WORLD CUSTOMS ORGANIZATION ORGANISATION MONDIALE DES DOUANES

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DRAFT MINUTES OF THE 137TH SESSION **OF THE CUSTOMS CO-OPERATION COUNCIL**

(10 - 12 December 2020)

TABLE OF CONTENTS

Paragraphs

	OPE	NING OF THE SESSION	1 - 2	
1.	Comments by the Acting Chairperson of the Council			
2.	Report of the Secretary General			
3.	Adoption of the Agenda			
4.	Tech	Technical matters :		
	(a)	Capacity Building	75 - 106	
	(b)	Tariff and Trade Affairs	107 - 138	
	(c)	Compliance and Facilitation	139 - 161	
5.	Policy and governance matters :			
	- 82 nd Session of the Policy Commission		162	
	- 83 rd Session of the Policy Commission		162	
	<u>"A" Items</u>			
	Fina	ncial Audit	163	
	Free	Zones	164	



Paragraphs

	Cou	165		
	E-Co	166		
	Tecl	nnical Experts Group on Air Cargo Security - Final Report	167	
	Sma	168 - 169		
	<u>"B"</u>	<u>"B" Items</u>		
		senger Facilitation and Control Working Group - ns of Reference	170 - 200	
	Role	170 - 200		
	Cus	toms handling of dangerous/hazardous goods	170 - 200	
	Gen	der equality and diversity - Council Declaration	201 - 274	
	New	201 - 274		
	Guidelines concerning WCO election processes - Paper by Canada		201 - 274	
6.	Othe	Other business :		
	(a)	Report on the Audit Committee	275 - 287	
	(b)	Proposal by the Russian Federation	288 - 302	
7.	Nominations and Elections :		303 - 314	
	(a)	Nomination of a Director, Tariff and Trade Affairs	303 - 305	
	(b)	Elections	306 - 314	
8.	Date and place of next session		315	
	CLOSURE OF THE SESSION		316 - 318	

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2.

ANNEXES

- Annex I: List of participants
- Annex II : Resolution of the Customs Co-operation Council on the Role of Customs in Facilitating the Cross-Border Movement of Situationally Critical Medicines and Vaccines (December 2020)
- Annex III : Declaration of the Customs Co-operation Council on Gender Equality and Diversity in Customs
- Annex IV : Terms of Reference for the WCO Counterfeiting and Piracy (CAP) Group
- Annex V : Decision of the Council No. 357 Elections, nominations and regional representation
- Annex VI : Written statements submitted to the Secretariat for inclusion in the draft Minutes of the 137th Session of the Council

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DRAFT MINUTES

OPENING OF THE SESSION

- 1. The 137th Session of the Council was held in an online format from 10 to 12 December 2020. The list of participants is reproduced at Annex I.
- 2. The ACTING CHAIRPERSON declared the proceedings open and welcomed the participants. The Session began with a moment's silence in memory of Customs officers all over the world who had lost their lives during the previous year, either in the course of their duties or as result of the ongoing COVID-19 pandemic.

1. COMMENTS BY THE ACTING CHAIRPERSON OF THE COUNCIL

- 3. The ACTING CHAIRPERSON began by welcoming nearly 300 delegates who had joined the virtual meeting from all around the world, including in particular the new Vice-Chairs and Heads of Delegation. He explained that this was not the first Council session to be conducted virtually, and expressed the hope that the Council could convene face-to-face next time, if circumstances permitted.
- 4. He said that five months after the June 2020 Council sessions the world was still combating the COVID-19 pandemic, with the number of cases continuing to increase in some regions. Meanwhile, other countries had eased their lockdowns and started to launch their national plans for the approval and distribution of vaccines. Globally, some sense of optimism was possible and societies could start believing that the light at the end of the tunnel was near.
- 5. The Acting Chairperson then pointed out that Customs worldwide had played, and would continue to play, a crucial role in the fight against the pandemic. He expressed his wholehearted support and appreciation both to Customs officers on the front line and to Customs administrations for their efforts in facilitating the movement of essential goods throughout these difficult times. He stressed the importance of being ready for the recovery phase, during which the distribution of vaccines was expected to take place in a smooth and secure manner. In addition, comprehensive support to all economic sectors would be crucial during the recovery phase. The Acting Chairperson stressed that Customs should try their utmost to extend this support to their partners in need.
- 6. Referring to the Council sessions held in June 2020, he warmly thanked all Members who had expressed their appreciation following the successful conduct of those sessions, and extended his gratitude to the Vice-Chairs for their ongoing efforts and continuous support. He added that this positive spirit, unity and cohesion would be necessary to ensure the success of the discussions over the next few days.
- 7. Turning to the organization of the session, he expressed the hope that the numerous technical items on the Agenda would be dealt with constructively, and that the meeting would be fruitful for everyone. He encouraged Members to be cooperative so that each Agenda item could be concluded within the time allocated. While recognizing the challenge that this represented, he believed it would be feasible provided that the work remained constructive and focused.

- 8. He called on the Members to bear in mind that it was the Council's responsibility to ensure that the WCO continued operating normally despite the upcoming challenges, adding that the reporting Committees and Working Groups had been working very hard during the intersession to achieve their goals.
- 9. Finally, the Acting Chairperson thanked the Secretary General and the Secretariat for the preparations they had made for these virtual sessions of the Council, and for the sustained efforts made so far.
- 10. The Delegate of MEXICO, commenting via the KUDO messaging platform, acknowledged the meaningful work performed by the WCO Secretary General and Deputy Secretary General, which had resulted in a dynamic, flexible and easily adaptable Strategic Plan for the Organization which could easily serve as a blueprint for Members to design and adapt their own National Strategic Plans. He added that national efforts could be better oriented towards a future that would include essential issues raised during a new phase of international Customs matters. Finally, he expressed Mexico's appreciation for the cooperation actions undertaken by Members to achieve the timely and complete implementation of the Strategic Plan throughout the world, highlighting the importance of cooperation and technical assistance among Members for the achievement of this objective.
- 11. The Delegate of INDONESIA, also via the messaging platform, expressed his appreciation of the Acting Chairperson's leadership and supported the statement on the avoidance of political discussion in the meeting. He asked Members to bear this in mind and focus more on the Customs technical matters, especially given the unprecedented situation caused by the pandemic. He indicated that the work on how to help governments soften the impact of COVID-19, and also support economic recovery, should be prioritized. He concluded by inviting Members to make optimal use of the limited time available to focus on the work and development of the WCO.
- 12. Finally the Delegate of AUSTRIA, using the messaging platform, presented his compliments to the Acting Chairperson for his excellent conduct of the opening session; along with the delegates of Germany, Belgium, Switzerland, Norway, United States, Luxembourg, Island, France, Ireland, Italy, Sweden, United Kingdom, Czech Republic, Albania, Canada, Costa Rica, Malaysia, Finland, Lithuania, Estonia, Saudi Arabia, Japan, Croatia, North Macedonia, Turkey, Honduras, Thailand and Montenegro, he noted that he supported the position of Kosovo.

2. REPORT OF THE SECRETARY GENERAL

- 13. The SECRETARY GENERAL began his report to the Council by expressing his satisfaction at being able to organize the Council session in a virtual format, thanks to the WCO's technical team and the Members' understanding regarding the situation. He said that almost 70 million cases of COVID-19 had been reported globally, and many countries now seemed to be going through a second or even a third wave of the pandemic. The situation faced since March 2020 had forced the entire world to recognize and rethink the way people lived and worked.
- 14. Regarding the WCO's activities related to the COVID-19 pandemic, the Secretary General stressed the significant influence of the crisis on borders. He praised the tireless work done by Customs on the ground to facilitate the movement of essential goods in order to provide a lifeline to the community and to people. To respond to Members' needs, the WCO had immediately taken up the challenges and provided Customs administrations with best practices and guidance, as well as taking proactive joint actions with international organizations to safeguard global supply chains. These initiatives had been much appreciated by Customs and external stakeholders, including the trade community.
- 15. The Secretary General added that under the COVID-19 Project funded by Japan, the WCO was continuing to develop guidelines on disaster management and supply chain continuity. Capacity building activities would be delivered at regional and national levels to upgrade the draft guidelines, supported by Members' best practices. Moreover, the pandemic had shown the importance of digitalization and paperless clearance in respect of the remaining paper-based procedures, such as certificates of origin for example, so as to respect social distancing in the Customs context. The crisis had also demonstrated the need to accelerate the development of Single Windows for better Coordinated Border Management.
- 16. The Secretary General said that in this context it would also be beneficial to explore the use of non-intrusive inspection devices, Blockchain, Artificial Intelligence and other technological advances to maximize tangible benefits in terms of collecting, sharing and analysing data. He concluded this part of his report by mentioning the imminent availability of vaccines a development which would now shift the WCO's focus to the issue of how to facilitate their movement. In this respect, the Policy Commission had suggested a specific Council Resolution which would be published once the Council had approved it.
- 17. Turning to WCO meetings, the Secretary General explained that the Secretariat had tried its best to maintain business as usual. With the support of the Members, it had been possible to ensure continuity and progress in the various working bodies. A full calendar of meetings had been organized since September with sessions taking place virtually, including document-based consultations where necessary, allowing for the development of important outcomes. By way of example the Secretary General mentioned the work undertaken on the WCO's response to emerging crises, including the management of dangerous goods (such as the storage of explosives and their precursors) to ensure the safety and security of supply chains. He also referred to passenger facilitation and control in all transport modes, including cruise ships, for which a vacancy notice for a Technical Attaché had recently been issued.
- The Secretary General reported that the PTC had also endorsed a series of long-awaited documents on Free Zones, the Counterfeiting and Piracy Group, E-Commerce and Small Island Economies. An exponential rise in E-Commerce

transactions had been observed during the pandemic, and Policy Commission members had called for the effective implementation of the WCO Framework of Standards on this subject. The Secretary General also referred to the online WCO Global Conference on Free Zones, to be held on 14 December, highlighting Customs' contribution to the proper management and development of Free Zones with adequate application of Customs procedures and control. He added that the PTC had also provided useful advice on future working methods under the "new environment", including proposals to come up with the necessary business continuity plans for future crises. The Policy Commission had further suggested that the Chairs and members of WCO working bodies, as well as the Council Vice-Chairs, be mobilized to look into each working body's procedures and priorities with a view to identifying potential improvements for consideration by the Policy Commission and Council at their next sessions.

- 19. The Secretary General then reported on other important developments, including the draft Declaration on Gender Equality and Diversity which was aimed at making Customs administrations more inclusive, and the progressive implementation of the reform of WCO election processes as proposed by Canada. The progress made by the PTC, and progress with these specific work areas, would be discussed during the current Council session.
- 20. Turning to other WCO working bodies, the Secretary General made particular reference to the finalization of the tasks performed by the Working Group on the Comprehensive Review of the Revised Kyoto Convention, saying that the outcomes of the Group's work would be handed over to the RKC Management Committee. Another important milestone was the finalization by the Harmonized System Committee of the Correlation Tables that would help Members move on from HS 2017 to the 2022 version. The need for additional human resources, including possible Technical Attachés to improve the HS in the future, would be further examined. In terms of Performance Measurement, the Working Group had deepened its common understanding and had commended the WCO's progress in terms of engagement and dialogue with the World Bank's Doing Business team.
- 21. With regard to enhancing Customs cooperation to promote the exchange of information, the Secretary General explained that online trainings were being provided through various enforcement programmes, and coordinated targeted operations were also being conducted. Mindful that criminal organizations would exploit the current pandemic to obtain illegal profit, the WCO had coordinated Operation STOP against illegal trafficking linked to COVID-19, with the participation of 99 administrations; it had resulted in a huge seizure of medicines and medical supplies. This was an excellent demonstration of the role of Customs as the leading government agency to monitor all cross-border movement of goods, particularly at a time of crisis.
- 22. Building on this outcome, the WCO was planning another operation targeting medicines and vaccines, to fight against organized crime while facilitating the flow of legitimate medicines. The Secretary General mentioned, as another demonstration of the important role played by Customs, Operation Demeter on the transboundary movement of waste which embodied the WCO's 2020 Theme of the Year : Customs Fostering Sustainability for People, Prosperity and the Planet. A new research paper on waste control by Customs at borders had also been published recently.
- 23. Turning to capacity building, the Secretary General informed the Council that as a result of international travel restrictions, the WCO had been unable to conduct planned support activities in full. 85 % of the activities specified in the Implementation Plan

for 2019/2020 had been achieved. Some of the cancelled activities had been carried forward and incorporated in the WCO's corporate planning cycle for 2020/2021, and the Secretariat remained committed to ensuring their completion.

- 24. In order to ensure that WCO technical assistance and capacity building support to Members could continue during these challenging times, alternative delivery arrangements had been explored by the Secretariat. These included the utilization of various online business communication platforms, virtual web conferencing facilities and social media meeting forums in order to enable this new style of online delivery. During the period March to September 2020, the WCO had delivered approximately 200 remote online activities on a wide range of topics such as Integrity, Leadership and Management, and Enforcement across all WCO regions, as well as contributing to more than 50 external events.
- 25. The Secretary General explained that the same principles were being applied to WCO events and conferences, enabling them to be hosted online. This approach had proved to be a resounding success in terms of participation, with the WCO Knowledge Academy attracting 960 participants, the global WCO TECH-CON Webinar 1300 participants, and the WCO PICARD Conference 500 participants. The Secretary General acknowledged that online meetings were no substitute for in-person meetings, but they appeared to have a positive side in terms of providing access to a wider audience. With this in mind, the Secretariat planned to organize global Conferences on Rules of Origin, AEO and E-Commerce in a virtual format in the first half of 2021.
- 26. The Secretary General concluded that all these efforts should be further supported, and welcomed the recent Finance Committee recommendation that there should be more investment in IT in the immediate future, to make the WCO's activities more resilient. On the subject of preparing adequately for the future, he mentioned the conduct of the regional Environmental Scan workshops using strategic foresight to prepare for the Strategic Plan for 2022-25. The Annual Implementation Plan would be reviewed in the meantime to reflect the "new normal".
- 27. The Secretary General then announced that under the Organization's 2021 Theme of the Year, which would be "Customs Bolstering Recovery, Renewal and Resilience for a Sustainable Supply Chain", the WCO would lead the global Customs community to sustain supply chains by enhancing collaboration with stakeholders for recovery, using innovative technology for renewal and focusing on resilience preparedness.
- 28. On a lighter note, he congratulated Kazakhstan on winning this year's Photo Contest, symbolizing COVID-19 and the spirit of business continuity with Customs' partners. The WCO's "Season's Greetings" would incorporate the winning photo.
- 29. The Secretary General urged Members to support Customs-focused outcomes during the meeting, with the Agenda for the session being focused on substantial topics in response to current Customs needs. He concluded by thanking delegates for their attention.
- 30. The ACTING CHAIRPERSON thanked the Secretary General for his remarks and underlined the quality of the discussions and outcomes of the Policy Commission session. He emphasized that the same spirit should prevail during the Council session, and then opened the floor.

