



**How well prepared are the
quarantine authorities to
protect its SPS status as
well as facilitate trade?**

The Latin America Case

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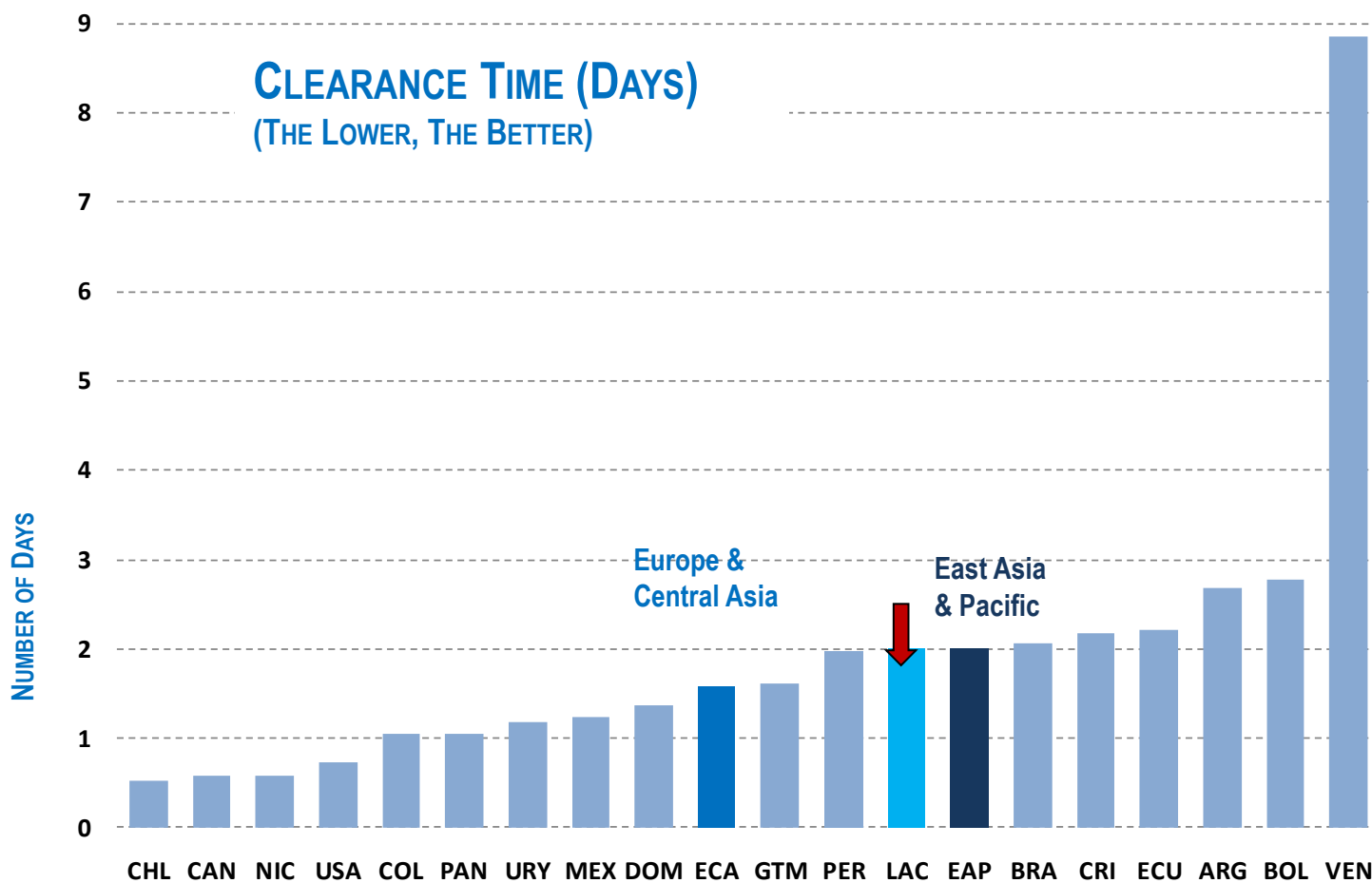
Overview

