



PERMANENT TECHNICAL  
COMMITTEE

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**WORLD TRADE ORGANIZATION (WTO) TRADE FACILITATION AGREEMENT (TFA)**

**Mercator Programme progress report**

**(Item V.b on the Agenda)**

**SUMMARY**

**Purpose of document**

The World Customs Organization (WCO) Mercator Programme aims at assisting governments worldwide 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.

This document aims to brief the PTC on recent achievements under the overall and tailor-made tracks of the Mercator Programme.

**Action required of the Permanent Technical Committee**

The Permanent Technical Committee is invited to:

- take note of the progress made under the WCO Mercator Programme.

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## I. Introduction

1. The Mercator Programme – a strategic initiative launched by the WCO in June 2014 – is aimed at supporting Members and governments worldwide in navigating their implementation of the World Trade Organization (WTO) Trade Facilitation Agreement (TFA) in an expeditious and harmonized manner by applying WCO instruments and tools. The key objective of the Mercator Programme is to achieve the uniform implementation of the TFA by providing “tailor-made” technical assistance and capacity building support.
2. The WCO has a wealth of expertise and experience in global Customs technical assistance and capacity building, and based on a long-standing history of cooperation with the WTO, other international organizations and the private sector, its Mercator Programme serves as an important vehicle for coordinating the needs and priorities of all concerned stakeholders.
3. The two tracks of the Mercator Programme allow the WCO to respond to important cross-cutting, as well as Member-specific, challenges to TFA implementation. The “overall” track deals with broader interests, including awareness-raising at global, regional and national levels, as well as the updating and development of trade facilitation standards and tools. The “tailor-made” track, anchored on the WCO capacity building principles of ownership, needs-based support, partnerships, results-based management, sustainability and effective project management, focuses on meeting Members’ specific needs in terms of implementing the TFA effectively. In accordance with the operating model of the Mercator Programme, “tailor-made” assistance may take the form of multi-year (MY) Mercator Programme Implementation Plans or ad-hoc engagements to support the implementation of specific TFA Articles. The “tailor-made” track also encompasses important underlying organizational development matters which are viewed as fundamental in the sustainable implementation of TFA measures.
4. The WCO Compliance and Facilitation Directorate and the WCO Capacity Building Directorate work closely together to deliver both tracks of the Programme.
5. Since its 2<sup>nd</sup> Meeting on 28 and 29 September 2014, the WCO Working Group on the WTO Trade Facilitation Agreement (TFAWG) has been providing updates on the achievements under the Mercator Programme. The final (13<sup>th</sup>) Meeting of the TFAWG was held on 8 and 9 March 2021; in June 2021 the Policy Commission (PC) and Council decided to bring the TFAWG to a close, incorporating its work in the Permanent Technical Committee (PTC) and the Capacity Building Committee (CBC). Therefore, the PTC will now be briefed on recent achievements under the “overall” and “tailor-made” tracks of the Mercator Programme.

## II. “Overall” track

### **New/updated instruments and tools**

6. Since the April 2023 sessions of the PTC, the WCO’s working body structure has finalized work on the following tools, which were approved by the Council in June 2023:
  - Version 4.0.0 of the WCO Data Model (WCO DM Version 4.0.0);
  - Updated WCO Implementation Guidance for Section I of the WTO TFA;
  - Revised update/maintenance mechanism for the E-Commerce Package;
- 2.

- Revised versions of Annexes I and VI to the Technical Specifications to the Framework of Standards on Cross-Border E-Commerce (E-Commerce FoS) resulting from the 2022-2023 annual review process;
- 4<sup>th</sup> Edition of the Compendium of Case Studies on E-Commerce;
- Guidelines on Cooperation Between Customs and Port Authorities;
- Maritime API and BRI/PNR Standard Maintenance Procedure;
- Maritime API and BRI/PNR Dataset;
- Cruise Ship Compendium of Best Practices for Customs;
- Study on the Digitalization of the Certificate of Origin up to and including Section 5; and
- WCO Guide to Stress Tests.

