



Permanent Technical Committee

PC0707Ea

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237<sup>th</sup>/238<sup>th</sup> Sessions

-  
25 – 27 October 2022

Brussels, 23 August 2022.

**World Trade Organization (WTO) Trade Facilitation Agreement (TFA)**

**(Item XII on the Agenda)**

**SUMMARY**

**Purpose of document**

The World Customs Organization (WCO) assists its Members to implement trade facilitation measures under the World Trade Organization (WTO) Trade Facilitation Agreement (TFA) expeditiously and in a uniform manner using WCO instruments and tools and applying the WCO strategic approach to sustainable capacity building.

The purpose of this document is to provide information about some recent work of the WCO in this regard.

**Action required of the Permanent Technical Committee**

The Permanent Technical Committee (PTC) is invited to:

- take note of the Mercator Programme Brochure 2022;
- take note of the progress made on the update of the WCO Implementation Guidance for Section I of the WTO TFA and encourage Members to provide more practices and experiences regarding TFA implementation to be included in the Guidance;
- take note of the progress made in the area of transit;
- take note of Member presentations during the meeting on their national experiences related to TFA implementation.

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## **I. Introduction**

1. The World Customs Organization (WCO) assists its Members to implement trade facilitation measures under the WTO TFA expeditiously and in a uniform manner using WCO instruments and tools and applying the WCO strategic approach to sustainable capacity building.
2. Since its 2<sup>nd</sup> meeting in September 2014, the WCO Working Group on the WTO TFA (TFAWG) has been continuously provided with updates on the achievements in this regard. The last (13<sup>th</sup>) meeting of the TFAWG was held on 8-9 March 2021.
3. The Policy Commission (PC) and Council in June 2021 decided to bring a close to the TFAWG, incorporating its work into the PTC and Capacity Building Committee (CBC). Since then, the WTO TFA has been a standing item on the PTC Agenda.
4. Therefore, the PTC will be informed about some recent work of the WCO in this regard. In addition, Members will also be invited to share their national experiences related to TFA implementation during the meeting.

## **II. Mercator Programme Brochure 2022**

5. The Mercator Programme, launched in June 2014, is the WCO's flagship initiative supporting Members and governments worldwide to implement trade facilitation measures, particularly those associated to the WTO TFA, expeditiously and in a harmonized manner by the application of WCO tools and instruments. The two tracks of the Mercator Programme allow the WCO to respond to important cross-cutting, as well as country-specific, challenges to TFA implementation. The WCO Compliance and Facilitation Directorate and the Capacity Building Directorate work closely together to deliver both tracks of the Programme.
6. In July 2019, the WCO published the inaugural WCO Mercator Programme Report covering the period 2014 to 2018 that took stock of the emergence of the Mercator Programme during its first four years and outlined the overall approach, the people involved, along with highlighting the utilization of the WCO instruments and tools that continue to support our Members with the effective implementation of the TFA.
7. The second edition of the Mercator Programme Report was launched in November 2020. Building on the first edition, the second edition covered the period up to June 2020 and further elaborated on the approach, tools, people, and partners that define the achievements and distinctiveness of the Mercator Programme. The second edition of the Report provided a current overview and highlighted some common implementation challenges and outlined how the Mercator Programme is assisting Members in providing tailor-made solutions to address them. The Report also included a series of descriptive case studies that demonstrated the connection between the TFA and the real-world application of WCO instruments. The Report also reflected the uniqueness of the WCO and of its position as the global center of excellence in Customs matters. It also demonstrated the effectiveness of the application of the WCO instruments and tools, especially in terms of the specific methodologies, priority setting and the sequencing of activities. The Mercator Programme Report can be reached via the following link: <http://www.wcoomd.org/-/media/wco/public/global/pdf/topics/capacity-building/activities-and-programmes/mercator-programme/a-wco-initiative-to-support-wto-tfa-implementation.pdf?db=web>.

8. After publishing two editions of the Mercator Programme Report, this year the WCO focused its efforts on developing and publishing a new Mercator Programme Brochure. The brochure aims to provide Members with an overview of the recent updates to the overall and tailor-made tracks of the Mercator Programme. It also provides an update on the achievements of the Mercator Programme and on recent WCO instruments and tools that were developed to support implementation of the TFA during the period between July 2020 - June 2022. The brochure encompasses TFA implementation during the pandemic, challenges encountered, lessons learnt and the way forward. The latest trends, as well as a brief summary of programmes and projects that offer support to Members on TFA implementation, are also included.
9. The WCO Mercator Programme Brochure will be available via the following link in September 2022: <http://www.wcoomd.org/en/topics/capacity-building/activities-and-programmes/mercator-programme.aspx>.

