



Report of the Secretary General

Council – 113/114th Sessions

Brussels, 25 - 27 June 2009

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World Customs Organization (WCO)**



Structure of Presentation

- **My priorities – Action in the first six months and challenges ahead**
- **Information on the WCO activities**
- **Policy matters for the Council to decide – Recommendations of Policy Commission**



My priorities

■ **Governance**

- Increase Member participation and raise Customs profile with improved communication

■ **Capacity Building**

- Mobilize all Secretariat resources and regional structure with better donor interaction

■ **Research**

- Centre of excellence with research function for the emerging areas in the 21st Century



Priority 1

Governance – Member Participation

- **Better communication**
 - Monthly report of Management Committee
 - Brussels-based Attachés and Vice-Chair network
 - Active use of WCO Websites
 - Spanish, Arabic, Russian & Portuguese : Language Fund

- **Challenges ahead**
 - Improvement of regional network
 - Expertise for language use : Internship Programme



Priority 1

Governance – Finance

- **Strict management towards balanced budget**
 - Effect of financial crisis minimized
 - Greater transparency – Additional October session of Finance Committee
 - Revenue : 2009/10 + 1.5 % in contributions (2008/09 + 2.3 %)
 - Expenditure : Delay in filling vacancies, 2009/10 + 1 post

- **Challenges ahead**
 - Publications : A focus group in Finance Committee works to determine the new policy



Priority 1

Governance – Raise Profile

➤ **Enhanced communication**

- G20 Leaders Summit in London (April 2009)
- WCO Communication accepted
- New vision with C21

➤ **Challenges ahead**

- Member assistance needed for advocacy to ministers
- Regional economic groups ?



Communication to G20



Governance - Members

■ **State of Contracting Parties**

- **CCC Convention (entered into force in 1952) : 174**
- **HS Convention (1988) : 137**
- **Istanbul Convention (1993) : 55**
- **Revised Kyoto Convention (2006) : 61, including 2 new Contracting Parties this week**
- **CCC Amendment (adopted in 2007) : 29**



Governance & Member Support

■ 174 Members

- 1 new Member : **Bosnia and Herzegovina**
- 2 inactive Members in 2008/09



■ Voluntary contributions 2008/09

- Belgium, EC, France, Germany, Japan, MENA region, Netherlands, Russia, Sweden, Switzerland

■ Technical Attaché contribution

- 28 in Brussels (vs. 49 Technical Officer posts)
- Angola, Bulgaria, China, Finland, France, Germany, Italy, Japan, Jordan, Kazakhstan, Korea, Netherlands, Russia, Sweden, Thailand, Turkey, United States
- Regional structure



Capacity Building

- **Columbus Programme – Quality improvement**
 - Interaction with donors and regional economic groups
 - Documentation : AEO, scanning, management issues
 - Develop a pool of experts in Customs modernization and technical areas
 - Build World Cap database
 - Capacity Building Committee for Member involvement





Capacity Building

■ **Delivery – Steady progress**

- 115 out of 157 Members pledged to SAFE require assistance
- 109 diagnostics delivered
- 73 Members recorded progress in implementation
- EAC, SACU regional integration assistance
- Tripartite agreements

■ **Calendar setting**

- Survey being carried out for regional needs
- Early consultation with donors



Capacity Building

■ Regional structure

- New ROCB in Côte d'Ivoire (West & Central Africa)
- ROCB in Azerbaijan, RTC in Kazakhstan, The Former Yugoslav Republic of Macedonia (Europe)
- Donor support, staffing

■ Challenges ahead

- Availability of human resources in Member administrations
- Regional pool of experts





Research

■ **Research unit**

- Being established gradually

■ **Products**

- Communication to G20 on Global Financial Crisis
- Impact of WTO negotiations on Customs
- AEO typology study
- C21-related research, etc.

■ **Challenges ahead**

- Network with Members, universities and IGOs



WCO Activities

- G20
- Customs and Environment
- Influenza A (H1N1)
- Data Model
- IT Conference
- CEN and nCEN
- HS 2012
- Revenue package
- Origin database
- Palestine
- Regional meetings



G20

■ **Recommendations to G20 (25 March)**

- Promotion of trade facilitation
- Capacity building, including infrastructure to promote trade and investment
- WCO & other international organizations to monitor the trends in international trade and identify best practice

■ **Communiqué of G20 (2 April)**

- G20 took up WCO recommendations
- Letter of thanks from the Office of Gordon Brown, Chair of G20 Summit meeting in London



