

**CHILE**

**SUPPORT FOR THE ESTABLISHMENT OF AN INTEGRATED  
FOREIGN TRADE SYSTEM (SICEX)**

**(CH-L1061)**

**LOAN PROPOSAL**

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## ABBREVIATIONS

APEC	Asia-Pacific Economic Cooperation
COCHILCO	Comisión Chilena del Cobre [Chilean Copper Commission]
GDP	Gross domestic product
ISP	Instituto de Salud Pública [Public Health Institute]
OC	Ordinary Capital
PEP	Project execution plan
SAG	Servicio Agrícola Ganadero [Agriculture and Livestock Administration]
SERNAPESCA	Servicio Nacional de Pesca [National Fishing Service]
SICEX	Integrated Foreign Trade System
SII	Servicio de Impuestos Internos [Internal Revenue Service]
TGR	Tesorería General de la República [National Office of the Treasury]

## PROJECT SUMMARY

### CHILE

### SUPPORT FOR THE ESTABLISHMENT OF AN INTEGRATED FOREIGN TRADE SYSTEM (SICEX) (CH-L1061)

Financial Terms and Conditions				
Borrower: Republic of Chile			Amortization period:	8 years (*)
Executing agency: Office of the Deputy Secretary of Finance of the Ministry of Finance			Grace period:	5 years
			Disbursement period:	5 years
Source	Amount (US\$)	%	Interest rate:	LIBOR-based
IDB (Ordinary Capital)	7,562,600	69	Inspection and supervision fee:	(*)
Local	3,427,700	31	Credit fee:	(*)
Total	10,990,300	100	Currency:	U.S. dollars from the Single Currency Facility of the Bank's Ordinary Capital
			Conversion to Chilean pesos	Local Currency Facility
Project at a Glance				
<b>Project objective and description:</b> The general objective of the project is to support the establishment of an Integrated Foreign Trade System (SICEX) in order to facilitate and promote foreign trade, make the most of trade agreements, and further integrate Chile into the world economy. The specific objectives are: (i) to achieve greater efficiency and transparency in the management of foreign trade operations, reduce the existing disparity between the technology platforms used by the government agencies that participate in foreign trade operations, maximize the use of information technologies, improve interoperability between the participating government agencies, and strengthen interoperability with other countries' windows; (ii) optimize and reduce the time and costs to operators involved in import, export, and transit transactions, based on international standards, recommendations, and good practices; and (iii) improve the performance and coordination of the government agencies that participate in foreign trade transactions.				
<b>Components:</b> Component I: Design and implementation of SICEX, Component II: Change management and dissemination, and Component III: Institution-strengthening for implementation of SICEX.				
<b>Special contractual conditions:</b> Conditions precedent to the first disbursement: the creation and formation of the execution unit within the Office of the Deputy Secretary of Finance (see paragraph 3.4).				
<b>Exceptions to Bank policies:</b> None				
<b>Procurement:</b> Project procurements will be conducted pursuant to Bank policies (documents GN-2349-9 and GN-2350-9).				
<b>Project consistent with country strategy:</b> Yes [ X ]        No [   ]				
<b>Project qualifies as:</b> SEQ [   ]        PTI [   ]        Sector [   ]        Geographic [   ]        Headcount [   ]				

(\*) The credit fee and inspection and supervision fee will be established periodically by the Board of Executive Directors as part of its review of the Bank's lending charges, in accordance with the applicable provisions of the Bank's policy on lending rate methodology for Ordinary Capital loans. In no case will the credit fee exceed 0.75% or the inspection and supervision fee exceed, in a given six-month period, the amount that would result from applying 1% to the loan amount divided by the number of six-month periods included in the original disbursement period.

## I. DESCRIPTION AND RESULTS MONITORING

### A. Background, problems to be addressed, and rationale

- 1.1 The economic growth experienced by Chile in recent years was based on a strategy of opening the economy to international trade through liberalization, with the result that foreign trade currently represents more than 70% of national GDP. Chile currently has trade agreements in effect with over 52 countries. These agreements provide an excellent platform for adopting new actions that will make them even more relevant, by facilitating the crossborder movement of goods and services and providing expanded trade opportunities. In particular, actions must be geared to increase the productivity and competitiveness of the tradable sector, in order to maximize the benefits offered by these agreements.
- 1.2 Under the new architecture of global and regional integration, trade facilitation has significant strategic importance, due in part to the trade liberalization process that has been started, as well as the rapid transformation of the world economy, the growing fragmentation of production, and the integration of global value chains. A recent IDB study shows, for example, that reducing transportation costs would generate more gains in the region's countries than lowering tariffs,<sup>1</sup> which demonstrates the importance of issues related to logistics and trade facilitation on the current agenda.
- 1.3 All of this means that time and efficiency factors have a much greater impact on international trade. The numerous trade agreements signed by Chile, as well as increasingly more complex distribution chains, stricter international requirements for products, and the use of information and communications technology are accelerating the generation of new business. Accordingly, the efforts being made by the countries to develop initiatives aimed at facilitating international trade transactions will make a fundamental difference, particularly in economies such as Chile's where domestic demand is limited, and will help create competitive advantages that will result in a better quality of life for the people.
- 1.4 The public sector's contribution to this effort logically begins by streamlining the processes in which it participates. Chile has consistently become less and less competitive in the region, compared with key competitors such as Colombia, Mexico, and Peru. For example, of the 21 days it takes to complete the export process in Chile, 11 days are needed to prepare documentation. This 21-day period is more than twice the average indicated by the Organization for Economic Cooperation and Development, and is longer than the time required by its competitors (Mexico and Colombia, 14 days)<sup>2</sup>.
- 1.5 In this context, the procedures used by customs authorities and other agencies that issue special permits related to foreign trade formalities are of particular relevance.

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<sup>1</sup> Mesquita, Mauricio, *Unclogging the Arteries: The Impact of Transport Costs on Latin American and Caribbean Trade*, Inter-American Development Bank, October 2008.

<sup>2</sup> *Doing Business Report*, World Bank, 2010.

Specifically, the implementation of single, or “one-stop,” windows in other countries has proven to have a very significant impact.

- 1.6 A single window is defined as “a facility that allows parties involved in trade and transport to lodge standardized information and documents with a single entry point to fulfill all import, export, and transit-related regulatory requirements. If the information is electronic, then individual data elements should only be submitted once” (UN/CEFACT).
- 1.7 According to a diagnostic study conducted by Deloitte,<sup>3</sup> which was commissioned by the Chilean government, the countries that have single windows in operation have identified significant benefits in terms of lowering costs to trade and government, reducing time requirements, and simplifying procedures related to permits and regulatory requirements. According to one study conducted by the United Nations<sup>4</sup> and another conducted by Asia-Pacific Economic Cooperation (APEC),<sup>5</sup> the economies that quantified the benefits of their single windows obtained highly positive results. In terms of time savings, Japan for example cut the time required to inspect ocean shipments by 6.7 hours, Korea shortened the time required to release goods by one day, and Mauritius reduced the clearance time of goods from 4 hours to just 15 minutes for non-litigious declarations. In terms of money saved and the ensuing benefits to the local economy, China for example generated a surplus of US\$23.5 billion, and Taipei China generated US\$3.38 billion with an initial investment of US\$0.69 billion. Given the level of institutional development and trade liberalization in Chile, the implementation of SICEX is expected to result in the benefits envisaged with the project and that are reflected in the economic evaluation.

## **1. Background and actions taken to establish a single window in Chile**

- 1.8 The design and implementation of an Integrated Foreign Trade System (SICEX) is one more step and is cementing the work Chile has undertaken to simplify and automate foreign trade processes. The 2004–2006 Digital Agenda established the first commitment, which was reaffirmed in the 2007-2012 Digital Strategy,<sup>6</sup> to set up an electronic window for foreign trade within the National Integrated Electronic Services Platform.
- 1.9 In September 2009, the aforementioned Deloitte study helped identify the steps for establishing a single window for all procedures associated with foreign trade. In November 2010, the Advisory Committee to the President of the Republic was

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<sup>3</sup> Deloitte, *Estudio de Integración de Procesos de Comercio Exterior [Study on the Integration of Foreign Trade Processes]*, prepared at the request of Chile’s Ministry of Economy, September 2009.