- 31. The Delegate of the DOMINICAN REPUBLIC extended his best wishes to all Customs administrations attending the Council session. He considered that all administrations were facing difficulties with regard to the COVID-19 pandemic, and expressed his solidarity in these challenging times. He went on to say that Customs were playing an important role in safeguarding global supply chains and would need to be at the front line when it came to the upcoming vaccines. The fight against illicit trade should also be pursued, in all its dimensions, and the threats posed by organized crime should be addressed. He expressed his appreciation to the Secretary General and the WCO Secretariat for their support in Customs matters, helping Members to fight against the pandemic. He said the WCO had been cooperative during the spread of the pandemic and recognized the efforts deployed to implement IT solutions in order to enable the whole of the WCO to move forward during the crisis. Finally, he reiterated his Administration's commitment to the work undertaken by the WCO and its wish to be active in all of the Organization's working bodies. The Dominican Republic had provided technical support to the WCO through the secondment of Technical Attachés during the previous ten years, and would continue to do so.
- 32. The Delegate of CUBA thanked the Secretary General for his report. She agreed that technology and the support of the Secretariat's Technical Team were enabling administrations to attend the Council session in these challenging circumstances. However, she pointed out that her Director General was unable to attend the meeting because the virtual platform selected was not usable in Cuba. She therefore recommended that steps be taken to ensure that the choice of platform for WCO meetings did not exclude any delegation. She mentioned economic restrictions imposed against Cuba, and argued that those restrictions should not prevent her Administration from participating in WCO meetings. On behalf of Cuba, she urged the Secretariat to ensure that all WCO Members enjoyed equal conditions for attending meetings. She expressed her solidarity with all Customs administrations participating in the Council session, and agreed that only technical matters should be discussed.
- 33. The ACTING CHAIRPERSON responded to the Delegate of Cuba noting that no political issues were to be discussed during the meeting. He was glad to see the Cuban delegation present at the meeting despite the technical difficulties and conveyed his regards to the Director General. He asked Members to ensure that the comments responded directly to the Secretary General's report, in order to make best use of the limited time.
- 34. The Delegate of JAPAN expressed his appreciation of the Secretary General's report, and considered that the current state of implementation of the Strategic Plan was explained very well in the accompanying document. He was sure that all Members would share the Secretary General's view that the digitalization of trade procedures was the most urgent global challenge, as this would improve Customs efficiency through contactless interactions. He added that the economic situation was significantly affected by COVID-19 and that legitimate trade should be further facilitated to support the global economy, without forgetting the need to target dangerous goods through risk management. In the context of the COVID-19 pandemic various issues needed to be addressed, including in particular the prompt clearance of vaccines and the technical cooperation required to ensure this. He stressed how important it was for Members to cooperate with each other and focus on technical matters during this Council session. He expressed his support for the various initiatives undertaken by the WCO in recent months and said that Japan had contributed about four million euros through the CCF-Japan for financial year 2020/2021. He reiterated his Administration's strong commitment to the work of the WCO.

- 35. The Delegate of BOTSWANA, in his capacity as Vice-Chair for the East and Southern Africa (ESA) region, thanked the Secretary General for his report, which had set a positive tone for ensuring constructive engagement in all of the issues to be discussed by the Council in these challenging times. He added that the Members in the ESA Region had had the opportunity to attend a regional workshop on strategic foresight in preparation to the next Environmental Scan, which was relevant in terms of providing Customs and its main partners with an overview of the trends and challenges that would impact Customs rules, policies and practices in the future. This approach would make it possible to break new ground regarding the methodology used by Customs administrations for building their strategies. He expressed his support for this exercise.
- 36. The Delegate of ALGERIA highlighted the unusual situation in which the Council session was currently being held because of the COVID-19 pandemic. Customs had been at the forefront of the fight against the pandemic since the beginning of the crisis. He introduced himself as the new Director General of Algerian Customs, having been appointed on 24 February 2020. He welcomed the opportunity to attend his second Council session this year, and while hoping to attend a Council session in person in the future, he thanked the Secretariat for its efforts in organizing such a meeting in a virtual manner. He expressed his wish for a fruitful session which would deliver recommendations and solutions for Customs all over the world, to help them address the challenges related to the COVID-19 pandemic. Referring to Algeria's experience, he said Customs had contributed to managing and mitigating the effects of the pandemic on the national territory.
- 37. The Delegate of GUATEMALA, in his capacity as Vice-Chair for the Americas and the Caribbean (AMS) region, took note of the Secretary General's report and thanked the Secretariat for all the work done. He also thanked the entire WCO for the capacity building support received by regional Members, which was helping them to progress in different fields. Various types of work had been carried out. He stressed that in crisis situations such as this one, every effort should be made to enable Customs services to carry out their work.
- 38. The Delegate of the RUSSIAN FEDERATION wished all delegates good health and patience to overcome the hurdles and obstacles posed by the current situation. Referring to the virtual conduct of the meeting, he said he hoped the Secretariat would offer workable solutions for every Member that wished to contribute, through proper and well-functioning translation channels for instance. He remarked that Customs administrations were always at the front line, and were all involved in activities to help their countries stop the spread of COVID-19. Efforts were also being deployed to join forces with neighbouring states. He considered that Customs' ability to counteract the spread of the virus would be assessed in the future. He hoped there would be a turning point regarding the spread of the pandemic in the near future, as a number of countries had already certified and approved a vaccine. The Russian Federation had certified its vaccine and had just started to roll it out in the country, primarily for Russian nationals. Nevertheless, the Russian Federation wished to share the vaccine with other countries. The role of Customs administrations in the distribution of vaccines should be discussed in-depth during the Council session, to ensure their smooth and obstacle-free delivery. He explained that this situation called for additional regulation in terms of the circulation of goods, because of interactions with other agencies such as national health departments. The Customs community therefore needed to stand ready to deliver the vaccines from one country to another. This needed to be done efficiently to ensure speedy clearance of these goods at borders, as this was an emergency situation.

- 39. The Delegate went on to say that throughout this Council session, he considered that all the radical changes made to the work of the WCO should be addressed. He reminded delegates that the world had moved into virtual working format; this was a game-changer in the way the WCO operated, especially for activities such as capacity building, considering that COVID-19 had led to the cancellation of almost half of the planned activities. On-site visits and exchanges of delegations were other examples where radical changes had been noticed because of the current situation. He said lessons should be learnt on how to work under these circumstances and streamline the overall approach to videoconferencing. Resources could be deployed in a more rational manner. As a member of the Finance Committee the Russian Federation was involved in the latest work, and it had noticed that certain major changes would have a significant impact on the WCO's expenditure at various levels. Discussions between Members, and recommendations from them, were absolutely necessary in order to address and adjust the WCO's practices in terms of the prioritization of expenditure, so that the work of the Secretariat could be organized in a better manner. In these circumstances, it was seen as relevant for Members to share their national experiences related to the prioritization of activities in this time of COVID-19. The Delegate explained that the Russian Federation would soon adopt a plan which focused on the priority clearance of food products arriving in the Russian Federation. Within the Eurasian Economic Commission, a decision had been made regarding the obstaclefree movement of medical supplies, ventilators, and other essential goods and medicines necessary for the response to epidemic threats. These issues could become priorities for all, and it would be necessary to establish a platform for the exchange of information between Members in this area.
- 40. The Delegate of SERBIA expressed his appreciation of all the efforts made by Customs administrations and the WCO to cope with the challenges related to the COVID-19 pandemic and enable smooth and facilitated flows of goods across borders. He thanked the Secretary General for his comprehensive report. However, he regretted that the report did not cover matters related to accessions to the WCO. He reminded delegates that the work of the WCO had been burdened with this issue for a long time, and therefore an update on it, together with consideration of it, should have been reflected in the Secretary General's report. The dedicated Working Group had held a meeting in April 2019, but no information on the work undertaken since then had been shared by the Secretariat so far. He said these issues were related to the principles of good governance of the WCO, and the goal was to align the Organization with the best practices of other international organizations in this area. He expressed the opinion that the WCO should strive to achieve the goals envisaged under the Council Convention. He concluded that the Secretary General's report should include these aspects, and that the Secretary General should keep Members informed of the latest developments related to WCO accessions.
- 41. The Delegate expressed the wish to read an official statement regarding the participation of Kosovo in the meeting. This was denied by the Acting Chairperson who reminded delegates that no political statements were to be read in the meeting and called a point of order in this regard. The Acting Chairperson agreed to exceptionally include specific statements as Annexes to the Council Minutes.
- 42. The Delegate of KOSOVO expressed agreement through the messaging platform, and accepted the Acting Chairperson's message that no political statements should be made during the WCO Council sessions. He informed the Acting Chairperson that Kosovo would send its Statement, addressed to him and to the Secretariat, and kindly requested that it be included in the Minutes of the meeting.

- 43. The written statements received by the Secretariat form Serbia, Kosovo and Austria have been exceptionally included as part of the Minutes and are reproduced at Annex VI.
- 44. The Delegate of ANTIGUA AND BARBUDA appreciated the leadership of the Acting Chairperson and the efforts made by the Secretariat to support Members in these challenging times. He considered that the current crisis had given rise to a kind of opportunity for small island economies thanks to the institutionalization of virtual meetings and virtual capacity building. Small island economies were taking full advantage of this opportunity, and were able to make their contribution in a number of key areas for the WCO. He expressed his gratitude, pointing out that under normal circumstances his Administration could have faced difficulties in sending delegates to Brussels because of limited financial and human resources. He thanked the Secretary General and the Secretariat again for their efforts, and expressed solidarity with all WCO Members. The pandemic would eventually come to an end, and he called on the WCO to consider pursuing the virtual delivery of capacity building for the sake of greater inclusiveness and cost-effectiveness.
- 45. The Delegate of GEORGIA shared his appreciation of the efforts of the Acting Chairperson, the Secretary General and the Secretariat. The crisis had shown that it was both important and inevitable to explore ways of becoming more efficient. The digitalization of Customs administrations clearly appeared as a top priority for the near future. He agreed with the previous delegate that virtual platforms offered more accessibility to a greater number of WCO Members when it came to the meetings and activities of the Organization. Physical attendance at meetings would resume at some point, but Members should be offered the possibility of following the discussions remotely for some of these meetings. He expressed his appreciation of the WCO's dedicated page related to COVID-19 efforts, but considered that there should be more cooperation with WHO and national health departments. Customs should be offered guidance on how to cooperate concretely with their health department partners, both on the ground and with regard to declarations. He also considered that the WCO should, as a next step, focus on economic recovery in a post-crisis world.
- 46. The Delegate of CONGO, in his capacity as Vice-Chair for the West and Central Africa (WCA) region, congratulated the Secretary General on his report. He said the world was going through an economic crisis because of the COVID-19 pandemic. which was raising questions about how to reinvent Customs' activities in terms of the facilitation and control of trade flows, taking into account the WCO Strategy and new technologies such as AI. In order to serve facilitation, Members were sharing best practices and a study had recently been launched by the Secretariat on how Members were measuring their performance. In parallel with this, the Working Group on Performance Measurement had already been looking, in 2019, at a data collection platform like the one already in place in the IMF, in order to collect data about Customs administrations. Given the importance of empirical analysis for world economies, he considered that it was important to better understand the concrete impacts of the crisis on Customs administrations. This effort would also be relevant in terms of being better able to face potential future challenges. A mandate could be given to the Secretary General to reinforce the cooperation between the WCO and other institutions, such as the World Bank or IMF, in view of potential MoUs,
- 47. The Delegate of CHINA thanked the Secretary General for his informative report. She expressed her deep appreciation regarding the WCO's efforts in the face of these unprecedented challenges for the Customs family. She considered that in the area of Free Zones, an increasing number of Members were exploring their benefits but their

rapid development was also causing some issues at Customs level. The key was to find a proper balance between security and facilitation. She therefore supported the WCO's work on the guidelines and recommended an early pooling of accredited experts on Free Zones. She added that China was currently active in the area of Free Zones and was experimenting with a series of innovative policies in this domain. China would be happy to share its experience with other WCO Members at a later stage. In the area of E-Commerce, the pandemic had shown that this form of trade had taken on increasing importance in people's lives and had become indispensable. In addition, E-Commerce should play a key role in the recovery of economies. She therefore concluded that the WCO's work in this area was highly strategic and far-reaching. She called for early implementation of the dedicated Framework of Standards, and appreciated the recent launch of the accreditation of WCO experts on E-Commerce. She added that the Customs Cooperation Fund of China would be happy to provide funds for capacity building programmes related to E-Commerce.

- 48. The Delegate of the EUROPEAN UNION said that COVID-19 had tested the capacity of societies, public administrations and citizens to deal with an unprecedented crisis. He considered it important for Customs administrations to continue to strive for efficient handling of the crisis - especially now, at the crucial stage of vaccine distribution. He underlined the need to ensure that vaccines would be available quickly for those who needed them, while ensuring that proper filters had been applied on illegal or unsafe products. He added that within the EU there were no Customs duties on vaccines and medicines in general. Necessary legislation had been passed to ensure that it would be possible to apply a 0 % VAT rate on non-related expenditures. It had also been decided that the European Commission would centrally coordinate the purchase and distribution of all COVID-19 vaccines within the EU. The vaccines would immediately be used for the EU population, but also for EU partner countries in need. He concluded that this Council session was particularly important because it allowed WCO Members to take stock of the status of the Organization and hold deliberations on the future. He looked forward to hearing the report of the Audit Committee Chairperson.
- 49. The Delegate of GUINEA congratulated the Acting Chairperson on the quality of his work during the Council session. He agreed that the meeting should remain purely technical. He also congratulated and thanked the Secretariat for the high quality of the report on the implementation of the Strategic Plan. However he wished to share certain concerns about the Strategic Plan for 2019-2022, as he wondered whether it should be reshuffled considering the current circumstances. COVID-19 had apparently had very high impacts on the Revenue Package, and the question was how to address these impacts in the near future. He pointed out that African countries were highly dependent on Customs revenue and considered that the lessons learnt from the pandemic should lead to a change in the way Customs administrations worked. He encouraged the Secretariat to keep working on issues related to the Revenue Package, and to keep providing capacity building support in the context of the African Continental Free Trade Area.
- 50. The Delegate of HONDURAS reported on the devastating effects of COVID-19 in his country, which had badly affected the lives of four million Hondurans. He thanked the WCO for the fundamental steps taken with other Customs authorities to ensure the distribution of humanitarian aid in Honduras as quickly as possible, considering the urgency of the situation. Customs administrations should remain united and supportive towards each other, to ensure that the long-awaited vaccines could be distributed to all people of the world as quickly as possible. He insisted that solidarity between Customs

administrations would be key to overcoming the impacts of the pandemic and providing people with the essential goods they needed, including vaccines.

