AEO Development in Latin America and the Caribbean: A Donors Perspective

Aurelio García-Navarrete
Madrid – April 29th, 2014
Inter-American Development Bank

- Major leading Regional Development Bank for Latin America and the Caribbean (LAC)
- 26 regional member countries and 22 non-borrowing countries
- Annual lending capacity: $12 billion
- $450 million in grants per year
- IDB’s goals: economic and social development of LAC
Why does IDB support AEO programs?

- **International Trade Environment**
  - Time is money
  - Cumbersome procedures

- **AEO and International Trade Arena**
  - Government:
    - Optimize use of human and technical resources
    - Know more to look less
  - Private sector:
    - Control supply chain
    - Differentiation
How does IDB support AEO programs?

- **Programs don’t grow, people do**

- **Capacity building:**
  - IDB as a catalyst and platform
  - Continued support (30+ activities)
    - Mentors
  - Observation of audit and validations
  - Online training

- **Partnerships**
  - WCO
  - Canada, China, Holland, Korea, Japan, Spain, UK, US

- **Regional Strategy**
AEO Challenges in Latin America & Caribbean

- Reluctance to change
  - Emphasis on revenue collection
- Limited financial, human, technical resources
- Lack of trust between private sector and customs/govt
- Volatility
RESULTS

- 9 AEO programs implemented
  - Argentina, Guatemala, Costa Rica, Colombia, Mexico, Dominican Republic, Peru, Panama, Uruguay
- 7 countries in design phase
- 400 AEO certified companies
- Regional Strategy
- 1 MRA: Mexico-Korea
- Network of AEO experts
AEO Lessons learned

- Political support
- Sell the vision, not just the program
- Collaboration, collaboration, collaboration:
  - Collaboration with private sector
  - Mentors
  - Regional approach
  - Donors involvement
- A little humility goes a long way
- Aim for progress, not perfection
- Identify ideal customers
Thank you
Aurelio Garcia-Navarrete
Integration and Trade Sector
aureliog@iadb.org