

Meeting of the Executive Technical Group on Planning for the Integration and Development of Border Territories

Report

September 12 and 13, 2017 INTAL Auditorium Esmeralda 130, Piso 11 Buenos Aires – Argentina

On September 12 and 13, 2017, the city of Buenos Aires, Argentina, hosted the Meeting of the Executive Technical Group on Planning for the Integration and Development of Border Territories, which was attended by delegations from Argentina, Bolivia, Brazil, Chile, Colombia, Guyana, Paraguay, Peru, and Venezuela, made up of members of the National Delegations as well as of officials from government agencies concerned with borders (customs, immigrations, security, health services, and trade and production agencies). The meeting was also attended by representatives of the Technical Coordination Committee (CCT) of COSIPLAN IIRSA Technical Forum. Officials from Ecuador and Uruguay and the UNASUR General Secretariat participated via videoconference. The meeting agenda and the list of participants are attached as **Annexes 1 and 2**, respectively.

The objectives of the meeting were as follows: i) exchange information and talk about coordinated border management in Latin America, ii) share the progress made and agree upon the next steps in the development and implementation of the "COSIPLAN-IIRSA Platform: Planning for the Integration and Development of Border Territories," iii) present projects concerned with border crossings or binational or multilateral corridors that require the implementation of integrated management systems for cargo and passenger control, and iv) define the commitments on which the countries will work on for them to be signed at the Meeting of Ministers in December this year.

FIRST DAY

The meeting was opened by **Mr. Gustavo Beliz**, INTAL Director, who mentioned the importance of the event, intended to contribute valuable elements to improve each country's competitiveness, increase trade and, particularly, foster the use of technology applied to control and facilitation activities.

Next, Mr. Fernando Álvarez de Celis, Argentina's Under-Secretary of Territorial Planning of Public Investment, Ministry of the Interior, Public Works and Housing, welcomed the delegations present and referred to the new governance framework for border crossings adopted by Argentina. The creation of the National Committee on Border Crossings under the Head Office of the Cabinet of Ministers aimed at analyzing improvements to control processes, increasing the level of inter-institutional coordination, and proposing an International Border Crossings Infrastructure Strategic Plan providing for the funding of such infrastructure.

Mr. Germán Bussi, Argentina's Secretary of Transport Planning, stressed the need to enhance the infrastructure available and to accurately analyze the adjustments that it requires, thus avoiding unnecessary investments. As a corollary, he highlighted the importance of improving processes in order to reduce border wait times. Investments must be the result of the expedited processes adopted and of the technology defined to be applied to border controls. Lastly, he emphasized the challenge of innovating border crossing administrative and management processes.

Mr. Eduardo Bustamante, Argentina's Under-Secretary of Border Development, Ministry of Security, underscored the process initiated by this ministry at the border crossings with the purpose of improving the workplace for staff and reinforcing some aspects of surveillance and security both at the border crossings and on the borderline itself. He concluded that there is a twofold challenge: increasing both border crossing facilitation and security.

Finally, **Ms. Marcela Espinoza**, Chile's Head of the Legislative Enforcement Department, National State Borders and Boundaries Directorate, Ministry of Foreign Affairs, and **Mr. Atilio Alimena**, Argentina's National Director of International Territorial Integration Planning, Ministry of the Interior, Public Works and Housing, spoke about the progress made with regard to the border crossings system being developed at COSIPLAN, especially considering the social changes associated with migration and the use of technology, which pose challenges calling for efforts at borders and an educational process that must aim at the search for sustainable coordinated border management. They raised the importance of moving forward with the collection of information about pilot border crossing cases by pairs of countries in 2018 on the virtual platform developed. They stressed that it is necessary that the countries provide the required information in order to have a comprehensive vision of all South American border crossings. This task was said to require a domestic coordination process, as the information is scattered across the different agencies concerned with border crossings.

Coordinated Border Management (CBM)

The first panel was made up of Ms. Rosa Aizprúa, Coordinator for the Border Integration Program of Panama's National Customs Authority (Annex 3); Mr. Jorge Jiménez Kockar, General Subdirector of Customs Operations of the Interior of Argentina's Customs Authority (Annex 4); Ms. Patricia Chamorro Figueroa, from Chile's National Customs Service (Annex 5); and Ms. Margarita Libby Hernandez, Integration and Trade Senior Specialist from the Inter-American Development Bank (IDB) (Annex 6).

