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Working Party on Customs Questions affecting Transport

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Item 3 of the provisional agenda

Activities of United Nations Economic Commission for Europe bodies and other United Nations organizations of interest to the Working Party

Research paper on how customs in general and more specifically Working Party on Customs Questions affecting Transport could contribute to the reduction of Green House Gas emissions*

Note by the secretariat

I. Background and mandate

1. The Inland Transport Committee (ITC) requested the secretariat, in close cooperation with the Committee's Bureau and relevant subsidiary bodies, to develop an ambitious strategy document for reducing Green House Gas (GHG) emissions in inland transport based on international United Nations legal instruments under the Committee's purview with priority actions for the ITC and all its relevant subsidiary bodies, supported by a strong action plan with milestones. The Strategic document would be considered with possible adoption at the ITC eighty-sixth plenary session in 2024.

2. Following the preliminary deliberations that took place during its last session, the Working Party on Customs Questions affecting Transport (WP.30) may wish to consider the analysis provided in this document, which includes more extensive research, beyond the ITC strategic document, on how customs in general and more specifically WP.30 could contribute to the reduction of Green House Gas (GHG) emissions. This analysis could constitute the basis for further deliberations during the Working Party session.

3. The Working Party may wish to recall while considering the analysis of the current document that had already included in its terms of reference to initiate and pursue actions aimed at promoting the harmonization, improvement and simplification of technical and operational regulations, standards, rules and documentation for customs and border crossing procedures for the various modes of inland transport and multimodal connections, with particular focus, where possible, on contributing to the advancement of the United Nations

* This document was scheduled for publication after the standard publication date owing to circumstances beyond the submitter's control.

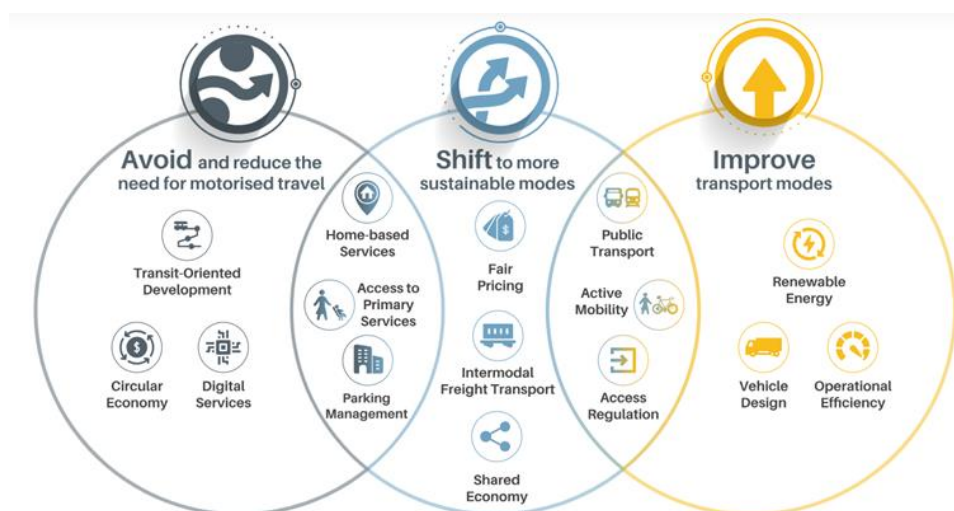


2030 Sustainable Development Agenda (General Assembly Resolution A/RES/70/1.) and related Sustainable Development Goals.

II. Some initial considerations - Methodology

4. Mitigating climate change means reducing the flow of heat-trapping greenhouse gases into the atmosphere. This involves cutting greenhouse gases from main sources such as power plants, factories, cars, and farms. Reducing and avoiding our emissions requires us to reshape everything we do — from how we power our economy and grow our food, to how we travel and live, and the products we consume.
5. The Customs-climate change linkage is not intuitive. Customs regulates cross-border movements of goods and is traditionally associated with responsibilities such as revenue collection, anti-smuggling, supply chain security, trade facilitation, and gathering trade statistics.
6. The mostly used methodology to prepare measures with the objective to reduce greenhouse gas emissions is the Avoid-Shift-Improve (ASI) methodology. Applying the ASI measures through integrated, inter-modal and balanced approaches is critical to unleashing the full benefits of sustainable, low carbon transport. The ASI framework has been central to sustainable, low carbon transport for more than a decade through the work of Stitching Partnership on Sustainable, Low Carbon Transport (SLoCaT).

Figure I
Avoid-Shift-Improve (ASI) measures



Source: SLOCAT

7. The ASI approach follows an implicit hierarchy, with appropriate and context sensitive Avoid measures intended to be implemented first, followed by Shift measures and finally by Improve measures. This prioritization can help reduce environmental impact, improve access to socio-economic opportunities, increase logistics efficiency, reduce congestion, improve air quality, and increase road safety.