- 51. The SECRETARY GENERAL expressed his sincere thanks for all the interventions, which had been very supportive of the work the Secretariat had been doing in close cooperation with Members. He said these kind words meant a lot to the Secretariat's staff, all of whom were working very hard to meet Members' needs, including for the preparation of this Council session. The word "solidarity" had been mentioned several times by Members, including by the Dominican Republic in terms of making competent Technical Attachés available to the WCO Secretariat. The Secretary General expressed his deep appreciation to the Dominican Republic in this respect. He also warmly welcomed Japan's contribution, through CCF-Japan, which had very much helped the Secretariat to develop guidelines for disaster recovery, disaster management and supply chain continuity. He agreed with Japan that digitalization was a very important element to consider. He also thanked Cuba for expressing its solidarity with other WCO Members.
- 52. The Secretary General then expressed his support for the interventions by the Vice-Chairs for the ESA and AMS Regions, who had stated that stronger collaboration was needed between regions in order for the WCO to work as a whole.
- 53. He then referred to the interventions made by Algeria, the Russian Federation and the EU, and echoed by others, concerning the importance of focusing on vaccine distribution and roll-out. He reported that the WCO was currently working with ICAO to prepare a joint statement on this matter.
- 54. The Secretary General then mentioned the intervention by Serbia on the question of accessions. He explained that the Working Group had activated its work in 2019 but had never subsequently confirmed its planning or indicated how it would resume its work. The Secretariat was currently waiting for more information from the Working Group.
- 55. Referring to the intervention by Antigua and Barbuda, the Secretary General agreed that virtual platforms could be part of the future, and that this could allow the WCO to extend its reach to Members, especially in the case of small island economies. Technology should be used further, but in coordination with human resource preparedness as suggested by Georgia.
- 56. He agreed with the Vice-Chair for the WCA Region on the need to work further with the World Bank and IMF. Partnerships already applied in the capacity building area, and in addition the WCO was making sure, through its work on performance measurement, that Customs' performance was well recognized by those international organizations. It was important that they not only recognized Customs in terms of its fiscal role, but also for its performance in facilitating trade and protecting societies. These aspects should be reflected in these organizations' work plans so that the importance of Customs was properly understood.
- 57. The Secretary General then turned to the intervention by China which had focused on Free Zones and E-Commerce two activities which lay at the centre of the WCO's agenda. In his view China could contribute significantly to the work of the WCO in these domains, considering its advanced experience. He also thanked China for its proposal to provide funds for capacity building support through CCF-China.

- 58. Regarding Guinea's question on how the WCO was dealing with the implementation of the Strategic Plan, the Secretary General said that the review of the Plan might take time. Therefore, adjustments should be made to the Annual Implementation Plans to reflect the current reality. The pandemic had long-term implications, and this was also why the WCO had initiated the regional workshops on the Environmental Scan to collect Members' feedback on the priorities for the mid- and longer-term future. The Secretariat would look at each Package to make sure it correctly reflected the current challenges and best practices. Regarding the African Continental Free Trade Area, he agreed that this was a matter of prime importance and explained that discussions had already been held with the ACFTA Director General. As the ACFTA Agreement was to be implemented at the beginning of 2021, the WCO was considering how to provide capacity building to African countries in order to help them with this implementation, subject to the availability of funding.
- 59. Finally, the Secretary General said in reply to the point raised by Honduras, that the WCO was currently reinforcing its cooperation with Central American countries through SIECA, and with the support of the Vice-Chair for the WCO AMS Region.
- 60. Through the messaging platform, the Delegate of CANADA thanked the Secretary General for his report on the WCO's activities. Canada also thanked the Secretariat for its commitment to advancing agreed-upon priorities, and recognized that the Organization was doing its utmost to cope with the challenges of COVID-19. He went on to say that in light of the myriad of changes that this global crisis had brought to Customs administrations and operational environments, Canada had recommended to the Policy Commission that the WCO should focus on priority areas of work, which might mean adjusting its expectations for the coming years - particularly as there might yet be unforeseen long-term financial effects of the pandemic. He argued that it was the role of Member administrations to share best practices and lessons learned, and work together to find innovative ways to conduct their business as effectively and efficiently as possible. This global pandemic had shown the need for Customs to be adaptable and flexible, and find new ways of doing its business. Canada had been focusing its efforts on border modernization and how to implement or improve the procedures to better facilitate trade and commerce across its borders. He called on the Members to be able to adapt quickly in order to find touchless ways of doing business, and to re-prioritize some of their work in order to do so; examples included Canada's Electronic Longroom initiative, which saw Customs officers approving importers' documentation through electronic stamps. This process had allowed Canada Customs to be innovative and respond quickly to the pandemic, without much added cost, while protecting employees and clients through limited face-to-face interactions in Customs offices, all while increasing efficiency. Finally he mentioned the importance, as a WCO Member, of strategically focusing attention and dedicating the resources to the priority initiatives, in order to maximize organizational efficiency and effectiveness. He thanked the Secretariat for its leadership and expressed his readiness to continue to work with all Members of the WCO to advance on common goals.
- 61. The Delegate of ETHIOPIA wrote, through the messaging platform, that facilitating trade through Free Zones, E-Commerce and OSBP implementation had a significant role in the facilitation of import and export trade all over the globe, but required the enhancement of countries' infrastructural, human and technical capabilities. In this connection he drew attention to the central role of the WCO in facilitating such enhancement in a planned manner.

- 62. The Delegate of BRAZIL remarked, on the messaging platform, that the WCO's tools were essential for supporting the flow of goods to combat COVID-19, adding that Customs had responded quickly without any impact on society.
- 63. The Delegate of the RUSSIAN FEDERATION voiced support, via the messaging platform, for Cuba's intervention, explaining that this was not a political statement but an important point of information raising issues behind Cuba's inability to participate in WCO activities. There was a need to address such matters due to an outstanding, problematic question related to Members' rights. He went on to say that there was no clear determination as to who could, or had the capacity to, assess countries' interventions as being political. He reiterated that the intervention by Cuba was not a political statement there was a lack of clarity around the assessment of what constituted a political intervention, and he repeated again that the intervention by Cuba was not a political statement.
- 64. In conclusion, the SECRETARY GENERAL thanked delegates for all their interventions, took note of their contributions, and committed to trying to reflect them in the future work plans of the Secretariat.
- 65. The ACTING CHAIRPERSON thanked the Secretary General for his report and feedback. He pointed out that further comments had been shared on the KUDO messaging platform, and these should be considered by the Secretariat.

3. ADOPTION OF THE AGENDA

- 66. The ACTING CHAIRPERSON informed delegates that the draft Agenda for the Council Session was reproduced in Doc. SC0193.
- 67. He pointed out that the draft Report of the Policy Commission's 83rd Session (Doc. SP0731) had been uploaded as part of the Council Agenda and had been circulated among Members. He invited delegates to review the draft Report prior to the discussions due to take place under Agenda Item 5 (Policy and Governance Matters).
- 68. He then invited delegates to turn their attention to Agenda Item 6 (Other business), and informed them that at the request of the Policy Commission, a presentation on the Report of the 14th Meeting of the Audit Committee had been included under this item.
- 69. The ACTING CHAIRPERSON opened the floor for comments.
- 70. The Delegate of the RUSSIAN FEDERATION, referring to his longstanding experience and his work in various meetings and organizations, indicated that the adoption of an Agenda was always the first item to be dealt with before the start of a meeting. Regarding the Council's draft Agenda, he recalled that on 16 November 2020 his Administration had forwarded a document to the Secretariat concerning a proposal to improve and enhance the work of the WCO in the area of governance. Although the proposal had been discussed in the Policy Commission, he felt that the draft Report and the associated conclusion did not reflect the essence of the suggestions made. In keeping with the tradition at WCO meetings, he requested an opportunity to provide a short presentation under Agenda Item 6 (Other business), adding that during the discussions at the Policy Commission some Members had supported the suggestions made, and therefore he wanted to briefly present those suggestions to the Council.

- 71. The ACTING CHAIRPERSON acknowledged that the proposal had been discussed in the Policy Commission, and he assured the Delegate of the Russian Federation that he had personally reviewed the conclusions captured in the draft Report to ensure that they accurately reflected the outcomes of the Policy Commission's deliberations. He noted that there had been a willingness among Policy Commission members to continue discussing the topic of governance. Some delegates had been in favour of the proposal, others had been against it, and some had indicated that the proposal perhaps needed more time to mature. As the Policy Commission had concluded by encouraging further dialogue on the topic of governance, the Acting Chairperson agreed to include the presentation by the Delegate of the Russian Federation under Agenda Item 6 as requested.
- 72. The Delegate of SERBIA expressed support for the statement made by the Russian Federation regarding the adoption of the Agenda. He failed to understand the basis on which the Acting Chairperson had decided not to invite delegates to adopt the Agenda at the beginning of the meeting. He expressed support for the proposal by the Russian Federation and its inclusion under Agenda Item 6.
- 73. The Acting Chairperson clarified that the adoption of the Agenda would take place at this point, following delegates' comments on it.
- 74. The Agenda set out in Doc. SC0193 was adopted with the agreed amendments.

4. TECHNICAL MATTERS

(a) Capacity Building

- 75. In his report to the Council, the DIRECTOR, CAPACITY BUILDING, started by noting that the WCO prided itself on being able to deliver effective Capacity Building and technical assistance to support the needs of its Members. He indicated that in response to the global uncertainty caused by the COVID-19 pandemic, the WCO had swiftly changed its capacity building delivery format from the classical face-to-face method to an online approach, in order to ensure that it remained responsive, resilient and proactive.
- 76. He informed the Council that the WCO utilized several communications platforms and had developed a virtual mission delivery guide for staff to support the new delivery format. Also, the Secretariat was in the process of providing a virtual training guide for both Regional and National Training Centres.
- 77. Based on this new delivery approach, since March 2020 the WCO had been able to provide effective capacity building and technical assistance support to its Members remotely across all the WCO Directorates. During the period March-September 2020, some 200 online support activities had been delivered over the six WCO regions, with the participation of almost 70 WCO accredited and recognized experts.
- 78. The Director acknowledged the valuable support from donors, WCO officials, accredited experts, WCO project managers and beneficiary countries, which had enabled the Capacity Building Directorate to successfully continue providing virtual capacity building at both national and regional levels.

- 79. He emphasized the central role of the WCO's e-learning team in supporting all the WCO Directorates to enable them to communicate seamlessly with Members and deliver missions and capacity building activities.
- 80. With regard to the tailor-made track of the WCO Mercator Programme, he informed delegates that the second edition of the Mercator Report was now available on the WCO's websites. Work had also been conducted to update the Mercator TFA Maturity Model.
- 81. Under the Leadership and Management Development Programme, the Director explained that the WCO had delivered its first ever virtual event in October, with other Webinars also planned for 2021.
- 82. Turning to the Expert Mobilization and Management portfolio, he mentioned that in August 2020 the WCO had conducted a pilot virtual pre-accreditation event for E-Commerce.
- 83. The Director then drew attention to the draft Capacity Building Framework on Data Analytics for Customs, which had been supported by the Capacity Building Committee in March 2020 and endorsed by the Permanent Technical Committee (PTC) in October 2020. A virtual global data analytics event and several regional workshops had contributed to raising awareness and enhancing Members' overall competence in this area.
- 84. He said that an online data analytics training course had been developed and was undergoing testing, before being made available to Members on the WCO e-learning platform (CLiKC!) by the end of December 2020. The Capacity Building Directorate was also planning to launch an on-site data analytics training programme in 2021 to provide "hands-on" knowledge of data analytics as soon as the pandemic was over.
- 85. The Director informed the Council that the work on the Gender Equality and Diversity (GED) agenda, which included four virtual organizational GED assessments, had been completed. The draft WCO Declaration on GED had been prepared and was ready to be discussed by the Council later in the session.
- 86. Moving on to the 11th Session of the Capacity Building Committee (CBC), which had been held in March 2020 under the theme : "Manage Change Today for a Sustainable Tomorrow", the Director said that the Committee had had fruitful discussions on a number of important topics, including the new WCO Capacity Building Strategy, the draft Capacity Building Framework for Data Analytics in Customs, and the WCO Experts Mobilization and Deployment policy.
- 87. Regarding the 19th Session of the Integrity Sub-Committee (ISC), held in February 2020 under the theme "Building Trust in the Digital Era", the Director stressed that the key message from this session was that technology could be a very important asset in fighting corruption and promoting integrity, but could not be a panacea for all integrity issues as the human factor continued to be the most important element. The topics discussed had included : building trust with the private sector, data analytics to support anti-corruption, political interference in Customs, and enhancing cooperation with State anti-corruption authorities.
- 88. To conclude, the Director emphasized that the Capacity Building Directorate would continue to provide virtual capacity building support successfully until

the COVID-19 pandemic was over, and would then adapt to a post-pandemic era by preparing a blended format of both online and offline delivery to respond effectively to the needs expressed by Members.

- 89. The ACTING CHAIRPERSON thanked the Director, Capacity Building, for his detailed report and for all the work accomplished by the Capacity Building Directorate. He then opened the floor for comments.
- 90. The Delegate of CUBA recognized the WCO's advances in capacity building and the use of virtual methods to provide technical assistance to Members. He expressed his appreciation regarding the WCO's response with respect to the circumstances created by COVID-19, and proposed that the Organization continue to use virtual assistance in the future even after recovery from the pandemic, although face-to-face meetings should be used when necessary. He drew attention to the fact that his country was not able to participate in WCO events because Cuba was excluded from using the different internet platforms due to regulations that had been adopted.
- 91. The ACTING CHAIRPERSON reminded the Delegate of Cuba to refrain from addressing political issues and focus on technical matters.
- 92. The Delegate of CUBA emphasized that limiting WCO Members' rights to access and use internet platforms was something all Members needed to be concerned about. He said Cuba had never wanted to politicize the work of the WCO Council and did not intend to do so, adding that many issues had political dimensions; if Cuba did not have the possibility to participate in virtual capacity building missions or meetings in the same manner as other WCO Members, then it had both the right and the obligation to draw this to everyone's attention. He went on to say that Cuba had received a lot of support from the WCO and had managed to advance and modernize its Customs administration through the implementation of different projects and initiatives, including the Mercator Programme. He insisted that it was particularly important for Cuba, as a long-standing Member of the Organization, to continue to benefit from WCO support.
- 93. The Delegate of BOTSWANA thanked the Director, Capacity Building, for his comprehensive report. He also expressed appreciation for the support that the WCO East and Southern Africa (ESA) Region, which included developing countries, land-locked countries and Small Island Economies, had received from the WCO and all the donors, especially given the specific circumstances. He particularly appreciated the extension of the WCO-Finland ESA Capacity Building Project to July 2021, and the support provided under the EU-WCO Programme for the Harmonized System (HS) in Africa, as the region was preparing to migrate to HS 2022.
- 94. He went on to say that the ESA Region was looking forward to the publication of the updated version of the Single Window Compendium, as most of the Members wanted to meet their obligations under the WTO TFA Agreement and the Africa Continental Free Trade Agreement. He pointed out that despite the COVID-19 pandemic, the region had been able to carry out several missions virtually, including the launch of the ESA RILO's website in July 2020; he was convinced that the website would enhance the RILO's visibility and Members' participation in its activities.
- 95. The Delegate of KOREA recalled that due to COVID-19 some 150 planned in-country activities had been postponed or cancelled between March and June 2020, and capacity building activities had been carried out through online communication platforms as indicated in the report by the Director, Capacity Building. He informed

the Council that this year the Korea Customs Service (KCS) had provided USD 3 million to the CCF-Korea fund, and supported the WCO's plan to use the fund to deliver capacity building activities through a web-based platform. Korea had signed a KCS-WCO E-learning Project Cooperation Agreement in October 2020 to reshape the contents of the WCO e-learning platform (CLiKC!) and had committed to supporting the project for the next two years. He went on to say that the KCS would support the BACUDA project, as well as the development of WCO data analytics tools for enhanced risk management for Members. He concluded by emphasizing that the KCS remained committed to continue working with the WCO to deliver effective capacity building support.

