



CAPACITY BUILDING
DIRECTORATE

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Partnership In Customs Academic
Research and Development
(PICARD)

14 – 16 May 2008

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3rd Conference

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Brussels, 30 June 2008.

DAY 1

1. The Conference on Partnership In Customs Academic Research and Development (PICARD) was held at Shanghai Customs College (People's Republic of China) from 14 to 16 May 2008. It was attended by 116 delegates representing Members, universities, donors and other interested parties.
2. The 2008 Conference focused on the following matters:
 - The pilot projects based on the PICARD Professional Standards developed by the WCO together with the International Network of Customs Universities (INCUI)
 - Recent academic research and existing educational programmes, and future Customs-related research capabilities and interests
 - Research needs and areas identified by Customs administrations to help them to achieve their strategic objectives
 - Increasing the donor organizations' knowledge of and interest in Customs-related academic research projects
3. The Conference Agenda is attached at Annex 1 hereto.
4. The Conference was chaired by *Prof. David Widdowson*, President of the INCUI, who welcomed everyone to the Conference, reiterated the Conference objectives and encouraged the group to participate fully in the debate.

Opening speeches

5. In his opening speech, *Mr. Lu Peijun*, Vice Minister, Member of the Board stated that since the start of the 21st Century, economic globalization, unification and modernization had placed new requirements upon Customs organizations. Promoting Customs modernization had become a governmental and social focus for all countries.
6. He also stressed the important role played by the WCO over recent years, introducing the WCO PICARD Programme devoted to leading the academic modernization of Customs. PICARD had also been constantly expanding international co-operation opportunities for Customs Capacity Building, playing an active role in the fields of Customs academic and professional study and international co-operation and exchange, with satisfying results being achieved.
7. In his opening remarks, *Mr. Antoine Manga*, the WCO's Director of Tariff and Trade Affairs, extended best wishes for a successful Conference from Mr. Michel Danet, WCO Secretary General, and Mr. Lars Karlsson, Director of the WCO's Capacity Building Directorate (who welcomed participants via a video presentation). He also outlined the goals and the achievements of the WCO PICARD Programme.

Acknowledgements

8. The Shanghai Customs College received recognition by the WCO on its centenary. Mr. Antoine Manga presented a certificate to Dep. Prof. Yu Shen, President of the College.
9. Dep. Prof. Yu Shen's 25-year career was also acknowledged by the WCO, and he received a certificate from Mr. Alan Hall. Prof. David Widdowson also presented a gift to Mr. Yu Shen, on behalf of the INCU Management Group, to mark Shanghai Customs College's centenary.

Presentations on Chinese Customs

10. Following the opening speeches, *Mr. Wang Qi*, Deputy Director General, Shanghai Municipal Education Commission; *Ms. Wang Hua*, Deputy Director General, General office of GACC; and *Ms. Bai Xueyan*, Director of the National Education and Training Center of GACC respectively gave presentations on Chinese Customs' education and training system, Chinese Customs and related capacity building activities.

Presentations by the WCO

11. *Mr. Alan Hall*, WCO Capacity Building Directorate, gave a presentation on the history and development of the WCO PICARD Programme. He outlined the important role of the PICARD Advisory Group and the INCU in moving the PICARD Programme forward.

12. He described developments with regard to the PICARD Professional Standards (distributed to the delegates), which had now been established at Bachelor and Masters degree level, and the procedure by which universities meeting the requirements set by the WCO could attain WCO recognition of their academic programmes. Future developments might include the establishment of vocational standards.
13. In his second presentation Mr. Alan Hall described the WCO's global Customs Capacity Building Strategy, the background to and history of the WCO Columbus Programme and the SAFE Framework of Standards, and their linkage to the WCO PICARD Programme activities. Key findings from the WCO Diagnostic Studies included the need to deliver improved political and strategic advice on leadership supported by relevant academic research; properly structured, managed and sustainable operational development projects; consistent and accessible training; and improved governance.
14. In summarizing, he pointed out that the WCO's Capacity Building Strategy involved not only training and technology, but also know-how, infrastructure and support. It looked beyond simply what donors had to offer to what recipients and circumstances actually required.

