

EEF.IO/9/10  
24 May 2010

ENGLISH  
Original: SPANISH

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ORGANIZATION, AT PART II OF THE 18th MEETING OF THE  
OSCE ECONOMIC AND ENVIRONMENTAL FORUM**

Prague, 24 to 26 May 2010

**“Promoting good governance at border crossings, improving the security of  
land transportation and facilitating international transport by road and  
rail in the OSCE region”**

**Keynote address**

**1. Opening remarks**

I should like to start by thanking the Organization for Security and Co-operation in Europe most sincerely for inviting me to participate in the 18th meeting of its Economic and Environmental Forum. The subject that we shall be discussing is not only of great relevance for the OSCE region but also coincides with some of the most important global challenges of concern to the World Customs Organization.

I should also like to thank the Czech Government for its hospitality and for making us feel at home here and giving us the opportunity of visiting the beautiful city of Prague.

**2. Introduction to the World Customs Organization**

I should like to provide a brief account of the organization I am representing, the World Customs Organization or WCO.

The WCO has its headquarters in Brussels and was founded in 1952 as the Customs Co-operation Council. At its origins, it was closely linked with the General Agreement on Tariffs and Trade (GATT) and the World Trade Organization, in fact it was during discussions in GATT in the late 1940s that a group of countries decided that there was a need for an international organization specializing in customs regimes.

In 1950, 17 European countries signed the Convention creating our Organization, which entered into force in November 1952. Since that time 60 years have elapsed, and the WCO and the world at large have experienced some fundamental changes. Indeed, the original name – Customs Co-operation Council – was changed to World Customs Organization in reflection of the global nature of the organization, which now has

176 members from all regions on the planet representing over 98 per cent of international world trade.

The WCO is the only international organization with exclusive responsibility for customs matters. It collaborates with customs administrations throughout the world to ensure effective and efficient performance of their work, particularly the application of national and international norms regulating international trade, carrying out monitoring activities to protect society, and collecting taxes and levies.

For this purpose the WCO elaborates standards and international customs procedures, promotes all aspects of co-operation and helps to strengthen its members' capacities.

### **3. Main instruments of the WCO and its relations with the OSCE**

As I mentioned earlier, the world has changed radically in the 60 years or so since the WTO was founded, and customs administrations have also undergone major transformations. They not only collect taxes and levies but also play a key role in promoting and safeguarding trade, protecting society and the environment and combating organized crime and money-laundering, amongst other things.

In this regard, I should like to mention some of the instruments of the WCO that are employed to respond to these challenges and are directly related to the work of the OSCE and the subject of this Forum.

#### Framework of Standards to Secure and Facilitate Global Trade (SAFE Framework)

The attack on the World Trade Center in September 2001 brought about a fundamental change in the world and also in the role of customs authorities. Security became a top priority and gave rise to two challenges: first, to ensure that the new regulations and requirements that emerged would represent a multilateral rather than a unilateral response; and second, to prevent their having a negative impact on international trade and to enable it to continue normally without interruption.

The WCO addressed this challenge and worked intensively with its members to elaborate an instrument that would provide an adequate response, leading to the creation of the Framework of Standards to Secure and Facilitate Global Trade or SAFE Framework.

The SAFE Framework resolves the fictional dilemma between facilitation and control of international trade, since its basic assumption is that these two concepts are not conflicting but interdependent and in practice are two sides of the same coin.

To achieve its aim it has established two pillars on the basis of which customs authorities can carry out their work. The first pillar is the Customs-to-Customs pillar, which includes 11 international standards to enable customs authorities to collaborate effectively and efficiently among themselves. It employs key principles such as risk management, the provision of advance information, the inspection of cargoes before shipment and the use of non-invasive inspection technologies.

The second pillar is the Customs-to-Business pillar with six international standards for collaboration between customs administrations and private businesses through the

creation of “Authorized Economic Operators”, seeking in this way to provide tangible benefits to those companies that effectively undertake to safeguard trade and to become a dependable partner for the customs authorities with a view to achieving this aim.

The SAFE Framework was approved in 2005 and to date 159 customs administrations have undertaken to implement it, making it one of the most successful instruments employed by the WCO.

### Customs in the twenty-first century

The second WCO instrument that I would like to mention today is called “Customs in the twenty-first century”. In practice it constitutes a realistic view of the future for customs administrations and is also a road map or strategic plan.

It is based on the idea that customs authorities conduct their work in an environment that is subject to enormous change, making it necessary to establish a vision of a modern customs administration that is in tune with today’s challenges and priorities.

To this end the instrument consists of ten “building blocks”. It is not possible to discuss them all in detail today, but some of them are worth mentioning briefly as they have a direct relationship with the areas of activity in which the WCO and the OSCE overlap and which are the subject of this Forum.

First, there is “globally networked customs”. This building block is based on the idea that our task can be performed successfully only with efficient and effective collaboration between world customs administrations. For this purpose the WCO has created a working group consisting of customs authorities at different stages of development and coming from different regions in the world. It will be presenting its initial findings at the next meeting of the Council in June.

The second building block I should like to emphasize is “co-ordinated border management”. This building block is directly linked with the theme of this Forum and is really one of the greatest future challenges that will face countries and customs administrations. The WCO is currently carrying out a study of the main systems existing today in the world so as to identify best practices and make recommendations. We know that there are very different situations, ranging from a single border service to completely independent border services at one and the same border.

Apart from the system used, the main challenges concern the achievement of co-ordination and effective collaboration between these bodies. It is not sufficient for each link in the chain to be efficient; we need a joint vision and a chain that is effective in its entirety. Everyone talks today about the importance of co-ordination, but in practice very few are willing to be co-ordinated. For progress to be made in this regard there is a need for a considerable political will, a capacity to change and a sense of generosity.

The third building block is the “customs-trade partnership”. This is based on the realization that it is not possible for customs administrations to work successfully if they do not have the assistance of private business. For this to happen, there is a need to move away from traditional thinking. We are not enemies but partners and we must combine our talents to improve our performance. For this reason, Secretary General Kunio Mikuriya has

dedicated the year 2010 to customs-business partnership, which is also reflected in our principal instruments such as the Authorized Economic Operator or the Revised Kyoto Convention.

Finally, I should like to mention a building block that serves to ensure the integrity of customs administrations and the people working in them. The WCO has specific instruments for this purpose and we are working together with customs authorities throughout the world through our Capacity-Building Directorate. This topic will be elaborated on in greater detail tomorrow by my specialist colleague Daniel Perrier.

#### **4. Invitation to intensify our co-operation**

In conclusion, I should like to call attention to the large number of issues and challenges common to the WCO and the OSCE and urge that we continue working together and intensify our collaboration and friendship and even to consider the possibility of signing a memorandum of understanding or other co-operation instrument.

I should like to thank you once again for the invitation to participate in this Forum and look forward to an intensive and productive day's work.

Thank you.