Dear Customs colleagues and friends,

In February 2017, the global Customs community celebrated the entry into force of the World Trade Organization (WTO) Agreement on Trade Facilitation (TFA), representing an international consensus on transparent, harmonized and predictable international trade procedures. Recognizing the challenges faced by developing and least-developed countries, the TFA provides a clear framework for these countries to benefit from a wide range of technical assistance and capacity building offered by bilateral, regional and multilateral development partners, which in turn is expected to support economic development through increased trade, greater employment and lower poverty.

The World Customs Organization (WCO) plays a unique role among the international organizations supporting TFA implementation in developing and least-developed countries, considering that most of the provisions contained in the TFA are related to Customs matters. As the voice of the global Customs community and the standard setter for modern and efficient Customs procedures, the WCO can leverage real-world expertise from within the Customs community, allowing the dissemination and replication of practical and tested solutions for trade facilitation that take into account the often competing imperatives of revenue collection, societal protection, enforcement and compliance.

Launched in 2014, the Mercator Programme is the vehicle through which the WCO delivers coordinated TFA-related support to Members, taking into account global developments and Member-specific needs. It offers flexible, results-oriented, multi-year technical assistance and capacity building at the intersection of nationally-defined needs and WCO standards, instruments and tools. The Mercator Programme is a unique initiative supported by the real-world experiences of the global Customs community.

Beyond technical standards, the WCO is uniquely positioned to explore in depth organizational development questions that are often at the heart of any ambitious change programme. As part of the Mercator Programme, the WCO’s Organizational Development Package is a leading enabler of Customs professionalism foundations that are needed to pursue challenging TFA-related reforms. The WCO recognizes that positive change requires a people-centric foundation where human resources are considered as a fundamental part of the reform strategy; therefore, questions of leadership, management, training, people management and integrity are integral to the WCO’s capacity building and technical assistance efforts.
The Mercator Programme is the WCO’s flagship Programme for supporting the harmonized and sustainable implementation of the TFA on the basis of WCO standards. It benefits from the contributions of over 400 experts from within the international Customs family and is the WCO’s core contribution to global efforts to reduce poverty and spur economic growth through transparent, predictable and harmonized international trade procedures. Building on the long-established foundations of the Columbus Programme, the Mercator Programme is now benefiting developing and least-developed Members in some measure, and continues to enjoy strong demand from across all WCO regions.

This report gives an overview of the Mercator Programme’s first four years and sets the stage for subsequent annual reports. It is designed to offer Members, development partners and other trade stakeholders an insight into the approaches, tools, people and partners that define the achievements and uniqueness of the Mercator Programme. It is also an invitation to Members to share experiences, feedback and successes for future iterations of this report, while providing our development partners with deeper insights into the WCO’s role as an enabler of coordinated, transparent and harmonized TFA implementation on the basis of international standards.

Yours sincerely,

Kunio Mikuriya,
Secretary General.
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THE MERCATOR PROGRAMME IN NUMBERS

36

WCO MEMBER ADMINISTRATIONS PARTICIPATING IN THE MY MERCATOR PROGRAMME AS OF JUNE 2018

414

ACREDITED, PRE-ACREDITED AND RECOGNIZED EXPERTS IDENTIFIED BY THE WCO AS OF JUNE 2018

1,600+

NATIONAL AND REGIONAL TECHNICAL ASSISTANCE AND CAPACITY BUILDING MISSIONS DELIVERED BETWEEN 2014 AND 2018
REGISTERED USERS ON CLiKC!, THE WCO’S E-LEARNING COMMUNITY PLATFORM

MERCATOR PROGRAMME ADVISOR (MPA) EXPERTS

RECOMMENDATIONS FOR REFORM MADE THROUGH MERCATOR SCOPING MISSIONS AND DIAGNOSTICS BETWEEN 2014 AND 2018

18,000

18

510

64

REGISTERED USERS ON CLiKC!, THE WCO’S E-LEARNING COMMUNITY PLATFORM
WTO TFA IMPLEMENTATION AT 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 98% 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, the Mercator Programme provides the framework for governments to implement the TFA in keeping with long-standing international standards maintained by the WCO.
A wide range of credible studies have 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\(^1\). As a central player in the international movement of goods, these benefits cannot be realized without Customs.

With the coming-into-force of the TFA, multilateral and bilateral development partners are mobilizing 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 provisions of the Agreement. According to the Organization for Economic Cooperation and Development (OECD), aid-for-trade commitments have already risen from just over USD 20 billion between 2002 and 2005 to more than USD 50 billion in 2015\(^2\).

**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 Mercator Programme Advisors (MPAs) and Technical and Operational Advisors (TOAs) along with a range of other recognized and accredited experts from within the Customs community to advise with 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.