<sup>4</sup> *Recommendation No. 33, United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT) - Geneva, July 2005.*

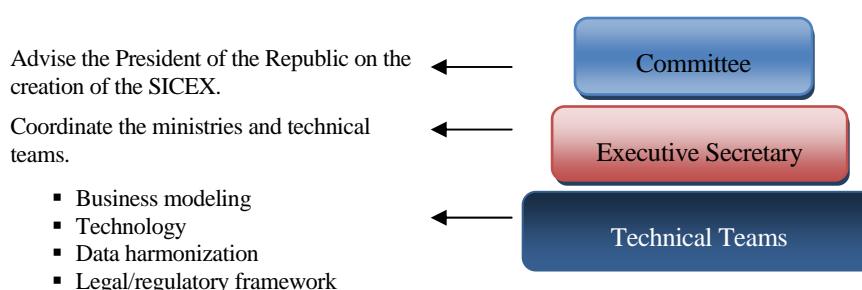
<sup>5</sup> *APEC Sub-Committee on Customs Procedures (2007).*

<sup>6</sup> Action Plan for the 2004-2006 Digital Agenda for Chile; 2007-2012 Digital Strategy for Chile. Ministry of Economy, Development, and Tourism, Government of Chile.

created by executive order,<sup>7</sup> for the purpose of establishing the Integrated Foreign Trade System. This committee is comprised of the Deputy Secretary of Finance acting as chairman; the Deputy Secretary of Foreign Relations; the Deputy Secretary of Economy and Small Enterprise; the Deputy Secretary of Public Health; and the Deputy Secretary of Agriculture.<sup>8</sup>

- 1.10 This committee's mission is to advise the President of the Republic on the identification, formulation and execution of plans, programs, measures, and other activities related to the design and development of the Integrated Foreign Trade System, and serve as the body in charge of coordinating the competent agencies and institutions involved in these areas. The committee also has an executive secretary appointed by means of Exec. Resolution No. 1404 of 11/11/2010 issued by the Ministry of Finance, who helps the committee perform its duties and acts as the committee's coordinator in dealings with government agencies.
- 1.11 This committee has the following duties: (a) propose measures aimed at implementing and operating the system; (b) review current national legislation and propose policies, rules, and regulations necessary to improve and further develop the system; (c) serve as the body in charge of coordinating the competent public institutions involved in foreign trade processes and operations; (d) prepare and deliver periodic reports to the President of the Republic evaluating the progress made and the level of performance, and making recommendations for developing the system; and (e) other necessary and pertinent tasks to fulfill its mission. In addition, four technical work groups were set up, in charge of coordinating the technical work in the areas of modeling, regulatory issues, data harmonization, and technology.

#### Organization of SICEX



- 1.12 With the Bank's support and by means of technical cooperation project RG-T1982, these technical groups have surveyed the current operating processes carried out by the institutions involved in foreign trade transactions, modeled export processes,

<sup>7</sup> Executive Order No. 1049/10 of the Ministry of Finance.

<sup>8</sup> The committee may convene and invite other government officials to participate, as well as individuals with recognized expertise in political, social, scientific, or academic areas.



prepared a data matrix for SICEX based on international standards, prepared an assessment of information technology currently in use at the services involved in export transactions, identified requirements to integrate them into SICEX, and defined the technology architecture of SICEX.

## **2. Problems to be addressed**

- 1.13 According to the assessment and survey of processes completed by the technical groups of the SICEX Committee, each year Chile processes nearly 1,400,000 transactions related to export and import operations. These transactions involve approximately 85,000 users. In addition, 19 agencies have some type of authority in foreign trade operations and are therefore involved in the approval of these transactions.

**Table I-1. SICEX transactions and users**

<b>Exports –2009</b>		<b>Imports –2009</b>	
Transactions	374,910	Transactions	1,008,664
Potential users	7,749	Potential users	76,829
Agencies issuing approvals	19	Agencies issuing approvals	19

- 1.14 In addition, the following have been identified as the main problems related to the foreign trade operations in which the 19 agencies are involved: (a) there is a great deal of redundancy in terms of the documents and information the different agencies ask operators to provide; (b) there is no overarching user- or citizen-centered vision of foreign trade processes; on the contrary, the vision of each agency revolves around its area of competence and role; (c) because of the foregoing, procedures are not standardized across the various government agencies, and on the contrary they are geared to the institutions and not the users; (d) there is little formal coordination between the agencies, least of all for physical inspections and controls; and (e) the information available to users is not easily accessible. Furthermore, the degree of automation at the various agencies is very uneven, which in any case would make it very difficult to implement a single window, even if a new vision is adopted and procedures are standardized.

## **3. Rationale and intervention strategy**

- 1.15 All of the above negatively impacts the foreign trade sector in various ways, including in terms of time and costs to the State and private operators, driving down the country's productivity and competitiveness and making it hard for private operators to take full advantage of the market access opportunities available under the trade agreements signed by Chile.
- 1.16 The intervention strategy seeks to facilitate foreign trade and increase the sector's competitiveness by: (i) saving time and consequently lowering the operating costs associated with foreign trade transactions, reducing paper, maximizing use of

technology, and avoiding duplication of data; (ii) improving the management of government agencies, reducing costs, and making the transactions related to foreign trade operations more efficient; and (iii) improving coordination and interoperability between the government agencies, including promoting the interoperability of SICEX with other countries' one-stop windows for export processing.

- 1.17 To achieve these results, the project will directly address several of the problems mentioned above through the following three lines of action (components): (i) design and implementation of a single electronic window (SICEX) where all foreign trade transactions will be completed and which will integrate all applications currently in use at the government agencies that participate in foreign trade transactions; (ii) design and implementation of a change management and dissemination strategy; and (iii) institution-strengthening for implementation of the system. Table I-2 shows the correspondence between these lines of action and the problems to be addressed, as well as the specific outputs and outcomes of the project associated with each line of action.

#### **4. Relationship with the country strategy**

- 1.18 The proposed results are consistent with the priority placed on trade facilitation in the country strategy that is being prepared for the period 2011-2014. In particular, the project is expected to help meet the "regional cooperation and integration" targets (document GN-2565-4) identified in the Report on the Ninth General Capital Increase (document AB-2764) and in the draft country strategy, which establishes that the Bank will work with the country by supporting: (i) trade, customs, and logistics facilitation, including the design and implementation of an Integrated Foreign Trade System aimed at reducing the time and costs of transactions related to foreign trade; and (ii) the adjustment and systematization of current international trade agreements. In addition, the project is compatible with the existing strategy of using international trade as a way to reduce the competitiveness gap with the developed economies.

**Table I-2: Project Lines of Action**

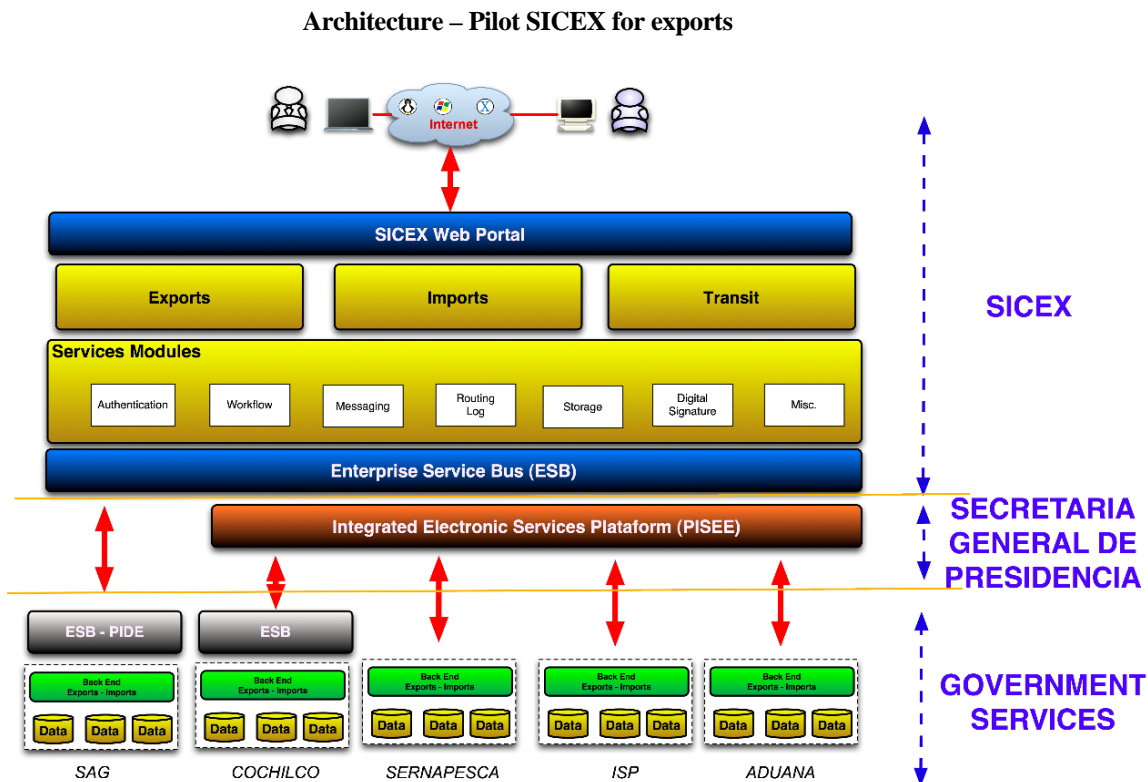
<b>Lines of action (components)</b>	<b>Problems addressed</b>	<b>Expected outputs</b>	<b>Related outcomes (objectives)</b>
1. Design and implementation of an Integrated Foreign Trade System (SICEX)	<ul style="list-style-type: none"> <li>• Duplication of the documents and data operators are required to provide</li> <li>• Deficiencies and disparity between the information technologies used by the competent agencies</li> </ul>	<ul style="list-style-type: none"> <li>• Development of software and creation of a single electronic window that will replace existing applications at the government agencies</li> <li>• Reengineering of the processes associated with foreign trade transactions at the relevant government agencies</li> </ul>	<ul style="list-style-type: none"> <li>• Greater efficiency and transparency in the management of foreign trade operations</li> <li>• Maximized use of information technologies and better interoperability between government agencies</li> </ul>

