Report of the Secretary General

Council – 113/114th Sessions

Brussels, 25 - 27 June 2009

Kunio Mikuriya
Secretary General
World Customs Organization (WCO)
Structure of Presentation

- My priorities – Action in the first six months and challenges ahead
- Information on the WCO activities
- Policy matters for the Council to decide – Recommendations of Policy Commission
My priorities

- **Governance**
  - Increase Member participation and raise Customs profile with improved communication

- **Capacity Building**
  - Mobilize all Secretariat resources and regional structure with better donor interaction

- **Research**
  - Centre of excellence with research function for the emerging areas in the 21st Century
**Priority 1**

**Governance – Member Participation**

- **Better communication**
  - Monthly report of Management Committee
  - Brussels-based Attachés and Vice-Chair network
  - Active use of WCO Websites
  - Spanish, Arabic, Russian & Portuguese: Language Fund

- **Challenges ahead**
  - Improvement of regional network
  - Expertise for language use: Internship Programme
Priority 1

Governance – Finance

- **Strict management towards balanced budget**
  - Effect of financial crisis minimized
  - Greater transparency – Additional October session of Finance Committee
  - Revenue: 2009/10 + 1.5% in contributions (2008/09 + 2.3%)
  - Expenditure: Delay in filling vacancies, 2009/10 + 1 post

- **Challenges ahead**
  - Publications: A focus group in Finance Committee works to determine the new policy
Priority 1

Governance – Raise Profile

- Enhanced communication
  - G20 Leaders Summit in London (April 2009)
  - WCO Communication accepted
  - New vision with C21

- Challenges ahead
  - Member assistance needed for advocacy to ministers
  - Regional economic groups?

Communication to G20
Governance - Members

- **State of Contracting Parties**
  - CCC Convention (entered into force in 1952) : 174
  - HS Convention (1988) : 137
  - Istanbul Convention (1993) : 55
  - Revised Kyoto Convention (2006) : 61, including 2 new Contracting Parties this week
  - CCC Amendment (adopted in 2007) : 29
Governance & Member Support

- **174 Members**
  - 1 new Member: Bosnia and Herzegovina
  - 2 inactive Members in 2008/09

- **Voluntary contributions 2008/09**
  - Belgium, EC, France, Germany, Japan, MENA region, Netherlands, Russia, Sweden, Switzerland

- **Technical Attaché contribution**
  - 28 in Brussels (vs. 49 Technical Officer posts)
  - Angola, Bulgaria, China, Finland, France, Germany, Italy, Japan, Jordan, Kazakhstan, Korea, Netherlands, Russia, Sweden, Thailand, Turkey, United States
  - Regional structure
Capacity Building

- **Columbus Programme – Quality improvement**
  - Interaction with donors and regional economic groups
  - Documentation: AEO, scanning, management issues
  - Develop a pool of experts in Customs modernization and technical areas
  - Build World Cap database
  - Capacity Building Committee for Member involvement
Capacity Building

Delivery – Steady progress
- 115 out of 157 Members pledged to SAFE require assistance
- 109 diagnostics delivered
- 73 Members recorded progress in implementation
- EAC, SACU regional integration assistance
- Tripartite agreements

Calendar setting
- Survey being carried out for regional needs
- Early consultation with donors
Priority 2

Capacity Building

- **Regional structure**
  - New ROCB in Côte d’Ivoire (West & Central Africa)
  - ROCB in Azerbaijan, RTC in Kazakhstan, The Former Yugoslav Republic of Macedonia (Europe)
  - Donor support, staffing

- **Challenges ahead**
  - Availability of human resources in Member administrations
  - Regional pool of experts
Priority 3

Research

- Research unit
  - Being established gradually

- Products
  - Communication to G20 on Global Financial Crisis
  - Impact of WTO negotiations on Customs
  - AEO typology study
  - C21-related research, etc.