### **Ongoing work**

7. At its October 2023 sessions, the PTC discussed and provided input on the outline/key topics covered by the concept paper on the use of blockchain by Customs. Delegates provided guidance on the concept paper, stressing the importance of interoperability, and addressing the governance and legal issues relating to data protection, and invited interested experts from Member administrations or observer organizations to contribute to the development of the concept paper during the intersession. The PTC will be invited to discuss and endorse the concept paper on the use of blockchain by Customs, and Customs' role in a blockchain-enabled environment, so that it can be presented to the Council for approval in June 2023 and subsequently published.
8. At these sessions, the PTC will also be invited to examine and endorse the draft 5<sup>th</sup> Edition of the Compendium of Case Studies on Cross-Border E-Commerce, which incorporates a number of updated and new case studies submitted by Members following a call for case studies sent out in October 2023. After endorsement by the PTC, the 5<sup>th</sup> Edition of the Compendium will be submitted to the June 2024 Policy Commission for endorsement and Council for approval. In addition, in November 2023, the SAFE Working Group (SWG) discussed the way forward regarding the development of new guidelines/tools on expanding the concept of AEO to e-commerce stakeholders, and agreed to launch a process for collecting relevant practices from Members. The PTC will be invited to endorse a template for the submission of Members' practices, as part of the work on expanding the concept of AEO to e-commerce stakeholders. Moreover, the same SWG session endorsed a repository of Members' practices on collaboration with other regulatory agencies to ensure environmental compliance under Pillar III of the SAFE FoS, including a template for submitting new Members' practices. The 89<sup>th</sup> Session of the Policy Commission considered, discussed and endorsed the outcomes of the SWG in relation to Green Customs. The PTC will be informed about these developments under the Agenda item dedicated to Green Customs.
9. The PTC will also be invited to endorse the Updated WCO-UPU Postal Customs Guide at its April 2024 meeting. The Guide is an information source for postal and Customs administration officers dealing with Customs clearance of postal items. The update aims to ensure an effective and up-to-date guide for cooperation between Customs administrations and Designated Operators (DOs), including the Cooperation Agreement signed between the WCO and the UPU in May 2022, incorporation of recent work advanced under the WCO-UPU Contact Committee, and reflection of recent changes in the environment in which Customs processing of postal items takes place, e.g. EAD and e-commerce.

10. In October 2023, the PTC discussed the draft Concept Note on Strengthening Customs-Industry Resilience, prepared by the WCO Asia/Pacific Region and Asia/Pacific Regional Private Sector Group. To ensure continued progress with the resilience efforts outlined in the Concept Note and extend their scope to all WCO Members, following the guidance provided by the Policy Commission, the PTC will be invited to discuss the draft Concept Note and potentially endorse a draft WCO Resolution on Resilience.

**Conferences/multi-regional, regional and sub-regional workshops/webinars organized by the WCO**

11. The first joint WCO/UPU Global Conference was held from 6 to 8 June 2023 in Tokyo, Japan, with the aim of identifying synergies to enhance coordination and cooperation between Customs and DOs at international and national levels in order to strengthen security and facilitation of Customs procedures for global postal chains. The Conference brought together more than 600 high-level officials, policymakers and operational experts from Customs and postal communities, academic institutions and partner organizations, from over 100 countries. It was organized as the first significant step under a renewed Cooperation Agreement signed by the two organizations in May 2022, and offered a platform to exchange information, experiences, expertise and best practices, while increasing awareness of the Customs and postal regulatory frameworks, mandates and available instruments and tools.
12. The 2023 WCO Technology Conference and Exhibition was held from 10 to 12 October 2023 in Ha Noi, Vietnam, under the theme “Embracing the Digital Age: Leveraging Technology, Fostering Innovation, and Nurturing the Next Generation of Customs Professionals”. The Conference gathered over 1,200 registered participants from 95 countries. The Conference agenda included 10 plenary sessions, five keynote speeches, nine break-out sessions and 12 tech-talks, which benefited from the insights of 93 speakers from Members of all the WCO regions, the private sector, partner international organizations, and academia. The topics discussed in plenary included data analytics, Artificial Intelligence and Machine Learning, blockchain, latest innovations in detection technology, Customs-to-Customs exchange of data, Single Window solutions, and cross-border e-commerce.
13. The Second Symposium on E-Commerce and Customs Valuation was held on 23 October 2023 in Brussels, Belgium, in a hybrid format. The event attracted over 850 participants from international organizations, Customs administrations and the private sector. The Symposium addressed various practical issues, including policies, procedures and practices to address the challenges posed by the ever-changing business dynamics of e-commerce.
14. The 6<sup>th</sup> WCO Global AEO Conference will be held from 8 to 10 May 2024 in Shenzhen, China. Under the theme of “Harnessing the Power of AEO Programmes for Inclusive and Sustainable Global Trade”, this global three-day event will bring together key stakeholders from around the world to delve into the transformative potential of AEO programmes. The Conference agenda includes eight plenary sessions and six break-out sessions. The Conference will be exploring innovative technologies, ensuring that discussions on global trade advancements are inclusive, benefiting businesses of all sizes and acknowledging the importance of gender perspectives in trade. The expected number of in-person participants is around 1,000.

