



PERMANENT  
TECHNICAL  
COMMITTEE  
-  
227<sup>th</sup>/228<sup>th</sup> Sessions  
-

PC0618Eb

Brussels, 10 July 2020.

**FRAMEWORK OF STANDARDS - IMPLEMENTATION OF THE E-COMMERCE FOS**

**(Item IX. (e) on the Agenda)**

**("C" Item on the Agenda)**

**SUMMARY**

**Purpose of document**

This document deals with the ongoing work to further develop the implementation and capacity building plans, whose directions were discussed and agreed to by the Working Group on E-Commerce (WGEC) at its 6<sup>th</sup> Meeting.

**Action required of the Permanent Technical Committee**

The Permanent Technical Committee is invited to :

- examine and approve, as appropriate, the way forward for the development of possible draft indicators on the implementation of the E-Commerce FoS, as suggested in paragraphs 9 to 11; and,
- examine, as appropriate, the broad capacity building plan for E-Commerce, as suggested in section III, and endorse it.

\*

\*      \*

## **I. Introduction**

1. When adopting the Framework of Standards on Cross-Border E-Commerce (“E-Commerce FoS”), the Policy Commission and Council agreed at their June 2018 Sessions that it would be enriched by developing an implementation strategy, action plan, capacity building mechanism, and case studies.
2. Accordingly, the document “Implementation strategy, action plan and capacity building mechanism” was drafted by the Working Group on E-Commerce (WGEC) as a tool supporting harmonized and expeditious implementation of the E-Commerce FoS. It was endorsed by the March 2019 Permanent Technical Committee (PTC), as well as the June 2019 Policy Commission and Council, and was also discussed by the Capacity Building Committee at its April 2019 Session. The document can be found in the E-Commerce Package at: [http://www.wcoomd.org/-/media/wco/public/global/pdf/topics/facilitation/activities-and-programmes/ecommerce/6\\_implementation-strategy\\_action-plan-and-capacity-building-mechanism\\_en.pdf?db=web](http://www.wcoomd.org/-/media/wco/public/global/pdf/topics/facilitation/activities-and-programmes/ecommerce/6_implementation-strategy_action-plan-and-capacity-building-mechanism_en.pdf?db=web)
3. The aforementioned document describes the basic elements of an implementation strategy and capacity building mechanism. At the same time, it recognizes the need to establish a broad implementation and capacity building action plan, with key performance indicators (KPIs) and broad timelines after the Technical Specifications for the E-Commerce FoS reach a certain level of maturity.
4. This document deals with the ongoing work to further develop the implementation and capacity building plans, whose directions were discussed and agreed to by the Working Group on E-Commerce (WGEC) at its 6<sup>th</sup> Meeting.

## **II. Implementation of the E-Commerce FoS**

5. As mentioned in the E-Commerce FoS, it is understandable that not every Customs administration will be able to implement the Framework immediately: implementation will require a phased approach in accordance with each administration’s priorities, capacity, human and financial resources, and internal procedures. It should be supported by capacity building.

### Notification, monitoring and evaluation

6. When adopting the E-Commerce FoS, the June 2018 Council also adopted the Council Resolution on the E-Commerce FoS. The Resolution states that Members should notify the WCO of their intention to implement the E-Commerce FoS. It also states that Members should implement the E-Commerce FoS as soon as possible, in accordance with each administration’s capacity and necessary legislative authority. In addition, the E-Commerce FoS itself mentions that Customs administrations should periodically notify the WCO about the measures undertaken and progress made towards implementation of the Framework.
7. The relevant WCO body responsible for managing and updating the E-Commerce FoS and monitoring its implementation will be the PTC. The Enforcement Committee (EC) and the Capacity Building Committee (CBC) will also exchange views on experiences and challenges regarding its implementation.
8. Going forward, KPIs need to be developed for possible monitoring and evaluation of the E-Commerce FoS implementation. A reporting template could potentially also be
- 2.

developed to assist Members with monitoring their progress and submitting periodic progress reports on implementation of the Framework, as envisaged in the Council Resolution.

9. During the 6th Meeting of the WGEC, Australia and Korea expressed their willingness to develop KPIs on the E-Commerce FoS for the consideration of Members, resulting in draft KPIs as appended as Annex I to the a) version of document PC0618. It is expected that it will be further discussed toward the 227<sup>th</sup> /228<sup>th</sup> Sessions PTC for necessary development. Delegates are encouraged to share their comments on the published documents, in advance of the meeting.
10. In addition, it should be noted that the Working Group on Performance Measurement (WGPM) has been mandated to develop a comprehensive performance measurement mechanism including KPIs, both quantitative and qualitative, in Customs competencies. It is expected that the mechanism will be recognized as the standard for performance measurement of Customs and used to influence policy makers and to support improvements in Customs' organizational performance as well as in WCO instruments and tools.
11. Considering the purpose and the scope of the above mentioned mechanism, in order to ensure an efficient and harmonized approach in defining KPIs to measure the application of WCO instruments and tools, the KPIs on the E-Commerce FoS should be aligned with the the scope and criteria for the development of KPIs to be defined by the WGPM and based on its guidance.
12. During the 227<sup>th</sup>/228<sup>th</sup> PTC Sessions, the draft KPIs was revised and finalized by reflecting the comments provided by the delegates as appended at Annex I to the current b) version of document PC0618.

