



PERMANENT TECHNICAL
COMMITTEE

PC0716Eb

-
239th/240th Sessions

-
25 – 27 April 2023

Brussels, 14 April 2023

Green Customs

(Item VI on the Agenda)

SUMMARY

Purpose of document

The 237th/238th Sessions of the PTC welcomed the identification of Green Customs as one of the focus areas of the WCO Strategic Plan 2022-2025 . Acknowledging that efforts in the area of Green Customs would become a game-changer, the 87th Session of the Policy Commission held an extensive discussion on the topic and tasked the Secretariat to develop a dedicated Action Plan. The PTC is invited to provide guidance on the draft Action plan for Green Customs, which will be presented to the Policy Commission in June 2023.

Actions required of the Permanent Technical Committee:

The PTC is invited to:

- provide guidance on the draft Action plan for Green Customs.

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I. Background

1. **The 237th/238th Sessions of the PTC** confirmed Members' support for the Green Customs initiative. Delegates commended the outcomes of the Green Customs Global Conference and suggested the need for further exploration of ways to make supply chains greener.
2. Considering the results of the Annual Survey (2022), delegates noted the main challenges in monitoring and enforcing Multilateral Environmental Agreements (MEAs) and implementing a trade facilitation policy for environmental goods. They also acknowledged the need to strengthen **Customs to business (C2B) and Customs to other government and inter-government agencies (C2G) cooperation** to achieve environmental objectives. In this connection, Delegates stressed the importance of ensuring supply chain visibility of sensitive goods at all levels, including production and waste disposal and the promotion of enforcement and intelligence cooperation leveraging the use of the WCO Customs Enforcement Network (CEN) and the application of disruptive technologies, in line with the WCO Data Strategy.
3. Reiterating their interest in looking further into the role that Customs might play in promoting the Circular Economy, delegates suggested the need to **share best practices** for tackling emerging illicit trade threats that might be covered by Circular Economy policies, taking into consideration developing countries' perspectives. Delegates also highlighted the need to foster **capacity building** interventions, including through the constitution of a pool of experts.
4. **The 87th Session of the Policy Commission (PC)** in December 2022 held an extensive discussion on the topic of Green Customs, in which delegates shared their views in the following areas related to environmental sustainability.
 - I. **Measures for "greening" the activities of Customs.** The examples provided included deploying electric cars in Customs operations, using solar energy in offices or inspection facilities, and applying sustainable methods for the disposal of seized goods intended for destruction, such as the reusing and recycling of materials therefrom.
 - II. **Measures related to Customs processes** aimed to reduce the Customs carbon footprint and to green trade. In this connection, the digitalization of Customs processes and the implementation of paperless procedures at the border was pointed out as a way forward for Customs.
 - III. **The implementation of trade measures for "greening" supply chains**, such as promoting the use of environmentally friendly goods (e.g. through tax exemptions for solar panels and electric cars, or goods produced with the use of green energy) and strengthening Customs role in the enforcement of prohibitions and restrictions for the trade in goods that had a negative impact on the environment (e.g. illegal trafficking of waste, the illegal trade in endangered species, illegal logging, etc.).
 - IV. One area identified as meriting further consideration by Customs was the need to adapt the procedures for determining the **Customs value and origin** of goods, as well as the related Customs procedures, in the context of the transition to a

circular economy. Another related area was the use of the **HS** classification system to identify environmentally-friendly goods.

V. In many of the areas discussed, cooperation between Customs and other government agencies was considered of key importance.

