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## **INTERNATIONAL TRADE FACILITATION: THE CUSTOMS IMPERATIVE**

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The Doha Ministerial Declaration and subsequent decisions of the General Council of the WTO have sought to intensify international commitment to further expedite the movement, release and clearance of internationally traded goods, including goods in transit. The success of the trade facilitation agenda is heavily reliant on the ability of customs administrations to achieve an appropriate balance between facilitation and regulatory control, particularly in the current climate of heightened international security concerns. There is widespread recognition that this cannot be achieved without significant technical assistance and support for capacity building, particularly in respect of developing and least developed countries. This paper examines the imperatives faced by customs and the international trading community in their effort to achieve the desired levels of reform.

### **Facilitation and Control**

Customs administrations around the world are responsible for managing a broad range of risks as they seek to fulfil their responsibilities in areas such as revenue collection, the administration of trade policies and border controls, community protection and the facilitation of trade. Customs organisations are also generally required to manage risks on behalf of other government departments and agencies with policy responsibility for areas such as health, immigration, agriculture, trade, environment and trade statistics. This is usually achieved through the implementation of a diverse range of agreed control regimes, with customs having responsibility for the administration and enforcement of relevant regulatory requirements at the point of importation and exportation. These 'border control' responsibilities stem from the more traditional customs role of collecting duties on internationally traded commodities at the point of importation and exportation.

It has been suggested that import and export duties were first introduced by the Romans<sup>2</sup> and no doubt the 'customs officials' of the day had a responsibility to ensure that the right amount of duties were collected and that would-be smugglers were brought to account. It would be a fair assumption that a few officials also sought to collect a little extra for their own pockets. On the other side of the counter would have been many honest traders who would render to Caesar that which was Caesar's and some not so honest traders who would seek to render as little as possible. It is therefore probable that the Romans faced the same types of challenges that are being faced by customs administrations around the world today - customs officials seeking to ensure that the law is upheld; traders seeking uninhibited passage of their cargoes; and honest traders seeking recognition of their good track record of compliance.

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<sup>2</sup> See Smith, G (1980) *Something to Declare*. George G. Harrap Co., London

What has changed, and changed dramatically, is the trading environment – the manner in which goods are carried and traded, the speed of such transactions and the sheer volume of goods that are traded around the globe. In the past few decades there have been a number of significant changes in global trading practices and customs administrations around the world have been required to continually adapt their methods of operation in an effort to maintain their effectiveness and relevance. For example, the emergence of wide-bodied aircraft, shipping containers, e-commerce and the increasing complexities of international trade agreements have all impacted on the way in which customs administrations have fulfilled their responsibilities, and customs administrations worldwide have seen a dramatic increase in workload across all areas of activity, fuelled by the technological advances that have revolutionised trade and transport. Nevertheless, the basic elements of customs administration remain essentially the same - government officials are seeking to enforce the law and traders are seeking to minimise government intervention.

When examining the issues of trade facilitation and regulatory control, it is therefore important to recognise these differing needs and expectations of customs and the business community. On the one hand, traders are looking for the simplest, quickest, cheapest and most reliable way of getting goods into and out of the country. They are looking for certainty, clarity, flexibility and timeliness in their dealings with customs. They are also looking for the most cost-effective ways of doing business. Customs authorities, on the other hand, are seeking to prevent smuggling, detect contraband and ensure compliance with revenue, licensing and other legal requirements; and they too are looking for the most cost-effective ways of doing business. Consequently, traders are driven by commercial imperatives, while customs organisations are primarily driven by the law. What customs administrations are now seeking to achieve is an appropriate balance between trade facilitation and regulatory control.