- AVOID: Avoiding unnecessary motorised trips based on proximity and accessibility.
- SHIFT: Shifting to less carbon-intensive modes – that is, from private vehicles to public transport, shared mobility, walking and cycling, water-based freight, electrified road-rail freight, and cargo bikes for last-mile deliveries, among other.
- IMPROVE: Improving vehicle design, energy efficiency and clean energy sources for different types of freight and passenger vehicle.

8. The ASI measures as described by SLOCAT are very “vehicles” focused and trying to implement it at border crossings management / operations and customs services might provide limited results. Therefore, for the shake of this analysis and as it was the case for the

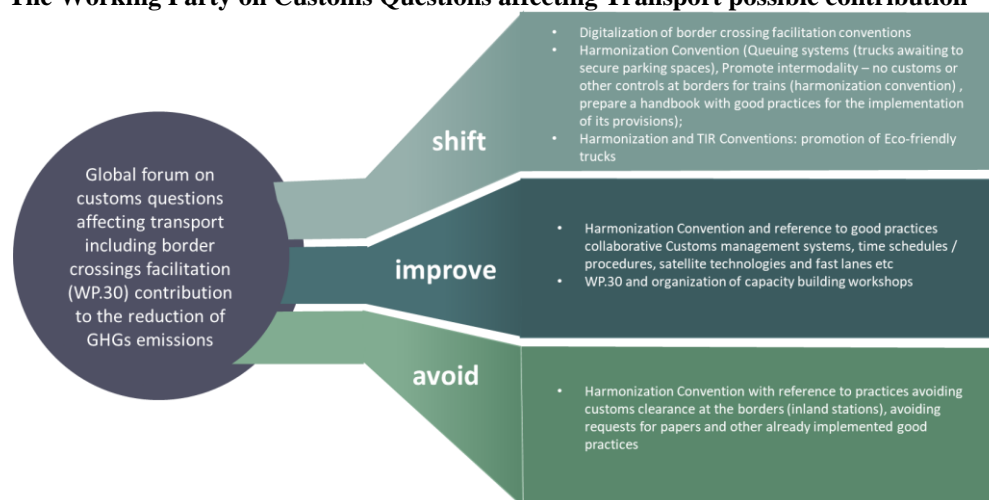
ITC strategy, we will use the ASI methodology while considering a broader definition for the Avoid, Shift and Improve measures.

III. The Working Party on Customs Questions affecting Transport possible contribution to the reduction of Green House Gas Emissions

9. The preliminary analysis below has as single objective not to suggest amendments to the existing border crossing facilitation conventions – a task dedicated to contracting parties only – but rather to illustrate how possibly the current work of the Working Party can contribute to the efforts / measures globally proposed to reduce greenhouse gas emissions.

Figure II

The Working Party on Customs Questions affecting Transport possible contribution



Source: WP.30 secretariat

A. Shift measures

10. Digitalization of border crossing facilitation conventions where documents (carnets) are being used. Customs officers require a series of documents from trucks, private cars and trains depending on the cargoes they carry, the country of origin, the country of origin of the company, their risk analysis parameters, etc. For the vehicles to cross the borders without stopping, all these documents should be provided to the customs authorities electronically and if possible, well in advance. Therefore, Customs Authorities on the one hand should start requesting receiving those documents electronically and on the other hand to participate in the work being undertaken in order to digitalize those documents ensuring international harmonization and consensus, specifically:

- WP.30 already contributes to this direction with the work on the eTIR as well as on eCPDs
- Interconnection and cooperation should be ensured with other initiatives such as eATA, ePhyto, etc.

11. Harmonization Convention. The Convention constitutes a harmonised framework for border crossing facilitation. Possibly the Convention could include reference to systems that further contribute to border crossing facilitation and to the reduction of GHGs such as queuing systems (trucks awaiting to secure parking spaces) or to be enriched with good practices. Maybe a handbook for the harmonization convention could be introduced that include good practices and guidelines and how its provisions could be better implemented and used. Promotion of intermodality and removal of any controls at the trains while passing the borders could be one of the measures suggested.

12. Harmonization and TIR Conventions. Maybe references or even provisions could be eventually introduced to these conventions that promote the Eco-friendly trucks in connection with priority lanes, improved insurance rates, etc.

B. Improve measures

13. Harmonization Convention and reference to good practices collaborative Customs management systems, time schedules / procedures, satellite technologies and fast lanes, etc.

14. WP.30 organization of capacity building workshops on the above-mentioned issues including good practices on Eco-friendly customs buildings / photovoltaics and Eco-friendly infrastructure in general (chargers, etc.).

