Dear Customs colleagues and friends,

Since its launch in June 2014, the Mercator Programme has been the World Customs Organization’s (WCO) flagship initiative supporting Members worldwide in implementing the World Trade Organization’s (WTO) Trade Facilitation Agreement (TFA) in a uniform manner by applying WCO instruments and tools. The Mercator Programme is a unique initiative supported by the practical experiences of the global Customs community and has been evolving to address the needs and requirements of the Membership, including those arising from the most recent challenges faced by the COVID-19 pandemic.

I am pleased to report that a growing proportion of TFA-related WCO support under the tailor-made track is now being delivered under multi-year (MY) Mercator Programme partnerships bringing the number of Customs administrations currently benefiting from this engagement approach to 50.

These MY Mercator Programme engagements are based on medium to long-term partnerships with Members and employ a project-based approach that includes a significant role for WCO accredited experts, in particular Mercator Programme Advisors (MPAs), many of whom are regularly providing effective TFA implementation support through sustained engagement with beneficiary Members.

In July 2019, the WCO published the inaugural WCO Mercator Programme Report that covered the period 2014 to 2018 that took stock of the emergence of the Mercator Programme and outlined the overall approach, the people involved, along with highlighting the utilization of the WCO tools and instruments that continue to support our Members with the effective implementation of the TFA, and that underpin the Mercator Programme’s successes so far.

Building on the previous edition, I am now delighted to present to you the second edition of the WCO Mercator Programme Report, which covers the period up to June 2020. Once again, this report is based on an appreciation of the importance of documenting the work of Members and the WCO in implementing the TFA, which is reflective of the uniqueness of the WCO and of its position as the global center of excellence in Customs matters.

The report provides a current overview of the Mercator Programme and highlights some common implementation challenges faced by Members, outlining how the Programme is assisting Members in providing tailor-made solutions and delivering relevant activities to overcome them.

The report also includes a series of descriptive case studies that demonstrate the connection between the TFA and the real-world application of WCO instruments that are already delivering tangible achievements in many Customs administrations with regard to TFA implementation, in line with recognized international standards and best practices.

Yours sincerely,

Kunio Mikuriya
Secretary General
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Pages</th>
</tr>
</thead>
<tbody>
<tr>
<td>FOREWORD</td>
<td>2</td>
</tr>
<tr>
<td>1 - THE MERCATOR PROGRAMME IN NUMBERS</td>
<td>6</td>
</tr>
<tr>
<td>2 - BACKGROUND</td>
<td>8</td>
</tr>
<tr>
<td>3 - TFA IMPLEMENTATION BY THE WCO</td>
<td>12</td>
</tr>
<tr>
<td>4 - WCO TFA WORKING GROUP</td>
<td>16</td>
</tr>
<tr>
<td>5 - OUR APPROACH</td>
<td>19</td>
</tr>
<tr>
<td>6 - OUR CURRENT PARTNERS, PROGRAMMES AND PROJECTS SUPPORTING TRADE FACILITATION</td>
<td>33</td>
</tr>
<tr>
<td>7 - IMPLEMENTATION CHALLENGES</td>
<td>41</td>
</tr>
<tr>
<td>8 - CASE STUDIES</td>
<td>51</td>
</tr>
<tr>
<td>9 - LESSONS LEARNED AND THE WAY FORWARD</td>
<td>69</td>
</tr>
</tbody>
</table>
1 - THE MERCATOR PROGRAMME IN NUMBERS

- WCO Member administrations participating in the MY Mercator Programme: 36 (AS OF JUNE 2018) / 51 (AS OF JUNE 2020)
- Accredited, pre-accredited and recognized experts identified by the WCO: 414 (AS OF JUNE 2018) / 739 (AS OF JUNE 2020)
- National and regional technical assistance and capacity building missions delivered: 1,600 (AS OF JUNE 2018) / 2,500 (AS OF JUNE 2020)
- Mercator Programme Advisors (MPAs): 64 (AS OF JUNE 2018) / 79 (AS OF JUNE 2020)
- Registered users on CLiKC!: 18,000 (AS OF JUNE 2018) / 32,422 (AS OF JUNE 2020)
2 - BACKGROUND

The WTO Agreement on Trade Facilitation was adopted in Bali, Indonesia, in December 2013 and was the first WTO multilateral trade agreement reached since the WTO’s creation in 1995. The Agreement incorporated the principle that developing or least developed country’s obligations to implement the provisions of the Agreement would be conditional on Member’s acquisition of the necessary technical capacity based on each Member’s evaluation of its own needs and priorities.

Experience has demonstrated that reducing red tape at borders can offer significant economic benefits in terms of added export potential, increased foreign investment and greater access to a wider variety of goods for consumers. Developing countries, where administrative and procedural barriers tend to be more prevalent, stand the most to gain from the TFA. The WTO estimates that the full implementation of the TFA has the potential to reduce trade costs by some 14.3% and boost global trade by up to USD 1 trillion. As a central player in the international movement of goods, these benefits cannot be realized without the significant involvement of Customs.

Especially with the coming-into-force of the TFA, in February 2017, multilateral and bilateral development partners and organizations, including the WCO, have mobilized the wealth of the global trade community to support developing and least developed countries to implement the TFA in accordance with the special and differential treatment provisions of the Agreement.

TFA implementation – current status

To date, 151 out of 164 WTO Members (92.1%) have ratified the TFA. Taking into account notifications for category A, B and C commitments, and bearing in mind that developed countries are expected to be fully implementing the Agreement already, analysis carried out by the WTO shows that 65.8% of the TFA is already being implemented.

According to the WTO TFA Database, to date 94 WTO Members have notified their technical assistance and capacity building requests through their category C notifications for a total of 1223 measures. This represents a collection of technical assistance and capacity building needs required before full implementation of the Agreement can be expected, and represents useful guidance to the WCO and other organizations and development partners providing support to WTO Members. This information complements the needs collected through the WCO’s annual experience-sharing seminars for MPAs.

The diagram below shows the rate of implementation commitments by all WTO Members over time. Collectively, these commitments provide a roadmap of when the TFA can be expected to be fully implemented by the entire Membership.

---

1 www.tfadatabase.org
assessments of technical assistance and capacity building requirements, as well as the analysis of the recommendations provided through the Mercator Programme TFA diagnostic missions.

The diagram below shows the most frequently and least frequently types of assistance requested by WTO Members compared to a total number of requests received.

For 58.1% of the technical measures for which assistance was notified, Members expressed the need for support in human resource development and training, where the latter is often viewed as the most important element in implementing trade facilitation measures, acknowledging that trade facilitation reforms are mainly about changing border agencies’ practices and behaviors. When it comes to amending or designing new legislation in order to implement specific trade facilitation measures, assistance is required in 51.8% of the notified measures. Similarly, 45.8% of the measures require support in information and communication technologies, which may include installing or upgrading IT tools, virtual networks, automated solutions or scanners.

Infrastructure and equipment needs relate to 26.8% of the measures, while 22.4% of the needs relate to institutional procedures such as establishing new units or re-structuring existing ones in order to perform specific trade facilitation functions more efficiently. For instance, the introduction of Post Clearance Audit (PCA), the application of Risk Management (RM) procedures or the establishment of a central enquiry point might require a dedicated team of administrative, operational and support staff.

Diagnostic and needs assessment requirements are related to 14.7%, and awareness raising needs to 14.2% of notified category C measures.

Finally, according to the WTO notifications, amongst the technical measures that have the lowest implementation rate are Advance Rulings (AR), Border Agency Cooperation, Authorized Operators and Single Window (SW). This is in line with the demand for assistance from WCO Members and all these measures feature high on that list as depicted in the diagram below.
3 - TFA IMPLEMENTATION BY THE WCO

A holistic package based on peer relationships and international standards

The WCO delivers technical assistance and capacity building through the expertise of its global Membership of Customs administrations, representing 99% of world trade. The June 2014 launch of the Mercator Programme was the WCO’s proactive response to the TFA. Built on foundations of credible needs assessment, strategic planning, implementation, monitoring and evaluation, along with the Mercator Programme provides the framework for governments to implement the TFA in keeping with long-standing international standards maintained by the WCO.

A holistic approach...

Working closely with its global Membership, the Mercator Programme supports the implementation of all articles of the TFA, taking into account the need for political will, partnerships and strong people, against the backdrop of the wider range of responsibilities facing modern border management agencies, including revenue collection, enforcement and societal protection, along with internal organizational development.

...delivered by leading Customs practitioners...

The WCO works with its Members to identify, train, accredit and deploy serving Customs officers, including MPAs and Technical and Operational Advisors (TOAs) along with a range of other accredited and recognized experts from within the Customs community to advise on and support TFA implementation. This peer-to-peer approach has been proven to break down barriers between experts and beneficiaries. It allows for frank dialogue, sharing of experiences and the iterative implementation of TFA measures. Accredited experts provide advice on the basis of real-world experiences in other developed, developing or least developed countries.

The WCO endeavors to deploy experts from all regions, with special attention being paid to increasing pools of Arabic, French, Russian and Spanish-speaking experts.

Analysis of the Section I of the TFA against WCO instruments and tools shows that over 50 of them support the implementation of the TFA. The WCO TFA Implementation Guidance, developed on the basis of this analysis leverages the linkages between the technical provisions of the TFA and established WCO instruments and tools, based on the real-world implementation experience of the WCO’s global Membership. It is complemented by the WTO TFA and the Mercator Programme approach to TFA implementation which provides the basic principles upon which the WCO supports its Members through its assistance programme.

