



Brussels, 19 September 2016.

ECP Action Plan for Phase III

(Item XI (a) on the Agenda)

I. Background

1. The ECP is designed primarily to support the first pillar of the WCO Strategic Plan (Promote security and facilitation of international trade, including simplification and harmonization of Customs procedures). It comprises of existing WCO tools and instruments, which contribute to the enhancement of economic competitiveness by promoting trade facilitation while ensuring the security of global supply chains. The principles laid down in the Revised Kyoto Convention (RKC) are recognized as the core elements of the ECP.
2. The WCO has been developing new tools and instruments and has delivered capacity building projects in accordance with the ECP Action Plan. The first ECP Action Plan was endorsed at the Policy Commission in December 2012. The second ECP Action plan was adopted at the Policy Commission in December 2014. The ECP Action Plan for Phase II covers the period from January 2015 to December 2016. Consequently, the Action Plan for the next phase from January 2017 to December 2018 needs to be developed.
3. The ECP progress report, which was submitted to the last Policy Commission in June 2016, stated that the Secretariat would draft the revised Action Plan and submit it to the next PTC sessions in October 2016 and that it would then be submitted to the Policy Commission for endorsement.

II. Main Progress under ECP Action Plans

4. The first ECP Action Plan aimed to develop new instruments and tools to contribute to the enhancement of economic competitiveness. Tools and instruments developed under this Action Plan include :
 - Transit Handbook;
 - Model Business Lens Checklist for Small and Medium Sized Enterprises;
 - Compendium on Coordinated Border Management; and
 - Customs-Business Partnership Guidance.

5. Awareness-raising was one of the most important components of the first ECP Action Plan. Attention has been drawn to the ECP and its relevant tools and instruments at more than 90 meetings and during regional workshops on the ECP in all six WCO regions. Useful material has been developed, including the ECP Toolkit, the WTO Trade Facilitation Toolkit and the RKC Toolkit.
6. Bearing in mind the ever-changing trade and business environment, the ECP Action Plan for Phase II requires regular updates to existing WCO tools and instruments and further development of new tools. The following tools and instruments were newly developed or updated under the ECP Action Plan II.
 - 2015 edition of the SAFE Framework of Standards (FoS)
 - Advanced Pillar of the Customs-Business Partnership Guidance
 - IT Guidance for Executives
 - Voluntary Compliance Framework
 - Guidance for National Committees on Trade Facilitation (NCTF)
 - Study Report on Customs Brokers
 - TFA Implementation Guidance
 - 2015 and 2016 editions of the AEO Compendium
 - Updated Guidelines for the Procurement and Deployment of Scanning/NII Equipment
 - Transparency and Predictability Guidelines
 - GNC Handbook
 - Single Window Supplement
 - Guidelines for strengthening cooperation and the exchange of information between Customs and Tax authorities at the national level
7. In order to develop practical and useful instruments and tools for Members, examples of innovative practice are being collected from Members and shared on a continuous basis. Members' practices in the areas of e-commerce and Digital Customs are currently being collected and analysed in order to be shared with the WCO membership.

III. New Projects for Phase III

8. The draft ECP Action Plan (annexed to this document) includes several new projects to further enhance the economic competitiveness of WCO Members. The following are the main new projects to be carried out by the end of 2018.

Transit Guidelines

9. The ECP Action Plan progress report, which was presented to the last Policy Commission, introduced the Transit project that aims to convert the Transit Handbook into Transit Guidelines. The Transit Guidelines will set out clear guiding principles and recommended practices in transit. A subsequent launch event (Global Conference on Transit) is planned for 2017, with the aim of raising awareness of the newly developed WCO Transit Guidelines.

Further support for regional integration

10. Regional integration is a key strategy for accelerating economic growth and competitiveness through increased trade and has recently become an important element of the present political and economic landscape for many regions and

countries. The WCO therefore organized a global conference on regional integration in June 2015. Under the ECP Action Plan, the WCO is developing an analytical document to highlight elements that could further enhance regional integration. The use of the ECP by regional entities would enhance their integration processes.

Guidelines on Customs Brokers

11. Customs Brokers' knowledge of Customs laws and processes in addition to their experience working in the trade supply chain can be useful for both traders and Customs. Recently, the WCO published a 'Study Report on Customs Brokers' providing an overview of Customs Brokers' role in the international supply chain. Based on the study report, new Guidelines on Customs Brokers will be discussed under the ECP Action Plan.