Customs and Environment



■ Theme for 2009

- Concern of global society

■ Collaboration with competent authorities

- Green Customs initiative with UNEP
- Workshops in India & Kenya

■ International joint operations

- Hazardous waste – Operation DEMETER with 64 countries in Africa, Asia & Europe
- Ozone Depleting Substance – Sky-Hole Patch Operation by A/P RILO & UNEP
- CITES – 15 January
- ENVIRONET – 5 June



Influenza A (H1N1)

- **WHO alert level 4 (27 April) – Risk of pandemic**
 - WCO Letter 1 – Short description, sources of information

- **WHO alert level 5 (29 April) – Pandemic imminent**
 - WCO Letter 2 – General preventive measures and suggested elements of a Customs action plan
 - Coordination & communication with relevant agencies and protection of frontline Customs officers against infection

- **WHO alert level 6 (11 June) – Global pandemic**
 - WCO Letter 3 – Proportionate border measures to avoid over-reaction & protectionist measures



WCO Data Model Version 3

- **Standardized dataset for border procedures**
 - Requirements of Customs & other border agencies
 - Single Window environment, enabler for co-ordinated border management
 - UN/CEFACT approval in April, technical finalization by end 2009

- **Use of Data Model**
 - Gradual introduction at the time of IT system upgrade
 - Council Recommendation



WCO IT Conference

- **Single window and benefits (April 2009, Morocco)**
 - Share experience & exhibit products available on market
 - 600 participants, including 13 DGs of Customs
 - See you all in Ireland in April 2010
 - Technology Conference : 4 - 6 November 2009





Customs Enforcement Network

■ Exchange of information

- WCO non-nominal seizure database
- Input by national contact points



■ CENcomm

- Secure communication tool for joint operations

■ National CEN (nCEN)

- Nominal database at national level for risk management
- Pilot project in Mauritius
- Exchange of information from nCEN to nCEN and to and from nCEN to other databases

World Customs Organization



Say NO to drugs!

26 JUNE 2009



International Day against Drug Abuse and Illicit Trafficking

WCO activities



Illicit drugs

- Operations to destroy drugs and chemical precursors
- Operations using CENcomm : COCAIR (West & Central Africa)



Negotiations at WTO

- **Contact with & influence on national negotiators**
 - Compatibility between draft text and RKC
 - More accessions to RKC and application needed to be recognized as implementation tool

- **Impact study of WTO negotiations**
 - Economic & fiscal, legal, policy, procedural, operative and capacity impacts

- **WCO role in capacity building**



Harmonized System 2012

- **HS review (5-year cycle)**
 - Food security (FAO) & environmental issues
 - Changes in international trade patterns

- **Schedule towards 2012**
 - Development of Explanatory Notes
 - Correlation table between HS 2007 and HS 2012

- **Advance Tariff Ruling System**
 - Review by HS Committee



Revenue Package

- **Fair & efficient revenue collection**
 - Pressure following global financial crisis
- **Schedule of available WCO tools & programmes**
 - Usage for national administrations – Checklist
- **Work programme**
 - Gap analysis and identify potential further work areas, including capacity building
 - Consultation with Committees & Regions
 - Submission to December 2009 Policy Commission
 - Forum on Revenue Organization Structures :
10 - 11 December 2009



Origin Database

http://www.wcoomd.org/OriginDB/AgreementsList.aspx?type=name&letter=C



Logout ?



ORGANISATION MONDIALE DES DOUANES
WORLD CUSTOMS ORGANIZATION

- Search
- All Agreements
- Compare rules
- Maps Links
- Forms Sample

All Agreements

A B C D E F G H I J K L M N O P Q R S T U V W X Y Z All

by Name by Countries

AGREEMENT NAME	COUNTRIES INVOLVED	ENTERED INTO FORCE	
Canada - Chile	Canada, Chile	July 5, 1997	
Canada - Costa Rica	Canada, Costa Rica	November 1, 2002	
Canada - Israel	Canada, Israel	January 1, 1997	
Caribbean Community and Common Market (CARICOM)	Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, Trinidad and Tobago	August 1, 1973	
CARICOM - Cost Rica	Antigua and Barbuda, Bahamas, Belize, Costa Rica, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, Trinidad and Tobago	November 15, 2005	
CARICOM - Dominican Republic	Antigua and Barbuda, Bahamas, Belize, Dominica, Dominican Republic, Grenada, Guyana, Haiti, Jamaica, Montserrat, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, Trinidad and Tobago	December 1, 2001	