### **WTO Multilateral Trade Negotiations**

Achieving such a balance can provide significant flow-on benefits for national economies, and the issue of trade facilitation has consequently been added to the WTO agenda, with many countries now re-assessing their legislative and administrative approach to the regulation of international trade. Specifically, the Singapore Ministerial Declaration directed the Council for Trade in Goods to “undertake exploratory and analytical work, drawing on the work of other relevant international organizations, on the simplification of trade procedures in order to assess the scope for WTO rules in this area”.<sup>3</sup>

Following extensive consultation with commerce and industry, the WTO identified the following broad areas of concern at the international level:<sup>4</sup>

- excessive government documentation requirements,
- lack of automation and insignificant use of information-technology,

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<sup>3</sup> Paragraph 21 of the Singapore Ministerial Declaration, adopted on 13 December 1996

<sup>4</sup> Statement by the Chairman of the Council for Trade in Goods on 18 March 1998, summarising the outcome of the WTO Trade Facilitation Symposium held in Geneva, 9-10 March 1998

- lack of transparency; unclear and unspecified import and export requirements,
- inadequate customs procedures; particularly audit-based controls and risk-assessment techniques, and
- lack of co-operation and modernisation amongst customs and other government agencies, which impedes efforts to deal effectively with increased trade flows.

The concerns identified by the WTO serve to highlight a number of potential weaknesses in the way in which governments, and more specifically customs administrations, approach the task of monitoring and regulating international trade. According to the WTO, the costs of import tariffs are often exceeded by the losses incurred by the international trading community as a result of slow clearance procedures, opaque and unnecessary documentary requirements and lack of automated procedural requirements.<sup>5</sup>

The nature of the issues identified by the WTO may be considered to fall into a number of broad categories, including statutory requirements (e.g. government requirements, transparent regulatory provisions, clearly specified import and export requirements); administrative requirements (e.g. documentation requirements, clear administrative procedures, audit-based controls and administrative cooperation); technological capabilities (e.g. automation and use of information technology); and risk management practices (e.g. audit-based controls and risk assessment techniques).

### **International Customs Blueprint**

In recent years these issues have been high on the agenda of the WCO, an independent intergovernmental organisation based in Brussels, which is the recognised international policy-setting organisation on customs issues. At the time of writing, membership of the WCO comprised the customs administrations of 164 countries, with responsibility for processing in excess of 95 per cent of world trade.

In June 1999 the Council of the WCO approved the revised International Convention on the Simplification and Harmonization of Customs Procedures - the revised Kyoto Convention. The revised Kyoto Convention has been developed in the face of mounting pressure from the international trading community to minimise the level of customs intervention in cargo movements and to maximise the level of trade facilitation. Since the time of its inception, of course, international events have placed further pressures on security aspects of the international supply chain.

According to the WCO, the Convention represents the international blueprint for prudent, innovative customs management, and is designed to maintain the relevance of customs procedures at a time when technological developments are revolutionising the world of

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<sup>5</sup> World Trade Organization (2002) *Trade Facilitation: Overview of Trade Facilitation Work*. World Trade Organization, [www.wto.org/english/tratop\\_e/tradfa\\_e/tradfac2\\_e.htm](http://www.wto.org/english/tratop_e/tradfa_e/tradfac2_e.htm)

international trade and travel.<sup>6</sup> Essentially, the Convention is intended to promote the achievement of a highly facilitative international travel and trading environment while maintaining appropriate levels of regulatory control across all member administrations. It is designed to provide the underlying conditions and instruments to help contracting parties to achieve a modern customs administration and to make a major contribution to the facilitation of international trade by:

- eliminating divergence between the customs procedures and practices of contracting parties that can hamper international trade and other international exchanges,
- meeting the needs of both international trade and customs authorities for facilitation, simplification and harmonisation of customs procedures and practices,
- ensuring appropriate standards of customs control,
- enabling customs authorities to respond to major changes in business and administrative methods and techniques,
- ensuring that the core principles for simplification and harmonisation are made obligatory on contracting parties, and
- providing customs authorities with efficient procedures, supported by appropriate and effective control methods.<sup>7</sup>

The development of the revised Kyoto Convention has incorporated important concepts of contemporary compliance management. These include the application of new technology, the implementation of new philosophies on customs control and a willingness to engage private sector partners in mutually beneficial alliances with customs authorities. Central to the new governing principles of the Convention is a required commitment by customs administrations to provide transparency and predictability for all those involved in aspects of international trade. In addition, administrations are required to:

- commit to adopt the use of risk management techniques,
- co-operate with other relevant authorities and trade communities,
- maximise the use of information technology, and
- implement appropriate international standards.

