

## **CAPACITY BUILDING REGIONAL STRUCTURES**

### Introduction

1. The WCO has been developing a broader presence in the regions over the past 10 years through the development of a number of Regional Training Centres (RTCs) and more recently the Regional Offices for Capacity Building (ROCBs) whose overall strategy has been to deliver organizational development support to Members, to project WCO strategy, to exploit regional synergies, to liaise closely with regional and local stakeholders and donors supporting capacity building, and to deal with region-specific issues in a more immediate and relevant way. The continuing development of the RTCs will focus on bringing training closer to the end-user through the development of regional training expertise and the expansion of the blended learning network.
2. The expansion of the ROCB network to cover five of the six regions and the experience gained after two years of operation have identified a requirement to develop more appropriate policy guidance and governance mechanisms. These are aimed at ensuring a consistency of approach and an appropriate level of accountability whilst retaining the flexibility required to meet specific regional needs.
3. Finally, there is a need to address the support requirement placed on the Secretariat by the ROCBs in terms of attendance at expert seminars, specific development events and other requests for support. With five Offices the current level of support provided is unsustainable unless better planning, co-ordination and reporting is introduced.
4. This paper provides this policy guidance and governance mechanisms. It also provides, at **Appendix 1**, an outline of the requirements to establish an ROCB or RTC. In applying these mechanisms, the WCO will recognize the differing level of development of the ROCBs and use risk management techniques to ensure that a balance between the consistency of policy and the flexibility of delivery is maintained.
5. The paper does not cover the role and purpose of the Regional Intelligence Liaison Offices (**RILO**) which are an operational area of the WCO and are governed and managed by the Compliance and Facilitation Directorate of the Secretariat. Further information on the role and requirements of these Offices can be found in WCO Documents : ECO194/1b 20.12.2006, ECO161/1 07.01.2004, ECO134/2 14.05.2003, and the WCO RILO Network Brochure.

### The status of the Regional Office for Capacity Building

6. The fully established ROCB will require a formal agreement, normally in the form of a Memorandum of Understanding between the WCO and the Government of the host country. This agreement should cover the requirements of the host Government and the WCO to enable the Office to engage staff from other countries within the region.
7. The agreement should also indicate its term, the support offered by the host Government and any conditions applied to local staff engaged by the Office.

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8. To achieve this, it has been necessary in each region for a Member to initially host the Office and manage the process of establishing the Office. The Secretariat is grateful to the Customs Administrations of Argentina, Côte d'Ivoire, Kenya, Thailand and the United Arab Emirates for their generosity in undertaking this role. The initial requirement for these host administrations is outlined in **Appendix 2** to this document.

The role of the Regional Office for Capacity Building

9. Primarily, the role of the ROCB is to promote and support the implementation of the objectives of the WCO at a regional level. In carrying out its role, under the supervision and guidance of the Secretariat (represented by the regional contact point), the Regional Vice-Chair and the respective Directors General, the ROCB has the following responsibilities :

- To co-ordinate Customs capacity building activities in the region.
- To develop staff within the region to be able to support Members with organizational development.
- To support the implementation of international standards for Customs and trade according to the SAFE Framework of Standards and to provide support for the development of the Revised Kyoto Convention.
- To establish projects in individual Members of economic regions which implement the identified Columbus Programme objectives.
- To co-ordinate the activities of the Regional Training Centres.
- To develop, promote and maintain partnership with key regional stakeholders.
- To identify and co-ordinate the needs of the region.
- To report quarterly the work of the ROCB to the Capacity Building Directorate and the Regional Vice-Chair.
- To identify policy gaps to the Secretariat.
- To represent the WCO at appropriate regional fora.
- To promote and, where appropriate, manage Secretariat activities in the region.
- To translate key Secretariat documents into regionally common languages.

10. In partnership with the Secretariat and the Vice-Chair, the ROCB will develop and maintain an overview of the Customs organizations it serves, estimate the development requirement for each Member, and develop a regional strategy supported by mission statement, vision, and goals covering a period of three to five years.