The WCO has so far concluded 14 Distributor Agreements with various organizations and companies. The distributors contribute to the WCO Academy’s efforts to promote the online courses and disseminate Customs knowledge among the private sector stakeholders.

Established contact points from Member administrations help the WCO Secretariat identify suitable local distributors and potential Academy partners.

In addition to the courses, several Webinars (an online conference facility) on Customs topics have been organized. In addition to professionals from the private sector, the Webinars have been also made available through CLiKC! to Member administrations.

…working closely with a growing community of development partners...

The WCO is grateful for the resources entrusted to it by leading bilateral and multilateral development partners, including the People’s Republic of China, the European Union (EU), Eurocustoms, Finland, Germany, India, Japan, the Republic of Korea, Norway, Sweden, Switzerland, the United Kingdom, the United Nations Conference on Trade and Development (UNCTAD) and the United States. The funds provided enable the delivery of in-country missions. The WCO’s partnerships with multilateral development partners have enabled joint delivery of in-country support and the production of effective joint training and capacity building products. More information on these collaborative partnership arrangements are highlighted later in the report.

The Swedish International Development Cooperation Agency (Sida), is proud of its long collaboration with the WCO, which dates back to 2008. The WCO’s effective utilization of their Member experts is a definite strength as peer learning provides for personal commitment, hands-on experience and the creation of partnerships that may last well beyond particular capacity-building programmes.

Trade facilitation is the main aim of the cooperation and support from Sida has covered many Customs areas with implications on society and poverty alleviation. In this respect, the recognition and certification of Authorized Economic Operator (AEO) in East Africa has been important in ensuring the effective deployment of scarce resources and also enhancing overall compliance.

Our new phase of collaboration with the WCO will continue focusing on Customs modernization in line with the Mercator Programme operating model to support the implementation of the WTO TFA and other regional trade facilitation initiatives. We look forward to the continued partnership and the delivery of important outcomes for the economic development and poverty alleviation of Africa.

Eva Bursvik
Counsellor
Regional Development Co-operation, Trade and Regional Economic Integration,
Embassy of Sweden, Addis Ababa, Ethiopia
The WCO Working Group on the WTO Agreement on Trade Facilitation (TFAWG) was established by the WCO Policy Commission in its meeting in December 2013, in Dublin, Ireland, in response to the conclusion of the Agreement on Trade Facilitation by the WTO during its Ministerial Conference in Bali, Indonesia.

The 1st meeting of the TFAWG was held on 11-12 March 2014. The TFAWG met twelve times, with the last meeting held on 4-5 March 2020.

The TFAWG is open to all interested Members of the WCO, parties with recognized WCO observer status, partner organizations such as the WTO, and other entities, including those representing the private sector, where deemed appropriate. Each meeting brings around 100 delegates from all over the world.

The purpose and scope of the TFAWG is to advise, as appropriate, the Policy Commission, the Permanent Technical Committee (PTC), the Capacity Building Committee (CBC) and the Secretary General on the full range of issues concerning the WTO TFA.

Having in mind the cross-cutting nature of the discussions in the TFAWG and the PTC, Joint Sessions were held with the PTC at the 6th, 8th and 11th meetings of the TFAWG. Similarly, Joint Sessions were held with the CBC at its 7th and 12th meetings.

The TFAWG meetings are attended by the WTO Secretariat providing an update on TFA developments. The meetings have also, on a number of occasions, been attended by the Chairpersons of the WTO Trade Facilitation Committee. The delegates are regularly updated on the WCO Mercator Programme. Members experiences are shared and discussions held on the implementation of the specific technical measures under the TFA.

The TFAWG established and maintains a Work Programme and Annual Work Plan, including timelines, for TFA-related activities. The development of an Annual Work Plan for each Financial Year allows Members to prioritize actions to be implemented during such a period.

The TFAWG meetings are held in English, French and Spanish.

WTO Members have identified capacity building as a top priority for implementation of the WTO Trade Facilitation Agreement. The WCO’s technical expertise, as well as its tools and instruments, play a crucial role in delivering this support, which enables countries to fully realize the benefits of the Agreement. The WTO works in effective collaboration with the WCO in supporting the implementation needs of Members.

Sheri Rosenow
Head of Unit, Market Access Division, WTO
5 - OUR APPROACH

The Mercator Programme follows a dual-track approach that comprises of overall and tailor-made tracks, that allows the WCO to respond to important cross-cutting as well as country-specific challenges to TFA implementation.

The Mercator Programme, while focused on the TFA, recognizes the multiplicity of demands faced by Customs and other border agencies that include pressure to collect revenues in an efficient manner, to protect society and to sanction infringements of Customs law along with the imperatives of trade facilitation and the TFA.

Balancing these core functions requires nimble, ethical, technically competent and strategic organizations that can respond effectively to the variety of competing challenges at the border.

For this reason, the Mercator Programme also encompasses a strong organizational development perspective that supports training, Leadership and Management Development (LMD), integrity, gender and equality and Human Resources Management (HRM).

In this regard, since its inception in 2014, the Mercator Programme has continued to invest in:

- Supporting the formulation of multi-year strategic plans and indicators at the national and regional levels;
- Providing technical assistance and capacity building to support implementation of specific TFA technical measures;
- Tools & guidelines
- WTO needs assessment
- Donor engagement
- Experts
- Sharing experience

ECONOMIC COMPETITIVENESS

- Trade facilitation
- Simplified & harmonized procedures
- Reduced costs
- International standards

TAILOR-MADE TRACK

- Multi-year implementation plans
- WCO programs (CBM, TRS, etc.)
- NCTF
- Results based management

OVERALL TRACK

- Tools & guidelines
- WTO needs assessment
- Donor engagement
- Experts
- Sharing experience

• Support the formulation of multi-year strategic plans and indicators at the national and regional levels;
• Providing technical assistance and capacity building to support implementation of specific TFA technical measures;

WTO Trade Facilitation Committee chairs

12th TFAWG – March 2020
H.E. Ambassador Mohammad Qurban Hazjo Permanent Representative of Afghanistan to the WTO and Chairperson of the WTO Trade Facilitation Committee from 2019 to date

"WTO’s first-born agreement is now steady on its feet"

10th TFAWG – October 2018
H.E. Ambassador Dalia Kadisiene Permanent Representative of Lithuania to the WTO and Chairperson of the WTO Trade Facilitation Committee from 2018 to 2019

"Thanks to the WCO for its valuable contribution to WTO’s work in the implementation of the WTO Trade Facilitation Agreement"

8th TFAWG – October 2017
H.E. Ambassador Daniel Blockert Swedish Ambassador to the WTO and Chairperson of the WTO Trade Facilitation Committee from 2017 to 2018

"Many countries have told me that it was important for the WCO to be involved in the work of the WTO Trade Facilitation Committee because of its technical expertise and the capacity building efforts of the WCO"

3rd TFAWG – February 2015
H.E. Ambassador Esteban B. Conejos Jr. Permanent Representative to the Philippine Mission to the WTO and Chairperson of the WTO Preparatory Committee on Trade Facilitation from 2014 to 2017

"I was very pleased with the speed with which the WCO had responded to the TFA conclusion, issuing the Dublin Resolution in December 2013 and launching the WCO Mercator Programme in June 2014"
Developing new and updating existing instruments and tools to support TFA measures;

Organizing national and regional-level TFA awareness-raising workshops for Customs administrations;

Strengthening leadership and management competencies, attitudes and behaviors at the highest management levels;

Developing new training and e-learning materials and establishing local e-learning platforms along with competent trainers within national training institutions;

Building project management and donor coordination skills and competencies within modernization and international relations units; and

Establishing the foundations for modern, competency-based human resources development and management.

The overall track... creating an enabling environment on the basis of the global standards for Customs

On this basis, the overall track deals with broader interests, including TFA-related awareness raising at global, regional and national levels. It also entails developing, updating and enhancing existing WCO tools, instruments related to TFA implementation. The overall track also supports the expansion of the WCO expert pools (MPAs, other experts) mobilizes donors and shares best practices from across the WCO Membership.

In summary, the overall track aims to:

- Develop new instruments and tools, including with partner organizations, and update existing ones, with a special focus on Members’ best practices;
- Maintain the WCO TFA Implementation Guidance;
- Raise Members’ awareness of the TFA, its implications for Customs and other border agencies and develop a better understanding of the requirements of its technical measures;
- Expand the pools of MPAs and other accredited Customs experts;
- Engage with the WTO Trade Facilitation Committee and support the WTO TFA Facility;

5 International Plant Protection Convention (IPPC), World Organisation for Animal Health (OIE), International Maritime Organization (IMO), Universal Postal Union (UPU), Organization for Co-operation between Railways (OSJD), International Organization for Carriage by Rail (OTIF)

6 Annex D organizations is an unofficial name used for a group of international organizations working closely with the WTO on providing support to Members in implementing the TFA. The original group consisted of five members: IMF, OECD, UNCTAD, World Bank and WTO. After the conclusion of the TFA, the group was extended to many other international organizations, initiatives and private sector associations

- Strengthen collaboration with other standard setting organizations (IPPC, OIE, Codex Alimentarius Secretariat, IMO, UPU, OSJD, OTIF etc.); and
- Engage more comprehensively with donors and other international partners, including Annex D organizations.

