



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

Q1: TITLE OF CASE STORY

Translation DB: Implementation of the Central American Electronic Exchange of a Single Customs Form (FAUCA)

Q2: CASE STORY ABSTRACT

As part of the cooperation strategy between the European Commission and the Central American Integration System (SICA) for the period 2002-2006, the Financing Agreement ACR/AIDCO/2001/0270 was signed between SIECA and the European Community to implement the Central American Customs Union (UAC).

One of the main objectives of this project was the creation of the Unified Central Customs Information System (SIAUCU) which, today, is an important tool that allows control and monitoring of electronic information exchanges between customs and tax administrations in Central America.

As a basis for this telematic interconnection of Central American customs and tax authorities, a mechanism that allows for the electronic exchange of information contained in the Central American Single Customs Form (FAUCA) was designed and implemented.

Q3: LONG DESCRIPTION OF THE CASE STORY

FAUCA is the document established by the General Treaty on Central American Economic Integration (TGIECA) for the trade of goods originating in Central America, with the benefit of granting preferential tariff treatment. The form serves as a request for customs clearance and certificate of origin.

Since TGIECA has been in force, a print version of FAUCA has been used, i.e. a physical form, fulfilling the requirements and formalities required in each separate state. The completed form must be submitted and endorsed by the central customs office or by the exit office of the exporting country and verified by the registry office of the importing country, in person or by civil service officials.

The main objective of the development of FAUCA in Central America was to facilitate trade and commercial transactions; this was achieved through the electronic process which allowed for rapid submission and validation by both export and import customs authorities.

The System was designed using technical proposals made by SIECA as well as by the Central American Customs Union and CONSUAC. Project implementation was undertaken by SIECA.

It should be noted that the FAUCA System for Electronic Exchange is designed as a centralized system consisting of a server or "hub" operating within SIECA and one or more of the remote "hubs" operating in each of the Central American countries' Customs Services or agencies authorized to manage FAUCA. The interconnection between the remote "hubs" and the central "hub" is established via telecommunication links operating under the VPN arrangements with IPSEC or via public Internet. In order to ensure security, transparency and independence between SIAUCA's remote "hubs" and the Customs Services internal systems, communication between them is established through the exchange of XML messages via the Web services. The advantage of this system is that the language used between SIAUCA's remote "hubs" and by the Customs Services can be different without affecting the exchange of data.

The implementation of this project sought to reduce the time needed to process customs declarations for both

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The implementation of this project sought to reduce the time needed to process customs declarations for both export and import operations relating to interregional trade.

Similarly, applications by exporters of goods used to have to be made in person and upon physical presentation of FAUCA to the country of export or import, a bureaucratic procedure which could take between 4 and 6 hours. With the implementation of the electronic exchange of FAUCA this process is automated on-line and takes a few minutes.

To ensure the success and sustainability of the System, SIECA, together with the regions' Customs Services authorities and officials, is involved in learning the technical aspects of the project which covers, inter alia, the following:

- . Telematic interconnection between the central "hub" and the remote "hubs".
- . Interconnection within the remote "hub".
- . Definition and management of XML messaging.

Additionally, to implement and set up the System, training sessions were conducted with the customs officials responsible for the IT systems. They were given training regarding the detailed description of each XML message, i.e. on structure, data type, whether or not the different fields of FAUCA were mandatory, and on the catalogue of reference tables that will be used for transmission of FAUCA's XML messages, etc.

Current work consists of providing technical follow-up and support for this computerized system, through SIECA's Department of Information Technology, to ensure the sustainability of the project over time.

Since the implementation of the electronic exchange of FAUCA, the transmission platform has seen an increased use by members of the Economic Subsystem. In this regard, 2011 saw the first exchanges of this kind with a total of 61.073 documents recorded, while in 2014 the volume of electronically channelled transactions had increased to 433.787.

In terms of the market value of goods registered through FAUCA, it is important to note that in 2011 when digital transmissions were initiated this amounted to close to US\$1033.41 million, representing about 13% of the value of interregional exports registered in Central America. By 2013, the value of trade operations managed electronically through FAUCA had reached US\$4,418.82 million, which covers about 51% of the value of interregional export in Central America.