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1. [https://www.wto.org/english/res_e/publications_e/wtr15_e.htm](https://www.wto.org/english/res_e/publications_e/wtr15_e.htm)
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.

... built on a foundation of internationally-recognized standards, instruments and tools for Customs reform and modernization...

The WCO develops and maintains standards, instruments and tools for simple, transparent, predictable, efficient and coordinated border procedures. The WCO’s conventions, guidelines, handbooks, web-based training resources and other tools provide necessary guidance for a coherent approach and for achieving harmonized TFA implementation by Members.

At the heart of this package lies the Revised Kyoto Convention (RKC), the blueprint for modern and efficient Customs administrations. WCO instruments and tools are being continuously updated to take account of the latest best practices, with real-time contributions by WCO Members around the globe, while maintaining alignment to RKC principles.

In addition, the WCO’s CliKC! platform provides more than 500 hours of Customs-related learning, covering a wide range of operational and procedural topics. With the support of our development partners, the WCO has widened the availability of training and e-learning material, including extensive coverage of more complex topics including Post-Clearance Audit (PCA), Coordinated Border Management (CBM) and Single Window. As of May 2018, a dedicated platform for the private sector has also been made available.

... supported by 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, Finland, Japan, the Republic of Korea, Sweden, Switzerland, the United Kingdom and the United States. The funds provided enabled the delivery of almost 500 in-country missions in financial year 2017/18. The WCO’s partnerships with multilateral development partners, including the Asian Development Bank, the Inter-American Development Bank and the World Bank have enabled joint delivery of in-country support and the production of effective joint training and capacity building products. During the same year, funding facilitated the accreditation of more than 100 additional experts, including MPAs, TOAs and other recognized experts.
Beyond its direct funding partners, the WCO maintains close collaboration with the wider trade facilitation community, partnering with the WTO, World Bank, Inter-American Development Bank, United Nations Conference on Trade and Development (UNCTAD), International Trade Centre and Global Alliance on Trade Facilitation and many others. By working together and complementing other partners’ strengths, the WCO leverages its unique advantage as part of the wider trade facilitation and sustainable economic growth agenda.
The Mercator Programme follows a dual-track approach, comprising overall and tailor-made tracks, allowing the WCO to respond to diverse 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. Pressure to collect revenues, protect society and sanction infringements of Customs law intersect 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 myriad of competing challenges at the border. For this reason, the Mercator Programme also encompasses a strong organizational development mindset that supports training, leadership and management development, integrity and human resources management. In this regard, between 2014 and 2018, the Mercator Programme has invested in:

- Supporting the formulation of multi-year strategic plans and indicators at the national and regional levels;
- Providing technical assistance to support implementation of specific technical measures under the TFA;
- Developing new and updated guidelines and tools to support TFA measures;
- Organizing regional-level TFA awareness-raising workshops for Customs;
- Strengthening leadership and management competencies, attitudes and behaviors at the highest management levels through intensive introspection and self-management;
- Developing new training and e-learning materials and establishing local e-learning platforms along with competent trainers within national training institutions;
- Building project management skills and competencies within modernization and international relations units; and,
- Establishing the foundations for modern, competency-based human resources 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 and training materials related to TFA implementation. The overall track also supports the expansion of expert pools (MPAs, TOAs and other recognized and accredited experts), mobilize donors and share best practices on TFA implementation throughout the global Customs community.

The overall track is the WCO’s TFA Implementation Guidance. This web-based tool provides an article-by-article analysis of the important factors which Members need to consider in their endeavors to comply with individual TFA provisions. Leveraging the extensive national and regional experiences for each TFA article, the WCO TFA Implementation Guidance is updated on an ongoing basis in response to expressed needs and best practices from across the WCO membership.

In sum, the overall track has enabled the WCO to:

- Grow the pools of MPAs and other accredited Customs experts;
- Update existing WCO tools and guidelines with Members’ best practices;
- Raise Membership’s awareness of the TFA, its implications for Customs and other border agencies and develop a better understanding of the requirements of its technical measures;
- Engage more deeply with donors and other international partners; and,
- Build and maintain the WCO TFA Implementation Guidance.

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 sound project management.

This track targets Members’ specific needs for assistance in implementing the TFA. Depending on the extent of the request and the availability of resources, the WCO responds with different solutions. In cases where needs are clearly defined and specific, the WCO can design a specific “one-off” technical intervention and respond with relevant technical assistance from the WCO’s pool of TOAs and other experts. Alternatively, given the interconnected nature of the TFA and a growing emphasis on results-oriented iterative capacity building, the WCO may respond with a comprehensive “multi-year” capacity building plan – also known as MY Mercator.
For both "one-off" and MY Mercator engagements, capacity building is initiated by a formal request from an individual Member. "One-off" engagements generally focus on a tailor-made short-term intervention, leveraging the WCO's unique technical competencies and its pool of TOAs.