The tailor-made track... needs-based support to WCO Members

The tailor-made track is anchored on the WCO capacity building principles of ownership, needs-based support, partnerships, results-based management, sustainability and effective project management.

The tailor-made track targets Members’ specific needs for assistance in implementing the TFA. Depending on the extent of the request the WCO can respond with different solutions.

A growing proportion of TFA-related support under the tailor-made track is now being delivered under MY Mercator partnerships. The MY Mercator Programme engagements are based on medium to long-term partnerships with Members and employ a project-based approach, including a significant role for WCO accredited experts, in particular MPAs, many of whom are regularly providing effective TFA implementation support through sustained engagement with beneficiary Members.

MY Mercator partnerships normally commence with a diagnostic assessment that use a combination of tools to assess the implementation status of each TFA article. The most relevant being the WCO Diagnostic Framework in conjunction with the TFA legal text, the WTO TFA Self-Assessment Guide along with previous diagnostic studies. In this regard, the WCO analysis builds upon and complements the TFA analysis undertaken by other development partners, providing a Customs-specific perspective that establishes organizational development as a foundation for effective TFA implementation within and beyond Customs.

TFA diagnostic assessment activity commonly includes the development of a multi-year Mercator Implementation Plan, based on the agreed assessment recommendations, that forms the basis of future WCO delivery and serves to facilitate enhanced engagement with other development partners, other government agencies and private sector stakeholders involved in trade facilitation reforms.

Follow-up activity, that includes monitoring and evaluation perspectives, is conducted collaboratively between the WCO and the Member administration on a regular on-going basis.

Since its inception the number of Customs administrations benefiting from this multi-year engagement approach is already 50.

During the period since June 2018 the WCO has conducted a further 22 TFA diagnostic missions in response to requests from Members to contribute to their national TFA implementation activities. Since the commencement of the Mercator operating model over 40 diagnostic missions have now been conducted. Further Mercator Programme diagnostic missions are planned.

In addition to multi-year implementation support, many WCO Members continue to benefit from individual technical assistance support focused on individual TFA technical measures such as AR, RM, PCA, TRS, AEO, and SW along with support in areas associated to data harmonization, stakeholder engagement, and CBM etc. Much of this activity is also effectively delivered by the WCO pool of competent accredited experts.
The Botswana Unified Revenue Service (BURS) is delighted with the outcome from the WCO diagnostic support mission on the implementation of the WTO TFA and would once again wish to express gratitude to the WCO for the continuous support to our efforts of improving the way we do things. To us, the successful completion of the WCO Mercator diagnostic mission not only assists Botswana to meet our obligations under the WTO TFA commitments, it is the foundation upon which the modernization of Customs in Botswana will be based. We, therefore, view our participation in the multi-year (MY) Mercator Programme as a very critical step in our journey towards becoming a centre of excellence in trade facilitation and border management.

P.P. Valashia
Commissioner of Customs and Excise, Botswana Unified Revenue Service (BURS)

5.1 - Our people - our experts

The WCO is the only international organization to maintain access to an extensive pool of expertise from within the global Customs community.

MPAs are at the heart of the WCO’s peer-support approach to capacity building. These carefully selected experts guide Members through implementation of the TFA at a strategic level. They are called upon to support administrations with organizational or government-wide gap analysis, planning and implementation of the TFA. MPAs currently oversee the WCO’s multi-year engagement in many countries. Against this backdrop, MPAs:

- Advocate harmonized, standardized, transparent and efficient TFA implementation using WCO instruments and tools;
- Facilitate the development of strategic plans and trade facilitation roadmaps for Customs and other border agencies;
- Advise senior Customs officials on their obligations under the TFA;
- Assist in the coordination of TFA-related inputs of the WCO and other development partners;
- Engage with private sector and other border agencies to convey the obligations and benefits of the TFA;
- Analyze and advise on underlying organizational challenges within Customs, such as integrity, human resources and training management development; and
- Oversee and monitor technical and operational inputs, ensuring consistency, proper sequencing and relevance to domestic contexts.

Women and men from all walks of Customs life, representing least developed, developing and developed countries, make up the WCO’s...

Mercator Programme Advisors (MPA) 79
Diagnostic Facilitators (DF) 39
Customs Modernization Advisors (CMA) 59
Leadership and Management Development Advisors (LMDA) 10
Expert Trainers (ET) 126
Technical and Operational Advisors (TOA) 180
global expert footprint of almost 500 individuals from more than 100 Member administrations representing all WCO expert categories including MPAs.

Our qualified experts include executives, middle managers and technical specialists, bringing hands-on policy and operational expertise. WCO Experts are thoroughly briefed and have expert knowledge on relevant WCO instruments and tools and maintain their awareness through rigorous accreditation processes and ongoing learning and development opportunities.

The WCO remains committed to providing effective capacity building to its Members including support under the Mercator Programme.

To achieve this the WCO continues to develop its network of qualified experts who are called on to assist the WCO in the effective delivery of capacity building and technical assistance activities.

Mercator Programme Advisors (MPA)
Support Customs administrations specifically with TFA implementation at both a strategic and operational level.

Diagnostic Facilitators (DF)
Conduct holistic organizational assessments and review organizational reform and modernization programmes.

Customs Modernization Advisors (CMA)
Lead strategic discussion and provide advice on reform and modernization at a senior Customs level.

I feel extremely proud and privileged to be an MPA as the role enables me to share my knowledge and experiences of Customs and trade facilitation. It makes me feel valued and is helping me to develop my own leadership skills as well as giving me a much wider perspective on the challenges faced by Customs administrations around the world. These and other skills I have developed also transfer back into my own administration, contributing towards my own personal development, enabling me to effectively contribute to operational and strategic planning and input into meaningful and positive change.

Being an MPA, working on WCO TFA diagnostic assignments and technical missions involves long hours and a lot of work. However, the immense satisfaction I receive from working with other Customs administrations and helping them to develop and deliver their own TFA implementation plans is uplifting. It also galvanizes my resolve to make a positive difference to my own administration and fellow Customs colleagues.

Terry Madden-Nadeau
WCO Mercator Programme Advisor,
HM Revenue & Customs, the United Kingdom
MPA'S BY WCO REGION

MERCATOR PROGRAM ADVISORS AVAILABLE FOR MISSIONS

AMH 20
WCA 8
MENA 1
ESA 20
EUR 15
A-P 15

79

WCO | Mercator Programme Report
5.2 - Our instruments and tools

The WTO TFA is a high-level instrument that sets out the principles of trade facilitation. Beyond this high-level statement, WCO instruments and tools provide the granular detail on the specific standards that apply for the full range of TFA measures. While the TFA clearly defines "what" must be done, the implementation methodologies, sequencing and prioritization is left to national governments. It is often the "how" of TFA implementation that presents the greatest challenge in terms of questions about how to manage change, how to navigate competing demands and how to maintain and grow a professional Customs workforce. Here, WCO instruments and tools are absolutely critical, as they provide the field-tested standards needed to ensure successful implementation of TFA measures on the basis of the collective insights of the global Customs community.

Since the last update, a number of relevant tools were devised/updated or are currently under development and/or review, in line with Action Plans III and IV of the WCO ECP. One of the major undertakings is the comprehensive review of the RKC, which was a key reference instrument during the WTO negotiations on trade facilitation. Since June 2018, a dedicated working group held seven meetings and has discussed in-depth numerous proposals submitted by Members and external stakeholders. It is expected that the RKC review will have an important impact on the implementation of multiple TFA measures.

The WCO has also developed a number of tools which contribute to accelerating the digital transformation and to supporting IT-related aspects facilitating cross-border trade. Those include: WCO Data Model Business Guide; Study Report on Single Window; Study Report on Disruptive Technologies; Guidance on Data Analytics; joint WCO-UPU Guidelines on the Exchange of Electronic Advance Data between Posts and Customs; Technical Specification of the unified X-ray file format for Non-Intrusive Inspection devices (UFF 2.0).

In addition the WCO has developed the RAMMAP-SWIM (Reform and Modernization-Monitoring Activities and Projects (RAMMAP) and Single Window Interactive Map (SWIM)), an online platform designed to provide quick and user-friendly information on various international instruments impacting cross-border transactions, as well as information on progress with WCO Members’ SW environments and trade facilitation measures.

The tremendous growth of e-commerce continues to pose challenges to Customs administrations, including at TFA implementation level. The WCO has been working holistically with numerous stakeholders on developing tools to support Members in addressing this challenge. Following the adoption of the Framework of Standards on Cross-Border E-Commerce in June 2018, the work was continued with the development of an E-Commerce Package, including a capacity building mechanism and a Compendium of Case Studies.

Given the growing number of AEO Mutual Recognition Agreements (MRAs), a standardized and unique Trader Identification Number (TIN) is required for efficient identification of MRA partners’ AEOs for granting mutually agreed facilitation benefits. A Council Recommendation and Guidelines on TIN have been developed in 2018 to support this work, contributing to enhanced implementation of Article 7.7 of the TFA.

A number of other relevant tools were brought to fruition. For example, following the publishing of a Handbook and detailed Guidelines, the WCO has now developed a third transit-related tool, the Compendium of Best Practices in the Area of Transit. On the other hand, in consultation with partner organizations, Guidelines on Customs Brokers were developed to serve as a reference guidance for Members and stakeholders in establishing/adjusting their Customs broker regimes, and thus supporting implementation of Article 10.6.

