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ECONOMIC COMMISSION FOR EUROPE

INLAND TRANSPORT COMMITTEE

Working Party on Customs Questions

affecting Transport

(One-hundred-and-second session, 22-25 October 2002,
agenda item 2)

**ACTIVITIES OF UNECE BODIES AND OTHER UNITED NATIONS
ORGANIZATIONS OF INTEREST TO THE WORKING PARTY**

Transport and security

Security and facilitation of the international trade supply chain

**World Customs Organization response to the G8 call to secure and facilitate the
international trade supply chain**

Transmitted by the World Customs Organization (WCO)

Note: The secretariat reproduces below a communication by the World Customs Organization (WCO).

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A. BACKGROUND

1. In a meeting at the World Customs Organization (WCO) in Brussels on 28 June 2002, the heads of the customs administrations from the WCO's 161 Members agreed unanimously to a series of steps to protect the international trade supply chain from acts of terrorism or other criminal activity, while ensuring continued improvements in trade facilitation. This follows heightened global concern with respect to international terrorist actions most recently expressed by the G8 Summit Meeting ("Co-operative G8 Action on Transport Security" - 26 June 2002).
2. The Resolution which will see the WCO establish an expert international Task Force that will consider the standardized information that is necessary for Customs administrations to simultaneously identify high-risk cargo and facilitate the movement of legitimate trade (Annex). In undertaking this work, the WCO will co-operate closely with all competent authorities, intergovernmental organizations and trade partners.
3. New international guidelines will assist Members in developing a legal basis and other necessary steps with respect to the advance electronic transmission of information and similar guidelines will assist the development of co-operative arrangements between the world's Customs administrations and private industry to increase surveillance of consignments in international trade - from the time they are packed and dispatched to the time they are received and unpacked.
4. Other initiatives outlined in the Resolution relate to the strengthening of assistance to customs administrations wishing to enhance their import, export and in transit controls, improving automation, using risk management and risk assessment techniques to select cargoes and conveyances for examination, improving technology or ensuring the integrity of their personnel.
5. The WCO will also be tasked with identifying the needs of its Members to establish supply chain security regimes and to assist with the identification of the resources they will need to implement the wide-ranging guidelines. It is envisaged that such capacity building will require significant international development funding to establish the technological and human resource infrastructure required.

Annex

Resolution of the Customs Co-operation Council
on Security and Facilitation of the International Trade Supply Chain

June 2002

THE CUSTOMS CO-OPERATION COUNCIL¹,

NOTING

- (1) the increased global concern with respect to acts of international terrorism and organized crime, including money laundering;
- (2) the importance and vulnerability of global trade;
- (3) the need to secure and protect the international trade supply chain from being used for acts of terrorism or other criminal activity while ensuring continued improvements in trade facilitation without unnecessarily increasing costs; and
- (4) the critical role and special expertise of Customs administrations in protecting society, combating commercial fraud, facilitating regional and international trade, and controlling the cross-border movement of goods and conveyances.

BELIEVING

- (1) in the need to ensure that the world Customs community makes a dynamic and vigorous contribution to securing and facilitating world trade;
- (2) that the WCO must and can assist in enhancing the capability of Customs administrations to increasingly collaborate to enhance the enforcement and facilitation capabilities of Members by encouraging greater harmonization, standardization and international guidelines which will create a basis for better international co-operation;
- (3) that Members must co-operate as necessary to develop mechanisms to assist in the exchange of information between them;

¹ Customs Co-operation Council is the official name of the World Customs Organization (WCO).

- (4) in the importance of co-operative relationships between and among Members, other government agencies, relevant international bodies and the private sector;
- (5) in the importance of advance transmission of standardized Customs data to identify those goods and conveyances that may pose a security risk and to facilitate the movement of legitimate trade;
- (6) in the importance of the effective implementation of risk management, risk assessment and targeting techniques;
- (7) that all Contracting Parties to the International Convention on the Simplification and Harmonization of Customs Procedures (Kyoto Convention) must accede to the Protocol of Amendment which embodies the principles of modern Customs procedures and administration; and that on entry into force of the Protocol, all other Members who are not Contracting Parties should be urged to accede to the Kyoto Convention as amended; and
- (8) that the implementation of pilot projects between or among Members, aimed at enhancing the security and facilitation of international trade, should be encouraged.

RESOLVES AS FOLLOWS:

The Secretary General shall:

- (1) Ensure that:
 - i. by June 2003, the WCO Data Model is reexamined to ensure it includes a standardized set of data elements necessary to identify high-risk goods;
 - ii. by June 2003, Guidelines are developed to assist Members in developing a legal basis and other necessary steps to enable the advance electronic transmission of Customs data;
 - iii. by June 2003, Guidelines are developed for cooperative arrangements between Members and private industry to increase supply chain security and facilitate the flow of international trade;
 - iv. the expeditious use by Members of the tools contemplated in items i to iii is promoted;
 - v. Members' needs for assistance in establishing supply chain security regimes are identified and a capacity building strategy is developed to assist Members in implementing this Resolution;
 - vi. donors are identified and invited to contribute financial, human and other resources to advance the development and implementation of supply chain security regimes;

- vii. measures are taken to strengthen the assistance offered to Members wishing to improve the security and facilitation of the international supply chain by, for example, enhancing import, export and in-transit control efforts, improving automation, using risk management and risk assessment techniques to select goods and conveyances for examination, improving technology, and ensuring the integrity of their personnel; and
 - viii. a data bank is created on advanced technology and techniques to enhance supply chain security and facilitation.
- (2) Provide for the development and implementation of the measures contemplated in this Resolution, in the framework of the WCO Strategic Plan and with the assistance of a task force of experts from within the Council Membership who, taking into account the differing capabilities and needs of Members, shall :
- i. work with other competent authorities (such as the European Union, Port Authorities, Border Agencies, Transportation Authorities and Customs Unions that have competency in this area); and
 - ii. consult with, and involve, trade, non-governmental and intergovernmental organization stakeholders.
- (3) Beginning in December 2002, report regularly to the Policy Commission and the Council on the progress made with the development and implementation of this Resolution. The Policy Commission and the Council will determine further action to be taken.

P. GORDHAN,

Chairperson.
