

# SINGLE WINDOW INTEROPERABILITY IN THE PACIFIC ALLIANCE AGREEMENT

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# SUMMARY

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2. Background
3. What is the Pacific Alliance?
4. Trade Facilitation in the Pacific Alliance
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# OBJECTIVES

This presentation focuses on the single window interoperability framework established in the Pacific Alliance (PA) agreement (Mexico, Chile, Colombia and Peru).

Actually rules for SW and interoperability were set for the first time in a multilateral agreement in the Americas. They are intended to deepen provisions in place also set forth in the WTO Trade Facilitation Agreement.

We will analyze the scope of such measures and its consistency with international standards specially those produced by UN/CEFACT.

## BACKGROUND

- Pacific Alliance It is likely the most dynamic integration effort in Latin America embracing four economies with similar market policy fundamentals.
- Since mid nineties the Latin American region adopted market opening policies that led them to sustainable growth.
- As market economy oriented countries had already reduced substantially their tariff barriers, trade facilitation became a major trade related topic to be addressed.
- The Pacific Alliance is a regional integration agreement envisioned by Peru early this decade. Negotiations started in 2011, and it entered into force in May 1, 2016.







# WHAT IS THE PACIFIC ALLIANCE AGREEMENT?



**Alianza del  
Pacífico**

# SNAPSHOT



Country members		GDP (US\$ billions)	Population (Millions)	GDP pc PPP (US\$ Dollar)	Market opening Index (X+M)/GDP %	FDI Net flow (Millions US\$)
Chile		258	18	19,105	57.0%	22,500
Colombia		378	47	11,088	30.7%	16,772
México		1,295	118	15,608	58.9%	25,221
Perú		203	31	11,149	47.2%	10,172
<b>PA members</b>		<b>2,134</b>	<b>214</b>	<b>14,237</b>	<b>48.4%</b>	<b>74,665</b>
<b>Observers Candidates</b>						
Costa Rica		50	5	12,874	35.6%	2,682
Panama		46	4	16,540	33.8%	4,651
<b>PA plus candidates</b>		<b>2,230</b>	<b>222</b>	<b>14,394</b>	<b>43.8%</b>	<b>81,998</b>

Source: Worldbank (2015)

Banco de México, Banco Central de Colombia, \*Banco Central de Chile, BCRP

# WHAT DIFFERENCES PACIFIC ALLIANCE VIS A VIS A TRADITIONAL FREE TRADE AGREEMENT?

FTA	PA
Closed agreement.	Open agreement.
Bilateral	Multilateral
Broader asymmetries	Similar levels of development
Focused on trade	Includes non-trade provisions



# THE AGREEMENT IS IN FORCE SINCE MAY 2016

Substantial obligations	
Market Access	Crossborder trade in services
Rules of Origin	Maritime transport
Trade Facilitation	Financial Services
Sanitary and Phytosanitary measures	E-trade
Technical Barriers to Trade	Telecommunications
Public procurement	Investment
Dispute resolution	