5. Recognizing that Customs were on the front line of the global environmental challenge, PC delegates shared the view that efforts in the area of Green Customs would become a game-changer and tasked the Secretariat to develop a dedicated Action Plan.
6. While recognizing that the work in this area could benefit from greater precision around the definition of the Green Customs concept, it was suggested that the formulation of **standards under the SAFE Framework of Standards** be considered as a possible action that could be included in the future Action Plan, together with the **collection of best practices** on a regional basis, **the development of an Eco-Management and Audit Scheme** instrument and any other activity that the Study Report on the implications for Customs administrations of the transition to a circular economy would have provided recommendations for.
7. It was suggested that the future Action Plan should also make a distinction between short-term and long-term measures and should specify the resource implications and the efficiencies that could be achieved. In order to boost the global Customs community to “shift up a gear” on this matter, in February 2023 the EU initiated **informal consultations on Green Customs** with the **Brussels-based attachés (BBA)**.
8. Interested BBA gathered at the premises of the WCO to informally exchange views on Green Customs and provide input to the WCO Secretariat for the draft Action Plan, without representing the formal position of a WCO Member, unless explicitly mentioned.
9. The draft Green Customs action plan is presented as an Annex to this document. It was developed on the basis of the activities already planned and contained in the work programmes of WCO working bodies, to take stock of where the WCO currently stands on these matters. It has been further populated through the input provided by the consultations with BBAs⁴, depending on the availability of additional resources implications that would emanate from this.

II. Next steps

10. Considering the very short timeframe within which this document has been drafted, this draft action plan should be regarded as a first outline that provides more clarity on the initiatives that will be led by the WCO on Green Customs. It will be considered as a living document that will be further refined and populated before being presented in its final form to the June 2023 Policy Commission and Council.
11. In this context, more might be done to identify potential long-term measures, on the basis of the developments already foreseen, and assess what could be the impacts in terms of resources. The document might be adjusted according to these elements before its presentation to the June 2023 Policy Commission and Council.

III. The PTC is invited to:

- provide guidance on the draft Action plan for Green Customs.

~~⁴The input received from the informal consultation on Green Customs with interested Brussels-based attachés (BBA) have been marked in red in the Annex.~~

**Annex to doc. PC0716Ea
Green Customs Action Plan**

Short-term objective (end of financial year 2022-2023)

The WCO develops its thinking on Green Customs through a dedicated Action Plan.

Medium-term objective (Strategic Plan 2022-2025)

The WCO implements its Green Customs Action Plan.

Long-term vision

The focus area Green Customs in the Strategic Plan 2022-2025 has been transformative for the WCO and its Members.

Green Customs has become common practice and the measures taken by the WCO and its Members are framed in the context of the related United Nations Sustainable Development Goals.

At the WCO, Members **share information** on how they developed their policies on Green Customs and the Green Customs agenda has been developed in an **inclusive way**, respecting the different pace of the Members, providing capacity building where needed, and defining ambitious but realistic goals.

On the international stage, the WCO is facilitating the global transition to green trade and is reducing its own environmental footprint.

On national level, customs administrations are now key players in national environmental policy.

Definition of “Green Customs”

Green Customs refers to the measures that Customs administrations can take or develop to reduce their own environmental footprint (“being”), to protect the environment and facilitate green trade (“doing”) and to test transformative ideas towards sustainability excellence (“innovating”), and by doing so drive progress on the related United Nations Sustainable Development Goals.

The related UN SDG are, in particular:

- SDG 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture.
- SDG 3: Ensure healthy lives and promote well-being for all at all ages
- SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
- SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
- SDG 12: Ensure sustainable consumption and production patterns
- SDG 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.

The building blocks of Green Customs

Figure 1: Building blocks Green Customs



“Being” concerns measures to green the customs administrations themselves (for example, measures to reduce the carbon footprint of the administration, such as reducing waste, working paperless, acquiring low-carbon emission vehicles, using clean energy in the buildings). It includes developing guidelines for customs administrations to reduce the own environmental footprint

For example, standards on low-carbon mobility, standards on how to make procurement greener by for example adding a clause on environmentally safe storage and destruction of goods in the related call for tenders, adding a clause on sustainable disposal in procurement of NII and other equipment, including life-cycle assessment principles when acquiring new equipment)

“Doing” concerns customs measures to green trade (for example, enforcing environmental legislation and agreements at the border, supporting paperless trade via digitalisation of processes).