- 96. The Delegate of INDONESIA thanked the Director, Capacity Building, for the comprehensive report and expressed his support for and appreciation of the WCO initiatives to develop pools of experts from Members. He also expressed Indonesia's willingness to share its practical experience of data analytics with other Members to boost the use of technology and data analytics, and collaborate with the WCO Secretariat, Members and data scientists under the BACUDA project to advance the Organization's data analytics agenda.
- 97. The Delegate of the UNITED KINGDOM complimented the Acting Chairperson on his excellent chairing in keeping politics out of the meeting, and thanked the Director, Capacity Building, for his report. He said the UK had been delighted to sign, in April 2020, a new grant agreement under the HMRC-WCO-UNCTAD Trade Facilitation Agreement Capacity Building Programme. He agreed with the Director that the COVID-19 pandemic had challenged the delivery of capacity building just at the time when trade facilitation had become more relevant than ever. The development of a comprehensive and strategic approach, and alignment on the WCO Mercator Programme tailor-made track, would require the adoption of a virtual delivery approach to ensure that the benefits could continue under the Programme. The UK had deployed its Customs experts, who for the first time were leading virtual planning and scoping missions under the Mercator Programme, involving Eswatini and Liberia; the Programme had already made excellent progress in assisting with TRS and air cargo streamlining support for Lesotho and Zambia, with one mapping plan for Liberia. The Delegate concluded by thanking the Director, Capacity Building, and the WCO Secretariat, as well as the delivery partners and officials in beneficiary countries for the excellent collaboration, which was enabling this important work to continue despite the huge challenges to the work of the Capacity Building Directorate presented by the pandemic.
- 98. The Delegate of PERU said she had followed the report by the Director, Capacity Building, with great interest, and she congratulated him on the progress made. She informed the meeting that in October 2020 the WCO had organized a successful virtual Workshop on Data Analytics for the benefit of the Peruvian Tax Authority (SUNAT), and she highlighted the need to continue providing assistance in this important area to reinforce this new reality.
- 99. The Delegate of ANTIGUA AND BARBUDA thanked the Director, Capacity Building, for his report and expressed his satisfaction with the adoption of a blended methodology for the delivery of future capacity building support. He requested that WCO technical support be tailored to meet the specific needs of Small Island Economies like Antigua and Barbuda.
- 100. The Delegate of GUATEMALA congratulated the WCO on the efforts made and the support granted to Members, and welcomed the successful virtual methodology

that had been used for different topics in the Americas and Caribbean Region. He listed the pilot projects for the accreditation of experts that had been conducted virtually, including on AEO, TRS and Customs modernization. He expressed his support for the proposal, made to the Capacity Building Committee by the Virtual Working Group on Experts, that progress be made with automation so that each region had proper information about the accredited experts.

- 101. The Delegate of JORDAN thanked the WCO and the donors for the support provided at both national and regional levels, which had the positive effect of providing strategic guidance to Members for the development of Customs work. He went on to express Jordan Customs' aspiration to continue benefiting from capacity building support in the different areas, and especially with regard to innovative topics such as data analytics and strategic foresight. He also highlighted the need to reinforce the role of the WCO regional structures, including through the exchange of experiences and best practices between the different regions during the annual Global Meeting of WCO regional structures.
- 102. On the subject of integrity, the Delegate expressed his gratitude to the WCO Secretariat and the Norwegian Agency for Development Cooperation (Norad) for providing support to Jordan Customs through the WCO Anti-Corruption and Integrity Promotion (A-CIP) Programme. Jordan Customs had developed an electronic icon on its internal and external websites to raise awareness of the objectives of the Programme, the main activities implemented, and the important links that could be used by employees and customers.
- 103. The Delegate of CHINA congratulated the WCO on the informative report and the efforts deployed during the COVID-19 pandemic to push forward the international agenda on capacity building by holding webinars and disseminating best practices. He went on to say that during the pandemic, Customs trainings had mainly been carried out virtually, enabling Members to accumulate experience that was worth learning from in this field; he cited as an example the Meeting of Heads of Asia/Pacific Regional Training Centres (RTCs), held in October 2020, where participants had held in-depth discussions on online training which had yielded positive results in terms of further improving the impact of online training. He suggested using best practices to develop a tool, such as a set of Guidelines, on online capacity building activities, which could cover training methods, technical requirements, follow-up and evaluation and other aspects, to help Members conduct online training more effectively and ensure continuous capacity building progress even in times of emergency.
- 104. The DIRECTOR, CAPACITY BUILDING, expressed his gratitude to Members for their comments and for all their support and suggestions, and apologized for the fact that during his first presentation he had not been able, due to time constraints, to compliment all donors for their valuable contributions in support of capacity building activities. He stressed that the WCO was always thankful for all the donations and financial contributions received from Members.
- 105. He particularly appreciated the comments by the Delegates of Korea, the United Kingdom, China and a number of other Members who had expressed their support for capacity building activities; he reaffirmed the WCO's commitment to continuing to provide capacity building support, notably in the area of data analytics, taking into account the specific case of Small Island Economies.

- 106. In conclusion, <u>the Council</u> :
 - took note of the Report of the 11th Session of the Capacity Building Committee, held in March 2020; and
 - <u>noted the progress made in respect of capacity building delivery and related</u> <u>projects, as well as of the new WCO virtual delivery approach to ensuring</u> <u>effective WCO technical assistance and capacity building support to Member</u> <u>administrations</u>.

(b) Tariff and Trade Affairs

- 107. The DIRECTOR, TARIFF AND TRADE AFFAIRS (TTA), began by expressing his great pleasure in presenting his report to the Council on the WCO's work in the area of Tariff and Trade Affairs since its last sessions, noting also that this would be his last report as Director for TTA.
- 108. The Director reported that as part of the WCO's response to the challenges posed by the COVID-19 pandemic, work in TTA during the passing year had been marked by a focus on reorganizing the work and priorities in order to ensure that the main WCO strategic goals in the area of TTA were achieved despite the restrictions. This included running meetings of working bodies online, incorporating document-based consultations where needed, and the reworking of capacity building courses and activities to suit online delivery.
- 109. With respect to Origin-related work, the Director said that the Technical Committee on Rules of Origin (TCRO) had held its 38th Session in January 2020, taking note of developments at the WTO regarding Non-Preferential Rules of Origin and the WCO Secretariat's efforts to implement the WCO Action Plan on Preferential Rules of Origin and the Revenue Package.
- 110. In relation to the latter point, he drew the Council's attention to the publication, in June 2020, of an updated version of the WCO Comparative Study on Certification of Origin to reflect new trends in both non-preferential and preferential certification of origin. He also confirmed that the Secretariat had been actively exploring ways to support the implementation of the AfCFTA in the area of Rules of Origin, this being the basis of the implementation of all FTAs.
- 111. The Director also indicated that the Secretariat's preparations for the 2nd WCO Global Origin Conference were underway. The Conference, which had been rescheduled to be held in May 2020 but postponed due to the pandemic, would now be held virtually in March 2021.
- 112. Moving on to Valuation-related work, the Director reported to the Council that the Technical Committee on Customs Valuation (TCCV) had held its 49th Session in November 2019. With regard to actions required of the Council, he clarified that as the Report of the 49th Session (Doc. VT1219) had been adopted by the TCCV at its 50th/51st Sessions in November 2020, the Council was invited to approve it.
- 113. He then gave details of the aforementioned combined 50th/51st TCCV Sessions, held in November 2020. As the year 2020 marked the 25th Anniversary of the WTO Customs Valuation Agreement, the Secretariat had organized a commemorative session jointly with the WTO and the ICC. While reviewing its achievements in ensuring uniformity in the interpretation and application of

the Agreement at the technical level, the TCCV had also looked forward to future challenges, not only in respect of the technical complexities but also in terms of the capacity of Customs administrations to ensure compliance, especially in developing countries. Furthermore, it had recognized the challenges inherent in keeping the Agreement up-to-date in the light of the evolution of global value chains, emerging new business models, the e-commerce sector and fast-changing technologies. In the course of its working sessions the TCCV had held productive discussions on a wide range of technical issues, paving the way for the adoption of instruments at its future sessions.

- 114. With regard to Nomenclature-related work, the Director informed the Council that the Harmonized System Committee (HSC) had held its 65th Session by correspondence as part of the measures put in place because of the COVID-19 pandemic. He clarified that since the outcomes of the 65th Session of the HSC had already been acted upon by the Council at its June 2020 Sessions, through the adoption of certain Corrigendum amendments to HS 2022, the Report of that session (Doc. NC2750) was for information only, and consequently no action was required of the Council in this regard.
- 115. Following the adoption by the Council, in June, of the above-mentioned Corrigendum amendments to HS 2022, the priority for the HS-related working bodies (HSC, Review Sub-Committee (RSC) and Scientific Sub-Committee (SSC)) had been to continue working towards the timely completion of the HS 2022 package so that it could be implemented by Contracting Parties in January 2022.
- 116. The Director added that at its blended 66th Session, held in September and October 2020, the HSC had completed its work on the Correlation Tables between the 2022 and 2017 versions of the HS. These Tables were crucial for the work of administrations in preparing for implementation of HS 2022.
- 117. Based on the good work done by the RSC at its 56th and 57th Sessions, the HSC had also been able to make significant progress with the consequential amendments to the Explanatory Notes, with 16 Sections of the Explanatory Notes already provisionally adopted.
- 118. The Director informed the Council that at the recently-completed SSC meeting, held in November 2020, a Special Edition of the World Health Organization's INN Lists, containing substances pertinent to possible treatments for COVID-19, had been examined, and classification had been agreed upon for all the substances listed.
- 119. Turning to capacity building, the Director noted that in order to meet Members' needs amid the disruptions of the pandemic, the Secretariat had increasingly been shifting towards online delivery of capacity building, which required coordinated efforts to redesign programme modules and develop skills in delivering online training. A number of activities had also been carried out under the EU-HS Africa Project. He added that the Secretariat's advice on classification and valuation questions continued to be highly sought-after by Member administrations, with more than 100 pieces of advice given during this year.
- 120. Finally, the Director was pleased to make the following two announcements on the latest developments regarding Customs laboratories. A Memorandum of Understanding (MoU) regarding the establishment of a WCO Regional Customs Laboratory in Peru was going to be signed between the WCO and Peru after the conclusion of the day's session. In the same vein, the long-awaited Administrative

Arrangement between the WCO and the European Union (EU) concerning the establishment of the WCO Regional Customs Laboratory for Europe would be signed on 14 December 2020. By virtue of these arrangements, the WCO would confer the status of WCO Regional Customs Laboratory on, respectively, the Central Laboratory of SUNAT of Peru, and the Customs Laboratories European Network of the EU.

- 121. The Director took the opportunity to congratulate Peru and the EU on these important initiatives and express his appreciation for their support and contribution to the WCO's work on regional cooperation among Customs laboratories.
- 122. The Delegate of CHINA thanked the Director, Tariff and Trade Affairs Directorate (TTAD), for his informative report and pointed out that the TTAD played a very important role in ensuring fair and effective revenue collection. She continued by noting that over the past few years, the TTAD had made great efforts in updating the Harmonized System through the Strategic Review, researching tariff and trade issues and developing relevant tools and instruments, and had achieved very good results. During the past year, facing the challenge of the COVID-19 pandemic, the Directorate had helped Members with the classification of critical medical supplies, facilitating the movement of those supplies, and demonstrated the important role of the WCO as well as the international Customs community in the global fight against the pandemic. She expressed China Customs' appreciation to the TTAD for the work it had done under the leadership of the Director. China Customs looked forward to further enhancing its cooperation with the TTAD. She thanked the Director for his excellent work and wished him all the best for the future.
- 123. The Delegate of ANTIGUA AND BARBUDA began by expressing his thanks to the Director for the impressive service he had provided to Members in a timely and continuous manner. He further thanked the Director for the smooth and efficient conduct of tariff and trade matters under his control. He concluded by thanking the Director for all his excellent work and wished him all the best in his future endeavours. He expressed the hope that this excellent working relationship with the TTAD would continue with the new, incoming Director.
- 124. The Delegate of the EUROPEAN UNION (EU), speaking on behalf of the EU and its 27 Member States, expressed appreciation for the Director's strong dedication to ensuring the smooth functioning of the Harmonized System (HS) Convention, which was one of the longest standing instruments of the WCO, as well as for his dedication to the process of a strategic review of the Harmonized System; for the successful adoption of the HS 2022 amendments which would pave the way for further trade facilitation; and for having actively engaged in the challenging concept of transfer pricing and valuation. She thanked the Director for his good cooperation, as well as his energy and enthusiasm for WCO matters over the years, and wished him all the best in his future endeavours.
- 125. The Delegate of SINGAPORE began by thanking the Director for his excellent report. He then commended the Director and the TTAD team for the great work accomplished over the past year. Even with the ongoing COVID-19 pandemic, the TTAD had taken on new responsibilities such as responding quickly by developing new guidelines to assist Members in managing the pandemic. He referred, in particular, to the effort behind the fast-tracking of the classification of International Non-proprietary Names (INN) List 124 - the COVID-19 Special Edition which Singapore believed would help facilitate the movement of essential substances that would support global efforts to combat the pandemic. He expressed his

appreciation of the Director's service and contribution to the Members during his term of office, and wished him the very best in his next endeavours.

