

**STRATEGIC PLAN**  
**2016/2017 TO 2018/2019**



## **WCO Strategic Plan Introduction**

1. The purpose of this document is to present the WCO Strategic Plan for the years 2016/2017 to 2018/2019, and to provide updates to reflect further developments in the Customs Environment.

### **Background**

2. The WCO Strategic Plan is a comprehensive and high-level policy instrument, which guides the programmes, projects and other initiatives implemented by the WCO Secretariat. The Strategic Plan is prepared through a multi-step process, including consultations with Members, Regions and all key governance bodies of the WCO.
3. The WCO Strategic Plan has been defined as a living document and over the last few years it has evolved and progressed, with significant changes being implemented.
4. The Strategic Plan is divided into two parts - a strategic part and an operational part - to better distinguish between the high-level strategic document, and the tactical activities necessary to meet these strategic objectives.
5. This new cycle begins with a presentation of an outline of the Strategic Plan to the Finance Committee to analyse the financial parameters within which the WCO could be expected to work during the period of the Plan. Then the first full draft of the Strategic Plan is presented to the Policy Commission in December. Subsequently, the Policy Commission's feedback is incorporated into the document by the WCO's Senior Management Team during the off-site Strategic Planning session in January. The Strategic Plan is then reviewed by the Audit Committee to ensure alignment with the execution of the goals of the Organization and the appropriateness of the Performance Indicators proposed for the Operational Plan. Following the Audit Committee, the Strategic Plan goes to the Finance Committee for it to review the financial implications of the Plan. Finally, the Plan is submitted to the Policy Commission and Council for adoption for a new three-year period.

### **Content**

6. The WCO Strategic Plan includes the Basic Statements of the WCO, the Organization's Strategic Goals and Activities and links to the C21 Building Blocks. The WCO Mission Statement describes the overall purpose of the Organization (Why we exist). The Vision Statement and the C21 (Customs in the 21<sup>st</sup> Century) consider the long-term perspective of the WCO and its Members (Where we are going). Values represent the core priorities in the Organization's culture (What we believe in).
7. The Strategic Plan also includes a summary from the Customs Environmental Scan - prepared by the Research and Communications Unit - of the reality in which Customs operates, the key global trends and their potential impact on Customs administrations. The full Scan for 2016 is available on the Members' Web site and will be updated on an annual basis.
8. These Basic Statements and the Environmental Scan set the scene for the Strategic Goals and Activities that are defined within the Strategic Plan.
9. The Annex to the Strategic Plan contains the annual Operational Plan which defines the tactical activities of the Organization.

10. Performance Indicators are reviewed and monitored to ensure their relevance and are presented to and approved by the February Audit Committee. The Secretary General reports on these Performance Indicators twice a year at the Policy Commission sessions and once a year at the Council Sessions.
11. The costing information includes funding from the WCO budget, voluntary contributions and the use of Technical Attachés, in accordance with the methodology approved by the Finance Committee in 2012, and is presented for review to the Spring Finance Committee.
12. The principal change proposed in this new version of the Strategic Plan is the inclusion at Strategic Goal level (Strategic Goal 5) of the significant and highly topical subject of Digital Customs and its key role in supporting, in particular, Coordinated Border Management and information exchange. This also entails the introduction of new Strategic Activities 5.1, 5.3 and 5.4 in support of this Goal. Another important change has been the amendment of Strategic Goal 3 to reflect the content of the Punta Cana Resolution, highlighting the role of Customs in contributing to the combating of crime and terrorism. Finally, a new WCO Value has also been included to make clear the WCO's commitment to inclusiveness, diversity and equitable treatment and opportunities for all.