15. During the reporting period, multi-regional, regional and sub-regional workshops have been carried out (or are in the planning stage) on a range of topics, including, in particular, the Revised Kyoto Convention (RKC), e-commerce, National Committees on Trade Facilitation (NCTFs), disruptive technologies, AEO, transit and others.
- From 8 to 11 May 2023, the WCO delivered a sub-regional workshop on e-commerce for Members of the Association of Southeast Asian Nations (ASEAN). The workshop was held in Kota Kinabalu, Malaysia, and was aimed at raising awareness of the WCO tools and initiatives aimed at facilitating and securing cross-border e-commerce, and discussing challenges and possible solutions in this area.
  - A WCO multi-regional workshop on the RKC was held in Panama from 8 to 12 May 2023, with the financial support of the Customs Cooperation Fund of China (CCF-China). A total of 32 Customs officials from South America, Central America, the Caribbean, East and Southern Africa, West and Central Africa, and Europe attended the workshop. Overall, 26 observers (non-contracting parties) and six contracting parties to the RKC participated in the workshop.
  - From 5 to 8 June 2023, the WCO held a sub-regional AEO workshop for Members of the ASEAN. The workshop, held in Jakarta, Indonesia, aimed to enhance the knowledge and skills of Customs officials in implementing AEO programmes and fostering Customs-Business partnerships. Participants from all ASEAN Member States shared their experiences and insights during the workshop, covering topics such as AEO validation and authorization, mutual recognition of AEO programmes, coordinated border management, AEO compliance and risk management, post-certification monitoring, and stakeholder engagement strategies.
  - From 25 to 28 July 2023, the WCO, supported by the Sida-WCO Trade Facilitation and Customs Modernization (TFCM) Programme, held a sub-regional workshop on Customs Interconnectivity and Process Harmonization for Transboundary Movement of E-Waste in Mombasa, Kenya. The objective of the activity was to support the EAC region in piloting a business process analysis on import of e-waste regulated by the Basel Convention Agreement, and in developing a GNC UB for exchange of Customs data between importing and exporting countries on goods and/or substances regulated by the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal.
  - On 10 and 11 October 2023, the WCO delivered a Europe sub-regional workshop on NCTFs in Brussels, Belgium, within the SECO-WCO Global Trade Facilitation Programme (GTFP) framework. The workshop aimed to strengthen the capacities of the NCTFs and to foster regional cooperation for effective and sustained implementation of trade facilitation initiatives.
  - From 23 to 26 October 2023, the WCO delivered a sub-regional workshop on the Implementation of the Framework of Standards on Cross-Border E-Commerce for Members of the WCO Asia/Pacific region in Colombo, Sri Lanka, with the participation of representatives from the Customs Administrations of Bangladesh, India, Iran, Maldives, Nepal, Pakistan and Sri Lanka. The workshop aimed at raising awareness of the WCO E-Commerce Framework of Standards and the steps for its implementation.

