

60TH SESSION OF THE POLICY COMMISSION

SUMMARY OF OUTCOMES

The WCO Policy Commission met in Buenos Aires from 9 to 11 December 2008 at the kind invitation of the Customs Administration of Argentina, under the chairmanship of Mr. M. Dunne (New Zealand).

The Policy Commission reached agreement on certain specific outcomes which are set out below.

Global financial crisis

Context

The Policy Commission agreed on the need to focus on trade facilitation in the current climate, taking care not to introduce new barriers to trade or generate additional delays. Risk management was recognized as being a key element in this connection. It was also important that the work on Authorized Economic Operator (AEO) and mutual recognition arrangements continue and that, as far as possible, those arrangements be implemented with broadly similar standards world-wide. Another important factor was the need to adapt the costs and benefits of such arrangements to reflect the current climate, and also - at a time of falling revenues - to recognize the importance of budget security for the developing countries in particular.

Outcomes

The Policy Commission :

- reached agreement on a Communiqué from the international Customs community concerning the global financial crisis, to be circulated both to the membership and to the public via the WCO's Web sites;
- instructed the Secretariat to co-ordinate the collection of information on lessons learned and initiatives taken by Customs as the global financial crisis continued to unfold. The Vice-Chairpersons would be invited to bring this information forward from the countries in their respective regions;
- proposed that the topic of the crisis in all its aspects (food crisis, financial crisis, etc.) be included on the agendas of the regional meetings and that the conclusions be presented by the Vice-Chairs at the next Policy Commission and Council sessions in June 2009.

Security and facilitation of trade - Report of SAFE Working Group

Outcomes

The Policy Commission :

- approved the SAFE Data Element Maintenance Mechanism finalized by the SAFE Working Group;
- approved the draft Terms of Reference of the SAFE Working Group as drafted by the Group itself;
- acknowledged the Secretariat's constructive engagement of the United States Congress in respect of the new US legislation requiring the 100 % scanning at export of all maritime cargo and containers bound for the US. The Secretariat should continue that engagement with the new Congress and the new Administration, particularly with the Department of Homeland Security;
- recognized the importance of a new Pillar III for the SAFE Framework which would cover co-operation between Customs and other border agencies, thus supporting co-ordinated border management and the Single Window concept;
- expressed its support for the work being done on the development of a model Trade Recovery Programme to accompany the SAFE Framework;
- on the related issue of the Revised Kyoto Convention, urged Members to become Contracting Parties to that instrument and to ensure that its provisions were implemented in practice. The Secretariat was asked to provide an update in June 2009 regarding the assistance needed by Members in order to accede to the Convention;
- recognized the valuable contribution of the private sector in respect of trade facilitation and trade recovery, particularly the work of the Private Sector Consultative Group, and encouraged the Secretariat and Members to continue to work with the private sector in trade matters.

WCO IPR activities

Context

The Policy Commission was informed that the SECURE Working Group established by the Council in June 2007 to deal with IPR issues had become deeply embroiled in difficulties related to its Terms of Reference, essentially because of a perceived fear that the Group's work on standard-setting might be used as a means of enlarging the obligations imposed on countries by the WTO TRIPS Agreement.

Against that background, the Secretary General Elect proposed that the standard-setting work be set aside and that in place of the SECURE Working Group, a new body be set up under the Permanent Technical Committee or the Enforcement Committee to develop practical means of supporting Customs administrations with the conduct of their IPR-related controls.

Outcomes

The Policy Commission recognized both the urgent need for progress and the fact that realistically, this could not be achieved under the current arrangements.

The Policy Commission therefore agreed that :

- the SECURE Working Group would not meet again pending a decision by the Council at its June 2009 Sessions on the way forward;
- the Secretariat would prepare draft Terms of Reference for a new WCO body to deal with Customs IPR issues, which would be finalized by the Policy Commission prior to their submission to the Council;
- technical assistance and capacity building activities should continue to be provided pending the Council's consideration of this proposed new approach.

The Policy Commission welcomed an announcement by the Japanese Administration that Japan planned to establish a new fund of about 200 million Japanese yen (approximately 1.6 million euros) for the purposes of capacity building and technical assistance in the area of IPR.

