



Brussels, 3 October 2019.

## **FUTURE OF CUSTOMS**

### **- Panel discussion on Strategic foresight – “Designing the Future of Customs” -**

#### **(Item XII.a on the Agenda)**

#### **Background**

1. At its April 2018 Sessions, the PTC agreed that the Virtual Working Group on the Future of Customs (Future of Customs Group) should focus on and carry out exploratory work in two particular areas: i. disruptive technologies – exploring its benefits, risks and role in the supply chain; and ii. strategic foresight, as a means of better addressing the Future of Customs agenda.
2. Since April 2017, the Group and the PTC have focused on disruptive technologies as a result of which a Study Report on Disruptive Technologies was adopted by the PTC in March and by the Council in June this year. The Study Report was developed as a living tool and will be updated on a regular basis.
3. In parallel to this work, continuing in the background, the PTC at its meeting in November 2018 had an opportunity to learn more about strategic foresight, as the second of the two priorities of the Future of Customs Group. The aim was to raise awareness of what strategic foresight is, to share examples where it is already being applied and to explore how these experiences can support the WCO Future of Customs agenda, bearing in mind that one of its main goals is to help better prepare for the changes and challenges ahead and to take the opportunity to shape the future in ways that are desired and meaningful.
4. At this meeting, the EU representative from the DG Joint Research Center presented some of the basic principles of foresight and stressed that the main reason for anticipatory thinking is to enhance preparedness of organisations and people to deal with changes. She explained some of the main features of foresight, such as helping create visions and setting an agenda. She also presented the requirements for foresight for policy, such as: access to influential decision-makers (engaged to sponsor the work); wide engagement to establish the legitimacy of decisions informed by foresight; using methods and tools to

capture and bring together the knowledge; etc. Some of the foresight activities, i.e. horizon scanning, trends analysis, visions and roadmaps, alternative futures and technology assessment, were also explained.

5. She further announced a project on the Future of Customs in the EU 2040, launched at the beginning of 2019. The PTC took note of strategic foresight's potential benefits and of the presentations offered on how organizations are examining the future of Customs work.

### **Strategic Foresight**

6. Strategic Foresight is broadly considered to be a study of the future. *Foresight as a Strategic Long-Term Planning Tool for Developing Countries*, a paper developed by the UNDP's Global Centre for Public Service Excellence, provides quite a clear picture of what strategic foresight is about: "In layman's terms, foresight is often understood as "the ability to see what will or might happen in the future."<sup>1</sup> But foresight thinkers and practitioners are not guessing; they are concerned with developing and testing methodologies that contribute to sound, forward-looking decision-making. Foresight is a well established field of practice and more recently an emerging academic field.<sup>2</sup> It is an effective policymaking tool aimed at developing a collective learning platform with permanent communication among business, academic, governmental and other social actors.<sup>3</sup> "
7. Foresight allows us to expand our attention beyond the trend-based forecasts and beyond the 'expected' or 'business-as-usual' versions of the future and helps us to harness our imagination for shaping a better one. It therefore provides for a more aspirational approach to planning.
8. By developing, analysing, contrasting and using plausible, alternative stories of the future through a process of strategic conversation, it is possible to reveal, test and challenge deeply held assumptions about the future. Strategic foresight enables leaders to ask better questions about the future, make strategic choices explicit and support the discovery, design and consideration of more and better options for action.
9. Strategic foresight redirects leadership attention from knowing about the past to exercising prospective judgement about things that have not yet happened, in effect, by learning with a manageable and memorable number of alternative futures.
10. There is a diverse toolkit of strategic foresight methodologies which fall into three main types – possible, plausible and preferable future thinking:
  - Possible and still emerging futures – horizon scanning;
  - Plausible futures – including megatrends analysis and exploratory scenario planning; and

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<sup>1</sup> Merriam Webster, "Foresight," *Merriam Webster Online*.

<sup>2</sup> Allan Dahl Andersen and Per Dannemand Andersen, *Innovation-system Foresight: Explicating and Systemizing the Innovation-system Foundations of Foresight and Exploring its Implications* (Denmark: Technical University of Denmark, 2012), p. 3.

