Q28: Additional information:  
(Maximum 300 words)  
Respondent skipped this question

Q29: PROJECT OR PROGRAMME MONITORING AND EVALUATION FRAMEWORK  
(Tick the appropriate box(es))  
Monitoring and evaluation (M&E) framework used,  
Simple before and after comparison,  
Other (please specify)  
Impact assessment of ongoing Programme