- From 27 November to 1 December 2023, the WCO, within the framework of the Sida-WCO TFCM Programme, held a regional workshop in Johannesburg, South Africa, to develop a Southern African Development Community (SADC) Regional Customs Systems Interconnectivity Framework based on the GNC. The workshop was participated in by Angola, Botswana, Comoros, Democratic Republic of Congo, Eswatini, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Tanzania, Zambia and Zimbabwe. The key takeaways included the necessity of joint planning, leadership support, adopting a modular project approach, exploring auto-population for efficiency, emphasizing change management, and the critical need for ongoing capacity building with WCO support. Collaboration among Regional Economic Communities (RECs) was highlighted as essential for broader success. The workshop also facilitated discussions on data exchange and reviewed the SADC GNC Utility Block draft to improve Customs digitalization.
- A regional workshop on transit for Members of the West and Central Africa (WCA) region was held from 26 to 29 February 2024 in Douala, Cameroon. Along with the objective of assisting Members of the WCA region in their efforts on transit interconnectivity and the establishment of efficient regional transit guarantee schemes, the workshop served as a WCO pre-conference event to the Third United Conference on Landlocked Developing Countries, which will be held in June 2024 in Kigali, Rwanda.
- A new round of regional workshops on disruptive technologies will start under the Smart Customs Project. The first regional workshop in this round, for the AMS region, will be held from 18 to 22 March in Lima, Peru.
- A multi-regional workshop on the RKC for West and Central Africa and East and Southern Africa will be held in May 2024 in Nigeria.

### **Cooperation with international organizations and other stakeholders**

16. In terms of cooperation with different stakeholders (including other international organizations (IOs)) in the context of border agency cooperation, and cooperation with the WTO, the following activities, in particular, took place during the reporting period:
  - The WCO participated in a WTO Trade Facilitation Committee (TFC) meeting, which included an Informal Session on Disaster Preparedness, from 21 to 22 March 2023, along with other Annex D organizations.
  - The WCO participated in the “Regional National Trade Facilitation Committees (NTFCs) Maturity and Capacity Building Conference” organized by the World Bank Trade Facilitation Support Programme (TFSP), in collaboration with the USAID Economic Development, Governance and Enterprise Growth (EDGE) Project and Swiss Programme on Capacities for Trade Policies (C4TP), from 16 to 17 May 2023 in Belgrade, Serbia.
  - On 6 June 2023, the WCO contributed to the first workshop of the online course “Next Generation Trade Facilitation in ASEAN”, organized by the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) and ASEAN. The WCO delivered a presentation on the E-Commerce FoS.

- The WCO participated in the WTO Workshop on Transit from 13 to 14 June 2023, which was followed by the TFC meeting, including a dedicated session on transit from 15 to 16 June 2023, along with other Annex D organizations.
- In July 2023, the WCO participated in the Hemispheric Workshop on Sanitary and Phytosanitary Electronic Certification in the Americas, organized by the Inter-American Institute for Agriculture (IICA), giving a presentation on the WCO Data Model and Codex DIP, and participated in the Plenary Session “Prerequisites and possible ways of establishing electronic exchange of veterinary certificates in the region”.
- The WCO participated in the UPU “Security and Customs Related Electronic Data Exchange Extension (SECUREX-extension) Project” capacity building workshops, held in Tbilisi, Georgia, from 12 to 14 September 2023, and in Bern, Switzerland, from 23 to 24 November 2023, along with the International Narcotics Control Board. The aim of the workshops was to support the implementation of the Customs Declaration System and the Electronic Advance Data Global Postal model, and to build the capacity of the Designated Operators to collaborate with Customs administrations.
- The WCO participated in the WTO Trade Facilitation Week, including the TFC meeting from 2 to 6 October 2023, along with other Annex D organizations.
- The WCO and the UPU jointly held the online WCO-UPU Data Quality Workshop on 16 October 2023 to improve the quality of Customs declarations, improve the quality of related data flows, and use data quality to improve the postal service.
- The WCO participated in the Global Trade Helpdesk (GTH) 6<sup>th</sup> Steering Committee Meeting on 30 October 2023, along with other partner organizations.
- The WCO and the International Association of Ports and Harbours (IAPH) released the Guidelines on Cooperation between Customs and Port Authorities on the occasion of the IAPH 2023 World Ports Conference on 31 October 2023 in Abu Dhabi, United Arab Emirates.
- The WCO attended the IMF workshop on modernizing Customs procedures to achieve the objectives of the AfCFTA, held in Ebene, Mauritius, from 20 to 22 November 2023. The purpose of the workshop was to reach a convergence of views among the participants on the priority needs for modernization of Customs administrations in relation to implementing the AfCFTA successfully, and on the modern options that should be adopted to meet those needs. The WCO, among other things, presented the Globally Networked Customs (GNC) for e-CO interconnectivity.
- The WTO presented their initiatives to support SMEs and MSMEs at the 29<sup>th</sup> Session of the SWG, in November 2023. Currently, discussions are ongoing between the WCO and the WTO regarding the potential collaboration to develop a tool aimed at facilitating the expansion of the AEO programme to SMEs and MSMEs.
- During the 2023 edition of UNCTAD’s eWeek in December 2023, the WCO held a session titled “Upholding interconnectivity and interoperability of digital solutions in a fragmented world” with the Zambia Revenue Authority, CODEX, and the International Chamber of Commerce (ICC), the spotlight being on the critical need for interoperability among various digital trade solutions. This session showcased how standardization of