Lines of action (components)	Problems addressed	Expected outputs	Related outcomes (objectives)
	<ul style="list-style-type: none"> <li>• Unnecessary associated costs to foreign trade operators</li> </ul>	<ul style="list-style-type: none"> <li>• Reengineering of the information technology used at the main agencies involved in foreign trade transactions</li> </ul>	<ul style="list-style-type: none"> <li>• Greater uniformity in the information technologies used at government agencies</li> </ul>
2. Change management and dissemination	<ul style="list-style-type: none"> <li>• Lack of an overarching vision of trade facilitation that government agencies should have with respect to foreign trade</li> <li>• Lack of coordination and nonstandardized procedures</li> <li>• Information hard for users to access</li> </ul>	<ul style="list-style-type: none"> <li>• Development of a SICEX communication strategy</li> <li>• Design and implementation of programs to disseminate the benefits and services of SICEX</li> <li>• Design and implementation of programs to train SICEX users</li> <li>• Sharing of experiences</li> </ul>	<ul style="list-style-type: none"> <li>• Gradual increased use of SICEX</li> <li>• Reduction and optimization of costs to foreign trade operators</li> <li>• Better interoperability of SICEX with the windows of other countries that are trade partners with Chile</li> </ul>
3. Institution-strengthening for implementation of SICEX	<ul style="list-style-type: none"> <li>• Weaknesses in the delivery of support for foreign trade operations, and lack of coordination between agencies</li> </ul>	<ul style="list-style-type: none"> <li>• Institution-strengthening by hiring specialists and experts for the groups that will support the implementation of SICEX at the government agencies involved in foreign trade operations</li> <li>• Mechanisms to coordinate the agencies participating in SICEX</li> </ul>	<ul style="list-style-type: none"> <li>• Improved performance at the government agencies involved in the operations and better coordination of the agencies conducting control and inspection activities for foreign trade operations</li> </ul>

## B. Objectives, components, and cost

- 1.19 The general objective of the project is to facilitate and promote foreign trade, make the most of trade agreements, and further integrate Chile into the world economy. The specific objectives are: (i) to achieve greater efficiency and transparency in the management of foreign trade operations, reduce the existing disparity between the technology platforms used by the government agencies that participate in foreign trade operations, maximize the use of information technologies, improve interoperability between the participating government agencies, and strengthen interoperability with other countries' windows; (ii) optimize and reduce the time and costs to operators involved in import, export, and transit transactions, based on international standards, recommendations, and good practices; and (iii) improve the performance and coordination of the government agencies that participate in foreign trade transactions.
- 1.20 To this end, the project will finance the development and implementation of an Integrated Foreign Trade System (SICEX), in which operators will be able to complete the formalities required in order to conduct their export, import, and transit operations, and establish an interoperable network of all the public and

private agencies that participate in foreign trade transactions, as well as with other countries.



- 1.21 The proposed project structure will have three components: (i) design and implementation of a single integrated electronic window (SICEX); (ii) change management and dissemination; and (iii) institution-strengthening for implementation of SICEX. Table I-2 illustrates how these components relate to the proposed objectives.
- 1.22 **Component I. Design and implementation of SICEX.** This component will generate actions and outputs to design and implement a single electronic window where all foreign trade transactions will be conducted. In addition, the actions planned as part of this component will help reduce the disparity currently existing between the technology platforms used by the various participating government agencies, maximize the use of information technology, and prevent duplication of documents and data. The specific activities to be financed are: (i) design, development, implementation, and operation of a single electronic window (central SICEX system) for all formalities associated with export, import, and transit transactions. The link [technical characteristics and users of SICEX](#) contains a description of the products and services that SICEX will provide, as well as the technical characteristics of the technology architecture that will be used; and (ii) reengineering of processes and incorporation of new technologies at the

participating government agencies in order to integrate them into SICEX. These institutions include: the National Fishing Service (SERNAPESCA), the Public Health Institute (ISP), the Chilean Copper Commission (COCHILCO), the Agriculture and Livestock Administration (SAG), the National Office of the Treasury (TGR) (payment module), the Internal Revenue Service (SII) (validation of tax information), the Ministry of Health, and the Ministry of Foreign Relations. The expected outputs of these activities appear in Table I-2 above.

- 1.23 SICEX will be designed and implemented in three main stages: (i) a first stage for export transactions in 2012 (only operations that include export formalities); (ii) a second stage adding import transactions in 2013 (design of this stage will begin while the first stage is under way, and will be implemented in late 2013); and (iii) a third stage related to transit transactions in 2014 (design of this stage will begin in tandem with implementation of the second stage, and is scheduled to be implemented in late 2014).
- 1.24 **Component II. Change management and dissemination.** Activities under this component are aimed at optimizing and reducing the time and costs to foreign trade operators (exporters, importers, customs agents, etc.), by promoting the use of SICEX by most of the operators and for the vast majority of foreign trade transactions. The specific activities to be financed are as follows: (i) design and implementation of a change management strategy for implementation of SICEX; (ii) study and design and implementation of three campaigns to disseminate SICEX at the national level; (iii) design and implementation of three workshops to train both public and private users of SICEX (government agencies and foreign trade operators), so as to facilitate its use; and (iv) sharing of experiences with other countries in order to promote the interoperability of the system with other windows. The expected outputs are presented in Table I-2.
- 1.25 **Component III – Institution-strengthening for implementation of SICEX.** The objective of this component is to create greater cooperation between the various public agencies participating in SICEX, as well as improve their performance. The activities to be financed include: (i) technical support for the development of regulatory actions, process modeling, data harmonization, and technology in the government agencies that will participate in SICEX; and (ii) implementation of mechanisms to coordinate the various government agencies participating in SICEX in order to improve their coordination and performance and make the inspection of foreign trade operations more effective. The expected outputs of these activities are presented in Table I-2.
- C. Key results indicators**
- 1.26 The results matrix (Annex II) presents the project impact indicators, outcomes, and outputs and is consistent with Table I-2 above. In all cases, baseline values and targets have been identified, as have sources of information and means of verification. The project's expected impact consists in achieving greater efficiency in the management of foreign trade and closing the gap with developed economies

by optimizing and reducing the time and costs associated with foreign trade transactions for private operators and government agencies. Based on the results that appear in the matrix, it is expected that by the end of project execution: (i) there will be more efficient processing of foreign trade operations; and (ii) the times and costs associated with these operations for government agencies as well as private operators will be optimized. Specifically, by project completion there should be a 50% decrease in the number of days needed to prepare the documentation related to foreign trade transactions, as well as an estimated 50% reduction in the costs associated with these transactions, both for government agencies and private operators.

- 1.27 The present value of net benefits of the project is estimated at US\$81.4 million, with an internal rate of return of 95%. Two sensitivity analyses will calculate the net benefit of SICEX under different scenarios to show that even under the most pessimistic assumptions of key variables, the project would still produce benefits. Refer to the link [Economic evaluation](#).

## **II. FINANCING STRUCTURE AND MAIN RISKS**

### **A. Financing instruments**

- 2.1 This operation will be financed through an investment loan. The total cost of the project is US\$10,990,300, of which the Bank will contribute US\$7,562,600 (69%) from its Ordinary Capital and the local counterpart will contribute US\$3,427,700 (31%). Table II-1 presents the project costs broken down by component and output. The itemized cost table can be found in the [itemized budget](#) and in the [annual budget](#).

**Table II-1: Project Budget (US\$)**

	Total	IDB		Local contribution	
<b>Component I: Design and implementation of SICEX:</b>	<b>7,000,000</b>	<b>5,600,000</b>	<b>80%</b>	<b>1,400,000</b>	<b>20%</b>
Design and implementation - Central SICEX	5,000,000	4,000,000	80%	1,000,000	20%
Integration of government agencies into SICEX	2,000,000	1,600,000	80%	400,000	20%
<b>Component II: Change management and dissemination:</b>	<b>280,000</b>	<b>224,000</b>	<b>80%</b>	<b>56,000</b>	<b>20%</b>
Development of change management and dissemination strategies	80,000	64,000	80%	16,000	20%
Implementation of communication and change management strategies	120,000	96,000	80%	24,000	20%
Sharing of experiences	80,000	64,000	80%	16,000	20%
<b>Component III: Institution-strengthening for implementation of SICEX</b>	<b>879,500</b>	<b>703,600</b>	<b>80%</b>	<b>175,900</b>	<b>20%</b>
Support – technical groups	879,500	703,600	80%	175,900	20%
<b>Project management</b>	<b>1,408,800</b>	<b>703,000</b>	<b>50%</b>	<b>705,800</b>	<b>50%</b>
<b>Evaluations</b>	<b>140,000</b>	<b>112,000</b>	<b>80%</b>	<b>28,000</b>	<b>20%</b>
<b>Audits</b>	<b>120,000</b>	<b>0</b>	<b>0%</b>	<b>120,000</b>	<b>100%</b>
<b>Financial expenses</b>	<b>871,000</b>	<b>0</b>	<b>0%</b>	<b>871,000</b>	<b>100%</b>
<b>Contingencies</b>	<b>291,000</b>	<b>220,000</b>	<b>75%</b>	<b>71,000</b>	<b>25%</b>
<b>TOTAL</b>	<b>10,990,300</b>	<b>7,562,600</b>	<b>69%</b>	<b>3,427,700</b>	<b>31%</b>