In relation to the concept of customs control, the WCO states:

The principle of Customs control is the proper application of Customs laws and compliance with other legal and regulatory requirements, with maximum facilitation of international trade and travel.

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<sup>6</sup> World Customs Organization (2002) *Kyoto 2000: The International Convention on the Simplification and Harmonization of Customs procedures (Revised) - Pathway to Efficiency and Effectiveness in the Customs Environment*. World Customs Organization, Brussels.

<sup>7</sup> World Customs Organization (1999) *International Convention on the Harmonization and Simplification of Customs Procedures (as amended)*, General Annex, Standard 6.2, Brussels, known as the revised Kyoto Convention

Customs controls should therefore be kept to the minimum necessary to meet the main objectives and should be carried out on a selective basis using risk management techniques to the greatest extent possible.

Application of the principle of Customs controls will allow Customs administrations to:

- focus on high-risk areas and therefore ensure more effective use of available resources,
- increase ability to detect offences and non-compliant traders and travellers,
- offer compliant traders and travellers greater facilitation, and
- expedite trade and travel.<sup>8</sup>

### **Risk Management**

Through the provisions of the revised Kyoto Convention, the WCO is essentially attempting to achieve a general adoption of a risk-managed style of regulatory compliance.

The underlying elements of a risk-based compliance management strategy are summarised in Table 1.1, which compares key elements of a risk-managed style of compliance management with the more traditional ‘gatekeeper’ style, which is typically characterized by indiscriminate Customs intervention or a regime of 100 per cent checks. Similarly, payment of duties and other taxes are a prerequisite for customs clearance under the gatekeeper model, and such clearance is invariably withheld until all formalities and real-time transactional checks are completed.

A risk-managed approach, on the other hand, is characterized by the identification of potentially high-risk areas, with resources being directed towards such areas and minimal intervention in similarly identified low-risk areas. Such regimes adopt strategies that break the nexus between physical control over goods and a trader’s revenue liability, and permit customs clearance to be granted prior to the arrival of cargo.

The various elements of each style of compliance management can be broadly grouped into four main categories, comprising a country’s legislative framework, the administrative framework of a country’s Customs organisation, the type of risk management framework adopted by a country’s Customs organisation and the available technological framework. Collectively, the four categories represent key determinants of the manner in which the movement of cargo may be expedited across a country’s borders, and the way in which Customs control may be exercised over such cargo.

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<sup>8</sup> Revised Kyoto Convention, Ch.6, p.9