Customs in 21st Century

Outcomes

Regarding the Customs in the 21st Century policy document and its implementation, the Policy Commission :

- appreciated the work done by the Secretariat to develop the inventory and the preliminary work plan to move forward with the 21st Century paper;
- agreed that the Secretariat should promote the concepts embodied in the Customs in the 21st Century paper, in particular by drafting introductory notes to the paper aimed at deepening the understanding of how those concepts could be used to inform strategic thinking at the global, regional and national levels;
- invited the Vice-Chairpersons to continue to table discussions about Customs in the 21st Century at their regional meetings, with a view to identifying their regional needs and priorities in relation to the building blocks, so that these could be properly reflected in the Secretariat's future work plans;

- recognized the need to re-establish the linkage between the strategic vision offered by the Organization's governing bodies and the specific expertise of its technical committees. The Secretary General Elect would ask each Committee to look at all ten building blocks in the Customs in the 21st paper and let him know what products it could deliver to support their implementation, and in what time-frame. With a view to promoting positive synergies, the Secretariat would explore the possibility of organizing the sessions of the Permanent Technical Committee and the Enforcement Committee back-to-back in the second half of financial year 2009/2010;
- noted that the Secretary General Elect would use the input received from the Vice-Chairs and the technical committees to present a strategy and an action plan incorporating priorities and time-frames to the Policy Commission and the Council in June 2009.

With regard to Building Block 1 concerning globally networked Customs, the Policy Commission :

- recognized that, at this point in time, globally networked Customs implied a mindset rather than physical IT reality. Though implementable only in the longer term, it was an aspiration which was worth pursuing. A step-by-step process should be adopted, starting at the national level, then moving to the regional and eventually to the international level;
- agreed that while the WCO and its Members had been briefed on the work being done by the European Union in this area, there was a need for more information about the projects, plans and aspirations of Members in other parts of the world. The Secretariat was instructed to research issues surrounding Building Block 1 and provide regular opportunities for the exchange of views and experiences;
- took note of the proposal by Belgium to create a global platform for integrated supply chain management. This proposal would be examined by the existing Committees with a view to making proposals to the Policy Commission and Council in June 2009.

With regard to Building Block 2 concerning co-ordinated border management, the Policy Commission :

- agreed that more information was needed about the wide range of structural and pragmatic models in operation world-wide, and urged the Secretariat to continue with its WORLDCAP project of collecting information from all WCO Members about their structures and arrangements, in order to facilitate a better understanding of the various co-operative, co-ordinated and integrated systems and their potential benefits;
- noted that in 2009 the Secretariat intended to initiate a study of the lessons which could be drawn from the introduction of the revenue authority model in various countries around the world;

- recognized the usefulness of initiating some form of interaction at the international level with some of the agencies which co-operated with Customs at the national level, and welcomed the intention of the Secretary General Elect to organize a Forum in 2009 as an opportunity for an initial exchange of views.

Customs Capacity Building

Outcomes

The Policy Commission :

- expressed its appreciation of the excellent work accomplished in the area of capacity building;
- recommended to the Council that a Capacity Building Committee be established to replace the existing High Level Working Group on Capacity Building, Training and Technical Assistance;
- instructed the Secretariat to prepare draft Terms of Reference for the proposed new Committee, to be submitted in the first instance to the High Level Working Group and thereafter to the Policy Commission and the Council in June 2009;
- recommended to the Council that the Integrity Sub-Committee continue to function as a separate WCO body reporting directly to the Policy Commission;
- encouraged close co-operation within regional structures in relation to capacity building, especially to help identify potential donors of human and financial resources.

Programme Budget for financial year 2009/2010

Outcomes

The Policy Commission :

- took note of the proposed Programme Budget, including the proposal that the General Operating Expenses for the 2009/2010 budget be set at 15,848,000 euros, with this to be examined by the Finance Committee at its session in April 2009;
- suggested that despite the pressures imposed by the amount of additional work recently assigned to the Secretariat, the Secretary General Elect should look at means of offsetting some of the additional costs engendered by the recent adjustment of staff remunerations.

