



Brussels, 29 January 2019.

SUSTAINABLE DEVELOPMENT GOALS

Environmental sustainability for global supply chains: challenges and implications for Customs control and facilitation

(Item XVI on the Agenda)

UN 2030 Agenda for sustainable development: a call for global action

1. In 2015, world leaders unanimously adopted the United Nations (UN) 2030 Agenda for Sustainable Development (the 'Agenda'), a new global sustainable development framework built on the momentum of the Millennium Development Goals (MDGs). The Sustainable Development Goals (SDGs) at the centre of the Agenda define a paradigm shift for people and the planet, bringing together the three dimensions of sustainable development - economic, social and environmental. The Agenda contains 17 ambitious SDGs linked to 169 targets to track the implementation of calls for global partnership and collaborative actions to achieve the objectives.
2. The discussion on the role of Custom organizations in supporting the achievement of the SDGs has been addressed in several high-level meetings of the WCO, including the Council, the Policy Commission and the Capacity Building Committee. Customs administrations, by fulfilling their mandates and, at the same time, implementing the WCO's tools and instruments collectively described in the Strategic Packages (namely the Revenue Package, Economic Competitiveness Package, Compliance and Enforcement Package and the Organizational Development Package), can effectively contribute to the national achievement of all 17 SDGs¹.
3. The UN 2030 Agenda highlights the need for strong actions to preserve natural resources, maintain ecosystems and combat climate change. The SDGs put significant emphasis on the role that trade plays in promoting sustainable development. With the endorsement of the Agenda, UN Members consolidated their understanding of the

¹ WCO, "Customs and the UN 2030 Agenda for Sustainable Development",
<http://www.wcoomd.org/en/about-us/what-is-the-wco/customs-in-support-of-sdgs.aspx>

important function of trade in helping to bring about a more prosperous, environmentally sustainable and resilient world economy.

4. With the key principle “leaving no one behind”, over the past years, the UN Office of the High Representative (UN-OHRLS) for the Least Developed Countries (LDCs), Landlocked Developing Countries (LLDCs) and the Small Island Developing States (SIEs) has been coordinating with other International organisations to make sure an integrated approach called for in the 2030 Agenda to be fully internalized in LDCs, LLDCs and SIEs development strategies. The collaborative programmes of action for the most vulnerable countries have been established and enforced to enhance capacity for the most vulnerable countries eliminating poverty, participating more fully in international trade, at the same time, reaching sustainable development.
5. The World Trade Organization (WTO), the organization responsible for the Agreement on the Application of Sanitary and Phytosanitary Measures (SPS Agreement) and UN Environment the leading organisation in charge of Multilateral Environmental Agreements (MEAs), have been working together to assist countries around the world in reaching mutual solutions that make trade work for the environment. At the beginning of 2018, these two organizations announced their commitment to strengthening their cooperation by launching an initiative entitled “Healthier Environment through Trade”, promoting innovative uses of trade to support environmental sustainability as well as the green economy².
6. The aim of this working document is to address the issue of how enhanced Customs control and trade facilitation functions could support global supply chains from environmental sustainability perspective and to explore if a review of current tools and instruments should be undertaken. The PTC would discuss and decide if there is a need to develop new guidance and enhance technical assistance that will further support Members in facilitating supply chains from an environmental perspective at the same time, promoting the SDGs.

Customs functions to support global supply chains from environmental sustainability perspective

7. Preserving and enhancing measures to protect the environment are the key to supporting sustainable economic growth, as nature plays an important role in global supply chains, starting from providing resources and raw materials as inputs up to the final stages where industrial waste and sewage may be discharged into the environment, posing risks to humans.
8. In the latest world trade report, the WTO identified that multinational companies have quickly shifted their production to produce high technology and renewable products. However small and medium-sized enterprises’ (SMEs) supply chains in many developing countries and least developed countries (LDCs) are still reliant on natural resource-based production, such as agriculture, textiles, furniture, food and beverage.
9. As the key border agency, Customs has an important mandate to protect national safety and security, including addressing environmental crimes. Environmental crimes have received more attention of late, and far greater political and public attention is now directed towards efforts to ensure environmental sustainability.
10. Many infringements of environmental laws have been reported in the recent past and, judging from the trend of promoting sustainable development, the frequency and severity of these crimes is likely to escalate. Many areas are affected, ranging from the

² WTO and UN Environment (2018), “Making trade work for the environment, prosperity and resilience”.

illegal exploitation of the world's wildlife species (fauna and flora) to pollution-related crime, such as the trade and disposal of waste and hazardous substances in contravention of international legislation³.

