# TRADEBEAT

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# Green Customs Contributing to a Sustainable Future

Between 1992 and 2012, the volume of waste traded grew from 45.6 million tonnes to 222.6 million tonnes, an increase of more than 500% in just two decades! (Ngozi Okonjo-lweala,2022). The proportion of the world's waste being exported to developing countries grew by 40% between 1998 and 2009. Considering that in 2016, the world generated 2 billion tonnes of municipal solid waste, the global waste trade today places severe pressure on developing countries.

Trade promotes development and economic growth, however indiscriminate trade without effective environmental policies in place may lead to environmental degradation. The illegal trade in commodities such as hazardous waste, wildlife, living modified organisms (LMOs), chemical weapons and ozone-depleting substances poses a huge threat to the environment.

Customs administrations worldwide, acknowledgment of the increasingly important role they play in protecting society and the environment, have already implemented some measures that align with the Green Customs Initiative (GCI), and plan to further build out them out through the use of existing tools and networks. These include the Harmonised Commodity Description and Coding System, also known as the Harmonised System (HS), and multilateral environmental agreements (MEAs). Also integral to the GCI are risk management, use of technology, collaboration with other border regulatory agencies (BRAs) and stakeholder engagement.

National and international organized crime syndicates around the world earn an estimated US\$20-30 billion annually from various environmental crimes, such as the dumping of hazardous waste, the smuggling of hazardous materials, and the exploitation and trafficking of protected natural resources, the commercialization of ozone-depleting substances (ODS), toxic chemicals, endangered species, living modified organisms.

## World Customs Organization (WCO) & Green Customs



Signalling the global importance of Green Customs, the WCO has adopted "Green Customs" as a focus area in its Strategic Plan. They hosted their "Green Global Conference" on June 27-28, 2022, to raise awareness of Customs' role in protecting the environment and to receive feedback from a range of stakeholders on their expectations from Customs in this regard.

The event was attended by more than 200 stakeholders from Customs administrations, international organizations, non-governmental organizations, academia, and private sector, along with hundreds more participating online.



"Customs' role has been redefined over recent years with even greater stress now being placed on the importance of its contribution to sustainable development."

Dr. Kunio Mikuriya WCO Secretary General

The Conference featured four (4) panels, each focused on priorities and options for a proactive, inclusive and forward-looking WCO agenda for Green Customs, that can help drive progress on the environmental related United Nations Sustainable Development Goals (SDGs). These areas included:

1.The Circular Economy, related trends (recycling, reuse, repair and refurbishment of goods), challenges in transitioning to a circular economy including the lack of data to monitor the environmental aspect of trade, identification of hazardous goods e.g. hazardous waste disguised as goods for recycling and their relevance to Customs.

2.Cross-border movement of waste, focusing on case studies of actions taken by Customs.

3.Implementation of trade policy, including the HS, MEAs and other Customs measures.

4.Future work of Customs, that is, what Customs could and would have to do regarding environment and trade policies. Emphasis was placed on stakeholder engagement and the use of technology and innovation in managing environmental risks.

Customs is responsible for protecting the border not only from the illegal trafficking of guns and drugs but also illegal trade in waste.

## Multilateral Environmental Agreements (MEAs)

Multilateral environmental agreements are agreements between several parties, that is, States or, in some cases, regional economic integration organisations such as the European Union; to pursue specific measures aimed at protecting the environment and conserving natural resources.

This type of initiative is often brought about by worldwide concerns about the great, and sometimes serious, impacts of seemingly harmless human activities on the Earth's fragile environment.