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## WCO CUSTOMS ENVIRONMENTAL SCAN

### EXECUTIVE SUMMARY

The WCO Customs Environmental Scan includes economic, political, social, environmental, and administrative subjects that directly or indirectly relate to Customs. The Scan is intended to inform WCO Members and stakeholders of relevant issues and also to support the development of the WCO Strategic Plan. Key developments include :

#### **Macroeconomic Indicators**

- Growth in the volume of world merchandise trade has slowed in recent years and this is expected to continue. Some economists point to the role of structural factors in the slowdown in international trade growth, and have accordingly accorded the term *peak trade* to describe this trend.
- The US economy continued to strengthen. Deflation continues to be a major concern particularly in Europe. China is importing fewer commodities which in particular impacts the economies focused on exports of commodities.

#### **Trade Agreements**

- A growing number of WTO Members have formally accepted the WTO Agreement on Trade Facilitation (TFA). Once two-thirds of WTO Members (108) have formally accepted the TFA, it will enter into force. OECD analysis contends that improvements in the area of formalities (e.g., simplification of trade documents, streamlining of border procedures, and automation of the border process) will significantly reduce trade costs. While TFA implementation will likely take many years in developing countries, the process will likely positively impact donor funding for Customs reform and modernisation.
- 109 trade deals were completed in the five-year period of 2010-2014.
- The draft Trans-Pacific Partnership (TPP) agreement is being considered by the governments of signatories.

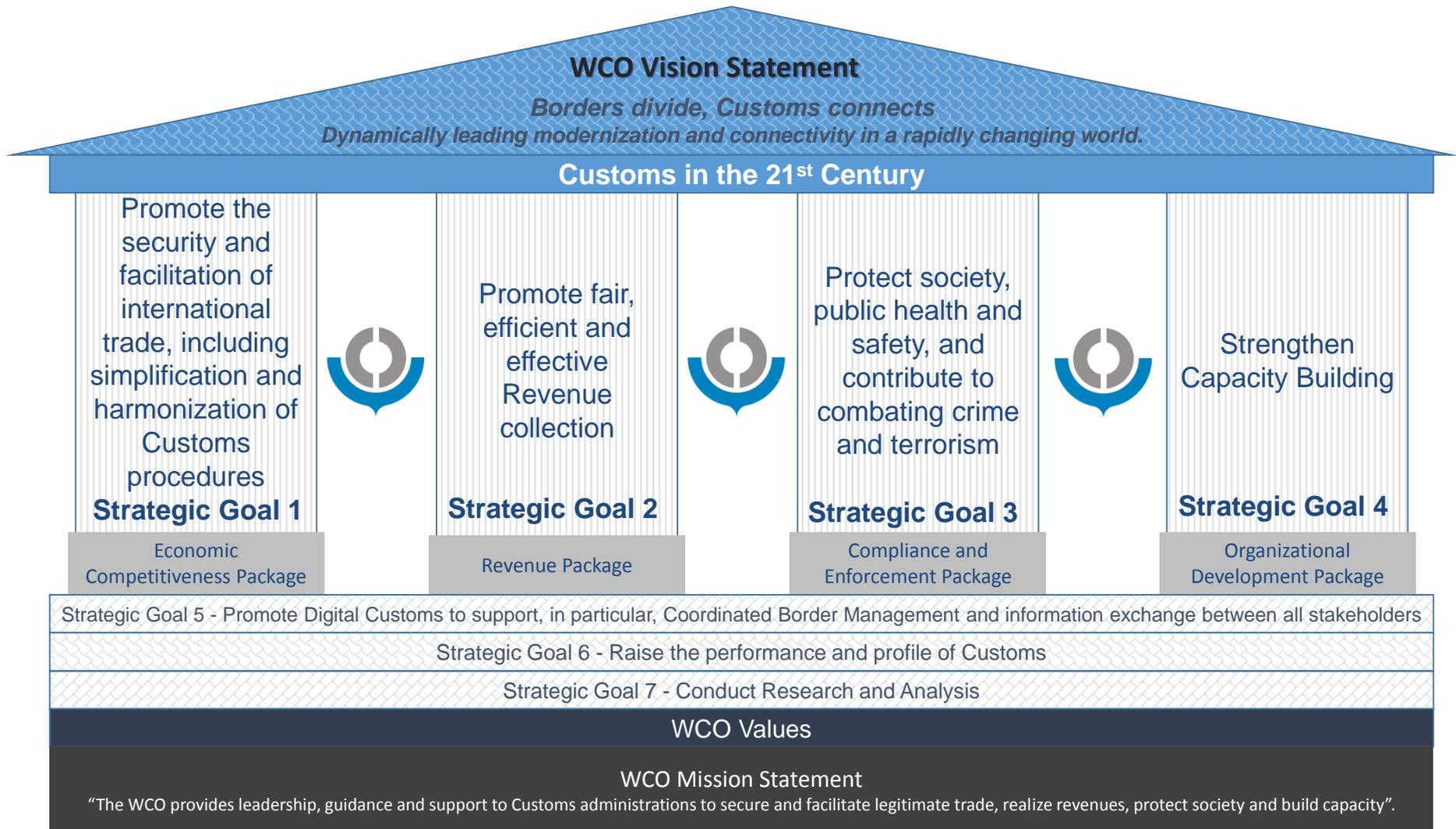
#### **Customs Organizational Structure**