Table 1: Compliance Management Styles<sup>9</sup>

	<b>Traditional ‘Gatekeeper’ Style</b>	↔	<b>Risk Management Style</b>
<b>Legislative Framework</b>	Legislative base provides for a ‘one size fits all’ approach to compliance management	↔	Legislative base provides for flexibility and tailored solutions to enable relevant risk management & administrative strategies to be implemented
	Onus for achieving regulatory compliance is placed solely on the trading community	↔	Legislative base recognises responsibilities for both government & the trading community in achieving regulatory compliance
	Sanctions for non-compliers	↔	Sanctions for non-compliers
<b>Administrative Framework</b>	‘One size fits all’ compliance strategy	↔	Strategy dependent upon level of risk
	Control focus	↔	Balance between regulatory control and trade facilitation
	Enforcement focus	↔	Dual enforcement/client service focus
	Unilateral approach	↔	Consultative, cooperative approach
	Focus on assessing the veracity of transactions	↔	Focus on assessing the integrity of trader systems and procedures
	Inflexible procedures	↔	Administrative discretion
	Focus on real-time intervention and compliance assessment	↔	Increased focus on post-transaction compliance assessment
	Lack of/ineffective appeal mechanisms	↔	Effective appeal mechanisms
<b>Risk Management Framework</b>	Indiscriminate intervention or 100% check	↔	Focus on high-risk areas, with minimal intervention in low risk areas
	Physical control focus	↔	Information management focus
	Focus on identifying non-compliance	↔	Focus on identifying both compliance and non-compliance
	Post-arrival import clearance	↔	Pre-arrival import clearance
	Physical control maintained pending revenue payment	↔	Breaks nexus between physical control and revenue liability
	No special benefits for recognised compliers	↔	Rewards for recognised compliers
<b>Enablers</b>			
<b>IT Framework</b>	Legislative provisions provide the trading community with electronic as well as paper-based reporting, storage and authentication options. Such provisions should enable regulators to rely on commercially-generated data to the greatest extent possible		
	Appropriate communications and information technology infrastructure to provide for automated processing and clearance arrangements. Regulators should seek to achieve maximum integration with commercial systems		
	Consultative business process re-engineering prior to automation		

<sup>9</sup> Widdowson, David (2004) ‘Managing Risk in the Customs Context’ pp. 91-99, in: Luc De Wolf & Jose B Sokol (eds) *Customs Modernization Handbook*. World Bank, Washington DC

An appropriate legislative framework is an essential element of any regulatory regime, since the primary role of Customs is to ensure compliance with the law. Regardless of the compliance management approach that it is supporting, the legislative framework must provide the necessary basis in law for the achievement of the range of administrative and risk management strategies which the administration has chosen to adopt. For example, an appropriate basis in law must exist to enable Customs to break the nexus between its physical control over internationally traded goods and the revenue liability (i.e. customs duty and other taxes) that such goods may attract. This does not necessarily imply, however, that such a differentiation must be explicitly addressed in the relevant statutory provisions. For example, if the legislation itself is silent on the relationship between Customs control over cargo and revenue liability, sufficient scope is likely to exist for administratively flexible solutions to be implemented.

Underpinned by the relevant legal provisions, the various elements of the administrative and risk management frameworks employed by Customs essentially reflect the underlying style of compliance management being pursued by the administration, with an increasing manifestation of the adoption of risk management principles as the administration moves away from the traditional, risk-averse gatekeeper style of compliance management to a more risk-based approach.

The available technological framework essentially represents an enabler which, while not critical to the achievement of a risk management style, serves to enhance significantly an administration's ability to adopt such a style.

### **Continuing Negotiations**

The Doha Ministerial Declaration included the following decision in relation to trade facilitation:

Recognizing the case for further expediting the movement, release and clearance of goods, including goods in transit, and the need for enhanced technical assistance and capacity building in this area, we agree that negotiations will take place after the Fifth Session of the Ministerial Conference on the basis of a decision to be taken, by explicit consensus, at that session on modalities of negotiations. In the period until the Fifth Session, the Council for Trade in Goods shall review and as appropriate, clarify and improve relevant aspects of Articles V, VIII and X of the GATT 1994 and identify the trade facilitation needs and priorities of members, in particular developing and least-developed countries. We commit ourselves to ensuring adequate technical assistance and support for capacity building in this area.<sup>10</sup>

The Articles referred to relate to Freedom of Transit (Article V), Fees and Formalities connected with Importation and Exportation (Article VIII) and Publication and Administration of Trade Regulations (Article X).