In response to these impacts, nations are now questioning the long-term sustainability of such activities in view of the need to ensure a safe future for coming generations. Relevant international agreements that regulate the trade in environmentally sensitive items and products include:



**Basel Convention** 

Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal www.basel.int



Cartagena Protocol Cartagena Protocol on Biosafety www.cbd.int



CITES

Convention on International Trade in Endangered Species of Wild Fauna and Flora www.cites.org



INTERPOL

The International Criminal Police Organization www.interpol.int



Minamata Convention

Minamata Convention on Mercury

www.mercuryconvention.org



**OPCW** 

Organisation for the Prohibition of Chemical Weapons www.opcw.org



MEAs aim to regulate the cross-border movement in certain commodities, substances, and wild species in order to preserve and protect the environment from adverse effects of human activities, or at least minimize their impact. When States take the legal steps to formally agree to be bound by an MEA, especially one with international trade provisions, they are committing themselves to regulating and, where necessary, restricting or banning use or trade in certain substances or items, through the enactment of national laws and regulations.



Did you know?

The international trade in wildlife is estimated to be worth billions of dollars and to involve hundreds of millions of plant and animal specimens. Commercial exploitation and trade in endangered species contributes to the depletion of their populations, sometimes even to the point of near-extinction



#### **HS Classification as a Regulatory Tool**

The World Customs Organization (WCO) developed the HS, a standardized categorization system, to identify substances regularly traded around the world. The HS uses a series of codes to clearly identify the contents of import and export shipments, including those containing substances controlled under the Montreal Protocol.

As previously highlighted, the HS, one of the WCO's flagship instruments, serves a very important function in relation to the identification of goods, including wastes. Its work in this area has been the subject of ongoing development over many HS review cycles.

For example, chapter heading 68 for 'municipal waste' was introduced in 2002 (HS 2002), which enabled identification of this particularly complicated waste in trade. With a more granular tariff classification countries can protect the health of their consumers, as well as their domestic natural environment.

Before 2022 these codes did not identify specific hydrofluorocarbon (HFCs), but instead grouped them under a single code. This has changed following the 2022 system update which has created specific HS codes for the most used HFCs controlled under the Kigali Amendment, thus making significant improvements regarding the identification of wastes.

#### **Practical Role of Customs**



Customs plays a pivotal role, working with other agencies at the border, contributing to the fight against climate change and to ensuring greater environmental sustainability by supporting effective implementation of various MEAs. Following the adoption of the 2030 Agenda for Sustainable Development by the UN General Assembly, Customs Administrations acknowledge the role they play in meeting the challenge of ensuring that globalization becomes a positive force for all mankind. Practical things that Customs may undertake in this regard include:

- 1.Ensuring that HS codes are properly aligned, to distinguish wastes from general tariff headings.
- 2.Implementing strong deterrent penalties for false declarations of HS codes.
- 3. Pursuing strong cooperation between BRAs and other trade-related agencies.
- 4.Advocating for and implementing stricter penalties for environmental crimes.
- 5. Facilitating legal trade, while combating illegal trade in prohibited or restricted goods.
- 6.Promoting traders' compliance by building awareness and implementing rewards programs.
- 7.Sharing best practices and building capacity through exchange of information.

Through the conduct of these activities Customs and the other BRAs operate as a safeguard against the deterioration of the environment, not only on a local scale but also globally.

Highlights of best practises internationally and regionally include Indonesia, which has established a Sub-directorate of Transnational Crime, which focuses on handling transnational crimes, including the illegal trade in plastic waste; and the Customs administration of the Dominican Republic, who has dedicated a section on their website for Green Customs, which details their commitment and the actions undertaken in their pursuit.

#### The JCA and Green Customs

The Jamaica Customs Agency (JCA) reaffirmed its commitment to protecting Jamaica's society and environment, endorsing the WCO's emerging model to achieving "Green Customs". The WCO Green Global Conference 2022 was attended by the JCA's Commissioner, Mrs. Velma Ricketts Walker and Miss Shandilayne Davis, Senior Director, International & Industry Liaison, where the Commissioner was also a presenter. Commissioner Ricketts Walker spoke on the theme "Protecting the Environment through Trade: Customs; Role in Sustainable Supply Chains."

#### From the Desk of the Commissioner



Mrs. Velma Ricketts Walker, CEO/Commissioner of Jamaica Customs Agency

The role of Customs administrations is critical to a sustainable supply chain and environmental sustainability. We (Customs) are integral to the enforcement of several Multilateral Environmental Agreements designed to promote sustainable trade. The deliberate focus of the World Customs Organization to include Green Customs as a strategic focus is one that is fully supported by the Jamaica Customs Agency.