- I. How efficient is the border control in LAC vs. other regions?
- II. Are the quarantine authorities well equipped to perform an efficient border control?
- III. Main problems identified by the Quarantine Authorities to clear agricultural products at border
- IV. Case studies
- V. Findings
- VI. Recommendations

I. How efficient is the border control in LAC vs. other regions?

**Many analysis have been done for customs.
Not much is known about the quarantine inspections**

In LAC, it takes much longer to clear goods through customs ...

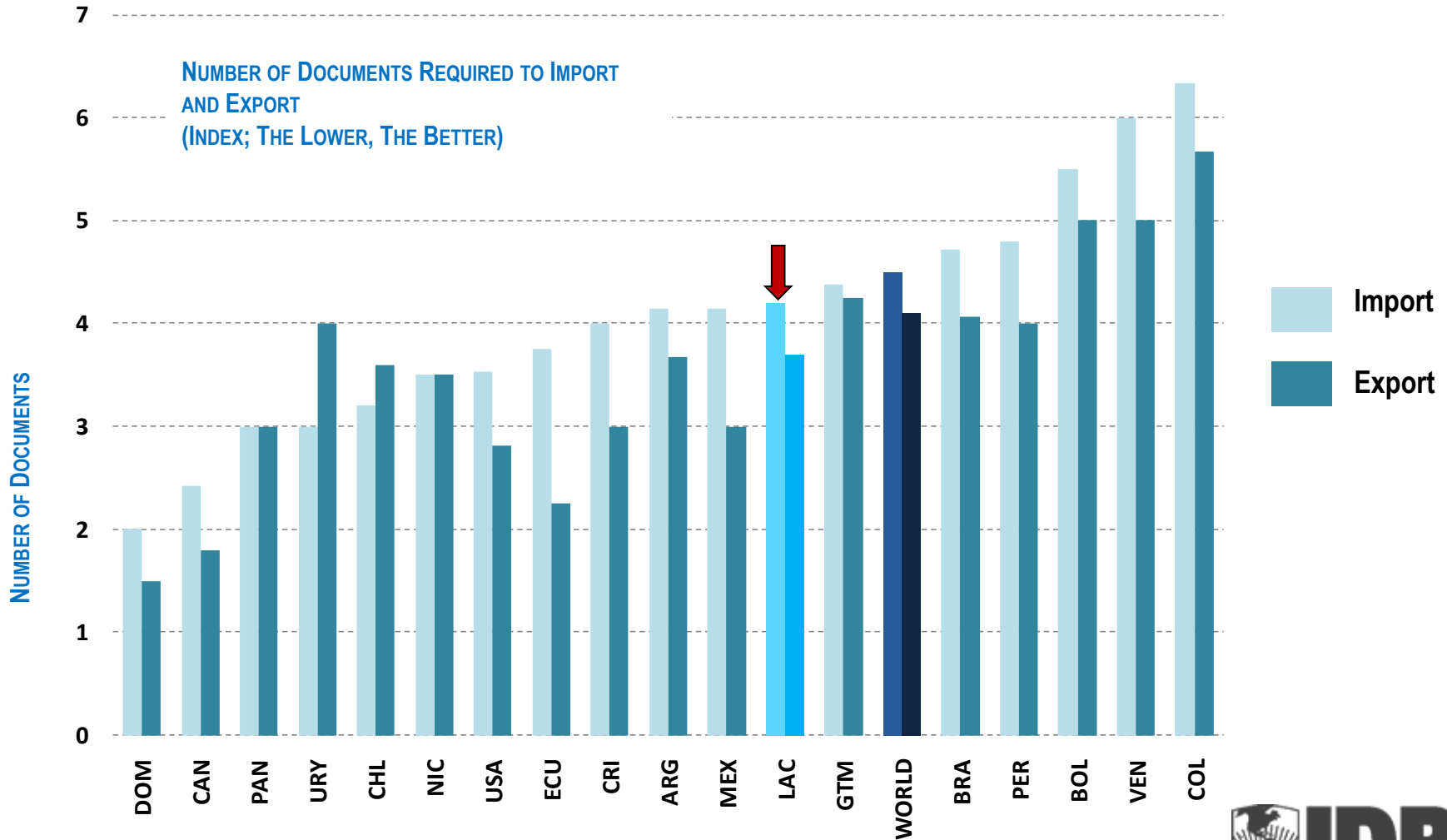


SOURCE: INT'S CALCULATIONS BASED ON WB- LOGISTICS PERFORMANCE INDEX REPORT (2010).

NOTE: WEIGHTED BY PROBABILITY OF PHYSICAL INSPECTION



...the paperwork to export/import from/to LAC is well above the regional reference (Canada) ...



SOURCE: INT'S CALCULATIONS BASED ON WB- LOGISTICS PERFORMANCE INDEX REPORT (2010).



II. Are the quarantine authorities well equipped to perform an efficient border control?

1. The Situation of the Personnel

2. The Situation of the Infrastructure and Programs

3. A closer look on the progress towards E-Phyto/Zoo Certificates and Single Windows in LAC

1. The Situation of the Personnel

Inspectors Educational Background (%)

Education	No training	Technical	University	Specialized
	13	51	60	12

Years of Experience (%)

Experience	None	1-3	3-5	+ 5 years
	0	53	33	67

Frequency of trainings targeting personnel with different educational backgrounds (%)