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<sup>10</sup> Paragraph 27 of the Doha Ministerial Declaration, adopted on 14 November 2001

The fifth Ministerial Conference, which was held in Cancún, Mexico in September 2003, was unsuccessful in achieving agreement on these matters. However, it was subsequently decided that negotiations on trade facilitation would continue, and on 31 July 2004 the General Council agreed to adopt the ‘July Package’ that will now guide the next phase of the WTO Doha Round negotiations. It includes:

Trade Facilitation: taking note of the work done on trade facilitation by the Council for Trade in Goods under the mandate in paragraph 27 of the Doha Ministerial Declaration and the work carried out under the auspices of the General Council both prior to the Fifth Ministerial Conference and after its conclusion, the General Council decides by explicit consensus to commence negotiations on the basis of the modalities set out in Annex D to this document.<sup>11</sup>

Annex D requires a negotiating group on trade facilitation to aim to clarify and improve relevant aspects of Articles V, VIII and X with a view to further expediting the movement, release and clearance of goods, including goods in transit. It also requires the group to aim to enhance technical assistance and support for capacity building in the area of trade facilitation, recognising in particular that developing and least-developed countries are dependent upon technical assistance and support for capacity building if they are to fully participate in and benefit from the negotiations.

It is also pertinent to note that the modalities for negotiations on trade facilitation include a requirement that “the negotiations shall further aim at provisions for effective cooperation between customs or any other appropriate authorities on trade facilitation and customs compliance issues”.<sup>12</sup> This highlights the need to achieve a more balanced approach between trade facilitation and regulatory control which individual customs administrations and international organizations such as the WCO have been pursuing for some time.

### **Achieving the Balance**

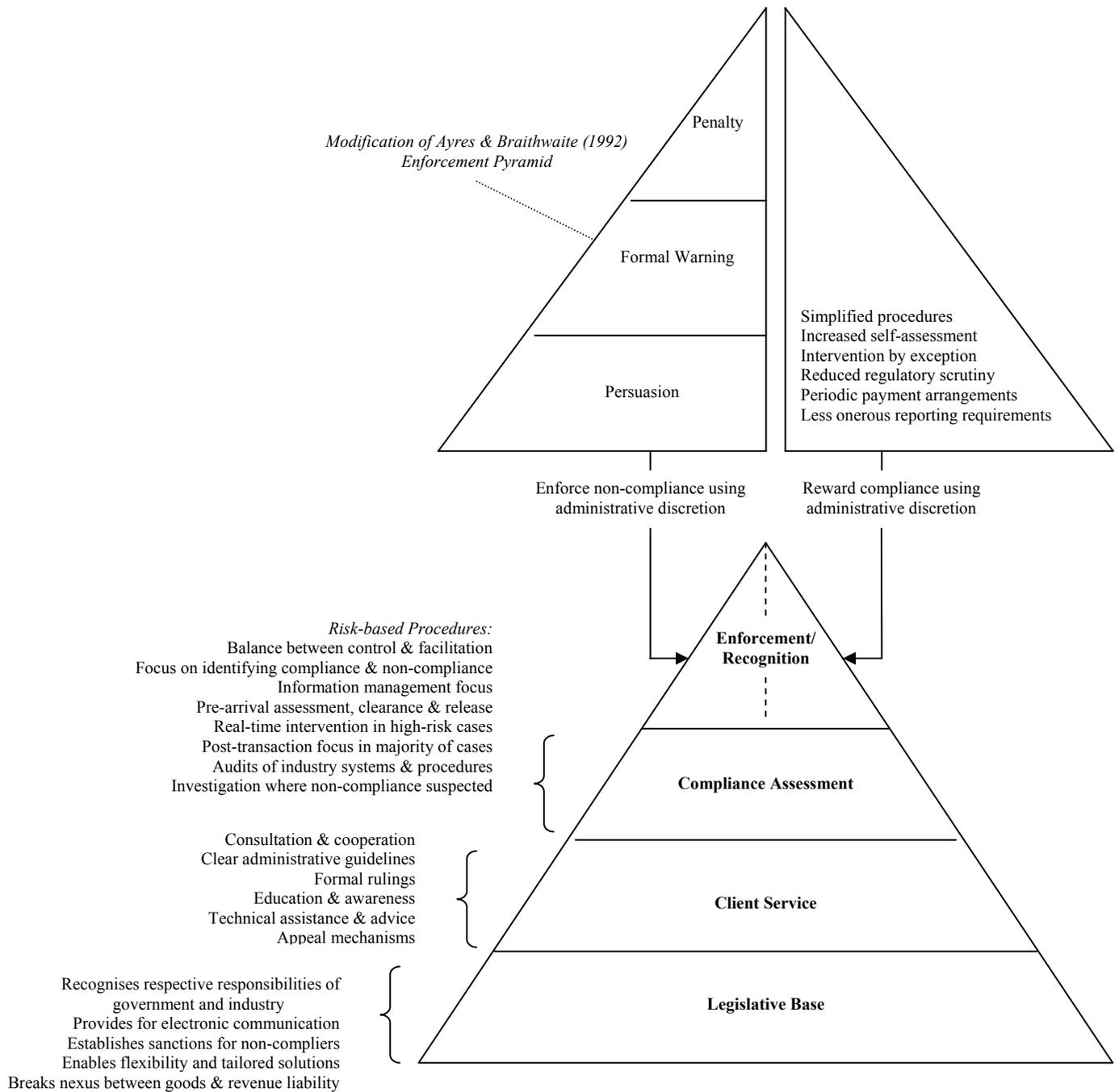
The Risk-based Compliance Management Pyramid (see Figure 1) draws together the various elements of a risk management style (i.e. those on the right hand side of Table 1) to provide a structured approach to the management of compliance. It provides a logical framework for demonstrating the way in which various types of risk-based strategies, including non-enforcement strategies such as self-assessment, may be used to effectively manage compliance.