For Members engaged in the MY Mercator approach, engagements are generally launched by an in-country diagnostic / scoping mission. The scoping provides an updated assessment of the Member's current state-of-play in TFA implementation, along with a wider assessment of the Member in accordance with the pillars of the WCO Diagnostic Framework namely:

- Strategic management;
- Resources;
- Legal framework;
- Custom systems and procedures;
- Information and Communication Technology;
- External co-operation, communication and partnership; and,
- Governance.

Follow-up capacity building in keeping with agreed MY Mercator plans is mediated by MPAs and WCO staff, with delivery leveraging wider pools of expertise from the existing WCO expert communities, including TOAs. For both "one-off" and MY Mercator engagements, opportunities to coordinate and co-deliver with other development partners are explored on an ongoing basis.

Recognizing the qualitative dimension of many TFA articles, and the multi-year implementation time lines that reach well into the 2020s for many Articles, the WCO has developed a Maturity Model, as a means of assessing baseline performance on a progressive scale ranging from emergent to fully sustained states. The Maturity Model is an important complement to the quantitative focus of the WCO Time Release Study (TRS).
There is a growing demand by Members for support in measuring release and clearance times (as encouraged under Article 7.6 of the TFA), as Members are able to identify bottlenecks in cross-border movements by using the WCO Time Release Study (TRS) methodology. The TRS Guide serves not only as a diagnostic tool for identifying baseline results but also as an important monitoring tool, allowing the Member in question to track its progress with trade facilitation reforms. The WCO encourages the use of this tool throughout the TFA implementation process.
MATURITY MODEL

BASIS OF MATURITY

1. QUANTIFYING ATTAINMENT OF IMPLEMENTATION GOALS AND OBJECTIVES
2. ASCERTAINING WHETHER ACTIONS ARE BEING IMPLEMENTED AS PLANNED
3. DETERMINING IF INITIAL ANALYSIS AND ASSUMPTIONS WERE CORRECT
4. CONFIRMING ACTIONS ARE RESULTING IN FACILITATION AND ENFORCEMENT IMPROVEMENTS
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 close to 40 countries. Against this backdrop, MPAs:

• **Advocate** harmonized, standardized, transparent and efficient TFA implementation using WCO instruments and tools;

• **Facilitate** the crafting of strategic plans and trade facilitation roadmaps for Customs and other border agencies;

• **Advise** senior Customs officials on their obligations under the TFA;

• **Coordinate** the 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;

• **Analyse and advise** on underlying organizational currents 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 global expert footprint of over 400 individuals from more than 100 Member administrations representing all WCO expert categories including MPA’s.

Our experts include executives, middle managers and technical specialists - bringing hands-on policy and operational expertise. WCO experts are thoroughly briefed on relevant WCO instruments and tools and maintain their awareness through rigorous accreditation processes and ongoing learning opportunities.
Wow, what an incredible opportunity! Being accredited as an MPA does not only bring about self-fulfillment as a Customs officer but also comes with a number of incredible professional rewards. Indeed, having this unique opportunity to coordinate and deliver capacity building interventions (organizational and management development as well as technical skills) is unparalleled. These interventions help Customs administrations in developing and least-developed countries implement the WTO TFA, using WCO instruments and tools.

Matome Mathole
MERCATOR PROGRAM ADVISORS 2017/2018
The WTO TFA is a high-level instrument that sets out the principles of trade facilitation. Beyond this high-level statement, WCO tools, instruments and guidance 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, tools and guidelines 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. National, regional and international TFA stakeholders rely on the WCO to provide this insight on the basis of RKC principles and WCO Members’ experiences, which continue to be updated to reflect present-day challenges of border management. In response to these challenges, the WCO continues to refine its tools and guidelines, develop new material, and further develop its suite of technical assistance and capacity building supports encompassing its four core packages to support implementation of TFA measures.
TFA IMPLEMENTATION GUIDANCE

An analysis 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 brings forth 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.
Donor-funded Multi-year Capacity Building Projects provide the framework for the WCO to finance the majority of MY Mercator engagements under the tailor-made track.

Customs Cooperation Funds provide needs-based funding for specific events, such as accreditation workshops and “one-off” national diagnostics and technical assistance that fall outside the purview of MY Mercator engagements. Events with regional or global impact are often targeted by these Funds, including accreditation workshops and regional TFA awareness-raising events.

