

## TC ABSTRACT

### I. Basic Project Data

▪ Country/Region:	REGIONAL/CID - Isthmus & DR
▪ TC Name:	Support for the process of Binational Integration Costa Rica - Panama
▪ TC Number:	RG-T3385
▪ Team Leader/Members:	LIBBY HERNANDEZ, MARGARITA (INT/TIN) Team Leader; BAYONA PULIDO, MAURICIO (INE/TSP) Alternate Team Leader; SARRIA ORTI, AGUSTIN (INT/TIN); ALFARO ZUNIGA, CINTHYA GRACIELA (INT/TIN); MENDEZ MEJIA, ERICK DANIEL (INT/TIN); ROSPIDE, MARIA DE LA PAZ (INT/TIN); BUSTOS BRENES, JUAN CARLOS (INT/TIN); SANMARTIN BAEZ, ALVARO LUIS (LEG/SGO); IMANA, ZAIDA VICTORIA (INT/TIN)
▪ Taxonomy:	Client Support
▪ Number and name of operation supported by the TC:	N/A
▪ Date of TC Abstract:	29 Nov 2018
▪ Beneficiary:	Costa Rica and Panama
▪ Executing Agency:	INTER-AMERICAN DEVELOPMENT BANK
▪ IDB funding requested:	\$ 350,000.00
▪ Local counterpart funding:	\$ 0.00
▪ Disbursement period:	36 months
▪ Types of consultants:	Individuals
▪ Prepared by Unit:	Integration & Trade
▪ Unit of Disbursement Responsibility:	Integration & Trade
▪ TC included in Country Strategy (y/n):	No
▪ TC included in CPD (y/n):	No
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Economic integration

### II. Objective and Justification

2.1 The objective of this technical cooperation is to strengthen bi-national coordination between both countries, through the execution of visible actions and impact on Trade Facilitation procedures, including progress in the Central American Region, encouraging the participation of public and private actors involved in commercial matter. Likewise, compliance with the standards of Coordinated Border Management will be supported, taking into account the progress that is being made in both countries in line with the Central American Trade Facilitation Strategy and the guidelines of the Trade Facilitation Agreement of the World Organization of Commerce (WTO).

2.2 Central America is immersed in a process of modernization and improvement of the efficiency and effectiveness of fiscal and parafiscal controls that are carried out both cargo and passengers. This process implies a paradigm shift in risk management, the coordination and exchange of national and binational information, as well as the need for improvement in infrastructures and technological equipment for non-intrusive control.

In this regard, the Bank finances three Border Integration Programs -PIF- in Nicaragua (3484/BL-NI), Panama (4517/OC-PN) and Costa Rica (3488/OC-CR). In addition, the Bank administers resources from the European Union to support the PIF of Nicaragua (GRT/ER-16523-NI) with the modernization of three border crossings in Nicaragua for an amount of 20 million euros.

Within the Central American region, Panama and Costa Rica, with their programs are committed to a very advanced level of integration based on Coordinated Border Management, through the use of cutting-edge control technology, modernization of national systems and integrated control centers with stop and unique review, with the aim of reducing crossing times between both countries, increase load controls and improve user perception. In addition, the commercial processes in the region are accompanied by a series of initiatives that include the participation of both countries, including the Digital Trade Platform of Central America (PDCC, ATN/ER-16366-RG) that SIECA executes with the supervision of the IDB and the modernization of the border crossings with the installation of RFID equipment (ATN/MR-14890-RG) and cameras (ATN/OC-16478-RG), always in coordination with SIECA.

In order to carry out all these initiatives and programs, a high level of public inter-institutional coordination (including regional organizations) and the private sector is essential, as is close technical support to ensure the preparation, implementation and adoption of the proposed initiatives.

