



Brussels, 23 September 2014.

WTO TRADE FACILITATION AGREEMENT

Inter-sessional developments

(Item II (b) on the Agenda)

Introduction

1. This document serves to provide information on the main outcomes of discussions relating to the WTO Trade Facilitation Agreement (TFA) in WCO meetings and events which took place in the intersession, including meetings with other international organizations.

Policy Commission

2. The 71st Meeting of the Policy Commission took place from 23 to 25 June 2014. One of the key topics of discussion was the TFA and below are some of the main outcomes of these discussions. Full report from the meeting can be found on the WCO Members' web site (SP0487).
3. The Secretary General referred to the considerable amount of work carried out on the TFA by the Secretariat since the adoption of the Bali Agreement, noting that activities had included the holding of high-level meetings with key parties and individuals to emphasize the key role of Customs and the WCO in the implementation of the TFA, and the development of the Implementation Guidance. The Policy Commission welcomed the many activities conducted by the Secretariat, and congratulated the Secretary General on the speed with which the WCO had responded to the adoption of the Agreement.
4. The Secretary General presented the Mercator Programme - A Strategic Initiative to Support Trade Facilitation. The Policy Commission agreed that the Programme should receive the appropriate prioritization in the WCO Strategic Plan and Operational Plan.

During their interventions, several Members offered generous financial, technical and language-related support to assist with the delivery of this major programme.

5. The Policy Commission further approved, subject to minor amendments, the draft Terms of Reference for the Working Group on the TFA, and took note of the Group's proposed Work Programme. It also acknowledged its work carried out to date.
6. The request that the work of the TFAWG be conducted in Spanish in addition to WCO's two official languages was taken up by several delegates, who, although recognizing the financial implications, highlighted its importance for the Latin American Members. The Policy Commission asked the Secretariat to explore, in consultation with the Finance Committee, options to respond to this request.
7. The Policy Commission also took note of the Action Paper on the Role of Customs in implementing the TFA, and urged Member administrations to highlight and promote in all relevant fora the importance of using WCO tools (including WTO Implementation Guidance launched in May 2014) for the implementation of the Agreement.
8. The Policy Commission further decided to invite the Director-General of the World Trade Organization to explicitly recommend to Trade Ministers that they include the national Customs authorities in their Trade Facilitation Committees.

Council

9. The 123rd/124th Council Sessions took place from 26-28 June 2014. The TFA was discussed as the key item under "B" items. The Minutes of the Council can be found on the WCO Members' web site (SC0140).
10. The Secretary General shared with the Council the discussions and conclusions reached at the June 2014 Policy Commission session. The Council fully supported the Mercator Programme, the TFAWG and the need to ensure the prominent role of Customs in National Trade Facilitation Committees and in the WTO Trade Facilitation Committee in Geneva.
11. A number of Members offered capacity building and technical assistance support. The importance of an active role of Customs in the National Trade Facilitation Committees was emphasized by a number of delegations and a hope that ratification of the TFA would proceed quickly was also expressed. The importance of using WCO instruments and tools, especially of the Revised Kyoto Convention, was stressed. In that respect, accession to the RKC should continue to be pursued.
12. The Delegate of the Russian Federation said that Russia was ready to translate relevant TFAWG and other TFA-related documents into Russian language. An Observer underlined that the private sector could help support Customs in TFA implementation through its engagement with Trade Ministers.
13. In conclusion, the Council: endorsed all the TFA-related conclusions in the Report of the 71st Session of the Policy Commission; took note of all the activities and congratulated the WCO and the Secretary General for the speed with which all the actions related to TFA implementation had been carried out after the Bali Ministerial Meeting; approved the Terms of Reference of the TFAWG; endorsed the Mercator Programme; and gave full support in conveying a message to the WTO Director-General on the readiness of Customs and the WCO to meet the challenges of the TFA.

Keynote address by the Director General of the WTO, Mr. Roberto Azevêdo

14. The Chairperson introduced Mr. Roberto Azevêdo, Director-General of the World Trade Organization (WTO), who had been appointed as the sixth Director-General of the WTO in September 2013 for a four-year term of office.
15. Mr. Azevêdo began by highlighting the importance of the relationship between the WTO and the WCO. The RKC, as well as other WCO tools and instruments, were the basis of many provisions of the TFA. In that respect, the technical provisions of the Agreement were not new, but what the Agreement did provide was uniformity. It was also crucial that the Agreement would provide assistance to those countries that needed it. He and his team had been talking to donors and consulting with Members to try and find a solution that would allow the WTO to assist those seeking technical assistance and capacity building support.
16. Mr. Azevêdo welcomed WCO's commitment to the efficient implementation of the TFA through the Dublin Resolution, and congratulated the WCO on the establishment of the TFAWG. He was also pleased to hear that the WCO had launched the Mercator Programme to support implementation of the Agreement. The text of Mr. Azevêdo's keynote address is reproduced in full at Annex II to the Council Minutes.
17. The Secretary General thanked the WTO Director-General for his willingness to work in partnership with the WCO to implement the TFA hoping that the results of the work of the TFAWG would prove helpful to the WTO. The TFA provided an excellent opportunity for Customs and Trade to work together, and a clear message from the WTO Director-General was most helpful in that regard.
18. The delegates gave full support to the Mercator programme and again offered funds and support in technical assistance and capacity building. They further emphasized that Customs and Trade should have equal ownership of the TFA, and that there should be practical interactions between the WTO and the WCO, including mutual participation in different groups and the exchange of tools and experiences on capacity building.
19. Delegates invited the WTO Director-General to sensitize Ministries of Trade to take full account of the contribution of Customs in their national Trade Facilitation Committees and in the WTO Trade Facilitation Committee.
20. In conclusion, the WTO Director-General stressed that the main reason for dialogue and cooperation between him and the Secretary General of the WCO was to try and work out how to provide technical assistance. As the WTO was not a technical assistance body, cooperation with the WCO was essential for capacity building, especially in the field of Customs.
21. Some of the topics of particular relevance to the TFA discussed separately at the Council include exchange of information (Article 12) and Pre-shipment Inspection (Article 10.5).