National, regional and international TFA stakeholders rely on the WCO to provide its expertise based on RKC principles and WCO Members’ experiences, through tools reflecting present-day challenges of border management. In response to these challenges, the WCO continues to refine its instruments and tools, develop new material, and further develop its suite of technical assistance and capacity building support.

One of the latest global challenges hindering trade facilitation efforts has been the COVID-19 pandemic which has been addressed by a number of tools developed by the WCO and its Membership.

5.3 - Monitoring and evaluation

TFA (Mercator) Maturity Model

Recognizing the qualitative dimension of many of the TFA articles, and the multi-year implementation timelines, the WCO has developed a TFA (Mercator) Maturity Model, as a means of assessing baseline status on a progressive scale ranging from commencement to a fully sustained level of implementation. The aim of the Maturity Model assessment is to assist Members, by reference to the legal text of the TFA, to determine the degree to which each article of the WTO TFA has been implemented. For each standard, there are four statements and related scores that best describe the relevant level of implementation.

The methodology, intended for internal use, provides an assessment of implementation maturity, not the overall performance or quality of the Customs administration. The assessment results provide a report of a point-in-time snapshot that can be used to measure progress and improve activities.

Maturity Model assessments are initially completed in collaboration with administrations, during the in-country WCO diagnostic mission. It is envisaged that subsequent assessments are conducted every twelve months either through self-assessment or Members may seek involvement from the WCO to conduct an assisted assessment. The WCO has recently developed a scoring matrix to assist Members in this regard.
6 - OUR CURRENT PARTNERS, PROGRAMMES AND PROJECTS SUPPORTING TRADE FACILITATION

The WCO is part of a broad network of international agencies working to support harmonized implementation of the TFA and other global, continental, regional and national trade facilitation initiatives worldwide.

The following donor-funded multi-year Capacity Building Programmes and Projects have provided the framework for the WCO to finance many of the multi-year and individual Mercator Programme engagements under the tailor-made track.

The HMRC-WCO-UNCTAD TFA Capacity Building Programme

Under the United Kingdom's Commonwealth Heads of Government fund, the programme benefits WCO Members from the Caribbean, Asia/Pacific and Africa and delivers tailor-made technical assistance and capacity building trade facilitation support in accordance with the WCO Mercator Programme approach. Activities have focused on areas where WCO instruments, tools and standards provide added value and this has included important TFA related topics such as RM, PCA, TRS, AEO, CBM, SW and data harmonization.

The WCO-ESA Project

The multi-year agreement between the WCO and Finish Government "to progress the trade facilitation agenda, within the framework of the WCO Mercator Programme in the East and Southern Africa (ESA) Region 2016-2020" is building on the previous WCO-ESA Project. The project is focusing on the implementation of the TFA, organizational and institutional capacity, HRM and development and building sustainable regional expertise and autonomy.

The Anti-Corruption and Integrity Promotion (A-CIP) Programme

Financed by the Norwegian Agency for Development Cooperation (Norad), the new A-CIP Programme responds to the high costs of corruption in Customs and focuses on improving the business environment for cross-border trade for beneficiary countries. Activities are guided by and are in line with the ten key factors of the WCO Revised Arusha Declaration concerning Good Governance and Integrity in Customs, an area that is considered to be a key cross-cutting enabler that supports effective TFA implementation.

The Maturity Model is an important complement to the quantitative focus of the WCO TRS and provides the following basis for maturity:

- Quantifying attainment of implementation goals and objectives;
- Ascertaining to what extent required actions are been implemented as planned;
- Determining whether initial analysis and assumptions were correct; and
- Confirming if actions are resulting in tangible facilitation advancements.

TRS

The WCO's Time Release Study (TRS) Guide is known as an internationally accepted strategic tool to measure the actual time taken for the release and/or clearance of goods, from the time of arrival until the physical release of cargo. It allows objectively identifying bottlenecks in border-related procedures and addressing them in an efficient and effective manner.

The TRS Guide was updated in 2018 to include, amongst other, detailed information on the use of TRS in the implementation and monitoring and evaluation of the TFA. It elaborates a concrete approach to the use of TRS within the context of TFA implementation, including its use in the strategic planning to foster the implementation of TFA measures by the National Committee on Trade Facilitation (NCTF).

WCO Members benefitting from MY Mercator Programme are therefore encouraged and assisted in setting up and carrying out TRS exercises before the launch of major reform measures, as well as during the TFA implementation process. It is paramount to note that a TRS provides a baseline on the current performance in relation to clearance and release times enabling monitoring and evaluation during and after implementation of trade facilitation initiatives. Thus, the WCO advises the NCTFs to facilitate involvement of relevant stakeholders in this endeavor, as it requires a whole-of-the-border approach from a national perspective.

Under the MY Mercator Programme some good examples have shown Members operating model establishing dedicated National TRS Working Groups under their respective NCTFs and reducing clearance times by 50%.

The TRS Guide is specifically mentioned in TFA Article 7.6 on establishment and publication of average release times, and is considered to be an important tool in monitoring and evaluation of trade facilitation reforms, including those related to TFA implementation.
The Ministry for Foreign Affairs of Finland has successfully collaborated with the WCO under the WCO-ESA Trade Facilitation Projects I and II since 2011. This effective cooperation, facilitated by the Finnish Customs, has been based on the principle of Customs administrations assisting and sharing experience with other Customs administrations and, in this regard, the WCO is the ideal partner with its complementary well-developed capacity building programmes, tools and instruments.

The exchange of knowledge and experiences has been beneficial for all parties involved and has helped to develop a better mutual understanding of how Customs is operating from a global perspective. The work of the Project has also reinforced the important role that Customs plays in the overall development of countries in Eastern and Southern Africa.

The demand driven approach of the tailor-made track of the Mercator Programme has kept the ownership of activities strongly at the national level and has helped all beneficiary countries deliver tangible results related to improving regional engagement and enhancing trade facilitation, including ensuring benefits for women traders, in order to boost economic development and reduce overall poverty.

Tapani Erling
The Ministry for Foreign Affairs and Finnish Customs
current Director General
The WCO-GIZ Programme for the Gambia

The project funded by the German Federal Ministry for Economic Cooperation and Development, represented by GIZ GmbH, supports the Gambia Revenue Authority in the implementation of priority trade facilitation measures by creating the conditions for a more efficient RM and better cooperation between border-control bodies. The specific objective are to enable the Gambian authorities to periodically measure clearance and release times by utilizing the WCO TRS.

The WCO-SECO Global Trade Facilitation Programme (GTFP)

The programme funded by the Swiss State Secretariat for Economic Affairs (SECO), aims at fostering and facilitating international trade through strengthening the overall compliance of beneficiary countries with international standards and best practices, in particular those of the WCO and the WTO. Activity that focuses on organizational development, trade facilitation and performance measurement is conducted under the auspices of the WCO Mercator Programme.

The WCO-EU Programme to support Africa on the Harmonized System

The Programme ‘Harmonizing the classification of goods based on WCO standards to enhance African trade,’ is funded by the European Union (EU), and assists the Regional Economic Communities, African Customs administrations and relevant stakeholders, including the African Union Commission (AUC), selected national government administrations and the private sector in the coordinated implementation and uniform application of the WCO’s Harmonized System, including the provision for AR.

WCO/Japan International Cooperation Agency (JICA) Joint Project

The WCO and JICA launched the WCO/JICA Joint Project in July 2016 with the aim of enhancing support for Customs administrations in Africa through collaborative assistance. In East Africa, the project has been providing support on RM and PCA as part of the WCO Mercator Programme, in addition to developing a large pool of national and regional technical trainers and related training material under the Master Trainer Program (MTP).

Customs Cooperation Funds (CCF)

WCO capacity building efforts continue to enjoy welcome support from established donors who contribute to the CCFs such as the Governments of Japan, Korea and Germany, India, China Customs and Eurocustoms. In addition, the establishment of a fund from the WCO’s reserve, known as the CCF/WCO Reserve Fund, was approved by WCO Council in July 2016. Many of the WCO capacity building activities delivered by these funds have a direct association to the WTO TFA and the Mercator Programme.

CCF China focuses on capacity building support to developing countries and least developing countries in all six WCO regions and, in this regard, have supported global, regional and national activity. Topics delivered have included valuation and AR, intelligence sharing, TFA implementation, integrity, E-commerce and HRM.

Eurocustoms also support activities in all the WCO regions, and have consistency supported activities directly related to the Mercator Programme. This has recently included activity associated to strategic planning, RM, PCA, AR, HRM, LMD, integrity and performance measurement.

CCF Germany generally supports Members of the WCO Europe Region that are advancing with their preparations to become part of the EU. Recent support has included Mercator Programme activity associated to topics such as SW, pre-arrival processing and TRS.

CCF India is a relatively new funding stream that focuses on developing and least developed countries with particular focus on Members in South Asia and small island economies. Support activities have included RM, LMD, Association of Southeast Asian Nations ASEAN transit, rules of origin and AR.

CCF Korea continues to support Members in securing and facilitating international trade. Special emphasis is being placed on data analytics to assist Members to better collect and share Customs data, to manage risks more effectively and to profit from opportunities provided by new and emerging technologies. Activities have also included enhancing fraud detection techniques by machine learning, artificial intelligence-based targeting and geo-spatial analysis.