## ACTIVE PARTICIPATION OF THE PRIVATE SECTOR BUSINESS COUNCIL OF PACIFIC ALLIANCE

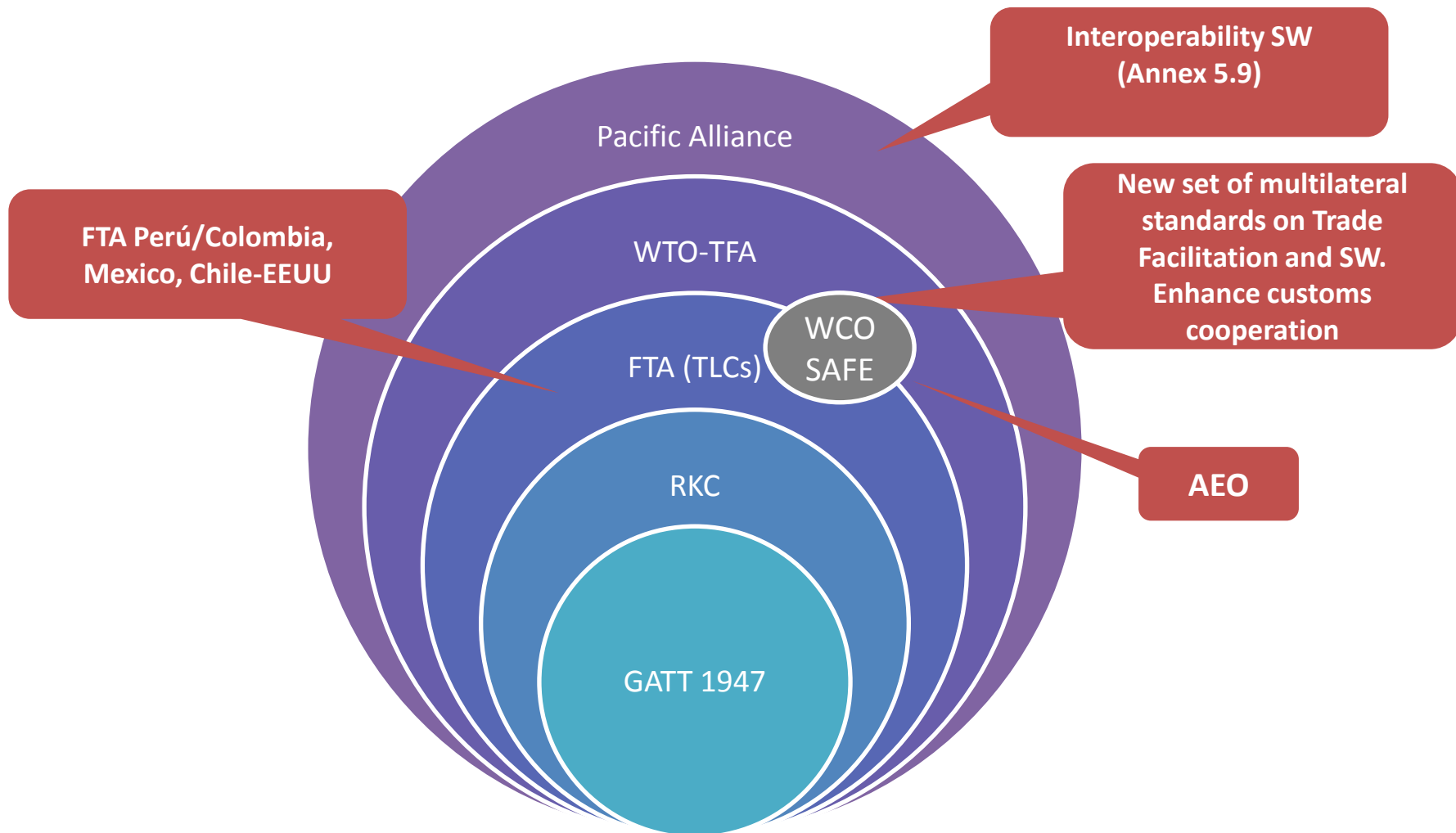
- Compounded by companies and trade associations from country members.
- Set up a collaborative platform between businesses and governments.
- Supports and disseminate the benefits of the agreement.
- Deliver proposals to improve obligations in diferente áreas such as regulatory harmonization, mutual recognition agreements, etc.

# REGULATORY HARMONIZATION

- Regulatory harmonization is a challenging issue as it is inherently complex and easily deters trade facilitation measures.
- Country members are thus encouraged to seek for best practices to promote efficient regulations to reduce border transaction costs.
- Such improvements will then contribute to transparency and public consultation measures.
- Harmonization and subsequently standardization are key for SW And interoperability.

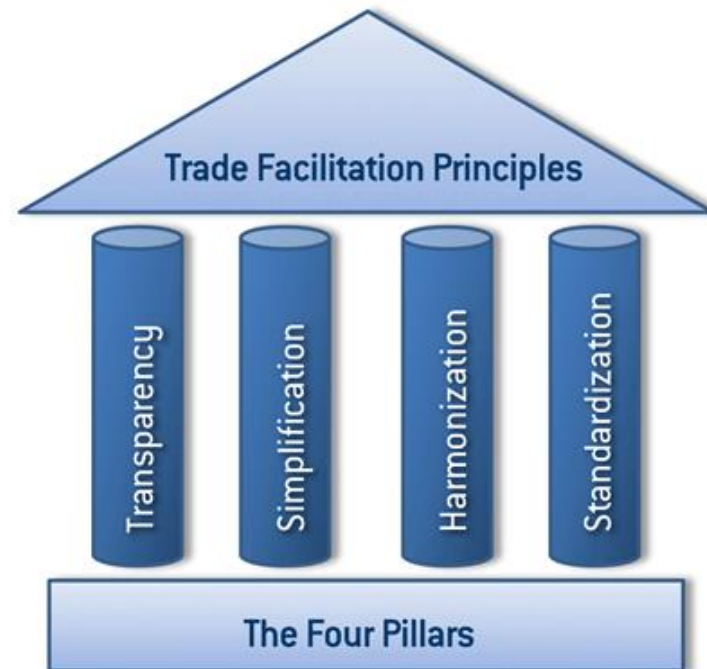
# **TRADE FACILITATION IN THE PACIFIC ALLIANCE**

# TRADE FACILITATION RULES IN THE REGION



# TRADE FACILITATION PRINCIPLES

Trade Facilitation and SW provisions are based on international standards



Source: UN/CEFACT

# **SINGLE WINDOW**

## TRADE FACILITATION CHAPTER OF PA

### ARTICLE 5.9: Foreign Trade Single Window.

Parties shall implement and improve their Foreign Trade Single Windows (hereinafter VUCE) to streamline and facilitate trade, **and they shall ensure their interoperability**, in order to exchange information to ease trade and enabling parties to verify information of foreign trade operations.