The WCO is part of a broad coalition of international agencies working to support harmonized implementation of the TFA. Between 2014 and 2018, these partnerships facilitated the following coordinated efforts:

- Joint delivery of Single Window capacity building with the World Bank;
- Organization of regional and sub-regional TFA workshops with the WTO and Annex D organizations;
- Co-facilitation of selected deliveries of the UNCTAD-led Empowerment Programme for National Trade Facilitation Committees;
- Participation in global and regional forums for National Trade Facilitation Committee (NTFCs) in partnership with UNCTAD, the World Bank, the WTO and ITC and many others; and
- Joint planning of multi-year technical projects with the private sector-led Global Alliance on Trade Facilitation.

Regional Economic Communities (RECs), as the custodians of regional trade facilitation initiatives, remain key partners in the delivery of the Mercator Programme. These communities provide the high-level political will to press for regionally impactful reforms, including Customs cooperation, mutual recognition of authorized operators and one-stop border posts.

Finally, academic communities working under the framework of the PICARD Standards and the International Network of Customs Universities remain integral partners in maintaining the foundations for Customs professionalism and theory.
OUR ACHIEVEMENTS

The Mercator Programme has enabled the WCO to deliver relevant capacity building support on an responsive, often iterative and multi-year basis, allowing for impactful results across all WCO regions. Much of the WCO’s engagement is focused on the more technically complex provisions. These provisions, including PCA, Single Window, AEO, measurement of average release times, test procedures, advance rulings, risk management, border agency cooperation and enquiry points figure among the most commonly notified category “C” provisions, as per the WTO’s latest analysis.

Nine most commonly notified category “C” provisions

WCO’s engagement in many of these and other related areas has produced tangible results that are already having a demonstrable impact on trade flows.

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.

3 tfadatabase.org/implementation/progress-by-measure
AFGHANISTAN:

Making a Long-term Commitment to Integrity and Strategic Management

WCO support to the Afghanistan Customs Department (ACD) focused on re-engineering the administration in the international Customs community, providing critical technical supports in long-term strategic planning, including questions of automation, coordinated border management and strategic management. Perspectives from other landlocked developing WCO Members provided critical insights to ACD counterparts, giving the administration the confidence to accede to the Arusha Declaration on Integrity in Customs in July 2017, while supporting the development and finalization of a five-year modernization strategy, which received endorsement from the highest levels of the Government of Afghanistan. The WCO’s continued support to Afghanistan will focus primarily on the implementation of the 2018 Integrity Action Plan.

Article 10.3: International standards
The Inter-American Development Bank entrusted the WCO to be the Bahamas Customs and Excise Department (BCED) primary technical assistance partner as Bahamas seeks to accede to the WTO by the end of 2019. A wide range of technical inputs addressing Customs-specific matters of risk management, advance rulings, appeals and border agency coordination, supported by high-level WCO-mediated discussions on strategic planning, human resources management and proper implementation sequencing have positioned Bahamas on track for its full integration into the international trading community. The WCO will continue to advise BCED on more complex TFA measures, such as Single Window as the collaboration advances into 2018 – 19.

- Article 3.1: Advance rulings
- Article 4: Appeals
- Article 7.4: Risk management
- Article 7.5: Post-clearance audit
- Article 7.7: Authorized operators
- Article 10.4: Single Window
- Article 12: Customs cooperation
After working as an MPA in Malawi, I am more convinced than ever that the Mercator Programme is a unique and powerful approach to support Customs administrations. Under the tailor-made approach, gaps in the implementation of risk management principles were identified and recommendations on how to improve the work were developed. We were impressed by the degree of commitment of officials at all levels and the desire to learn and adopt international best practices, including commitment to long-term collaboration under the WCO Mercator Programme.

Rosine Uwamariya,
Commissioner of Customs, MPA, Rwanda Revenue Authority
BANGLADESH:
Joint efforts to move towards Single Window

The National Board of Revenue, Bangladesh (NBR) benefits from an extensive range of inputs from multilateral and bilateral development partners. Partnering with other development partners, including the World Bank, the Asian Development Bank and USAID, the WCO has demonstrated best practices and standards on measurement of release times, Single Window and post-clearance audit, which has enabled NBR to engage more effectively with its development partners who are providing multi-year in-country support in these areas. WCO support also helped to establish better training foundations, including a local e-learning platform, as a means to provide essential basic competencies as staff rotate into Customs positions. With a greater understanding of WCO standards and international best practices, NBR is moving forward with the negotiation of memoranda of understanding with other state agencies to support the full roll-out of the Bangladesh national Single Window.