## **B. Risks**

- 2.2 The development and successful implementation of SICEX requires and assumes the existence of a number of critical factors, such as: (i) significant support for the project at the political and institutional level; (ii) adoption of international standards; (iii) significant participation and effective communication, coordination, and monitoring on the part of the various public and private institutions involved, and fluid dialogue with the private sector (exporters, importers, customs agents, etc.); and (iv) efficient execution of the procurements planned for the project. Therefore, the main risks that have been identified relate to a low level of commitment and/or participation on the part of certain relevant institutions; the disparate level of technological development at the participating government agencies, resistance to change in both the public and private sectors; and execution problems related to procurements. These risks can be mitigated through the following actions: (i) redefinition of strategic priorities at the highest level in the participating institutions, within the purview of the Advisory Committee to the President; (ii) support using Bank resources to even out the different levels of technological development at the institutions; (iii) preparation of a change management strategy to maximize use of the new tools; and (iv) strengthening of

- the team in charge of execution in legal and procurement areas. The [risk matrix](#) contains details of the aforementioned analysis and the respective mitigation plan.
- 2.3 To date, as mentioned in paragraph 1.10, the Advisory Committee to the President has been created to establish SICEX, and the organization of the work team for this Committee has been determined, which will be in charge of setting up the specific areas of the project and the lines of action for its implementation. In addition to the Executive Secretary mentioned above, four technical groups will be created to assemble information, model it, and propose guidelines for SICEX (technical groups on modeling, regulatory issues, data harmonization, and technology issues). There has also been dialogue with the private sector to learn about their expectations, incorporate solutions to their requests, and ensure their support throughout the execution process. Contact has been made with other countries and international trade organizations in order to gather information on experiences and advances made in this area, and identify international good practices and standards.
- 2.4 Furthermore, as mentioned above, at the end of 2010 the Bank approved the nonreimbursable technical cooperation project RG-T1982 in order to support the efforts of several countries in the region, including Chile, to develop one-stop foreign trade windows and share experiences and good practices, which enabled the Ministry of Finance to move forward in the conceptual design of SICEX through the technical work groups described above.

**C. Safeguards**

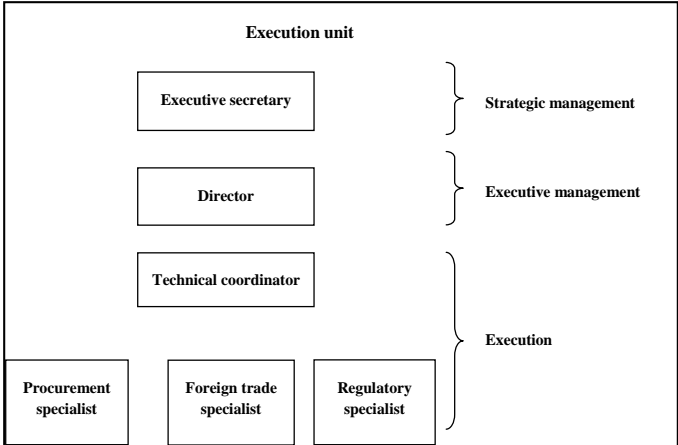
- 2.5 The Environmental and Social Impact Review Committee classified the project as category “C” operation, so no socio-environmental risks are anticipated.

**III. IMPLEMENTATION AND MANAGEMENT PLAN**

**A. Summary of implementation arrangements**

- 3.1 The borrower will be the Republic of Chile. The executing agency will be the borrower, acting through the Office of the Secretary and General Management of the Ministry of Finance (Office of the Deputy Secretary of Finance).
- 3.2 The project execution period will be four years. A preliminary multiyear project execution plan (PEP) has been prepared for the execution period.
- 3.3 The executive order establishing the Advisory Committee for SICEX envisages the participation of the following and other institutions: SERNAPESCA, ISP, COCHILCO, SAG, TGR, SII, the Ministry of Health, and the Ministry of Foreign Relations. In accordance with Article 8 of the order the created the committee, the foregoing participating institutions will work together, within the scope of their respective competencies, to fulfill the objectives of SICEX and participate in its design and implementation. The execution unit will establish and monitor fulfillment of the obligations, terms, and operational responsibilities assigned to the aforementioned participating agencies in the framework of project components and objectives.



- 3.4 The strategic management of the project will be in the hands of an execution unit within the Office of the Deputy Secretary of Finance in the Ministry of Finance. This execution unit will be led by an Executive Secretary appointed by the Deputy Secretary of Finance. It will also include a project director, a technical coordinator, a procurement specialist, and a legal advisor. The execution unit will steer and supervise the general execution of the
- 
- ```
graph TD
    subgraph "Execution unit"
        ES[Executive secretary]
        D[Director]
        TC[Technical coordinator]
        PS[Procurement specialist]
        FTS[Foreign trade specialist]
        RS[Regulatory specialist]
        ES --- D
        D --- TC
        TC --- PS
        TC --- FTS
        TC --- RS
    end
    ES --- SM[Strategic management]
    D --- EM[Executive management]
    TC --- E[Execution]
    PS --- E
    FTS --- E
    RS --- E
```

project and the attainment of its objectives. To this end, it will: (i) make decisions on the general execution of the project; (ii) approve annual updates to the PEP and the project budget; and (iii) approve progress reports on the project before delivery to the Bank. The main duties of the Executive Secretary include: (i) coordinate and supervise the execution of project activities according to the guidelines issued by the Advisory Committee; (ii) represent the project and act as interlocutor with the Bank; (iii) engage in coordination activities with the Advisory Committee and the participating government agencies; (iv) submit progress reports to the Advisory Committee and the Bank, as well as any other reports needed for project execution; (v) propose any modifications deemed necessary in the PEP and project budget; and (vi) present the procurement plan to the Bank for approval. **The creation and formation of the execution unit within the Office of the Deputy Secretary of Finance will be a condition precedent to the first disbursement.**

- 3.5 The project will have a project director, who will be proposed by the executive secretary and appointed by the Deputy Secretary of Finance and will report directly to the executive secretary. The director will be a professional with experience in trade facilitation and one-stop windows. The project director's main duties will include: (i) provide technical assistance to the executive secretary; (ii) schedule and coordinate procurement processes with the support of the procurement specialist and the legal advisor; (iii) update the PEP, the itemized budget, and the procurement plan, and keep them current; (iv) prepare progress reports on the project and periodically monitor attainment of the outputs specified in the project components; and (v) supervise compliance with the terms of reference prepared for work done by consultants hired using project resources, with the support of the technical coordinator and the technical specialists.
- 3.6 The technical coordinator will supervise the activities involving the government agencies that participate in SICEX. The coordinator will have the following responsibilities: (i) serve as technical liaison with counterparts at the various government agencies that participate in SICEX, offering guidance and ensuring the proper technical content and execution periods of the activities; and (ii) coordinate

the work of the consultants hired under the technical groups (regulatory, modeling, technology, and data harmonization) with the work carried out by the staff of the execution unit.

- 3.7 The administrative and financial management activities for the project will be performed by the administrative area of the Office of the Deputy Secretary of Finance, with the support of an assistant who will be hired using local counterpart funds.
- 3.8 **Fiduciary agreements and requirements.** The primary fiduciary measures to be applied to the operation were agreed upon and are listed in the link [Fiduciary agreements and requirements](#). The measures relate to the following issues: (i) exchange rate to be used; (ii) audits; (iii) procurement methods, types and threshold amounts, and the type of procurement review; (iv) procurement plan for the entire execution period; and (v) financial supervision plan. The project will comply with the provisions set forth in the “Policies for the procurement of works and goods financed by the IDB,” of March 2011 (document GN-2349-9), as well as “Policies for the selection and contracting of consultants financed by the IDB” (document GN-2350-9). In addition, there are plans to hire up to seven consultants (the consultants were hired via direct selection following a competitive process using resources from the technical cooperation project and are expected to continue providing their services) in order to support the work of the technical groups in the government agencies that participate in SICEX, as well as three professionals in the execution unit to support the execution of the project. These consulting assignments will comply with the provisions of the aforementioned policies and are described in the procurement plan.
- 3.9 **Advance procurement and recognition of expenditures.** Project-related expenditures incurred by the executing agency may be retroactively recognized against the loan and the local counterpart contribution for up to US\$400,000 and US\$100,000, respectively, pursuant to the applicable policy. These expenditures are for advance procurements for developing the software programs necessary to implement SICEX. These contracts are listed in the procurement plan and will be recognized retroactively, provided they are incurred after 1 April 2011 (profile approval date) pursuant to the Bank’s procurement policies.

