PERMANENT TECHNICAL COMMITTEE  
207th/208th Sessions  
3 – 6 March 2015 

Brussels, 12 February 2015.

PERFORMANCE MEASUREMENT  
(Item X on Agenda)

Introduction

1. Customs Performance Measurement contributes significantly to successful reform and modernization. The main underlying purpose of performance measurement is to aid decision-making concerning the allocation of resources and the determination of policy choices, for example by using data that reflects the core role/s of Customs.

2. Customs performance measurement is not an easy endeavour. It is most accurate, and consequently most useful, when it takes into account the unique objectives of a Customs administration. Also relevant are the specific historical, political, social, economic and administrative conditions of the country. However, if it is possible to design a range of relevant indicators that capture the complexity of Customs obligations, then performance reporting can:

   • Provide a more objective assessment of the outcomes that Customs is striving towards;
   • Inform government, other border management agencies and the public of the scope of Customs’ obligations; and
   • Assist Customs to justify expending and seeking resources.

3. At the 72nd Session of the Policy Commission in December 2014, performance measurement was discussed under Agenda item XII. Policy Commission document SP0500E1 provided background information, as well as posing several questions designed to guide the discussions and elicit the direction required by the Secretariat. The Policy Commission Chairperson summarized this Agenda item, describing performance measurement as a tool for inspiring emulation amongst Customs administrations, for sharing and for achieving progress. The Policy Commission asked the Secretariat to provide guidance on the possible content and parameters of Customs performance indicators.
Performance Measurement Framework

4. The Policy Commission agreed that the Vice-Chairs should be asked to conduct an initial survey of their regional Members’ experience of performance measurement, and come up with a basic set of performance indicators that had proved useful to Members in the region. With this in mind, the Secretariat has already conducted some preliminary work to assist the regions, having produced a one-page performance measurement framework to be filled out by each WCO Member in order to help it chart its own progress in achieving Customs excellence (see Annex I hereto).

5. Using a framework that depicts the four primary areas of work covered by the WCO and its Members, namely Trade Facilitation and Security; Fair and Effective Revenue Collection; Protection of Society; and Institutional and Human Resource Development, the framework identifies 20 items. In the area of Trade Facilitation and Security, the following 8 items are identified.

- Revised Kyoto Convention
- SAFE Framework of Standards
- Time Release Study
- Electronic Declarations
- Data Model
- Coordinated Border Management (CBM)
- Authorized Economic Operator (AEO)
- Single Window

6. On completion of this exercise, the end-product should make it possible to identify, at a glance and at a high level, which items have been “implemented,” which are still “under development,” and those for which implementation has “still to be done.” The purpose is to highlight areas where improvements could be made that would impact the performance of a Customs administration if these items were implemented. In this regard, the Secretariat has developed general indicators to support self-assessment, by Members, of the level of implementation of the items (see Annex II hereto).

7. It is emphasized that this is not designed to be a ranking exercise, but rather to assist Customs administrations to determine their current state of advancement, and use that information when engaging with decision-makers, including Ministers, in their own countries. Also, the proposed framework and indicators are not intended to be exhaustive.

8. The performance measurement framework is backed up by a second layer, which could be developed as a maturity model including necessary elements and steps to be taken, or a development guide or simple set of details. The diagram at Annex I to this document illustrates the first layer of indicators. Work to develop the second layer of indicators is continuing.
**Action Required**

9. Members are invited to take note of progress in respect of performance measurement.

10. Members are also invited to comment on the performance measurement framework and particularly on the items under “Trade Facilitation and Security” (other items being covered by different WCO Committees).
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<th>Priority Area</th>
<th>Items</th>
<th>Criteria</th>
<th>Assessment</th>
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| Modernized Procedures         | Revised Kyoto Convention                   | Have you ratified the Revised Kyoto Convention?                          | O: Ratified  
|                               |                                            |                           △ : Ratification process underway – : Other                  |            |
| SAFE Framework of Standards   | Number of Standards in SAFE Framework that | your Customs legislation complies with.                                  | O: From 12 to 17  
|                               | your Customs legislation complies with.    |                           △ : From 5 to 11 – : Less than 5                               |            |
| Time Release Study            | Have you conducted the Time Release Study | in line with the WCO TRS Guide?                                          | O: Customs administration has conducted a TRS in the last decade  
|                               |                                            |                           △ : Customs administration is planning to conduct a TRS within 3 years – : Other |            |
| Information Technology        | Electronic Declarations                    | Does your Customs legislation allow the submission of all Customs declarations by electronic means? | O: All Customs declarations can be submitted electronically (except in cases where the declarant does not have the necessary electronic device)  
|                               |                                            |                           △ : Some Customs declarations must be submitted manually – : Other |            |
| Data Model                    |                                            | Is your information system is conformance to the WCO Data Model?         | O: Your system is categorized into S by the WCO Data Model Status Report  
|                               |                                            |                           △: Your system is categorized into P by the WCO Data Model Status Report – : Other |            |
| Partnership & Connectivity    | Coordinated Border Management              | Number of consultations with other border regulatory agencies (CBRAs) per year, and % of CBRAs involved in the regular meeting. | O: More than twice a year AND more than 75% of CBRAs are members of the meeting  
|                               |                                            |                           △: More than twice a year OR more than 75% of CBRAs are members of the meeting – : Other |            |
| Single Window                 | Do you have a Single Window System?        | Have you adopted, or do you maintain, an AEO programme?                 | O: Yes,  △ : Under development, – : Other  
|                               |                                            |                           * Single Window is defined as a facility that allows parties involved in trade and transport to lodge standardized information and documents with a single entry point to fulfil all import, export, and transit-related regulatory requirements. If information is electronic, then individual data elements should only be submitted once. |            |
| AEO                           |                                            |                                                                          | O: Yes,  △ : Under development, – : Other |