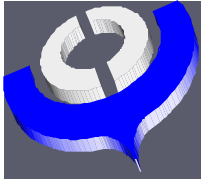


WCO instruments and tools to Facilitate Trade

**ESCWA
Regional Seminar on Trade Facilitation for
National Negotiators
Beirut, 19-21, June 2006**

**Ray Mc Donagh
World Customs Organization (WCO)**



World Customs Organization

- To improve the effectiveness and efficiency of Customs Administrations
- Established in 1952, HQ in Brussels
- 169 members

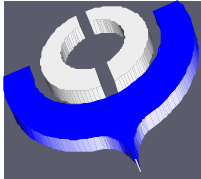


99% of World Trade

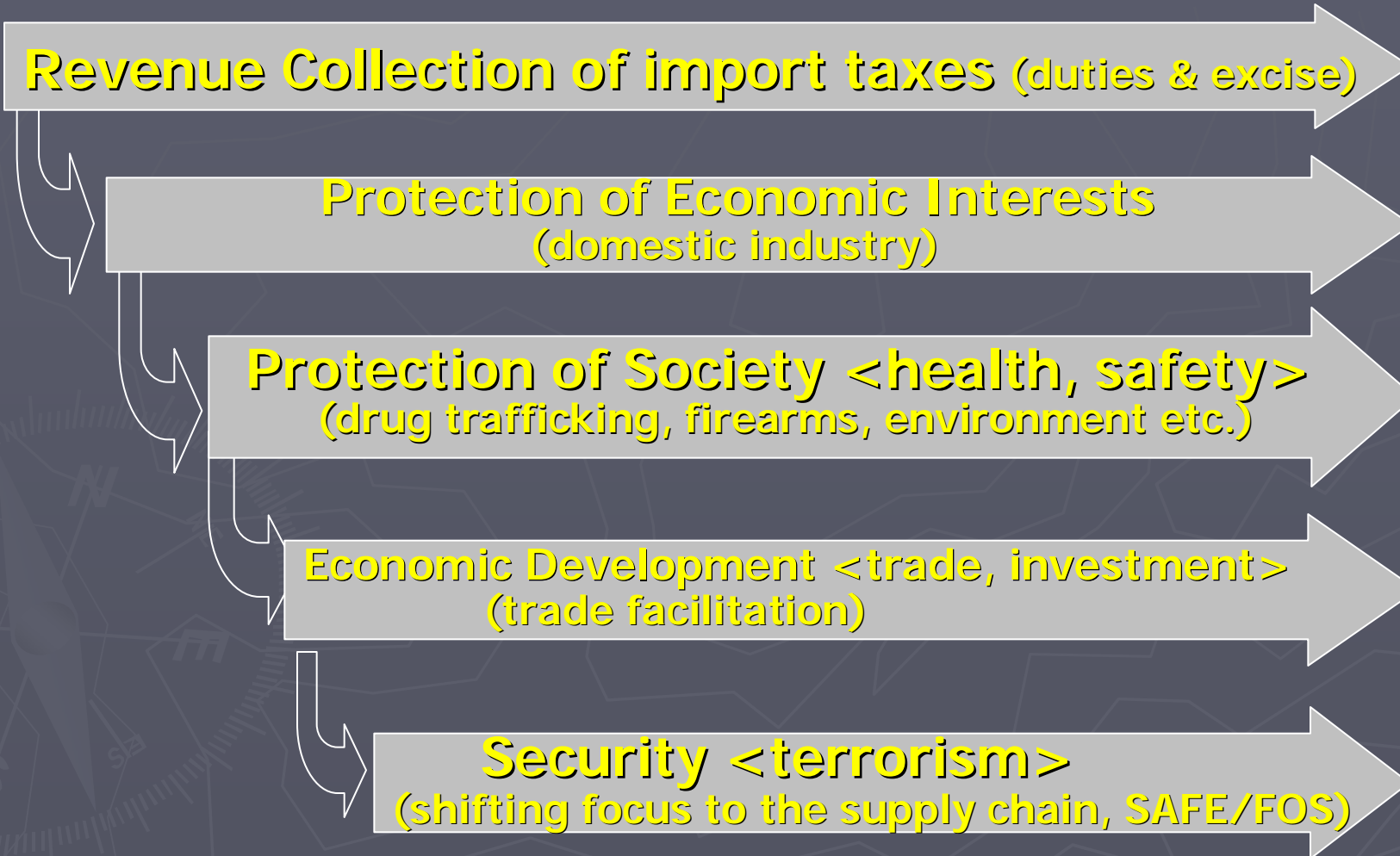
Model
Legislation
Standards
Conventions
Decisions
Recommendations

