



TRADE BEAT

MONTHLY NEWSLETTER OF THE
INTERNATIONAL TRADE UNIT

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The WCO's Mercator Programme supporting the Trade Facilitation Implementation Process

The World Customs Organization (WCO)'s Mercator Programme is a strategic initiative intended to support WCO Members in preparing for implementation of the World Trade Organization's (WTO's) Trade Facilitation Agreement (TFA). The Mercator Programme is designed to increase global interconnectivity, expand trade volumes and enhance economic competitiveness by providing tailor-made assistance for implementing trade facilitation measures. Customs administrations worldwide already benefit from the tools and instruments developed by the WCO, as well as from customized technical assistance and capacity building as required by Members. These initiatives are intended to support Customs reform and modernization programmes aimed at creating an optimal trade environment, and the facilitation of legitimate global trade.



Mercator Programme

The WCO Mercator Programme

The WCO Mercator Programme is a trade facilitation strategy aimed at assisting governments across the world to expeditiously implement the WTO TFA in a harmonized manner. The Mercator Programme encourages the use of WCO's tools and instruments, such as the Revised Kyoto Convention on the Simplification and Harmonization of Customs procedures (RKC), which includes a full range of trade facilitation measures. Key among the TFA measures provided for in the RKC, is improved border management processes which directly concerns Customs and other border related agencies and facilitates modern customs operations. The RKC along with the other WCO tools and instruments play a vital role in ensuring enhanced trade facilitation, by creating a more predictable and transparent trade environment for legitimate cross border trade. The WCO Mercator Programme delivers support to all its Members by providing technical assistance, and capacity building through the use of the WCO instruments and tools, enabling the creation of international Customs standards.





WCO TFA Implementation Guidance Tool

To demonstrate the linkages between the TFA and the WCO instruments and tools, the WCO released an implementation guidance tool on its website. Each TFA article is examined by providing information in each of the following categories; overview, text of the TFA article, relevant RKC standard and RKC guidelines, other relevant WCO tools, member practices and performance indicators.



Key Objectives of the Mercator Programme

Harmonized implementation based on WCO's global standards

- Tailor-made technical assistance and capacity building

- Effective coordination among all stakeholders

Benefits of the Mercator Programme

Developing and least developed countries may request and receive tailor-made technical assistance and capacity building, according to their own needs for implementing trade facilitation measures.

Donor Institutions are able to satisfy their interests through tangible and evidence based solutions, along results based management principles, through technical assistance and capacity building projects managed by the WCO.

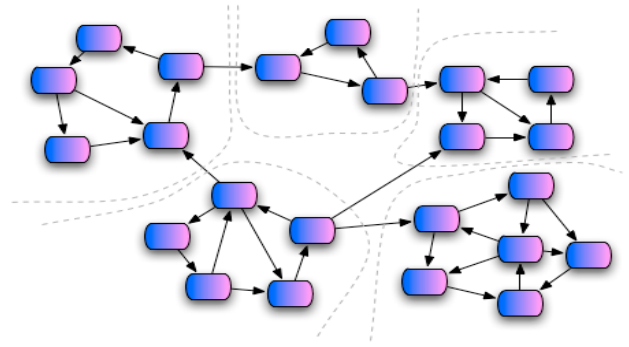
Government Agencies may use WCO tools and various measures for trade facilitation according to Member practices and experiences, to formulate a more standardized approach in TFA implementation.

Private Sector companies will benefit from predictable and modernized trade procedures, as well as reduced trade costs and clearance times at the borders, due to the Mercator programme and the harmonized manner in which trade facilitation measures should be implemented.

Main Components of the Mercator Programme

The Mercator programme comprises several initiatives that engages the WCO Secretariat, Member administrations, the private sector, donor institutions and trade related stakeholders through the following:

- Extensive donor funding through the WCO Customs Co-operation Fund (CCF)
- Implementation of the TFA using the WCO’s international Customs instruments and tools
- Global network of Customs Experts for in-country assistance
- Technical assistance and capacity building focused on needs assessment, strategic planning, Implementation, monitoring, and evaluation.
- Training of government officials and the private sector, including the use of WCO e-learning
- Awareness raising through regional workshops and outreach
- Evidence-based solutions and consideration of local conditions
- Use of performance measurement and results-based management
- Supporting stakeholder engagement at the National Committees on Trade Facilitation to ensure Coordinated Border Management and Customs-Business partnerships.



