



PAGE 4: B.1) YOUR CASE STORY: TITLE AND DESCRIPTION

Q1: TITLE OF CASE STORY

Canada-Americas Trade-Related Technical Assistance Program

Q2: CASE STORY ABSTRACT

Enhancing Peru Customs' Authorized Economic Operator (AEO) program is a sub-project under the Department of Foreign Affairs, Trade and Development Canada (DFATD) funded Canada Americas Trade Related Technical Assistance Program (CATRTA). The program is being implemented by the Canada Border Services Agency and Superintendencia Nacional Adjunta de Aduanas -SUNAT in Peru. The Canada Border Services Agency (CBSA) is assisting Peru Customs (SUNAT), to enhance their existing Authorized Economic Operator (AEO) program.

The technical assistance will be focused in the following three areas:

- Development and provision of various training activities including intelligence analysis training; site validation and compliance;
- Greater knowledge of the World Customs Organization (WCO) Framework of Standards to Secure and Facilitate Trade (SAFE Framework) and its impact on AEO; and
- Assistance and support for stakeholder engagement and outreach.

Q3: LONG DESCRIPTION OF THE CASE STORY

In October 2013, the CBSA hosted a small delegation of Peruvians from the public and private sectors who travelled to Canada through a Peruvian Chamber of Commerce initiative to develop more capacity in the land mode. Peru's Deputy National Superintendent of Customs, spoke with CBSA's senior officials regarding the advancement of the AEO program and the potential development of a national commercial targeting program. Mr. Garcia expressed concern with the length of time required for the application approval process as well as the perceived benefits to AEO participation. Mr. Garcia sought assistance from the CBSA to expedite the expansion of Peru's AEO program which would have tangible benefits for increasing Canadian-Peruvian trade.

As a follow up to this October 2013, meeting, the CBSA initiated contact with the Head of the SUNAT AEO program to obtain more information on their Authorized Economic Operator (AEO) program and general need in capacity building. As a result of a preliminary questionnaire, three primary areas of need were identified by SUNAT: improving engagement and level of understanding by the private sector of the AEO concept; enhancing the capacity of AEO program staff in the validation process; and, the development of a tool which would support the AEO application and certification process.

In June 2014, the CBSA undertook a Needs Assessment Mission to Lima, Peru, to validate assumptions made with respect to the AEO program and identify and confirm activities where the CBSA would be best positioned to provide support to SUNAT. A gender analysis was also conducted.

Under the CBSA's International Strategic Framework, this initiative, and any subsequent sub-projects will align with the Vision for Border Management Strategic Principles by pushing the borders out to intercent high risk

PUBLIC SECTOR CASE STORY TEMPLATE

trade, thereby facilitating legitimate low risk trade to and from Canada. Under the thematic priorities for international engagement this initiative will improve supply chain management and enhance security while facilitating trade.

This sub-project will contribute to the priority theme of Canada's international assistance: Stimulating Sustainable Economic Growth, which is also one of the goals of the Inter-American Regional Program at the Department of Foreign Affairs, Trade and Development (DFATD).

Supporting the development and implementation of AEO programs in the Americas was listed as a possible endeavour on the CBSA's Capacity Building 2013-2014 Work Plan. An AEO program, regardless of the country, is a program designed to ensure security in the global supply chain and facilitate the international movement of goods. AEO programs are developed pursuant to the WCO SAFE Framework. The WCO states that Peru's AEO program is "an example of strong political support and engagement with the region as a whole".

Since 2009, Peru has continued to grow as a key market for Canada in the Americas. The country is Canada's third-largest bilateral trading partner in Latin America and the Caribbean after Mexico and Brazil, and the third largest destination for Canadian direct investment in South and Central America. Canada's expertise and influence may then be leveraged further should a strengthened AEO program in Peru lead to south-south cooperation and Peru influencing the development of other AEO programs in the region.

The role of customs administrations, with respect to trade, has changed significantly in recent years. Below are some of the drivers for change as mentioned in the WCO Customs Capacity Building Diagnostic Framework:

- Globalization and continued growth in international trade;
- A heightened awareness of the costs associated with complying with inefficient and outdated border and trade formalities;
- Greater policy and procedural requirements directly associated with international commitments such as membership in the World Trade Organization; and
- Proliferation of regional trading agreements which significantly increase the complexity of administering border formalities and controls.

As a result of these drivers for change, there is a growing realization that well-performing and ethical customs administrations can directly contribute to effective revenue mobilization, and can assist governments to facilitate trade and investment. Trade-facilitation reforms that address non-tariff barriers to trade are becoming increasingly important as traditional trade barriers like tariffs are progressively reduced. The reduction of non-tariff barriers is not a simple or inexpensive task for customs administrations in developing countries; however the potential benefits are significant. As all international shipments are subject to customs control and processing at the time of import and export, customs is uniquely positioned to consolidate and simplify border regulations and is capable of successfully responding to the need to facilitate trade.