- 126. After thanking the Director for his report, the Delegate of INDONESIA informed the Council that Indonesia was the Chair of the Regional Working Group on Classification and the ASEAN Technical Sub-Working Group on Classification in the ASEAN countries. On behalf of the ASEAN countries, he wished to express his appreciation to the HSC and the Secretariat for the successful conduct of the 66th HSC Session, which had seen the completion of some important tools for the implementation of HS 2022, namely the Correlation Tables as well as other instruments. With the availability of the relevant tools for HS 2022, Indonesia, ASEAN and all Members of the WCO could now finalize their preparations for the implementation of HS 2022, which was expected to facilitate international trade.
- 127. The Delegate of HONG KONG, CHINA, first thanked the Director for his report. He then expressed his appreciation to the Director for the work achieved by the TTAD under his leadership over the past five years, with regard to supporting Members in securing revenue and the successful progress in the areas of Rules of Origin, Customs Valuation and the Harmonized System. He wished the Director every success in the future.
- 128. The Delegate of the RUSSIAN FEDERATION indicated that he had submitted comments to the Chair. He informed the Council that his Administration welcomed and endorsed the report and approved all the documents submitted for this Agenda item. He echoed and joined other delegates from around the world in expressing appreciation for the Director's work and the achievements of the Directorate. He thanked the Director for his personal contribution, which was greatly valued and appreciated by the Customs community, including efforts to improve and strengthen the common development of global trade and Customs administrations' operations. He concluded by wishing the Director all the best for the future.
- 129. The Delegate of ALGERIA expressed his appreciation to the Director not only for the work done in the area of TTA, including the adoption of the HS 2022 amendments despite the many difficulties posed by the COVID-19 pandemic, but also for his commitment and leadership. Everything that had been done since the 2019 HS Conference for African Members was very impressive. He pointed out that the HS Corrigendum procedure had been completed, and although the Corrigendum amendments would not be binding until January 2023 he believed that Members could start to apply them from 2022. Algeria would be ready to implement the HS amendments from 1 January 2022, including the Corrigendum, and he encouraged all Members to do the same in order to ensure uniform application of the HS. Turning to Rules of Origin, he said Algeria welcomed the fact that the TCRO would be taking a fresh look at Annex K to the Revised Kyoto Convention (RKC). While noting the current status of negotiations on Origin at the WTO, he believed that from the Customs perspective, Chapters 2 and 3 on Certifying Origin and Controlling Origin could usefully be examined, even if only to bring about harmonization among Members on these issues.
- 130. The Delegate of NIGERIA welcomed the report presented by the Director, which he endorsed. He also thanked the Director for his commitment and assistance to the Members, and expressed his best wishes.

- 131. The Delegate of SERBIA echoed his appreciation for the work of the Director, and congratulated him for his devotion and his contributions to the improvement of the WCO's work, particularly in the area of TTA.
- 132. The Delegate of PERU informed the Council that after the previous day's session, the signing ceremony had taken place for an MoU between the WCO and Peru regarding the establishment of a WCO Regional Customs Laboratory in Peru. She went on to thank the Director for all his service and for the excellent work accomplished during his tenure, and wished him all the best in the future. She also expressed her gratitude to the WCO Americas and Caribbean Regional Office for supporting the MOU, and concluded by indicating that Peru looked forward to continuing its cooperation with the WCO.
- 133. The Delegate of MEXICO expressed his gratitude to the Director for his great work, and particularly his contribution to HS 2022 which would facilitate international trade.
- 134. The Delegate of the DOMINICAN REPUBLIC expressed his congratulations and thanks to the Director. He highlighted the importance of the HS Nomenclature as an instrument for tariff classification, the identification of origin and trade facilitation. He said the achievements of the TTAD in recent years would not have been possible without the work of the Director. He also congratulated the Peruvian Administration on the opportunity to share the facilities of its wonderful laboratory with other Members in the Americas and Caribbean Region.
- 135. The ACTING CHAIRPERSON drew the Council's attention to the many kind words regarding the Director which had been posted on the messaging platform.
- 136. In responding to the interventions by Members, the DIRECTOR, TARIFF AND TRADE AFFAIRS, expressed his appreciation to all delegations which had taken the floor, as well as those which had posted messages of kind words and best wishes; he stressed that the achievements were a collective effort by all Members and the Secretariat.
- 137. With respect to the comment by the Delegate of Algeria, he said he appreciated Algeria's commitment in terms of implementing the Corrigendum amendments which had been adopted by the Council in June 2020, and also encouraging early implementation of those amendments by Members with effect from 2022. Regarding Rules of Origin, he informed the Council that the issue of the revision of Annex K to the RKC was part of the review process which the TCRO and the Secretariat had actively participated in. He further noted that the TCRO would continue to discuss this issue at its next virtual session in January 2021, and he took this opportunity to encourage Members to send delegates to that session. Finally, the Director congratulated Peru on the signing of its MoU with the WCO, adding that a news article about the signing ceremony had been published on the WCO Web site.
- 138. Following these interventions, and at the invitation of the ACTING CHAIRPERSON, the Council :
 - took note of the Report of the 38th Session of the Technical Committee on Rules of Origin;
 - took note of the work carried out by the WCO Secretariat in relation to the WCO Action Plan on Preferential Rules of Origin and the Revenue Package;

- <u>approved the Reports of the 48th and 49th Sessions of the Technical Committee</u> on Customs Valuation;
- <u>took note of the various other valuation-related developments referred to in the</u> written report on the subject and the Director's oral report; and
- <u>took note of the various HS-related developments referred to in the written report</u> on the subject and the Director's oral report.

(c) Compliance and Facilitation

- 139. The DIRECTOR, COMPLIANCE AND FACILITATION, summarized the work that had been carried out in the past 18 months by his Directorate and the Committees it served, namely the Enforcement Committee (EC) and the Permanent Technical Committee (PTC), stressing that during this period the Secretariat had managed to adapt swiftly to a "new normal" imposed by the COVID-19 pandemic. He said efforts had been directed towards the development of international standards, the provision of capacity building support to Members, the conduct of tailor-made operational activities, and achieving enhanced cooperation with the WCO's partners and stakeholders.
- 140. He started by sharing the main achievements of the Compliance and Enforcement Sub-Directorate, which had been the lead unit in implementing the WCO's theme-of-the-year activities. This had been done in particular through the Environment Programme, which had conducted a wide range of activities aimed at raising the profile of Customs in the fight against environmental crime, illegal trade in wildlife and forest crime.
- 141. The Sub-Directorate had been developing and updating Compliance and Enforcement instruments and tools, while ensuring facilitation through an effective risk management strategy. The tools developed included the Risk Management Diagnostic Tool and Maturity Model, the IPR Handbook and Self-Assessment Tool, the Customs and Financial Intelligence Units Cooperation Handbook, and the CITES training materials for Customs officers.
- 142. In addition, the Sub-Directorate had contributed to enhanced cooperation through joint operations and the sharing of knowledge and best practices. During the reporting period, ten enforcement operations had been successfully completed.
- 143. The Sub-Directorate had also been promoting learning and development through the use of technology and data. As an example, fifteen National Customs Enforcement Network (nCEN) and three Cargo Targeting System (CTS) deployments had been carried out, while three Global Travel Assessment System (GTAS) deployments were in progress.
- 144. Each of the Sub-Directorate's 11 programmes had organized workshops and training activities at the global, regional and national levels. Despite the COVID-19 restrictions and challenges, the Sub-Directorate had delivered 498 activities during financial year 2019/2020. In the context of COVID-19, the Director said that for Members' risk management and targeting purposes, the Secretariat would be sharing the analysis of *modus operandi* employed for the illicit flows of medicines and medical supplies. He concluded by emphasizing that Operation STOP had revealed the extensive use of small packages, and for this reason it was important that the Secretariat work on enhancing the facilitation and security of E-Commerce be continued.

- 145. The Director then turned to the activities of the Facilitation and Procedures Sub-Directorate, which was directly responsible for four of the WCO's nine strategic priorities for the period 2019-2022, and also contributed to two of the remaining five strategic priorities. The Sub-Directorate had been leading the WCO response to the COVID-19 pandemic, with valuable input and support from other WCO units.
- 146. Under the Economic Competitiveness Package (ECP), the Sub-Directorate had been developing and updating instruments and tools to support the modernization of Customs procedures. The implementation of the ECP Action Plan for Phase IV had ended in June 2020 and the draft ECP Action Plan for Phase V, covering two financial years, was ready for endorsement by the Council.
- 147. The Director went on to highlight some of the tools that had been developed or updated since June 2019, namely the E-Commerce Package, Guidance for Customs Administrations in SIEs, Practical Guidance on Free Zones, WCO Data Model version 3.9, Compendium of Best Practices in the Area of Transit, and the updated Coordinated Border Management Compendium.
- 148. In terms of providing capacity building support to Members, he drew the Council's attention to the fact that in early September 2020, the Sub-Directorate had launched a pilot virtual accreditation initiative with the objective of establishing a pool of Technical and Operational Advisers on E-Commerce.
- 149. Both before and during the COVID-19 pandemic, the Sub-Directorate had been providing capacity building support to WCO Members in the areas of the Revised Kyoto Convention (RKC), the SAFE Framework of Standards, the E-Commerce Framework of Standards, Digital Customs, the Time Release Study and many other facilitation topics.
- 150. Furthermore, the Sub-Directorate had contributed to enhancing cooperation with the private sector through the Private Sector Consultative Group, and through contacts with a myriad of other international and regional organizations.
- 151. Opening the discussions, the Delegate of ANTIGUA AND BARBUDA referred to the implementation of the nCEN within its Customs Department, including the organization of a department-wide sensitization programme. He mentioned that the Customs Department had participated in many enforcement operations that had given it a lot of insights into the subject matter, including how to control and regulate import flows and ensure that border security operations were efficient and timely.
- 152. The Delegate of the MALDIVES announced that his country had acceded to the RKC on 19 October 2020, becoming the 124th Contracting Party. He expressed his gratitude to the WCO for its assistance during the accession journey.
- 153. The Delegate of the DOMINICAN REPUBLIC congratulated the Director for the smooth continuation of his Directorate's work since the outbreak of the COVID-19 pandemic, and for all the achievements registered despite the extraordinary circumstances. The Dominican Republic had accomplished good results in fighting the movement of illegal goods, and fully supported the WCO's further work in this area. She also expressed support for the activities concerning Free Zones, especially given the contribution made by Free Zones to the national economy of her country and the opportunities they provided for economic growth; she stressed that the level of Customs controls needed to be strengthened and harmonized within the different Free Zones. She also touched upon the importance of interoperability and the

role of the WCO Data Model, adding that the availability of the Data Model free of charge was an important prerequisite for making it widely used to facilitate the efficient sharing of information. Lastly, she expressed her Administration's full support for the establishment of the Working Group on Passenger Facilitation and Control, bearing in mind the Dominican Republic's dependence on tourism.

- 154. The Delegate of GUATEMALA said that his Administration had participated actively in the Enforcement Committee meetings, and approved the adoption of the Committee's Reports. He also thanked the WCO for its support in implementing the Cargo Targeting System and the nCEN, which had become an important part of the Administration's modernization programme. He also, in his capacity as Regional Vice-Chair, announced the accreditation of the WCO Regional Dog Training Centre in Argentina.
- 155. The Delegate of the RUSSIAN FEDERATION welcomed the important matters covered orally by the Director and in the written reports of the Enforcement Committee and PTC Chairpersons. He appreciated and encouraged the WCO's activities, under the Environment Programme, related to the illicit timber trade. He also underlined the importance of canine programmes for identifying the smuggling of various types of goods and substances, and looked forward to the Global K-9 Forum and canine competition being organized by Russian Customs. Regarding cigarette smuggling, he highlighted the role of the RILOs and the activities of Russian Customs in this area, emphasizing the importance of cooperation and information exchange. He then thanked the Enforcement Committee and the PTC for allowing the Russian Federation to update the Organization on the work being done under the initiative on the digitalization of Kimberley Process certificates for rough diamonds, the aim being to strengthen controls on their movements in international trade. He went on to welcome the significant step taken in terms of widening the number of vendors in the Technical Experts' Group on Non-Intrusive Inspection, and expressed his expectation that this would further progress the work on the Unified File Format for X-ray images at the next meetings. Lastly he expressed full support for the work on Free Zones, highlighting its relevance to supply chain security, valuation, classification, and endeavours to combat the smuggling of prohibited goods.
- 156. The Delegate of CHINA expressed her appreciation of the efforts made in all areas of Compliance and Facilitation, which had been so important since the outbreak of the pandemic. In terms of the future direction of this work, in addition to focusing further on Free Zones and E-Commerce, China highlighted the importance of Coordinated Border Management (CBM) at both the national and the cross-border level, as this had been critical especially in recent months. To that end, she underlined the importance of single window environments and their cross-border interoperability. She then touched upon the sustained efforts made in the fight against environmental crime, and thanked the WCO for guiding Members in carrying out a series of joint operations in this field. She expressed China's support for the Secretary General's initiative related to combatting the illegal trade in solid waste and endangered species during the debriefing session for Demeter VI, the aim being to have a long-term international enforcement mechanism against environmental crime. She proposed that all the stakeholders in this mechanism be brought together.
- 157. The Director thanked all the delegates who had taken the floor and supported the work being done under the various packages, stressing that CEN integration was an important parameter for some administrations. In this connection he informed the Council that simplified data upload to CEN would be discussed at the upcoming meeting of the CENMaT, in January. This would help Members with real-time

integration of seizure data into the CEN database, which would in turn support the WCO in preparing its Illicit Trade Report and various analyses, using CEN data. He agreed that there was a need for a renewed focus on E-Commerce, especially in the security area.

- 158. Turning to Free Zones, he reminded delegates that the WCO Conference on this topic would be held on 14 December 2020 and took the opportunity to encourage widespread Member participation in this event, which would address some of the matters raised by delegates. He congratulated Argentina on the accreditation of the WCO Regional Dog Training Centre, and assured delegates that his Directorate would continue to work on CBM, single window, environmental crime and the fight against illicit timber trade. He recalled that Demeter V, implemented in 2019, had focused on illegal shipments of hazardous waste, and that in 2020 the Montreal Protocol relating to ozone depleting substances had been included in Demeter VI. The results of this Operation had included the seizure of 42 metric tons of controlled substances. Lastly, he acknowledged Switzerland's support for the ECP and the comprehensive review of the RKC, as well as Kenya's support for the Compliance and Facilitation work; both of these expressions of support had been shared through the "Messages" function on the KUDO platform.
- 159. With regard to Enforcement matters, the Council :
 - <u>approved the Reports of the 38th and 39th Sessions of the Enforcement</u> <u>Committee (Docs. EC0559 and EC0572);</u>
 - took note of the draft Report of the Enforcement Committee's 40th Session (Doc. EC0617), which would be submitted to that Committee for final approval at its next session; and
 - <u>acknowledged the various compliance and enforcement-related developments</u> <u>mentioned in the written report of the Enforcement Committee Chairperson</u>.
- 160. With regard to Facilitation matters, the Council :
 - <u>approved the Summary Reports of the 225th/226th and 227th/228th Sessions of the Permanent Technical Committee (Docs. PC0602 and PC0631);</u>
 - <u>took note of the draft Summary Report of the 229th/230th Sessions of</u> <u>the Permanent Technical Committee (Doc. PC0647), which had been submitted</u> <u>to that Committee for final approval;</u>
 - took note of the progress made with the implementation of the Revised ECP Action Plan for Phase IV;
 - <u>approved the Action Plan for Phase V of the Economic Competitiveness Package</u> (ECP);
 - approved the Compendium of Best Practices in the Area of Transit; and
 - <u>acknowledged the various facilitation-related developments mentioned in the</u> <u>written report of the Permanent Technical Committee Chairperson</u>.

161. The ACTING CHAIRPERSON concluded the technical discussions by thanking the Directors, as well as the Chairpersons of the various committees and working bodies, for their hard work, accomplishments and outputs, and for the progress made despite the challenges presented by the pandemic. Finally, he thanked the Members for their valuable contribution to these working bodies.