**B. Summary of arrangements for monitoring and evaluation**

- 3.10 **Monitoring.** To monitor the project, the executing agency will use the results matrix, the PEP, the itemized budget, and the risk matrix.
- 3.11 For purposes of supervising execution of the project, the execution unit and the Bank will meet on a semiannual basis. The following matters will be discussed at these meetings: (i) status of the activities identified in the PEP and corrective measures if the progress made has not been satisfactory; (ii) level of attainment of the indicators (outcomes and outputs) specified in the results matrix; (iii) any changes in the risks considered in the risk matrix, as well as the possible emergence of new risks during project execution; (iv) any changes in the financial execution of

- the project; and (v) review of the fulfillment of audit recommendations, as applicable. As a result of these meetings, the PEP and the procurement plan will be updated every six months, and six-month progress reports will be prepared, for review by the Bank.
- 3.12 The indicators included in the results matrix will be monitored using information provided by the Office of the Deputy Secretary of Finance, as well as the data generated by SICEX with respect to such indicators. The Bank will conduct administrative missions or inspection visits, taking into account the temporary milestones and critical path established in the PEP. The Bank will use the progress report, which contains a provisional estimate of disbursements and the attainment of targets and results.
- 3.13 **Evaluation.** The executing agency will conduct one midterm and one final evaluation of the project. The evaluations will be performed when 60% (it is assumed that this target will be reached in the third year) and 90% of the disbursements have been made, respectively. The objective of these evaluations will be to determine the degree of progress and attainment of the specified indicators, results, and targets, as well as make recommendations, propose corrective actions, and establish good practices and lessons learned. The following aspects will be considered: (i) compliance with the deadlines and milestones established in the PEP, based on the schedule of activities that was defined; and (ii) progress towards the impact, outcome, and output indicators specified in the results matrix. The midterm evaluation will make recommendations for execution of the project and attainment of its objectives. Both evaluations will be conducted under contracts with specialized consulting firms, which will be financed from the Bank's loan and the local counterpart contribution (80% and 20%, respectively). Terms of reference for these evaluations will be agreed upon in advance with the Bank.
- 3.14 To evaluate the effectiveness of the project, the plan provides for additional evaluations, which will make use of two tools. First, two surveys will be conducted during the first three years of SICEX operation to determine the times and costs associated with import and export processing in the different productive sectors. These surveys will validate the baseline needed to monitor the indicators in the results matrix. Second, two additional studies will be conducted using nonexperimental procedures (difference-in-differences and difference-in-differences matching) to evaluate the impact of SICEX, which will include the participation of the private sector. The results of these procedures should yield data to evaluate the effect on commercial operators who use SICEX, in terms of time and cost savings in their trade processing operations and the subsequent improvement in competitive position with respect to their competitors. The findings of this evaluation will make it possible to ascertain the impact of the new system at the firm and sector level, especially in relation to firm size, with a focus on small and medium-sized enterprises, which are the ones that face the most formidable obstacles in international markets. Terms of reference for these evaluations will be

agreed upon in advance with the Bank. Details on these additional evaluations can be found in the link [Monitoring and evaluation arrangements](#).

| Development Effectiveness Matrix                                                                                                                                                     |                                                                                                                                                                                                                                                      |                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |               |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
|                                                                                                                                                                                      |                                                                                                                                                                                                                                                      | Summary                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |               |
| I. Strategic Alignment                                                                                                                                                               |                                                                                                                                                                                                                                                      |                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |               |
| 1. IDB Strategic Development Objectives                                                                                                                                              |                                                                                                                                                                                                                                                      | Aligned                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |               |
| Lending Program                                                                                                                                                                      | The operation contributes to the lending program to support regional cooperation and integration.                                                                                                                                                    |                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |               |
| Regional Development Goals                                                                                                                                                           | Competitive regional and global international integration, trade openness and intraregional trade in Latin America and the Caribbean.                                                                                                                |                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |               |
| Bank Output Contribution (as defined in Results Framework of IDB-9)                                                                                                                  | Number of public trade officials and private entrepreneurs trained in trade and investment<br>Regional and sub-regional integration agreements and cooperation initiatives supported<br>Number of cross border and transnational projects supported. |                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |               |
| 2. Country Strategy Development Objectives                                                                                                                                           |                                                                                                                                                                                                                                                      | Aligned                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |               |
| Country Strategy Results Matrix                                                                                                                                                      | GN-2431                                                                                                                                                                                                                                              | The program contributes to the strategic objective "strengthening exports". |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |               |
| Country Program Results Matrix                                                                                                                                                       | GN-2617                                                                                                                                                                                                                                              | The program is included in the country program document.                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |               |
| Relevance of this project to country development challenges (If not aligned to                                                                                                       |                                                                                                                                                                                                                                                      |                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |               |
| II. Development Outcomes - Evaluability                                                                                                                                              |                                                                                                                                                                                                                                                      | Highly Evaluable                                                            | Weight                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Maximum Score |
|                                                                                                                                                                                      |                                                                                                                                                                                                                                                      | 8.4                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 10            |
| 3. Evidence-based Assessment & Solution                                                                                                                                              |                                                                                                                                                                                                                                                      | 9.1                                                                         | 25%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 10            |
| 4. Ex ante Economic Analysis                                                                                                                                                         |                                                                                                                                                                                                                                                      | 10.0                                                                        | 25%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 10            |
| 5. Monitoring and Evaluation                                                                                                                                                         |                                                                                                                                                                                                                                                      | 7.0                                                                         | 25%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 10            |
| 6. Risks & Mitigation Monitoring Matrix                                                                                                                                              |                                                                                                                                                                                                                                                      | 7.5                                                                         | 25%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 10            |
| Overall risks rate = magnitude of risks*likelihood                                                                                                                                   |                                                                                                                                                                                                                                                      | Low                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |               |
| Environmental & social risk classification                                                                                                                                           |                                                                                                                                                                                                                                                      | C                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |               |
| III. IDB's Role - Additionality                                                                                                                                                      |                                                                                                                                                                                                                                                      |                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |               |
| The project relies on the use of country systems (VPC/PDP criteria)                                                                                                                  |                                                                                                                                                                                                                                                      | yes                                                                         | Procurement (information systems).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |               |
| The project uses another country system different from the ones above for implementing the program                                                                                   |                                                                                                                                                                                                                                                      |                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |               |
| The IDB's involvement promotes improvements of the intended beneficiaries and/or public sector entity in the following dimensions:                                                   |                                                                                                                                                                                                                                                      |                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |               |
| Gender Equality                                                                                                                                                                      |                                                                                                                                                                                                                                                      | -                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |               |
| Labor                                                                                                                                                                                |                                                                                                                                                                                                                                                      | -                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |               |
| Environment                                                                                                                                                                          |                                                                                                                                                                                                                                                      | -                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |               |
| Additional (to project preparation) technical assistance was provided to the public sector entity prior to approval to increase the likelihood of success of the                     |                                                                                                                                                                                                                                                      |                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |               |
| The ex-post impact evaluation of the project will produce evidence to close knowledge gaps in the sector that were identified in the project document and/or in the evaluation plan. |                                                                                                                                                                                                                                                      |                                                                             | The results of the implementation of the chosen impact evaluation methodology (DID and MDID) should provide data on exporters and importers who used SICEX in terms of their savings related to export process costs. Such savings should allow improvements in their competitiveness. The results of this evaluation should allow understanding the impact of the new system at firm level and sector level. Special attention will be devoted to firm size, in particular to SMEs that face the most severe barriers in international markets. |               |

This is an investment loan funded with ordinary capital for the benefit of Chile. The program contributes to meeting the lending target to support regional cooperation and integration. The project is also aligned with the current country strategy. Through the creation of a single window for trade, the project should contribute to the reduction of time and costs associated with trade transactions, thus improving the country's competitiveness and global integration.

In its diagnosis the document identifies the main factors. The program is well dimensioned and targeted. The solutions proposed and the expected results are based on existing evidence and on lessons learnt from other countries that have implemented single windows. Economic analysis was performed to quantify the benefits of the program. Also the project has a good vertical logic with indicators that are specific, measurable, achievable, realistic and time-bound (SMART). There is an adequate monitoring plan. The project has a proposal for carrying out an impact evaluation that will be completed and implemented by experts. The project has a risk matrix that identifies possible difficulties in implementation, as well as mitigation measures. The overall risk rate is low. Indicators to get an idea of whether the risk is being effectively mitigated are not presented.