### **III. Update of the WCO Implementation Guidance for Section I of the WTO TFA**

10. The WCO launched the Implementation Guidance for Section I of the WTO TFA in 2014. The Guidance provides valuable information on TFA implementation by referring to the relevant standards in the Revised Kyoto Convention (RKC), together with other WCO instruments and tools, Members' practices and performance indicators for each provision of the TFA.
11. The Guidance has been partially updated in subsequent years with new experiences shared by Members and the inclusion of new WCO instruments and tools. The current version of the Guidelines is available at: <http://www.wcoomd.org/en/topics/wco-implementing-the-wto-atf/atf.aspx>.
12. During its 139<sup>th</sup>/140<sup>th</sup> Sessions in June 2022, the Council approved the PTC Work Programme 2022-2025. One of the activities in this work programme is to update the Implementation Guidance for Section I of the TFA. As this web-based tool assists Members by ensuring harmonized implementation of various trade facilitation measures, it should be fully updated in response to the expressed needs and best practices gathered from across the WCO Membership.
13. Learning about other Members' experiences is indispensable for effective implementation of the TFA, therefore, it is one of the most essential parts of the Guidance. Currently, the Implementation Guidance already embraces national practices collected since 2014 and now it requires the latest practices demonstrating the achievements of WCO Members in implementing the WTO TFA.
14. Aiming to bring the Implementation Guidance up to date, on 23 August 2022, the WCO Secretariat invited WCO Members to contribute to this process by updating their national experiences.
15. The PTC will be invited to take note of the progress update of the WCO Implementation Guidance for Section I of the WTO TFA and to encourage Members to provide more practices and experiences regarding TFA implementation to be included in the Guidance.

### **IV. Transit**

16. The establishment by Members of efficient and effective transit regimes in their territories is a major trade facilitation measure. The RKC, Article V of the General Agreement on Tariffs and Trade (GATT), and Article 11 of the TFA frame the nature of

transit by prohibiting the application of any duties and taxes for goods in transit and ensuring their free flow. Efficient transit regimes are of particular importance for the economic development of landlocked developing countries (LLDCs), as well as transit developing countries. The WCO contributes to improving the transit systems of LLDCs and transit developing countries by setting standards for simplified and harmonized border procedures, delivering capacity building projects and enhancing cooperation and coordination with other development partners. Progress reports on WCO activities in the area of transit were last provided to the TFAWG and the PTC in Spring 2020.

17. Following endorsement by the PTC in June 2020 and by the Policy Commission and Council in December 2020, the WCO launched the Compendium of best practices in the area of transit that can be accessed through the following link:  
<http://www.wcoomd.org/en/topics/facilitation/instrument-and-tools/tools/transit-compendium.aspx>.
18. In November 2020, the WCO delivered a national workshop on transit for the State Revenue Committee of Kazakhstan. In July 2021, the WCO contributed to a capacity building activity organized by the United Nations Conference on Trade and Development (UNCTAD) for national transit coordinators in Central Asia. The UNCTAD workshop was attended by representatives of the Customs administrations and Ministries of Trade of Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan.
19. In addition to the activities on Customs transit, the WCO provides capacity building support to LLDCs and transit developing countries in a number of trade facilitation areas in view of supporting them implement the Vienna Programme of Action for LLDCs for the period 2014 – 2024.
20. As a member of the Inter-Agency Consultative Group (IACG) on the follow-up and Implementation of the VPoA, the WCO takes active part in all IACG meetings and provides progress reports and input for the United Nations Secretary-General's reports on the implementation of the VPoA.
21. During the first periodic review of TFA implementation, the WTO Trade Facilitation Committee (TFC) decided to include a dedicated session to discuss transit issues of landlocked country members in its spring meeting for four years from April 2022. The 12<sup>th</sup> WTO Ministerial Conference also instructed the TFC to hold a dedicated session on transit issues annually until the next review of the TFA. The WCO delivered a presentation during the first such session held on 5 April 2022.
22. In addition, the Secretariat contributed to a session on facilitating transit and transport held on 29 September 2021 in the framework of the 2021 WTO Public Forum, and to the Inaugural Meeting of the LLDCs' National Contact Point Network held on 16-17 June 2022. Furthermore, the WCO Secretary General participated in the following high-level events on LLDCs: Annual Ministerial Meeting of Foreign Ministers of LLDCs on 23 September 2020; Aid for Trade Stocktaking event - session on the impact of COVID-19 on LLDCs on 23 March 2021; LLDCs Ministerial Meeting on Trade on 4 November 2021; and, the Ministerial Transport Conference of LLDCs on 15-16 August 2022.

#### V. **Action required**

23. The PTC is invited to:
  - take note of the Mercator Programme Brochure 2022;

- take note of the progress made on the update of the WCO Implementation Guidance for Section I of the WTO TFA and encouraged Members to provide more practices and experiences regarding TFA implementation to be included in the Guidance;
- take note of the progress made in the area of transit; and,
- take note of Member presentations during the meeting on their national experiences related to TFA implementation.

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