



CAPACITY BUILDING COMMITTEE

3rd SESSION
Brussels, 27 – 29 February 2012

Executive Summary

29 February 2012

The Third Session of the WCO Capacity Building Committee (CBC) took place in Brussels on 27 to 29 February 2012. Some of the main outcomes are the following.

1. Delegates re-elected Mr. Chris Henderson from Canada as Chair of the Capacity Building Committee. Mr. Xiangyang Sun from China was elected as Vice-Chair of the Capacity Building Committee.
2. The Secretary General welcomed the work accomplished thus far by the CBC. He re-emphasized the WCO's Corporate Approach to Capacity Building which spanned all WCO offices including the regional infrastructure. He recalled the WCO strategic roadmap for Customs Capacity Building in the 21st Century which was supported by the CBC at its Second Session, including the strategy to further expand development and delivery of Customs Capacity Building; strengthen the knowledge-based approach and raise the WCO's profile as an information centre on Customs development, and; use existing tools and test new ones for Customs Capacity Building. He also outlined the WCO's wide-range of capacity building activities under the two broad areas of Customs Competencies and Human Resource Development.
3. The Secretary General described the WCO's clear, regular, structured, and successful donor engagement policy. In particular, he thanked each of the large number of Customs capacity building donors, which have made possible the extensive delivery of capacity building to developing countries. He also emphasized the close cooperation and partnership with Multilateral Development Banks (MDBs). The WCO has signed MOUs with several MDDs and conducted many collaborative activities, including donor regional meetings and use of the Time Release Study methodology.
4. The Secretary General cited the importance of the systematic approach of WCO Capacity Building delivery based on needs expressed by Members and donor matching. He said that capacity building needs are identified in various ways, especially Member requests and through the WCO's regional network (Vice Chairs, ROCBs, and RTCs). The WCO then updates its capacity building plan and assists with donor matching with its broad network of donors. Capacity building is then delivered using the WCO's vast pool of Customs experts, especially from the Secretariat and WCO Members.
5. The CBC welcomed the panel session on "*Agile and Responsive Customs in the 21st Century through Reform and Modernization*" which put Members' experience and development strategies in the focus of the CBC. Mr. Ernani Checcucci, DG of Brazil Customs as Chair of the panel, Mr. Gregorio Lora, Adviser to the DG, Dominican Republic customs, Ms. Milena Budimirovic, Customs Attaché of Serbia in Brussels, Mr. Mamane Labo, Adviser to the DG of Niger Customs,

and Mr. Jerome Frey, Group Executive Modernization and Strategy Design, South African Revenue Service, shared their practical experiences and lessons learned in reform and modernization of their administrations.

6. Mr. Checcucci introduced the panel and stated the focus would be on the “how” of modernization – how to implement an organizational development process. He shared Brazil’s experience as one of the first countries to receive a WCO Diagnostic Mission. Based on the report findings, a *National Customs Organization Project* has been in place since 2006/2007. Effective project management was and continues to be a key element in the reform and modernization process.
7. Reflecting on the modernization process conducted in the customs administration of the Dominican Republic, Mr. Lora stressed the importance of a dedicated team, responsible for coordinating the change process and “creating enthusiasm”. This permanent implementation team guaranteed continuity despite changes in government. Some of the key results his Administration was able to demonstrate to donors included how they manage accurate revenue collection, simplification of processes and the use of WCO tools.
8. Ms. Budimirovic started her contribution by expressing the “start from scratch” situation in which the Serbian Customs administration found itself after difficult political times. She pointed out that the main driver for their reform programme was their regional situation, i.e. desire for EU integration, as well as finding their place within the international Customs Community. Serbian Customs benefitted from and coordinated projects with different donors, including a World Bank project, several EU Customs Blueprints-based programmes and since 2005, WCO Columbus Programme support. Based on the WCO diagnostic mission, an action plan was developed by the administration and adopted by the Serbian Government. One of their priorities was to re-position Serbian Customs at the national and international level through co-operation with the WCO in the area of Integrity. Results included the establishment of an internal affairs unit, a code of conduct and designing a corruption risk atlas.
9. Mr. Labo, Niger Customs, emphasized the importance of having a strategic plan in place to drive the reform and modernization process. In co-operation with the WCO, a strategic plan was developed in 2009 for a 4-year period and adopted by the Niger Government in 2010. At the time, this approach attracted the appropriate level of political support. Unfortunately, due to political instability, the Customs reform process was suspended. After new elections, a national programme called “rebirth of Niger” to fight poverty re-opened the possibility to embark on Capacity Building and reform and modernization. Mr. Labo saw as key elements of their development process: good governance and contributions of stakeholders, which included private sector involvement in the fight against corruption.
10. Mr. Frey looked back at how SARS, an integrated Customs and Tax Revenue Service, conducted a reform and modernization process over the last four years. At the beginning, they took time to study the current situation and difficulties and based on the findings, they developed a sound strategy which they validated with international consultants and the WCO. Administrative will and support were shown by the Commissioner and the Executive Committee of SARS. He gave the example of a nation-wide “road show” as part of the reform communication strategy to bring the entire staff “on board” and to overcome resistance to change. Mr. Frey emphasized the need for precise plans to implement change, including defining precise steps and goals.