11. To determine the specific activities, the ROCB will develop, manage, implement and monitor an annual operational plan. This plan will cover :

- Specific project activities.
- Seminar activity.
- Liaison with the regional Members through surveys, diagnostic missions and evaluation activities.
- Liaison with the Capacity Building Directorate of the WCO.
- Development of appropriate databases based on the WORLDCAP programme.
- Liaison with other regional structures representing stakeholders and donors.

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- Promotion and support for bilateral or multilateral benchmarking of Customs administrations.
- Attendance at appropriate regional meetings.
- Attendance at relevant meetings at the Secretariat.

Operational activity

12. The major operational activity of the ROCB is to give strategic guidance and support to the senior management of Customs in the region in their reform and modernization programmes and the implementation of WCO conventions, frameworks, standards, best practices and guidelines through encouraging change, and initiating pilot and longer-term development activities. Here the ROCB will need to :

- Develop, manage and monitor a pool of experts in organizational development and technical Customs matters.
- Organize and manage high-level seminars for senior managers, which explain new initiatives and their implications.
- Provide action planning and monitoring support for Columbus Phase 2 actions based on the needs identified at the diagnostic stage.
- Identify common issues amongst the Members in the implementation of new initiatives and provide seminars, workshops, or direct consultancy to address them.
- Seek opportunities to establish development projects, with the support of the Secretariat, evaluate lessons learnt and distribute advice to Members.
- Evaluate the developmental progress of the Members at regular intervals, to both confirm progress and identify further development requirements.
- Liaise with the Secretariat to propose and prioritize technical external assistance to Members.

13. There are many regional structures and donor organizations which have an interest in the development of Customs and of border management in general. These represent the interests of common economic zones, economic operators, other border management agencies and aid agencies. The role of the ROCB is to :

- Identify key regional organizations and establish a regular communication with them.
- Identify developmental projects of interest to regional stakeholders.
- Attend appropriate regional fora and promote the WCO agenda.
- Organize donor conferences.
- Identify support capital for infrastructure development projects.

14. The prime responsibility for the development and delivery of training lies with the Regional Training Centres. The ROCB, however, does have an important role to :

- Co-ordinate the activities of the Training Centres in the region.
- Encourage Regional Training Centres to develop specialist training products e.g., management training, business skills, enforcement, compliance, etc.
- Identify training needs at a strategic level.
- Evaluate training impact at a strategic level.

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15. With the support of the regional Members, the ROCB should develop and implement a communication strategy to :
- Establish and maintain a regional Web site.
  - Look for sustainable solutions to deal with language requirements in the region, and ensure translation of key documents and instruments of the WCO.

The role of the Secretariat

16. The role of the Secretariat, acting on behalf of the Council, is to :
- Agree/confirm the status of the ROCB and monitor the Memorandum of Understanding with the host Government.
  - Establish and maintain risk analysis for the ROCBs and RTCs to enable a risk management approach to be taken to audit and governance.
  - Ensure that the ROCB follows strategies and policies which are in line with the overall capacity building strategy and other policies of the WCO as approved by the Council.
  - Agree the annual plan.
  - Ensure that the performance of the ROCB is audited and evaluated.
  - Support the development of the ROCB.
  - Promote the ROCB within the region and to the international development community.
17. To carry out this support role, the Secretariat will assist when required with :
- Negotiations with host Governments.
  - Providing Diagnostic and other developmental information on the region to the ROCB.
  - Updating the ROCB on WCO developments and policies.
  - Provision of WCO publications and other WCO tools and instruments to the ROCB (library copies only).
  - Training and development of ROCB staff.
  - Negotiations with sponsors and donors to fund the establishment of the ROCB<sup>1</sup>.
  - Negotiation with international sponsors and development donors for the funding of projects within the region.
  - Conduct regular audits.

