

Central American Digital Trade Platform

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Context: Regional Trade Facilitation Agenda

- Trade authorities defined a project to design and implement the **Central American Digital Trade Platform** – in compliance with a Presidential Mandate to implement the **Central American Strategy for Trade Facilitation and Competitiveness**.
- This project recently started its second phase, with financial support from the European Union.



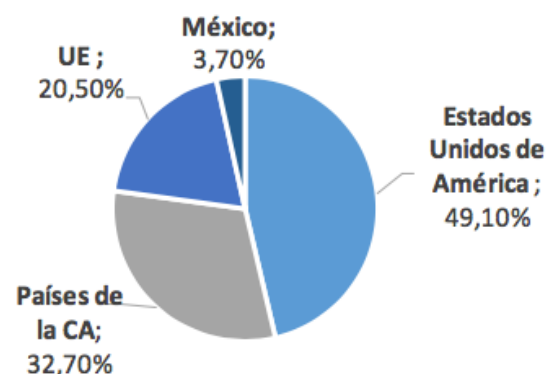
Key drivers



- Central America has shown economic growth in recent years (4.6% in 2015), but continues to face development challenges (poverty, inequality, public insecurity, etc)
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- High costs of transport, lack of harmonization and regulatory convergence, and border inefficiency.
 - Logistic and operational costs can add up to 40% of the price of goods traded in Central America, reducing competitiveness
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- In 2015, Central American exports increased by only 1.5% (USD 9,170.06 million).

A platform to streamline trade in Central America

Implementation of the **Central American Trade Digital Platform** to optimize the use and exchange of information

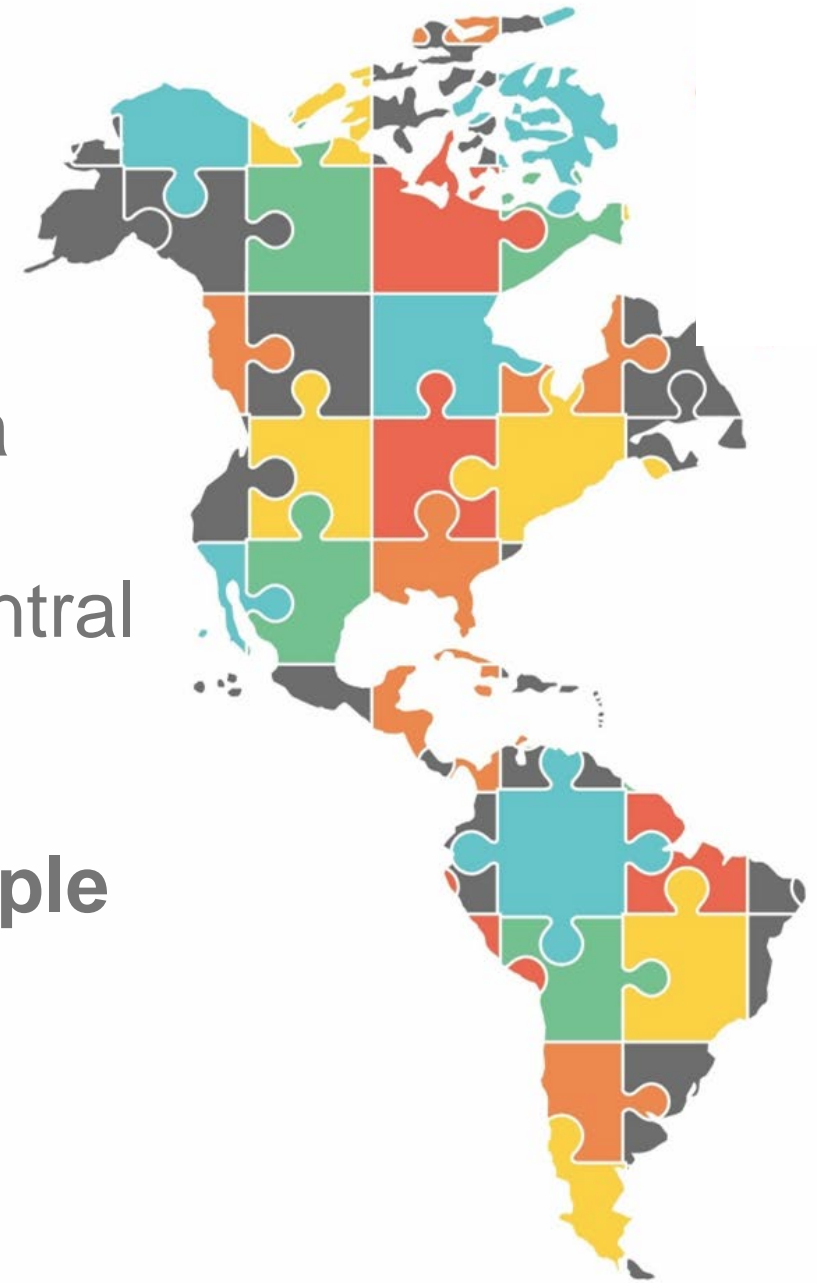
Faster and simpler exchange of customs declarations, certificates, and other trade-related documents

