

## WCO's Role in Implementing the WTO Agreement on Trade Facilitation

### 1. Introduction

The WCO represents 179 Customs administrations around the world, dealing with 98 percent of international trade. As the global centre of Customs expertise, the WCO is the only inter-governmental organization with competence in Customs matters and can rightly call itself the voice of the international Customs community. The WCO has long supported the conclusion of a WTO Agreement on Trade Facilitation (ATF).

Immediately after the conclusion of the ATF at the 9<sup>th</sup> WTO Ministerial Conference in Bali, Indonesia, the WCO Policy Commission adopted the Dublin Resolution at its meeting in December 2013. The Resolution commits the WCO to the efficient implementation of the ATF, to assisting its Members to identify their needs and priorities, and providing technical assistance/capacity building in collaboration with other international organizations and donors.

The WTO ATF deals almost entirely with Customs-related topics but foresees cooperation with other agencies. Customs is a central government agency for the implementation of the ATF in collaboration with other border agencies. With decades of experience in developing and implementing global Customs standards, the WCO is an important source of expertise. Its standards and technical assistance delivery will support the global uniform implementation of the ATF.

### 2. Cooperation with the WTO

The WCO and the WTO have a long-standing history of cooperation. For example, the WCO manages the Technical Committees of two important WTO Agreements, on Customs Valuation and Rules of Origin. With respect to trade facilitation, the WCO is a so-called Annex D<sup>1</sup> Organization and has, from the outset, actively supported the conclusion of the ATF.

In particular, the WCO supported the development of the WTO ATF Self-Assessment Guide, which is used by WTO Members for the categorization of their commitments. In this regard, in March 2014 the WCO hosted a well-attended training session on the Self-Assessment Guide for Customs administrations at WCO headquarters, in cooperation with the WTO Secretariat.

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<sup>1</sup> On 1 August 2004, the WTO General Council adopted a Decision on the Doha Agenda work programme. Annex D to that Decision relates to the Modalities for negotiations on trade facilitation. Those Modalities recognize the importance of technical assistance and capacity building support for developing and least-developed countries to enable them to fully participate in and benefit from the negotiations. In order to make technical assistance and capacity building more effective and operational and to ensure better coherence, certain relevant international organizations – including the IMF, OECD, UNCTAD, World Bank and the WCO - have been invited to undertake a collaborative effort in this regard. The international organizations concerned are referred to as the “Annex D Organizations”.

The WCO has also participated actively in WTO needs assessment missions. In addition, the WCO has created Performance Indicators for the ATF, for WCO Members to use in their annual assessment of technical assistance/capacity building needs.

### 3. Cooperation with other International Organizations

The WCO has enhanced its cooperation with other international organizations, including other Annex D Organizations. For example, the WCO and UNCTAD signed a Memorandum of Understanding in April 2013 that further advances the WCO's performance measurement approach to reform and modernization. Drawing on the success of the use of performance contracts and ASYCUDA in Cameroon and Togo, the WCO and UNCTAD have agreed to develop an "ASYCUDA World Software Performance Indicators" application to assist WCO Members with their operational capacity.

The WCO cooperates with international organizations and bodies that set standards for other cross-border regulatory agencies, such as Codex Alimentarius, the Secretariat of the International Plant Protection Convention and the World Animal Health Organization – these being the only standard-setting bodies recognized under the WTO Sanitary and Phytosanitary Agreement. The WCO has concluded numerous Memoranda of Understanding with international organizations representing the interests of other cross-border regulatory agencies, in order to provide a concrete platform for sharing information, strengthening mutual collaboration, expanding research and creating a useful knowledge base.

### 4. Tools and Instruments

In order to respond to Members' trade facilitation needs, the WCO has developed many trade facilitation instruments and tools such as the Revised Kyoto Convention (RKC), SAFE Framework of Standards, Single Window Compendium, Time Release Study (TRS) and WCO Data Model. WCO instruments and tools fully cover the Customs-related provisions of the WTO ATF.

One of the concerns expressed by WCO Members as regards implementation of the ATF is the risk of a non-standardized approach leading to divergent implementation practices. This is where the WCO instruments and tools come into play. They enable more harmonized implementation based on the use of globally-accepted standards, which is a precondition for increased trade facilitation.

The WCO continues to fine-tune existing tools and develop new ones to help Customs implement the WTO ATF. For instance, the WCO has recently revised the AEO Compendium in response to the ATF. The revision of the Single Window Compendium is underway, and will be completed by the end of this year. Several new tools, such as Customs-Business Partnership Guidance, a Model Business Lens Checklist for SMEs, a revised and more comprehensive version of the Coordinated Border Management (CBM) Compendium and a Transit Handbook are under development at the WCO. All of these tools and instruments will contribute to the effective and uniform implementation of the ATF.