11. The CBC took note of the thought-provoking deliberations and participated in lively discussions on pre-conditions to sustainable development and modernization of Customs administrations. Delegates agreed that key factors to successful organizational development included: ownership, political and administrative will, strategic planning including a clear vision for the operating model, co-operating with partners and stakeholders, as well as sound internal and external communication.
12. Participants welcomed the WCO Capacity Building Report, as outlined in Doc. HC0026, which was presented by the Director for Capacity Building and took note of the Capacity Building work progress made since the 2nd Capacity Building Committee. The Committee stressed the importance of showing outcomes and trends in WCO Capacity Building delivery. In this respect, they supported the new approach used to report progress in Member countries through the Capacity Building Progress Report. This document will be published twice a year and will require ongoing exchange of information between Members, RTCs, ROCBs, VCs and the WCO Secretariat.
13. The CBC endorsed the outline of the Orientation Package for Decision Makers, as presented in doc. HC0027. It recommended further work on the package be undertaken by the Virtual Working Group on Donor Co-ordination and Engagement. The Group will look into further content and layout questions of the document as well as into how to use the package in practice.
14. The CBC acknowledged the work carried out by the Virtual Working Group on Performance Measurement and endorsed the documents submitted by the group.
15. Participants took note with interest of the successful implementation of a Columbus Phase 3 mission, which took place in Kenya in 2011. The Committee congratulated Kenya on their well documented modernization process and recommended sharing Kenya's and other successes with partners and stakeholders outside the Customs Community. The CBC did not endorse the Self-Assessment Questionnaire as annexed to Doc. HC0029 and recommended the WCO Secretariat, together with interested Members, consider how best to develop and use it.
16. The Committee approved the content and material of the WCO Leadership and Management Development Programme (LMDP). It encouraged the maintenance of an informal LMDP Advisory Group to support and advise on the development of Programme modules. The group is open to all interested parties.
17. Participants welcomed the intervention by Interpol who shared their experience in the area of Law Enforcement Administrations Leadership and Management Development. Interpol stressed the importance of co-operation with the WCO as well as that between Police and Customs administrations at the national level in joint Capacity Building and training activities, which have the potential to then lead to joint operations.
18. Delegates once again welcomed the opportunity to work in 2 break-out group sessions on the following topics :
 - (1) *Professionalism in Customs and People Development as well as National/regional programme accreditation initiatives*
 - (2) *Donor Engagement and Co-ordination as well as Research in the Customs Capacity Building context.*

The CB Directorate was tasked to take into account the deliberations of the 2 break-out groups as presented during the session.