5. POLICY AND GOVERNANCE MATTERS

162. The ACTING CHAIRPERSON invited participants to consult the Reports of the Policy Commission's 82nd and 83rd Sessions (Docs. SP0715 and SP0731), which had taken place in December 2019 and December 2020 respectively. With the assistance of the senior management of the Secretariat, he then presented to the Council, item-by-item, the key outcomes of the 83rd Session, which had taken place earlier in the same week, as reported in Doc. SP0731. He drew the Council's attention to the fact that the "A" items before the Policy Commission had been for information or had required endorsement only.

"A" ITEMS

Financial Audit

- 163. At the invitation of the Acting Chairperson, the Council :
 - took note of the Financial Audit Report for 2018/2019 and the Finance Committee's observations and recommendations on that Report; and
 - acquitted the Secretary General of his financial responsibilities for 2018/2019.

Free Zones

- 164. At the invitation of the Acting Chairperson, the Council :
 - took note of the progress made to date in the area of Free Zones;
 - <u>endorsed the draft version of the Free Zones Guidance (set out in the Annex</u> to Doc. SP0720);
 - requested Members, where feasible, to make personnel available to become accredited experts on Free Zones to help deliver critical capacity building activities; and
 - <u>encouraged Members, as appropriate, to continue awareness raising activities at</u> <u>national and regional levels to ensure effective Customs procedures/control while</u> <u>contributing to the economic benefits and the sustainability of Free Zones</u>.

Counterfeiting and Piracy Group - Updated Terms of Reference

165. At the invitation of the Acting Chairperson, <u>the Council approved the</u> <u>updated CAP Group Terms of Reference (reproduced at Annex IV)</u>.

E-Commerce Package - Progress Report

- 166. At the invitation of the Acting Chairperson, the Council :
 - took note of the progress made to date in the area of cross-border E-Commerce;
 - <u>endorsed, as living documents, the draft updated documents on "Reference</u> <u>Datasets for Cross-Border E-Commerce", "Revenue Collection Approaches",</u> <u>and "E-Commerce Stakeholders: Roles and Responsibilities"; a draft document</u> <u>on a PTC decision on the E-Commerce FoS update/maintenance mechanism;</u> <u>and the first edition of the Compendium of Case Studies on E-Commerce; and</u>
 - encouraged Members to engage actively in the future work on cross-border <u>E-Commerce and continue sharing their related case studies, best practices and</u> initiatives, especially with respect to implementation of the Framework of Standards on Cross-Border E-Commerce.

Technical Experts Group on Air Cargo Security - Final Report

- 167. At the invitation of the Acting Chairperson, the Council :
 - approved the draft report of TEGACS and the key deliverables of the TEGACS (as attached in Annexes II, III and IV to Doc. SP0723); and
 - <u>agreed that the TEGACS had fulfilled its mandate and that any future work</u> on Air Cargo Security be carried out by the SAFE Working Group.

Small Island Economies

- 168. At the invitation of the Acting Chairperson, the Council :
 - took note of the progress made to date under the Small Island Economies' (SIEs) initiative; and
 - <u>endorsed the draft Guidance for Customs administrations of Small Island</u> <u>Economies (Annex to Doc. SP0727) as approved by the Permanent Technical</u> <u>Committee (PTC) during its 229th/230th Sessions</u>.
- 169. The ACTING CHAIRPERSON then invited the Council to turn its attention to the more substantive items from the Policy Commission's Agenda (known as "B" items).

"B" ITEMS

- Passenger Facilitation and Control Working Group Terms of Reference
- Role of Customs in mitigating the effects of the COVID-19 pandemic
- Customs handling of dangerous/hazardous goods
- 170. The ACTING CHAIRPERSON invited the Deputy Secretary General to give an overview of the main items discussed by the Policy Commission at its 83rd Session, and the corresponding conclusions reached.
- 171. The DEPUTY SECRETARY GENERAL started his presentation with the item on the Passenger Facilitation and Control Working Group (PFCWG). In the Policy Commission session, the Secretariat had introduced this item by noting that the

latest PTC and Finance Committee sessions had endorsed the Business Case and Terms of Reference (ToR) for the establishment of this Working Group, and had acknowledged that the issue of resource allocation remained to be resolved. An announcement had been made for the secondment of a Technical Attaché, and the Secretariat was waiting for proposals and results in that regard.

- 172. There had been overwhelming support in the Policy Commission for the endorsement of the Business Case and ToR, and the Commission had urged that the Working Group be established swiftly, with the issue of limited resources being addressed by a possible re-prioritization. One delegate had said his Administration was examining the possibility of making a resource available, but noted that the lack of a Technical Attaché should not delay the work. After the Secretariat had explained that the current resources were already overstretched, particularly in the current COVID-19 environment, and bearing in mind the possibility that a Technical Attaché might be provided in the coming weeks, the Acting Chairperson had noted that the establishment of the PFCWG had been fully supported and the Policy Commission had endorsed the Business Case and ToR for the PFCWG and had encouraged Members to contribute to this important work.
- 173. Turning to the role of Customs in mitigating the effects of the COVID-19 pandemic, the Deputy Secretary General informed the Council that at the Policy Commission Session, the Acting Chairperson had introduced this item by drawing attention to the discussions held on this topic by the Permanent Technical Committee at its Spring and Autumn 2020 sessions, and by highlighting the work which lay ahead of the WCO and the global Customs community in the coming months. This work included the delivery of awareness raising and capacity building activities under the WCO COVID-19 Project funded by the Government of Japan, as well as the implementation of measures to support the upcoming COVID-19 vaccine distribution effort. Highlighting the fact that the effort to distribute COVID-19 vaccines was expected to be the world's largest and fastest vaccine distribution operation ever, the Acting Chairperson informed delegates that the Policy Commission had been invited to consider a draft Resolution of the Customs Co-operation Council on the Role of Customs in Facilitating the Cross-Border Movement of Situationally Critical Medicines and Vaccines.
- 174. The Secretariat had then reported to the Policy Commission on the work done in response to the COVID-19 pandemic. The WCO had been supporting Customs administrations and their stakeholders by providing guidance on how to simplify and harmonize border procedures, developing new guidance materials such as the HS Classification Reference for COVID-19 Medical Supplies, sharing information and best practices through the dedicated COVID-19 section of the WCO web site, delivering capacity building initiatives, conducting operations, and enhancing cooperation with the private sector and partner international organizations such as the World Health Organization, the International Air Transportation Association and the Global Express Association, among others.
- 175. A number of Policy Commission delegates had commended the WCO for its work in response to the COVID-19 pandemic and for having responded swiftly to the current situation. In their respective interventions, some delegates had shared information about their administrations' COVID-19 related practices and lessons learned, and had highlighted the role of Customs in preserving life as well as in supporting the economy and sustaining supply chain continuity. Several delegates had emphasized the importance of the digitalization of Customs processes, Coordinated Border Management and cooperation with the private sector. Strong support had been voiced

for the finalization and endorsement of the text of the draft Resolution of the Customs Co-operation Council on the Role of Customs in Facilitating the Cross-Border Movement of Situationally Critical Medicines and Vaccines. In conclusion, the Policy Commission had endorsed the updated draft Resolution and recommended its adoption by the Council. It had also encouraged Members to engage in future WCO work in this area, as appropriate.

- 176. Finally, the Deputy Secretary General reported to the Council on the discussions held by the Policy Commission on the topic of Customs handling of dangerous/ hazardous goods. At the Policy Commission session, the Acting Chairperson had acknowledged that dangerous goods imposed challenges to the safety of global supply chains and that Customs should play an important role in controlling such goods. Recalling the devastating explosion which had taken place in Beirut, the Acting Chairperson had drawn delegates' attention to the important work carried out by the Secretariat on this topic, including the Secretariat Note on "How Customs Can Support the Safe and Secure Storage of Dangerous Goods", which had been discussed by the PTC in October 2020. The Deputy Secretary General had explained that the Secretariat, in line with the PTC's conclusions, would support Members in this respect within existing WCO programmes and capacity building efforts, and that the Secretariat Note would be maintained as a living document. Policy Commission delegates had supported this initiative, while recognizing that other WCO bodies, such as the Revised Kyoto Convention Management Committee, the SAFE Working Group and the Harmonized System Committee, should be involved alongside the PTC to ensure a more comprehensive approach. In conclusion, the Policy Commission had acknowledged the Secretariat Note, taken note of the conclusions reached by the PTC at its recent session, and encouraged Members to share their experiences through the Secretariat.
- 177. The Delegate of JORDAN said that the COVID-19 pandemic had had a major impact on trade, travel and transport, which had necessitated coordinated measures by border agencies to facilitate trade and ensure supply chain continuity. Consequently, Members' experiences during the pandemic could serve as the basis for developing Guidelines on Disaster Management and Supply Chain Continuity, and constitute a future reference source to be considered in the process of implementing those guidelines. Jordan Customs would support any effort undertaken by the WCO, in cooperation with other international organizations, to develop such guidelines to serve as a guide for Customs administrations to develop their national plans in managing crises and dealing with such pandemics.
- 178. The Delegate of AUSTRALIA drew attention to the significant role that Customs administrations would play when governments moved to reopen borders to international travellers to support the recovery from the COVID-19 pandemic, while emphasizing the need to gather and share data to support traveller certification that would include vaccination information. The international Customs community needed the WCO to lead the effort in the development of internationally accepted data standards and systems. He called on the WCO Secretariat to prioritize the PFCWG to guide this effort. In this context, he expressed his disappointment that, during the last Finance Committee session, Members and the Secretariat were unable to resolve the resourcing issue based due to priorities being unclear. Furthermore, despite the strong support from the Policy Commission earlier in the week, the Secretariat declined to allocate resources due to a lack of prioritization and an oversubscribed work programme. He argued that there was no greater priority for the WCO at this time than supporting Member administrations to meet the challenge of reopening bio secure borders. In the interest of aiding the Secretariat to immediately identify resourcing that

could be allocated to the Working Group, he proposed the following : (i) a 12-month moratorium on updating existing tools that do not directly support activities identified in the COVID-19 Action Plan; (ii) reframing joint workshops and meetings with the IMO, ICAO and IATA to address the issue of passenger data and bio secure travel; (iii) identifying activities that Members could develop on a voluntary basis; (iv) seeking to save resources by rationalizing meetings and making better use of intersessional work; and, (v) examining action plans and enforcement packages and conclude working groups that can be identified and or deferred or re-scoped. He asked that Members agree to prioritize these activities and ensure the Secretariat is able to take action with the necessary resources to allow this urgent work to commence immediately. Finally, he also sought support from Members to collaborate through the Working Group to agree on data sets and systems that would help to identify passengers who could travel freely based on identity, visa, security and health criteria.

- 179. The Delegate of the UNITED STATES strongly supported the proposal by the Delegate of Australia. He addressed the negative impact of the COVID-19 pandemic on societies and economies, while putting forward his view that the key factor in rebuilding the global economy was travel. In this context, he emphasized the need to prioritize efforts to get travellers moving again, in addition to global trade to ensure that protective equipment and vaccines were transported to their destinations without hindrance. He also reiterated that initiatives aimed at recovery from the current pandemic which directly supported the COVID-19 Action Plan, such as undertaking the work of the PFCWG, should be the number one priority and resources needed to be allocated to this area as such. He expressed the United States' commitment to providing as much virtual support as possible, before concluding his intervention by reiterating the need to find a way to prioritize recovery from this pandemic, which should be the number one priority and resources needed to be
- 180. The Delegate of LEBANON noted that all Customs administrations had made efforts to face the COVID-19 pandemic. Besides the pandemic, the recent Beirut explosion had also had hugely damaging effects on the society and economy of Lebanon. Lebanese Customs was responsible for the health and safety of the country's people, but was facing great difficulties during the crisis. The Delegate expressed his appreciation to the Acting Chairperson, the WCO and fellow Members for helping Lebanese Customs to limit the difficulties caused by both the COVID-19 pandemic and the explosion. He also thanked the WCO Secretary General for visiting Lebanon after the explosion to inaugurate the process of reform and modernization of Lebanese Customs. The Delegate suggested that the Customs community should work together to face the pandemic and continue to provide support to WCO Members in the long term.
- 181. The Delegate of BOTSWANA started his intervention by recognizing the position of Customs at the front line in the fight against COVID-19, noting that this posed great risk to the health and safety of Customs officers at points of entry. Customs had once more demonstrated agility and had performed in a commendable manner in protecting human life and ensuring that trade could continue even in these difficult and unprecedented times. The Delegate outlined a number of critical issues that had come to the fore as a result of the pandemic, namely the need for cooperation and collaboration (with the private sector, between Customs administrations and with the World Health Organization), IT connectivity, and Customs business continuity management. Botswana fully supported the adoption of the draft Resolution on the Role of Customs in Facilitating the Cross-Border Movement of Situationally Critical Medicines and Vaccines, and was ready to engage in future WCO work in this area as required.

- 182. After having reviewed the report of the Policy Commission session, the Delegate of CUBA also expressed support for the adoption of the draft Resolution on the Role of Customs in Facilitating the Cross-Border Movement of Situationally Critical Medicines and Vaccines, as it would support the efforts to contain COVID-19 and set guidelines for future critical situations. In addition, the Delegate was satisfied with the progress made in areas such as E-Commerce, which was of particular importance during the pandemic.
- 183. The Delegate of the EUROPEAN UNION said that the three issues being discussed were certainly issues of major priority for the WCO membership. The priorities of individual Members might diverge slightly, depending on their specific situations, but there was universal agreement that the relevant Customs controls and the role of Customs in mitigating the effects of the COVID-19 pandemic were a priority for all, and constituted the most urgent issue. In this context, the European Union and its Member States welcomed the Resolution on the Role of Customs in Facilitating the Cross-Border Movement of Situationally Critical Medicines and Vaccines, and urged Members to implement the recommendations contained therein.
- 184. The Delegate of CANADA expressed her support for advancing the work on the PFCWG, and for the proposal to reallocate work across the Secretariat given that some Working Groups were under "sunset" provisions. She also emphasized the importance of not creating financial pressures for the WCO, and of taking cost-saving measures in order for this work to be sustainable. Canada was particularly interested in actively collecting API and PNR data for cruise ships, as well as increasing technical and procedural capacity and facilitating coordination among countries involved in the commercial cruise ship industry. She added that API and PNR data could play an important role in supporting citizens' health and security, which was a crucial consideration especially during the current health crisis. Finally, she expressed her support for the proposal by the Delegate of Australia and agreed that work should be done to identify opportunities for saving costs that could be redirected to this important Working Group.
- 185. The Delegate of the DOMINICAN REPUBLIC agreed that priority should be attached to passenger-related issues as they had an enormous impact on her country's economy and on risk management for mitigating smuggling and illicit flows. Receiving more than fourteen million passengers a year had a huge impact on the Dominican Republic as a small economy Member, and therefore initiatives for reintroducing international travel should be a priority among the WCO's work. She also acknowledged the need to make better use of virtual tools and instruments as a cost-saving measure, and ended by reiterating her support for this topic as it was highly relevant to the WCO and its Members.
- 186. The Delegate of JAPAN recognized the importance of the three items under discussion. With regard to the item on the role of Customs in mitigating the effects of the COVID-19 pandemic, the Delegate commended the Secretariat for its work in this area. Japan fully shared the view that the digitalization of Customs processes contributed to the enforcement of social distancing requirements in outbreaks of epidemic diseases such as COVID-19. It was important that Customs administrations work together actively on the digitalization of Customs processes, as this helped to enhance their user-friendliness and efficiency. The Members in the Asia/Pacific region had agreed to hold a dedicated meeting to share information on their policies and experiences in respect of the digitalization of Customs processes during the COVID-19 pandemic. The Delegate voiced support for continuing such cooperation with the

objective of tackling the issues that the global Customs community was facing. Japan was also looking forward to fruitful cooperation in the PFCWG.