The WCO’s own CCF Reserve supports activities in all WCO regions, and finances capacity building activities in all areas. Activities range from technical assistance to workshops and seminars and have included LMD, CBM, AEO, TRS, integrity and Mercator implementation support along with Mercator scoping missions.

8 Association of Southeast Asian Nations
SECO decided to partner with the WCO due to its commitment and experience in the delivery of sustainable capacity-building assistance to developing countries, including WTO TFA implementation under the auspices of the Mercator Programme. The WCO’s vision, strategy and approach are already there and they are in line with Switzerland’s international cooperation strategy in support of the UN 2030 Agenda for Sustainable Development. By teaming up with the WCO, SECO knows its resources will be optimized by the WCO’s technical expertise, tools and contacts in the beneficiary countries.

Raphael Jenny
Programme Manager, Trade Promotion Division,
Swiss State Secretariat for Economic Affairs (SECO)

Working in partnership through the WCO/JICA (Japan International Cooperation Agency) Joint Project provides real added value for the beneficiary countries when addressing the challenges identified through the WCO Mercator Programme. This joint approach has improved the overall effectiveness of the Project by combining mutual strengths, avoiding unnecessary duplication, and by providing complementary assistance to achieve better outcomes. One excellent practical example of this is the ongoing Master Trainer Programme (MTP) on PCA in East Africa that is helping to enhance overall PCA competence in the region building upon the EAC PCA manual developed by another completed WCO Mercator support programme.

Working in partnership with the WCO means having access to the WCO expertise, its library of well-developed relevant tools and instruments and the opportunity to form effective working partnerships with all stakeholders including academia. JICA is happy to note that many certified Master Trainers are now part of the WCO accredited experts pool and are contributing not only to the JICA-supported MTPs in West Africa and Southern Africa but also to the ongoing WCO Mercator support programme.

Yukari Saito
Director, Public Governance and Financial Management Team,
Governance Group, Governance and Peacebuilding Department, JICA
It is a great honor and pleasure to cooperate with the WCO and to support the Mercator Programme, the flagship Programme of WCO. The WCO has achieved significant results in providing effective capacity building assistance to Members around the world with its unique and exclusive approach. Japan Customs fully acknowledges the WCO’s strategy of capacity building, and in response to that, Japan Customs has been supporting WCO through Japan’s Customs Cooperation Fund (CCF Japan) since 1989.

There is no doubt that the Mercator Programme is one of the most innovative and beneficial Programmes which provides tailor-made support taking into account local conditions and environment in implementing trade facilitation measures. As Japan Customs also gives high priority to the smooth implementation of the WTO TFA in developing countries, we are totally satisfied with what the Mercator Programme has achieved so far and we will continue to support the WCO in promoting future related activities.

Hidetoshi Aramaki
Director for Technical Cooperation, Customs and Tariff Bureau,
Ministry of Finance, Japan

7 - IMPLEMENTATION CHALLENGES

7.1 - Mercator diagnostic findings

From the 22 Mercator Programme TFA diagnostic missions conducted since June 2018 over 450 recommendations were developed, in close collaboration with Members, and incorporated into Mercator Implementation Plans with related activities and key performance indicators.

Analysis of these recommendations, from a global perspective, demonstrates that 85% are related to technical trade facilitation procedures closely associated to specific TFA articles revealing a continuing high requirement for support in the broad areas of publication and transparency of trade information, Customs procedures, compliance and risk, along with cooperation and collaboration with both internal and external stakeholders.

The remaining 15% of recommendations relate to important crosscutting topics associated to organizational development. Experience has shown that in order to achieve sustainability, support under the Mercator Programme needs to extend to those crucial areas considered to be TFA enablers.

These areas commonly include project management, donor coordination, HRD, information and communication technology, integrity, and gender and diversity. This cross-cutting, “whole-of-Customs” perspective is a core strength of the WCO’s approach to TFA diagnostics, whilst appreciating that the TFA is part of a wider modernization and reform dynamic that needs the support of others.

The analysis of these diagnostic recommendations is depicted below:

<table>
<thead>
<tr>
<th>Area</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Development</td>
<td>15%</td>
</tr>
<tr>
<td>Compliance &amp; Risk</td>
<td>20%</td>
</tr>
<tr>
<td>Publication &amp; Transparency</td>
<td>20%</td>
</tr>
<tr>
<td>Customs Procedures</td>
<td>20%</td>
</tr>
<tr>
<td>Cooperation &amp; Collaboration</td>
<td>25%</td>
</tr>
</tbody>
</table>
Experience on the ground and further detailed analysis has shown that, in general terms, the main TFA implementation challenges are common across all WCO regions.

These overarching practical implementation challenges can often be attributed to an unpredictable political landscape, an unreliable or inconsistent technology infrastructure, a general lack of automation (particularly in other government agencies), gaps in enabling legislative provisions, the need for greater strategic alignment, the need for greater transparency and predictability, the inconsistent application of policies and procedures along with the need to enhance cooperation and collaboration to build mutual trust and respect.

Common challenges from an organizational development perspective are often associated with ensuring that trade facilitation becomes an institutional strategic priority, enhancing the coordination and management of donor activity and project activities, implementing effective wide-ranging HRD policies and procedures to build and sustain institutional competence, developing effective monitoring and reporting mechanisms to effectively chart, measure and report performance and progress, and advancing technical infrastructures and capabilities to meet the demands and requirements of modern and emerging technology.

Common implementation challenges from a transparency and cooperation article perspective tend to be centered on building more effective relationships both internally and externally to improve collaborative working to facilitate joint functioning and the exchange of data between internal departments, national agencies and also amongst Customs authorities, to enhance the publication of important trade related information and facilities through national websites, enquiry centers or through collective Trade Portals.

Common implementation challenges from a Customs procedures, and risk and compliance article perspective has focused on ensuring that the principles and practices of a risk based approach become embedded within organizations, that administrations actively engage with the private sector and effectively promote and deliver the benefits of an AEO Programme, enhancing the overall competence of PCA units to conduct effective risk-based audits, building internal capacity in order to conduct and report regular TRS activity in collaboration with stakeholders, and enhancing engagements with stakeholders and building partnerships to facilitate the establishment of multi-agency strategies and implementation plans that guide the development and implementation of efficient national SW platforms.

7.2 - The Mercator response

Recognizing that Members can be at different levels of development maturity and may have competing governmental pressures and priorities, the WCO, under the auspices of the tailor-made track of the Mercator Programme Operating Model, and by promoting and using the guidance available in established WCO tools and instruments, continues to assist administrations in effective TFA implementation, both strategically and practically in many beneficial and important areas.

In the organizational development area the Mercator Programme has encouraged administrations to ensure that a trade facilitation nexus is suitably reflected and monitored in overarching strategic plans, helped administrations establish Project Management Offices (PMOs) to oversee and streamline project initiatives and to effectively coordinate donor activity. This has included the delivery of project management training and the identification of National Mercator Contact Points to manage all future Mercator related engagement with the WCO.

For HRD this has involved developing all-inclusive HR strategies, conducting holistic HR diagnostic assessment studies and developing activity plans, assisting administrations introduce competence-based HR policies and procedures, delivering LMD workshops, conducting change management workshops, working collaboratively to address gaps in integrity policies and procedures, ensuring that gender and equality shortfalls are addressed and become a mainstream HR consideration in every administration.

From the training perspective, administrations have received guidance on conducting analysis of training needs, developing training plans and material and made more aware of the excellent TFA related training modules available on the LMD Programme delivery in Peru, supporting the implementation of complex modernization initiatives.
WCO on-line CLiKC! training platform. To enhance overall connectivity and the exchange of important data within administrations internally the Mercator Programme has also helped enable the implementation of the WCO nCEN² platform to a number of administrations and have encouraged other administrations to do similar.

For TFA areas related to publication and transparency the Mercator Programme has assisted administrations in the re-design of their external websites to make trade related information more prominent and more easily accessible, provided guidance on establishing centralized enquiry points, encouraged the development of multi-agency Trade Portals, delivered workshops aimed at building competence and confidence with regard to the issuance of AR and facilitated the revisions of previously complicated and unclear procedural regimes related to Customs fees and charges, Customs reviews and appeals, Customs penalties and the availability of test facilities and related procedures.

From an external cooperation perspective the WCO constantly emphasizes the importance and the need for effective collaboration and working in partnership with other agencies, other Customs administrations and key stakeholders from the private sector. In this regard, the Mercator Programme has encouraged and assisted administrations in establishing Customs to Business Forums at a central level along with establishing Joint Border Operating Committees at a regional level. This has involved assistance in drafting terms of reference documents and meeting agendas along with promoting the development of external communication strategies and policies and the delivery of related workshops.

In this regard, it is expected that NCTFs play a leading role in overseeing the effective implementation of the TFA from a national, multi-agency perspective and develop accountable action plans that prioritize activities, provide a structured approach and include effective monitoring mechanisms. Accordingly the Mercator Programme strongly encourages Customs administrations to play an active role in establishing and managing fully functional NCTFs.

For the TFA articles related to Customs procedures much of the Mercator Programme support has focused on ensuring that an intelligence led, risk-based approach becomes part of day to day activity within administrations both at an organizational level and operationally. This has involved advice on developing overarching Compliance Strategies, enhancing the exchange of intelligence and data internally, conducting RM diagnostic assessments and the development of related action plans in line with the WCO Risk Management Diagnostic Framework, the development of Risk Management Framework documents in accordance with Volume 1 of the WCO Risk Management Compendium, assisting administrations establish Risk Management Committees and Risk Registers, along with delivering training workshops focused on risk analysis, risk selectivity and the further development of risk profiles.