The Program has \$224,000 in funding from DFATD the following expected outcomes:

- Increased participation of SUNAT field officers in the AEO program (change in practice); providing information or assistance to members of the trade community related to AEO.
- Increased partnership between the AEO program team and the Risk Analysis team who both conduct company assessments to meet program eligibility.
- Improved participation of the private sector in Peru's AEO program
- Improved efficiency with the AEO certification process
- Improved trade facilitation and increased efficiency with customs procedures
- Strengthened knowledge and skills of participating government partners (SUNAT) related to trade facilitation, particularly focusing on the AEO program and how HQ and field officers contribute to program success; improvement of company evaluations /assessments and vetting.
- Strengthened knowledge and skills of participating government partners (SUNAT) and the Peruvian private sector in thematic areas related to FTAs with Canada: trade promotion, trade facilitation, and technical barriers to trade. Particular attention will be focused on the minimum security requirements for the AEO program.

PUBLIC SECTOR CASE STORY TEMPLATE

Q4: Please add here web links to project/programme materials.

Respondent skipped this question

PAGE 5: C.2) ABOUT THE CASE STORY

Q5: YOUR CONTACT DETAILS

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Q6: FUNCTION

Public sector

Q7: FUNDING PARTNER Tick the appropriate box(es)

Bilateral donor

Q8: Additional information

Respondent skipped this question

Q9: START DATE OF PROJECT/PROGRAMME

January 2015

Q10: STATUS OF PROJECT/PROGRAMME

On-going

Q11: DURATION OR, IF ON-GOING, EXPECTED DURATION OF PROJECT/PROGRAMME

Less than 12 months

Q12: COST OF PROJECT/PROGRAMME

Between US\$200,000 - US\$500,000

Q13: Additional information

Respondent skipped this question

Q14: TYPE OF FUNDING FOR PROJECT/PROGRAMME

Grant

PAGE 6: C.2) ABOUT THE CASE STORY

Q15: PROJECT/PROGRAMME TYPE

Single country / customs territory

PAGE 7: C.2) ABOUT THE CASE STORY

PUBLIC SECTOR CASE STORY TEMPLATE

Q16: SINGLE COUNTRY/CUSTOMS TERRITORY	<i>Respondent skipped this question</i>
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PAGE 8: C.2) ABOUT THE CASE STORY

Q17: REGION(If the region does not appear in the drop down menu, please enter manually.)	Other (please specify) Latin America
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PAGE 9: C.2) ABOUT THE CASE STORY

Q18: MULTI-COUNTRY(Enter all countries or customs territories)	<i>Respondent skipped this question</i>
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PAGE 10: C.4) ABOUT THE CASE STORY

Q19: CASE STORY FOCUS Tick the appropriate box(es)	Customs reform
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PAGE 11: C.5) ABOUT THE CASE STORY

Q20: HOW SUCCESSFUL WAS THE PROJECT/PROGRAMME Tick the appropriate box(es)	On-going project
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PAGE 12: C.6) ABOUT THE CASE STORY

Q21: WHAT WERE THE OUTPUTS OF THE PROJECT/PROGRAMME Tick the appropriate box(es)	Officials trained, New customs procedures, New other border agency procedure
Q22: Additional information(maximum 300 words)	<i>Respondent skipped this question</i>

PAGE 13: C.7) ABOUT THE CASE STORY

PUBLIC SECTOR CASE STORY TEMPLATE

Q23: WHAT WERE THE OUTCOMES OF YOUR PROJECT/PROGRAMME Tick the appropriate box(es)	Other (please specify) The project will start in January 2015
Q24: Additional information (maximum 300 words)	<i>Respondent skipped this question</i>

PAGE 14: C.8) ABOUT THE CASE STORY

Q25: WHAT WERE THE IMPACTS OF THE PROJECT/PROGRAMME Tick the appropriate box(es)	Other (please specify) The project will start in January 2015
Q26: Additional information (maximum 300 words)	<i>Respondent skipped this question</i>

PAGE 15: C.9) ABOUT THE CASE STORY

Q27: LESSONS LEARNT Tick the appropriate box(es)	Other (please specify) The project will start in 2015
Q28: Additional information (maximum 300 words)	<i>Respondent skipped this question</i>
Q29: PROJECT OR PROGRAMME MONITORING AND EVALUATION FRAMEWORK Tick the appropriate box(es)	Project baselines set, Impact assessment