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<sup>11</sup> Paragraph (g) of the decision adopted by the General Council of the WTO on 1 August 2004

<sup>12</sup> Paragraph 1 of Annex D to the decision adopted by the General Council of the WTO on 1 August 2004

Figure 1.3: Risk-based Compliance Management Pyramid<sup>13</sup>



<sup>13</sup> Widdowson, David (2004) op cit

Fundamental to this approach is the need to provide the commercial sector with the ability to comply with Customs requirements. This involves establishing an effective legislative base (the first tier of the pyramid) and an appropriate range of client service strategies (the second tier), including effective consultation arrangements and clear administrative guidelines. Such strategies are necessary to provide the commercial sector with the means to achieve certainty and clarity in assessing their liabilities and entitlements.

At the third tier of the pyramid the elements of compliance assessment come into play, including risk-based physical and documentary checks, audits and investigations. Such activities are designed to determine whether a trader is in compliance with Customs law.

At the peak of the pyramid are strategies to address both identified non-compliers and recognised compliers. Strategies for the identified non-compliers include a range of enforcement strategies<sup>14</sup>, whilst strategies for the recognised compliers include increased levels of self-assessment, reduced regulatory scrutiny, less onerous reporting requirements, periodic payment arrangements and increased levels of facilitation.

In the process of assessing the level of compliance, Customs will encounter two situations, i.e. compliance and non-compliance. The non-compliance spectrum will in turn range from innocent mistakes to blatant fraud. If the error nears the fraudulent end of the spectrum, some form of sanction will need to apply, including administrative penalties or, in the more severe cases, prosecution and license revocation.

Before determining the need for, or nature of a sanction, however, it is important to identify the true nature of the risk by establishing why the error has occurred. For example, the error may be the result of a control problem within the company, due to flawed systems and procedures, or it may be the result of a deliberate attempt to defraud. On the other hand, the relevant legislation may be unclear or the administrative requirements may be ambiguous. The type of mitigation strategy that Customs should employ to ensure future compliance will depend on the nature of the identified risk. Unless the error is found to be intentional, it may be appropriate to address systemic problems within the company, or to provide the company (or perhaps an entire industry sector) with advice on compliance issues, or provide formal clarification of the law through binding rulings or other means<sup>15</sup>.