- There has been a slight increase in Revenue Authorities from 43 in 2013 to 51 in 2015.

## Political, Social, Technological, and Environmental Influences

- Information and Communications Technology (ICT) or “Digital Customs” continues to expand in the Customs workplace. From the use of ICT in office automation, to the use of the Internet to publish and disseminate information, to the use of automated clearance systems to make declarations, perform risk management, undertake validation and processing, and eventually to issue approvals, ICT has transformed the way that Customs and governments operate. Accordingly, the WCO Secretary General chose “Digital Customs” as the WCO’s annual theme. The Digital Customs initiative aims to replace paper-based Customs procedures with electronic operations, thus creating a more efficient and modern Customs environment in tune with global developments.
- The United Nations adopted 17 Sustainable Development Goals (SDGs) in September 2015 to replace the 8 Millennium Development Goals, and performance indicators are being developed to measure implementation of those SDGs.
- Security concerns intensified around the world. The WCO adopted the Punta Cana Resolution in the context of the Customs’ role in security and launched the Security Programme which addresses specific areas of security concerns. Several governments moved to increase data collection for security purposes, such as requiring the submission by airlines of API and PNR data. How to balance data security requirements and privacy concerns continues to be under discussion. In respect of air cargo, the WCO has recently developed a Cargo Targeting System (CTS) for the air mode, which will enable risk assessment and targeting of import, export and transshipment cargo. A Container Control Programme (CCP) for the air mode has also been developed in cooperation with the UNODC, for air cargo risk profiling, and pilots are underway.
- Conflicts such as the civil wars in Afghanistan, Iraq, Libya, and Syria have created a massive refugee crisis, particularly at the borders of Europe.
- A rapid growth in illicit trafficking of cultural objects, particularly from conflict zones, and the involvement of organized criminal groups in this activity have garnered increased attention and has led to the issue being addressed by various international bodies, including the United Nations Security Council which adopted two Resolutions (2199 and 2253) in 2015 that are directly related to the problem of illicit trafficking of cultural objects.
- Several countries in the Americas have softened drug laws in terms of legalization of marijuana for recreational and medicinal purposes. Others, such as in Asia, have recently executed persons convicted of low-level narcotics smuggling.
- Cross-border e-commerce is increasing at a significant rate around the world due to advancing Internet technology, economic development in developing countries, and expansion of express delivery services and mobility of labour force.
- Many endangered species, such as elephants, rhinos, tigers and jaguars, face extinction in the near future due to poaching and the illegal trade in wildlife.