11. In order to fight against environmental crimes, the international community has concluded a number of MEAs comprising international trade-related provisions⁴. Customs plays a key role in the implementation of these MEAs and the fight against environmental crimes. Since 2001, the WCO has been an active partner in the Green Customs Initiative (GCI), a series of collaborative activities by partner organizations, coordinated by UN Environment that are aimed at raising awareness of trade-related MEAs and enhancing Customs capacity in its implementation. In 2008, the WCO Council adopted a recommendation concerning Actions Against Cross-Border Environmental Offences, outlining steps to be taken by Customs administrations to enhance their capabilities in this area.
12. To date, the WCO Environmental Programme has focused on enhancing measures to combat cross border environmental offences, such as illegal movements of environmentally-sensitive items across borders. As far as Customs is concerned, environmentally-sensitive items are those that potentially exploit wildlife, pollute air, water and land, and whose importation and exportation are prohibited or controlled by trade-related MEAs.
13. The role of Customs in controlling and, at the same time, facilitating green supply chains should be broader as Customs' functions do not only involve operations at the border. These functions include, for example, the ongoing revision of the WCO Harmonized System (HS) to facilitate the classification of several MEA-related products and regular updates of the WCO Data Model to capture data from, but not limited to, shipments subject to SPS or MEA controls; Customs role, at the border, of ensuring trade compliance with SPS standards for international shipments of food for human consumption and animal and plants products.
14. Customs together with other border agencies have a mandate to facilitate "perishable shipments" (Article 7.9 of the WTO TFA) to prevent avoidable loss or deterioration of perishable goods, and to ensure that all regulatory requirements have been met. In general, fast Customs clearance time and efficient border management contribute considerably to increasing the efficiency of green logistics supply chains.
15. Customs administrations also have the advantage of being well-connected with the business, being proactive in promoting corporate border management, and being able to connect with Customs counterparts in other countries/jurisdictions. Accordingly, they could play a greater role in ensuring that each link in the supply chain is secure, safe and sustainable.
16. Going forward, the WCO could consider conducting a review of current tools and instruments and decide if there is a need to develop new guidance that will further support Members in facilitating supply chains from an environmental perspective.

³ Raath R., "Customs and the environment: bringing about a better future for all", WCO News, No. 81, 2017.

⁴ MEAs: Include the Convention on Trade in Endangered Species of Wild Fauna and Flora (CITES); the Montreal Protocol on Substances that Deplete the Ozone Layer (ODS); the Basel Convention on the Control of Trans-boundary Movements of Hazardous Wastes and their Disposal; the Stockholm Convention on Persistent Organic Pollutions (POPs); the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade and the Cartagena Protocol on Biosafety.

17. Furthermore, enhanced technical assistance and capacity building activities could be considered to assist Members in developing countries, LDCs and SIEs gaining a greater awareness of new developments in environmental issues and of the heightened role of Customs as a border agency capable of protecting the environment in the interest of citizens. This topic also promotes further modernization of Customs administrations; the establishment of more partnerships with the private sector; enhancement of coordinated border management and international cooperation in this domain.

Action required

21. **The PTC is invited to:**
- discuss the issue of environmental sustainability for global supply chains: challenges and implications for Customs control and facilitation;
 - provide guidance on a potential review of current tools and instruments and decide if there is a need to develop new guidance that will further support Members in facilitating supply chains from an environmental perspective.
 - discuss enhancing technical assistance and capacity building activities to support developing countries, LDCs and SIEs in controlling and facilitating green supply chains.