Personnel	Permanent (at least 2 events per year)	Regular (1 event per year)	Sporadic (1 event every 2 years or less)
With Univ. degree	70	56	50
With technical degree	30	44	50



- ✓ The majority of the inspectors count with high education degrees and have more than 5 years of experience;
- ✓ Trainings opportunities have been more frequent for those inspectors with higher educational background;
- ✓ Few countries have a formal ongoing program in this field;
- ✓ All countries have maintained or increased personnel assigned to quarantine facilities at border, but it is still insufficient *vis-a-vis* the high volume of transactions.

2. The Situation of the Infrastructure and Programs

Countries	Canine brigade	Scanner for cargo and vehicles	Risk Management Methodology	Joint inspection
Colombia	NO	NO	YES	YES
Dom. Rep.	NO	NO	YES	YES
Costa Rica	NO	NO	YES	NO
Peru	YES	NO	YES	NO
Ecuador	NO	NO	YES	NO
El Salvador	NO	NO	YES	YES
Guatemala	NO	NO	YES	NO
Honduras	NO	NO	YES	YES
Panama	NO	NO	YES	YES
Paraguay	NO	NO	NO	NO
Bolivia	NO	NO	NO	YES
Nicaragua	NO	NO	YES	YES
Brazil	NO	NO	YES	NO
Argentina	YES	NO	-	YES
Chile	YES	NO	YES	NO
Mexico	YES	NO	-	-
Uruguay	NO	NO	NO	YES



Scanners: Authorities do count with radio-X at airports but scanners for containers and vehicles are available in few countries (MX, CH, AR, BR, etc), but mainly for custom controls.



Canine inspection: High costs to train and maintain trained dogs have limited its use. Centers to train dogs in LAC are insipient.

