



WORLD CUSTOMS ORGANIZATION

## **WCO Trade Recovery Guidelines**

### **1. Introduction**

The WCO SAFE Framework and efforts to strengthen supply chain security have thus far focused on preventing disruptions to the supply chain. Such preventive measures are not fail-safe and an incident could adversely impact the international flow of goods. If such a disruption in the global supply chain was prolonged, it could have a significant economic impact, with the economic costs of the disruption rising exponentially over time.

### **2. Concept of Trade Recovery and Importance of Customs' Role**

Trade recovery is a process for coordination among Customs administrations together with relevant public and private sector stakeholders. Trade recovery is intended to facilitate and resume the international flow of goods in as efficient and timely a manner as possible, following the occurrence of an incident that results in major disruption of the movement of goods internationally and that affects one or more countries for a period long enough to have an economic effect.

Customs administrations are often responsible for the provision of effective border protection to the community, facilitating the legitimate international flow of goods, supporting legitimate travel, and ensuring the collection of border related revenue.

Customs administrations are therefore well placed to work closely with other stakeholders, other government agencies and other Customs administrations to facilitate and manage trade recovery activities. Cooperation among all the relevant stakeholders will enable rapid trade recovery in a holistic and co-ordinated manner across the global supply chain.

The WCO Trade Recovery Guidelines consist of a set of best practices that Customs administrations could adopt when developing plans and protocols to facilitate and resume trade flows. These Guidelines are predicated on the WCO SAFE Framework concepts and reinforce the value of total supply chain security and employing a risk-based approach to enhance security in the international supply chain.

Trade Recovery procedures are designed to minimize the time that trade is disrupted, thereby reducing the potential economic loss. Trade Recovery procedures are focused on coordinating the international response to quickly resume the flow of international trade along the global supply chain and may operate concurrently with domestic incident response or emergency management procedures that concentrate on consequence management, containment and protection of critical infrastructure in the aftermath of an incident. The WCO Trade Recovery guidelines are intended to

complement, not replace, domestic incident management processes, which remain the domain of domestic agencies.

### **3. Relation to SAFE Framework**

The SAFE Framework provides the overarching principles on the security and facilitation of the global supply chain contributing to the prevention of trade disruptions. Effective Trade Recovery is supported by the implementation of both Pillar I and Pillar II of the SAFE Framework. Close Customs-to-Customs cooperation and Customs-to-Business partnerships are essential in this regard.

Customs administrations are well-positioned and able to build pre-incident relationships that engender trust and transparency through the establishment of appropriate Customs instruments or mutual recognition arrangements with each other.

Mutual recognition arrangements, if established in the pre-incident phase, are seen as a means to prevent duplication of security controls and contribute to the facilitation and control of goods moving in the international supply chain. It is recognized that decisions on mutual recognition arrangements will be made by individual Customs administrations.

Customs administrations through the establishment of pre-incident relationships are also well positioned and able to offer up to date advice and information to Businesses during an incident that would assist in achieving trade recovery. Participation by Businesses in domestic Authorised Economic Operator (AEO) programmes is one such mechanism that provides the necessary trust and transparency.

### **4. Components of WCO Trade Recovery Guidelines**

The WCO Trade Recovery Guidelines consist of the following three main components:

- a) Plan of Action - A logical sequence of steps taken prior to and following a disruption;
- b) Actions by Customs – Appropriate actions that Customs administrations could take that are consistent with industry best practices;
- c) Communication - The exchange of information necessary for Customs administrations and Businesses to facilitate trade recovery activities.

These components allow Customs administrations to work together to foster a coordinated and managed resumption and recovery of trade in the aftermath of a disruption.

#### **4.1 Plan of Action**

The Plan of Action is the sequence of activities that may be taken by countries prior to and following an incident in order to begin the process for re-establishing trade. It is recognized that many stakeholders, in addition to Customs administrations, may be involved in the different phases. The specific actions that may be taken by Customs administrations are covered in the next component.