19. The CBC took note of the reports by the Chairs of the Working Groups on Customs Career Path and Training and on Donor Engagement and Co-ordination and thanked all participants of these Groups for their intersessional work.
20. Related to the future work of the WG on Customs Career Path and Training, the CBC again acknowledged the importance of raising awareness of professionalism in Customs. The Committee approved the WCO Framework on Customs Career Development and Training approach and outline. Customs practitioners from Member administrations, academia and private sector underlined the usefulness of the framework to review and benchmark practices and to provide practical solutions for implementation. They also highlighted the Customs-University connection in this regard. As a concrete step forward, the Committee recommended the WG use their findings and good practices collected from Members in order to update the Capacity Building Development Compendium and the Diagnostic Framework. It was also recommended that the findings of the WG should be taken up further in the work on a PICARD 2020 strategic document.
21. Related to the work of the WG on Donor Engagement and Co-ordination, the CBC recognized the considerable efforts of the WCO Secretariat, Members and Donors undertaken during recent years to further increase co-operation for the benefit of Members. The Committee recommended the following steps forward:
 - To continue the roll-out of regular regional donor events;
 - The Working Group to continue to look at best practices used on regional and/or national level;
 - To regularly discuss donor engagement and co-operation during future Sessions of the Capacity Building Committee;
 - the Working Group to look at ways of communicating Customs Capacity Building results, incl. the collection of case studies;
 - the Working Group to update the respective chapter on donor co-operation and interaction within the WCO Capacity Building Development Compendium, based on their findings; and
 - the WCO Secretariat to carry out a study of the possibilities of creating a global “WCO Capacity Building Fund”, drawing from experience from other international organizations as well as from findings of the WG.

Participants also saw a clear need for further WCO Capacity Building to Members on project and business case development as well as on interaction with donors in general.

22. Additional recommendations of the CBC after the Break-out Sessions relate to the following:
 - Research plays a vital role for Customs reform and modernization efforts, as Customs leaders have to be best prepared for current and future decisions. In this context, research was regarded as an engine for innovation.

- The following topics for future research were proposed by delegates: Regional Economic Integration, Trade Facilitation topics such as corridors, OSBPs, border management, Enforcement and HR issues.
 - These research topics were recommended to be taken into consideration for the work on the PICARD 2020 strategic document as well as for the preparations of the next PICARD Conferences.
 - The CBC encouraged all Member administrations to invest in partnerships with academic partners on their national level.
 - The CBC recommended the WCO Secretariat look into the development of a comprehensive strategy around communicating the Capacity Building message to different stakeholders and to report back to the Capacity Building Committee.
23. Participants took note of Mexico's presentation on their experience in co-operation with the private sector, Argentina's presentation on regional co-operation and organizational approaches in establishing a K9 training center and methodologies, and Latvia's presentation on co-operation between Customs, private sector and academia on people development and training.
 24. The CBC took note of the development of the Project Map Database pilot since the 2nd Session of the CBC. It acknowledged the potential of the tool in co-ordination of capacity building delivery as well as in creating a knowledge depository of past, present and future projects. The CBC recommended to further promote the Project Map Database at the political level. It endorsed the mechanism for input and maintenance of the Database as outlined in doc. HC0032 and encouraged Members and partners, unless already done so, to nominate (national) contact points.
 25. The CBC took note of the report by the Chair of the ROCB-RTC meeting held 23-24 February. It again endorsed the Member-driven *Regionalization* approach to capacity building and progress made by each of the Regional Offices since the last CBC. It once more underlined the urgent need to support the approach by seconding staff to the Regional Offices and providing financial investment.
 26. Participants agreed on a need to develop a PICARD 2020 strategy that should be based on the two pillars of the PICARD programme, research and Customs professionalism. They encouraged Members and partners to nominate volunteers to support the development of such a strategic document.
 27. The Committee agreed on the update of the section on Strategic Management of the WCO Diagnostic Framework and agreed on the forward work plan for further review of the Diagnostic Framework as described in Doc. HC0034.
 28. The CBC approved the updated text of the WCO Capacity Building Development Compendium as described in Doc. HC0035.
 29. The next CBC is tentatively scheduled to take place in Brussels in the week 25 February – 01 March 2013.
