

A hand in a dark suit jacket holding a glowing blue globe of the Earth. The globe is surrounded by several white and blue orbital lines, suggesting a global or technological theme. The background is dark and out of focus.

WCO SAFE FRAMEWORK of STANDARDS & AEO A World Bank perspective

WCO 3rd Global AEO Conference

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WORLD BANK GROUP



World Bank Group Trade Facilitation Program

- **Goal:** To support client governments in enabling **efficient and sustainable supply chains through modernization and reform of border management** and clearance processes as well as logistics infrastructure and services reducing costs, eliminating bottlenecks, and improving speed, reliability and sustainability of supply chains.



World Bank Group Trade Facilitation Program

- Focus on three areas:
 - Trade-related infrastructure,
 - Logistics services (markets and regulations),
 - and Trade processes / regulatory policy
(Customs and Border Management)



World Bank Group Trade Facilitation Program

- **Demand:**

- Demand from all regions (almost 50 countries in last FY)
- Significant lending for Customs and Border Management, transport projects, **regional integration (corridor) projects**
- Growing fee-for service work program
- Technical Assistance and Advisory services
- Major contributions to ESW, DPLs
- **WTO TFA implementation support**



Border Management Program

- **Strong supporter of border management reform and modernization**
 - Major global provider of funding and TA
 - Financed around 120 Customs and border management reform projects in last 20 years
 - Current WBG lending portfolio of over \$400 m (+ \$100 m's pipeline) + significant TA
 - TF Project related funding: \$7B, 2015