In terms of the commercial value of FAUCA's electronic transmissions, it should be noted that in the context of Guatemala's trade destined for El Salvador, this reached a total of US\$886 million, representing 87% of the total value of exports from Guatemala to El Salvador in 2013. On the other hand, in the case of El Salvador's trade destined for Guatemala, FAUCA transmissions were valued at US\$608 million, covering 85% of the trade conducted by El Salvador with its regional partner.

According to a survey conducted by SIECA with different customs agencies (at the borders of El Salvador and Guatemala), customs administrative costs - filling in the FAUCA and advice - was around US\$25. According to the volume of transfers reported within the framework of Guatemala/El Salvador bilateral trade from 2011-2014, the savings generated by the trade sector are not negligible. In Guatemala this sum reached US\$8.3 million in that period, while in El Salvador it amounted to US\$3.4 million. This means that the various economic agents linked to bilateral trade between Guatemala and El Salvador have made total savings of US\$11.7 million, brought about by the electronic FAUCA system.

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

Respondent skipped this question

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Q5: YOUR CONTACT DETAILS

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Q6: FUNCTION

Public sector

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Q7: FUNDING PARTNER Tick the appropriate box(es)	Bilateral donor
Q8: Additional information	<i>Respondent skipped this question</i>
Q9: START DATE OF PROJECT/PROGRAMME	<i>Respondent skipped this question</i>
Q10: STATUS OF PROJECT/PROGRAMME	Fully implemented
Q11: DURATION OR, IF ON-GOING, EXPECTED DURATION OF PROJECT/PROGRAMME	1-3 years
Q12: COST OF PROJECT/PROGRAMME	Between US\$1 million and US\$5 million
Q13: Additional information	<i>Respondent skipped this question</i>
Q14: TYPE OF FUNDING FOR PROJECT/PROGRAMME	Grant

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Q15: PROJECT/PROGRAMME TYPE	Regional
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Q16: SINGLE COUNTRY/CUSTOMS TERRITORY	<i>Respondent skipped this question</i>
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Q17: REGION (If the region does not appear in the drop down menu, please enter manually.)	Central America
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Q18: MULTI-COUNTRY (Enter all countries or customs territories)	<i>Respondent skipped this question</i>
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Q19: CASE STORY FOCUS Tick the appropriate box(es)	REDUCING TRADE COSTS FOR MERCHANDISE GOODS , Other border agency reforms, Upgrading network infrastructure (ICT, power, telecoms)
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Q20: HOW SUCCESSFUL WAS THE PROJECT/PROGRAMME Tick the appropriate box(es)	Very successful
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Q21: WHAT WERE THE OUTPUTS OF THE PROJECT/PROGRAMME Tick the appropriate box(es)	New customs procedures, New border equipment (e.g. scanner), New network infrastructure (e.g. broadband)
Q22: Additional information (maximum 300 words)	<i>Respondent skipped this question</i>

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Q23: WHAT WERE THE OUTCOMES OF YOUR PROJECT/PROGRAMME Tick the appropriate box(es)	Reduction in ship dwell time, Reduction in road haulier waiting times, Reduction in customs clearance time, Reduction in cost of customs clearance , Reduction in requests for informal payments, Reduction in informal payments, Increase in merchandise imports, Increase in merchandise exports, Increase in road haulage volumes
Q24: Additional information(maximum 300 words)	<i>Respondent skipped this question</i>

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Q25: WHAT WERE THE IMPACTS OF THE PROJECT/PROGRAMME Tick the appropriate box(es)	Increase in domestic investment, Increase in foreign investment, Increase in women's employment, Reduction in export market concentration, Increase in consumer welfare
Q26: Additional information(maximum 300 words)	<i>Respondent skipped this question</i>

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Q27: LESSONS LEARNT Tick the appropriate box(es)	Importance of good project design, Importance of engagement by private sector, Importance of agreed accountability frameworks, Importance of political will and commitment by project partner
Q28: Additional information(maximum 300 words)	<i>Respondent skipped this question</i>

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Q29: PROJECT OR PROGRAMME MONITORING AND EVALUATION FRAMEWORK Tick the appropriate box(es)

M&E framework used, Ex post evaluation,
Simple before and after comparison,
Impact assessment