

EXECUTIVE SUMMARY

The WCO Working Group on the WTO Trade Facilitation Agreement (TFAWG) held its 2nd Meeting on 29 and 30 September 2014. A summary of the Working Group's deliberations, and of the outcomes, is set out below.

Item I - Opening and adoption of the Agenda

a) Opening of the Meeting

The Working Group:

- took note of the opening remarks by the Chairperson of the WCO TFAWG, Ms. Gugu Treasure Dlamini (Swaziland), and of her words of warm welcome to WCO members and representatives of international organisations, academia and the private sector;
- took note of the announcement that with effect from 1 October 2014, Ms. Heike Barczyk, currently Deputy Director in the Capacity Building Directorate, would become the Deputy Director responsible for the Procedures and Facilitation Sub-Directorate within the Compliance and Facilitation Directorate.

b) Introduction by Mr. Kunio Mikuriya, Secretary General of the WCO

The Working Group:

- took note of the opening remarks by WCO Secretary General Mr. Kunio Mikuriya on the activities that the WCO had undertaken since the conclusion of the Bali Package in December 2013. He said that the difficulties encountered at the WTO regarding the adoption of the TFA Protocol were due to topics outside the TFA which did not relate to the content of the TFA itself. The conclusion of the TFA had generated a great deal of enthusiasm for trade facilitation, and the WCO had launched its Strategic Initiative to Support Trade Facilitation (Mercator Programme) at the WCO Council sessions in June 2014, in the presence of WTO Director-General Mr. Roberto Azevedo. Notwithstanding the current situation at the WTO, WCO Members, the private sector and donor institutions supported the implementation of global trade facilitation standards at regional and global levels;
- took note of Members' comments to the effect that the WCO had been very active in its work on trade facilitation, including the provision of capacity building support. The Secretary General agreed, adding that trade facilitation covered many areas, and therefore required a comprehensive WCO corporate approach.

c) Adoption of the Draft Agenda and the Summary Document

The Working Group:

- adopted the draft Agenda (Doc. PT0009E1c) and the Summary Document (Doc. PT0010E1a);
- acknowledged the achievements of Ms. Susanne Aigner, the previous Deputy Director of the Procedures and Facilitation Sub-Directorate.

Item II – Report from WTO Preparatory Committee

The Working Group:

- took note of a report on the WTO Preparatory Committee by Ms. Sheri Rosenow of the WTO Secretariat. Ms. Rosenow explained the functions of the Preparatory Committee (TFA legal review, receipt of Category A commitments and work towards adoption of the TFA Protocol). The adoption of the TFA Protocol had encountered some difficulties, and intensive consultations were going on to resolve the issue;
- took note of the establishment of the “WTO Trade Facilitation Agreement Facility” - a mechanism to support the implementation of the TFA which would become operational once the TFA Protocol had been adopted.

Item III – Panel discussion about WCO Mercator Programme to support implementation of the TFA

The Working Group:

- took note of the Secretariat’s introduction concerning the Mercator Programme;
- listened with interest to a panel discussion on WCO capacity building support. The panellists were Mr. Tanaka, Japan (Counsellor (International Cooperation), Customs and Tariff Bureau, Ministry of Finance and Vice Chairperson of the Finance Committee), Mr. Simataa, Namibia (Commissioner Customs & Excise), Ms. Rosenow (WTO Secretariat, (Market Access Division), Mr. Saeed (International Trade Center, Senior Trade Facilitation Adviser) and Mr. Sorgetti (Director General of FIATA), and the discussion was moderated by Mr. Roseingrave, New Zealand (Counsellor (Customs) Embassy of New Zealand in Brussels). The panellists agreed that momentum to implement trade facilitation measures existed at present, regardless of the current situation at the WTO, and that the focus should be on trade facilitation in general, not just the TFA. For the provision of tailor-made and sustainable assistance, it was emphasised that ownership was extremely important and should involve all stakeholders, including the private sector. Coordination efforts by development partners, and by administrations themselves at the national level, should be maintained and even enhanced in order to find synergies and avoid duplication. Other preconditions for successful implementation of trade facilitation measures were political will and the use of global standards, such as the RKC, at national, regional and global levels.