For the AEO topic the Mercator Programme has assisted administrations to engage effectively with all stakeholders to outline and promote the benefits associated with being part of an effective AEO Programme, conducted related diagnostic assessments in line with the WCO AEO Compendium, encouraged administrations to expand current Preferred Trader Schemes into more comprehensive AEO Programmes, delivered AEO training workshops and AEO awareness raising seminars for stakeholders and provided help and support in establishing dedicated internal teams to oversee and manage the future development of effective AEO Programmes.

In order to enhance the overall capacities of Customs PCA Units and improve overall compliance within administrations, the Mercator Programme has facilitated enhanced collaboration between departments within administrations, conducted PCA diagnostic assessments, delivered PCA training workshops and helped develop PCA SOPs³ and Manuals in line with the WCO PCA Guidelines.

In order to provide greater transparency, promote enhanced collaborative working, address bottlenecks and to regularly measure and report overall trade facilitation performance and progress, the Mercator Programme has supported administrations not only conduct actual TRS activity but also build internal capacities to enable them to conduct future TRS activity themselves. This has involved the delivery of both theoretic and practical workshops, in line with WCO TRS standards, and involved proving expert guidance on the methodology required and the full utilization of the WCO enhanced TRS software.

In order to support the development of an efficient national SW platform, in accordance with the WCO SW Compendium, the Mercator Programme has encouraged and assisted administrations enhance collaboration with other government agencies and establish working groups, delivered SW diagnostic assessments to map existing capabilities and determine future needs, developed SW implementation strategies and phased activity plans, and assisted with business process re-engineering to ensure all processes, systems and impending technical requirements are fully considered.

7.3 - Regional trade facilitation initiatives

Whilst TFA implementation challenges and related solutions being provided by the Mercator Programme can be considered to be fairly common and consistent throughout the WCO Membership, a good number of administrations are benefitting from other proactive regional initiatives, many of which have either direct associations to the WTO TFA or have a clearly recognizable connections that are assisting Members to further drive their trade facilitation agenda’s and fulfill their TFA obligations.

In addition to the WTO TFA, many African countries have also committed to implement the African Union’s Continental Free Trade Area (AICFTA) that reflects many of the WTO TFA provisions. Whilst negotiations continue, the African Union Commission (AUC) are preparing their Members to identify and report implementation challenges. The WCO, the WTO and the AUC are working collaboratively to ensure all initiatives and approaches are complementary and fully coordinated.

In West Africa, the SIGMAT (Interconnected Sytems for the Movement of Goods) Project was established in 2013 with significant support from the WCO and other partners. As a longstanding priority for the region the project has enhanced overall system connectivity and provided greater security, simplification and speed of transit operations across the whole region.

In East and Southern Africa a number of Regional Economic Communities (RECs), including COMESA (Common Market for Eastern and Southern Africa), SADC (Southern African Development Community), SACU (Southern African Customs Union), EAC (East African Community) etc, have a number of proactive regional programmes and projects focused on enhancing the trade facilitation agenda,

---

³ Standard Operation Procedure
The Guatemalan Customs Service would like to thank the WCO for the assistance it has provided through the WCO Mercator Programme, which has enabled my administration to effectively support our country in the implementation of the WTO TFA. Therefore, considering the successful experience of the Guatemalan Customs Service, we encourage other Customs Services to request the support of MY Mercator Programme to advance their implementation process of the WTO TFA, which I’m sure will allow them to deliver good results for their respective countries.

Victor José Péres Rodas
Customs Attaché to the Embassy of Guatemala in Belgium.
Custom Service Guatemala

Providing TFA support to 17 administrations in Suva, Fiji under the WCO Small Island Economies initiative.
number of on-going trade facilitation projects, some of which are supported by the EU initiative is focused on enhancing RM systems, introducing simplified and harmonized regional transit procedures, promoting the establishment of fully functional NCTF. Another project, entitled Ready4Trade Central Asia, supports investment, competitiveness and trade in Central Asia and contributes to sustainable and inclusive economic development in the region through enhancing transparency and removing regulatory and procedural barriers to trade. Another initiative, the Border Management Programme in Central Asia and Afghanistan (BOMCA), focuses on implementing International Trade Security standards, enhancing compliance with recognized Integrated Border Management (IBM) models, harmonizing institutional and technical practices related to the movement of goods across borders and improving conditions in border areas through enhancing, in general, human rights, gender equality and vulnerable groups.

For the Middle East and North Africa region the Gulf Cooperation Council (GCC) is assisting countries in the harmonization of AEO programmes, the simplification of the Customs declaration processes and the improvement of transit movements through the adoption of a regional Cargo Tracking System. In addition, the Arab League is supporting the wide-ranging Regional Integration Agreement that aims to enhance overall cooperation and collaboration amongst Members through a number of collective components. The ATU (Agadir Technical Unit) is supporting the electronic exchange of information amongst its Members to accelerate the clearance of goods at borders. The ATU has also supported the establishment of a mechanism for mutual recognition of AEOs. The Islamic Development Bank (IDB) and the regional office of the United Nations Development Programme (UNDP) also continue to work in partnership with the WCO.

**7.4 - WCO response to COVID-19**

Since its outbreak, the COVID-19 pandemic has caused major disruptions to cross-border trade movements. It has been critical for Customs administrations to continue to facilitate the cross-border movement of, not only relief goods, but goods in general, to help minimize the overall impact of the outbreak on the economies and societies all around the world. Customs administrations were strongly urged to establish a coordinated and proactive approach with all concerned agencies to ensure the integrity and continued facilitation of global supply chains during the pandemic.

The WCO and its Membership have marshalled all efforts through responsive measures and policies to maintain Customs business and to share useful lessons from this experience with global partners. Over 110 Members submitted examples of Customs administrations’ practices to prevent and fight the spread of COVID-19, while safeguarding supply chain continuity by facilitating trade and applying appropriate risk management. Examples of enhanced coordination and cooperation with other government agencies and the private sector were also highlighted, as well as measures to protect the health of Customs officers.

The WCO has been working closely with a number of international organizations (including the WHO, WTO, UPU, IMO, UN/UNOCHA, OTIF, and OSJD12 etc.) in addressing challenges in facilitating the movement of goods across borders through different joint actions. Furthermore, the WCO Secretary General and Council Chairperson are holding regular meetings with the WCO Private Sector Consultative Group (PSCG) including its private sector associations (ICC, IPI, IATA, GEA, IFCE, FONASBA, BASC, ASAPRA, AAEI13 and others) towards finding ways to overcome border impediments faced during the pandemic.

In close collaboration with a number of partners (WTO, UNCTAD, Global Alliance for Trade Facilitation, ITC, Commonwealth Small States Office and IATA14), the WCO contributed to the development of the COVID-19 Trade Facilitation Repository15, a joint platform aimed at consolidating information on trade facilitation measures adopted by key stakeholders into a single user-friendly, easily accessible and searchable database.

The relevance of international trade facilitation rules and standards contained in the WTO TFA and in the WCO RKC, have proven to be more critical during the pandemic than ever. Border agency cooperation, pre-arrival processing, SW, use of international standards, electronic payment options, RM and many others, not only help to facilitate trade, but also contribute to the safety of citizens. Furthermore, they respond to shortages in Customs staff during pandemics and other occurrences that may cause similar disruptions. Customs administrations have been exploring innovative ways to ensure that their operations are carried out efficiently and effectively, in line with international standards, while conducting work remotely and while maintaining social distancing measures.

With the outbreak, many businesses around the world have adapted to the pandemic and moved into e-commerce much faster than planned. This willingness to change has saved many businesses and demonstrated the power of e-commerce. Trade facilitation and a truly paperless Customs environment will constitute a critical building block for further growth of e-commerce.

It is also important to recognize that COVID-19 is not the first, and will not be the last, pandemic. Customs administrations will, therefore, need to be supported in the preparedness for and management of any future ‘comparable’ situations, which would require procedures for expediting the release and clearance of goods.

All of the above mentioned developments, induced by the COVID-19 pandemic, will have an important impact and give an additional boost to the future of the Mercator Programme. Furthermore, taking into consideration that international travel will very likely remain restricted for the foreseeable future, the WCO Secretariat has been focusing on exploring alternative arrangements that would allow the WCO to continue providing its technical assistance and capacity building support, including through the Mercator Programme, by using various on-line tools and remote delivery activities.

---


13 World Health Organization (WHO), Universal Postal Union (UPU), International Maritime Organization (IMO), United Nations Office for the Coordination of Humanitarian Affairs (UN/UNOCHA), Intergovernmental Organisation for International Carriage by Rail (OTIF), Organization for Co-operation between Railways (OSJD)

14 International Chamber of Commerce (ICC), International Air Transport Association (IATA), Global Express Association (GEA), International Federation of Customs Brokers Associations (IFCE), Federation of National Associations of Ship Brokers and Agents (FONASBA), World Business Alliance for Secure Commerce (BASC), Association of Professional Customs Brokers of the Americas (ASAPRA), American Association of Exporters and Importers (AAE)

15 https://www.tfafacility.org/covid19-trade-facilitation
Whilst it's often difficult to report immediate impact when delivering sustainable activity under a phased multi-year progressive approach, the WCO’s overall commitment, endeavor and collaborative engagement, under the auspices of the Mercator Programme, is producing tangible results that are already having an impact on enhancing trade facilitation.