- Article 7.6: Measurement of release times
- Article 10.4: Single Window
WCO support to the Indirect Taxation Authority of Bosnia-Herzegovina (ITA-BiH) has concentrated in the development of modern, risk-based assessment, profiling and targeting within the administration’s newly created Department for Analysis and Risk Management, along with deeper technical advice on post-clearance audit and the systematic measurement of cargo release times. With more established risk management and post-clearance audit capacities, the ITA-BiH is pressing forward with the country’s first-ever authorized operator programme, on the basis of the WCO SAFE Framework of Standards and is moving forward with the national ratification of the Revised Kyoto Convention (RKC) on the basis of modernized national Customs legislation.
BURKINA FASO:

Credible nationally-managed study of average release times through standard project management

Seeking to establish a credible study of average clearance times with its own resources, the Direction Generale des Douanes de Burkina Faso engaged the support of the WCO to develop a Customs-specific project management methodology that can be applied to all of the administration projects, including a Time-Release Study in keeping with WCO guidelines. This nationally-managed study revealed a baseline average clearance time of 4.75 days, providing a basis for measuring the effectiveness of future reforms. Using its newly developed project management tools, the DGDBF is committed to regular Time-Release Studies, along with a new advance ruling mechanism.

✔ Article 3.1: Advance rulings
✔ Article 7.6: Measurement of release times
Customs (like their partner government agencies) will need to align their existing Strategic Plans or establish Strategic Plans that are aligned with the overall TFA implementation Roadmap. Several Customs administrations already have in place Strategic Plans of which Trade Facilitation represents just one, but an important component – which might be comparatively easy to be adjusted.
CAPE VERDE:
Launching of the National Trade Facilitation Committee

WCO-led stakeholder engagement efforts in Cape Verde, resulting in the establishment of a National Trade Facilitation Committee (NTFC), building its capacity on the basis of WCO guidance on coordinated border management and stakeholder engagement. The newly constituted committee led the locally-managed conduct and publication of a WCO-standard Time Release Study (TRS), providing the first evidence-based analysis of clearance times and their real-life impacts on border delays. Continued WCO support to the Cape Verde Customs administration will focus on deeper efforts to coordinate and simplify documentation requirements across all border agencies represented at the NTFC.

✅ Article 2.2: Stakeholder consultations
✅ Article 7.6: Measurement of release times
✅ Article 8: Border agency coordination
✅ Article 23.2: National Trade Facilitation Committee
The rollout of the TRS in all ports of the country and its periodic undertaking by Customs will lead to an improvement in the business environment and to financing the country’s development, two crucial areas for economic development and poverty reduction.

Olavo Correia,
Minister of Finance and Public Administration,
Cape Verde
EAST AFRICAN COMMUNITY:

Authorized operators representing 11.6% of regional trade

WCO support to the six Customs administrations of the East African Community (EAC) established the underlying governance, training and communications frameworks for a groundbreaking regional Authorized Economic Operator (AEO) programme, including a region-specific post-clearance audit manual on the basis of the SAFE Framework of Standards and the WCO’s Guidelines on Post-Clearance Audit. Since the programme’s inception in 2017, 82 companies representing some 11.6% of regional trade have been enrolled and are enjoying tangible benefits at the border, including a clearance time savings of 30% compared to non-AEO cargo at the region’s busiest port in Mombasa. In recognition of the region’s achievements, Uganda hosted the first-ever Global AEO Conference in 2018, showcasing the region’s achievements in constructing a transparent, compliance-driven approach to border management. Moving forward, the WCO will support EAC administrations in consolidating and sharing the achievements of the regional AEO programme, growing its reach to a wider range of compliant traders, while continuing to support the professionalization of the Customs officers in the region who administer this programme as part of a wider modernization and regional development effort.

✓ Article 7.5: Post-clearance audit
✓ Article 7.7: Authorized operators
✓ Article 12: Customs cooperation
Today, I am saving at least USD 300 per container in processing costs. The AEO Programme will improve trade facilitation across the East African region, allowing investor’s time to concentrate on improving their businesses.

Ms. Jennifer Mwijukye,
Managing Director, Unifreight Cargo Handling Limited, Uganda
ESWATINI AND SOUTH AFRICA :
Real-time data exchanges increasing accuracy of trade data

WCO support to members of the Southern Africa Customs Union targeted the development of a data exchange format, including a Unique Consignment Reference on the basis of the WCO’s Globally Networked Customs concept, the SAFE Framework of Standards and the WCO Data Model. At its launch in June 2018, the data interface enabled a daily exchange of data between Eswatini Revenue Authority (SRA) and South African Revenue Service (SARS) systems. This GNC-based data exchange is helping to define the standards, protocols and guidelines for Customs-to-Customs data exchanges across African and beyond. Further engagement with SACU community will enable the roll-out of data exchanges across the Customs territory, while providing the foundations for real-time data exchange.