Advantages: Efficient way to detect prohibited products, not subject to bribery. (Peru: luggage intercepted with prohibited products at Lima International Airport increased more than 50% in 2012)

■ Risk Management

I.e.: Low risk: immediate release / Medium risk: documentary check / High risk: inspection

- ✓ Analytical process used to determine which risks are the most serious and should have priority for being treated or having corrective action taken.
- ✓ Methodologies varies. Common elements analyzed: i) nature of the product (processed, fresh), ii) existence and type of pests that affect each particular product, iii) country of origin, etc.
- ✓ Regional blocs have taken steps to harmonize their methodologies:
 - Andean Community: Established five risk categories (Resolution No. 1475 and No. 1153)
 - Central American Agricultural Committee-CAC: 550 products considered of minimum risk (Resolución 175)

Coordination between quarantine authorities and other border control bodies

Authorities	% HC	% C	% NC
Customs	24	1	5
Immigration	10	45	45
Police	5	70	25
Health	5	55	40

Joint inspections: Have increased substantially in the last years but in most cases they depend on the good will of the inspectors. Few countries have formalized an agreement among authorities to establish procedures for joint inspection (i.e. CH, CO)

2. The Situation of the Infrastructure and Programs (cont.)

Countries	Access to Internet	General Equipment*	Facility for quarantine treatment (fumigation)	Cool rooms to inspect perishable products	System to destroy risky products	Equipment for pest detection and identification
Colombia	Deficient	Sufficient	Deficient	Insufficient	Deficient	Sufficient
Dom. Rep.	Deficient	Deficient	Insufficient	Insufficient	Insufficient	Sufficient
Costa Rica	Sufficient	Sufficient	Insufficient	Insufficient	Insufficient	Deficient
Peru	Insufficient	Deficient	Insufficient	Deficient	Insufficient	Deficient
Ecuador	Sufficient	Sufficient	Insufficient	Deficient	Deficient	Insufficient
El Salvador	Optimal	Sufficient	Insufficient	Insufficient	Insufficient	Deficient
Guatemala	Deficient	Deficient	Insufficient	Deficient	Insufficient	Sufficient
Honduras	Sufficient	Sufficient	Insufficient	Insufficient	Deficient	Insufficient
Panama	Deficient	Sufficient	Deficient	Deficient	Sufficient	Deficient
Paraguay	Sufficient	Deficient	Insufficient	Insufficient	Insufficient	Insufficient
Bolivia	Insufficient	Insufficient	Insufficient	Insufficient	Insufficient	Insufficient
Nicaragua	Sufficient	Deficient	Insufficient	Insufficient	Insufficient	Insufficient
Brazil	Deficient	Sufficient	Insufficient	Insufficient	Insufficient	Sufficient
Argentina	Sufficient	Deficient	Deficient	Sufficient	Sufficient	Sufficient
Chile	Sufficient	Sufficient	Sufficient	Optimal	Insufficient	Sufficient
México	-	-	-	-	-	-
Uruguay	-	-	-	-	-	-