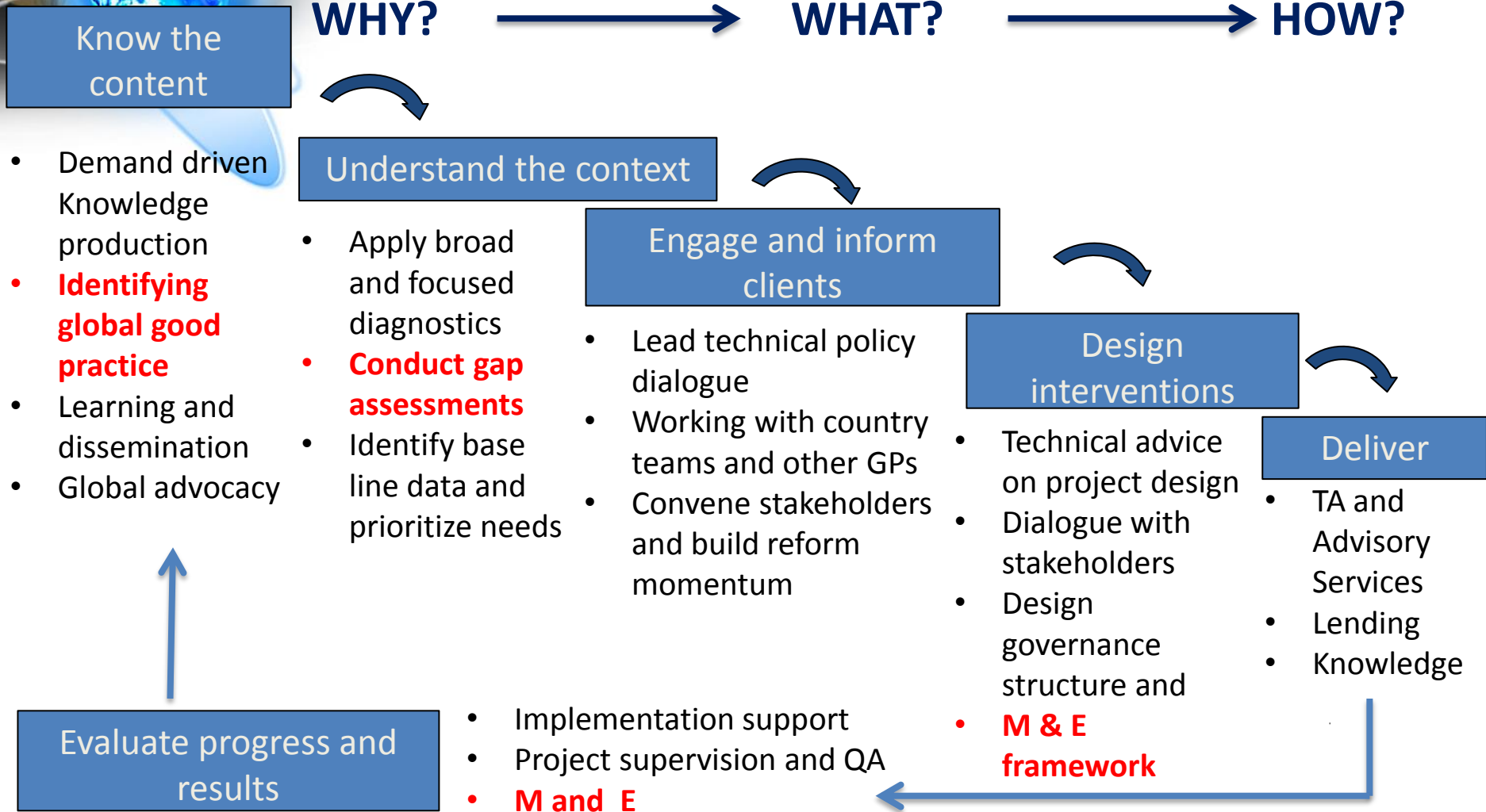


Border Management Program (Cont)

- Progressive **shift from fiscal focus to trade facilitation focus**
- In recent years shift **from pure customs projects to border management**, agency reform and modernization
- Technical support for diagnostics, investment and development policy operations (IDA/IBRD)
- Global advocacy and partnerships **WTO TFA implementation support TA** – 26 national and regional projects (Needs Assessments, Validations, T.A., Action Planning + Implementation of Reforms)



What We Do...





Knowledge Products

- **The Bank has a range of knowledge products and instruments :**
 - **Provide Guidance and support on International Standards and Practices .**
 - Facilitates Implementation
 - Delivery along a continuum (knowledge, policy advice, lending)
 - Practical knowledge products designed to assist Bank Group staff to better engage with client governments and the private sector

Knowledge Products (Cont)

- Global Data (LPI (outcome), Trade costs (impact), Connectivity, Practical toolkits (TTFA, Border Management, Corridor/, Lagging Regions) Performance monitoring tools (truckers surveys, port dwell time, time for release)



Trade and Transport Corridor Management Toolkit

Charles
Robin Ca

BORDER MANAGEMENT MODERNIZATION

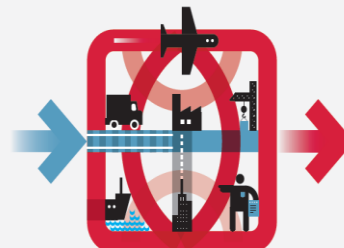


Gerard McLinden, Enrique Fanta
David Widdowson, Tom Doyle; Editors

Connecting to Compete

2014

Trade Logistics in the Global Economy



A WORLD BANK STUDY



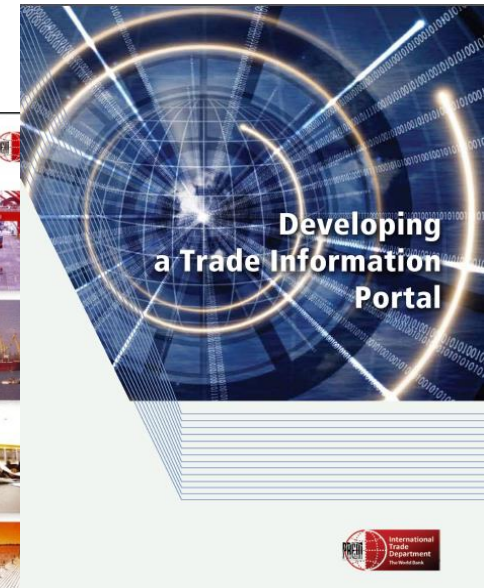
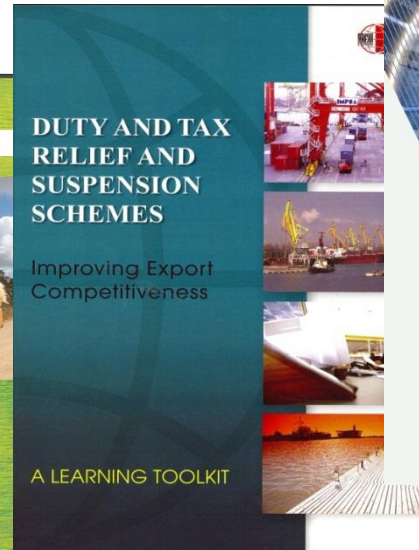
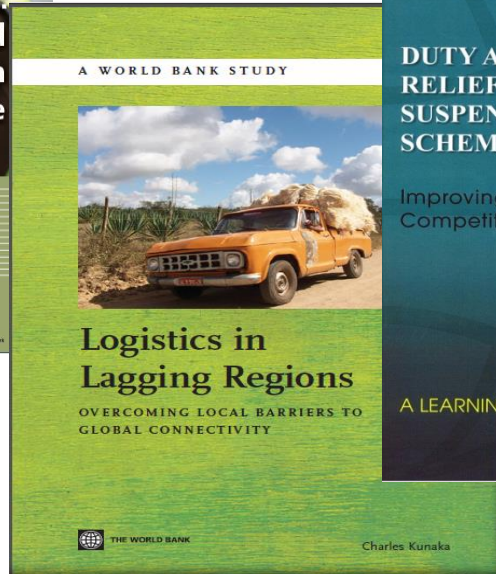
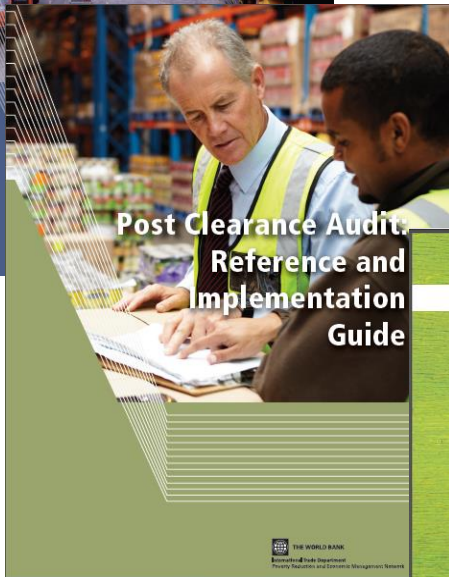
Trade and Transport Facilitation Assessment