Forum for Discussion
Exchange ideas
Joint Initiatives
Trade Consultation

Capacity Building
Diagnosis
Plan
Implement
Review



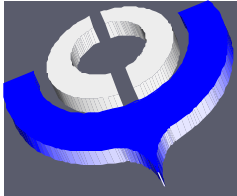
Evolution of customs





Customs Environment





WTO July Package-Annex D

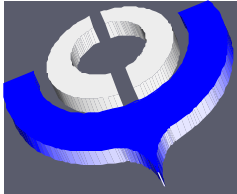
- 9. Due account shall be taken of the relevant work of the WCO and other relevant international organizations in this area.*



Customs Involvement?

- **Enhanced Political Will**
- **Support and Cooperation from Trade Community**
- **Increased Awareness of Customs**
- **Cooperation with other Border Agencies**
- **Impetus for Capacity Building**

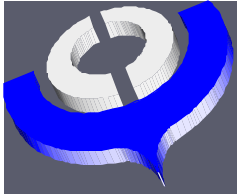




Revised Kyoto Convention

- Original Convention was done in Kyoto, Japan in 1973
- Revised in 1999 after 4 years revision work; consultation with the private sector
- Blueprint for Modern Customs Administration
- Generally applicable core principles are consolidated in the General Annex
- Entered into force on 3 Feb 2006 (46 CPs)



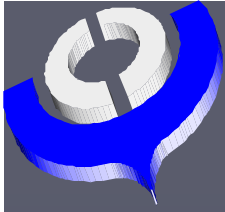


Core- Principles

- Higher transparency and predictability
- Standardized and simplified documents
- Minimum requests and intervention
- Divorce of release from clearance
- Use of risk management
- Specially simplified procedures for authorized traders
- Maximum use of information technology
- Co-operation with other agencies and foreign counterparts
- Partnership with the trade

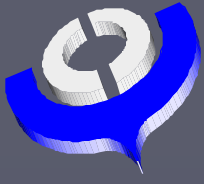






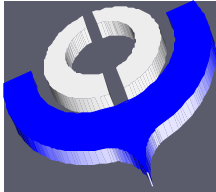
Harmonized Tariff and Classification System

- Administers the International Convention on the Harmonized Commodity Description and Coding System
- Keeps the HS abreast of technical progress and international trade developments
- Resolves specific classification questions
- Arbitrates in disputes between Countries in relation to the classification of specific goods



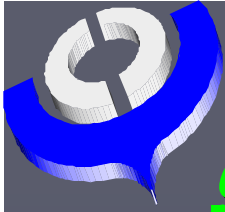
Customs Data Model

- “ ... framework of standard, international, harmonized set of data ... for customs and the other regulatory bodies”
- Version 1.1 adopted June 2003
- Version 2 adopted June 2005
 - Import / export
 - Transit
 - Conveyance
- Version 3 - 2008 - Other government agencies



Time Release Study

- To assist administrations to measure the average time taken between the arrival of the goods and their release, and at each intervening step (including intervention by agencies other than Customs)
- Useful tool:
 - To identify problems and bottlenecks; and
 - To stimulate efforts to improve the efficiency and effectiveness



Compilation: Release & Clearance of goods, formalities, transit(TN/TF/W/43)

K.1.(c) Risk Management

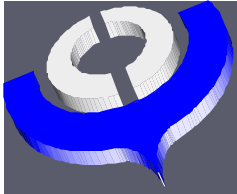
- Use risk management and risk analysis as defined in the WCO Revised Kyoto Convention Guidelines. (TN/TF/W/49)

H.1.(d) Use of International Standards

- Recommendation to accede to the conventions administered by the World Customs Organization (WCO) which seek to harmonize and simplify customs procedures, in particular the International Convention on the Simplification and Harmonization of Customs Procedures (Kyoto Convention), ... (TN/TF/W/30)

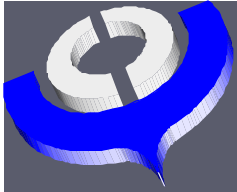
M.3.(c) Disciplines on Transit Formalities and Documentation Requirements.