Some Labs count with equipment to transmit images electronically

Image taken at border facility



Image seen at the HQ



Location of plant laboratories

At the border	Near the border post*	Distant from the border post **
21	21	59

* Less than 30 kilometers away

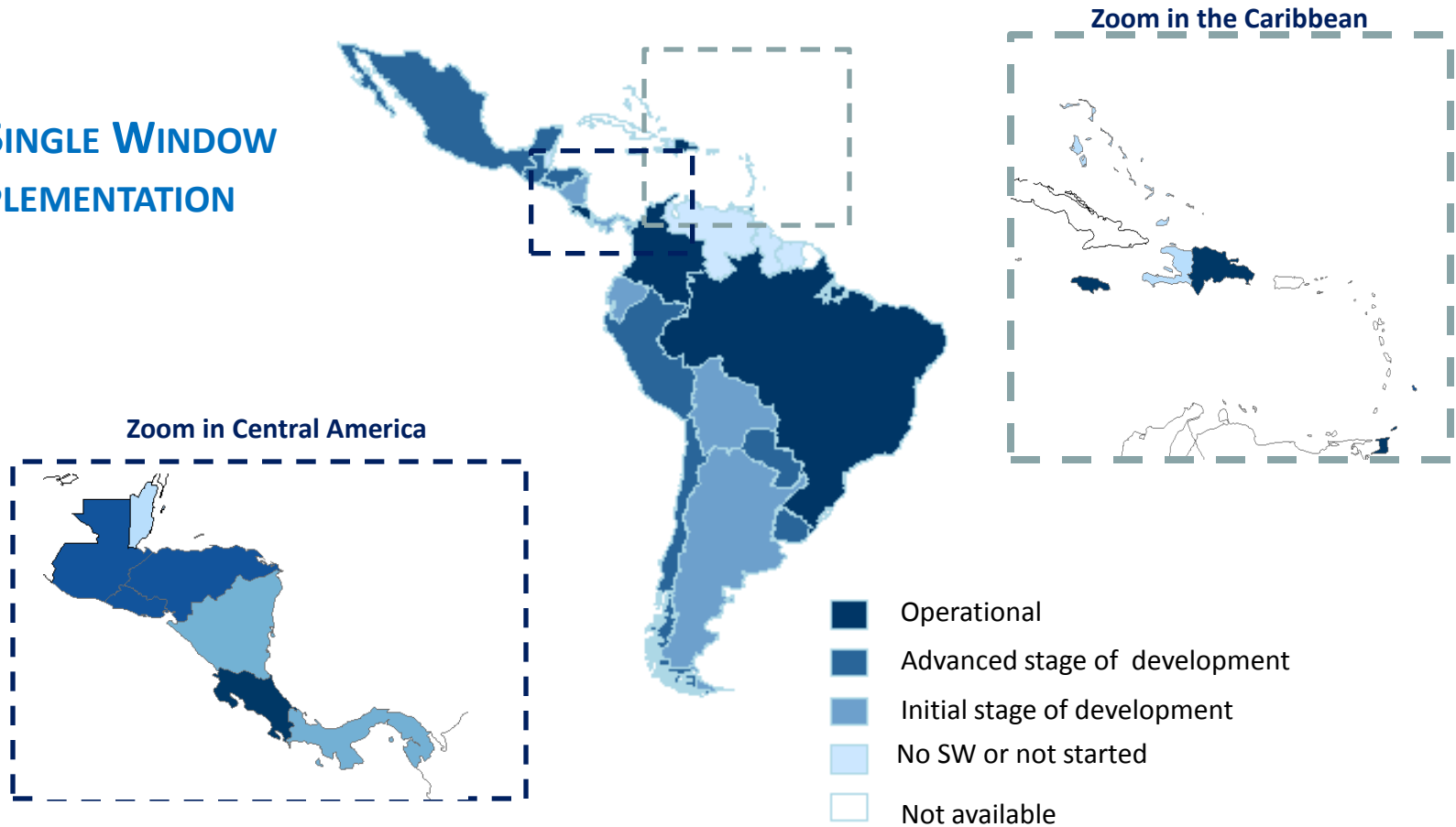
** More than 30 kilometers away



3. A closer look on the progress towards E-Phyto/Zoo Certificates and Single Windows (SW) in LAC

Single Window: Development has been asymmetric in LAC