## RESULTS MATRIX

|                          |                                                                                                                                                                                                                                                                                                                                       |
|--------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Project objective</b> | To facilitate and promote trade through greater efficiency and transparency in the management of foreign trade operations, and a reduction and optimization of the time and costs to operators involved in import, export, and transit transactions, in accordance with international standards, recommendations, and good practices. |
|--------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

| EXPECTED IMPACT                                                                                          |                     |                                                                                                                                           |      |      |      |      |                                                                                                                                                                                                            |                                                                        |
|----------------------------------------------------------------------------------------------------------|---------------------|-------------------------------------------------------------------------------------------------------------------------------------------|------|------|------|------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|
| Greater efficiency in the management of foreign trade and reduction in the gap with developed economies* |                     |                                                                                                                                           |      |      |      |      | Indicator: <i>Doing Business Report</i> , World Bank                                                                                                                                                       |                                                                        |
| EXPECTED OUTCOMES                                                                                        |                     |                                                                                                                                           |      |      |      |      |                                                                                                                                                                                                            |                                                                        |
|                                                                                                          |                     | Baseline                                                                                                                                  |      |      |      |      | Target                                                                                                                                                                                                     |                                                                        |
| Number of days for the foreign trade operation.                                                          |                     | 6 days for exports, 5 days for imports. <sup>1</sup>                                                                                      |      |      |      |      | 3 days for exports, 2.5 days for imports when the SICEX is fully implemented. Indicator: Survey.                                                                                                           |                                                                        |
| Operating costs of formalities for foreign trade operations**                                            |                     | 1. Cost of operation that does not need additional approval: US\$7.7<br>2. Cost of operation that does need additional approval: US\$45.1 |      |      |      |      | US\$3.85 and US\$22.55 for operations without and with additional approval required, respectively (50% reduction in foreign trade operating costs) when the SICEX is fully implemented. Indicator: Survey. |                                                                        |
| Component                                                                                                | Unit of Measurement | Baseline                                                                                                                                  | 2011 | 2012 | 2013 | 2014 | Target                                                                                                                                                                                                     | Means of verification                                                  |
| Component I: Design and implementation of SICEX                                                          |                     |                                                                                                                                           |      |      |      |      |                                                                                                                                                                                                            |                                                                        |
| EXPECTED OUTCOME 1: More efficient processing of foreign trade operations.                               |                     |                                                                                                                                           |      |      |      |      |                                                                                                                                                                                                            |                                                                        |
| All government agencies directly involved in foreign trade operations participate in SICEX.              | Number              | 0                                                                                                                                         | 0    | 6    | 11   | 15   | 19                                                                                                                                                                                                         | A single electronic window for processing all foreign trade operations |

\* According to World Bank indicators (*Doing Business – Trading across Borders*, 2011), there is still a significant gap between Chile and the OECD average in this area.

<sup>1</sup> Subset of the “World Bank Doing Business Report” (21) on interaction with the public sector.

\*\* Based on 2010 preliminary cost estimates. Updated baseline figures should be available at the end of 2011.

| <b>Component II: Change management and dissemination strategy</b>                                                             |                   |   |   |                                                                 |                                                          |                                                          |                                                                                                         |              |
|-------------------------------------------------------------------------------------------------------------------------------|-------------------|---|---|-----------------------------------------------------------------|----------------------------------------------------------|----------------------------------------------------------|---------------------------------------------------------------------------------------------------------|--------------|
| <b>EXPECTED OUTCOME 2: Reduction of operating costs to foreign trade operators</b>                                            |                   |   |   |                                                                 |                                                          |                                                          |                                                                                                         |              |
| Foreign trade operators familiar with SICEX and its objectives.                                                               | Annual percentage | 0 | 0 | 50% of exporters know about the existence and benefits of SICEX | 70% of exporters and 50% of importers informed           | 90% of exporters and 70% of importers informed           | 90% of exporters and importers informed                                                                 | Survey       |
| Change management, percentage of foreign trade operations conducted via SICEX.                                                | Annual percentage | 0 | 0 | 10% of export operations, 0% of import operations               | 50% of export operations, 10% of import operations       | 70% of export operations, 50% of import operations       | 95% of export operations, 70% of import operations                                                      | SICEX Report |
| Change management, use of SICEX (value of exports).                                                                           | Annual percentage | 0 | 0 | 20% of the value of exports                                     | 40% of the value of exports, 20% of the value of imports | 70% of the value of exports, 40% of the value of imports | 90% of the value of exports, 70% of the value of imports                                                | SICEX Report |
| <b>Component III: Institution-strengthening for implementation of SICEX.</b>                                                  |                   |   |   |                                                                 |                                                          |                                                          |                                                                                                         |              |
| <b>EXPECTED OUTCOME 3: Improved coordination and management of the government services that participate in foreign trade.</b> |                   |   |   |                                                                 |                                                          |                                                          |                                                                                                         |              |
| Government agencies are connected to SICEX and manage their transactions via this system in a coordinated manner.             | Annual percentage | 0 | 0 | 36%                                                             | 60%                                                      | 80%                                                      | 100% of the government agencies that participate in foreign trade conduct their transactions via SICEX. | SICEX Report |

| OUTPUTS                                                                   |        |   |                                                                                                                                                    |                                                              |                                                           |                                                              |                                                                                                                                                  |                       |
|---------------------------------------------------------------------------|--------|---|----------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|-----------------------------------------------------------|--------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| Component I: Design and implementation of SICEX                           |        |   |                                                                                                                                                    |                                                              |                                                           |                                                              |                                                                                                                                                  |                       |
| Design of the SICEX central single electronic window ( <i>software</i> ). | Number | 0 | 1 SICEX electronic window with business and service modules, as well as technical characteristics and the required technology platform identified. | 1 electronic window adapted as a result of implementation    | 1 electronic window adapted as a result of implementation | 1 electronic window adapted as a result of implementation    | SICEX electronic window with business and service modules, as well as technical characteristics and the required technology platform identified. | Execution unit report |
| Design of SICEX (developed in agencies).                                  | Number | 0 | 0                                                                                                                                                  | 10 (Sernapesca, ISP, Cochilco, SII, SRcel, TGR, SAG, Minrel) | 4 (Sernapesca, Minsal, imports)                           | 1(transit)                                                   | 15 tools installed                                                                                                                               | Execution unit report |
| Implementation of SICEX.                                                  | Number | 0 | 0                                                                                                                                                  | 1 export pilot module operational.                           | 1 export module and 1 import pilot operational.           | 2 export and import modules and 1 transit pilot operational. | 3 export, import, and transit modules operational.                                                                                               | Execution unit report |



| <b>Component II: Change management and dissemination</b>                       |        |   |   |   |   |   |                                                                                                                              |                                                                                   |
|--------------------------------------------------------------------------------|--------|---|---|---|---|---|------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|
| Management strategy.                                                           | Number | 0 |   | 2 |   |   | 1 change management strategy and 1 dissemination strategy formulated. Implementation plan approved.                          | Execution unit report – Documentation on dissemination and management strategies  |
| Dissemination campaigns.                                                       | Number | 0 | 0 | 1 | 1 | 1 | 3 dissemination campaigns during the launch of each pilot                                                                    | Execution unit report – Dissemination campaign materials                          |
| Training workshops.                                                            | Number | 0 | 0 | 1 | 1 | 1 | 3 training workshops before and during the launch of each pilot                                                              | Execution unit report – Training workshop materials                               |
| <b>Component III: Institution-strengthening for implementation of SICEX</b>    |        |   |   |   |   |   |                                                                                                                              |                                                                                   |
| Consultants to support the technical work groups with implementation of SICEX. | Number | 0 | 7 | 7 | 7 | 7 | Work plan for the four technical groups formulated and implemented in the government agencies that participate in the SICEX. | Execution unit report – Reports prepared by the technical groups and consultants. |