The Plan of Action comprises six phases, with the corresponding description of the actions under each phase.

Phase	Description
I. Prepare	Actions taken pre-incident to facilitate effective response should an incident occur.
II. Respond	Actions in the immediate aftermath of an incident.
III. Repair	Actions taken to identify and address capability and security gaps.  Trade contingency plans are enacted to inform partners of expected actions (port shutdown, reduced throughput, limit on certain cargoes, etc).
IV. Reconstitute	Actions taken to bring trade systems back to a steady-state condition.
V. Resume	Full restart of trade operations. Appropriate steady-state procedures are implemented, any temporary interim measures are lifted, and backlogged cargo is cleared.
VI. Review	Comprehensive study of actions taken and results achieved aimed at improving plans for future incidents.

#### 4.2 Actions by Customs

The actions that Customs administrations could take under the respective phases in the Plan of Action have been developed to assist in facilitating trade recovery. The actions specified under a particular phase may continue into subsequent phases.

A primary consideration in this component is to enable Customs administrations to have an effective and efficient basis to assess cargo risk. This will enable appropriate risk-based mitigation measures to be applied to facilitate the secure resumption of trade, given limited available resources to deal with the challenges in a post-incident situation.

Equally important is ensuring that there is appropriate coordination between both the countries' respective contingency plans and the Businesses' mitigation strategies to allow effective and efficient management of trade recovery.

Phase	Possible Actions by Customs Administrations
Prepare	<ol style="list-style-type: none"> <li>1. Customs administrations should establish the respective trade recovery roles and responsibilities with other government agencies.</li> <li>2. Customs administrations should establish and maintain communications channels with other Customs administrations, other government agencies and Businesses.</li> <li>3. Customs administrations should establish operating procedures for trade recovery in consultation with Businesses.</li> <li>4. Customs administrations should consider establishing domestic AEO programmes and provide benefits to AEOs to the extent possible.</li> <li>5. Customs administrations should consider establishing appropriate instruments or mutual recognition arrangements with other Customs administrations.</li> <li>6. Customs administrations should establish procedures and criteria for facilitating the movement of priority cargo, as identified by national authorities.</li> <li>7. Customs administrations should establish appropriate criteria for identifying high-risk cargo, and subject to priority cargo as identified nationally, and where appropriate, between trading partners, where practicable, facilitate the movement of low-risk cargo.</li> </ol>
Respond and Repair	<ol style="list-style-type: none"> <li>1. Customs administrations should agree with other domestic government agencies and other Customs administrations on the activation of trade recovery mechanisms.</li> <li>2. Customs administrations should work with other government agencies to identify affected cargo, IT systems, infrastructure, personnel and/or businesses.</li> <li>3. Customs administrations should work with Businesses to identify mitigation strategies that optimize asset, infrastructure and personnel utilization given the system constraints imposed by the incident.</li> <li>4. Customs administrations could work with other government agencies in investigating the incident and share, to the extent possible, that information with other Customs administrations.</li> <li>5. Customs administrations could incorporate incident information into the risk management process to identify high-risk cargo.</li> <li>6. Customs administrations could reassess the clearance status of cargo inbound, in port or outbound that may be impacted by or related to the incident.</li> </ol>