- Customs administrations and other revenue agencies continued to collect billions of dollars annually in taxes on tobacco products which contributes to fiscal and public health objectives.
- Natural disasters, including extreme weather events due to human-induced climate change, are increasingly necessitating more attention by Customs to the clearance and release of relief consignments.
- The WCO's strategic document on anti-corruption measures is being reviewed by the G20's Anti-Corruption Working Group.
- The social demand on public sector transparency is increasing, including in the fields of taxation and trade. In this regard, the G20 Leaders agreed to lend full support to the OECD's Base Erosion and Profit Shifting (BEPS) initiative to tackle strategic tax avoidance and, in particular, endorsed a new single global standard for automatic exchange of information developed by the OECD to disclose the tax base that remains hidden in tax havens.



## **WCO Mission Statement**

*“The WCO provides leadership, guidance and support to Customs administrations to secure and facilitate legitimate trade, realize revenues, protect society and build capacity”.*

## **WCO Vision Statement**

***Borders divide, Customs connects***

*Dynamically leading modernization and connectivity in a rapidly changing world.*

## **WCO Values**

*We are a knowledge-based and action-oriented organization.*

*We believe in transparent, honest, and auditable governance procedures.*

*We are responsive to our Members, stakeholders in trade, and society.*

*We capitalize on technology and innovation.*

*We believe in inclusiveness, diversity and equitable treatment and opportunities for all.*



## PART I - STRATEGIC GOALS AND ACTIVITIES

### **Strategic Goal 1 - Promote the security and facilitation of international trade, including simplification and harmonization of Customs procedures = Economic Competitiveness Package**

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The WCO is working with its Members to ensure growth by securing and promoting economic competitiveness. Trade security and facilitation is one of the key factors for economic development of nations and is closely tied into international and national agendas on social wellbeing, poverty reduction and economic development of countries and their citizens. Likewise, the WCO provides a forum for the development of instruments and tools to simplify and harmonize Customs procedures and it will continue to work with its Members to promote best practices in trade facilitation and security.

#### **Strategic Activity :**

##### *1.1. Develop, manage and promote conventions, guidelines, standards and tools on trade security and facilitation*

The WCO will continue to work on developing international standards for Customs procedures. It also promotes the Revised Kyoto Convention. The WCO will manage, further develop and promote the Economic Competitiveness Package, including the SAFE Framework of Standards, the Time Release Study, and other instruments and tools to achieve trade security and facilitation.

#### **Related C21 building blocks :**

-  Intelligence-driven risk management.
-  Implementation of modern working methods, procedures and techniques.

#### **Strategic Activity :**

##### *1.2. Support effective implementation of WTO TFA provisions through use of WCO instruments, tools and assistance*

The WCO will continue to work towards consistent and effective implementation of the TFA. The WCO and its Members have developed, and continue to develop, instruments and tools to unlock the significant potential of trade facilitation and assist Members to implement the TFA.

#### **Related C21 building block :**

-  The TFA relates to all building blocks of C21.

### **Strategic Activity :**

#### *1.3. Promote cooperation with other border agencies to enhance border efficiency and effectiveness*

The WCO will promote border agency cooperation to enable governments to reduce their border control costs whilst simultaneously delivering enhanced efficiency and effectiveness, when facing an increasing flow of goods and travellers, thereby contributing to a nation's economic competitiveness by better facilitating trade and travel.

### **Related C21 building block :**

 Coordinated Border Management.

### **Strategic Activity :**

#### *1.4. Enhance partnership with private sector*

Fostering Customs-trade partnership has traditionally been an important part of the WCO's work. The WCO maintains close partnerships with a large number of private sector organizations. Such partnerships are in many cases formalized through a Memorandum of Understanding.

### **Related C21 building block :**

 Customs-Trade partnership.

## **Strategic Goal 2 - Promote fair, efficient and effective Revenue collection = Revenue Package**

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Collection of revenue remains a top priority for many Customs administrations, particularly in economies where a substantial portion of government revenue is derived from Customs duties. A modern Customs administration needs to apply the relevant tools and instruments - developed by the WCO and other international bodies - in a consistent manner in order to achieve fair, efficient, and effective revenue collection.