Jamaica and the Jamaica Customs Agency have been paying close attention to environmental issues and sustainable trade. This is reflected in the recent ban on single-use plastic bags, plastic straws, and Styrofoam, which was introduced in a bid to reduce the impact plastic is having on the environment, and Promoting the increased use of renewable energy products with the importation of electric vehicles thus minimizing carbon emissions.

Our inherent role in ensuring that regulated (restricted and prohibited) goods are treated with the required customs enforcement serves as a primary means of environmental protection. The Green Customs conversation remains of interest to the Jamaica Customs Agency, and we will continue to monitor related subject such as the Circular Economy and the Greening of the Harmonized System (HS). The Jamaica Customs Agency will continue to keep in sharp focus our mandates of trade facilitation and border protection by facilitating legitimate trade in environmentally sensitive items while preventing, detecting and seizing illegally traded good. Ultimately ensuring our continued contribution to national development and a sustainable supply chain."

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#### **JCA in Action**



The JCA takes it role in protecting society and the environment seriously and is actively involved in carrying out this mandate, even while acknowledging that there is more work to be done. Jamaica is a party to all the forementioned MEAs and works collaboratively with the relevant BRAs in the administration of these Agreements. Of note is the close working relationship with the National Environment Planning Agency (NEPA). Recent noteworthy activities that align with "Green Customs" include:

- Participation in the technical working group and capacity building workshops in connection with the UNDP Implementation Project for the Kigali Amendment to the Montreal Protocol.
- Disaggregation of HS codes to the 10-digit level to enable identification and monitoring of HCFCs (ozonedepleting substance), in alignment with the Kigali Amendment.
- Engagement in technical working groups for other MEAs, including the Minamata Convention.
- Statistical reporting regarding consumption of HFCs (ozone-depleting substance)
- Monitoring of the quota/licensing system for HFCs.
- Enforcement of penalties regarding illegal trade in these hazardous substances.

 Commitment to modernization and use of technology evidenced by the implementation of ASYCUDA World (automated Customs System) and the Jamaica Single Window for Trade (JSWIFT), which promotes paperless processes and effective risk management.

The JCA remains steadfast in its commitment to not only meet its mandate of protecting society and the environment but to adapting to the emerging landscape to futureproof its operations. A commitment that is backed by the executive will of the Agency, as evidenced by the Commissioner's expressed position on Green Customs and the JCA.

However, to be successful, it requires not only executive will, but also that of the entire Agency. Each member of staff must play their part by executing their duties as detailed in the relevant standard operating procedures (SOPs), consulting where necessary, and by assisting in the continuous assessment and improvement of the Agency's operations.

Every member of Team Customs can and should make a difference in the drive to becoming "Green Customs". We are charged to be protectors of the environment and to facilitate conservation and sustainable consumption through responsible trade.

#### **Useful Resources**

- Green Customs Guide to Multilateral Environmental Agreements: https://www.greencustoms.org/https://www.unep.org/resources/publication/green-customs-guide-multilateral-environmental-agreements#:~:text=The%20Green%20Customs%20Guide%20to,role%20in%20protecting%20the%20environment
- Green Customs E-learning Courses: https://www.greencustoms.org/resources/learning



The International and Industry Liaison Branch (IILB) is committed to raising awareness on topics relating to international trade, as well as issues concerning the Caribbean Community which affect our internal and external stakeholders. Our quarterly newsletter seeks to highlight global trade topics and their importance to customs administrations worldwide, specifically as it relates to the Jamaica Customs Agency (JCA).

As we realize our vision of becoming a modern customs administration delivering excellent service, we recognize the importance of knowledge transfer in delivering our objectives and use this forum as our way of contributing to the vision of the JCA.

The IILB is located at the JCA's Head Office, Myers' Wharf, Newport East, Kingston, and our officers are available to respond to your trade-related queries. You may contact us via email at iilu@jca.gov.jm