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<sup>1</sup> Note : The WCO Secretariat does not have a budget for the establishment of ROCBs. This is normally expected to be funded either by the host Member, the region or through donor funding.

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The role of the Vice-Chair

18. The Vice-Chair has a key role in the work of the ROCB and ensuring its regional relevance. This role should be exercised through :
- Contributing to the overall strategy and annual planning process of the ROCB.
  - Agreeing the annual plan before submission to the Secretariat and the regional Directors General.
  - Promoting the use of the ROCB by the region.
  - Encouraging regional support for the staffing and funding of the ROCB.
  - Assuring the region that the ROCB is meeting the objectives set for it.
  - In close co-operation with the ROCB, co-ordinating the results reporting and progress reporting in standardized formats to the Secretariat (Capacity Building Directorate) and the Policy Commission.

The role of the host administration

19. The long-term role of the host administration is to :
- Provide the office accommodation for the ROCB, normally from within the existing Customs estate.
  - Provide the basic communications (e.g. telephone, Internet, etc.).
  - Provide the administrative support for the ROCB.
  - Provide the estates management for the ROCB (e.g. cleaning, maintenance, etc.).
20. See also Appendix 2 (Interim role of the host administration).

Governance

21. Taking into account the regional particularities and the roles listed above, the ROCB, working with the Regional Vice-Chair, will be required to produce a costed annual working plan. This annual plan must be agreed with the Capacity Building Directorate of the World Customs Organization before being submitted to the Regional Directors General for approval.
22. For the foreseeable future, the ROCB will be evaluated against five main criteria :
- Compliance with Council policy.
  - The impact of the annual plan at a regional level.
  - The SAFE Framework of Standards evaluation matrix.
  - The Phase 2 Columbus Programme objectives as articulated in the diagnostic reports.
  - Proper financial management.
23. The ROCB should report to the Secretariat and to the Regional Vice-Chair on the progress and implementation of the plans every four months. The ROCB will be subject, on a risk management basis, to external financial and management audits by the Secretariat. Individual projects will be audited in line with the audit requirements

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included in the Terms of Reference. Regional Directors General may wish to supplement these assurance procedures through the Vice-Chair.

Funding

24. It is important that the ROCB is seen to be relevant to the regional Members and it is, therefore, the intention that the Office's operating and administrative costs should be completely funded from the region within three to five years of its opening.
25. In order to initially develop the Office, funding may be obtained from non-regional donors and the Secretariat will be able to assist with this process. All funding proposals to donors for office costs must be quality assured by the Capacity Building Directorate before final submission.
26. Executive staff for the ROCB should be provided by the regional Members and, apart from the host Member staff, should be officially accredited by the host Government. Administrative staff should be provided by the host administration and paid at local rates.
27. Apart from short periods of secondment for specific projects, staff should not be engaged from outside the region.
28. Project funding for regional projects should, wherever possible, come from regional donors and will be subject to the conditions applied by individual donors<sup>2</sup>.

Regional Training Centres (RTCs)

29. The regional training network will be subjected to a full-scale review in 2008/2009. Until the review findings are available, the existing rules and guidelines will continue in force.
30. Training and training methodologies vary widely globally, depending on the cultural dynamic of the society they serve. The WCO's RTCs, therefore, have a critical role to play in the development of Customs administrations regionally, through the delivery of regionally relevant and adapted training and training services.
31. Historically, the RTCs have been developed independently from one another and, whilst this has enabled early development to take place, it is currently WCO policy to improve the co-ordination between them at a regional level. It is hoped that this will avoid duplication, encourage specialists in particular topics and make better use of resources. Where an ROCB exists, it will have a major role in supporting this co-ordination. Under the WCO strategy, the RTCs have four main roles :
  - The development of regionally relevant training.
  - The maintenance of specialist trainer pools.
  - The provision of specialist training at a regional level.
  - The development and support of the WCO's blended learning programme.