Ms. Rosa Aizprua delivered a presentation on Panama's project to develop the binational integration of its controls, based on the CBM criteria, at the three authorized border crossings between Panama and Costa Rica. Against this background, the progress made with regard to the Binational Framework Agreement, the creation of a Binational Border Committee made up of all the agencies of both countries, and the establishment of a

Technical Committee responsible for agreeing upon all the operational aspects of integration were highlighted.

Next, Mr. Jorge Jiménez Kockar spoke about Argentina's interventions in the Cristo Redentor System. He delivered a presentation on the border crossing with the greatest relative importance in South America in terms of the cargo volumes handled, stressing the progress made in terms of integration, which aims at consolidating physical integration as well as the functional integration of both immigrations and phytosanitary controls. The project underway intended to improve operational efficiency at the one-stop control office for checks on freight in Uspallata was presented, which was estimated to be completed in March 2018, and mention was made of the fact that Argentina's Customs is analyzing improvements to its processes.

On behalf of Chile's National Customs Service, **Ms. Patricia Chamorro Figueroa** emphasized the advance in the construction of Los Libertadores New Complex, which is part of the Cristo Redentor System, as well as the greater and better CBM online integration.

As new challenges ahead, she mentioned the appropriate training of customs officers, the national and binational inter-institutional coordination, the simplification of formalities for the movement of vehicles, and the joint declaration by Chile's Customs and Agricultural and Livestock Service.

To conclude the panel, **Ms.** Margarita Libby Hernández spoke about the different modes of integration adopted in Central America within the framework of CBM: on the one hand, traditional physical integration, and on the other hand, "virtual" integration in the cases in which the presence of one country's officers in charge of checks in the neighboring country is not viable. She said that the virtual model is being developed by Costa Rica for its border crossings with Nicaragua, and by Nicaragua for its border crossings with Honduras.

The way towards the development of CBM started in very restricted terms, by implementing five basic measures aimed at enhancing border facilitation and security. Ms. Libby Hernández emphasized the importance of border control processes and the Management Control Systems using technology that results in shorter border wait times, integrity in the control processes, and the need to view infrastructure as a support to such processes and technology.

Ms. Libby Hernández then referred to the Customs Union process being developed by Honduras and Guatemala and to the good results obtained with the implementation of the International Goods in Transit (TIM, its acronym in Spanish) system.

Finally, she underscored the asymmetries between the border control institutions in terms of skills and resources, saying that these involve long-term processes and require a clear and persistent political will to be developed.

Single Window for Foreign Trade (VUCE)

The second panel was made up of Mr. Marvin Salas, Manager of Costa Rica's VUCE, PROCOMER; Ms. Erika Medina, Project Coordinator of Brazil's Pro Modernization of Foreign Trade Logistics Alliance (PROCOMEX), and Ms. Margarita Libby Hernández, Integration and Trade Senior Specialist from the IDB. The panel was moderated by Ignacio Traballoni, Legal Affairs Official, VUCE, of Argentina's Ministry of Production.

First, Mr. Marvin Salas offered a summary of the characteristics of Costa Rica's VUCE system, stressing the automation of the processes and its associated improvements in terms of foreign trade efficiency and efficacy (Annex 7).

Mr. Salas mentioned the need to have an appropriate Legal Framework in place and the importance of the coordination and willingness of the institutions to channel all their formalities via the Single Window tool. Currently, VUCE version 2.0 is under development, including digital signature and electronic payment for all operations in its way towards "paperless" trade. The single window system VUCE involves a process of continuous improvement and innovation, and the objective set by Costa Rica is to implement a world-class single window allowing the exchange of information with the other countries.

Next, **Ms. Erika Medina** described the functions and characteristics of PROCOMEX, and defined it as a platform integrating the public and private sectors (**Annex 8**).

She stressed the joint work done with Brazil's Customs Service in the SIXCOMEX system and in the analysis of the export and import processes with the purpose of removing existing bottlenecks and improving efficiency.

Ms. Margarita Libby Hernández analyzed the relationship between single windows and CBM as complementary elements to improve processes and controls. She explained the scope of VUCE and the magnitude of the asymmetries among the control agencies that are part of such single window system. She emphasized the need for VUCE to include all the agencies and operations, and referred to the confidentiality issues that have an impact on its development (Annex 9).