### **III. Description of Activities and Outputs**

- 3.1 The project is structured in three components: Component I: Visible impact actions in Trade Facilitation procedures. The result of this component will be to systematize impact actions in Trade Facilitation procedures for both countries, as well as the analysis and evaluation of infrastructure and technology processes related to Coordinated Border Management in the border crossings of both countries with a view to national and international interoperability. To this end, they will be taken to actions of i) support for the review of bidding processes for infrastructure works and technological equipment; ii) technical support to the field works; iii) definition of baselines to determine the users' perception in the border crossings, and iv) analysis of the crossing times. Component II: Articulation of dialogue, participation and commitment of key actors in regional trade. The result of this component is to have obtained commitments and concrete actions through dialogue with the private and public sector, to implement innovative procedures that reduce time, costs and increase transparency in both ways. This will be achieved through: i) generation of proposals that are validated and approved in binational and regional meetings; ii) strengthening of prioritization and negotiation techniques; iii) awareness and dissemination sessions on regional good practices, and iv) working sessions between the public sector and the private sector, which allows the development of efficient and innovative procedures in order to be reflected in manuals associated with cargo and passenger processes. Component III: Support for environmental, social and gender management in the Border Crossings. The result of this component is to ensure adequate social and environmental management in the interventions carried out in the Border Crossings, as well as to support the implementation of measures that ensure gender equality and the integrity of passers-by in the zones. border. For this, the following will be carried out: i) support for the supervision of social issues and environments, associated with border crossings; ii) implementation of methodology to identify cases of victimization or criminals in the border crossings, and iii) Training workshops aimed at SME women entrepreneurs, in the use of new digital platforms, which will allow them to enhance their competitiveness in the market.
- 3.2 **Component I: Visible impact actions in Trade Facilitation procedures.** The result of this component will be to systematize impact actions in Trade Facilitation procedures for both countries, as well as the analysis and evaluation of infrastructure and technology processes related to Coordinated Border Management in the border crossings of both countries with a view to national and international interoperability
- 3.3 **Component II: Articulation of dialogue, participation and commitment of key actors in regional trade.** The result of this component is to have obtained commitments

and concrete actions through dialogue with the private and public sector, to implement innovative procedures that reduce deadlines, costs and increase transparency in both ways.

- 3.4 **Component III: Support for environmental, social and gender management in the Border Crossings of Costa Rica and Panama.** The result of this component is to ensure adequate social and environmental management in the interventions carried out in the Border Crossings, as well as to support the implementation of measures that ensure gender equality and the integrity of passers-by in the zones border.

#### IV. Budget

**Indicative Budget**

<b>Activity/Component</b>	<b>IDB/Fund Funding</b>	<b>Counterpart Funding</b>	<b>Total Funding</b>
Visible impact actions in Trade Facilitation procedures	\$ 175,000.00	\$ 0.00	\$ 175,000.00
Articulation of dialogue, participation and commitment of key actors in regional trade	\$ 100,000.00	\$ 0.00	\$ 100,000.00
Support for environmental, social and gender management in the Border Crossings of Costa Rica and Panama	\$ 75,000.00	\$ 0.00	\$ 75,000.00

#### V. Executing Agency and Execution Structure

- 5.1 This program is executed by the Trade and Investment Division (TIN) of the Integration and Trade Sector (INT) of the Inter-American Development Bank.
- 5.2 It is justified by the role of technical expert, resource administrator of the European Union and monitoring of progress made by the institution with the PDCC Project and the operations derived from the facilitation measures.

#### VI. Project Risks and Issues

- 6.1 In order to achieve the proposed results, there are the following risks and their associated mitigation measures: i) delays in the design and approval of technical specifications cause delays in the actions that impact the TC to mitigate this, binational technical assistance will be carried out to ensure the operation models, follow-up workshops for compliance with the conditions foreseen and the strengthening of the technical teams of the institutions; ii) lack of precise dialogue with the private sector; to mitigate this, workshops will be promoted with agendas and commitments to align efforts and ensure public-private dialogue that contributes to the progress that has been made in terms of regional and bi-national facilitation.

#### VII. Environmental and Social Classification

- 7.1 The ESG classification for this operation is "C".