



WCO and ADB Partnership in Promoting Customs Cooperation in Central Asia

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World Customs Organization



WCO in brief

- **Intergovernmental organization specialized in Customs matters**
- ✓ **Established in Brussels in 1952**
- ✓ **Mission**
 - ✓ To enhance the effectiveness & efficiency of Customs administrations
 - ✓ To facilitate trade and secure the international supply chain
- ✓ **176 Members**
 - ✓ **Collectively process over 98% of global trade**



WCO main activities

- ✓ **Develop standards for Customs procedures**
 - ✓ Harmonized System (HS) – tariff classification
 - ✓ Revised Kyoto Convention (RKC) – trade facilitation
 - ✓ SAFE Framework of Standards – security
- ✓ **Promote international cooperation**
 - ✓ Share information and best practices
- ✓ **Capacity Building**
 - ✓ Columbus Programme – diagnostics for reform
 - ✓ PICARD Programme – cooperation with universities
 - ✓ Fragile states
 - ✓ Integrity
 - ✓ Regional approach – ownership at the regional level



Global challenges

✓ **Economic recovery**

Reduction in Customs revenue

Drop in trade volume

Difficulty of accessing trade finance

Increase in fraudulent activities of traders

Customs under pressure on revenue collection

✓ **Supply chain security and facilitation**

✓ **Health, safety and the protection of society**





Economic recovery

- **WCO Communiqué to G20 (London, April 2009)**
 - ✓ Trade facilitation, capacity building, monitoring
 - ✓ Incorporated in the G20 Communiqué
- **From crisis to recovery**
 - ✓ Fiscal stimulus/discipline
 - ✓ Trade kept open
- **For fair and efficient revenue collection**
 - ✓ WCO Revenue package
 - ✓ Trade facilitation
 - ✓ Customs modernization





Supply chain security & facilitation

- **Risk management approach: WCO SAFE Framework of Standards**
 - ✓ **Customs-Business Partnership**
 - Less intervention for high-compliance operators
 - Certified as Authorized Economic Operators (AEO)
 - ✦ Mutual Recognition
 - ✓ **Customs network arrangement**
- **Alternative to US 100% scanning law**

All US bound cargo before departure
(to be implemented in 2012)





Transnational organized crime

- **Trans-border crime: challenges & opportunities**
 - Source of illicit profit
 - Major seizure point – +70% of national seizures in drugs and counterfeits at the borders

- **Customs Enforcement Network**
 - Communication and database for Customs seizures
 - Joint operations
 - Drugs in Central Asia, money laundering with 84 countries
 - **Global Shield operation**
 - Trace and monitor global movement of precursors and improvised explosive devices
 - In cooperation with UNODC & Interpol





Customs in the 21st Century

■ A New strategic direction for Customs

✓ 10 building blocks

❖ For better international cooperation

→ Globally Networked Customs

❖ For better coordination at borders

→ Coordinated Border Management

❖ For better business compliance and mutual benefit

→ Customs-Business Partnership

and more ...

■ Reform and modernization of Customs is an essential platform for social and economic development





WCO-ADB Collaboration

- **Since 1993:**
 - ✓ 14 joint Technical assistance missions to facilitate Members
 - ✓ 25 conferences, workshops
 - ✓ WCO participation in the development of Customs related Chapter for CAREC-ADB new Transport and Trade Facilitation Strategy and Implementation Action Plan
- **MOU signed on 4 May 2010 in Tashkent (Uzbekistan)**



Scope of Cooperation (MOU)

- ✓ Build operational cooperation in the form of joint technical assistance and/or project/program-based work
- ✓ Enhance information and knowledge sharing
- ✓ Provide an enabling environment that promotes staff cooperation and undertakes joint analytical work including publications in areas of common interest



Implementation

- ✓ Planning of cooperation activities involving two organizations for the next 12-24 months (by November 2010)
- ✓ Implementation
- ✓ Reporting and Evaluation of joint activities



Synergy with CAREC/ADB TF Programmes

- ✓ **Common goal:** Trade Facilitation (and strengthening Security – WCO)
- ✓ **Common Objective:** “ ...aimed at reducing trade costs by promoting concerted Customs reform and modernization, supporting integrated TF approach through efficient regional logistics development...enhanced interagency cooperation and public-private partnerships...” (Final ADB Report: TF Support for CAREC)
- ✓ **Common reform and modernization principles -** based on RKC (signatories: Azerbaijan, China, Kazakhstan, Mongolia)



Jointly Promoting Customs Cooperation in Central Asia

- ✓ Sharing of information on TTA needs assessment (WCO-CAREC)
- ✓ Coordinating Long-term planning and monitoring support
- ✓ Coordinated delivery of TTA events in the region
- ✓ Coordination efforts through joint meetings
- ✓ Application of WCO CB and training material and tools including E-learning modules
 - Translation into Russian of WCO materials



Jointly Promoting Customs Cooperation in Central Asia

- ✓ Establishment of sustainable and regular communication channels between WCO-CAREC Contact points
- ✓ Mutual participation at key meetings (First WCO CB Committee meeting in September 2010 - important for ADB)
- ✓ Enhanced Cooperation at regional level (ROCB-RJC-NJC; CAREC Institute-RTC Astana etc.)
- ✓ Set a pool of experts for the region (by providing the relevant training and workshops)
- ✓ Support ROCB



Jointly Promoting Customs Cooperation in Central Asia

- ✓ Implementation of WCO Diagnostic Mission recommendations (TTFS implementation plan)
- ✓ Project to implement the indentified Columbus Programme objectives
- ✓ Encouraging Members to jointly implement pilot projects (Implement Electronic SW, based on the WCO Data Model (version 3). Pilot project on PRC-RK border (starting from one border post)



THANK YOU FOR YOUR ATTENTION

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