حققتم WCO دعمه لمنحلات底盘نر الجنوبية للتعاون الخليجي على تطوير ما يسمى بـ “الرقم المميز للحمل” على أساس فكرة “المحظريات العالمية المحددة” التي تديرها WCO، وطريقة مبادئ المنظمات التدوينية والمطورات. بدأ هذا التبادل الالي في يونيو 2018 حيث استخدمت المنظمات المذكورة سابقاً تطبيقاً لمبادئ “المحظريات”. هذا التبادل الذي يعتمد على “المحظريات العالمية المحددة” يساعد في تحديد المعايير وفروع التبادلات والقواعد المتعلقة بالتبادل بين المنظمات التدوينية، ويساعد في الوصول إلى التبادل الالي في المستقبل وفي المجتمع المنظم الخاص بال底盘نر الجنوبية.
ETHIOPIA:

Advance rulings supporting greater predictability and transparency in trade

Operating from outside of the WTO, trade facilitation in Ethiopia presents a particular challenge, which was addressed by several inter-related WCO-mediated initiatives supporting valuation and classification on the basis of Revenue Package Tools which, resulted in the roll-out of Ethiopia’s first ever advance rulings mechanism, allowing the issuance of 20 such rulings by June 2018. A revised post-clearance audit manual on the basis of WCO support and guidelines also provide the requisite beyond-the-border support to enable this more facilitative and predictable approach. The WCO also continues to support the modernization of training and human resources management regimes in the Ethiopian Revenues and Customs Authority (ERCA), enabling the delivery of local language training for up to 2000 Customs officers through the ERCA Tax Transformation Office.

✔ Article 3.1: Advance rulings
✔ Article 7.5: Post-clearance audit
The Gambia Revenue Authority (GRA) provided a fertile ground for the WCO to support the development of the first competency-based human resources management systems among West and Central African Customs administrations. This end-to-end solution, based on the WCO Framework of Practices and Principles on Customs Professionalism provided a consistent, transparent and competency-based means to recruit, train, evaluate and develop GRA staff. As a regional leader in competency-based human resources management GRA is looking forward to sharing its experiences with other WCO members in Africa and beyond.
**JAMAICA:**

Regional leadership in promoting modernization, reform and organizational development in the Caribbean

WCO support to the Jamaica Customs Authority (JCA) has enabled the administration to emerge as a regional leader in the Caribbean. JCA piloted the WCO’s Risk Management Diagnostic on the basis of the WCO’s Risk Management Compendium, leading to an increasingly sophisticated risk profiling and targeting system, integrating various information technology systems, including ASYCUDA World and the WCO’s nCEN application. Following the visit of the WCO Secretary General in 2017, a renewed joint commitment to organizational development activities, including an updated strategic plan and a comprehensive management development programme, has positioned JCA as a regional leader in systematic and structured TFA implementation. The WCO capacity building community has recognized Jamaica’s achievements through the nomination of JCA as the chair of the WCO Capacity Building Community.

- Article 7.4: Risk management
- Article 10.3: International standards
LAOS:

Evidence-based analysis to support reduced clearance times by more than 60%

Laos has employed the WCO Time Release Study guidelines and software to measure cargo clearance times for more than 10 years, allowing for the long-term analysis of bottlenecks, trends and process inefficiencies. The resulting analysis has supported a reduction of clearance times by more than 60%. The Laos Customs Department has used the WCO TRS Software and Guidelines to develop questionnaires. In its latest TRS exercise in 2016, a national Working Group was formally established to guide and monitor future Studies in a more consultative and engaged manner, taking into account all stakeholder views.

- Article 2.2: Stakeholder consultations
- Article 7.6: Measurement of release times
- Article 8: Border agency cooperation
- Article 10.3: International standards
MONTENEGRO:

Joint efforts to support alignment to European standards

The Customs Administration of Montenegro benefited from a range of WCO support, relating to risk management, post-clearance audit, measurement of release times, non-intrusive inspection and risk management. Delivered in close collaboration with Customs officials from the European Union and its member states and the United Nations Office on Drugs and Crime (UNODC), WCO-mediated support is enabling Montenegro to align its processes and procedures with European norms. Region-specific challenges, including cross-border movements of illicit goods and cash, supported by regional intelligence sharing were among the additional areas of focus for WCO-Montenegro cooperation. Moving forward, the WCO will continue to support Montenegro’s movement towards international and European standards, supporting the country’s European integration ambitions.

☑ Article 7.4: Risk management
☑ Article 7.5: Post-clearance audit
☑ Article 7.6: Measurement of release times
☑ Article 7.7: Authorized operators
☑ Article 10.3: International standards
PAKISTAN:
National systems, international standards

Pakistan’s Federal Board of Revenue (FBR) called upon the WCO to support the alignment of its national automated Customs clearance system (WEBOC) to the WCO’s Data Model standards. Pakistan’s strong information technology capabilities, demonstrated by the country’s development of a home-grown declarations processing system, demanded a tailored solution on the basis of the WCO’s Globally Networked Customs Concept and the WCO Data Model, leading to the development of standardized Information Packages for data exchanges. Pakistan achieved harmonization with international data exchange standards and is working with the WCO and other development partners to implement a national Single Window solution on the basis of its WEBOC system, while integrating new sources of Customs intelligence, including the WCO’s nCEN application.