**Project: Support for the Establishment of an Integrated Foreign Trade System (SICEX)**

**Project Number: CH-L1061 and Loan Contract N°**

**Period included in this Procurement Plan: From August/2011 to August/2015**

| Ref. No. <sup>1</sup>                           | Description and type of procurement contract                                                                                                                                          | Estimated cost of procurement (US\$000) | Procurement type | Procurement method <sup>2</sup> | Review (ex ante or ex post) | Source of financing and percentage |                 | Pre-qualification <sup>3</sup> (Yes/No) | Estimated dates                            |                        | Status <sup>4</sup> (pending, in process, awarded, cancelled) | Comments                              |
|-------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|------------------|---------------------------------|-----------------------------|------------------------------------|-----------------|-----------------------------------------|--------------------------------------------|------------------------|---------------------------------------------------------------|---------------------------------------|
|                                                 |                                                                                                                                                                                       |                                         |                  |                                 |                             | IDB %                              | Local / Other % |                                         | Publication of specific procurement notice | Completion of contract |                                                               |                                       |
| COMPONENT I: Design and implementation of SICEX |                                                                                                                                                                                       |                                         |                  |                                 |                             |                                    |                 |                                         |                                            |                        |                                                               |                                       |
|                                                 | Subcomponent 1: Implementation of central SICEX                                                                                                                                       |                                         |                  |                                 |                             |                                    |                 |                                         |                                            |                        |                                                               |                                       |
| 1                                               | Consulting services for the design, development, implementation, primary operation, and startup of the central SICEX system.                                                          | 4,000                                   | CF               | QBS                             | ex ante                     | 80%                                | 20%             | No                                      | Feb-11                                     | Aug-15                 | Pending                                                       | Estimated execution period: 48 months |
|                                                 | Subcomponent 2: Integration of agencies into SICEX                                                                                                                                    |                                         |                  |                                 |                             |                                    |                 |                                         |                                            |                        |                                                               |                                       |
| 2                                               | SERNAPESCA - NEPPEX 2.0: Implementation of the Notification System for the Exportation of Fishing Products, which will interoperate with SICEX, with approvals issued electronically. | 200                                     | CF               | QCBS                            | ex post                     | 80%                                | 20%             | No                                      | Jun-11                                     | Jul-12                 | Advance contracting                                           | Estimated execution period: 12 months |
| 3                                               | ISP: Consulting services to improve the GICONA system, so online information can be shared with SICEX and the new approval for drug exports can be issued.                            | 100                                     | CF               | QCBS                            | ex post                     | 80%                                | 20%             | No                                      | Jun-11                                     | May-12                 | Advance contracting                                           | Estimated execution period: 10 months |
| 4                                               | COCHILCO: Consulting services to make adaptations to the RCECu system so that it can communicate with SICEX, pursuant to the specified standards.                                     | 100                                     | CF               | QCBS                            | ex post                     | 80%                                | 20%             | No                                      | Jun-11                                     | Mar-12                 | Advance contracting                                           | Estimated execution period: 8 months  |
| 5                                               | SII: Development and implementation of information services so that information can be provided to verify the tax and/or commercial data of users that operate through SICEX.         | 100                                     | CF               | QCBS                            | ex post                     | 80%                                | 20%             | No                                      | Aug-11                                     | Jul-12                 | Advance contracting                                           | Estimated execution period: 10 months |
| 6                                               | SRCEI: Development and implementation of information services that provide data to SICEX, in order to verify basic user information.                                                  | 100                                     | CF               | QCBS                            | ex post                     | 80%                                | 20%             | No                                      | Aug-11                                     | Jul-12                 | Pending                                                       | Estimated execution period: 10 months |
| 7                                               | TGR: Consulting to improve the payment module of the TGR, so that payments can be made for multiple formalities and services, based on SICEX requirements.                            | 100                                     | CF               | QCBS                            | ex post                     | 80%                                | 20%             | No                                      | Aug-11                                     | Mar-12                 | Pending                                                       | Estimated execution period: 6 months  |
| 8                                               | SAG: Consulting services for the adaptation and improvement of the SAG internal services bus (PIDE), to allow these internal systems to communicate with SICEX and viceversa.         | 100                                     | CF               | QCBS                            | ex post                     | 80%                                | 20%             | No                                      | Aug-11                                     | May-12                 | Pending                                                       | Estimated execution period 8 months   |
| 9                                               | SERNAPESCA: Consulting services for implementation of the add-on to the NEPPEX 2.0 system, which will allow both export and import certificates to be issued.                         | 200                                     | CF               | QCBS                            | ex post                     | 80%                                | 20%             | No                                      | Apr-12                                     | Mar-13                 | Pending                                                       | Estimated execution period: 12 months |
| 10                                              | SAG: Consulting services to adapt the Multiport system so it can communicate with SICEX, pursuant to the specified standards.                                                         | 200                                     | CF               | QCBS                            | ex post                     | 80%                                | 20%             | No                                      | Sep-11                                     | Nov-12                 | Pending                                                       | Estimated execution period: 12 months |

| Ref. No. <sup>1</sup>                                                                                | Description and type of procurement contract                                                                                                                                                                                                   | Estimated cost of procurement (US\$000) | Procurement type | Procurement method <sup>2</sup> | Review (ex ante or ex post) | Source of financing and percentage |                 | Pre-qualification <sup>3</sup> (Yes/No) | Estimated dates                            |                        | Status <sup>4</sup> (pending, in process, awarded, cancelled) | Comments                                                                                                                                                                                                                      |
|------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|------------------|---------------------------------|-----------------------------|------------------------------------|-----------------|-----------------------------------------|--------------------------------------------|------------------------|---------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                      |                                                                                                                                                                                                                                                |                                         |                  |                                 |                             | IDB %                              | Local / Other % |                                         | Publication of specific procurement notice | Completion of contract |                                                               |                                                                                                                                                                                                                               |
| 11                                                                                                   | SAG: Consulting services to adapt the ECZE system, so that certificates can be issued electronically, pursuant to the standards defined by SICEX.                                                                                              | 100                                     | CF               | QCBS                            | ex post                     | 80%                                | 20%             | No                                      | Oct-11                                     | Dec-12                 | Pending                                                       | Estimated execution period: 12 months                                                                                                                                                                                         |
| 12                                                                                                   | MINSAL: Consulting services to adapt the system for issuing approvals, so that it can communication with and provide online information to SICEX, pursuant to the specified standards.                                                         | 200                                     | CF               | QCBS                            | ex post                     | 80%                                | 20%             | No                                      | Feb-12                                     | Apr-13                 | Pending                                                       | Estimated execution period: 12 months                                                                                                                                                                                         |
| 13                                                                                                   | MINREL: Consulting services to build the necessary interface so that the Ministry of Foreign Relations can legalize electronic signatures on the certificates issued by SAG, ISP and other government agencies that interact with SICEX.       | 100                                     | CF               | QCBS                            | ex post                     | 80%                                | 20%             | No                                      | Jan-12                                     | Dec-12                 | Pending                                                       | Estimated execution period: 8 months                                                                                                                                                                                          |
| 14                                                                                                   | Agency 1 Imports: Consulting services to adapt the system for issuing approvals in the agency's import process, so that it can communicate with and provide online information to SICEX, pursuant to the specified standards.                  | 100                                     | CF               | QCBS                            | ex post                     | 80%                                | 20%             | No                                      | Mar-12                                     | Jan-13                 | Pending                                                       | Estimated execution period: 8 months                                                                                                                                                                                          |
| 15                                                                                                   | Agency 2 Import: Consulting services to adapt the system for issuing approvals in the agency's import process, so that it can communicate with and provide online information to SICEX, pursuant to the specified standards.                   | 200                                     | CF               | QCBS                            | ex post                     | 80%                                | 20%             | No                                      | Mar-12                                     | Mar-13                 | Pending                                                       | Estimated execution period: 12 months                                                                                                                                                                                         |
| 16                                                                                                   | Agency 1 Transit Consulting services to adapt the system for issuing approvals in the agency's process for the transit of goods, so that it can communicate with and provide online information to SICEX, pursuant to the specified standards. | 100                                     | CF               | QCBS                            | ex post                     | 80%                                | 20%             | No                                      | Mar-13                                     | Jan-14                 | Pending                                                       | Estimated execution period: 8 months                                                                                                                                                                                          |
| <b>COMPONENT II: Change management and dissemination</b>                                             |                                                                                                                                                                                                                                                |                                         |                  |                                 |                             |                                    |                 |                                         |                                            |                        |                                                               |                                                                                                                                                                                                                               |
| <b>Subcomponent 1: Design of the change management and dissemination strategies</b>                  |                                                                                                                                                                                                                                                |                                         |                  |                                 |                             |                                    |                 |                                         |                                            |                        |                                                               |                                                                                                                                                                                                                               |
| 17                                                                                                   | Consulting services for the design of the change management strategy for implementing SICEX                                                                                                                                                    | 40                                      | CF               | QCBS                            | ex post                     | 80%                                | 20%             | No                                      | Aug-11                                     | May-12                 | Pending                                                       | Estimated execution period: 8 months                                                                                                                                                                                          |
| 18                                                                                                   | Consulting services for conducting the study and designing the SICEX dissemination campaigns at the national level.                                                                                                                            | 40                                      | CF               | QCBS                            | ex post                     | 80%                                | 20%             | No                                      | Aug-11                                     | May-12                 | Pending                                                       | Estimated execution period: 8 months                                                                                                                                                                                          |
| <b>Subcomponent 2: Implementation of the communication and change management strategy (services)</b> |                                                                                                                                                                                                                                                |                                         |                  |                                 |                             |                                    |                 |                                         |                                            |                        |                                                               |                                                                                                                                                                                                                               |
| 19                                                                                                   | Workshops and training programs to help users adopt the system.                                                                                                                                                                                | 60                                      | Goods/ Services  | S                               | ex post                     | 80%                                | 20%             | No                                      | Mar-12                                     | Aug-12                 | Pending                                                       | There will be three workshops at a cost of US\$20,000 each, at the beginning of each pilot. They are scheduled to take place in the months of March 2012, March 2013, and March 2014, with an estimated duration of 5 months. |