- The Delegate of NEW ZEALAND reminded Members that it had been agreed that 187. the PFCWG's work was a priority for the WCO. He noted that it was critical to have a bio secure border and to manage the movement of passengers, and it was now time for the work to begin. He also emphasized the need to develop data standards for all maritime passengers and to address the issue of broken PNR, while noting that a number of Members had been faced with risks in the road and rail modes. New Zealand had hoped that the "sunsetting" of some WCO working groups this year would present an opportunity to reallocate resources to this priority, but this had not happened as the Secretariat had advised in the Policy Commission that it was not possible. He expressed strong support for the intervention by the Delegate of Australia, and in particular for the suggestion that for the purposes of the prioritization there should be a moratorium on the updating of existing tools which did not directly support the PFCWG work and the work related to COVID-19. He stressed that passenger data was important not only for Customs risk management for the pre-clearance of travellers, but also for legitimate trade, and the WCO should act to ensure the focus on the development of international passenger data standards and on the emerging COVID-19 vaccine and tools that supported the bio secure movement of persons across borders. He concluded his intervention by echoing the Delegate of Australia in giving the greatest priority to supporting Members to meet the challenge of reopening bio secure borders.
- 188. The Delegate of SRI LANKA thanked the Secretariat for its endeavours to continue the work of WCO bodies during the COVID-19 pandemic, and for sharing relevant border management practices. The pandemic had affected Sri Lanka badly, but Sri Lanka Customs had nevertheless been able to continue its operations by successfully deploying risk management techniques and non-intrusive inspection equipment, among others. Despite the challenges, Sri Lanka had been progressing steadily on its path to implement the World Trade Organization's Trade Facilitation Agreement (WTO TFA). Sri Lanka had recently launched an Authorized Economic Operator (AEO) Pilot Project. While the border agencies in Sri Lanka had continued to perform their duties despite a decrease in the number of staff due to COVID-19, Sri Lanka Customs had been seeing a surge in the illicit trafficking of narcotics. In the last couple of months, Sri Lanka Customs had detected the smuggling of drugs and illicit goods worth millions of US dollars.
- 189. The Delegate of the UNITED KINGDOM expressed his full support for the adoption of the draft Resolution on the Role of Customs in Facilitating the Cross-Border Movement of Situationally Critical Medicines and Vaccines, and hoped that the implementation of the Resolution would support continued and enhanced international cooperation. He regarded the PFCWG initiative as being directly related to the discussion around fighting COVID-19. In this context, he urged the Secretariat to consider the proposals by the Commissioner of the Australian Border Force on reviewing priorities so that the Working Group could make a swift start on its work, as the activities related to the collection of API/PNR data were considered essential for the security of the supply chain.
- 190. The Delegate of INDIA expressed his appreciation of the WCO's work on all three topics being discussed under this Agenda item. The COVID-19 pandemic had had both social and economic implications, and the Secretariat had worked proactively towards continuing the work of the Organization and supporting Members through various tools and initiatives, including the sharing of best practices in response to

the COVID-19 pandemic. In his view there was a need for a dedicated tool on disaster/pandemic management, and relevant discussions had already taken place in the PTC and Policy Commission. There was a gap in terms of the availability of WCO guidelines related to the large-scale distribution of vaccines, and it was felt that such guidance could support the implementation of the Resolution on the Role of Customs in Facilitating the Cross-Border Movement of Situationally Critical Medicines and Vaccines, which India fully supported. Last, the Delegate supported the endorsement of the Business Case for the creation of the PFCWG to carry forward the work in the important area of passenger facilitation and control in all modes of transport, including road and rail, for the sake of holistic risk management.

- 191. The Delegate of GUATEMALA expressed his support for the setting up of the PFCWG, and suggested that all modes of transport be included. He also supported the interventions by the Delegates of Australia, the United States and New Zealand about the importance of allocating the necessary resources to the Working Group. He went on to thank the WCO for the support provided during this difficult period of the COVID-19 pandemic. In the Americas and Caribbean (AMS) region, COVID-19 related issues had been the subject of extensive discussions and the region was looking at setting up a regional forum to discuss these issues with the support of the WCO, and possibly the Inter-American Development Bank and World Bank. Finally, he emphasized the importance of supporting the WCO in the development of a technical document or a guide on best practices for the importation of vaccines that could be used worldwide.
- 192. The Delegate of IRAQ mentioned that his country had been going through an exceptional situation since 2003, with the complete destruction of the country's infrastructure, including that of Iraqi Customs. As a result, Iraqi Customs had lost its hold on the Customs role and the link with neighbouring countries, while the outside world became more and more complex. The Delegate thanked the WCO, the international community and stakeholders for the support and capacity building provided to Iraqi Customs to assist it in fulfilling its mandate. He called on Members to continue to provide training through workshops organized for Iraqi Customs by international experts. He said the WCO's expertise through capacity building, particularly in terms of performance measurement, was highly needed.
- 193. The Delegate of MEXICO acknowledged the important work undertaken by the Secretary General and the Deputy Secretary General, which had resulted in the WCO Strategic Plan for the period 2019-2022. With regard to the Terms of Reference of the PFCWG, Mexico was in agreement with the standardized method of sending passenger information using API and PNR data. The Delegate considered the work related to COVID-19 to be the most important and urgent issue, and was pleased to announce that Mexico had become the sixth country to authorize the use of a COVID-19 vaccine. He emphasized the importance of promoting unity and cooperation among Customs administrations globally in order to ensure the smooth cross-border movement of essential goods, including vaccines. He also expressed his deepest condolences to the Lebanese Customs Administration for the tragic incident of August 2020, and acknowledged the Administration's efforts to guarantee the continuity of operations in such an adverse context. In this regard, Mexico welcomed the WCO Secretariat Note on How Customs Can Support the Safe and Secure Storage of Dangerous Goods, and thanked the Members that had shared relevant information.
- 194. The Delegate of ANTIGUA AND BARBUDA strongly supported the work on the PFCWG, while expressing some serious concerns about how the guidance would be followed by each country. He argued that as security and privacy matters were the

domain of sovereign nations alone, if the legislative content was missing the whole project would not evolve well even though the Working Group could work on developing an advance data format standard. He therefore considered that the Working Group should also focus on reaching a consensus in favour of setting up a binding protocol, so that Members would undertake the amendment of their national legislation in order to support the project.

- 195. The Delegate of the RUSSIAN FEDERATION joined previous speakers in acknowledging the Secretariat's work in response to the COVID-19 pandemic, and specifically the sharing of Members' best practices in this context. The Russian Federation supported the adoption of the draft Resolution on the Role of Customs in Facilitating the Cross-Border Movement of Situationally Critical Medicines and Vaccines. Customs administrations already had plenty of instruments at their disposal to support the smooth flow of relief and essential goods, including medical equipment, medicines and vaccines. Political will and national action plans were, however, indispensable for putting the available instruments into practice and achieving the desired facilitation of the cross-border movement of relief and essential goods. The Delegate called upon the Secretariat to use all available communication tools to promote the role of Customs in fighting the COVID-19 pandemic. While reminding delegates that the Russian Federation had started administering a COVID-19 vaccine. the Delegate reiterated his country's readiness to support all interested Members in their efforts to overcome the challenges created by the COVID-19 pandemic.
- 196. The Delegate of the DOMINICAN REPUBLIC began his intervention by alluding to the possibility of establishing a special working group to deal with COVID-19 related matters, including the distribution of vaccines, adding that in his opinion the efforts to mitigate the effects of the pandemic should have absolute priority. The Delegate outlined some of the challenges identified, such as a lack of adequate logistics capacity, issues associated with the transportation and handling of temperature-sensitive vaccines, the need to ensure appropriate traceability of shipments in order to counteract any illicit trade attempts, and the need to prevent the circulation of counterfeit and/or substandard vaccines. While Customs wrestled with these serious challenges, the population of each country was counting on its Customs administration as a key link in the vaccine distribution supply chain, and the Delegate agreed that top priority should be assigned to COVID-19 related activities.
- 197. The Delegate of MALDIVES shared the opinion that the COVID-19 pandemic had brought unprecedented challenges worldwide and had had serious socio-economic repercussions. Maldives had been no exception, and its tourism sector had been hit hard by the pandemic. Against the backdrop of the COVID-19 pandemic, the Maldives Customs Service (MCS) had sought the support of its government for strengthened efforts to survive the economic downturn and build back better. To this end, accession to the Revised Kyoto Convention (RKC) had marked an important step in the right direction. After submitting its Instrument of accession to the WCO on 19 October 2020, Maldives had become the 124th Contracting Party to the RKC, successfully concluding a preparatory process that had started in 2014. The Delegate underlined the importance of the RKC for Customs administrations worldwide and spoke of the benefits of accession, such as greater transparency and predictability of Customs procedures, the positive impact on the country's economy through an increase in foreign direct investment, etc. The Delegate expressed his gratitude for the assistance provided by the WCO and other international partners in the journey to accession. Turning to the impact of the COVID-19 pandemic on the tourism sector, the Delegate highlighted the MCS's efforts in the area of passenger facilitation and control, which had been supported by the deployment of the WCO Global Travel Assessment

System. With regard to the distribution of COVID-19 vaccines, the MCS was making all the necessary arrangements for the smooth clearance and release of vaccines for the benefit of Maldivian citizens.

- 198. The Delegate of PERU acknowledged the WCO's efforts to develop a set of tools upholding the role of Customs in the fight against the COVID-19 pandemic, and supported the development of guidelines to facilitate the distribution of vaccines.
- 199. The DEPUTY SECRETARY GENERAL indicated that the topics being discussed under this Agenda item were of high relevance, and were all priorities within the WCO's work. He said the discussions regarding the PFCWG's Business Case and Terms of Reference were in line with the Policy Commission's conclusions. Work on the COVID-19 Action Plan within the Secretariat would reflect the comments made at the PTC, Policy Commission and Council sessions, and the WCO would be able to prioritize the COVID-19 response and actions in a cooperative and coordinated way within the Customs community. Referring to the Secretary General's remarks, made on the first day of the session, that the Implementation Plan of the WCO Strategic Plan would be flexible and adjusted to the current circumstances, he emphasized that the Implementation Plan would reflect the priorities discussed in relevant WCO working bodies. He appreciated Members' overwhelming support for the Resolution on the Role of Customs in Facilitating the Cross-border Movement of Situationally Critical Medicines and Vaccines, and said he looked forward to continuing the work on Customs' handling of dangerous/hazardous goods.
- 200. In conclusion, <u>the Council</u> :
 - <u>approved the establishment of the Passenger Facilitation and Control Working</u> <u>Group and encouraged Members to contribute to this important work;</u>
 - adopted the Resolution of the Customs Co-operation Council on the Role
 of Customs in Facilitating the Cross-Border Movement of Situationally Critical
 Medicines and Vaccines (Annex II) and encouraged Members to engage in
 future WCO work in this area, as appropriate;
 - <u>acknowledged the Secretariat Note on "How Customs Can Support the Safe and</u> <u>Secure Storage of Dangerous Goods" and encouraged Members to share their</u> <u>experiences through the Secretariat; and</u>
 - tasked the Secretariat to prioritize and resource the work on passenger control and facilitation and the role of Customs in mitigating the effects of the COVID-19 pandemic.
 - Gender equality and diversity Council declaration
 - New working methods
 - Guidelines concerning WCO election processes Paper by Canada
- 201. The DEPUTY SECRETARY GENERAL reported to the Council on the governance matters which the Policy Commission had discussed, starting with the topic of gender equality and diversity. He said that at the Policy Commission session he had stressed the importance of this issue for the Secretariat and Members alike. He had provided an overview of the progress made with the WCO's work on this topic during the previous year, following the Report by the Policy Commission. He had informed delegates that five meetings had been held with the Virtual Working Group (VWG) on Gender Equality and Diversity. Also the Secretariat, in consultation

with Members, had developed a draft WCO Declaration on Gender Equality and Diversity in Customs, which outlined the common objectives as well as a vision for Members and the Secretariat. The draft Declaration had been endorsed by the Capacity Building Committee in March 2020. Moreover, the Secretariat had discussed ideas for the establishment of a Women in Customs Network and the VWG had agreed to open this network to men also, in order to highlight the fact that gender equality concerned everyone, not just women. He added that the VWG had recommended expanding the scope of this new Network to cover other human rights issues related to diversity and inclusiveness. Finally, he had informed the Policy Commission that a draft Concept Note for this new Network would be discussed at the next meeting of the Capacity Building Committee in February 2021.

- 202. The Deputy Secretary General was pleased to report to the Council that a large number of delegates in the Policy Commission had thanked the WCO Secretariat for its ongoing work to promote gender equality and diversity. Also, one delegate had indicated that his Administration's Comptroller General and Director General had offered herself as a mentor to support and take part in the establishment of this new Network, and another had indicated her readiness to host the first physical meeting of the Network, once conditions allowed.
- 203. The Deputy Secretary General concluded his summary by informing the Council that the Policy Commission had :
 - taken note of the progress and latest developments with the WCO gender equality and diversity agenda;
 - agreed to support the WCO Secretariat in its ongoing work on gender equality and diversity by actively contributing to the work with the VWG, and by providing feedback, ideas and sharing good practices; and
 - endorsed the updated draft Declaration of the Customs Co-operation Council on Gender Equality and Diversity in Customs and recommended its adoption by the Council.
- 204. The Deputy Secretary General then reported on the outcomes of the Policy Commission's discussions on new working methods. He recalled discussions held at the December 2019 Policy Commission session and noted that, since then, feedback had been collected from Policy Commission members in four main areas, namely calendar of meetings, preparation of agendas, drafting and availability of documents, and reporting and follow-up. He said he had drawn delegates' attention to the sharp increase in the number of WCO working bodies and meeting days, which had resulted in the need to address the issue of prioritization as a matter of urgency. When the global COVID-19 pandemic had struck, an urgent need for business continuity and reengineering had emerged. The WCO Secretariat had swiftly started implementing temporary options to replace face-to-face meetings for essential work and to ensure that WCO technical assistance and capacity building support to Members could continue during these challenging times. At that stage the Secretariat had been exploring which of the initially temporary measures could remain in place in a post-pandemic environment.
- 205. The Permanent Technical Committee (PTC) had established an ad hoc mini group which had proposed a general rule to allow for collective decision-making when normal operations were interrupted. The PTC had also discussed the development of

a WCO-wide Business Continuity Plan to support continued operations during times of disruption.