*Further details on Appendix 5.9: Interoperability Framework.*

# SW IN COUNTRY MEMBERS

SW	COLOMBIA	CHILE	PERU	MEXICO
Date of implementation	2005	2015	2010	2012
Responsible Agency	Ministry of Trade, Industry and Tourism	Ministry of Treasury (Hacienda)	Ministry of Foreign Trade and Tourism	Tax Administration Service (SAT)
Scope/services	<ul style="list-style-type: none"> <li>• Exports</li> <li>• Imports</li> <li>• Registry of domestic producers.</li> <li>• Certificates of domestic production.</li> <li>• joint inspection module – SIIS</li> </ul>	<ul style="list-style-type: none"> <li>• Exports</li> <li>• Imports</li> <li>• Transit.</li> </ul>	<ul style="list-style-type: none"> <li>• Exports</li> <li>• Imports</li> <li>• Port Services</li> <li>• Certificates of Origin</li> </ul>	<ul style="list-style-type: none"> <li>• Exports</li> <li>• Imports</li> <li>• Certificates of Origin</li> </ul>
Number of agencies	21	5	28	12



# **SW INTEROPERABILITY**

# WHY INTEROPERATE AT THIS STANDPOINT?



- All member countries have intensive trade flows, based on bilateral Free Trade Agreements in place.
- However trade facilitation measures were not deep enough to secure further growth (or mitigate slowdown).
- Common understanding on SW benefits and TF principles.
- Institutional key drivers: regional drivers cooperation (RED VUCE). [www.redvuce.org](http://www.redvuce.org)

# INTEROPERABILITY

## Appendix 5.9: Interoperability Framework.

PACIFIC ALLIANCE	UNCEFACT
the ability of the systems to enable the electronic exchange of information, aligned to internationally accepted standards	the ability of two or more systems or components to exchange and use information across borders without additional effort on the part of the trader

Cf. Appendix 5.9.1 (Information to interoperate) Chapter V (Trade Facilitation and Customs Cooperation). Available at URL:

[http://www.acuerdoscomerciales.gob.pe/images/stories/alianza/espanol/05\\_FC\\_FINAL.pdf](http://www.acuerdoscomerciales.gob.pe/images/stories/alianza/espanol/05_FC_FINAL.pdf)

## INTEROPERABILITY

The SW interoperability will permit trade related procedures and the necessary exchange of information to perform export, import and transit operations electronically from the country of origin to the country of destination.

Cf. Appendix 5.9.1 (Information to interoperate) Chapter V (Trade Facilitation and Customs Cooperation) of Pacific Alliance:

[http://www.acuerdoscomerciales.gob.pe/images/stories/alianza/espano/I/05\\_FC\\_FINAL.pdf](http://www.acuerdoscomerciales.gob.pe/images/stories/alianza/espano/I/05_FC_FINAL.pdf)

# FRAMEWORK: DIMENSION

- Processes: determines business objectives, certifies concepts to understand each party processes, analyzes processes, identifies information of common interest and the opportunity that requires the comprehensive model of the interoperability between SW's.
- Semantic: defines one single meaning for information and exchanged data, from the processes dimensions, that is understandable and agreed upon by all parties involved;
- Technological: includes hardware, technical matters, software and telecommunications to guarantee the connection and safe transmission of data between the parties' informatics systems
- Governance: comprises agreements between parties, addressing strategic, normative and organizational aspects that are relevant to the development, operation and sustainability in the time of interoperability.