- Article 10.3: International standards
- Article 10.4: Single Window
- Article 12: Customs cooperation
PALESTINE:

Responding to an unpredictable environment with WCO tools and Member best practices

The flexible, Member-driven approach applied by the Mercator Programme supported the modernization of leadership, management and human resources regimes, while providing the technical foundations needed to implement an effective risk management, classification, post-clearance audit and Customs warehousing model that responds to the unique geographical and political position of the Palestinian Customs authority. The establishment of 13 risk liaison offices and the contribution of a long-term strategic plan to respond to emerging challenges has allowed the Palestinian Customs authority to better respond to the rapid changes facing the administration of the Customs territory. The WCO will continue to expose Palestine to essential international best practices in Customs procedures and organizational development to maintain the administrations’ responsiveness in a changing environment.

✅ Article 7.4: Risk management
✅ Article 7.5: Post-clearance audit
✅ Article 10.3: International standards
SIERRA LEONE, LIBERIA, MALI AND NIGERIA:

Seamless movement of relief consignments

The 2014 Ebola virus disease outbreak in West Africa signaled the critical time- and cost-sensitivity in the movement of relief goods across borders, while taking into account the need to protect frontline officers at the border. In 2016 – 18, the WCO assembled a community of national and international stakeholders, including the UN Office for the Coordination of Humanitarian Affairs (OCHA), the World Food Programme (WFP), the International Federation of Red Cross and Red Crescent Societies (IFRC) and the World Health Organization (WHO) to establish an unprecedented level of collaboration and procedural consistency among Customs administrations, other border management agencies and humanitarian organizations to respond to such crises in the future.

Articles:
- Article 8: Border agency cooperation
- Article 12: Customs cooperation

GLOBAL EBOLA RESPONSE
SUDAN:
Reducing the physical inspection burden by 50%

WCO technical assistance to the Sudan Customs Administration (SCA) supported the establishment of risk management and post-clearance audit units on the basis of the WCO’s Risk Management Guidelines. WCO-mediated expertise drawn from within the global Customs community was instrumental in providing SCA with the technical understanding to design, implement, monitor and evaluate risk-based selectivity criteria across the country’s air and sea stations. Despite initial apprehensions on revenue flows, physical inspection has been reduced by more than half, while low-risk consignments, representing 12 – 20% of flows are now moving through the green channel, representing a marked departure from the previous approach of 100% physical inspection. The WCO will continue to support Sudan in the refinement of its risk management and post-clearance audit systems, supporting greater efficiencies within the SCA, while strengthening the organizational foundations of the SCA to best respond to the country’s re-emergence into the international community.

✅ Article 7.4: Risk management
✅ Article 7.5: Post-clearance audit
✅ Article 10.3: International standards
ZIMBABWE:

Achieving consensus on the urgency of trade facilitation

Working jointly with UNCTAD, the WCO supported the establishment and capacity development of Zimbabwe’s National Trade Facilitation Committee (NTFC), paying particular attention to the role of the Zimbabwe Revenue Authority (ZIMRA) in the Committee’s work. The NTFC succeeded in developing a common and positive understanding of the benefits of the TFA, reducing the overall skepticism that initially met the TFA. At the same time, private sector stakeholders showed a tangible shift from complaining about current delays and towards proposing constructive solutions, while ZIMRA is playing a lead role in sensitizing other border stakeholders to the importance of risk-based assessment, profiling and targeting.

- Article 4.7: Risk management
- Article 23.2: National Trade Facilitation Committee
CULTIVATING CUSTOMS COMPLIANCE THROUGH CLIENT EDUCATION

The Zimbabwe Revenue Authority (ZIMRA) continuously engages with its valued clients through exhibition shows and other stakeholder activities as a way of cultivating customs compliance. Client education has led to the embrace of advanced clearance, electronic cargo tracking and the e-services system. During Customs-stakeholder exchanges, clients are furnished with information on relevant programs, benefits and the required documentation.
While Customs and other government agencies should aspire to a level of formal collaboration anchored by a common sense of responsibility and ownership over border outcomes, it may not be feasible to bring every agency to the same level at the same time. This is where goodwill, collaboration and patience come into play.
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 confirms 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.