WCO Information Session at WTO, 16 June 2014

22. The WCO held an Information Session on Supporting Implementation of the TFA, in the WTO Headquarters in Geneva on 16 June 2014. This half-day event was organized with the objective of familiarizing WTO and international organization delegates based in Geneva with the WCO and its work related to implementation of the TFA. The meeting

attracted over 80 delegates from Member and Observer countries as well as international organizations who contributed actively to the discussions.

23. The Information session, which was moderated by the Chairperson of the TFAWG, Ms. Gugu Dlamini Zwane from the Swaziland Revenue Authority, provided an overview of the work carried out to date and the plans ahead as well as the technical assistance and capacity building methodology and deliverables.
24. In his address to the meeting, the WTO Director General Mr. Roberto Azevêdo congratulated the WCO for establishing its TFAWG and stressed that the WTO Secretariat will do all it can to support its work. He also took the opportunity to welcome the WCO Dublin Resolution which was issued in the days after the Bali Ministerial and which underscored the WCO commitment to the efficient implementation of the TFA. Mr. Azevêdo added that the WTO was counting on the WCO to play a key role in assisting Customs in this endeavour.
25. The WCO Secretary General thanked the WTO for hosting the event and emphasized the history of WCO/WTO cooperation and WCO's readiness to support the WTO Committee on Trade Facilitation in the same manner as it supports the Agreement on Customs Valuation and the Agreement on Rules of Origin.

Annex D¹ meetings

26. The Annex D organizations had regular meetings during the WTO trade facilitation negotiations in the years before 2009. The Annex D meetings usually took place on the margins of the WTO Trade Facilitation Negotiating Group (NGTF) meetings. Since April 2009, international organizations were not able to attend the largest parts of the NGTF meetings and therefore Annex D meetings were discontinued as such.
27. After the Agreement on Trade Facilitation was reached in Bali in December 2013, a need for re-launching the Annex D meetings was sought. The first meeting was held at the WTO Headquarters on 5 February 2014 and regular meetings have been held since (usually once a month). The Annex D organizations have been joined by a number of other international organizations, and the group has been renamed into Annex D+ or Annex D++ organizations.
28. The purpose of these discussions was to find the most appropriate ways of helping Members better prepare for the implementation of the TFA and how best to coordinate their activities.
29. On 22 July 2014, the WCO and the Annex D+ organizations, including development partners, issued a Joint Statement² expressing their commitment and coordinated approach to providing technical assistance, capacity building and other forms of assistance

¹ On 1 August 2004, the WTO General Council adopted a Decision on the Doha Agenda work programme. Annex D to that Decision relates to the Modalities for negotiations on trade facilitation. Those Modalities recognize the importance of technical assistance and capacity building support for developing and least-developed countries to enable them to fully participate in and benefit from the negotiations. In order to make technical assistance and capacity building more effective and operational and to ensure better coherence, certain relevant international organizations - including the IMF, OECD, UNCTAD, World Bank and the WCO - have been invited to undertake a collaborative effort in this regard. The international organizations concerned are referred to as the "Annex D Organizations".

² More information can be found on the WCO public web site: <http://www.wcoomd.org/en/media/newsroom/2014/july/wco-supports-joint-statement-on-coordinated-assistance-for-tfa-implementation.aspx>

to developing, transition and least-developed countries in their efforts to implement the TFA provisions. The WTO Director-General Mr. Roberto Azevêdo announced and fully supported the Joint Statement during the launch of the WTO Trade Facilitation Agreement Facility (TFAF).

Other intersessional developments

30. On 13 March 2014, a day after the 1st Meeting of the TFAWG, the WCO hosted a WTO training session on the WTO Self-Assessment Guide. The training was well attended by Brussels-based Customs and Trade Attachés, including potential facilitators amongst WCO accredited officers and WCO staff. This was an opportunity to learn more about what the WTO self-assessment missions entail and what is expected from the facilitators and from the hosting Member.
31. A one-week course on the TFA was organized jointly with the WTO Secretariat from 7 to 11 July 2014 at the WCO Headquarters, as part of the WCO Knowledge Academy. This was an opportunity for Customs (including WCO accredited officers) and the private sector to learn more about the TFA and its provisions, including the relevant background and negotiating process, how WCO instruments, tools and the Mercator programme can help implement them, Members' practices on different trade facilitation measures, experiences and the work invested by other international organizations including development partners (ITC, OECD, UNCTAD, Asian Development Bank), as well as the perspective of the International Chamber of Commerce.

Conclusion

32. The delegates are invited to take note of the inter-sessional developments.
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