



**JOINT FAO/WHO FOOD STANDARDS PROGRAMME**  
**CODEX COMMITTEE ON FOOD IMPORT AND EXPORT INSPECTION**  
**AND CERTIFICATION SYSTEMS**

**Twenty-first Session**

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**ACTIVITIES OF OTHER INTERNATIONAL ORGANIZATIONS RELEVANT TO THE WORK OF CCFICS**

**Contribution by the World Customs Organization to the 21st Session of the Codex Committee on  
Food Import and Export Inspection and Certification Systems**

***Introduction to the World Customs Organization***

The World Customs Organization (WCO), established in 1952 as the Customs Co-operation Council (CCC) is an independent intergovernmental body whose mission is to enhance the effectiveness and efficiency of Customs administrations.

Today, the WCO represents 179 Customs administrations across the globe that collectively process approximately 98% of world trade. As the global centre of Customs expertise, the WCO is the only international organization with competence in Customs matters.

As a forum for dialogue and exchange of experiences between national Customs delegates, the WCO offers its Members a range of Conventions and other international instruments, as well as technical assistance and training services provided either directly by the Secretariat, or with its participation. The Secretariat also actively supports its Members in their endeavours to modernize and build capacity within their national Customs administrations.

Besides the vital role played by the WCO in stimulating the growth of legitimate international trade, its efforts to combat fraudulent activities are also recognized internationally. The partnership approach championed by the WCO is one of the keys to building bridges between Customs administrations and their partners. By promoting the emergence of an honest, transparent and predictable Customs environment, the WCO directly contributes to the economic and social well-being of its Members whilst at the same time enhancing the protection of society and the national territory, and securing and facilitating international trade.

***WCO Preparing for the implementation of the World Trade Organization Trade Facilitation Agreement***

Trade Facilitation is firmly on the global Customs and trade agenda, following the conclusion of the Trade Facilitation Agreement (TFA) at the Ninth Session of the World Trade Organization's Ministerial Conference which took place in Bali, Indonesia in December 2013. The first attempt to have the WTO adopt the TFA Protocol and insert it in the legal framework of the WCO was not successful during the WTO General Council in July 2014. However, at the time of writing this contribution for the 21<sup>st</sup> Session of CCFICS, there seems to a general sense that this is not the end of the TFA but that it will only delay the entry into force of the TFA.

It is now universally recognized that trade facilitation is about making trade – both imports, exports and goods in transit – easier and less costly. These two key elements can bring significant economic benefits by making the whole process of trade simpler and smoother.

Given the key role played by Customs at borders, the WCO, as the centre of Customs expertise, is well-positioned to play an active part in the successful and expeditious preparation for the implementation of the new Agreement in concert with its Members.

This fact is borne out by the new Agreement which specifically acknowledges the critical role that the WCO will play in the implementation process with its decades of experience in implementing global Customs standards, many aimed at facilitating trade.

In response to the conclusion of the TFA the WCO Policy Commission adopted the Dublin Resolution at its December 2013 meeting, committing the WCO to the efficient implementation of the TFA.

Among other things, the Dublin Resolution stipulates that the WCO will work in close coordination with the WTO, provide support to WCO Members that includes technical assistance and capacity building based on

WCO instruments and tools, and enhance communication activities to raise its profile and that of national Customs administrations among political and business leaders.

### ***TFA benefits and the WCO's role***

The potential gains from trade facilitation are considerable, especially for countries that have yet to apply its principles. According to some analysis, TFA measures will boost prosperity by reducing administrative burdens and transaction costs. Both developed and developing countries will reap significant benefits from the TFA.

Developing countries are expected to save around 325 billion US dollars a year, including the acceleration of their integration into global value chains, and according to the Organization for Economic Co-operation and Development (OECD), developed countries stand to gain 10% cut in their trade costs, including easier trade flows for their economic operators.

The TFA thus presents a great opportunity for modernizing Customs administrations, boosting international trade, and strengthening the economic competitiveness of countries across the globe. With such positive indicators, the WCO is seizing the opportunity to play a meaningful role in the speedy preparation for the implementation of the provisions contained in the TFA.

With its standards-setting activities for Customs at the global level, its ability to cooperate with other border regulatory agencies, international organizations and the private sector, its worldwide network of Customs experts, its acknowledged professionalism, and its long-standing support for trade facilitation globally, the WCO is certainly well-positioned.

In fact, the role of the WCO is specifically recognized in Article 23.1 of Section I of the TFA, which states that the WTO Committee on Trade Facilitation shall maintain close contact with the WCO with the objective of securing the best available advice for the implementation and administration of the TFA and to ensure that unnecessary duplication is avoided.

At the WCO level, the practical aspects of meeting expectations arising from the TFA discussions are being taken up by the WCO Working Group on the WTO TFA with the objective of ensuring a harmonized approach by Customs in preparing for the implementation of the Agreement.

The Group met for the first time in March 2014, and brought together delegates from WCO Members' Customs administrations, trade ministries and finance ministries, as well as representatives from the WTO, international organizations, such as OIE and IPPC, and the private sector who shared views on the implementation of the TFA.