Cross-cutting component of the
Central American Trade Facilitation Strategy

Reduction of time and costs of trade

Objectives of the platform

- Promote **trade facilitation**, through regulatory harmonization and process automation and optimization, by implementing a digital platform, available to commercial operators.
- Increase **competitiveness** in Central America
- **Reduce costs** for trade operations, within Central America and with third parties
- Accelerate the **movement of goods and people** in Central America
- Improve **security** and **risk management** by implementing more efficient controls



Key deliverables

Phase 1 - Interoperability Platform

Defining the scope of the project

- Defining priorities for the exchange of customs, sanitary, and immigration information between currently operational systems, and the long-term action plan to develop a common IT regional platform.

Mapping the procedures and budget estimation

- Inventory of procedures necessary for the implementation of the project and cost estimation for phases 1 and 2.
- Capacity building for SIECA as the regional administrator: Equipment, human resources, and training.

Key deliverables (Cont'd)

Phase 1 - Interoperability Platform

Phase 2 – Digital Broker

Development and implementation of digital broker

- Focus on data
- Ensuring data will be understood by any data exchange system and can be useful to the organization that requires it.

Key deliverables (Cont'd)

Phase 1 - Interoperability Platform

Phase 2 – Digital Broker

Phase 3 – Digital Services Manager

Digital Trade Manager

- Adoption of international high standards, with adjustments to reduce gap between current procedures and recommended best practices.
- Interconnection services, data integration, presentation and data exchange, accessibility and security

Estimated benefits

A study by the Economic Commission on Latin America and the Caribbean (2015) argues that the automation of procedures and the reduction of export and import times in Central America could lead to:

Raise tax collection by 0.5% of GDP

An increase of 3% in Central America's GDP

11.9% in higher volume of exports and imports

Employment increase of up to 4.2%

Schedule

#	Milestones	Expected dates
1	Trade Facilitation Committee established, to act as each country's technical advisory committee of the Project	March 3, 2017
2	- Local processes validated and mapped (Country workshops) - Regional validation workshop concluded	March 10, 2017
3	Agreement to implement INTEC Project – 2nd component – signed by country representatives and SIECA	March 24, 2017
4	- International best practices identified, through the cooperation of international organizations - International best practices validated by region	May 5, 2017
5	- Country workshops to identify gaps between local processes and recommended best practices	October 6, 2017
6	- Development company hired	March 23, 2017

International organization profiles

World Customs Organization	DATA MODEL, last version audit and upgrade techniques
OECD	Inter-operability standards PSP standards harmonization
International Organization for Migration	Interoperability best practices Standards for immigration information Electronic immigration declaration through air passengers manifest
World Trade Organization	Trade Facilitation Agreement's focus on inter-operability and institutional coordination
International Trade Center	PSP standards Private sector support Electronic invoices inter-operability

Thank you for your attention

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