“Innovating” concerns innovative thinking and transformative measures in customs. The measures to foster innovative thinking should be seen as immediate actions with a long-term result or impact. Part of those measures can be pilot projects. This building block is crucial to direct attention and resources to the needs of the (near) future.

To successfully implement the measures of the building blocks it is crucial **to educate staff** about reducing the environmental footprint, **train both staff and trade** on the policy measures to green trade and provide guidance for the **cultural change** necessary for the green transition.

- SO1. Trade facilitation
- SO2. Revenue collection
- SO3. Protection of society
- SO4. Organizational development
- ORG. WCO improvement

Strategic objective	Area/Topic	Objective	Actions	Timeframe	Priority	KPI	Body in charge	Responsible team	
SP1. Develop, maintain and implement instruments									
SO1	SO2	Performance measurement	To assess Customs performance in green matters	Developing Green Customs KPIs to measure the current performance and progress of the environmental footprint reduction , for inclusion in further versions of the Performance Measurement Mechanism	TBD	A	Usage of this PMM KPI by Members	TBD	PMM team
SO3	SO4								
SO4		Greening the customs administrations	To assess Customs performance in green matters	Developing, together with Members, understanding and guidance on performance in green matters in order to identify common parameters that could lead to the creation of a Green Customs assessment tool (GEOT-like) for self-assessment (depending on available funding and resources)	TBD	?	Green Customs assessment tool presented at the CBD, EC and PTC	CBD EC PTC	CBD Compliance Facilitation

SO1	Waste	Enhance knowledge of the issues related to waste management and the potential responses to be brought by Customs	Undertake Business Process Mapping of transboundary movement of waste with Members to harmonize the most relevant processes in the context of CBM and Single Window implementation	Autumn 2023 (PTC) June 2024 (Council)	A	Harmonized Business Process Mapping on transboundary movement of waste presented to and the updated CBM Compendium endorsed by the PTC and EC	PTC EC	Facilitation Compliance	
			Develop specific GNC Utility Blocks for transboundary movement of waste	December 2023	B	Presentation(s) on UBs delivered to the PTC			
			SO3	Develop standard operating procedures for waste consignments	June 2024	B	Standard operating procedures developed	EC	Compliance
SO1	Environmental compliance	Enhance collaboration with other regulatory agencies	Discuss potential guidelines/tools to enhance collaboration with other regulatory agencies to ensure environmental compliance under Pillar III of the SAFE FoS	Spring 2024 (PTC) June 2024 (PC and Council)	B	Potential guidelines/tools on enhancing collaboration with other regulatory agencies to ensure environmental compliance discussed and endorsed by the PTC	SAFEWG, PTC	Facilitation	
SO1			SO2	Develop and update Standard Operating Procedures on Safety, Storage and handling of hazardous waste and ozone depleting substances for SADC and EAC countries (Sida project)	June 2023	B	Joint SOP draft on safety, storage and handling of goods / substances regulated by MEAs	CBC In coordination with PTC	CBD in coordination with Facilitation
SO3									

Annex to
Doc. PC0716Eb

SO2	Greening WCO instruments	Provide forums for discussion on potential developments to support Members seeking to implement their environmental policies more effectively at their borders	- Following on from the report to the March 2023 HSC on the outcomes and concepts raised in the Greening the HS Symposia series, further research into possible HS updates that facilitate Members implementing environmental policies - Submission of reports to the HSC, including potential areas of change for consideration	Continuous activity	A	HS updates to facilitate implementation of environmental policies and proposals for potential areas of change for consideration	HSC	TTA	
			Develop a report on the outcomes of the symposia, incorporating suggestions received during these sessions and issues (needs, problems, gaps and possibilities) identified within the Symposia series, along with any discussions from the HSC that are able to be shared, and the Secretariat's observations on the symposia	April 2023	A	Publication of the report		TTA	
SO3	Greening WCO instruments	Enhance the knowledge of the circular economy and identify what the role of Customs could be in this context	Develop the Enforcement Handbook to enable Members to tackle environment issues and contribute to the goals of the circular economy	June 2023	B	Handbook developed and presented to EC and Council	EC Council	Compliance	
		Enhance the knowledge of the circular economy and identify what the role of Customs could be in this context	Update the Enforcement Handbook to enable Members to tackle environment issues and contribute to the goals of the circular economy	June 2024	B	Handbook finalized and presented to EC	EC	Compliance	
	IPR, Health and Safety	Sensitize and familiarize Customs officials with the principles of sound environmental management	Develop Guidelines on "Environmentally safe storage and destruction of intellectual property infringing goods"	June 2024	A	Guidelines on "Environmentally safe storage and destruction of intellectual property infringing goods" adopted and published	CAP EC	Compliance	
SO4	SO1	Greening Customs Administration and trade	Enhance knowledge of measures to reduce Customs environmental footprint and measures to green trade	Collecting good practices and drafting a catalogue of measures (stocktaking) they took to reduce their own environmental footprint and customs measures to green trade (depending on available funding and	TBD	?	Catalogue of measures to reduce the environmental footprint an	CBC PTC	CBD, Facilitation