- Challenges ahead
  - Network with Members, universities and IGOs
WCO Activities

- G20
- Customs and Environment
- Influenza A (H1N1)
- Data Model
- IT Conference
- CEN and nCEN
- HS 2012
- Revenue package
- Origin database
- Palestine
- Regional meetings
G20

- **Recommendations to G20 (25 March)**
  - Promotion of trade facilitation
  - Capacity building, including infrastructure to promote trade and investment
  - WCO & other international organizations to monitor the trends in international trade and identify best practice

- **Communiqué of G20 (2 April)**
  - G20 took up WCO recommendations
  - Letter of thanks from the Office of Gordon Brown, Chair of G20 Summit meeting in London
Customs and Environment

WCO activities

■ Theme for 2009
   - Concern of global society

■ Collaboration with competent authorities
   - Green Customs initiative with UNEP
   - Workshops in India & Kenya

■ International joint operations
   - Hazardous waste – Operation DEMETER with 64 countries in Africa, Asia & Europe
   - Ozone Depleting Substance – Sky-Hole Patch Operation by A/P RILO & UNEP
   - CITES – 15 January
   - ENVIRONET – 5 June
**WCO activities**

**Influenza A (H1N1)**

- **WHO alert level 4 (27 April) – Risk of pandemic**
  - WCO Letter 1 – Short description, sources of information

- **WHO alert level 5 (29 April) – Pandemic imminent**
  - WCO Letter 2 – General preventive measures and suggested elements of a Customs action plan
  - Coordination & communication with relevant agencies and protection of frontline Customs officers against infection

- **WHO alert level 6 (11 June) – Global pandemic**
  - WCO Letter 3 – Proportionate border measures to avoid over-reaction & protectionist measures
WCO Data Model Version 3

- **Standardized dataset for border procedures**
  - Requirements of Customs & other border agencies
  - Single Window environment, enabler for co-ordinated border management
  - UN/CEFACT approval in April, technical finalization by end 2009

- **Use of Data Model**
  - Gradual introduction at the time of IT system upgrade
  - Council Recommendation
WCO IT Conference

- Single window and benefits (April 2009, Morocco)
  - Share experience & exhibit products available on market
  - 600 participants, including 13 DGs of Customs
  - See you all in Ireland in April 2010
  - Technology Conference: 4 - 6 November 2009
Customs Enforcement Network

- **Exchange of information**
  - WCO non-nominal seizure database
  - Input by national contact points

- **CENcomm**
  - Secure communication tool for joint operations

- **National CEN (nCEN)**
  - Nominal database at national level for risk management
  - Pilot project in Mauritius
  - Exchange of information from nCEN to nCEN and to and from nCEN to other databases
World Customs Organization

Illicit drugs

- Operations to destroy drugs and chemical precursors
- Operations using CENcomm: COCAIR (West & Central Africa)

Say NO to drugs!
26 JUNE 2009

International Day against Drug Abuse and Illicit Trafficking
Negotiations at WTO

- **Contact with & influence on national negotiators**
  - Compatibility between draft text and RKC
  - More accessions to RKC and application needed to be recognized as implementation tool

- **Impact study of WTO negotiations**
  - Economic & fiscal, legal, policy, procedural, operative and capacity impacts

- **WCO role in capacity building**
Harmonized System 2012

- **HS review (5-year cycle)**
  - Food security (FAO) & environmental issues
  - Changes in international trade patterns

- **Schedule towards 2012**
  - Development of Explanatory Notes
  - Correlation table between HS 2007 and HS 2012

- **Advance Tariff Ruling System**
  - Review by HS Committee
Revenue Package

- **Fair & efficient revenue collection**
  - Pressure following global financial crisis

- **Schedule of available WCO tools & programmes**
  - Usage for national administrations – Checklist

- **Work programme**
  - Gap analysis and identify potential further work areas, including capacity building
  - Consultation with Committees & Regions
  - Submission to December 2009 Policy Commission
  - Forum on Revenue Organization Structures: 10 - 11 December 2009
## All Agreements

<table>
<thead>
<tr>
<th>Agreement Name</th>
<th>Countries Involved</th>
<th>Entered Into Force</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada - Chile</td>
<td>Canada, Chile</td>
<td>July 5, 1997</td>
</tr>
<tr>
<td>Canada - Costa Rica</td>
<td>Canada, Costa Rica</td>
<td>November 1, 2002</td>
</tr>
<tr>
<td>Canada - Israel</td>
<td>Canada, Israel</td>
<td>January 1, 1997</td>
</tr>
<tr>
<td>Caribbean Community and Common Market (CARICOM)</td>
<td>Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, Trinidad and Tobago</td>
<td>August 1, 1973</td>
</tr>
<tr>
<td>CARICOM - Cost Rica</td>
<td>Antigua and Barbuda, Bahamas, Belize, Costa Rica, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, Trinidad and Tobago</td>
<td>November 15, 2005</td>
</tr>
<tr>
<td>CARICOM - Dominican Republic</td>
<td>Antigua and Barbuda, Bahamas, Belize, Dominica, Dominican Republic, Grenada, Guyana, Haiti, Jamaica, Montserrat, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, Trinidad and Tobago</td>
<td>December 1, 2001</td>
</tr>
</tbody>
</table>
Palestine