• **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 and 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 TFA implementation at all levels, ranging from executive management to frontline officers;

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

• **Credible and holistic diagnostics 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, risk management, post-clearance audit or single window, organizational questions, including strategic planning, human resource management 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;
• **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; and,

• **It is crucial to develop and maintain a critical mass of trained and knowledgeable individuals who can act as change enablers,** at all levels of the organization, especially in training-related roles. The selection of effective individuals to champion and build core competencies in TFA-related areas is essential for ownership and sustainability. A training strategy, aligned with wider TFA implementation strategies, is useful in supporting this critical mass.

## WAY FORWARD

Two years after the coming into force of the 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. Moving forward, the challenge will be to move the WCO’s support from questions of familiarization (the “what” of the TFA) to questions of actual implementation (the “how” of the TFA). The WCO is well-suited to face this challenge. In the coming years, it will:

• Shift a greater number of Members to multi-year “MY” Mercator Programme Implementation Plans;

• Improve baseline data collection, using a variety of WCO instruments, including the WCO TFA Maturity Model and the TRS, along with international standard metrics such as the World Bank Logistics Performance Index;

• Focus more on modern leadership and management skills, attitude and behaviour to increase ownership, strategic approaches and implementation potential among the Members concerned;

• Continue complementary efforts in essential “soft” competencies, such as business process management, project management, human resource management and donor coordination;

• Maintain a strong focus on cross-cutting questions of integrity, gender equality and diversity as pillars of organizational health and stability;

• Grow and diversify the WCO’s pools of accredited experts to respond to a wider range of Member needs;
• Collaborate closely with other WTO Annex D Organizations, emphasizing aid effectiveness, principles of collaboration, coordination and joint delivery;

• Engage with RECs where such efforts will yield substantial trade benefits among the Members concerned, representing added value alongside national-level support;

• Support Members with the establishment of mechanisms to measure trade facilitation benefits for the private sector and wider society;

• Expand the reach of WCO support to encompass other border stakeholders within the context of CBM and NTFCs; and,

• Encourage Members to share their TFA implementation progress with the NTFCs and other relevant stakeholders.

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.
# Abbreviations

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<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>ACD</td>
<td>Afghanistan Customs Department</td>
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<tr>
<td>AEO</td>
<td>Authorized Economic Operator</td>
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<tr>
<td>AMS</td>
<td>South America, North America, Central America and the Caribbean region</td>
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<td>AP</td>
<td>Asia Pacific region</td>
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<tr>
<td>ASYCUDA</td>
<td>Automated System for Customs Data</td>
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<td>BCED</td>
<td>Bahamas Customs and Excise Department</td>
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<td>CBM</td>
<td>Coordinated Border Management</td>
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<td>CEP</td>
<td>Compliance and Enforcement Package</td>
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<td>CiiKC</td>
<td>Customs Learning and Knowledge Community</td>
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<td>DIAN</td>
<td>Dirección de Impuestos y Aduanas Nacionales</td>
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<td>DGDBF</td>
<td>Direction Générale des Douanes of Burkina Faso</td>
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<td>EAC</td>
<td>East African Community</td>
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<td>ECP</td>
<td>Economic Competitiveness Package</td>
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<td>ERCA</td>
<td>Ethiopian Revenue and Customs Authority</td>
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<td>ESA</td>
<td>East and Southern Africa region</td>
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<td>EUR</td>
<td>Europe region</td>
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<td>GVDC</td>
<td>General Department of Vietnam Customs</td>
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<td>HS</td>
<td>Harmonized System</td>
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<td>IADB</td>
<td>Inter-American Development Bank</td>
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<td>MENA</td>
<td>Middle East and North Africa region</td>
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<td>MPA</td>
<td>Mercator Programme Advisor</td>
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<td>NTFC</td>
<td>National Trade Facilitation Committee</td>
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<td>ODP</td>
<td>Organizational Development Package</td>
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<tr>
<td>OECD</td>
<td>Organisation for Economic Co-operation and Development</td>
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<td>PCA</td>
<td>Post-Clearance Audit</td>
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<td>RKC</td>
<td>Revised Kyoto Convention</td>
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<td>RP</td>
<td>Revenue Package</td>
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<td>SACU</td>
<td>Southern African Customs Union</td>
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<td>SUNAT</td>
<td>National Superintendency of Tax Administration</td>
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<td>TFA</td>
<td>Trade Facilitation Agreement</td>
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<td>TFAWG</td>
<td>WCO Working Group on the WTO Trade Facilitation Agreement</td>
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<td>TRS</td>
<td>Time Release Study</td>
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<td>UCR</td>
<td>Unique Consignment Reference</td>
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<td>UNCTAD</td>
<td>United Nations Conference on Trade and Development</td>
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<td>WCA</td>
<td>West and Central Africa region</td>
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<td>WCO</td>
<td>World Customs Organization</td>
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