Review of the Time Release Study

12. The WCO Time Release Study (TRS) is specifically mentioned in the TFA as a tool for Members in measuring and publishing average release times for goods. The current TRS Guide (version 2) was issued in 2011 and has supported a number of national TRS. The joint session of the TFA Working Group and the PTC will discuss the way forward and how to expand the use of the TRS. Based on discussions at the joint session, the Guide will be enhanced.

Guidelines on Special Customs Zones

13. There are a number of special zones, providing facilitation benefits for cross-border trade, including Free Zones, Inland Container Depots, Dry Ports, Free Trade Zones and Special Economic Zones. Many countries establish and manage such special zones to strategically promote export, import and domestic transportation and storage. Their importance for economic competitiveness has been increasing alongside increasing supply chain management and global value chains. Special zones are normally supervised or licenced by Customs administrations. The ECP Action Plan invites discussion on this matter and on the possible drafting of an instrument for Special Customs Zones.

IV. ECP Action Plan and other work programmes/plans

WCO Strategic Plan

14. The WCO Council adopted the three-year WCO Strategic Plan for the years 2016/2017 to 2018/2019, and the Operational Plan for 2016/2017. The WCO Strategic Plan is a comprehensive and high-level policy instrument, which directs the programmes, projects and other initiatives implemented by the WCO Secretariat. The Strategic Plan was prepared using a multi-step process, including consultations with Members, Regions and all the key governance bodies of the WCO.
15. The first Strategic Goal of the WCO Strategic Plan, '**Promote the security and facilitation of international trade, including simplification and harmonization of Customs procedures**', is defined as one of the main goals of the ECP. The Strategic Plan sets out the four strategic activities of the ECP which are:
 - (1) Develop, manage and promote conventions, guidelines, standards and tools on trade security and facilitation

- (2) Support effective implementation of WTO TFA provisions through use of WCO instruments, tools and assistance
 - (3) Promote cooperation with other border agencies to enhance border efficiency and effectiveness
 - (4) Enhance partnership with private sector
16. In addition, the ECP may contribute to Strategic Goal 5 ***'Promote Digital Customs to support, in particular, Coordinated Border Management and information exchange between all stakeholders'***.
17. The ECP Action Plan for phase III sets out concrete actions for the strategic goals and activities. In this sense, the ECP Action Plan complements the Strategic Plan's Operational Plan that presents the tactical activities for 2016/2017.

WCO working bodies and the ECP Action Plan

18. The ECP covers a wide range of issues such as the implementation of the WTO Trade Facilitation Agreement, the Revised Kyoto Convention and cross-border e-commerce. As a result, the ECP is relevant not only to the PTC but also to other WCO Committees and Working Groups. The following are the main WCO working bodies to which the ECP Action Plan is relevant:
- (1) Permanent Technical Committee
 - (2) Revised Kyoto Convention Management Committee
 - (3) TFA Working Group
 - (4) SAFE Working Group
 - (5) Information Management Sub-Committee
 - (6) Working Group on e-Commerce
 - (7) Administrative Committee on the Istanbul Convention and the ATA Convention
19. Several committees or working groups have already developed or are going to develop a work programme or action plan, based on their own priorities set by the WCO Members. For example, the TFA Working Group has had discussions on the TFA Working Group Work Programme and the PTC also has its own work programme. The ECP Action Plan will overarch the work programmes or action plans of the relevant working bodies in order to avoid any unnecessary duplication and provide strategic direction for their activities.

V. Action Required

20. The PTC is invited to discuss, make improvements to and endorse the draft ECP Action Plan for phase III. The revised draft ECP Action Plan will be submitted to the Policy Commission in December 2016.

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**Draft ECP Action Plan for Phase III
(January 2017 to December 2018)**

1. Develop, manage and promote conventions, guidelines, standards and tools on trade security and facilitation

Bearing in mind the ever-changing trade and business environment, regular updates to existing WCO tools and instruments, as well as the development of new tools are to be expected. In order to develop practical and useful instruments and tools for Members, examples of innovative practice will be collected from Members and shared on a continuous basis.

Existing WCO Committees' and Working Groups regularly review existing WCO tools and instruments on trade facilitation and security. For instance, the Revised Kyoto Convention (RKC) Management Committee has established a virtual working group to assess and explore the need to review the RKC, the TFA Working Group regularly discusses tools supporting the implementation of trade facilitation measures and the SAFE working group has also produced new instruments.

In addition to the regular activities undertaken by the WCO working bodies, the ECP Action Plan for phase III envisages further discussions on developing or refining certain WCO tools and instruments with a view to enhancing the economic competitiveness of WCO Members. These include (1) Transit Guidelines, (2) Guidance on the 'optional' use of Customs Brokers, (3) new Guidance on inland container depots and free zones and (4) new Guidance on regional integration.