STATUS OF SINGLE WINDOW SYSTEM IMPLEMENTATION

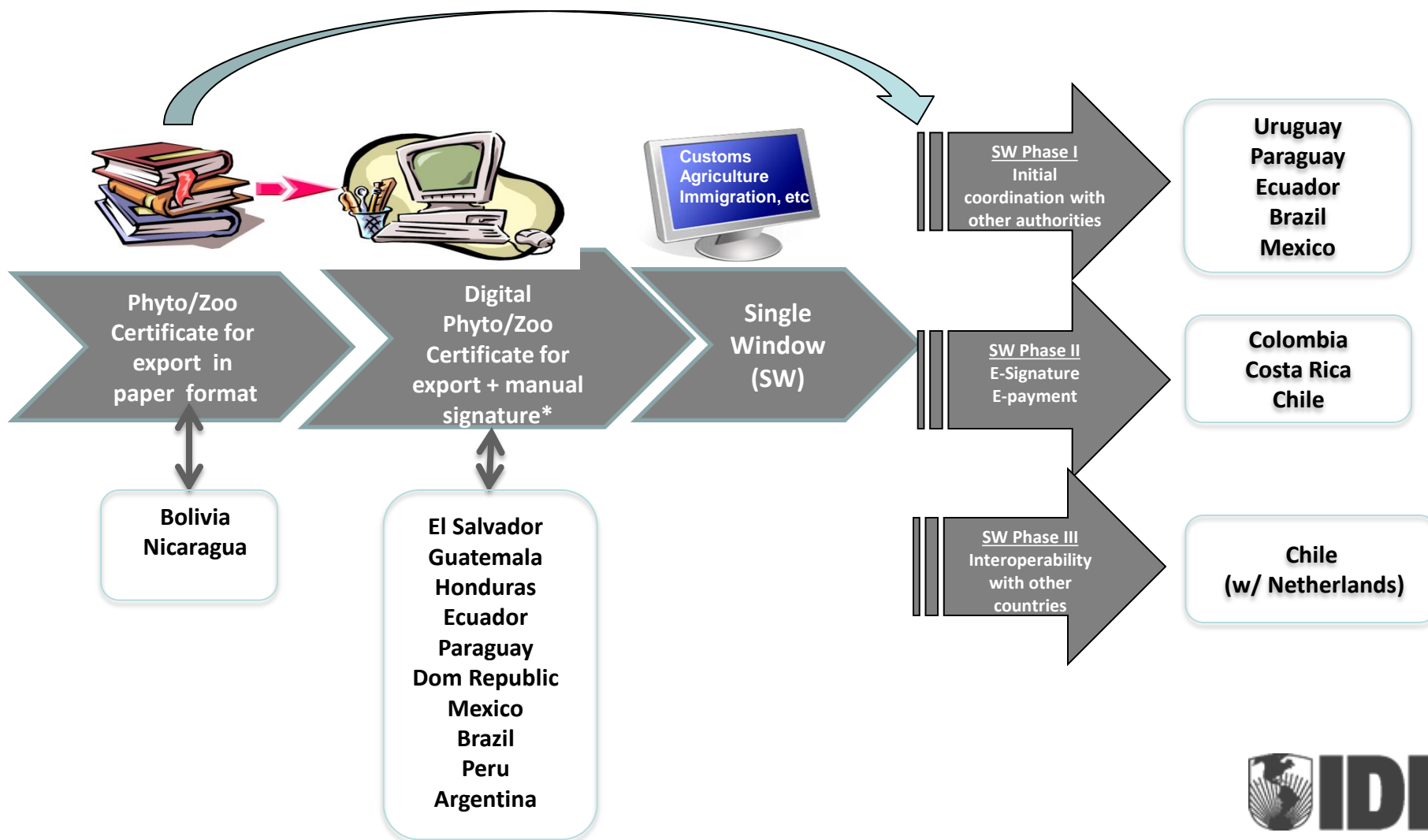


SOURCE: LAC ECONOMIC SYSTEM REPORT MARCH 2010); ELECTRONIC SINGLE WINDOW—COORDINATED BORDER MANAGEMENT (JBC INTERNATIONAL , IDB ; DECEMBER 2010).



Single Windows: Main Findings

1. Improvements toward digitalization of SPS certificates and SW have been gradual and continuous (cont...)



* Countries that have one of the two (Phy or Zoo Certificate) in digital format.

Single Windows: Main Findings (cont...)