# STANDARDIZED MODEL EASED INTEROPERABILITY



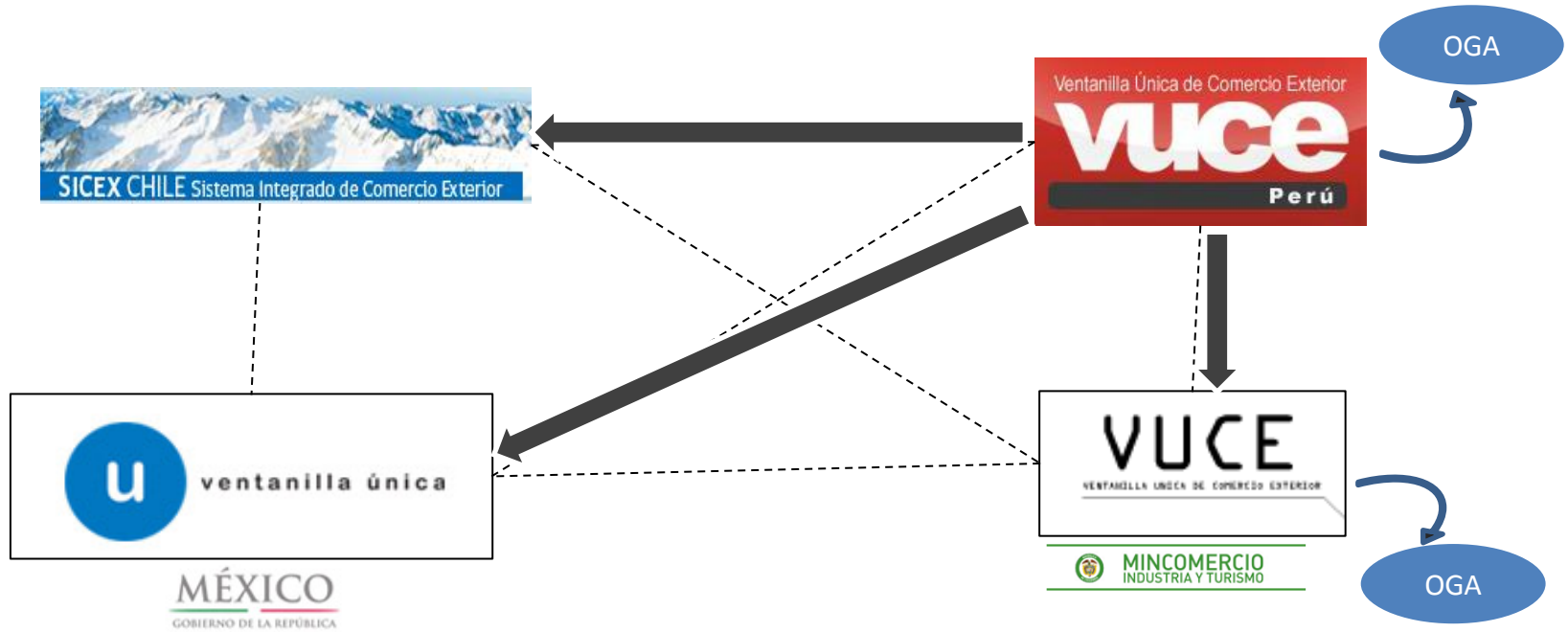
International Plant Protection Convention  
Protecting the world's plant resources from pests



**TABLE 1: PHYTOSANITARY CERTIFICATE for EXPORT**

Phytosanitary certificate artefact (ISPM12)	Information element	Level	BIE Dictionary Entry Name (DEN)	Schema element notes
		DOC- document COT - consignment EPT - export product QPT - quarantine product		
Certificate name	Certificate model	DOC	<u>SPSExchangedDocument_TypeCode</u>	851 for phytosanitary certificate for export
		DOC	<u>SPSExchangedDocument_Name</u>	
		DOC	<u>SPSExchangedDocument_Description</u>	
No.	unique identification	COT	<u>SPSExchangedDocument_ID</u>	

# INTEROPERABILITY NETWORK



## FRAMEWORK: CONDITIONS

- SW's will be the only channel of interoperability for trade related documents or information delivered by parties;
- SW's interoperability must secure the availability of documents and information in accordance with the operations' conditions set forth by parties;
- Each SW must exchange information with foreign trade systems as appropriate in its territory, to facilitate the entry and departure of goods;
- the SW's must have IT capabilities that allow for the transfer of information electronically between the parties;

Paragraph 5, also of Annex 5.9,



# AVAILABILITY OF DOCUMENTS TO EXCHANGE

List of documents or certificates to be exchanged	
Phyto Sanitary	Manufactured Food & Beverages
Zoosanitary and Hydrobiological	Solid wastes
CITES	Medicines
Certificates of Origin	Medical devices
Pesticides	Cosmetics and sanitizers

# DEVELOPMENTS

- Members have devised the architecture for interoperability according to the PA framework.
- Working groups have been intensively harmonizing data and establishing the rules to deliver documents and trade related data.
- Phytosanitary certificate exchange has been successfully tested and it is expected to be fully in place in the next two months.
- Next steps involved exchange of Zoosanitary Certificate and Certificates of Origin.

# CONCLUSIONS

- The trade facilitation component in the Pacific Alliance contained the deepest and more comprehensive provisions on SW and interoperability in the region;
- The agreement establishes the rules and conditions to interoperate based on a network model;
- Private sector support has become critical for the success of the project and further efforts are deployed towards standardization and harmonization of data.
- SW is a trade facilitation tool but will be more effective if it promotes substantial reforms improving collaborative border management, simplification and OGA risk management.

**THANK YOU**

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