Ms. Libby Hernández also referred to the figure of the Authorized Economic Operator (AEO) as an important part of the processes aimed at improving efficiency at border crossings as well as to the need to disseminate the concept of risk management to all the control agencies.

Single windows add value to the whole process, are key to CBM, and allow the addition of other services. They provide a source of information on risks and preclearance. Notwithstanding the existing models, the agency responsible for the administration of a single window is not the central concern; the fundamental aspect is the scope of the single window in terms of the number of processes it deals with and the system's efficiency.

Mr. Ignacio Traballoni stated that Argentina's VUCE project is one of the priorities of the current government. Work is being done towards the elimination of paperwork jointly with the Ministry of Modernization. Mr. Traballoni also highlighted the importance of the coordination between and commitment of the agencies concerned to avoid difficulties in obtaining information from each of them.

COSIPLAN-IIRSA Platform: Planning for the Integration and Development of Border Territories

The third panel included, among others, **Ms. Marcela Espinoza**, Chile's Head of the Legislative Enforcement Department, National State Borders and Boundaries Directorate, Ministry of Foreign Affairs **(Annex 10)**, who described the objectives, characteristics and development stages of the platform.

Ms. Agustina Pomares, from Argentina's National Directorate of International Territorial Integration Planning, Ministry of the Interior, Public Works and Housing, presented the preliminary design and the functionalities of the platform using an example with

information selected by Argentina and Chile (Annex 11).

The platform will help host in a tool accessible over the Internet all the information available on the authorized South American border crossings and the territories in which they are established so as to devise socioeconomic development and integration plans for such areas.

Finally, Mr. Hernando Arciniegas, CCT consultant, presented the proposed criteria for selecting the border crossings that will be included in the platform. The first group of criteria is associated with the population levels in the border areas, and the second group is associated with the movement of people, goods and services. It was underscored that all of the criteria must be applied for selecting the border crossings, and some examples were presented after explaining the rationale for their definition (Annex 12).

Practical Exercise: Consolidation of the List of South American Border Crossings

To begin with the practical exercise, a list containing 118 authorized border crossings of the region was presented for the consideration of the National Coordinations. The participants were first asked to analyze whether the list was complete or there was any authorized border crossing missing, and then to indicate the criteria that could be applied for selecting them for inclusion in the platform.

Next, the countries, grouped in pairs, identified the border crossings that should be included in the public search section of the platform and which were selected as pilot cases to move forward in the collection of all the information planned to be incorporated to tool for the exclusive use of the officials concerned with border issues.

At the end of the exercise, the representatives of all the countries present completed the topics requested and communicated the pilot border crossings selected. The only border crossings that were not confirmed were those selected by Argentina and Brazil on their borders with Uruguay as well as those selected by Colombia and Peru on their borders with Ecuador, since neither Uruguay nor Ecuador was present at the meeting.

SECOND DAY

Operation Models for the Movement of Cargo and People

During the fourth panel, different operational models for border crossings were addressed, from both the public and private perspective. The vision of logistics operators concerning the operation of the land border crossings in the region was also presented.

Fernando Cafasso, National Director of Technical Border Affairs of Argentina's Ministry of the Interior, Public Works and Housing, explained the strategic importance for regional trade of the Santo Tomé-São Borja and the Paso de los Libres-Uruguayana border centers, as they are key elements in the bioceanic corridors infrastructure **(Annex 13)**.

In the case of the Paso de los Libres border crossing, second to the Cristo Redentor border crossing in terms of the volumes of cargo handled, the integrated control mode adopted is that the country of entry hosts the controls. As for Santo Tomé-São Borja, there is a single border center located in Argentina operated by company Mercovía under a concession arrangement. Both border centers together account for 18% of Argentina's international freight carried by land and for 9% of Argentina's passengers.

Even though the works carried out by Argentina at the Paso de los Libres facilities are

almost completed, this infrastructure was said to be underused. No Brazilian officers are yet present in the facilities; therefore, in the case of goods cleared from Brazil to Argentina, the vehicles carrying them have to stop twice to fulfill national controls.