| Ref. No. <sup>1</sup>                                                       | Description and type of procurement contract                                                                                                                                                                                                                                                                                   | Estimated cost of procurement (US\$000) | Procurement type | Procurement method <sup>2</sup> | Review (ex ante or ex post) | Source of financing and percentage |                 | Pre-qualification <sup>3</sup> (Yes/No) | Estimated dates                            |                        | Status <sup>4</sup> (pending, in process, awarded, cancelled) | Comments                                                                                                                                                                                                                                                     |
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|                                                                             |                                                                                                                                                                                                                                                                                                                                |                                         |                  |                                 |                             | IDB %                              | Local / Other % |                                         | Publication of specific procurement notice | Completion of contract |                                                               |                                                                                                                                                                                                                                                              |
| 20                                                                          | Implementation of dissemination campaigns, printing of banners, etc.                                                                                                                                                                                                                                                           | 60                                      | Goods/ Services  | S                               | ex post                     | 80%                                | 20%             | No                                      | Feb-12                                     | Jun-12                 | Pending                                                       | There will be three campaigns at a cost of US\$20,000 each, conducted before and during the launch of each pilot. They are scheduled to take place in the months of February 2012, February 2013, and February 2014, with an estimated duration of 4 months. |
| <b>Subcomponent 3: Sharing of experiences</b>                               |                                                                                                                                                                                                                                                                                                                                |                                         |                  |                                 |                             |                                    |                 |                                         |                                            |                        |                                                               |                                                                                                                                                                                                                                                              |
| 21                                                                          | Per diem and travel allowances to participate in seminars, experience-sharing, and meetings.                                                                                                                                                                                                                                   | 80                                      | Goods/ Services  | S                               | ex post                     | 80%                                | 20%             | No                                      | Sep-11                                     | Aug-15                 | Pending                                                       |                                                                                                                                                                                                                                                              |
| <b>COMPONENT III: Institution-strengthening for implementation of SICEX</b> |                                                                                                                                                                                                                                                                                                                                |                                         |                  |                                 |                             |                                    |                 |                                         |                                            |                        |                                                               |                                                                                                                                                                                                                                                              |
| <b>Subcomponent 3: Technical groups</b>                                     |                                                                                                                                                                                                                                                                                                                                |                                         |                  |                                 |                             |                                    |                 |                                         |                                            |                        |                                                               |                                                                                                                                                                                                                                                              |
| 22                                                                          | ICT specialist: Consultant specializing in Information Technology to provide advisory services to the SICEX execution unit in the Office of the Deputy Secretary of Finance. (49 months/person )                                                                                                                               | 156                                     | IC               | SSS                             | ex ante                     | 80%                                | 20%             | No                                      | Sep-11                                     | Oct-15                 | Pending                                                       | GN-2350-7, p.5.4.a)                                                                                                                                                                                                                                          |
| 23                                                                          | Software engineer: Consultant to support the SICEX execution unit in the Office of the Deputy Secretary of Finance, in charge of validating the technical development (architecture, designs, implementation, testing) of the software and infrastructure projects for the Integrated Foreign Trade System. (49 months/person) | 206                                     | IC               | SSS                             | ex ante                     | 80%                                | 20%             | No                                      | Sep-11                                     | Oct-15                 | Pending                                                       | GN-2350-7, p.5.4.a)                                                                                                                                                                                                                                          |
| 24                                                                          | Consultant from the SICEX execution unit in the National Customs Administration, in charge of managing and coordinating technical and administrative aspects. (27 months/person)                                                                                                                                               | 67                                      | IC               | SSS                             | ex ante                     | 80%                                | 20%             | No                                      | Sep-11                                     | Oct-15                 | Pending                                                       | GN-2350-7, p.5.4.a)                                                                                                                                                                                                                                          |
| 25                                                                          | ICT consultant from the SICEX execution unit in the National Customs Administration, in charge of evaluating, validating, controlling, and managing the implementation and integration of the customs operating systems that will be incorporated into the Integrated Foreign Trade System – SICEX (39 months/person)          | 150                                     | IC               | SSS                             | ex ante                     | 80%                                | 20%             | No                                      | Sep-11                                     | Oct-15                 | Pending                                                       | GN-2350-7, p.5.4.a)                                                                                                                                                                                                                                          |
| 26                                                                          | Junior consultant from the SICEX execution unit in the National Customs Administration, in charge of supporting the implementation and testing of the customs operating systems that will be incorporated into the Integrated Foreign Trade System– SICEX (15 months/person)                                                   | 52                                      | IC               | SSS                             | ex ante                     | 80%                                | 20%             | No                                      | Sep-11                                     | Oct-15                 | Pending                                                       | GN-2350-7, p.5.4.a)                                                                                                                                                                                                                                          |

| Ref. No. <sup>1</sup>         | Description and type of procurement contract                                                                                                                                                                                                                                                                                   | Estimated cost of procurement (US\$000) | Procurement type | Procurement method <sup>2</sup> | Review (ex ante or ex post) | Source of financing and percentage |                 | Pre-qualification <sup>3</sup> (Yes/No) | Estimated dates                            |                        | Status <sup>4</sup> (pending, in process, awarded, cancelled) | Comments                                                                                                                                             |
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|                               |                                                                                                                                                                                                                                                                                                                                |                                         |                  |                                 |                             | IDB %                              | Local / Other % |                                         | Publication of specific procurement notice | Completion of contract |                                                               |                                                                                                                                                      |
| 27                            | ICT consultant from the SICEX execution unit in the National Fishing Administration (Sernapesca), in charge of supporting the implementation and testing of the Sernapesca operating systems that will be incorporated into the Integrated Foreign Trade System – SICEX (27 months/person)                                     | 109                                     | IC               | SSS                             | ex ante                     | 80%                                | 20%             | No                                      | Sep-11                                     | Oct-15                 | Pending                                                       | GN-2350-7, p.5.4.a)                                                                                                                                  |
| 28                            | Consultant to coordinate the SICEX project in the Agriculture and Livestock Administration (SAG), in charge of evaluating, verifying, controlling, and managing the implementation and integration of the SAG operating systems that will be incorporated into the Integrated Foreign Trade System – SICEX. (27 months/person) | 140                                     | IC               | SSS                             | ex ante                     | 80%                                | 20%             | No                                      | Sep-11                                     | Oct-15                 | Pending                                                       | GN-2350-7, p.5.4.a)                                                                                                                                  |
| <b>Other associated costs</b> |                                                                                                                                                                                                                                                                                                                                |                                         |                  |                                 |                             |                                    |                 |                                         |                                            |                        |                                                               |                                                                                                                                                      |
| 29                            | <b>Legal counsel</b> for the SICEX execution unit, for matters related to the institutional framework and any changes to rules and regulations that may be required. (10 months/person)                                                                                                                                        | 38                                      | IC               | SSS                             | ex ante                     | 80%                                | 20%             | No                                      | Aug-11                                     | Sep-12                 | Pending                                                       | Part-time consultant. GN-2350-7, p.5.4.a)                                                                                                            |
| 30                            | Project coordinator: <b>Consultant for the SICEX execution unit in the Office of the Deputy Secretary of Finance</b> , in charge of evaluating, verifying, controlling, and managing the implementation of the Integrated Foreign Trade System. (49 months/person)                                                             | 328                                     | IC               | SSS                             | ex ante                     | 80%                                | 20%             | No                                      | Sep-11                                     | Oct-15                 | Pending                                                       | GN-2350-7, p.5.4.a)                                                                                                                                  |
| 31                            | Technical counterpart: Consultant to provide advisory services to the SICEX execution unit in the Subsecretariat of Finance, who will act as technical counterpart primarily for the projects that will be executed in the agencies to be integrated into the SICEX. (2x40 months/person)                                      | 303                                     | IC               | NICQ                            | ex post                     | 80%                                | 20%             | No                                      | Aug-11                                     | Jul-15                 | Pending                                                       |                                                                                                                                                      |
| 32                            | Consultant for the SICEX execution unit in the <b>Office of the Deputy Secretary of Finance, for all matters related to the procurement process</b> , monitoring, and administrative management of the Bank's loan. (49 months/person)                                                                                         | 209                                     | IC               | SSS                             | ex post                     | 80%                                | 20%             | No                                      | Aug-11                                     | Oct-15                 | Pending                                                       | GN-2350-7, p.5.4.a)                                                                                                                                  |
| 33                            | Midterm evaluation of the project                                                                                                                                                                                                                                                                                              | 30                                      | CF               | QCBS                            | ex post                     | 80%                                | 20%             | No                                      | Jul-13                                     | Feb-14                 | Pending                                                       | Estimated execution period: 6 months                                                                                                                 |
| 33                            | Final evaluation of the project                                                                                                                                                                                                                                                                                                | 30                                      | CF               | QCBS                            | ex post                     | 80%                                | 20%             | No                                      | Nov-14                                     | Jun-15                 | Pending                                                       | Estimated execution period: 6 months                                                                                                                 |
| 34                            | Audit of annual financial statements for the project                                                                                                                                                                                                                                                                           | 93                                      | CF               | QCBS                            | ex post                     | 80%                                | 20%             | No                                      | Nov-11                                     | Mar-15                 | Pending                                                       | Audits of annual financial statements for 2011, 2012, 2013, and 2014                                                                                 |
| 35                            | Determination of the baseline and periodic sampling of evaluations and monitoring of the indicators and targets.                                                                                                                                                                                                               | 80                                      | CF               | QCBS                            | ex post                     | 80%                                | 20%             | No                                      | Aug-11                                     | Aug-15                 | Pending                                                       | At least 4 evaluation and monitoring periods are included, at the beginning of the first year of execution and at the end of each year of execution. |



DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

PROPOSED RESOLUTION DE-\_\_\_/11

Chile. Loan \_\_\_\_/OC-CH to the Republic of Chile  
Support for the Establishment of an Integrated  
Foreign Trade System (SICEX)

The Board of Executive Directors

RESOLVES:

That the President of the Bank, or such representative as he shall designate, is authorized, in the name and on behalf of the Bank, to enter into such contract or contracts as may be necessary with the Republic of Chile, as Borrower, for the purpose of granting it a financing to cooperate in the execution of a program to support the establishment of an Integrated Foreign Trade System (SICEX). Such financing will be for an amount of up to US\$7,562,600 from the Single Currency Facility of the Ordinary Capital resources of the Bank, and will be subject to the Financial Terms and Conditions and the Special Contractual Conditions of the Project Summary of the Loan Proposal.