In this regard, it is important to recognize that different solutions will be required to address 'honest mistakes' on the one hand, and deliberate attempts to evade duty on the other. For example, industry familiarization seminars and information brochures may adequately address errors that result from a lack of understanding of the relevant regulatory provisions. However, if someone is actively seeking to commit revenue fraud,

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<sup>14</sup> See Ayres, Ian & Braithwaite, John (1992) *Responsive Regulation: Transcending the Deregulation Debate*. Oxford University Press, New York.

<sup>15</sup> See Widdowson, David (1998) 'Managing Compliance: More Carrot, Less Stick' pp. 99-104 in: Chris Evans & Abe Greenbaum (eds) *Tax Administration: Facing the Challenges of the Future*. Prospect, Sydney.

seminars and information brochures will have absolutely no impact on their activities. Indeed, such members of the trading community are likely to have a very good understanding of their obligations and entitlements. To treat the risks posed by such individuals (or organizations for that matter), a rigorous enforcement approach is likely to be required.

## **Convergence**

The numerous standards of the revised Kyoto Convention are fully consistent with a risk-based approach to compliance management, as are the trade facilitation objectives of the WTO. For example, appropriate levels of sanctions are called for by both GATT (Article VIII) and Kyoto (General Annex Chapter 3 and associated Standards). The right of appeal is addressed extensively in Chapter 10 of Kyoto, as required by GATT Article X. Similarly, the need to provide the trading community with timely and accurate information is addressed in GATT Article X and Chapter 9 of Kyoto. Indeed, it is considered that the Articles of GATT and the Standards of Kyoto are fully compatible. As stated by the WCO:

All the legal provisions and the principles in the WCO instruments are compatible with, and complementary to, the three GATT Articles referred to in the context of trade facilitation in the Doha Ministerial Declaration. There is a clear recognition that Customs procedures and their implementation exert a great impact on world trade and the international movement of goods across borders.

The GATT Articles set out the high principles for formalities and procedures for movement of goods, transit of goods and publication and administration of trade regulations. On the other hand, the instruments of the WCO - including the Kyoto Convention through its legal provisions and implementation guidelines - provide the basis and practical guidance and information for the implementation of these high principles.<sup>16</sup>

For this reason, a key initiative of many organisations in their efforts to progress the trade facilitation agenda has been to promote compliance with and accession to the revised Kyoto Convention. In this regard, the APEC Sub-Committee on Customs Procedures (SCCP) is assisting developing countries to adopt the principles of Kyoto through its development and promotion of its guidebook *The Revised Kyoto Convention: A Pathway to Accession and Implementation*, which is designed to assist APEC economies to:

- understand the revised Kyoto Convention,
- undertake a situation analysis of their current position in relation to the Convention,
- undertake a gap analysis to identify necessary steps to achieve compliance with the Convention, and

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<sup>16</sup> Trade Facilitation Issues in the Doha Ministerial Declaration Review of the GATT Articles, Article X: Communication from the WCO to the Council for Trade in Goods dated 11 July 2002

- implement an action plan that will enable them to become compliant with, and to accede to, the Convention.<sup>17</sup>

Unlike other publications on Kyoto, the SCCP guidebook does not attempt to provide a detailed explanation of the Convention's provisions. Its approach is one of practical guidance to facilitate the process of identifying and understanding the potential implications of acceding to the Convention, including both costs and benefits. Implementation issues are also addressed, including legislative, administrative and procedural implications, potential infrastructure implications, financial and other resource implications, as well as general technical assistance and capacity building requirements. Facilitated workshops further assist member economies to understand the various implementation issues that must be addressed when considering accession.