The following is a summary list of the aspects at the Paso de los Libres-Uruguayana border crossing that require a solution, as pointed out by the speaker:

- a) lack of exploitation of current infrastructure;
- b) irregular associated services;
- c) lack of authorization of control instruments;
- d) weak security system; and
- e) nonoperational integrated IT system.

Argentina wants to put the infrastructure built in Paso de los Libres out to tender so that it is administered and maintained by a private operator. It is estimated that in this way the operational conditions and enhancement of the infrastructure will meet the requirements established by the Brazilian government for Brazil's officers and agencies to work at the border control complex, as provided for in the Recife agreement, within one year.

Concerning Santo Tomé-São Borja, involving single facilities for cargo and passengers and a cargo volume lower than that in Paso de los Libres, the operational performance is very satisfactory, which makes it one of the best border crossings in South America in terms of level of integration and quality of the infrastructure available.

However, some issues to be solved were pointed out, such as:

- a) high tolls;
- b) complex conflict settlement mechanism; and
- c) high maintenance cost of the structure of the binational control delegation.

The final observations were concerned with the Argentine President's instructions to improve the infrastructure at border crossings. The national state has a different policy with regard to connectivity, bioceanic corridors, infrastructure and agencies. At present, the agencies are more integrated and have faster case settlement mechanisms than in previous years. The policy of the state is to make checks more efficient and faster and, at the same time, to increase security.

José Luis Vazzoler, General Manager of Mercovía S.A., which is the concessionaire of the Santo Tomé-São Borja border crossing, stated that building a one-stop border control center was the decision of the two states (Annex 14), and that this is the only South American border crossing operated by a private company under a concession contract. The grantor of the concession is COMAB (Argentine-Brazilian Joint Commission), on behalf of the two states, and the terms of the concession is 25 years from contract award in 1996. In 1997, the two governments entered into an agreement providing for i) payment of taxes by the holder of the concession, and ii) delimitation of the Argentine-Brazilian customs jurisdiction in the facilities of the integrated border center, where there is a primary customs zone shared by both countries.

The following is a summary of the positive aspects as defined by the speaker:

- a) this is the first border center structured for the activities of reliable operators;
- b) it is at a strategic location within MERCOSUR;
- c) its services were optimized;
- d) it offers competitive rates;
- e) it has integrated logistics solutions;

- f) all Argentine and Brazilian agencies are centralized at a single physical space;
- g) it offers one stop for all vehicle and passenger formalities;
- h) the presence of cargo is communicated to both countries' customs;
- i) Argentina's and Brazil's customs are physically connected, formalities and operations are integrated, and the holder of the concession is in charge of document transmission;
- i) this is the only border crossing for which there is an agreement between both customs on simultaneous clearance;
- k) the Brazilian Ministry of Agriculture and Argentina's National Agriculture and Food Health and Quality Service (SENASA) jointly perform the analyses on the same samples at the lab located at the unified border center;
- there is an IT system for all operators at the integrated center, which allows the state of the cargo within the primary customs zone to be monitored via Mercovía S.A. website;
- m) the MERCOSUR certificate of origin is issued at the unified center;
- n) it operates all year round on a 24-hour basis;
- o) the complex is monitored by a system of cameras controlled by the holder of the concession and Argentina's National Border Guard.

The average wait time is two and a half hours for empty trucks, four hours for customs transit, and eight hours for ordinary traffic. The speaker pointed out that 50% of these wait times is taken by foreign trade agents, and the other 50% is taken by the public agencies. Foreign trade operators account for a long time wasted, which could be considerably improved.

With regard to standards, the holder of the concession understood the need for certifying the quality of its processes, as the intention was to be on an equal footing with the operators associated with the integrated control center. At present, the concessionaire is IRAM-ISO 9001 quality management certified and IRAM-ISO 14000 environmental management certified. The concessionaire plans to apply for Authorized Economic Operator (AEO) status before Brazil's Federal Revenue Service by late 2018.

Santo Tomé-São Borja is a different case in terms of how the other border crossings in the region operate, and is an experience that should be taken into account for future projects and for the border crossings whose operation is rather deficient. The Santo Tomé-São Borja model is a valid alternative. Finally, it is worth noting that the 50% of the wait times associated with private operators is related to their lack of or poor training, which results in avoidable costs passed on to intermediate or final consumers.

