Aid for SAFE trade

WCO SAFE Framework of Standards
to Secure and Facilitate trade

Lars Karlsson, Director, WCO

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World Customs Organization
Rue De Marche 30, Brussels Belgium
World Customs Organization (WCO) facts

• Founded 1952

• International organization for Customs matters

• 170 Member countries

• Council, Policy Committee, Five Technical Committees

• Secretary-General and Secretariat in Brussels, Belgium

• Three Secretariat Directorates
  ▪ Compliance & Facilitation
  ▪ Tariff & Trade Affairs
  ▪ Capacity Building (1st January 2006)

• Regional structure

Challanges?
There are huge challenges ahead...

Be creative...
To think new, out of the box...and not hold on to old routines.

Finding a solution...
There is always a solution…

…for every problem!

Is it possible?
Is it possible to have one global standard to secure the international supply chain and at the same time facilitate trade?

What did we do?
What is SAFE...?
What is SAFE Framework of Standards?

- The SAFE Framework of Standards is a Customs and trade processes platform, that covers all core elements of Customs business, including Trade Facilitation (rev. Kyoto Convention), efficient Revenue collection, Security, Integrity and Good Governance.

SAFE components...
SAFE Framework of Standards

- Twin Pillars
  - Pillar 1, Customs-to-Customs network arrangements
  - Pillar 2, Customs-to-Business partnerships
- 17 standards (11+6)
- The SAFE Framework of Standards is a comprehensive instrument that covers all areas of Customs controls and incorporates modern Customs principles

4 key principles
Four core elements

1. Advance electronic manifest information
2. Common risk-management approach; 27 Key data elements
3. Inspection of high-risk cargo at port of origin; export controls (non-intrusive)
4. Enhanced trade facilitation for legitimate trade; Authorized Economic Operator (AEO) concept

What is the AEO concept?
What is the AEO standard?

• Three parts
  – AEO definition (facilitation & security)
  – Validation & Accreditation
  – Mutual recognition

• Other issues
  – Authorized Service Providers
  – Authorized Secure Supply Chains
  – Both financial and security status

How was SAFE developed?
The WCO Membership

High-Level Strategic Group (HLSG)

- Formed by 2004 Council Resolution
- Recognized need to establish Standards based on work of a Task Force and other initiatives
- Membership of Directors General representing all WCO Customs Regions (12 Members)
- Six meetings held thus far in June & November 2004, April & November 2005 and April and October 2006
- Mandate for another year at Council 2006

We can not do it on our own...
We are all swimming in the same water....
Private Sector Consultative Group (PSCG)

• 30 participants from all around the world
• 17 companies and 13 trade organizations
AAEI American Association of Exporters & Importers
BARLOWORLD Logistics Africa
BASC Business Alliance for Secure Commerce
BOEING The Boeing Company
BP
Carrefour
COSCO China Ocean Shipping (Group) Company
FEDEX
GM General Motors
GEA Global Express Association
HUTCHISON Port Holdings Ltd.
IAPH International Association of Ports and Harbors
IATA International Air Transport Association
IBM
ICC International Chamber of Commerce
ICS International Chamber of Shipping
IFCBA International Federation of Customs Brokers Associations
IRU International Road Transport Union
JMCTI Japan Machinery Center for Trade and Investment
LIMITED BRANDS Inc.
Maersk Sealand
MICROSOFT Corporation
Moscow International Business Association
Nissan
PHILIPS International
P&G Procter & Gamble
Siemens
SITPRO Simplification of International Trade Procedures Board
THALES
WSC World Shipping Council

How to implement the new customs platform
The WCO Columbus Programme

- Aid for SAFE Trade -

Aim:

Customs Reform and Modernization through full implementation of the WCO SAFE Framework of Standards

What is Columbus?
A Capacity Building programme in three phases:

• **Phase One – Needs assessment**
  ✓ Needs assessment of present situation, gap analysis to full implementation and way forward

• **Phase Two - Implementation**
  ✓ Action planning, cost-benefit, business case, match making with donors, pilot activity & implementation

• **Phase Three - Monitoring**
  ✓ Monitoring and evaluation
We are making progress in all three phases of the Columbus programme

Results so far...
• 140 countries committed to SAFE FoS

• 45 diagnostic missions done so far

• 54 before the end of 2006

• 101 before the Council, June 2007 (all)
Angola, Bahrain, Bermuda, Bolivia, Brazil, Burkina Faso, Cambodia, Cameroon, China, Dominican Republic, Ethiopia, Gabon, Ghana, Guatemala, India, Jordan, Kazakhstan, Kenya, Kuwait, Kyrgyzstan, Lesotho, Madagascar, Maldives, Morocco, Mexico, Mauritius, Moldova, Mongolia, Mozambique, Namibia, Nigeria, Panama, Peru, Philippines, Rwanda, Saint Lucia, Senegal, Serbia, Sierra Leone, South Africa, Swaziland, Tanzania, Ukraine, Uganda and Vietnam.

Phase II
+ 20 Members in Phase II

"We have moved from needs assessment into action"

Phase II activities
WCO Phase II activities

Examples

- Action Planning Phase II Missions
- Action Plan WorkShops
- Compendium of Implementation tools
- SAFE Seminars
- 16 Diagnostic Facilitators WorkShops
- More than 350 Capacity Building Experts
- More than 100 accredited diagnostic facilitators
- 4 Train-the-trainer WorkShops
The strategy for Phase II - Implementation

- Supply supporting tools
- Give operational support for planning
- Pilots and implementation projects
- Donor solution matchmaking
- Champions and best practice solutions
Now we are really taking off...to new heights!
Phase III – Monitoring
+100 countries

"We monitor the progress"

Lessons learned
Lessons learned.

Examples

• Risk management instead of risk analysis
• Review and further develop risk indicators
• ICT implemented, but not used
• Lack of key competences needed for change management
• Need for more day-to-day cooperation with trade
• Political will to change and modernize

Funding
Donor Activities

Phase II support
We now have the first agreements for outside institutional support for Columbus Phase II

...but we need more.
Other WCO Capacity Building projects.

Examples

- Integrity programme
- Regional Capacity Building plans and activities
- Regional structure
- Development and implementation of e-learning
- Research and development programme with a network of Universities (PICARD programme)
We want co-operation!

The answer to the question
Is it possible to have one global standard to secure the international supply chain and at the same time facilitate trade?

Yes!
Conclusion.

“We will continue to deliver results”
"I never wear a watch, because I always know it is now, and now is the time to do it.”

Steve Mariucci

Thank you for your attention

Questions?