data and collaborative efforts between WCO, international organizations and the private sector can drive digitalization in B2B, B2G, and G2G exchanges.

- On 27 February 2024, the WCO participated in the TradeTech Forum 2024, hosted by the World Economic Forum, the UAE Ministry of Economy, and the Abu Dhabi Department of Economic Development. The WCO organized a round-table discussion on the use of new technologies and innovative solutions to improve Customs, enhance security, and facilitate trade. The purpose of the session was to present the WCO/WTO Study Report on Disruptive Technologies and discuss how the use of disruptive technologies can have an impact on cross-border trade processes and supply chain operations.
- The Chairperson of the WTO TFC and the WTO Secretariat have been invited to the Spring 2024 sessions of the PTC to report on the developments taking place in the WTO TFC and how they relate to the activities of the WCO.
- A number of IOs have been invited to participate and present during the upcoming 243<sup>rd</sup>/244<sup>th</sup> Sessions of the PTC.

### **III. “Tailor-made” track**

17. Progress under the “tailor-made” track of the Mercator Programme is regularly reported by the Capacity Building Directorate at meetings of the WCO Capacity Building Committee (CBC), but for the reporting period the following overview of activities can be provided.
18. During the reporting period, several additional Members requested specific support under the multi-year (MY) Mercator Programme approach, bringing the current total number of administrations benefiting from this medium to long-term WCO engagement to 63. A growing proportion of TFA-related support under the “tailor-made” track is now being delivered under MY Mercator partnerships.
19. The WCO has, with the support of Member experts, conducted a further four successful MY Mercator diagnostic assessments, some of which built upon the progress already achieved as a result of previous Mercator diagnostic activity and aimed at further refining the Mercator Implementation Plans and associated recommendations. These plans serve as effective roadmaps for Members to enhance their cross-border trade performance and coordination and collaboration with stakeholders and to chart their overall progress with regard to the TFA implementation.
20. The WCO has continued to engage with MY Mercator beneficiary countries through active interactions focused on future Mercator diagnostic and/or Mercator evaluation activities. Throughout the period, engagements with many MY Mercator beneficiaries have seen ongoing work to review Mercator Implementation Plans, provide implementation status updates and the completion of Mercator Maturity Model assessments that provide an essential baseline against which future TFA implementation progress and maturity can be measured and reported.
21. During the period under consideration, a total of more than 200 on-site, online or blended Mercator-related activities have been delivered; of these, around 150 were MY Mercator activities focused on both organizational development areas and on technical measures closely associated to specific Articles of the TFA. More activities are planned during 2024.



22. More information can be found in Capacity Building Committee document [HC0185Ea](#) which was discussed during the 15<sup>th</sup> Session of the CBC in February 2024.

#### **IV. Way forward**

23. The WCO continues to refine both the “overall” and “tailor-made” tracks of the Mercator Programme to ensure that they are fully responsive to Members’ needs and implementation challenges.

#### **V. Action required of the Permanent Technical Committee**

24. The Permanent Technical Committee is invited to:
- take note of the progress made under the WCO Mercator Programme.
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