Plenary discussion on key issues facing Customs

15. In his introduction to the plenary discussion on key issues facing Customs, the Chair reminded delegates of the findings of the Columbus Diagnostic Studies, i.e. the need for effective research support for decision making, and that 45 % of administrations were seeking political and strategic advice and assistance in relation to fundamental administrative reform.
16. Issues raised by delegates included the need for Customs curricula for Customs brokers; WCO recognition of Customs curricula; sponsorship for Customs-related research; integrity issues including the need for research into the influence of cultural issues on integrity; and research into the relevance of international guidelines to developing countries.
17. In further discussions, delegates stressed the need to present the findings of such research projects to the WCO, with recommendations for amendment of international instruments, where appropriate.

DAY 2

Introduction to the presentations

18. The Chair briefly introduced the various exercises that had been conducted by universities based on the PICARD Professional Standards. This had called for universities to adjust their programmes to meet the WCO PICARD Professional Standards, either independently or under the WCO's guidance.

19. *Mr. Mikhail Kashubsky*, Secretary of the INCU, presented an overview of the educational and training programmes and activities available from INCU members. The main findings of the questionnaire sent to the INCU affiliates were that there were currently more postgraduate programmes/courses available than undergraduate courses. Not many Customs-specific programmes were on offer. There was a wide range of vocational training programmes available and there was also a desire to develop more/new educational and training programmes. Responses to the questionnaire had been received from 15 of the INCU's 41 members.
20. The Chair encouraged other INCU universities to complete the questionnaire which was still available on the INCU website (www.incu.org), in order to provide the WCO and others with a comprehensive overview of available Customs programmes. The Chair also noted that, after the Conference, the INCU would provide the WCO with a formal report on the questionnaire responses.

Presentations

21. Presentations were made by *Prof. Jhon Fonseca* from the University of Costa Rica; *Dr. Olena Pavlenko* from the Ukrainian Academy of Customs; *Adj. Prof. Stephen Holloway* from the Centre for Customs and Excise Studies, University of Canberra; *Prof. Aivars Krastins* from Riga Technical University; *Dr. Frank Altemoeller* from the University of Münster; and *Dep. Prof. Yu Shen* from Shanghai Customs College.

The various university representatives indicated that the curricula of their Customs programmes already substantially addressed the WCO PICARD Professional Standards at Bachelors or Masters level.

It was suggested that future developments could include module-based training, mutual course recognition and methodological e-learning materials to be used in the study process. The need to enhance co-operation among PICARD Universities was also emphasized, including integrated courses and increased use of visiting professors.

22. All the presentations are available on the WCO Capacity Building website.

Panel discussion

23. Delegates were invited to put questions to the panellists following the presentations. The panel consisted of representatives from the Universities of Costa Rica, Ukraine, Riga, Münster, Canberra and Shanghai.

24. A wide range of issues were raised by delegates, focusing mainly on procedures and possible problems related to Customs-specific education programmes. The need to establish vocational standards for Customs training was again raised, as was the need for higher education tailored to meet the specific requirements of Customs managers. The need for more on-line Customs courses was broached, as was the need for more detailed information on Customs-related courses being provided by universities.
25. Other issues raised included government recognition of Customs programmes, problems identified between Customs and brokers, the conflicting objectives of different donor organizations, gaps in understanding resulting from students' differing backgrounds, the need to put theory into practice and the need for follow-up actions including evaluating the effectiveness of Customs programmes.
26. The importance of basing Customs higher education programmes on the WCO PICARD Professional Standards was stressed by the panellists, in order to ensure the internationalization of Customs professional standards.
27. The value of co-operation and consultation between Customs administrations and donor organizations to avoid duplication of effort was also emphasized, as was the need for improved consultation between Customs and brokers.

Study on Global Logistic Chain Security

28. Mr Alan Hall provided information about the University of Le Havre's study on "Global Logistic Chain Security: Economic Impacts of the US 100 % Container Scanning Law."