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<sup>2</sup> The Capacity Building Directorate also considers as regional donors the regional branches of global donor organizations. However, the co-ordination and engagement with donors with a global perspective will remain within the WCO Secretariat.

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32. In addition to training for the Customs administrations, there is a growing need for training in Customs matters in the private sector. Provision of such training is important both for the development of effective relationships between Customs and economic operators and as a potential source of income for the RTC.
33. Based on the strategic assessment of regional need, provided either by the regional Directors General or the ROCB, the RTC should develop specific training programmes for the region. This can be based on adapted material provided by the Secretariat or by developing specific regional material.
34. From the emerging findings of the Columbus Programme, there is a particular need to develop programmes which improve the overall management skills of the Members, both in terms of Customs operational management and business management skills, such as programme management, project management, change management, etc. Here engagement with the private sector, both for development and delivery of such training, should be encouraged.
35. As part of the WCO training strategy to bring training as close as possible to the end-user, the RTCs - working in co-operation with the Capacity Building Directorate of the WCO - will be expected to maintain pools of accredited trainers for Customs specialist subjects, such as Valuation, Classification, Origin, etc. A programme for the development of these specialists began in 2006 and will continue to develop in 2008/2009.
36. The provision of specialist training at a regional level is the major role of the RTC. Based on annual training needs surveys, RTCs should mount regionally relevant training, either at the RTC or in accommodation provided by Members.
37. In mounting training programmes, priority should be given to those where the training given can be fully supported by the administrations from which the trainees come when they return. This may require the development of additional training for managers so that they can fulfil this role.
38. Wherever possible, the RTCs should install the WCO e-learning platform and blended learning modules. These programmes provide an important source of learning which can be accessed by staff at all levels. They do, however, require the support of a tutorial process which should be managed and monitored by the RTC. The specialist pool of trainers should provide the basis of this tutorial support.
39. The installation of the WCO e-learning platform in the RTC will also allow the tailoring of the courses according to specific regional needs and characteristics.
40. In support of their primary roles, the RTCs will also have the following responsibilities :
  - To develop and maintain an annual training plan.
  - The maintenance of accurate management records on the training provided.
  - The evaluation of the training given in terms of student reaction, learning achieved and transfer of learning to the workplace. (The overall impact of the training should be evaluated by the ROCB or Directors General).

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- In addition to the training mounted by the RTCs directly, they should be able to supply training materials to Members to enable them to mount their own training.

The Secretariat (Capacity Building Directorate)

41. The WCO Capacity Building Directorate has the overall responsibility for the policy for the regional structures and the provision of support and guidance. In meeting this responsibility, the Directorate recognizes that there will be a need for regional variations in approach. The day-to-day management of the ROCBs and RTCs, therefore, remains the responsibility of the Directors General in the region they serve and the Head of the ROCB or RTC and the Regional Vice-Chair.
42. The Capacity Building Directorate will, however, wish to approve the strategic direction of each ROCB/RTC and approve the annual plan before it is agreed with the Regional Directors.
43. The Secretariat will also be responsible for arranging the financial and management audits and reporting findings to the Regional Directors General. It will also approve all financing proposals made to external donors.
44. The Secretariat will also arrange for regular contact with the ROCBs/RTCs and, where appropriate, arrange for conferences and meetings to be held.

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Appendix 1 of Annex to Capacity Building Operational Strategy

**PROCEDURES AND REQUIREMENTS**

**(I) Regional Offices for Capacity Building (ROCBs)**

To establish an ROCB first requires the formal support of the Regional Directors General through the adoption of a resolution to Council at their annual Regional Meeting. To obtain this resolution, a formal costed proposal must be made by the Member wishing to establish a ROCB. This will include :

- A Mission and Vision statement for the ROCB.
- A Strategic Plan covering the initial three years of operations for the ROCB.
- A proposal for the funding of the Office (The costs for the establishment and administration [*fixed costs*] of the ROCB should normally be funded by the regional Members themselves. However, initial start-up funding from the host Member, a donor Member or an international donor is permissible for the first three to five years. Costs for projects implemented by the ROCB [*programme costs*] are normally expected to be funded by external donors.
- Confirmation from the Government of the host Member that the Office will be able to recruit staff from any of the regional Members for the foreseeable future.