<sup>3</sup> Lajos Nyiri, "Foresight as a policy-making tool," in *Technology Foresight for Organizers* (Brazil: Center for Strategic Studies and Management, 2003), A10.

- Preferable or normative futures – including visioning (and backcasting) and design futures<sup>4</sup>.
11. Different strategic foresight methods are currently already being used by various governments (including Customs and revenue authorities) to identify and describe trends and drivers of change likely to impact the economy, environment and society, and therefore Customs and border management as well, and to prepare narratives about plausible futures based on megatrends, scenarios, risks and other concepts.
  12. The abovementioned project on the Future of Customs in the EU 2040, for example, is based on foresight, with the objective of identifying major (mega-) trends and drivers affecting Customs in the EU, outlining and understanding possible paths for how Customs in the EU could develop, analyzing possible opportunities and risks implied by the described potential future change, enabling reflection around options for action and how to deal with these risks and opportunities, and finally adapting the system.
  13. The bespoke process under the project relies on a combination of tried and tested foresight techniques such as Real Time Delphi, Horizon Scanning and scenario building, and less classic design, visualization and engagement tools. By developing a set of scenarios and scenario exploration approaches, the project will enable participants to imagine how the EU Customs ecosystem could look like in the 2040 and engage in strategic discussions around future Customs policies.
  14. In the meantime, three out of a series of five participatory workshops were held under the project, engaging all key stakeholders and other relevant parties. The WCO Secretariat staff attended all three workshops held so far.

#### **Panel discussion – “Designing the Future of Customs”**

15. Strategic foresight is a growing practice in large companies, but its use is also growing in government and non-profit organizations. For example, the OECD has been working with foresight tools and hybrid methods in order to complement and challenge the more quantitative, long-term, conditional projections. From 2016, the WCO has been engaged with the OECD and its Global Foresight Community (GFC), for the purpose of exploring how strategic foresight could be applied in the Customs/WCO context. The GFC brings together over 100 leading public sector futurists and strategic foresight practitioners from around the world. The OECD is also looking into bringing foresight thinking into all of its working groups with the aim of “mainstreaming” foresight within the organization and its membership.
16. The WCO has also been involved with the EU on the already mentioned Future of Customs in the EU project, managed by the DG Joint Research Centre (DG JRC) and DG TAXUD, by contributing to the three workshops held to date.
17. For the purpose of further raising awareness on the potential of using foresight in designing the future of Customs, the WCO Secretariat has invited a number of speakers from different stakeholders, including the OECD, DG JRC, Customs and the private sector, to discuss the topic through a roundtable, addressing a number of key questions:
  - What is foresight?

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<sup>4</sup> Wilkinson, Angela (2017), Strategic Foresight Primer [https://ec.europa.eu/epsc/publications/other-publications/strategic-foresight-primer\\_en](https://ec.europa.eu/epsc/publications/other-publications/strategic-foresight-primer_en).

- How can we learn more about foresight methodologies? Do the participants in a foresight project need to be specially trained?
- What is the level of awareness about foresight and its methodologies at global level?
- What are the different areas where foresight has already shown promising results?
- Does foresight help us look 10, 20, 30 or even more years ahead?
- How can we be sure that we have not got it completely wrong with a foresight exercise?
- What are the benefits of foresight as a tool to support the comprehensive review of WCO's flagship instrument, the Revised Kyoto Convention?
- How can foresight be used for developing a Customs of the future model? How can it contribute to the Future of Customs agenda more broadly?
- Who are the stakeholders that need to be part of a foresight exercise in a Customs environment?

**Action required**

18. The PTC is invited to:

- share experiences in using strategic foresight in Member administrations and Observer organizations by looking into, amongst others, the questions addressed by the roundtable of speakers;
  - take note of its potential benefits for use under the WCO Future of Customs and WCO agenda more broadly; and
  - explore ways of better addressing the potentials that strategic foresight could bring, such as organizing awareness raising sessions and trainings.
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