Mr. Juan Mininni, Director of the International Transport Department of the Argentine Federation of Trucking Companies (FADEEAC), emphasized that MERCOSUR Working Subgroup No. 5 brings together all the trucking chambers, and stressed the fact that the proposals made by private actors are almost ignored, even though road carriers play a key role in the logistics process. He pointed out that one of the main problems are delays in truck clearance due to structural issues.

Mr. Mininni said that at the Cristo Redentor and Paso de los Libres border crossings there are delays issues, restricted hours and infrastructure difficulties, among other problems. The Agreement on International Land Transport (*Acuerdo sobre Transporte Internacional Terrestre* or ATIT) was considered by the speaker as a dynamic agreement within the framework of the Latin American Integration Association (ALADI), as it includes a message referring to the improvement of border processes, along the lines of trade facilitation.

Mr. Francisco Lobos, General Manager of the Chilean Union of International Cargo Road

Transportation Companies (AGETICH), stated that transport is conditioned by private vehicles, the type of traffic infrastructure and the technology applied to border crossings. He added that rates are a dominant factor in terms of the efficiency of land transport, especially considering that competition in the sector is strong. In addition to these factors, there are traffic restrictions, high costs, the impact of wages on operating costs, and high tax burdens.

Mr. Lobos stressed that the Cristo Redentor Complex, which accounts for 80% of Chile's bilateral trade volume by road with Argentina, Brazil, Uruguay, Paraguay and Bolivia, remained closed for 85 days, with the losses that this entailed. Furthermore, sometimes security and control agencies do not have enough capacity to meet the demand. Another of the factors mentioned is the inefficient use of space at border crossings; there are times when these are full of trucks waiting for prices, which adds another distortion to the costs established at US\$200 after a 48-hour stay.

The speaker expressed the benefits of praising the Las Leñas Tunnel project, which is welcomed by carriers and would efficiently connect the border with the ports of San Antonio and Valparaíso. He said that it involves a favorable geology, lower costs and a low height. Carriers propose actions and warn of the problems that their sector is facing. A normative framework at the South American level, homogeneity in terms documentation for all countries and controls only at entry should be considered.

Procedures, Mechanisms and Technologies for the Coordination of the International Cargo Movement

The fifth panel addressed aspects related to infrastructure as a support for the logistics chains and the role of new technologies.

Mr. Héctor Giovanni Páez, Advisor on Intermodal Transport Policy to Colombia's National Planning Department, referred to the cargo and passenger management system at El Dorado Airport, which has undergone a very important transformation process in recent years (Annex 15). The plan is that the impact of logistics costs be reduced by 50% in the medium term (2032). In Colombia, the air mode of transport saw a considerable increase in the movement of both cargo and passengers: at Bogotá's airport, it went from 200 thousand tons and 11 million passengers in 2000 to more than 800 thousand tons of cargo in 2016, when passengers exceeded 36 million.

Infrastructure was expanded in response to the needs of the demand, which created the need for a medium- and long-term plan, and it was decided to make such expansion through a concession. Some of the factors to take into account according to the speaker were the delays and the time taken by the country's exports in general, which exceeded the times in the region by 42%. With regard to cargo, El Dorado is a hub due to its strategic position in the region; flowers are the main product exported to the United States, accounting for 80% of air cargo. It is expected that within approximately seven years, the airport will be operating at the limit of its installed capacity, for which reason there are plans to expand and optimize the air terminal within the configuration of the current infrastructure. The cargo area, with its current 73 thousand square meters, was the most enlarged.

With regard to cargo, the airport's nature of a cargo hub was highlighted, with more than 20 airlines operating in it. The area has 215 boarding and disembarking gates for trucks and a capacity to serve 25 aircraft simultaneously. The airport generates more than 3,000 direct jobs and is ranked 32nd in international air cargo, being number one in terms of cargo handling in Latin America. Cargo involved one of the critical processes that justified the need to triple the cargo area.

Customs tax regulations allow for cargo to comply with the legal requirements in the hold. When the products are downloaded from the airplane, their legal reception is carried out online. One of the major advantages helping reduce the time taken by legal formalities, particularly those associated with cargo, is that the operational facilities of all the control agencies are at the terminal itself.