Phase	Possible Actions by Customs Administrations
	<ol style="list-style-type: none"> <li>7. Customs administrations could temporarily change the screening or scanning measures or operating procedures, including the selection of cargo to be scanned. The timeframe, scanning rate and type or nature of checks may vary based upon the situation.</li> <li>8. In order to assist risk assessment procedures and provide for greater efficiencies, Customs administrations should seek to improve the utilization of other available trade data before requesting additional data elements to enhance the new screening methodology. Additional or new data should not be asked for without first assessing the impact on the movement of priority cargo.</li> <li>9. Customs administrations should employ the full range of technological and human resources at their disposal to facilitate the movement of priority cargo.</li> <li>10. Subject to priority cargo as identified nationally, and where appropriate, between trading partners, Customs administrations should, where practicable, also facilitate the movement of low-risk cargo.</li> <li>11. Subject to Paragraph 10, cargo from AEOs should be generally considered to be lower risk than comparable non-AEO cargo.</li> </ol>
<p>Reconstitute and Resume</p>	<ol style="list-style-type: none"> <li>1. Customs administrations could, at the reasonable request of the Customs administration of the importing country, and based upon risk assessment, perform outbound inspections of high-risk cargo to facilitate the clearance of such high-risk cargo to the importing country.</li> <li>2. Customs administration could take into account the available results of the security controls performed by the Customs administration of the exporting country.</li> <li>3. Customs administrations could establish a new baseline for screening or scanning measures or operating procedures in order to minimize disruptions caused by transient security efforts.</li> </ol>
<p>Review</p>	<ol style="list-style-type: none"> <li>1. Customs administrations should review the actions taken during trade recovery, in order to identify and implement potential improvements.</li> <li>2. Customs administrations should review enhanced security measures implemented during post disruption, in order to adjust those to the surrounding situation.</li> </ol>

## 4.3 Communications

Communication is the main mechanism in demonstrating transparency and building trust among Customs administrations, between Customs administrations and other government agencies, and between Customs administrations and Businesses.

Well-established communications channels among the relevant stakeholders will enable effective coordination in the aftermath of an incident, and facilitate the swift recovery of trade.

Communication serves the following objectives:

- a) Increasing transparency and fostering the sharing of information to facilitate the coordination in the aftermath of a disruption to trade.
- b) Rapidly initiating trade recovery processes and procedures.
- c) Allowing the timely exchange of information among Customs administrations, between Customs administrations and other government agencies, and between Customs administrations and Businesses. This would provide assistance to Businesses in their planning and operations, enable effective risk management and ensure expedited restoration of efficient trade flows following an incident.

### 4.3.1 Channels of Communications

In a post-incident environment, other government agencies as well as Customs may be designated, or will contribute to, trade recovery responsibilities. The contribution of Customs administrations could include establishing point(s) of contact (POC) to facilitate relevant activities of trade recovery.

Such POCs may already exist between Customs administrations and other relevant stakeholders. The key roles of the POC could include:

- a) Coordinating and overseeing implementation of relevant trade recovery activities, including facilitating communication and exchange of information.
- b) Monitoring and evaluating progress of the trade recovery activities.
- c) Identifying and providing recommendations regarding gaps in implementation or in the trade recovery guidelines.
- d) Consulting, coordinating, and liaising with Businesses in their respective countries during the various stages of incident response.
- e) Providing relevant information to other Customs administrations on cargo destined for affected ports that is either en-route or not yet exported.
- f) Exchanging incident-related information relevant for security control, trade facilitation and risk assessment purposes, including the notification of new requirements for acceptance of cargo, port delays or diversions to other ports.

#### 4.3.2 Communications Objectives

Customs administrations should work together to establish, in advance of a trade disruption, communication procedures and protocols. The procedures and protocols should detail the information to be shared following an incident, the agreed-upon communications channels between administrations and established activation methodologies.

This would contribute to:

- a) Identification and communication of the cause of incident.
- b) Collaborative risk management.
- c) Guidance on appropriate customs procedures to follow.
- d) Coordinated and consistent response.
- e) Identification and prioritisation of critical recovery pathways and infrastructure.
- f) Shared understanding of the impact of the incident.
- g) Shared understanding of the role to be played by each Customs administration.
- h) Informed response and recovery decision making.

Customs administrations should develop communication strategies in partnership with Businesses (e.g. carriers and trade groups) to facilitate and enhance understanding and co-operation in the actions to be taken by Businesses and Customs administrations following an incident. This would contribute to:

- a) Greater transparency between governments and the supply chain.
- b) Enhanced collaboration in expeditiously identifying and implementing mitigation strategies that minimize the overall disruption in trade flows.
- c) Increased cooperation in identifying potential high risk cargo and priority cargo.
- d) Ensure co-operative and efficient implementation of any new response initiatives.