Trade Facilitation and the WCO Dublin Resolution

The WCO Dublin Resolution was adopted in Ireland in December 2013. It stipulates that close coordination be maintained with the WTO regarding trade facilitation activities, and proposes enhanced communication of the trade

facilitation initiatives. This signals the importance of the TFA to policy makers and business leaders of the world, in hopes of pushing the trade facilitation agenda for implementation. The Dublin Resolution was time concurrent with the outcome of the WTO’s ninth (9th) ministerial conference held in Bali, Indonesia, where the “Bali Package” was adopted by the Ministers under the framework of the Doha Development Agenda (DDA). The TFA forms part of the Bali Package, and consists of trade facilitation measures that once implemented, would increase the efficiency of border agencies such as Customs administrations. The Mercator Programme represents an undertaking by the WCO to help its Members in advancing their trade facilitation objectives, by providing technical assistance and capacity building. As the international voice of Customs, the WCO facilitates an understanding of divergent local conditions, the ability to coordinate with relevant stakeholders, and a worldwide network of Customs experts which can be channeled to acquire sustainable support for trade facilitation globally.

However, traction gained in Bali regarding the implementation of the TFA was halted. The insertion of the TFA into the Protocol of Amendment of Annex 1 of the WTO Agreement, did not meet its stipulated deadline of July 2014, which caused delay in the agreed timelines for the TFA implementation process. Despite the setbacks with the WTO TFA, the WCO remains committed in supporting the trade facilitation reforms of its Members through the Dublin Resolution. The WCO recognizes the importance of the TFA, and the positive effects that its implementation will have on global trade, as well as the improved efficiency that it will bring to border processes and Customs administrations in general.



Benefits of TFA Implementation



Potential gains from the implementation of the TFA will be substantial, especially for countries that have not yet applied its principles. Implementation of TFA measures should reduce trade costs especially for developing Member states, and accelerate their integration into global value chains. According to the Organization of Economic Co-operation and Development (OECD), developed countries stand to gain a 10 percent cut in their trade costs, as well as more predictable trade flows for businesses. The TFA thus presents a great opportunity

for modernizing Customs administrations, boosting international trade, and strengthening the economic competitiveness of countries across the globe. The WCO Mercator Programme is therefore designed to ensure connectivity at borders and along international trade supply chains, in order to provide a consolidated platform for advancing the smooth flow of goods being traded across the world.

WCO Working Group on the Trade Facilitation Agreement

The WCO Working Group on the Trade Facilitation Agreement will serve as the Mercator Programme’s support and monitoring vehicle. The role of the WCO is specifically recognized in Article 13.1 Section I of the TFA, which states that the WTO Committee on Trade Facilitation shall maintain in close contact with the WCO “with the objective of securing the best available advice for the implementation and administration” of the TFA, and “to ensure that unnecessary duplication is avoided”. The practical aspects of implementing the TFA will be administered by the Working Group, with the goal of ensuring a harmonized approach. The group met for the first time in March 2014, bringing together delegates from WCO Member Customs administrations, trade ministries and finance ministries, as well as representatives from the WTO, other international organizations and the private sector.



The role of international organizations such as the WCO is explicitly defined in Section II of the TFA. The TFA stipulates that assistance be given to developing and least developed Members of the WTO in support of their TFA implementation process, in areas such as infrastructural upgrades and the training of Customs officials. In this respect, the Mercator Programme was launched, to assist Members in their TFA implementation process through the use of core WCO tools and instruments. The Mercator Programme provides tailor-made support for each Member through its technical experts, its established technical assistance and capacity building programmes and its comprehensive donor-engagement mechanisms. The WCO also provides a consolidated platform for coordinating the needs and priorities of all stakeholders, by leveraging cooperation with the WTO, the private sector and other international organizations of like interest. Despite the slow progress of the WTO TFA implementation process, the WCO will continue to provide assistance to each of its Members through the Mercator Programme by supporting global trade facilitation initiatives. Just as the cartographer Gerardus Mercator provided the tools which became fundamental to mariners in plotting straight courses and taking correct compass readings so too shall the WCO guide Customs administrations to facilitating legitimate global trade.



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