Future developments

29. Prof. David Widdowson gave a presentation on WCO recognition of university Customs curricula, and draft guidelines on the recognition process were distributed to delegates. The guidelines were discussed and developed by the PICARD Advisory Group. It was pointed out that only those programmes satisfying the WCO PICARD Professional Standards would be endorsed by the WCO. The guidelines established a process by which universities meeting the requirements of the WCO PICARD Professional Standards could obtain WCO recognition of their academic programmes.
30. The need for dispute resolution and re-validation processes to be included in future versions of the Guidelines was raised (the Guidelines have been

uploaded onto the WCO Capacity Building website and are also available on the INCU website).

31. It was suggested that future developments could also include the establishment of mechanisms for funding Customs-specific research projects and student scholarships.

DAY 3

Presentations

32. *Mr. Juha Hintsa* from the Cross-Border Research Association gave a presentation on the research project between China and the European Union to secure an efficient trade lane.
33. *Prof. Zhong Ning* from the Department of Economics, Shanghai Customs College gave a presentation on the study of the Theoretical Framework of Customs Risk Management and Control Strategy under the Condition of Non-Traditional Security.
34. *Mr. Hongbin Jin* from Shanghai Customs College gave a presentation on the Application of Artificial Neural Networks in the Classification of Common Woven Fabrics.
35. *Dep. Prof. Yu Shen* from Shanghai Customs College gave a presentation on China Customs Higher Education and PICARD Standards.
36. According to the findings of their evaluation of the WCO PICARD Professional Standards (PPS) it was concluded that :
 - PPS established a standard evaluation system for educating and training international Customs professionals, which would guide and promote research on the evaluation of vocational standards for the Customs profession
 - PPS had laid a foundation for the evaluation and certification of Customs professional education and training
 - PPS would serve as a benchmark, to improve the overall quality of Customs officers and strengthen Customs Capacity Building. It would also safeguard the progress of internationalization and professional standardization of Customs training and education
37. *Dep. Prof. Yu Shen* also suggested some initiatives for the future development of the WCO PICARD Programme, including the establishment of an international organization for Customs academies.

More detailed information on these initiatives is included in the presentation.

Workshops

38. The Chair provided delegates with a broad overview of the research areas currently being pursued by universities and academic institutions around the world, based on responses to the INCU questionnaire. Full details would be included in the report to be provided to the WCO and posted on the INCU website. Areas of research activity and interest included:
- Customs law and policy
 - Customs reform and modernization
 - Risk management
 - Compliance management
 - Customs development strategy
 - National economic security
 - Historical and social aspects of the Customs profession
 - Customs human resource regulations
 - New and innovative technologies
 - Leadership in Customs
 - Human resources
 - International and foreign trade law
 - Taxation law
 - European law
 - International economics and Customs' role therein
 - Trade management and trade facilitation
 - Trade and government interaction
 - Implementation of the WTO valuation rules
 - Customs tariffs and cross-border taxation
 - Customs controls of strategic goods
 - Supply chain management and security
 - Logistics management
 - Transfer pricing
39. Mr. Alan Hall, from the WCO Capacity Building Directorate, gave an introductory presentation on the workshop topics (origin and regional co-operation, Single Window, strategic performance measures) and expected outcomes (research requests, barriers, key principles and methodology and research topics).
40. He reminded delegates that the WCO PICARD Programme was aimed at supporting Member Customs administrations' capacity building initiatives through academic research and professionalization, and that the Professional Standards had been set to promote an academic approach to Customs development and research.
41. With this structure in place, there was a need to address the more practical matters of how to direct, encourage and support research in the interests of better informed leaders and practitioners.
42. The Conference split into three groups. Dr. Frank Altemoeller, University of Münster, and WCO Director Antoine Manga Massina were nominated as facilitators and rapporteurs for the Origin and Regional Co-operation Group; Adj. Prof. Stephen Holloway, University of Canberra was

nominated for the Single Window Group; and Prof. Jhon Fonseca for the Strategic Performance Group.