Palestine

- **CB assistance for Palestinian Authority Customs**
 - WCO Diagnostic
 - Strategic Plan workshop (WCO, ROCB, USAID)

- **Al Siyadeh Programme**
 - 3.5 year Action Plan approved by Authority in April 2009
 - Single Window and Single File

- **Stakeholder Conference on 24 & 25 May 2009**
 - Pledge of support from donors, including Israel Customs
 - WCO strategic support through regional structure



Regional Meetings

- **North of Africa, Near and Middle East**
 - Egypt, 1 - 2 February

- **West & Central Africa**
 - Republic of Congo, 16 - 17 April

- **East & Southern Africa**
 - Zimbabwe, 14 - 15 May

- **Europe**
 - Norway, 18 - 19 May

- **Americas**
 - Telephone conferences - 3, 5, 8 June
 - Colombia, 7 - 10 September

Policy Commission recommendations



- Trade security & facilitation
- Global financial crisis
- C21
- Strategic Plan
- IPR
- Capacity Building
- Audit
- Composition of Policy Commission
- Enforcement Committee – Terms of Reference

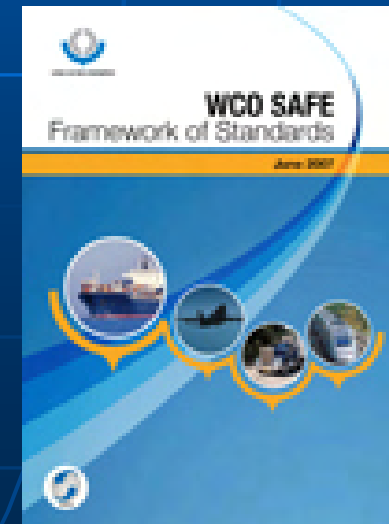


Trade Security & Facilitation

- **100 % Scanning Law**
 - Constructive engagement with US Congress
 - Risk management approach as alternative – Survey on SAFE implementation to show progress & CB needs

- **Trade Recovery Guidelines are ready**
 - Based on APEC model (Singapore)

- **Revised Kyoto Convention**
 - Identification of gaps
 - Promotion





Global Financial Crisis

■ **Regional best practice**

- Dialogue with trade, reduction in tariff, deferred payment, guarantee conditions, advice to governments on trade and revenue, etc.
- Continue sharing best practice

■ **WCO actions**

- PC Communiqué (December 2008)
- WCO Communication (March 2009)
- Draft WCO Resolution (June 2009)



C21

■ **C21 Action Plan**

- Priorities of Regions and Committees being identified
- Linkage to Strategic Plan

■ **Globally Networked Customs**

- Creation of an ad hoc Working Group
- Feasibility study from a strategic standpoint
- Incremental approach : no need for outside experts at the initial stage – use of internal Research Unit

■ **Co-ordinated Border Management**

- Inter-agency Forum on Border Management: 29-30 June



Strategic Plan

■ **New format**

- Environmental scan : global financial crisis, C21
- Key result areas for mid-term
- Yearly priorities for each Directorate
- Linkage with C21 Action Plan

■ **Priorities**

- Based on recent developments in WCO activities
- Incorporating C21 priorities of Regions & Committees



IPR Border Protection

■ **SECURE WG**

- Deadlock on Terms of Reference and role of Customs
- Fear of “TRIPS plus” obligations

■ **An ad hoc group met to find a way forward**

- Informal consultation on June 4 among 22 Members resulted in the draft Terms of Reference for a new IPR group

■ **Technical assistance**

- Growing demand from a significant number of Members



Audit – Approval of Reports

- **Financial year 2007/08**
 - Financial audit report, acquit SG of his responsibilities
 - Increase in staff remunerations be considered by the Finance Committee as a whole, not just its Chairperson

- **Management**
 - Report of Audit Committee



Capacity Building

- **CB Committee**
 - High Level WG on CB
 - Terms of Reference
 - An informal Working Group in preparation for the first Committee meeting

- **Guidelines for WCO recognition of University Customs Curricula**



Composition of Policy Commission

- **December 2008 PC recommendation**
 - Interim solution: additional six members – one per region
 - Review of composition of PC by a Working Group

- **June 2009 PC recommendation**
 - Functional, agile & responsive
 - Review set aside for the time being
 - Interim solution implemented
 - Need for a review considered after 2 years in the light of experience gained



Enforcement Committee

■ Terms of Reference

➤ Firearms

➤ Where applicable*, the transborder movement of people and goods affecting health and safety

➤ *Where applicable = where the Customs administration has the legal mandate to act