### **Strategic Activity :**

#### *2.1. Develop, manage and promote standards, guidelines and tools on revenue collection*

The WCO will continue to develop and maintain standards, guidelines and tools associated to revenue collection. The WCO will manage and further develop the Revenue Package, and will promote and explain the good practices identified in its tools through technical assistance and training events. This approach will enable Customs administrations to meet their strategic objectives of collecting all revenues for which they are responsible in a fair, efficient and effective manner.

### **Related C21 building block :**

 Implementation of modern working methods, procedures and techniques.
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### **Strategic Activity :**

#### *2.2. Manage and promote the uniform interpretation and application of Conventions and Agreements related to revenue collection*

The WCO will continue to work towards consistent, correct and harmonized application of the HS Convention, the WTO Agreement on Rules of Origin and the WTO Valuation Agreement in the technical committees and disseminate the decisions taken by them. Capacity building will be provided accordingly. The WCO will also continue providing advice to Members and international organizations on classification, origin and valuation issues.

### **Related C21 building block :**

 Implementation of modern working methods, procedures and techniques.
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**Strategic Goal 3 - Protect society, public health and safety, and contribute to combating crime and terrorism = Compliance and Enforcement Package**

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The efficiency and effectiveness of Customs border compliance is a determining factor in ensuring goods, people and means of transport comply with laws and regulations, the attainment of safe and secure communities, the economic competitiveness of nations, the growth of international trade and the development of the global marketplace.

The WCO will continue to develop and maintain standards and guidelines with respect to the goal of protecting society, and contributing to the fight against crime and terrorism. The exchange of Customs enforcement information and Intelligence is crucial to the WCO's Enforcement Strategy. To this end, the WCO will coordinate and implement Customs law enforcement initiatives and operational activities with assistance from key stakeholders.

**Strategic Activity :**

*3.1. Develop, manage and promote standards, guidelines and tools to combat illicit trade, and contribute to combating crime and terrorism*

The WCO has developed a wide range of instruments, tools and guidance materials in order to assist Members in implementing effective and efficient controls, provide confidence to investors and business through transparent and predictable rules and regulations, and protect society by intercepting and suppressing illicit trade, and contribute to combating crime and terrorism through enhanced enforcement procedures. The WCO will manage, promote and further develop the Compliance and Enforcement Package.

**Related C21 building blocks :**

-  Enabling technology and tools.
-  Intelligence-driven risk management.
-  Enabling powers.

**Strategic Activity :**

*3.2. Manage capacities to exchange Customs enforcement information and Intelligence*

Information and Intelligence exchange continues to be one of the pillars of the WCO's enforcement strategy. In this context, and working with other enforcement agencies, the WCO's Regional Intelligence Liaison Offices (RILOs) play a key role. The WCO will also continue to promote better coordination and exchange of information amongst all relevant stakeholders and agencies involved in border security.

**Related C21 building blocks :**

-  Intelligence-driven risk management.
-  Coordinated Border Management.

**Strategic Activity :**

*3.3. Coordinate and implement Customs law enforcement initiatives and operational activities*

In an effort to counter fraud, illicit trade, smuggling and the scourge of transnational organized crime, the WCO will continue coordinating with Member administrations, RILOs and other international organizations' operational activities and programmes focusing on high-risk transactions at international border crossing points.

**Related C21 building blocks :**

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| <ul style="list-style-type: none"><li> Intelligence-driven risk management.</li><li> Enabling powers.</li></ul> |
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**Strategic Goal 4 - Strengthen Capacity Building = Organizational Development Package**

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Effective and efficient Customs administrations are vital for the economic and social development, as well as the security of States. The WCO, as the global centre of Customs excellence, plays a central role in developing, promoting and supporting the implementation of modern Customs standards, procedures and systems and has positioned itself as a global leader in Capacity Building delivery. The WCO will manage, promote and further develop the Organizational Development Package.