- 2. There are regional efforts to coordinate the SW developments:**
Creation of a Working Group on SW in Central America (Central America, as a group, is moving faster than the Andean Community or Southern Cone)
- 3. The process to create SW has been led mainly by the Customs authorities and secondarily by Trade Ministries**
- 4. It has been challenging for the SPS authorities to integrate the phyto/zoo certificates into a broader system (incompatibility of systems, coordination issues, etc).**
- 5. Countries have experienced substantial savings, mainly in terms of time to clear products.** I.e. Costa Rica: clearance time for dairy products fell from 10 to 1.5 hours and for agrochemicals from 27.5 to 2.2 hours.

III. Main problems identified by the Quarantine Authorities to clear agricultural products at border

Countries	Main causes of rejection of imported products *	Main causes of delays to release products in transit**
Colombia	1-2-4	1-2-4
Dom. Rep.	-	3
Costa Rica	4-1	-
Peru	4	1-2-3-4
Ecuador	2-3-4	4
El Salvador	-	3
Guatemala	-	3
Honduras	1-4	1-2-3-4
Panama	3-1-4	1
Paraguay	4	1-2-4
Bolivia	4-1-3	4
Nicaragua	-	1-2-4
Brazil	3-4-2	1-3
Argentina	-	3
Chile	4	1
Mexico	4-2	-
Uruguay	4	-

1. Lack of proper documentation/information is one of the most common problems identified to clear cargo for import and in-transit

2. Non- compliance with ISPM 15 still an issue

3. Insufficient personnel/ facility to deal with products in transit have contribute to the high delays at border

(*) 1: Presence of quarantine pests, 2: Presence of insects or other (physical, chemical or biological) contaminants 3: Non-compliance with ISPM 15 (wood packaging), 4: Documentation issues

(**) 1: Documentation issues, 2: Missing/broken seals and/or product damaged, 3: High Traffic in the clearance desk; 4: Inspections (smuggling)



IV. Case Studies

Case study I: Harmonization of documents for transit

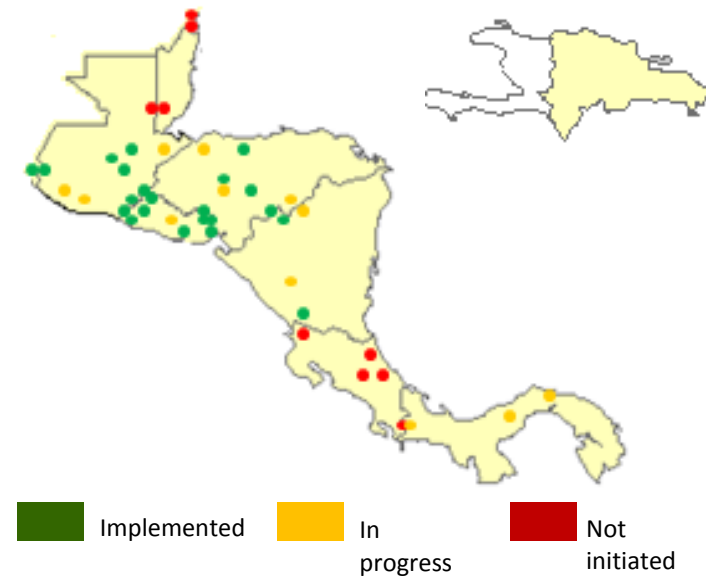
Central American initiative for the International Transit of Goods (TIM)

Concept: Streamline and improve customs and quarantine procedures by unifying data and declarations required by customs, quarantine and migration in a single e-document for the transit of goods

Advantages:

- ✓ Improved traceability of products
- ✓ Reduced time/costs (Average: 61 to 6 min)
- ✓ Facilitate the use/share of risk analysis

Next steps: Extend the coverage to air and maritime controls



Case study II: Single Window in Colombia



Started in 2004 (APS Authority joined in 2010)
Current: 17 Entities Interconnected



+ 39.700 Users



37.855 import requests of agricultural products in 2011 (6.96% more than 2010).