At the national level, Article 23.2 of the TFA requires each WTO Member to establish and/or maintain a national committee on trade facilitation or designate an existing mechanism to facilitate both domestic coordination and implementation of TFA provisions. Customs being the key border agency responsible for all international trade transactions and playing a pivotal role in trade facilitation, it is necessary to ensure the appropriate level of involvement and competencies in this committee. At the same time it is important that other border agencies are equally involved in national trade facilitation committees.

### ***WCO instruments and tools***

WCO instruments and tools are fully consistent with the TFA and will support its implementation. The Revised Kyoto Convention (RKC), the SAFE Framework of Standards to Secure and Facilitate Global Trade (SAFE), the Harmonized System (HS), and many other tools, such as the Coordinated Border Management Compendium and the Single Window Compendium and Repository, provide for simplified Customs procedures and improved border management processes, as well as a more predictable and transparent trade environment for legitimate cross-border trade.

To support an understanding of the linkages between the TFA and WCO instruments and tools, the WCO released an Implementation Guidance tool on its Web site. For each TFA Article, it contains the following categories of information: Overview; Text of the TFA Article; relevant RKC Standards and RKC Guidelines; other relevant WCO tools; Member practices; and performance indicators.

The ability of the Customs administrations to successfully prepare for the implementation of the TFA provisions will depend largely on their direct engagement, agility and cooperation with other border regulatory agencies. Article 8 of the TFA specifically addresses the issue of border agency cooperation, both in the domestic and the international context. The TFA provides the necessary level of political will to carry forward the trade facilitation agenda, especially in terms of bringing together all relevant border agencies and ensuring connectivity through coordinated border management.

WCO instruments and tools support the adoption of a coordinated approach through mechanisms such as the Single Window concept. Key instruments in this domain are the Time Release Study guidelines that identify problem areas from the arrival of the goods to their release, and the WCO Data Model which

facilitates the efficient exchange of information between business and governments by offering standardized data required by Customs and other border control agencies, including electronic versions of relevant certificates.

### ***Technical assistance and capacity building***

Section II of the TFA provides for assistance to be given to developing and least developed country (LDC) Members to support the update of their infrastructure, the training of their Customs officials and/ or assisting them in any way that would help in preparing for the implementation of the TFA.

Developing Members and LDC Members can categorize their commitments, namely Category A, B & C, according to the transitional period of time, technical assistance and capacity building that they need. The role of relevant international organizations, including the WCO, in providing technical assistance and capacity building is also explicitly defined in the TFA context.

In this respect, the WCO launched an assistance programme dedicated to the preparation for the implementation of the TFA, the Mercator Programme. Building upon years of WCO experience in delivering Customs reform and border management modernization, the new programme offers comprehensive, tailor-made operational and technical support, that fully responds to the requirements of developing and LDC Members in terms of preparing for the implementation of the TFA.

One of the challenges lies in coordinating all capacity building initiatives undertaken by the multiple actors involved in Customs reforms, and agreeing on the approach to adopt. The WCO strategy advocates a comprehensive and sustainable approach, and stresses the importance of tailoring capacity building projects to country-specific needs, while avoiding 'one size fits all' solutions.

The WCO is ready to support the preparation for implementation of its Members' TFA obligations within the framework of the Mercator Programme, by providing capacity building and technical assistance, and by coordinating donor engagement, consolidating relationships with development partners, other international organizations and taking advantage of hundreds of Customs experts spread around the world.

### **Codex WCO Data Model Information Package**

The WCO developed the Codex WCO Data Model Information Package based on the standard forms contained in the Codex Alimentarius publication Guidelines for Design, Production, Issuance and Use of Generic Official Certificates (CAC/GL 38-2001). The data elements contained in the Generic Model Official Certificate were compared and matched with the WCO Data Model data elements. The Information Package will help Customs, Food Safety Authorities and Single Window operators in handling electronic Codex Alimentarius Certificates. We would be happy to provide the Committee with more information on this Information Package and the WCO would also be willing to participate in possible Codex Alimentarius initiatives that deal with electronic certification.

### **Product Identification**

The WCO Secretariat recently conducted a study on coding systems other than the Harmonized System (HS) of the WCO, and looked at how these other coding systems could support Customs operations in connection with the HS. Broadly, two key findings emerged from the study.

The HS is indispensable for international trade, but other schemes of classification will also remain in use to meet the needs of industry's commercial operation and regulatory requirements imposed by other government agencies. From a Coordinated Border Management perspective, Customs may have to use them in Single Window operations and for risk assessment.

The concept of Product Identification is distinct from that of commodity classification. While not required for Customs purposes, other government agencies may ask for product identification information for some commodities. Industry operated schemes of product identification have proved to be useful to border authorities in a variety of ways in ensuring compliance to cross-border regulations, apart from furthering simplification of regulatory information and documentation. Product Identification may also prove useful in product recall operations when the products are found not to meet the required standards and are rejected.

### **Conclusion**

The TFA is going to have an impact on the trade facilitation universe and the multilateral trading system as a whole. Other developments are relevant for border management procedures as well and it is essential for the relevant international organizations to continue communicating and coordinating their actions to achieve the best results possible.

### **More information**

More information can be found on our website: <http://www.wcoomd.org/en/topics/wco-implementing-the-wto-atf.aspx>