- **CB assistance for Palestinian Authority Customs**
  - WCO Diagnostic
  - Strategic Plan workshop (WCO, ROCB, USAID)

- **Al Siyadeh Programme**
  - 3.5 year Action Plan approved by Authority in April 2009
  - Single Window and Single File

- **Stakeholder Conference on 24 & 25 May 2009**
  - Pledge of support from donors, including Israel Customs
  - WCO strategic support through regional structure
Regional Meetings

- **North of Africa, Near and Middle East**
  - Egypt, 1 - 2 February

- **West & Central Africa**
  - Republic of Congo, 16 - 17 April

- **East & Southern Africa**
  - Zimbabwe, 14 - 15 May

- **Europe**
  - Norway, 18 - 19 May

- **Americas**
  - Telephone conferences - 3, 5, 8 June
  - Colombia, 7 - 10 September
Policy Commission recommendations

- Trade security & facilitation
- Global financial crisis
- C21
- Strategic Plan
- IPR
- Capacity Building
- Audit
- Composition of Policy Commission
- Enforcement Committee – Terms of Reference
Decision items

Trade Security & Facilitation

- **100 % Scanning Law**
  - Constructive engagement with US Congress
  - Risk management approach as alternative – Survey on SAFE implementation to show progress & CB needs

- **Trade Recovery Guidelines are ready**
  - Based on APEC model (Singapore)

- **Revised Kyoto Convention**
  - Identification of gaps
  - Promotion
Global Financial Crisis

- **Regional best practice**
  - Dialogue with trade, reduction in tariff, deferred payment, guarantee conditions, advice to governments on trade and revenue, etc.
  - Continue sharing best practice

- **WCO actions**
  - PC Communiqué (December 2008)
  - WCO Communication (March 2009)
  - Draft WCO Resolution (June 2009)
C21 Action Plan
- Priorities of Regions and Committees being identified
- Linkage to Strategic Plan

Globally Networked Customs
- Creation of an ad hoc Working Group
- Feasibility study from a strategic standpoint
- Incremental approach: no need for outside experts at the initial stage – use of internal Research Unit

Co-ordinated Border Management
- Inter-agency Forum on Border Management: 29-30 June
Strategic Plan

■ **New format**
  - Environmental scan: global financial crisis, C21
  - Key result areas for mid-term
  - Yearly priorities for each Directorate
  - Linkage with C21 Action Plan

■ **Priorities**
  - Based on recent developments in WCO activities
  - Incorporating C21 priorities of Regions & Committees
IPR Border Protection

- **SECURE WG**
  - Deadlock on Terms of Reference and role of Customs
  - Fear of “TRIPS plus” obligations

- **An ad hoc group met to find a way forward**
  - Informal consultation on June 4 among 22 Members resulted in the draft Terms of Reference for a new IPR group

- **Technical assistance**
  - Growing demand from a significant number of Members
Audit – Approval of Reports

- **Financial year 2007/08**
  - Financial audit report, acquit SG of his responsibilities
  - Increase in staff remunerations be considered by the Finance Committee as a whole, not just its Chairperson

- **Management**
  - Report of Audit Committee
Capacity Building

- CB Committee
  - High Level WG on CB
  - Terms of Reference
  - An informal Working Group in preparation for the first Committee meeting

- Guidelines for WCO recognition of University Customs Curricula
**Composition of Policy Commission**

- **December 2008 PC recommendation**
  - Interim solution: additional six members – one per region
  - Review of composition of PC by a Working Group

- **June 2009 PC recommendation**
  - Functional, agile & responsive
  - Review set aside for the time being
  - Interim solution implemented
  - Need for a review considered after 2 years in the light of experience gained
Enforcement Committee

- Terms of Reference
  - Firearms
  - Where applicable*, the transborder movement of people and goods affecting health and safety
  - *Where applicable = where the Customs administration has the legal mandate to act