Composition of Policy Commission

Outcomes

The Policy Commission decided to propose to the Council in June 2009 that :

- as a short-term, interim arrangement applicable with effect from 1 July 2009, each of the six WCO regions be allocated one additional seat on the Policy Commission;
- a small working group composed of representatives of all the regions should conduct a review of the overall composition of the Policy Commission, with guidance from the Secretariat, and propose a solution to this issue at the June 2010 sessions.

Following discussions on the separate organizational issue of the election of a new Deputy Secretary General, the Policy Commission :

- acknowledged that an appointment to this post would be made by election in June 2009, in accordance with the usual procedures and with reference to the existing post description;
- asked the Secretary General Elect to seek input from the regions, through the Vice-Chairs, on a number of issues which warranted a review during the period leading up to the subsequent elections. These would include, in particular :
 - whether the post of Deputy Secretary General would be required for the future;
 - the post descriptions of the Directors and the Deputy Secretary General; and
 - the existing practice of filling the Deputy Secretary General and Director posts by election.

Negotiations at WTO

Outcomes

The Policy Commission :

- reaffirmed the importance of Customs administrations maintaining contact with, and influence on, their country's national trade negotiators involved in the WTO trade facilitation negotiating process;
- noted the possibility that the Doha Round might now be moving towards a rapid conclusion;

- acknowledged that the trade facilitation aspects of the Doha Round could be expected to have a significant impact on the Customs function and on the WCO;
- decided therefore that, in the event of a conclusion of the negotiations, as a matter of urgency the research capability currently being established by the Secretary General Elect should examine what the implications of the new Agreement would be for Customs and the Customs environment, with the findings being reported to the Policy Commission in June 2009.

Regional Trade Agreements

Outcomes

The Policy Commission :

- noted the progress made with the establishment of the database on preferential agreements and their related rules of origin, which was due to be launched in April 2009;
- urged the many Members which had not yet responded to the Secretariat's request for verification of the data collected for that database to do so rapidly;
- noted that the first findings of the comparative study on preferential rules of origin were expected in Spring 2009, for presentation to the Council in June 2009;
- took note of the WCO's training and capacity building activities in the topical and complex area of rules of origin.

Palestine's involvement in the WCO

Outcomes

The Policy Commission :

- recognized that, at this time, Palestine could not become a Member of the WCO since it was not a State.
- nevertheless authorized the Secretariat to proceed with a tripartite exchange of letters between the WCO, the Palestinian Authority Customs and Excise (PACE) and the Israel Customs Directorate, in order to formalize the relationship between PACE and the WCO in the area of training and technical assistance;

- invited the Secretariat to proceed with a pragmatic step-by-step approach and to draw up an action plan for training and technical assistance for PACE based on the requirements identified;
- agreed that the Secretariat would play a co-ordination role regarding training and technical assistance for PACE and that a donor conference be held to allow international stakeholders already involved in providing development assistance to Palestine to give their views on the proposed action plan, to identify where they could continue providing assistance and where they wished to assist the WCO in promoting Customs development;
- welcomed the offer by the European Union to sponsor the donor conference.

Review of Code of Conduct for elections at the WCO

Outcomes

The Policy Commission :

- agreed that there should be a Code of Conduct for elections at the WCO, and that the existing text of the Code should be subject to improvement and refinement on an ongoing basis, in particular with reference to the specific issues which had been raised during the discussion;
- decided that in the New Year the Chairperson, in consultation with the Secretary General, the guardian of the last election process Mr. A. Jolicoeur, and the incoming Chairperson of the Audit Committee Mr. A. Zaghoun (Morocco), would make a few adjustments to the Code of Conduct in readiness for its application to the forthcoming election of a Deputy Secretary General;
- decided that as the WCO Deputy Secretary General was called upon to play essentially a supporting role, there was no need to invite candidates to attend the various meetings of the WCO regions to present their vision of that post. Candidates would, of course, be permitted to attend the meetings of their own regions.

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The Policy Commission expressed its gratitude to the Director General of Argentine Customs and all her staff for the excellent organization of the session which had contributed, in no small measure, to the productive discussions and the successful outcome.