Improvements to operational processes at the airport required the coordination of processes with the infrastructure available in the country in order to expedite inspection operations by the control authorities.

It was noted that Colombia handles 23% of the air cargo in Latin America and the Caribbean, and it is expected that in 2035 El Dorado 1 and 2 will handle 1.2 million tons of cargo. Based on these scenarios, the objectives are as follows:

- a) increase the capacity of the control authorities during the high seasons, when exports of goods grow;
- b) design incentives for the location of logistics services companies in the airport cargo areas;
- c) define single inspection areas for control authorities in the current and new airport concessions; and
- d) verify compliance with the cold chain standards in accordance with the guidelines defined by the International Air Transport Association (IATA).

Mr. Sergio Miguel del Águila Alfaro, Head of the Control and Inspection Area of Peru's Operations and Environment Division, National Port Authority, stated that one of the objectives of the National Port Authority is promote investments and the policies defined in the national port development plan **(Annex 16)**. Foreign trade saw a significant growth during the last few years, and currently 90 million tons of cargo are handled in the country, the most significant being bulk minerals, in connection with which the port of Callao is the most important in terms of volumes operated.

Regarding container movement in Peru, there is a throughput of 2.3 million TEUs per year, 2 million of which correspond to the Callao port, where the most important container terminal concessions are located: APM Terminal Callao and DP Word Callao. Only the latter captures 1.2 million TEUs. Another terminal at the Callao port is the state-owned and self-financed mineral concentrate terminal.

The optimization of the logistics chain results in the concessions handling higher volumes of cargo at the port than in the stages prior to the current management model. The role of port authorities is to optimize logistics chains at ports to avoid an impact on costs, and port infrastructure contributes to the improvement of logistics processes. Despite the improvements in the terminals, problems continue to occur in land transport. At present, the port handles 3,000 trucks a day, which is equivalent to about 100 thousand trucks per month.

The port authority had to lead the processes to solve the congestion problems at the portcity interface. To this end, a strategy was designed to prevent these tensions, resulting from a congested environment, from translating into logistics costs increases. Trucks are monitored, and a vehicle ordering plan was implemented, which involved a major consensus reaching process with all the authorities concerned. In this way, it was possible to establish different types of routes according to the cargo. Before the implementation of the plan, the time taken for a truck to arrive at the port was 12 hours in the urban area, and today this was reduced to two hours. The dialogue tables with the different actors involved in the logistics chain gave very good results.

A port intelligence committee has also been created with the National Police due to the theft of containers. Within the same initiative, security plans linked to drug control were implemented. Regarding the implementation of technology for the control and traceability of cargo, a consulting process is being developed to adopt the most appropriate systems to identify vehicles, drivers and cargo and to control access.

Another development praised by the speaker as one of the keys to the improvement of logistics processes is the vessel clearance system using the Redenaves electronic system, which is part of the single window. Before the implementation of the system, clearance of a vessel took four hours, taking into account all the documentary and physical procedures, and today clearance is performed online. The implementation of a Port Community System (PCS) that integrates all stakeholders in the port community and the linking of this system to the Single Window throughout the port logistics chain is a challenge ahead for the port authority.

In Peru, as part of the regional physical integration process, the IIRSA Norte, Centro y Sur projects were defined and developed in logistics corridors. In the case of IIRSA Norte, which involves more than 1,000 kilometers of roads, the construction of the Yurimaguas connection as a port and logistics center to complete the connectivity with Iquitos through the waterway is pending. As for IIRSA Centro, the connection of the Callao port with the port of Pucallpa was completed, and this infrastructure will facilitate connection through the waterway with Iquitos to open the possibility of arriving with cargo in Manaus, Brazil. IIRSA Sur is more advanced and the connection of the ports San Juan and Matarani up to Inanbari involves more than 1,800 kilometers of roads. These IIRSA corridors entail the physical integration of Iquitos and Manaus through a system of waterways. A concession was granted to a Chinese company that is conducting studies for the development of the waterways in the 2019-2020 period.

Mr. Gerardo Durán, Argentina, Bolivia, Paraguay and Uruguay Territory Sales Manager at Oracle Argentina, spoke about the case of software development for its application to the development of a bioceanic corridor that runs from Campo Grande to Porto Murtinho and passes through Paraguay to Argentina, where it runs through Salta and Jujuy to Antofagasta and Iquique (Annex 17). The speaker defined the project as an intelligent corridor or a fast customs.