C. Avoid measures

15. Harmonization Convention with reference to practices avoiding customs clearance at the borders (inland stations), avoiding requests for papers and change of procedures, avoiding queues for private cars and trucks that are passing quite often the borders by introducing electronic passes, etc.

IV. Customs possible contribution to the reduction of Green House Gas Emissions

A. Shift measures

16. Implement national, regional and international climate change mitigation strategies (i.e. European Union Carbon Border Adjustment Mechanism). Carbon imports tariffs are a climate mitigation policy where Customs is frequently the administering agency. For instance, Carbon leakage occurs when companies based in the European Union move carbon-intensive production abroad to countries where less stringent climate policies are in place than in the European Union, or when European Union products get replaced by more carbon-intensive imports. The European Union Carbon Border Adjustment Mechanism (CBAM) is a landmark tool to put a fair price on the carbon emitted during the production of carbon intensive goods that are entering the European Union, and to encourage cleaner industrial production in non-European Union countries.

17. Customs administrations may be called upon by their Governments to implement climate change mitigation policies in the form of border procedures or customs enforcement, such as carbon import tariffs (especially border tax adjustments [BTAs]), trade facilitation of low-carbon energy technology (especially the use of commodity classification), and enforcement against emission permit trading irregularities.

18. Customs administrations may be directed to deal with climate change impacts by developing adaptation policies, such as customs clearance of humanitarian relief consignments, trade recovery, and customs best practices to deal with the potential of international trade contraction caused by climate change welfare losses.¹

B. Improve measures

19. Customs administrations contribute to the fight against climate change and to ensuring greater environmental sustainability by supporting effective implementation of various Multilateral Environmental Agreements (MEAs), whose objectives include addressing the illicit trade in hazardous waste and ozone-depleting substances, combating the illicit trade in

¹ Robert Ireland, Implications for Customs of climate change mitigation and adaptation policy options: a preliminary examination, World Customs Journal, Volume 4, Number 2

endangered species, and preventing the spread of plant and animal diseases, as well as of invasive alien species.

20. This work is supported by extensive additions to the HS 2022 for substances regulated under the Kigali Amendments to the Montreal Protocol. The changes to the HS 2022 go further by also including specific provisions for mixtures that contain substances regulated under the Montreal Protocol. This approach is designed to support governments with meeting their obligations by simplifying the identification of legally-traded goods at the border. In addition, hazardous chemicals recently added to the substances controlled under the Rotterdam Convention are named specifically in the HS 2022 to assist with their identification at borders.

21. Data collected from the last World Customs Organization (WCO) Single Window Survey in 2019 confirms that Single Window Environments (SWEs) are still deemed one of key enablers for trade facilitation. The role of Customs administrations in SWEs also involves leading or co-leading initiatives and therefore playing a specific role in Coordinated Border Management (CBM) and influencing the enactment and operationalization of consistent policies.

22. The urgent need to move towards Digital Customs, as the COVID-19 crisis has highlighted some of the positive outcomes of paperless trade and teleworking not only as a business continuity solution but also in terms of a temporary reduction in daily global CO2 emissions. Leveraging digitalization as a response to the COVID-19 crisis has also proven that the use of available technologies is a crucial factor for ensuring efficient CBM mechanisms and maximizing social distancing to protect People during a pandemic. Digital Customs is well recognized as a key enabler for reducing information asymmetries, procedural complexities, discretionary powers and physical interactions with economic operators. This, in turn, has a positive effect by reducing indirect trade costs and inefficiencies as well as removing incentives for corruption.

23. Regional integration, which is emerging as a growth determinant and critical factor for ensuring economic recovery in the post-COVID era. In this context, connectivity, interoperability, strengthened Customs-to-Customs cooperation and international cooperation mechanisms are becoming crucial, along with the harmonization and simplification of Customs procedures for trade facilitation purposes.²

C. Avoid measures

24. The UNODC³-WCO Container Control Programme (CCP) serves as an example of what Customs and other law enforcement agencies can achieve when targeting illicit trade at operational level and by joining forces to address the challenges posed by all types of cross-border crime in the cargo sector. The Programme, designed to establish sustainable and intelligent Customs enforcement capabilities in key seaports and airports, incorporates numerous SAFE framework of standards (FoS) recommendations and international best practices on risk management and profiling, whilst maintaining an adequate level of trade facilitation. Following implementation in more than 60 countries worldwide, the Programme has demonstrated its potential in meeting the SDG goals for the benefit of People and the Planet.

V. Considerations by the Working Party

25. The Working Party may wish to consider this preliminary analysis and provide guidance for further steps.

² World Customs Organization, *Customs Fostering Sustainability for People, Prosperity and the Planet*, 2021

³ United Nations Office on Drugs and Crime