	Action	Responsible body	Relevant Work Programme or Action Plan	Timeframe
1	Collect, analyse, and share examples of innovative practice	WCO Secretariat		Continuous activity
2	Assess and further explore the need how to review the RKC.	RKC Management Committee		Continuous activity
3	Develop new Transit Guidelines and organize a Global Conference on Transit	WCO Secretariat, PTC, other related WCO committees or working groups	PTC Work Programme, TFA WG Work Programme	July 2017
4	Consider new Guidance on Regional Integration	WCO Secretariat, PTC, other related WCO committees or working groups	PTC Work Programme	July 2018

	Action	Responsible body	Relevant Work Programme or Action Plan	Timeframe
5	Develop a new Guidance on the 'optional' use of Customs Brokers, based on the WCO study report on Customs Brokers and Members' experiences	WCO Secretariat, PTC, other related WCO committees or working groups	PTC Work Programme	July 2018
6	Discuss the development of new Guidance on Special Customs Zones	WCO Secretariat, PTC, other related WCO committees or working groups	PTC Work Programme	July 2017
7	Develop new WCO tools and instruments on trade security and facilitation (e.g., e-commerce, mutual recognition), based on Members' needs	WCO Secretariat, PTC, other related WCO committees or working groups	PTC Work Programme, TFA WG Work Programme	Continuous activity
8	Refine existing WCO tools and instruments on trade security and facilitation (e.g. Immediate Release Guidelines), based on Members' needs	WCO Secretariat, PTC, other related WCO committees or working groups	PTC Work Programme, TFA WG Work Programme	Continuous activity
9	Update/review TRS Guide	WCO Secretariat, PTC	PTC Work Programme	PTC April-July 2017

2. Support effective implementation of WTO TFA provisions through use of WCO instruments, tools and assistance

In June 2014, the WCO launched the Mercator Programme to ensure the uniform implementation of the WTO TFA, using WCO instruments and tools, as most of the TFA provisions are related to Customs.

The WCO established the TFA Working Group, inviting Member Customs administrations, trade ministry representatives, international organizations relevant to border management, the private sector, academia and other stakeholders to participate. It has examined each article of the TFA and developed new tools for the uniform implementation of the TFA provisions, drawing on existing WCO instruments, tools and examples of best practice from Members. The TFA Working Group has discussed how its own work programme can support the effective implementation of the WTO TFA provisions.

The ECP Action Plan for phase III highlights the main points of action, but leaves concrete and detailed actions to the TFA Working Group and other relevant Committees.

	Action	Responsible body	Relevant Work Programme/ Action Plan	Timeframe
10	Update and implement the TFA Working Group Work Programme	WCO Secretariat, TFA WG	TFA WG Work Programme, TFA WG Annual Work Plan	Continuous activity
11	Accredit more Mercator Programme Advisors and Technical and Operational Advisors in the areas addressed by the TFA	WCO Secretariat, TFA WG, other relevant committees or working groups	TFA WG Work Programme, TFA WG Annual Work Plan	Continuous activity
12	Deliver tailor-made capacity building projects for TFA implementation	WCO Secretariat, TFA WG, other relevant committees or working groups	TFA WG Work Programme, TFA WG Annual Work Plan	Continuous activity
13	Enhance cooperation with the World Trade Organization and other international/regional organizations	WCO Secretariat, TFA WG	TFA WG Work Programme, TFA WG Annual Work Plan	Continuous activity

3. Promote cooperation with other border agencies, and with other international organizations to enhance border efficiency and effectiveness

Coordinated Border Management (CBM) refers to ensuring a coordinated approach by border control agencies, both domestic and international, in order to seek greater efficiencies in managing trade and travel flows, while maintaining a balance with compliance requirements. It was used as the international Customs community's slogan in 2015. The WCO has already developed several tools in the area, such as the CBM Compendium and Guidance on National Committees on Trade Facilitation (NCTF). The SAFE Framework of Standards was revised to include Customs to other Government Agencies cooperation as its third pillar in 2015.

Under the ECP Action Plan for Phase III, the WCO will strengthen its supporting activities for NCTF, Single Window and One Stop Border Control as they are the main components of CBM.