There are different procedures in the vehicles to monitor cargo —for example, to measure temperature and to learn whether the container has been opened or not during its journey. These are processes that measure safety in transportation. All these events are brought together in an integrated customs process as safe processes that reduce time. For example, monitoring allows an exporter to know where the cargo is and where it is going, and even to determine issues such as predicting when the cargo will arrive at destination.

From the perspective of seasonality, it is possible to anticipate demand peaks, which allows the preparation of the necessary logistics resources, which is also useful for optimizing costs. The important thing to note is that data are all along the logistics chain, are secure and the information is online. The attributes of this platform are control and security in the process through blockchain; this technology involves security measures such as that in order to make changes, there must be an agreement among all the members of the chain. In addition, the aim is to move forward in the monitoring and traceability of cargo through the Internet of Things and the intelligent management of data to predict

trends.

The system can integrate information, shared data and documents such as cargo control registers, export contract registers, certificate license registers, and rates registers, among others. Such a technology applied to a transport system could help generate significant time savings, identify billing fraud, measure transport parameters and even manage the predictive maintenance of vehicles according to parameters.

Mr. Mariano Ferro, Head of Department at the Single Customs Monitoring Center of Argentina's Customs Directorate-General (DGA), presented the experience and relevance of the application of the International Customs Transit Computerized System (SINTIA) (**Annex 18**). Basically, this system made it possible to use technological advances to process the documents provided for in the ALADI's Agreement on International Land Transport (*Acuerdo sobre Transporte Internacional Terrestre* or ATIT), which MERCOSUR adopted in 2004.

The Federal Administration of Public Revenue approved in 2009 the procedure for registering and monitoring the International Cargo Manifest and Customs Transit Declaration through SINTIA. This system ensures security and facilitation, and expands the role and capabilities of customs to meet the challenges and seize the opportunities of the 21st century. In addition, it strengthens the cooperation between customs and companies, promoting the smooth movement of goods through international logistics chains.

Prioritization of Border Crossings or Corridors for the Implementation of Integrated and Interoperable Management Systems in International Land Traffic Control

In the sixth and final panel, João Carlos Parkinson de Castro, Head of the General Coordination of Economic Affairs in South America, Central America, and the Caribbean of the Brazilian Ministry of Foreign Affairs, spoke about agreements reached concerning the use of new technologies to facilitate trade in the Atlantic-Pacific Integration Road Corridor (Annex 19).

The speaker stressed that this corridor is multidimensional; has economic, cultural, academic, territorial, political and integrationist projections; and has multiple purposes:

- a) reduce travel and delivery times, as well as transportation, storage and inventory costs;
- b) increase road connectivity and improve the territorial articulation and interoperability of the modes of transport;
- c) generate more efficient movements of cargo and passengers;
- d) increase the value added of the products carried, create new trade and investment flows and more quality employment, and generate a greater integration of national and regional production chains;
- e) bring communities closer together, break down isolation, and create the physical conditions necessary to exploit local potential; and
- f) encourage coordination between subnational entities and join forces in favor of the interests of the territories and their population.

Finally, Ms. Marcela Espinoza, Chile's Head of the Legislative Enforcement Department, National State Borders and Boundaries Directorate, Ministry of Foreign Affairs, presented the experience of Argentina-Chile integrated control at the Jama and Cristo Redentor border crossings, making a conceptual explanation of the different types of controls in place (Annex 20).

NEXT STEPS

The National Coordinations agreed to define the list of consolidated border crossings that will form part of the South American Border Crossings Platform, as well as the list of national agencies concerned with borders by country and their websites not later than October 13. Likewise, the countries must complete in an Excel file the fields of the Platform public module by border crossing not later than October 20.

On November 13, the National Coordinators will receive the preliminary version of the public module of the Platform for them to validate it not later than November 17.

Finally, the Public Module of the "South American Border Crossings" Platform including the information provided by the National Coordinations will be presented at the VII Ordinary Meeting of COSIPLAN Ministers, to be held on December 7 in Buenos Aires.

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- Annex 20: <u>Paso de Jama Cristo Redentor System Integración Austral Border Crossings Chile's National Coordination</u>

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