The following section presents insights into several WCO Member administrations’ successful implementation of key TFA Articles, taking into account the illustrative character of the examples, which typically form part of broader change management and modernization initiatives.

The case stories also demonstrate the “real-world” application of WCO instruments and tools, especially in terms of the specific methodologies and the sequencings employed. This “how-to” approach helps to further develop the peer-to-peer relationships within Customs that define the WCO.
Algeria

Adapting to international standards by implementing an effective AR system

The Algerian Customs administration has been engaging in a series of efforts to adapt to international standards and meet the requirements of international trade by promoting facilitation to operators and strengthening Customs-Business partnerships. These efforts were supported by WCO technical assistance, under the framework of the EU-WCO HS Africa programme, in implementing an AR system in line with the WCO recommendations in accordance with the Technical Guidelines on AR for Classification, Origin and Valuation. The WCO has provided technical expertise and advice on the legislative text and procedures and co-organized an information session to over 200 different stakeholders including the private sector. Economic operators in Algeria can now request and will receive AR for their merchandise. Algeria is an excellent partner in promoting the benefits of Advance rulings procedures and assisting neighboring countries in their implementation.

- Article 3: Advance Rulings
- Article 10.3: International Standards

“...This programme will certainly have a positive impact on the functioning of the HS responsible structures for all African countries. In Algeria, we are starting to collect the fruits of this programme through the effective implementation of an Advance Ruling system from March 1, 2020 with the support of WCO Experts and we are ready to make our experience available to Africa.

Toufik Saci
Director of taxation and tax bases,
Algeria Customs Administration

"
Belize

Strong commitment to advance the trade facilitation agenda through the development of a SW environment

Following a WCO diagnostic support mission conducted in November 2018 under the framework of the My Mercator Programme, the Belize Customs administration invited the WCO to conduct a follow-up workshop to raise awareness among stakeholders on the benefits of developing a SW environment.

Being fully aware of the impact that a SW platform would bring to the national economy, and in recognition of the need to comply with the international standards and best practices, Belize is working collaboratively with all the international trade stakeholders in order to deliver a comprehensive SW operating environment based on the guidance outlined in the WCO Single Window (SW) Compendium.

Cambodia

WCO gap analysis assessment forms the basis for effective TFA implementation

Upon the request from the General Department of Customs and Excise (GDCE) of Cambodia, the WCO conducted a gap analysis assessment on the implementation of the WTO TFA. The activity, delivered under the auspices of the MY Mercator Programme, formed the basis for future implementation in line with international standards and best practice. The WCO followed up with assistance that included the development of a Mercator Implementation Plan with key performance indicators, and support in prioritizing and sequencing of future activities. The WCO also conducted a tailor-made RM diagnostic assessment based on the findings of the original TFA diagnostic report. In addition, in collaboration with the Asian Development Bank (ADB), the WCO provided GDCE with expert guidance on TRS methodology based on the latest WCO TRS guidelines that includes instruction on effective data collection and analysis, the design of questionnaires, and the utilization of WCO software along with guidance on drafting the final report.

- Article 10.4: Single Window
- Article 7.4: Risk Management
- Article 7.6: Average Release Times
Colombia

Transformation towards a more modern and efficient Customs organization

Following the Mercator Programme diagnostic study conducted in 2019 within the framework of the SECO-WCO Global Trade Facilitation Programme, the Customs administration of Colombia was able to strengthen its RM strategy in line with the best practices and procedures provided for in the WCO Risk Management Compendium. This has allowed them to define a roadmap to increase the effectiveness of Customs inspections. Also, the WCO supported the Customs administration on Strategic Planning, achieving the definition of their strategic objectives and expected results and their translation into key performance indicators that now form part of their strategic plan. These activities not only complement and reinforce the improvements made by the Customs administration in the area of strategic planning and the implementation of sustainable trade facilitation reforms in line with international best practices, but helps them establish baselines to achieve meaningful impact with the actions and projects to be undertaken in the years to come.

- Article 7.4: Risk Management
- Article 10.3: International Standards

The support from the WCO is crucial in the effort we are making to achieve the transformation and reforms that the DIAN has been working on, because it takes into account the needs and priorities of our Customs administration. We are confident that the WCO's long-term assistance in our goal and efficiency measurement processes will allow us to meet our objective of having a more modern, efficient and transparent organization, which will undoubtedly result in a more agile trade environment and greater competitiveness for Colombia.

Ingrid Díaz
Director of Customs Management, DIAN
East Africa

Establishing a regional pool of experts for more sustainable human resource development

Five Customs administrations in East Africa are making collective efforts under the Master Trainer Program (MTP), supported jointly by the WCO and JICA, to develop a pool of experts on a variety of key trade facilitation related Customs topics, such as RM and PCA. Through the Program, approximately 90 Master Trainers in East Africa have been certified and have delivered effective training to around 6,000 people (both Customs officials and Customs brokers) during 2018 and 2019. Currently, the MTP on PCA is progressing in East Africa under the auspices of the WCO Mercator Programme. Given the success in East Africa, the MTP has also been launched in West and Southern Africa where Master Trainers from East Africa contribute also to the programme as part of the team of experts. Master Trainers are expected to deliver more trainings in the coming years to further trade facilitation overall and enhance regional integration through improved Customs efficiency and networks.

>

Dicksons Kateshumbwa
Former WCO Council Chair and Commissioner Customs,
Uganda Revenue Authority

“The quality of output by the trainers who are well grounded in trade facilitation and are willing to impart their knowledge in East Africa and beyond is what has become the legacy of the ‘Master Trainer Programme.’ We now need to move quickly towards their full utilization by building a critical mass of staff and other key stakeholders who are trained and ready to advance the cause of trade facilitation and regional integration.”

Article 7.4: Risk Management
Article 7.5: Post-Clearance Audit
Eswatini

Moving from interventions at the borders to effective PCA

Based on PCA diagnostic recommendations provided through the MY Mercator Programme, Eswatini Revenue Authority (SRA) has increased its PCA capacity by adopting an audit based control in all its Customs and Excise warehouses. Enhanced PCA capacities and skills, in line with the WCO Guidelines for Post-Clearance Audit now enables SRA to effectively control more than 80% of its declarations without intervention at the border. Feedback from audit activity is now also providing for more effective targeting and improved selectivity profiles and building internal confidence in the RM system. Effective PCA supports the implementation of efficient RM principles and practices that are recognized by all relevant internal and external stakeholders, where compliant traders are being recognized and rewarded with the provision of enhanced trade facilitation measures at the border.

✔ Article 7.4: Risk Management
✔ Article 7.5: Post-Clearance Audit

Kazakhstan

Joint efforts in developing a roadmap towards the effective implementation of the TFA

Under the MY Mercator Programme the WCO provided strategic support to the Republic of Kazakhstan State Revenue Committee (SRC) that involved developing an implementation roadmap based on the recommendations stemming from the WCO TFA diagnostic assessment. The Roadmap assists in the sequencing of activities and further guides the administration with regard to the effective implementation of trade facilitation measures along with establishing a framework for more effective engagement with all parties involved in the trade facilitation agenda. Subsequent support to SRC focused on specifically enhancing engagement with all border management stakeholders, in line with international practices, and finalizing the trade facilitation roadmap ensuring it was fully aligned not only to the SRC strategic priorities but also the Strategic Plan of the NCTF, where SRC continue to play a leading role.

✔ Article 8: Border agency cooperation
✔ Article 12: Customs cooperation
✔ Article 23: NCTF
Pakistan
Recognizing the importance of PCA and AEO as an integrated part of the Customs RM processes

The WCO has supported the Federal Board of Revenue (FBR) of Pakistan to introduce PCA as a concept of measuring and improving compliance, and to assist them gain an increased understanding of the importance of PCA as an integrated part of the Customs RM processes. By developing and enhancing their advanced professional and operational competencies using practical tools and techniques based on the newly developed WCO Advanced PCA Training Package, FBR now effectively conducts systems-based audits and provide comprehensive feedback on trader’s risk profile to enable effective targeting and selectivity at the borders. The FBR is also exploring opportunities for the development of their AEO programme by strengthening and aligning the criteria and requirements with the WCO SAFE Framework of Standards, identifying tangible benefits, carrying out pilot activity, improving AEO risk mapping and validation processes, and exploiting opportunities for MRA with other countries.

Malawi
Using PCA, AEO and RM to identify and facilitate compliant traders

By establishing a dedicated PCA team and applying recommended best practices in line with the WCO Guidelines for Post-Clearance Audit, the Malawi Revenue Authority (MRA), is making significant progress in the area of trade facilitation. As more compliant traders are being identified, the information is being fed into the RM system creating an enhanced compliance based RM environment. With the on-going support of the WCO, under the MY Mercator Programme, MRA has also enhanced its AEO programme by including clearing agents and bonded warehouses, as well as other government agencies and transporters and freight forwarders. The next phase will involve the development of mutual recognition arrangements and agreements with other countries that will pave the way for the full implementation of a comprehensive AEO program based on the WCO recommendations.