### **III. Capacity Building Action Plan**

13. Effective capacity building is an important element in ensuring widespread adoption and implementation of the E-Commerce FoS. In order to ensure expeditious and harmonized implementation of the Standards, there need to be strategies and plans to enhance the capacity building provided to Members.
14. It should also be noted that the E-Commerce FoS clearly states that WCO Members that notify their intention to implement the Framework should, based on their respective needs, receive assistance from the WCO in collaboration with other development partners.
15. Given that the June 2019 Policy Commission and Council endorsed the E-Commerce Package, including the Technical Specifications for the E-Commerce FoS, this meeting could start discussing the broad capacity building plan to support such activities by following the elements in the document "Implementation strategy, action plan and capacity building mechanism".
16. It should be noted that political will, leadership and commitment are essential for successful capacity building and Customs services must be empowered to take full ownership of the capacity building programme. Thus, these capacity building activities should be conducted based on the below criteria, while considering the regional balance, availability of WCO accredited experts and necessary coordination with donors:

- Members who notify the WCO of their intention to implement the E-Commerce FoS;
- Members who complete the KPI evaluation; and,
- Members who make an official request from Director General to the WCO.

Accredited experts on E-Commerce (Q3 2020)

17. For the purpose of harmonized and expeditious implementation, capacity building activities should be conducted in a holistic and strategic manner. As the resources in the Secretariat are very limited, the establishment of a pool of WCO-accredited experts on E-Commerce from among Members is essential to establishing, agreeing to and delivering the capacity building plan.
18. The Secretariat is therefore preparing the first Global Accreditation Workshop, to be held during the third quarter of 2020 (the format and medium to be determined), in order to conduct regional and national workshops with experts afterwards.

Regional workshops (from Q4 2020)

19. Regional workshops could be used mostly to sensitize Members about the E-Commerce FoS and the steps needed for its implementation, as well as to promote regional cooperation. The workshops could also be used as training for experts/trainers from participating countries. Subject to financial resource availability and regional needs, regional workshops on E-Commerce could generally be held from Quarter 4 of 2020, while some had been already conducted with the support of CCF China and CCF Japan since June 2018.

National workshops (from Q3 2022)

20. National workshops could be held focusing on building sustainable capacity and ownership of the modernization and reform process in each country.
21. As stated in the document "Implementation strategy, action plan and capacity building mechanism", national workshops should aim at addressing the particular needs and challenges for both Customs and the private sector associated with each Member's national E-Commerce environment. It should also aim at a gap analysis/diagnosis in relation to the E-Commerce FoS and other relevant tools, with a view to comprehensive implementation of the E-Commerce FoS.

Instruments and tools to be used in workshops on cross-border E-Commerce

22. The WCO instruments and tools, which could be used in the regional and national workshops on E-Commerce include, but are not limited to, the following:
- Revised Kyoto Convention;
  - The E-Commerce Package, including the Framework of Standards on Cross-Border E-Commerce, as well as documents supporting its implementation;
  - WCO Immediate Release Guidelines;
  - WCO Customs Risk Management Compendium;
  - SAFE Framework of Standards; and
  - UPU-WCO Postal Customs Guide.
23. Furthermore, case studies on E-Commerce, and indicators for E-Commerce FoS implementation, could be used in such workshops.

Evaluation of capacity building activities

24. As one of the principles of the WCO capacity building strategy is results-based capacity building, each capacity building activity should be conducted with concrete targets and measurement of implementation and results.
25. For such purposes, tailor-made capacity building and technical assistance should be provided to Members according to their specific needs and realities and the result should be assessed from the view point of the implementation of the above-mentioned e-commerce related WCO instruments and tools by utilizing the KPIs. It is worth mentioning that such assessments and evaluations will not only contribute to the enhancement of capacity building activities, but will also contribute to necessary revisions of the relevant WCO instruments and tools in the future.

#### **IV. Action required**

26. The PTC is requested to :
- examine and approve, as appropriate, the way forward for development of possible draft indicators on implementation of the E-Commerce FoS, as suggested in paragraphs 9 to 11; and,
  - examine, as appropriate, the broad capacity building plan for E-Commerce, as suggested in section III, and endorse it.

\*  
\* \*