Item IV – Intersessional Developments

The Working Group:

- took note of the Secretariat’s presentation of the outcomes of discussions relating to the TFA in WCO meetings and events which had taken place during the intersession, including discussions in the PTC, the Policy Commission and the Council, the WCO Briefing organized for Geneva delegates, training sessions organized and Annex D+ meetings;
- emphasized the importance of continuing close cooperation between the WCO and the WTO, ensuring, inter alia, close cooperation between Customs and Trade Ministry representatives.
- took note of the Secretariat’s information that starting from this meeting the TFAWG's documents and materials are available in Russian thanks to the Federal Customs Service of the Russian Federation. Russia will also try to provide Russian translations of relevant WTO documents for publication on the WCO Web Site.

Item V – Analysis of Trade Facilitation measures in the TFA compared to WCO Instruments and tools

The Working Group:

- took note of the Secretariat's presentation on Update Rev.1 of the trade facilitation measures in Section I of the TFA;
- congratulated the Secretariat on the work carried out on the analysis, and suggested that there was a need to develop Guidelines on the conduct of second tests by Customs laboratories in connection with TFA Article 5.3, as this was not mentioned in any of the WCO instruments and tools. Volunteers were invited to join the Secretariat in carrying out this work;
- suggested that some minor discrepancies between the RKC and the TFA should be addressed by the Revised Kyoto Convention Management Committee.

Item VI – WCO Implementation Guidance and notification of categories A, B and C

a) Update of the web tool and request for more national practices

The Working Group:

- took note of the Secretariat's presentation on the Implementation Guidance and encouraged Members to provide more national practices;
- described the Implementation Guidance as providing great support to Members, and suggested exploring linkages with case studies/tools developed by other international organisations.

b) WTO statistics regarding notifications

The Working Group took note of a presentation by Ms. Rosenow of the WTO Secretariat concerning the current state of play regarding the notification by WTO Members of Category A commitments.

c) Thailand case study

The Working Group:

- took note of a presentation by Mr. Kumkun, Thailand, about his country's approach to, and process of categorization of, the TFA provisions, as well as the coordination between the Department of Commerce, the Thai Customs Department and other governmental agencies;
- congratulated Thailand on the thorough process it had been through so as to be able to notify the WTO of its Category A commitments, and expressed its gratitude to Thailand for sharing its experiences with the TFAWG.

d) Refinement of Implementation Guidance Performance Indicators

The Working Group:

- took note of a presentation by the Secretariat on the current scope of the TFA Performance Indicators;
- noted suggestions by some delegates that further refinements could be made to the Performance Indicators, and invited delegates to inform the Secretariat of concrete proposals;
- invited the WCO Virtual Working Group on Performance Measurement (which is open to all Members) to have a look at the TFA Performance Indicators too;
- noted that the broader topic of Performance Measurement would be discussed at the December 2014 Policy Commission session in Brazil.

Item VII – Panel discussion on Information Technology implications for TFA implementation

The Working Group:

- listened with interest to a panel discussion on information technology implications in relation to the implementation of the TFA. The panellists were Mr. Dione, Senegal (Customs IT Division), Mr. Blegen (CEO, Trusted Trade Alliance), and Mr. McLinden (World Bank, Lead Customs and Trade Facilitation Specialist), and the moderator was Mr. Rees, United States (Customs Attaché, Embassy of the United States in Brussels);
- agreed with the panellists that information technology was critical for almost all the provisions of the TFA, and was essential for moving the trade facilitation agenda forward;
- recommended that careful consideration be given to the sequencing of any potential IT project;
- recommended to the WCO and to Members that there be further investment in support for the management level within Customs administrations, to enable them to address potential IT projects and developments adequately, from a management perspective.

Item VIII – Revenue implications TFA

a) Outcomes of Revenue Conference

The Working Group took note of the Secretariat's overview of the outcomes of the Revenue Conference, especially in terms of possible revenue implications of implementing the TFA.

b) Angola case study

The Working Group took note of the presentation by Angola Customs on its experience regarding the impact of trade facilitation measures on national revenue collection. It recognized the need for further work to clearly isolate the influence of trade facilitation measures from a myriad of factors that impact the growth of customs revenue.