A PRACTICAL TOOLKIT FOR COUNTRY IMPLEMENTATION

THE WORLD BANK

Knowledge Products (Cont)

- Border Management Toolkits





Authorised Economic Operator (AEO)

- AEO programs (Pillar 2) integral component of the *SAFE* Framework, Customs-to-Business Partnership.
- AEO programs are a fundamental part of any contemporary Risk-managed compliance framework.
- Move from ‘transactional’ compliance management to ‘institutional’ approach (end-to-end supply chain)
- Beyond-the-Border (deeper and broader) control strategies.





Bank's Approach to Border Management Reforms

How does The *SAFE* Framework and in particular Pillar 2 (AEO) contribute to the design of our TF interventions?

- By establishing a solid framework of practices, standards, rules and principles to base project design and development objectives on, to measure achievement against.
- WCO RKC and *SAFE* are best examples of 'good practice' in this space that can guide our efforts.
- Widely accepted, **169** countries intend to implement.





Bank's Approach to Border Management Reforms (cont)

As part of a broader compliance improvement (Customs Modernization) strategy, including:

- BPR and diagnostics
- Information Technology (NSW / Risk Engine)
- Legislation (revenue / control nexus)
- Infrastructure
- ????

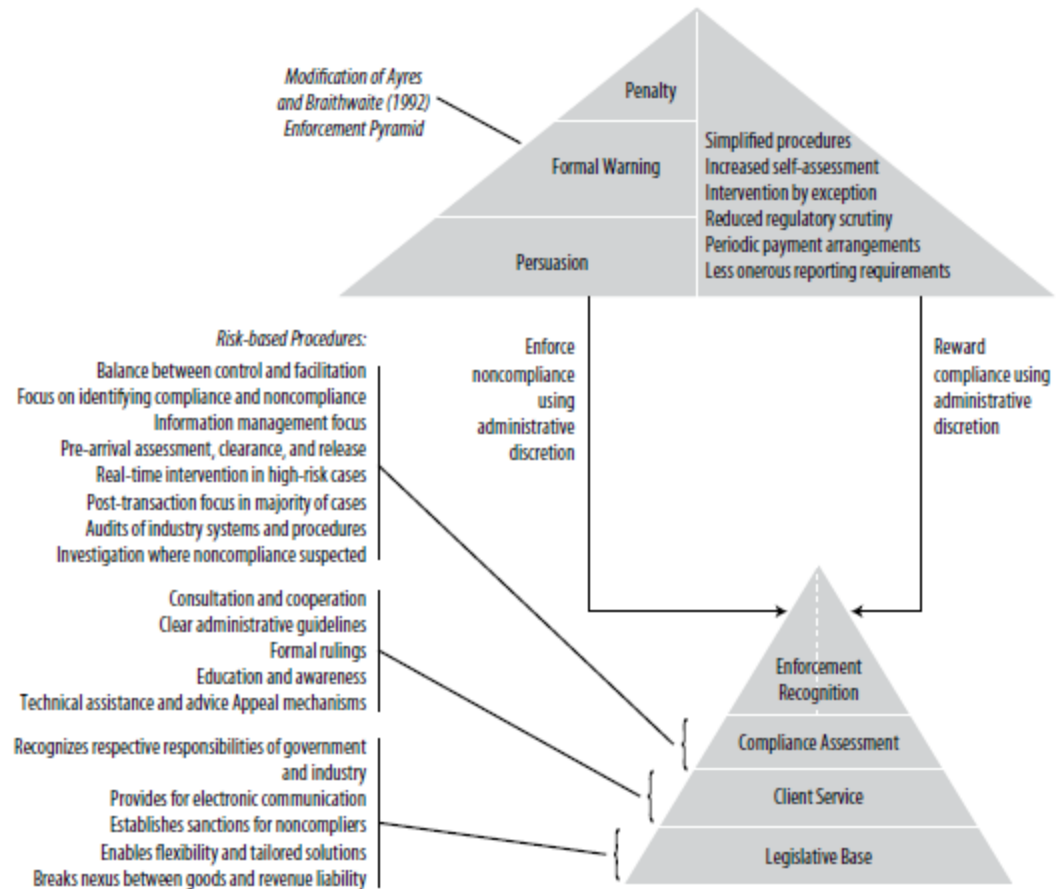
All of these elements can be important components of a comprehensive reform strategy, HOWEVER...