- "...give careful consideration to the possibility of acceding to international instruments relating to Customs transit if they are in a position to implement them. If this is not possible, when drawing up bilateral or regional agreements with a view to setting up international Customs transit procedure, they should consider the Standards and Recommended Practices of Annex E of the Revised Kyoto Convention of 1999." (TN/TF/W/39).



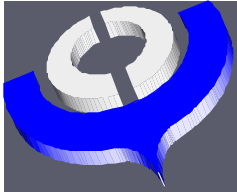
Better Synergies

- How to create a mutually supportive relationship between the two organizations work?
- The WCO position
“the WTO rules should set out high-level principles generally applicable to any official trade procedures and, as regards Customs, the WCO would provide the implementation standards.”



Customs Involvement

- **WTO meetings, Informal attaché Meeting, Letters from Sec-Gen**
- **WTO Regional Seminars**
- **World Bank-Negotiating Support Guide, Study of costs**
- **Increased Customs Participation in delegations**



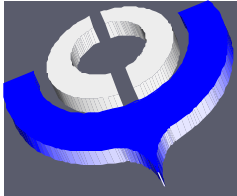
Elements for Consideration

- Picking up *vs* Balance between TF and controls
- Interpretation authority
- RKC Standards (binding) and guidelines (non-binding)
- Keeping standards up to date with trade participation
- Scope (subject agencies), *mutatis mutandis*?
- Better synergies and Mutually supportive
- Framework for implementation (S&D, TA/CB, DS mechanism)



Cost of TF

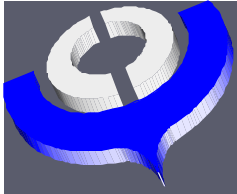
- **Impact of not Facilitating !**
- **OECD Study-WCO Input**
- **General Observations**
 - **TF Part of wider Programme**
 - **Starting Point Effects Cost**
 - **Infrastructure costly**



- **Publication of Information**
 - relatively inexpensive
 - **Web information already available**

- **Advance Information**
 - requires automation
 - **Better allocation of resources**
 - **IT costs can be significant**

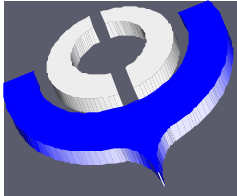




Risk Management/Post Clearance Audits

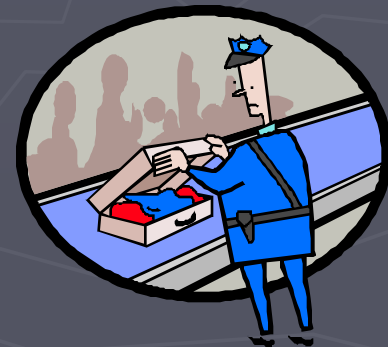
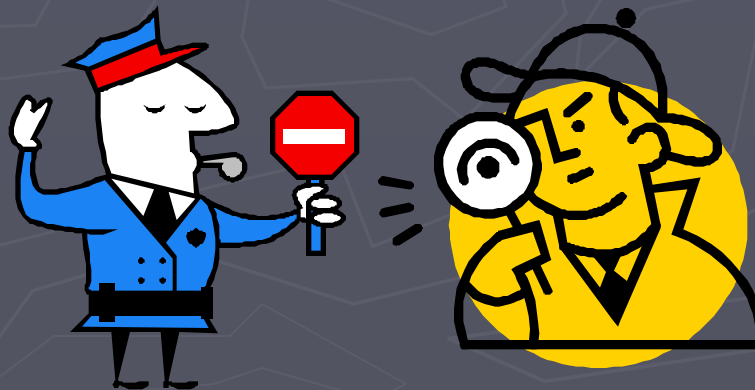
- IT Infrastructure + Training
- Takes time to introduce
- Reduction of Inspections
- Better and more effective controls





Integrated Border Management

- Currently mainly informal
- "Single Window"
- Better Cooperation = lower Cost





Thank You

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