The WCO has launched, on its website, [WCO Implementation Guidance for the ATF](http://www.wcoomd.org/en/topics/wco-implementing-the-wto-atf/atf.aspx), to support WCO Members in their efforts to implement the ATF. The Guidance explains the relevance of WCO instruments and tools, such as the RKC, for ATF implementation. The Guidance will be updated on a regular basis, and a French version will be issued shortly. The Implementation Guidance is available at <http://www.wcoomd.org/en/topics/wco-implementing-the-wto-atf/atf.aspx>.

## 5. Human Resources – High-quality Accredited Experts

The WCO has a pool of more than 400 WCO-accredited experts from various Customs administrations who can support implementation of the ATF. The WCO and its Members provide experts in all relevant areas, including IT and Single Window, Post Clearance Audit, Advance Rulings, Authorized Trader/Operator, RKC, TRS, Risk Management and Customs Modernization.

The experts are active Customs officers from national Customs administrations, and are able to offer practical solutions based on the most current experiences and national practices. They have profound knowledge and experience in Customs as well as a knowledge of WCO instruments and tools. The experts are selected from all WCO regions and cover various languages.

## 6. Technical Assistance/Capacity Building for Trade Facilitation

The overall aim of the WCO's technical assistance/capacity building is to provide strategic, technical and implementation support to Member administrations in their respective reform and modernization initiatives. The WCO has adopted a broad approach to organizational development, and offers assistance with the implementation of the international standards and tools developed by the WCO, as well as best practices in the area of Customs administration.

The WCO delivers support to Members through three phases, namely Diagnosis/Needs assessment, Strategic planning and implementation, and Monitoring with performance measurement.

In various areas of trade facilitation, including Risk Management, Time Release Study and Single Window, the WCO has organized more than 40 workshops/seminars since last year in cooperation with donor Members and institutions.

### **Example of Technical Assistance/Capacity Building - Time Release Study in the East African Community**

A Time Release Study was carried out in a Northern corridor of the East African Community (EAC). It is based on a regional need to measure the performance of an international corridor. EAC Members undertook the TRS in part of a Northern corridor from Mombasa sea port in Kenya to an inland Customs office in Kampala, Uganda with technical support from the WCO, based on the WCO TRS Guide.

They found bottlenecks in the smooth movement of cargos, such as the lodgment of the Customs declaration, infrastructure, system interfaces and the business hours of government agencies, and agreed recommendations to improve these aspects.

Based on the results of the pilot TRS, in March 2014 the EAC Secretariat, along with all the EAC Member States and with the support of the WCO, launched an international TRS in the Central corridor from Dar-es-Salaam (Tanzania) to Kigali (Rwanda) and Bujumbura (Burundi).

## 7. Cooperation with Donors

For many years, the WCO has enjoyed support from various governments and development agencies to fund its various technical assistance and capacity building programmes and projects. With time, the WCO has developed a number of vehicles that allow development partners and donor organizations to entrust the WCO with funding that allows it to respond to the many assistance needs of Customs administrations worldwide.

The WCO currently operates various types of donor-funded projects. This type of fund is focused on the implementation of a project with a pre-defined set of deliverables in a specific region or sub-region, or specific countries. The WCO has extensive experience in managing such projects along results-based management principles. Currently, the WCO is managing a number of projects that operate under this modality and that benefit from funding from SIDA, Finland, DFID, US State Department and World Bank. For each project, a Steering Committee composed of representatives of donors, beneficiaries and the WCO is established to enhance governance, monitor progress and provide the necessary technical assistance in a flexible, speedy and steady manner, based on the needs and conditions of the beneficiaries and donors.

## 8. WCO Working Group on the ATF

The Dublin Policy Commission decided to establish a WCO Working Group on the WTO Agreement on Trade Facilitation (ATFWG). It provides a link with relevant WTO Committees. The ATFWG is also the platform for sharing experiences regarding the implementation of the ATF among the 179 WCO Members, and for enabling Members to coordinate with the donor community and engage with other international organizations and bodies, as well as with the Private Sector. The WGATF is supported by, and will advise, well-established WCO working bodies. The ATFWG will also function as a link to the WTO process.

The 1<sup>st</sup> Meeting of the WGATF took place on 11 and 12 March 2014. In attendance were many Member Customs administrations, as well as representatives from Ministries of Finance, Trade and Foreign Affairs. They were joined by relevant stakeholders, including the WTO, international organizations representing other border agencies, donor institutions and the private sector.

Delegates were apprised of the WCO's role in the implementation of the ATF, the relevant strengths of the WCO, standard-setting activities resulting in relevant instruments and tools, cooperation with other international organizations, the existing network of experts, and the WCO's ATF communications strategy as well as its expertise in technical assistance and capacity building.