Bank's Approach to Border Management Reforms (cont)

- Risk Management (compliance management) is always a cornerstone.

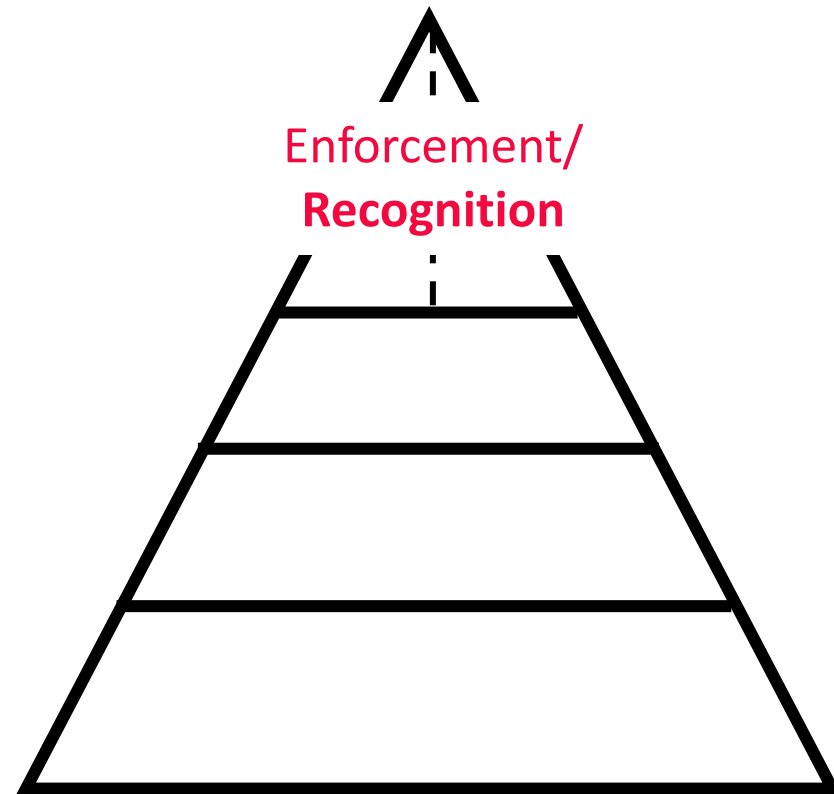




Bank's Approach to Border Management Reforms (cont)

- AEO = Recognition of improved client voluntary compliance levels.

- **Simplified procedures**
- **Increased self-assessment**
- **Intervention by exception**
- **Reduced regulatory scrutiny**
- **Periodic payment arrangements**
- **Less onerous reporting**





Trusted Traders (AEO Schemes)

- Trusted Trader (AEO) Scheme.
- Reduces volume of transactions subject to intervention = improved capacity to apply/adopt risk management
 - Screens out lowest risk transactions, provides greater visibility of potential weaknesses in supply chain even before a transaction has commenced.
 - Promotes greater knowledge of supply chain operations / practices and leverages off capacity of private sector.
- Reduces need for direct contact with client





Partnership between Customs and Trade

There are many factors that speak compellingly in favor of the introduction of Customs-trade partnerships.

- The partnerships are the result of developments in security policy such as an international instrument like the WCO SAFE Framework or working to establish an Authorized Economic Operator (AEO) program.
- The objective of the WCO SAFE Framework is **not only to provide security** for the supply chain, **but also facilitating legitimate trade** at the same time





Partnership between Customs and Trade

- Partnerships can provide Customs authorities and border agencies with a wide range of other benefits, such as:
 - 1) Improvements to a country's trading environment
 - 2) Improvements to a country's competitiveness
 - 3) Linking a country's logistics infrastructure to the global supply chain





Thank You



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www.worldbank.org/en/topic/trade



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