



## **WCO Europe Regional Workshop on Strategic Initiatives for Trade Facilitation and the Implementation of the WTO Trade Facilitation Agreement (TFA)**

**Budapest, 27<sup>th</sup> – 29<sup>th</sup> May 2015**

### ***CONCLUSIONS BY THE CO-CHAIRS***

The TFA must be understood and implemented as **an important building block in a global multilateral trade facilitation package** building on and already including, notably, several provisions of the GATT/WTO Agreement and the WCO Revised Kyoto Convention and other supporting tools and instruments.

The added value of the TFA, once in force, will result from **the level of precision of the commitments** it implies for WTO members and of its **automatic binding effect** on them. However, those commitments do not have all the same legal strength, several representing more **'best endeavours'** than binding rules.

Moreover, for **developing and least developed countries Members**, the date and conditions on which the provisions of TFA will actually take effect will vary according to their **classification in three categories** to be notified by those countries in the context of a special and differential treatment. While showing **a certain level of ambition**, those notifications shall be handled with care and remain **realistic in terms of capacity and timing** for the actual implementation of the specific provisions at stake. They shall also be inspired by a **holistic and sequential approach** of the implementation of all TFA provisions.

In order to help developing and least developed Members to implement TFA, developed donor Members are committed to provide them with **assistance and support for capacity building**, bilaterally or through international organisations like the WCO, WTO, World Bank Group, UNCTAD and UNECE. The WCO Mercator Programme builds on its long Capacity Building experience: the requirement of the assessment of the specific needs of the Members concerned in order to deliver tailor-made assistance including strategic planning and implementation whose benefits have to be monitored through

quantitative and qualitative performance measurement, including the use of Time Release Studies.

Past or still on-going projects supporting capacity building have shown that the implementation of the TFA deserves **clear political will and commitment** and a **strong coordination of efforts** in each Member, in particular through the setting up of **National Committees for Trade Facilitation (NCTF)**, allowing the public authorities and private parties to find appropriate balance between facilitation and controls and to overcome traditional resistance to change. A **key enabling role needs being given to customs** in the implementation of the TFA and the NCTF, even if other agencies have to contribute to make that implementation complete and effective at the borders.

The **Europe Region** offers a unique **combination of challenges and opportunities** to conduct and achieve a full implementation of the TFA:

- a combination of **developed and developing Members** BUT allowing thus having in the same region both **donors and beneficiaries** of assistance and support to capacity building;
- a **high number of countries** (WTO and non WTO members) - and, as a consequence of **borders**, in most cases engaged in **sub-regional economic integration** through FTAs or Customs Unions and/or in regional or bilateral agreements or initiatives aiming at enhancing **customs cooperation, security, cross-border facilitation** for goods, means of transport and persons and **transit**;

**Breakout sessions** further developed those aspects and considered in addition the capacity of the Region to go beyond TFA internally and promote trade facilitation highest standards worldwide. The reports of those sessions are attached to these conclusions.

Looking into some of the provisions of the TFA, the Europe Region particularly focussed on CBM, RM, Single Window, transit and Customs-Business partnership and beyond its readiness to support each other as well as Members of other WCO regions, agreed to share further examples and good practices with the WCO Secretariat to further enhance related WCO instruments and tools.

**Coordinated Border Management**, the cooperation between agencies at the border at national and international level and **Single Window**, in synergy, are important trade facilitation measures, requiring international standards to

operationalise the required structural exchange of information, joint risk management strategies and coordination of actions at the border. International standards such as the WCO RKC, CBM Compendium and Single Window Compendium that contain Members' experiences and practices, offer Members the possibility to develop efficient and effective border management procedures that will not only be beneficial to trade but also to governments.

The implementation of the TFA provisions on freedom of transit and movement of goods under customs control must be considered **in the broader context of GATT V, transit-related parts of RKC and other more general provisions of TFA itself**, applicable as well to traffic in transit. Such holistic approach of the facilitation of movements of goods is supported in particular by information available in the WCO TFA Implementation Guidance and Transit Handbook.

While Articles 11 and 9 TFA are calling on individual Members to take action, facilitation of movements of goods will clearly be **better implemented and optimised through the development and use of international, cross-border, transit arrangements**. Such arrangements do not exclude further facilitation of movements that Members may consider appropriate. The Europe Region has the chance to already enjoy such arrangements like UNECE TIR, Common Transit or the transit procedure applied in the Eurasian Economic Union. International arrangements need being fully exploited and enhanced within the Region and possible expanded beyond to facilitation movements with other regions.

**Customs Business Partnership** shall provide a very important contribution to the successful implementation of the TFA. Business representatives were eager to contribute to the process. Participants agreed that early involvement of diverse representation of the Business sector and open communication are key elements to consider. Areas to further explore could include data exchange, cooperation with other agencies and in between customs authorities of the region and beyond, AEO benefits, transparency, and the establishment of single contact points within administrations (effective communication).