Item IX – Regional Integration and TFA

a) Introduction

The Working Group:

- took note of the Secretariat's introduction on the importance of regional integration for regional, inter-regional and global trade facilitation. The WCO had addressed regional integration already, for example during two WCO PICARD Conferences, held in 2013 and 2014, and in a WCO research paper;
- recommended the use of global standards by countries involved in regional integration projects.

b) Indonesia case study

- The Working Group took note of a presentation by Indonesia on the importance of global standards such as the RKC for harmonising and simplifying Customs procedures, and the implementation of Single Windows in ASEAN.

Item X – TFAWG annual work programme

The Working Group:

- took note of the document drafted by the Secretariat, and agreed to the amendments suggested in that document;
- confirmed that the work programme remained a living document and invited delegates to submit any additional suggestions to the Secretariat in writing.

Item XI – Article 8 - Border Agency Cooperation, views from WTO SPS, OiE, IPPC, Codex Alimentarius

The Working Group:

- took note of an introduction by the Secretariat, and of a document prepared by the WTO Secretariat that explained the relationship between the TFA and the SPS Agreement;
- while acknowledging that each border management agency has a distinct, stand-alone function identified co-operation and better communication between the standard-setting agencies and Customs in the area of CBM as one area to work on in relation to trade facilitation, from which other areas could potentially be developed further, including for example national AEO programmes, Single Window initiatives, etc;
- supported the OiE's call for, and offer of, more cooperation between Customs and other government agencies, and its suggestion that the OiE and the WCO work more closely together on capacity building activities.

Item XII – Article 23 - National Committees on Trade Facilitation, national experiences and case studies

a) Introduction by WCO Secretariat

The Working Group took note of the Secretariat's introduction concerning: the commitment stemming from TFA Article 23.2 on the establishment of National Committees on Trade Facilitation; the discussions in the TFAWG, Permanent Technical Committee, Policy Commission and Council about the role of Customs in those Committees; and the WCO's capacity building activities to support Members in the area of stakeholder engagement.

b) CBM Compendium: Chapter on Implementing CBM

The Working Group took note of the Secretariat's presentation on the WCO Coordinated Border Management (CBM) Compendium.

c) Sri Lanka case study

The Working Group:

- took note of Sri Lanka's presentation on its experience of establishing a National Committee on Trade Facilitation and its offer to make Sri Lankan experts available, within the WCO Mercator Programme, to help other Members in their efforts to set up such Committees;
- took note of the ongoing work and experiences of establishing a National Trade Facilitation Committee shared by other delegates, and invited Members and other delegates to share their experiences also, by sending them to the WCO Secretariat in writing.

Item XIII – Article 3 - Advance Rulings

a) Introduction by the Secretariat

The Working Group took note of the Secretariat's introduction on Advance Rulings, and in particular classification rulings, which were the most common type of ruling.

b) Mexico case study

The Working Group:

- took note of the presentation made by Mexico on its experience of introducing Advance Rulings;
- again encouraged Members to share more experiences on how countries could put such a system in place.

Item XIV – Article 1 - Publication and availability of information, including transparency guidelines and Article 2: - Opportunity to comment, information before entry into force, and consultations

a) Introduction by the Secretariat

The Working Group:

- took note of the Secretariat's introduction concerning relevant tools such as the RKC, the RKC Guidelines, the SAFE Framework of Standards and the Revised Arusha Declaration;

- encouraged the Secretariat to provide Members with an overview of the relevant provisions, as further guidance on transparency and predictability.

b) Customs-Business Partnership Guidance – discussion on SMEs

The Working Group took note of the Customs-Business Partnership Guidance being developed in cooperation with Trade and Customs representatives, which would also address the issue of SMEs' access to consultation, engagement and partnership mechanisms.

c) Nigeria case study

The Working Group took note of Nigeria's presentation concerning its National Trade Hub portal, which provided information about all the Nigerian Regulatory Agencies (including their contact details, processes, relevant documents, fees and processing times) that an importer or exporter would need to liaise with in order to obtain the import permits, certificates and/or documents required to ensure compliance.

Item XV – Any Other Business

There were no items of other business.

Item XVI – Closing

The Working Group took note of closing remarks of the Chairperson, who thanked all those present for their active and constructive participation throughout the meeting.