The development of Capacity Building tools is linked to three enablers that were emphasized by the Capacity Building Committee as essential for sustainable development and modernization : Political Will, People and Partnerships.

**Strategic Activity :**

*4.1. Develop, implement, manage and promote guidelines and tools on Customs Capacity Building*

The WCO will continue to provide Capacity Building to Members for implementation of the standards embodied in WCO instruments, develop assistance for core Customs competences and capacities, and identify and publish case studies, best practices and lessons learned from Customs Capacity Building.

In order for Customs administrations to build capacity through reform and modernization, and achieve their objectives, the WCO follows an organizational development approach that consists of three phases, namely diagnostic; planning and implementation; and monitoring and evaluation.

**Related C21 building block :**

 Capacity Building.

**Strategic Activity :**

*4.2. Manage and promote stakeholders' engagement*

The WCO Secretariat will maintain a collaborative relationship with its network of Donors and Organizations that support and finance development. This will be done by improving donor engagement and coordination, supporting the development of business cases and project proposals, procuring funds, and meeting the requirements of Governments and Donors that provide funding for reform and modernization.

**Related C21 building block :**

 Capacity Building.

### **Strategic Activity :**

#### *4.3. Develop, implement, manage and promote guidelines and tools on Human Resource Development*

The importance of human resource development for modern Customs is widely recognized. In a fast-moving environment, administrations need to attract, recruit, train and retain officers and develop both core Customs capabilities and new capabilities required as a result of modernization programmes. High levels of professionalism and integrity need to be maintained.

### **Related C21 building blocks :**

-  A professional, knowledge-based service culture.
-  Capacity Building.

### **Strategic Activity :**

#### *4.4. Develop, manage and promote Integrity tools and Integrity-related projects*

Integrity is crucial for the successful application of WCO standards. Without Integrity, Customs cannot reach its mandated objectives. The WCO has developed a number of instruments and tools that strengthen Integrity in administrations, and it will continue to work on their development, management and promotion.

### **Related C21 building block :**

-  Integrity.

**Strategic Goal 5 - Promote Digital Customs to support, in particular, Coordinated Border Management and information exchange between all stakeholders**

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Technological developments and, in particular, Information and Communication Technologies (ICT) are a diverse and cross-cutting area. The WCO needs to follow a comprehensive strategic approach in dealing with these developments and using ICT to support modernization. The ability to undertake technologically-enabled reform is useful both for WCO Members in their national and regional reform processes, as well as for the WCO as a whole, to identify future areas that need to be supported by developing related supporting standards and tools. The WCO provides a forum for international cooperation and coordination to promote greater connectivity and more harmonious interaction, including the exchange of information and experience and the identification of best practices, between Member administrations, other government agencies, international organizations, the private sector and other relevant stakeholders.

**Strategic Activity :**

*5.1. Digital Customs : Provide a framework to consolidate the development, promotion and deployment of the WCO's Information Technology (IT)-related standards, instruments, tools, guidelines and systems*

The WCO will provide a cohesive, comprehensible and scalable framework to consolidate the development, promotion as well as deployment of the WCO's IT-related instruments, tools, guidelines and systems to enable ICT implementation to support Customs work, including enforcement and facilitation activities.

**Related C21 building block :**

 Enabling technology and tools.

**Strategic Activity :**

*5.2. Implement Globally Networked Customs (GNC)*

The WCO will continue to provide a systematic approach which aims to deliver seamless, real-time and paperless flows of information between Customs administrations to meet the challenges of the 21<sup>st</sup> Century which require new approaches for cooperation between Customs administrations and all relevant stakeholders for purposes of applying Customs controls while facilitating legitimate trade.

**Related C21 building block :**

 Globally Networked Customs.

**Strategic Activity :**

*5.3. Use of IT in support of Coordinated Border Management*

The WCO will continue to promote and enhance the use of IT related to Coordinated Border Management, including Single Window environments.