				resources)			green trade presented at the CBD and PTC			
SO1	Greening Trade		Enhance knowledge and capabilities on measures to green trade through transport	Developing guidelines on facilitation measures for return-refill containers and packaging (depending on available funding and resources)	TBD	?	Guidelines on facilitation measures for return-refill containers and packaging adopted	PTC	Facilitation	
SP2. Foster Customs cooperation										
SO1	SO 2	SO 3	Waste	Foster regional cooperation on waste-related matters	Develop a Regional Joint Action plan regarding border management of recyclable plastic materials and plastic waste within the framework of the Asia Pacific Plastic Waste Project	June 2023	A	Regional Joint Action Plan taken note of by EC and Regional DG Meeting AP	EC	Compliance Facilitation
SO1	SO 2	SO 3			Organize regional Workshop on border management of recyclable plastic materials and plastic waste, within the framework of the Asia/Pacific Plastic Waste Project	May 2023	B	Organization of the Conference	EC	
SO2		Origin		Enhance collaboration with other regulatory agencies	Include a specific session on origin and environmental issues in the programme of the next WCO Global Conference on Origin	November 2023	B	Specific session on the place of rules of origin in the green transition during the WCO Global Conference on Origin	Policy Commission	TTA
SO3		CBM		Conduct joint operations in key areas to streamline and improve the coordination of operational activities on the global and regional level with Customs and other law enforcement partners	Prepare and implement an Operation on wildlife trafficking	June 2024 (operation dates restricted)	A	Operation and final report delivered	EC	Compliance
					Prepare and implement an operation on environmentally sensitive commodities (format DEMETER on waste and substances controlled under the Montreal Protocol)		A	Operation and final report delivered	EC	
				Enhanced cooperation between Customs	Two (2) national Awareness and Sensitization workshops on the Basel	April 2023	B	National workshops	CBC	CBD

Annex to
Doc. PC0716Eb

			Administrations and Environmental Agencies	Convention and Montreal Protocol Agreements – Lesotho and Mozambique			delivered		
SO3	SO1	Disruptive technologies	Intelligence led enforcement cooperation	Collecting experiences in implementing disruptive technology and innovative working methods to promote intelligence led cooperation,	TBD	B	Discussion at the WCO Technology conference	EC, PTC	Compliance, Facilitation RILOs
SO1	SO2	International cooperation	Share best practices internationally	Contribute to collective efforts in green matters through the sharing of best practices and integrate knowledge from other leading organizations	Continuous	?	Consideration made to green matters in agreements and MoUs with other Organizations		RPU, Facilitation, Compliance, CBD
SO3	SO4								
SP3. Build capacity									
SO3	Waste	Raise Members awareness and capacities		Raise awareness and enhance Member capacities in the area of waste, in particular plastic waste, in the Asia Pacific Plastic Waste Project (APPWP) beneficiary countries	June 2023	B	APPWP agreement deliverables	EC	Compliance
				Train the Trainer Inter-Regional workshop (MEAs) for Sida project beneficiaries on the Basel Convention and Montreal Protocol Agreements	April 2024	B	Sida project agreement deliverable	CBC	CBD
	Countering illegal wildlife trafficking and forest logging			Raise awareness and enhance Member capacities in the area of countering illegal wildlife and forest logging through the INAMA and Sida projects. The Asian, Sub-Saharan African and South American regions are targeted for projects engagements	Continuous activity of the Environment Programme	B	INAMA and Sida Projects agreement deliverables	EC	Compliance
				Raise awareness and enhance Member capacities in the area of countering Illicit Wildlife Trafficking through the ICCWC project with focus on operational capacity-building curriculum, interagency cooperation and case preparation for crime proceeding chain. Beneficiary countries in Sub-Saharan Africa, Southeast Asia and South America.		B	ICCWC Project agreement deliverables	EC	