Practice so far has been for the host country to provide the office accommodation and clerical support staff for the Regional Office, with the executive staff recruited from the region. These executive staff should be in position within one year of the opening of the ROCB. Salaries and allowances for the executive staff are normally paid by their home administration.

The fixed costs will need to include :

- Travel and subsistence within the region for representation purposes, and to the Secretariat.
- Communications costs - printing, telephone, fax, IT.
- Publicity materials and campaigns.
- Limited representation expenses.
- Transport (if required).

The Programme costs will need to include :

- Travel and subsistence for projects.
- Seminar costs.
- Meeting costs for the co-ordination of the RTCs.

The ROCB will be subject to financial and performance audit by the WCO's external auditors.

The resolution passed by the Directors General, accompanied by the Mission Statement, Vision Statement and Strategic Plan, should be initially sent to the Capacity Building Directorate at the Secretariat for assessment and agreement before being formally presented to the Council by the Regional Vice-Chair.

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The Capacity Building Directorate of the WCO is available at any time before or during this process to assist the Members with the development of the ROCB proposal and/or programme.

There should be a clear process for the appointment of the ROCB Head. Candidates for the ROCB Head should be presented for decision by WCO Members at a Regional meeting. The Capacity Building Directorate should be consulted as part of this process but does not have a role in confirming the appointment.

ROCB Heads should have tenure no longer than five years in order to promote the concept of rotation.

The ROCB Head should be dedicated solely to the work of the ROCB and not have responsibilities of any other organization, such as his/her home administration.

Within three years of the ROCB's establishment, the office should have Attachés from at least three different WCO Members.

**(II) Regional Training Centres (RTCs)**

Regional Training Centres (RTCs) also require the approval by resolution of the regional Directors General. However, they do not need to be presented to the Council.

This approval should be based on :

- A Mission and Vision statement for the RTC.
- A Strategic Plan covering the initial three years of operations of the RTC.
- A proposal for the funding of the Centre (The costs for the establishment and administration [*fixed costs*]).

The Secretariat would encourage the Directors General to ensure that the RTC is meeting a clearly identified need and, wherever possible, to specialize in the development provision of one major aspect of Customs training (e.g. management training, operational training, specialist skills, etc.).

The RTC must also agree to :

- Co-ordination by the ROCB.
- The installation of the WCO e-learning system.
- The promotion of the WCO's training policy and materials.

The staffing, accommodation and fixed costs of the RTC are normally expected to be met by the host Member.

The Mission Statement, Vision and Strategic Plan will require the approval of the ROCB and/or the Capacity Building Directorate of the Secretariat. Annual plans will also require this approval.

The RTC will be required to maintain at least one classroom and one computer suite for use by the WCO Secretariat, when required.

## **INTERIM ROLE OF THE HOST ADMINISTRATION**

The long-term role of the host administration has been outlined in paragraph 9 of the main document and it is the intention that the existence of an ROCB within the Member administration should create minimal long-term administrative burden. It does, however, need to be acknowledged that for the interim period between the ROCB being prepared for opening and the full implementation of an independent WCO Office, a number of requirements will be placed on the host administration.

The Secretariat will make every effort to secure external funding for this interim phase, but experience so far has shown that this is not always possible. It is therefore expected that for a period of up to 18 months from the announcement of the location of the ROCB, the host administration will be asked to :

- Provide the acting director for the ROCB.
- Negotiate with the national administration to determine the status of the Office.
- Provide basic office accommodation and equipment.
- Provide limited funding for travel and office supplies for the ROCB.
- Liaise regularly with the acting director.
- Work to identify donors for the ROCB.
- Report development activity to the Vice-Chair, Directors General and the Capacity Building Directorate.

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