**Related C21 building block :**

-  Enabling technology and tools.
-  Coordinated Border Management.

**Strategic Activity :**

*5.4. Develop, promote and manage WCO instruments and tools that provide the legal basis for technologically-enabled reforms*

The WCO will continue to develop, promote and manage WCO instruments and tools that provide for a firm legal basis for interconnectivity.

**Related C21 building block :**

-  Enabling powers.

## Strategic Goal 6 - Raise the performance and profile of Customs

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The WCO and the international Customs community promote their strategic priorities, roles and contributions through cooperation, communication and partnership with governments, other international and regional organizations, donors and the private sector.

### Strategic Activity :

#### 6.1. Deliver Capacity Building according to Members' needs

The WCO has mobilized the entire WCO Secretariat and regional structures toward a corporate approach, which is responsive, needs-driven and focused on Capacity Building.

The WCO Secretariat manages the Columbus Programme and will further expand the development and delivery of Customs Capacity Building support. This includes the enhancement of formal and informal mechanisms for identifying the needs of Members, the further development of delivery models, the use of new partnership arrangements and increasing the availability of expertise. The WCO will also enhance the regional structures' abilities to manage the delivery process of Capacity Building support.

### Related C21 building block :

 Capacity Building.

### Strategic Activity :

#### 6.2. Promote the role of Customs and enhance its performance

In order to strengthen the image and profile of Customs, the WCO engages with political leaders and strategic stakeholders in international trade. In particular, support will be provided to measure performance with a view to assisting administrations to secure support from policy-makers.

### Related C21 building blocks :

 Capacity Building.  
 Customs-Trade partnership.

### Strategic Activity :

#### 6.3. Enhance communications with strategic stakeholders

The WCO uses multiple platforms to communicate information about its activities and tools to its stakeholders as a means to deepen understanding of global Customs issues, to advance further cooperation and the exchange of information, and to promote the importance of Customs to national economic competitiveness and growth, as well as effective border enforcement.

### Related C21 building block :

 Customs-Trade partnership.

### **Strategic Activity :**

#### *6.4. Promote the activities and tools of the WCO, and enhance partnerships with relevant international organizations and strategic stakeholders*

The WCO undertakes a range of promotion activities, including the organization of high-level events across the globe, in order to disseminate its instruments and tools whilst strengthening the image and profile of the WCO among all actors in international trade. The WCO also communicates, cooperates and coordinates with many international organizations, as well as the global Customs community's strategic stakeholders.

### **Related C21 building block :**

 Customs-Trade partnership.

### **Strategic Activity :**

#### *6.5. Manage sound administration of WCO Secretariat*

The WCO Secretariat maintains a high standard of good governance and transparency in conjunction with responsible, effective and efficient management of both human and financial resources. Principally, the WCO Secretariat prepares the annual budget proposal for the following year for consideration and acceptance by the Finance Committee. Similarly, an Audit Plan is implemented as agreed by the Audit Committee.

### **Related C21 building block :**

 A professional, knowledge-based service culture.

**Strategic Goal 7 - Conduct Research and Analysis**

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The WCO conducts research and analysis on a wide range of Customs and international trade topics using various methods in order to promote a professional, knowledge-based service culture, and to benefit the WCO membership and external stakeholders.

**Strategic Activity :**

*7.1. Produce and disseminate research on Customs and international trade topics*

The WCO produces and disseminates research on a wide range of Customs and international trade topics. The research is generally in the form of papers that are published on the WCO’s Web site and in external journals, and presented at WCO Committee meetings and at research conferences.

**Related C21 building block :**

 A professional, knowledge-based service culture.

**Strategic Activity :**

*7.2. Enhance the WCO’s research partnerships with academia and practitioners*

The WCO works to enhance its research partnerships with academia and practitioners. This is accomplished by the organization of research conferences, such as the annual PICARD Conference, and also through networking.

**Related C21 building block :**

 A professional, knowledge-based service culture.

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