- Article 7.4: Risk Management
- Article 7.5: Post-Clearance Audit
- Article 7.7: Authorized Operators
Qatar

Enhancing RM by adopting disruptive technologies

The WCO supported the General Authority of Customs of Qatar (GAC) by conducting a workshop on data analytics focused on RM. By exploring the use of Artificial Intelligence (AI) and Cognitive Technologies (CT), and in collaboration with the private sector, the administration is now able to facilitate the flow of people, goods and conveyances at borders in a more automated manner. By adopting important disruptive technologies, delivered under the digital transformation agenda, GAC are enhancing their overall RM systems, processes and competence allowing them to further develop their understanding of emerging trends and patterns in order to effectively predict and address potential risks.

- Article 2.2: Stakeholder Consultation
- Article 7.1: Pre-arrival Processing
- Article 7.4: Risk Management
Zambia

TRS reduces clearance time at the Chirundu OSBP

The Zambia Revenue Authority (ZRA), with technical assistance from the WCO, conducted a TRS at the Chirundu One Stop Border Post (OSBP) between Zambia and Zimbabwe in December 2019. Preliminary findings and observations illustrated that the average clearance time for a truck was 5 to 6 days. Additionally, bottlenecks that caused clearance delays were also identified. Given this situation, a TRS Working Group was established and, in consultation with the WCO-TRS Expert, provided ZRA an interim report containing key recommendations to remedy the situation.

ZRA initiated action to implement these recommendations without delay and by February 2020 clearance time was reduced to 2 to 3 days.

A recent visit by the Zambia NCTF to the Chirundu OSBP observed that gate passes are now being issued electronically, a mandatory pre-clearance system has been introduced, two gates are open for trucks to enter, and the x-ray scanner is now fully functional.

The WCO TRS methodology is unique in the sense that it is recognized in the legal text of the WTO TFA (Article 7.6) and Members are encouraged to conduct regular TRS activity and publish the associated findings.

“In December, I saw chaos at the OSBP with trucks moving at a very slow pace. But in February, trucks were moving like magic. I think ZRA has done a tremendous job by implementing the interim recommendations of the TRS”

Patricia Mwela
Member of the NCTF visiting the OSBP in February 2020
9 - LESSONS LEARNED AND THE WAY FORWARD

Lessons Learned

TFA implementation, when situated within a wider understanding of national needs, context and capacities, regional priorities and the global development agenda, requires several preconditions to be effective.

Mercator Programme experience has shown that the established WCO capacity building principles of political will, partnerships and people are foundational for successful reforms and modernization, which in turn represent the foundations for TFA implementation. Key requirements include:

• Political will is essential to lead TFA-related modernization and reform processes and make them sustainable. Ministerial buy-in should be sought on the basis of clear articulation of the benefits of the TFA. Sustained ministerial communication is needed to guarantee continued support, demonstrate intermediate results, and to ensure the continued allocation of necessary resources;

• Beyond political will, effective stakeholder engagement and communication are key to implementing the TFA. The effective involvement of the private sector and the coordination of the different cross-border regulatory agencies operating at the border will largely influence the success of TFA implementation efforts. As the leading agent at the border, Customs must effectively champion the benefits for both public and private sector stakeholders, and shape the professional, technological and procedural prerequisites for effective TFA implementation at all levels;

• The role of NCTF in implementing the TFA, including the need for formalized structures, mandates and secretariat resources, is critical. The inclusion of high-level decision-makers in NCTFs is essential, along with appropriate specific technical questions at the working level;

• Credible and holistic diagnostic assessments are essential in establishing realistic, well-sequenced TFA implementation roadmaps that will produce tangible benefits to the trading community. Beyond technical questions related to, inter alia, RM, PCA or SW, organizational questions, including strategic planning, HRM and strategic communication, are essential in building the requisite institutional capacity to yield sustainable change and benefits;

• Ensuring that TFA considerations are fully integrated into national-level strategic and modernization plans, with appropriate and meaningful performance measurement. Such integration ensures that senior management is appraised on an ongoing basis and fosters accountability;

• The collection of credible baseline data, both quantitative and qualitative, is essential in helping establish strategic starting points which will ensure that progress is effectively monitored. The WCO TRS is one of the critical tools that can support this process and which should be used at the commencement as well as throughout implementation of trade facilitation reforms; and,

DECEMBER 2019

One entry gate through which trucks can enter Zambia after obtaining clearance and release.

One Customs staff deployed to work at the entry gate from 06.00 hrs to 18.00 hrs.

Gate pass issued manually.

Cargo inspection mostly done individually by each agency.

Customs inspection staff had no protective equipment.

In most cases, trucks arrived at the border and then Customs entry is registered. This created delay because the clearance process cannot start.

Customs Accredited Client Program (CACP) special delivery done manually taking time.

5-6 days average clearance time.

MARCH 2020

Two entry gates through which trucks can enter Zambia after obtaining clearance and release.

Five Customs staff deployed to work at the entry gate from 06.00 hrs to 20.00 hrs.

ASYCUDA Exit Note activated and gate pass issued electronically.

Cargo inspection done jointly by all agencies.

Protective equipment provided to Customs inspection staff.

Pre-registration made mandatory thus, all trucks would have a corresponding Customs entry by the time trucks arrives at the border.

Customs Accredited Client Program (CACP) special delivery automated giving instant clearance.

2-3 days average clearance time.
• Change management competencies, including leadership, project management and results-orientation are foundational in ensuring stakeholder buy-in and the sustainable implementation of TFA measures. These competencies are needed to plan, implement and monitor TFA-related initiatives, along with other reform and modernization initiatives, while maintaining momentum as well as internal and external buy-in.

The Way Forward

TFA momentum is building. A wide collection of international, regional and national organizations, including the WCO, have invested considerable efforts and resources in increasing awareness of the TFA along with outlining the huge national benefits associated to its effective implementation.

Going forward, the common challenge faced by all concerned parties is how to move effectively from planning to implementation and, in this regard, the WCO will continue to refine its approach based on the feedback received from its Members.

In the coming years, the WCO Mercator Programme will:

• Continue to evolve to respond to any new challenges, such as those caused by the COVID-19 pandemic;
• Continue to encourage a greater number of Members to move to the MY Mercator Programme Operating Model;
• Continue to conduct the on-going review of existing TFA-related guidance and develop new WCO tools and instruments based on the expressed needs of Members;
• Continue to maintain good focus on those important “cross-cutting” TFA enablers including HRM, ICT\textsuperscript{16}, project management, donor coordination, integrity, gender and equality;
• Continue to focus more on modern leadership and management skills, attitude and behavior to increase ownership, strategic approaches and implementation potential among Members;
• Continue to enhance internal procedures to ensure a consistent approach is maintained for the delivery of diagnostic assessments and the subsequent monitoring of implementation progress;
• Continue to improve baseline data collection and analysis, using a variety of WCO instruments, including the WCO TFA Maturity Model and the TRS, along with other international standard metrics;
• Continue to grow and diversify the WCO’s pools of accredited experts to respond to a wider range of Member needs ensuring the keep up to date and provide a consistent delivery approach;
• Continue to encourage more involvement from Members, particularly in the planning, sequencing, coordination, monitoring, and the reporting of implementation activity. To inspire them to take account add of their own trade facilitation developments to inspire them to drive their own reform agenda by demonstrating sustained ownership and commitment.

At the core of the Mercator Programme approach is the provision of effective advice and support to WCO Members, on the basis of peer-to-peer engagement.

Further synergies and cooperation mechanisms will be sought with development and technical partners to support Members more effectively and efficiently.

The WCO will continue to refine both the overall and tailor-made tracks of the Mercator Programme to ensure that they are fully responsive to Members’ needs and implementation challenges, and that the Programme continues to leverage the WCO’s unique value-added, including its network of accredited experts and the wide range of WCO instruments and tools supporting effective TFA implementation.

\textsuperscript{16} Information and Communication Technology
## 10 - ABBREVIATIONS

| AEO* | Authorized Economic Operator |
| AICFTA | Continental Free Trade Area of the African Union |
| AMS | South America, North America, Central America and the Caribbean region |
| AP | Asia Pacific region |
| ASYCUDA | Automated System for Customs Data |
| AR | Advanced Rulings |
| ASEAN | Association of Southeast Asian Nations |
| CBC | WCO Capacity Building Committee |
| CBM | Coordinated Border Management |
| CEP | Compliance and Enforcement Package |
| CLIKC! | Customs Learning and Knowledge Community |
| ECP | Economic Competitiveness Package |
| ESA | East and Southern Africa region |
| EU | European Union |
| EUR | Europe region |
| HRD | Human Resource Development |
| HRM | Human Resources Management |
| HS | Harmonized System |
| MENA | Middle East and North Africa region |
| LMD | Leadership and Management Development |
| MPA | Mercator Programme Advisor |
| MRA | Mutual Recognition Agreements |
| MY | Multi-year |
| NCTF | National Committee on Trade Facilitation |
| ODP | Organizational Development Package |
| PCA | Post-Clearance Audit |
| PTC | Permanent Technical Committee |
| RKC | Revised Kyoto Convention |
| RP | Revenue Package |
| RM | Risk Management |
| SW | Single Window |
| TFA | Trade Facilitation Agreement |
| TFAWG | WCO Working Group on the WTO Trade Facilitation Agreement |
| TRS | Time Release Study |
| WCA | West and Central Africa region |
| WCO | World Customs Organization |
| WTO | World Trade Organization |