	Action	Responsible body	Relevant Work Programme/ Action Plan	Timeframe
14	Support the establishment or management of National Committees on Trade Facilitation	WCO Secretariat, WCO TFA WG	TFA WG Work Programme and TFA WG Annual Work Plan	Continuous activity
15	Support the establishment or management of One Stop Border Control	WCO Secretariat		Continuous activity

	Action	Responsible body	Relevant Work Programme/ Action Plan	Timeframe
16	Promote the implementation of a Single Window paperless environment	WCO Secretariat, IMSC, PTC	PTC Work Programme, Work Programme on Digital Customs	
17	Enhance cooperation with other international organizations	WCO Secretariat		Continuous activity

4. Enhance partnership with the private sector

Considering the exponential increase in global trade and the changing dynamics of the international supply chain, there is an increasing need for Customs administrations and businesses to collaborate both with each other and with other stakeholders to ensure that regulations, policies and programmes can effectively respond to an ever-changing environment. The WCO has thus developed a Customs-Business Partnership Guidance document to assist Members with putting in place processes for regular consultation and establishing a robust partnership with business.

The ECP Action plan for phase III will require the private sector to be more involved in the WCO Committees and Working Groups and the survey on private sector stakeholders in supply chain management in order to allow us to better understand their roles and expectations.

	Action	Responsible body	Relevant Work Programme/Action Plan	Timeframe
18	Enhance cooperation with the Private Sector Consultative Group (PSCG)	WCO Secretariat, SAFE WG		Continuous activity
19	Involve the private sector in relevant WCO committees, working groups, seminars and workshops	WCO Secretariat, PTC, other related WCO committees or working groups		Continuous activity
20	Develop a study report on the roles and expectations of various private sector stakeholders in supply chain management	WCO Secretariat, SAFE WG		July 2018

5. Promote Digital Customs to support, in particular, Coordinated Border Management and information exchange between all stakeholders

The Digital Customs Concept intends to provide a thematic overview of existing WCO tools and instruments. Its aim is to serve as a conceptual framework to support Member administrations in understanding and implementing the ICT-related tools, instruments and guidelines that have

already been developed by the WCO. At the Policy Commission in July 2016 a two-year WCO Work Plan on Digital Customs for 2016-2018 was endorsed as a living document. It aims to consolidate the topics that the WCO will be dealing with during the upcoming two-year period.

The ECP for phase III highlights the main actions only and leaves concrete and detailed actions to the Work Programme on Digital Customs

	Action	Responsible body	Relevant Work Programme/Action Plan	Timeframe
21	Provide a framework to consolidate the development, promotion and deployment of the WCO's Information Technology (IT)-related standards, instruments, tools, guidelines and systems	WCO Secretariat, IMSC, other related WCO committees or working groups	Work Programme on Digital Customs	Continuous activity
22	Promote the implementation of Globally Networked Customs (GNC)	WCO Secretariat, IMSC, other related WCO committees or working groups	Work Programme on Digital Customs	Continuous activity
23	Use IT to support Coordinated Border Management	WCO Secretariat, IMSC, other related WCO committees or working groups	Work Programme on Digital Customs	Continuous activity

6. E-Commerce

The effectiveness and efficiency of a Customs administration has a significant impact on the extent to which a country can benefit from the increase in cross-border trade caused by the growth in e-commerce. The Policy Commission in July 2016 decided to establish the Working Group on e-Commerce to discuss political challenges and solutions related to the growth of e-commerce. The ECP Action plan follows initiatives and projects to be agreed on at the Working Group on e-Commerce.

	Action	Responsible body	Relevant Work Programme/Action Plan	Timeframe
24	Discuss practical solutions for the clearance of low-value shipments, including fair and efficient duty/tax collection mechanisms and control procedures that will facilitate the growth of e-commerce, while effectively addressing associated challenges.	Working Group on E-commerce		Continuous activity

7. Other Issues

The WCO has already developed a range of instruments and tools relevant to the growth of economic competitiveness, and the ECP lists these. Raising the awareness of existing and newly developed WCO tools and activities contributes to enhancing the economic competitiveness of WCO Members. The WCO may offer comprehensive tailor-made operational and technical support to implement ECP tools and instruments, based on WCO Members' needs. The PTC will review the progress of the ECP Action Plan.

	Action	Responsible body	Relevant Work Programme/Action Plan	Timeframe
25	Capacity building to support the implementation of the WCO's existing instruments and tools	WCO Secretariat		Continuous activity
26	Publish useful awareness-raising material	WCO Secretariat		Continuous activity
27	Ensure effective use of the WCO Web site to promote existing WCO tools and instruments	WCO Secretariat		Continuous activity
28	Report regularly to the PTC	WCO Secretariat		PTC sessions