Outcome of the workshops

43. The following research topics were proposed by the Single Window Group:
- Comparative studies, including Single Window structures and export-import procedures
 - Support for harmonization and standardization
 - What was the best structure/practice?
 - Could there be a universal Single Window structure? Alternative structures
 - What worked and what did not?
 - Economic impact of Customs (e.g. in Africa)
 - Topicality of Customs' response to organized crime – had risk management kept pace?
44. The following research topics were proposed by the Strategic Performance Group:
- The impact of integrity on Customs activities
 - Methodologies for evaluating Customs strategy
 - Strategic performance indicators
 - Customs modernization in developing countries
 - Customs strategic planning
 - Strategy within Customs' organizational culture
 - Inclusion of international agreements in Customs strategy
 - Strategies to balance compliance and facilitation
 - Strategies to develop an information culture
 - Response to Customs activities
 - Impact of strategic Customs management
45. The following research topics and requests were proposed by the Origin and Regional Co-operation Group:
- Multilateral regional co-operation and rules of origin
 - Harmonization of rules of origin
 - Comparative regional integration studies to compare Customs policies
 - Linkage between trade liberalization and non-economic goals
 - Export opportunities for processed and non-processed goods, taking rules of origin into account
 - Overlapping regional trade agreements, proliferation of membership
 - Contradictory situation in developing countries towards international agreements on tariff reduction
46. The detailed outcome of the research requests, barriers and methodologies are included in the presentations.

47. In closing this part of the Conference, the Chair stated that the exercise had been helpful in starting to identify some underlying principles that would move Customs-related research forward in the academic community. Several options were identified for addressing potential obstacles and barriers, e.g. greater visibility of research activities of relevance to the Customs community, international, regional and national co-ordination and the use of comparative studies. The need for relevant support structures and funding were also raised.

Other Issues

48. The University of Costa Rica and the Cross-Border Research Association (Switzerland) volunteered to host the next PICARD Conference in 2009.

Closing remarks by the Chair, Prof. David Widdowson

49. In his closing remarks, the Chair stated that the Conference had been extremely interesting for him and one of the best that he had been asked to chair.
50. He said that “the main aim of the international network of Customs universities is to promote the academic standing of the Customs profession and thanks to the WCO PICARD programme we have been presented with an ideal opportunity to interact with the WCO and the donor community and I am pleased to say that we have made significant progress towards achievement of the objectives during the last three days. We have addressed all the themes and much more.”
51. He continued by stating that “we have also discussed our collective plans for the future, including global strategies for Customs Capacity Building in response to the developing countries’ overwhelming call for assistance in relation to political and strategic advice and for fundamental reform and future developments for Customs managers to be able to lead and manage in a constantly changing global environment.”
52. Commenting on the PICARD Programme he said that “we have heard about the tremendous progress that has been made in relation to the PICARD Professional Standards including progress within the WCO and INCU sponsored pilot programmes, and the mechanisms that are now in place to enable the WCO to formally recognize and promote those universities whose academic programmes meet the Standards.”
53. He concluded that “we have discussed some positive initiatives including the provision of a single forum for the numerous training academies and institutions that exist within Customs administrations and how such a forum would provide a further opportunity for the INCU to interact with its partners in the WCO.”

54. He summarized the outcome of the workshops by stating that “finally we have developed a range of options to proactively advance empirical research in the areas that have been highlighted by the WCO as being of critical importance to supporting the strategic decisions that are confronting its Members.”
55. He concluded his remarks by declaring the PICARD 2008 Conference a great success, and thanked all concerned for their hard work in achieving this outcome.

Closing remarks by Dep. Prof. Yu Shen

56. Mr. Yu Shen expressed his sincere congratulations on the success of the 2008 PICARD Conference, which would lay a footprint for the development of the international Customs Capacity Building process.
57. He believed that the topics and initiatives called for more collaboration and communication between all stakeholders, and in the long run everybody would benefit from the network established through the Conference. He also thanked all concerned for contributing to the success of the event.

Closing remarks by Mr. Alan Hall

58. Mr. Alan Hall said that the outcome of the Conference would help the WCO take the PICARD agenda forward and therefore ensure that in future Customs would be better armed with academic research and be more respected and properly recognized as a professional institution.
59. He also expressed his gratitude to all the participants and others involved and extended a special thank you to Mr. Lu Peijun, Vice Minister, for honouring the event with his presence.