	Multilateral Environmental Agreements (MEAs)		Capacity building for AP region in regard to MEAs	March 2023	B	Capacity building under CCF	EC	Compliance	
	Hazardous substances and goods		Capacity Building for EAC and SADC countries on Management of Regulatory Inspections of Hazardous Substances and Goods under Customs control (Sida project)	September 2023	B	Sida project agreement deliverable	CBC	CBD	
	Ozone depleting substances		Conduct capacity building support in prevention, detection, investigation and prosecution of ozone depleting substances and / or waste trafficking	December 2023	B	Capacity building support conducted			
SO3	Customs exchange of information networks	Raise Members awareness and capacities	Promote the use of the WCO Customs exchange of information networks such as CENcomm and the RILOs to improve risk management for enforcing environmental legislation (depending on available funding and resources)	Ongoing	B	Awareness raising and Capacity building support conducted	EC	Compliance RILOs	
SO4	Greening the customs administrations	Raise Members awareness and capacities	Providing capacity building on greening the Customs administrations and trade based on the results of the Green Customs assessment tool and the PMM	TBD	?	Capacity building support conducted	CBC	CBD	
SP4. Research									
ORG		Research	Conduct research on Green Customs matters	Research workshop on Customs and the environment to prepare for COP28 (subject to the recruitment of a new TO in the Research and Policy Unit)	December 2023	A	Organize and conduct the research workshop	Policy Commission	RPU
SO1	SO2	Circular economy		Study on Circular Economy and implication to Customs administrations	June 2023	A	Presentation of the study to the April 2023 PTC and PC	PTC	
SO3	SO4	Research	Conduct research on Green Customs matters	According to the outcomes of the Research workshop on Customs and the environment, agree on key topics to be further explored in order to adequately prepare Customs for their role in the future, in partnership with academia	Following the Research workshop on Customs and the environmen	?	Selection of key topics to be further explored through research activities	Policy Commission	RPU
SO1	SO2								
SO3	SO4								

					t				
SP5. Communicate									
ORG	WCO influence	Position the WCO in international discussions	Preparation of a WCO position (policy note) for COP28 (subject to the recruitment of a new TO in the Research and Policy Unit)	December 2023	A	WCO Policy note for COP28	Policy Commission	RPU	
SO4	Greening Customs Administration themselves	Raise awareness of staff on how everyone's contribution counts to reduce the carbon footprint	Drafting a guide on how everyone's contribution counts to reduce the carbon footprint of the organization (depending available funding and resources)	TBD	?	Guide presented at the CBD/PC	CBC	CBD	
SO4	Greening WCO instruments	Incorporating greening objectives in every WCO working body via the work programmes	Incorporating green customs policy initiatives into Work Programmes of WCO working bodies to ensure that they are addressed in both planning and operations of the WCO	Continuous (from FY23/24)	?	Update of work programmes	All	All	
SO1	SO2	Sharing experiences	Publication on Green Customs matters	Sharing experiences on the impact on customs of implementing mechanisms to reduce carbon leakage and emissions from imported goods	Next WCO news magazine publications	?	Publication in the WCO news magazine	None	Comm (for coordination, on the basis of information provided by Members)
SO3	SO4								