Key numbers	
Investment (as of 2012)	USD \$ 5,5 million
Annual operational costs	Aprox. USD \$ 300,000.00
Model of payment (i.e. fixed price/year, price per transaction, combination)	Model of payment is on line per transaction and the fees are: <ul style="list-style-type: none">• Clearance: USD \$15.00 for 1800 bites;• Certificate of Origen USD \$ 5.00.
Annual revenue	~ USD \$6 millions
Sustainability	The VUCE is sustained with the fees establish by the Foreign Trade Direction
Main benefit	In average, times of response to users have had a reduction of about five (5) days

Case study II: Single Window in Colombia (cont...)

Benefits for the SPS Authority (ICA)

Import certificates issued							
MES	ENERO	FEBRERO	MARZO	ABRIL	MAYO	JUNIO	TOTAL
AÑO 2009	2404	2510	2802	2655	2679	2676	15.726
AÑO 2010	2662	3021	2402	3203	2476	2117	15.881
AÑO 2011	2.590	2.677	3.446	3.061	3.376	2.861	18.011
Time of response to customers							
AÑO 2009	5	4	3	3	2	2	3,2
AÑO 2010	2	3	3	2	2	2	2,3
AÑO 2011	3	2	2	2	2	1	2

- Volume of import certificates: raised by 5 % in the 1st semester of 2010 comparing to the same period in 2009 and 9% in 2011 comparing to 2010.
- Time to respond the requested have dropped



The following benefits have been identified by users in Colombia:

- Cost reduction in physical transfers for the completion of the process;
- Cost reduction in mail and writing materials;
- Elimination of privileges and unjustified preferential treatments;
- Elimination of steps attached to manual procedures;
- Reduction in the time of response to customer;
- Permits access, 24 hours a day during 365 days per year;
- Allows easily follow-up/tracking of the request

V. Findings



Personnel: Overall the Quarantine Authorities count with well prepared staff, although they are not enough in numbers,

Procedure: Lack or insufficient scientific evidence or risk-based controls has led to unjustifiable requirements (i.e. fumigation treatments when is not necessary),

- Costly requirements (i.e. product registration, licenses, permits) some of them not justified on health protection,
- Important initiatives have been taken to harmonize (TIM, Risk Management) and automatize (SW) control procedures,

Infrastructure: Equipment and infrastructure seem to be the main bottleneck of trade facilitation,

- More sophisticated equipment is absent in most of the border control points,
- The “cold chain” is threatened by the lack of adequate equipment and services,
- Most of the fumigation treatments are done inadequately (without safety measures),
- In general, Customs are at the forefront of modernisation and facilitation since they are the only government body that deals with all goods arriving in and departing from a country. However, attention to quarantine services started to gain momentum

VI. Recommendations

Personnel: As per the changing nature of the border controls it is necessary to constantly update the knowledge of the inspectors on innovative IT solutions, countries SPS status, sample/inspection techniques, pest risk analysis, etc.

Infrastructure: The investment required to update the existent infrastructure is high but it is compensated in the medium/long term (see OECD, WB analysis cost/benefits). Smaller investments can also produce big impacts (kit for fast entomologic diagnosis, image transmission system).

Less expensive measures: i) Joint inspections, application of equivalence (both require sustained political commitment to adopt and maintain over the long term); ii) Publication and availability of information, internet publication, enquiry points and advance rulings (transparency and predictability).

Procedural simplification and streamlining is in the heart of TF:

- Automation of the import/export/transit documents (Phyto-certificate, SW)
- Pre-arrival lodgement and processing of data
- Separation of release from clearance
- Risk Management
- Authorised economic operators
- Harmonisation of requirements (trade blocs play a major role here). Application of the recommendations/standards of the IPPC, OIE, Codex

ISPM 06: Guidelines for surveillance

ISPM 08: Determination of pest status in an area

ISPM 11: Pest risk analysis for quarantine pests

ISPM 12: Phytosanitary certificates (ePhyto)

ISPM 17: Pest Reporting

ISPM 19: Guidelines on lists of regulated pests

Thank you!



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