The approach adopted by the SCCP is particularly relevant when considering the degree to which implementation issues are impeding not only the adoption of the Kyoto principles, but also progression of the WTO trade facilitation negotiations. A key reason for this can be found in Annex D of the July Package<sup>18</sup>, which highlights the particular difficulties faced by developing countries in achieving the financial and technical capacity to undertake the required improvements.

Whilst the WTO, WCO, World Bank, APEC SCCP and many other organisations (as well as individual developed countries) have pledged their commitment to providing technical assistance and support for capacity building, the fact remains that developing countries comprise the majority of WTO membership, with over three quarters of WTO members identifying themselves as such.<sup>19</sup> The extent of the required assistance to achieve widespread reform is therefore significant, and should not be underestimated. The recently agreed modalities for negotiations on trade facilitation highlight this point:

As an integral part of the negotiations, Members shall seek to identify their trade facilitation needs and priorities, particularly those of developing and least-developed countries, and shall also address the concerns of developing and least-developed countries related to cost implications of proposed measures.

It is recognized that the provision of technical assistance and support for capacity building is vital for developing and least-developed countries to enable them to fully participate in and benefit from the negotiations. Members, in particular developed countries, therefore commit themselves to adequately ensure such support and assistance during the negotiations.<sup>20</sup>

A further challenge, however, is the need to ensure that least-developed and developing countries are capable of effectively participating in the negotiations, recognising that, unlike many developed countries, they do not enjoy the luxury of well-resourced offices

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<sup>17</sup> APEC Sub-Committee on Customs Procedures (2003) *The Revised Kyoto Convention: A Pathway to Accession and Implementation*. APEC Secretariat, Singapore

<sup>18</sup> Annex D to the decision adopted by the General Council of the WTO on 1 August 2004

<sup>19</sup> Estimate by the Economic Research Service, US Department of Agriculture <http://www.ers.usda.gov/Briefing/WTO/DevelopingCountries.htm>

<sup>20</sup> Annex D of the 'July Package', paragraphs 4 and 5

in Geneva. In this regard, the quality and timeliness of support for their Geneva-based negotiators, whilst critical, is often problematic. The World Bank is acutely aware of this potential shortcoming in the negotiating process, and is currently developing a practical tool to enhance the coordination and communication capabilities of such countries.

Other particularly useful tools that are designed to facilitate the negotiation process are the WCO's self-assessment checklists. These assist in identifying whether and to what extent existing Customs systems and procedures conform with WCO instruments and guidelines relating to Articles V, VIII and X. Based on the WCO's diagnostic framework for customs capacity building, the checklists cover the areas of:

- strategic management,
- resources,
- legal framework,
- systems and procedures,
- information and communication technology,
- external co-operation, communication and partnership, and
- integrity.

It is pertinent to note that, in each of the above examples, the focus is on self-assessed identification of implementation needs *as a precursor to* the provision of technical assistance and support for capacity building. It is in this context that the Doha Ministerial Declaration sought to “identify the trade facilitation needs and priorities of members”, whilst committing to ensuring adequate technical assistance and support.

In many cases the identification of needs and priorities and the subsequent identification of potential solutions may not prove to be a difficult task, particularly where international standards and guidelines have already been established. For example, considerable work has already been undertaken in areas such as e-Customs, Single Window, common datasets, industry partnership schemes, etc. However, in situations where international standards have yet to be agreed, the identification of implementation strategies may prove to be more problematic. For example, landlocked countries are not yet able to benchmark their current regulatory policies and procedures against an agreed international standard for multimodal transit.

## **Conclusion**

Achievement of the international trade facilitation agenda is heavily dependent upon the ability of customs administrations to reduce the regulatory impost on the international trading community, whilst achieving and maintaining appropriate levels of control. While there is no doubt that any reform process will require a significant amount of international assistance and support, of equal importance is the need to ensure that potential implementation difficulties are firstly identified within the context and timeframes of the negotiations. This in itself will in many cases require a considerable

degree of support from the international community, particularly for developing and least developed countries.