- 206. Policy Commission members had acknowledged the relevance and urgency of acting quickly and developing proposals for the Policy Commission and Council sessions in June 2021, taking into account suggestions made by the Chairpersons of WCO working bodies. There was an urgent need to identify topics that were of lower priority and readjust resources accordingly, and Members had highlighted the opportunity for improving efficiencies in working methods, as well as underscoring the importance of developing an overarching Business Continuity Plan for the WCO. One Member had made a concrete proposal to incorporate the Information Management Sub-Committee (IMSC) into the Data Model Projects Team (DMPT) and the PTC, and to dispense with the reading of the full Report of the Harmonized System (HS) Committee, focusing on the decisions only, which would lead to a cost reduction.
- 207. The Acting Chairperson had invited the Chairpersons and members of each WCO working body to work together with the Secretariat to provide a list of high and low priority topics by the end of January 2021, and to further discuss this list with the regional Vice-Chairpersons so that concrete and tangible proposals could be discussed at the next Policy Commission session. The Secretariat had agreed with the suggested way forward, especially bearing in mind that the annual calendar of meetings would be presented to the Policy Commission for approval in June 2021 and this would provide a good opportunity to begin implementing the recommendations. The proposed time frame was adequate to achieve the desired efficiencies and plan accordingly for next year's activities and Implementation Plan.
- 208. In conclusion, the Policy Commission had :
 - taken note of the information regarding working methods and reporting procedures employed by the various WCO working bodies, including the feedback and comments provided by Members regarding potential areas for further improvement;
 - agreed to update the existing "Guidelines concerning Improving the Efficiency and Effectiveness of WCO Working Bodies", as proposed by Members, and requested that an updated draft thereof be presented to the June 2021 Policy Commission;
 - supported the development of a Business Continuity Plan for the WCO to prioritize activities and alter working arrangements during disruptive events; and
 - tasked the Secretariat with collecting input from the Chairpersons and members of different WCO working bodies to serve as a basis for the intersessional work.
- 209. Moving to the next topic, the Deputy Secretary General said the Acting Chairperson had reminded the Policy Commission that during its December 2019 session, Canada had proposed that new guidelines be developed for WCO election processes. This proposal had received support from delegates and Canada had developed a non-paper to provide a basis for discussion on this matter. The Delegate of Canada had presented the non-paper "Elections at the WCO : Re-Examining Governance Principles" to the Policy Commission.
- 210. The Deputy Secretary General explained to the Council that the proposal was looking to ensure inclusiveness, diversity, equality, transparency and accountability. It

contained eight specific recommendations responding to three main objectives. Under the first objective, "To Enhance Inclusivity, Diversity, and Equality Among Candidates", there were two recommendations : one on the establishment of a spending cap regarding Directors' election campaigns (1) and another on the revision of the application form for leadership positions (2). Under the second objective, "To Strengthen Transparency", two recommendations were also made : one on the template for reporting candidates' spending (3) and another on the development of clear qualifications and role definitions for elected positions (4). Under the third objective, "To Increase and Promote Accountability", there were four recommendations regarding : the revision of the Rules of Procedure to ensure blind voting (5); reporting by Directors to the Policy Commission (6); reporting by Directors to the Finance Committee (7); and the establishment of performance measurement indicators for Directors (8).

- 211. The Deputy Secretary General informed the Council that Policy Commission delegates had thanked Canada for its efforts, and supported the principles and objectives outlined in the non-paper. They had, however, acknowledged a need for further work, with progress to be presented at the next Policy Commission session. Delegates had agreed that some of the principles presented were already ready to be formally endorsed and submitted to the Council so that they could be piloted in the intersession. Other recommendations still needed clarification and refinement.
- 212. In conclusion, the Deputy Secretary General said the Policy Commission had recommended that Recommendation 2 be put forward to the Council for adoption, and Recommendations 6, 7 and 8 be piloted after the December 2020 Policy Commission and Council sessions. They had tasked the Secretariat to communicate further on the steps to be taken. In the meantime, the Policy Commission had invited interested Members to contribute to further deliberations on Recommendations 1, 3, 4 and 5 during the intersession, in order to better inform the discussions that would take place during the June 2021 Policy Commission and Council sessions.
- 213. The Deputy Secretary General pointed out that the Policy Commission had also discussed a proposal submitted by the Russian Federation, but reminded delegates that this topic had been added as a separate item under "Other business", for the Council's consideration. The Policy Commission had taken note of the presentation given by the Russian Federation and welcomed the general principle of improving governance, calling on Members to maintain an open dialogue on this important matter for future meetings.
- 214. The ACTING CHAIRPERSON then opened the floor for comments on these three important items.
- 215. The Delegate of GUATEMALA, Vice-Chair for the Americas/Caribbean region, expressed his support for the draft Declaration on Gender Equality and Diversity in Customs and recommended its adoption by the Council. He stressed the importance of gender equality and diversity for the WCO as a whole, and suggested that joint activities between the WCO and the regional Vice-Chairs should be envisaged. He emphasized that it was important for Members to see results from the implementation of the draft Declaration which could be measured over time. In that regard, he suggested establishing a technical group of evaluators to work on this topic. Furthermore, his Region had implemented a number of good practices on gender equality and diversity, which could be shared. He also informed the Council that a number of Directors General from his Region had offered their assistance in order to

support this new WCO group, including the Directors General of Customs of Panama, Peru and Jamaica.

- 216. The Delegate of PANAMA shared the views of the Vice-Chair for the Americas/Caribbean region, and expressed her support for the draft Declaration. She was proud to be included, in the proposal presented by the Vice-Chair, as one of the advisors for this new Declaration. She added that she was particularly proud, as a woman, to be an actor for change, and said it was important to give an opportunity for women in Customs to be empowered.
- 217. The Delegate of PERU said that she was pleased to be able to work on this topic with the WCO. She expressed her support for the draft Declaration, and thanked the Vice-Chair for the Americas/Caribbean region for inviting her to participate as an advisor in this respect. She went on to say that a Conference on the topic of gender equality and diversity had been held in Peru, with 1500 participants. She suggested that the Secretariat introduce indicators concerning the Declaration, in order to measure the role of women in Customs and, especially, women's access to senior management positions. Only when this topic could be measured accurately could the desired results be achieved. Finally, she stressed that there was a significant gap to bridge, and while a lot of progress had been made there was still a lot to do.
- The Delegate of NEW ZEALAND made an intervention on behalf of 218. his Comptroller General, and referred to the intervention already made during the Policy Commission session. He said this topic was critically important for his Comptroller General, and New Zealand was proud to be actively engaged in the WCO VWG. He further commended the Secretariat for its work on this topic. His Administration had supported the establishment of a Women in Customs Network many years ago, and he was pleased to see how that early work had now broadened with the development of the new Declaration. His country believed there was a need to encourage Members to ensure that their leadership represented the communities which they served, and the WCO Secretariat in Brussels should be an exemplary international organization for the Declaration and for the cause of gender equity, diversity and inclusion. His Administration recognized the establishment of the Network for Gender Equality and Diversity in Customs as the first step towards the WCO becoming a world exemplar organization for the ideals set out in the Declaration. As he had indicated to the Policy Commission, in support of this vision his Comptroller General had offered her support to the Secretary General and to the staff of the WCO Secretariat, as a mentor in the establishment of such a Network. He further acknowledged the interventions by the Delegates of Guatemala, Panama and Peru, and welcomed the collaboration with other Members in the establishment of this Brussels Network.
- 219. The Delegate of the RUSSIAN FEDERATION expressed his full support for the Declaration and reiterated that his Administration had no problems with regard to gender equality, and that there was fair competition throughout the Organization. He referred to Guatemala's proposal for establishing a technical group of evaluators regarding the Declaration and asked for further clarifications of this proposal, pointing out that several governance working groups had previously been established to try to address governance issues within the WCO. He stressed the importance of limiting the work on governance issues to certain individuals, to ensure more fruitful and results-oriented discussions.
- 220. The Delegate of FRANCE supported the views of previous delegates, stressing that gender equality and diversity were also priorities for French Customs. She found

the suggestion of setting up a Network for Gender Equality and Diversity in Customs as well as the other suggestions - very interesting. She noted that many female Directors General had taken the floor, and joined them in wishing for the success of these new initiatives.

- 221. The Delegate of CANADA expressed her support for the Declaration and commended the Secretariat for its continued efforts in promoting gender equality and diversity in the workplace. She said that Canada stood ready to work with the Secretariat and Members to further promote gender equality and diversity.
- 222. The Delegate of CUBA also supported the Declaration. His country had a policy on this matter, and his Administration had increased the percentage of women working in Customs.
- 223. The Delegate of the UNITED STATES applauded the establishment of the new Network and expressed his Administration's support for it. He commended the fact that fellow Directors General from his region had volunteered to participate in this Network, presenting a unique opportunity to provide wisdom and insight to it. He also mentioned that USAID had done a study on Women in Customs, which the United States was hoping to be able to share with the VWG and with fellow Members soon.
- 224. The Delegate of INDIA thanked the Secretariat for taking the initiative on this topic, which was relevant to Customs as a whole. He stressed that women were often under-represented, and this deprived Customs of a unique perspective. He complimented the WCO on its various efforts in this regard, including the work of the VWG, the gender equality and diversity assessments conducted through the WCO Gender Equality Organizational Assessment Tool (GEOAT), and the proposed Women in Customs Network, which he said would help towards the empowerment of all women and girls, and towards the achievement of the relevant United Nations Sustainable Development Goals. He stressed that India was sensitive to this issue, was continuously working on it, and had been participating in the related WCO activities. The GEOAT tool had been used to perform an assessment of Indian Customs, and his Administration had offered a case study for inclusion in the WCO Compendium of Best Practices, which covered the approach for dealing with complaints of sexual harassment in the office environment. He ended by expressing his support for the Declaration.
- 225. The Delegate of the MALDIVES said that promoting good governance was one of the main priorities in his Administration's Strategic Plan. His Administration had created several policies and programmes to promote gender equality and diversity. The number of female officers appointed had increased in the past few years, and there were now more women in decision-making positions, as well as in Operations. Also, his Administration had adapted its working policies, introducing more flexible provisions including finalized procedures allowing women on maternity leave to work from home. He stressed that he was proud to promote equal pay and opportunities with regard to gender. A working group had been established in 2020 to advise management on ways to improve gender equality, and some of its members also formed part of the VWG. He added that during the pandemic his Administration had excused pregnant women and mothers with infants from work, giving them the opportunity to remain at home with pay.
- 226. The Delegate of the UNITED KINGDOM expressed his support for the Declaration, and said he was pleased to point out that the United Kingdom had

contributed to the publication of the Case Study Compendium of best practices on gender equality and diversity, with an example of its diversity networks. His Administration was looking forward to contributing actively to future meetings with the VWG.

- 227. The Delegate of KOREA expressed his Administration's support for all the documents presented by the Deputy Secretary General.
- 228. The Delegate of INDONESIA welcomed and supported the Declaration, and expressed his appreciation of the WCO's work on improving Members' awareness of gender equality and diversity issues, particularly through the VWG. He encouraged all Members to contribute actively to the work of the Group by sharing ideas and best practices. His Administration was committed to continuously raising awareness of gender equality and diversity, through several initiatives which had been summarized in a case study submitted for inclusion in the WCO Compendium. He mentioned one of the latest initiatives, namely a regulation regarding the prevention of, and support with handling, sexual harassment in the work environment. He stressed that it was the responsibility of all Customs administrations to support victims of sexual harassment and gender-based violence.
- 229. The Delegate of AUSTRALIA also expressed his support for the Declaration, and thanked New Zealand for offering the support of its Comptroller General to mentor the WCO's Network for Gender Equality and Diversity.
- 230. The Delegate of the EUROPEAN UNION expressed his full support for the Declaration, including the reference to the WCO Secretariat. He said the EU had a long-standing commitment to promoting gender equality and diversity in all its institutions. He also stressed the EU's support for the Network and said he was pleased to see so many Members expressing their interest in participating in this work. He said the EU would be happy to host the first meeting of this Network in Brussels, adding that men would be equally welcome to attend.
- 231. The Delegate of JAPAN expressed his country's appreciation of the WCO Secretariat's initiatives, including drafting the Declaration, proposing the establishment of the Network, and holding VWG meetings. He expressed his country's full support for the efforts being made in this matter.
- 232. The Delegate of the DOMINICAN REPUBLIC congratulated the WCO on the Declaration. She said that her Administration valued gender equality, and that four years ago women had made up only 30 % of her Administration, whereas now they represented over 40 % and this figure was increasing. She went on to give examples of various prominent positions within her Administration which were held by women. She added that the Chair of the WCO's Technical Committee on Customs Valuation was a woman from the Dominican Republic, and that her Administration had also appointed a female representative to the Harmonized System Committee. She emphasized her Administration's willingness to support the WCO on this topic, and her interest in learning more about the outcomes of the USAID study on Women in Customs.
- 233. The Delegate of THAILAND supported the Declaration as a means of promoting non-discrimination, and said that her country had appointed a member of the VWG.
- 234. The Delegate of MEXICO stressed the need to continue working on proposals to prioritize the work of the WCO in order to improve the path towards the next Policy

Commission session, such as this Declaration which could be recognized as a cornerstone project for the Organization. He further expressed his Administration's support for the proposal put forward by the Regional Vice-Chair to include female Directors General of the Americas and the Caribbean Region in the new network initiative. He added that his Administration acknowledged the guiding principles of equality, inclusion and non-discrimination, and supported the Secretariat's work on this topic.

- 235. The Delegate of ANTIGUA AND BARBUDA welcomed the Declaration, and also commended Canada's initiative on governance issues. He then shared some information about the current situation with regard to gender equality in his Administration, saying that out of approximately 200 employees there was a female-male ratio of around 60 % 40 %. Where senior staff were concerned, his Administration had three Deputies, two of whom were female; it was very likely that a female official would lead the Administration in the near future. Antigua and Barbuda had liberal policies allowing female officers to take time off, for example to pursue higher education and for maternity leave. He added that his country had comprehensive government policies on how to ensure equality in the workplace with regard to gender, race and any other grounds, and that discrimination of any sort was not tolerated. He was pleased that this issue was being discussed by the WCO, and hoped that great success would be achieved.
- 236. The Delegate of TURKEY also supported the draft Declaration. Through messages in the chat box, several other Members including Spain, Honduras, Iran, Luxembourg, Comoros, Mauritius, Norway, Belize, Switzerland, Cambodia, Peru, Sri Lanka, Algeria, Lebanon, Iceland, Panama, Sweden and Australia, expressed their support for this, and related initiatives such as the establishment of the new Network.
- 237. The Delegate of SPAIN supported the suggestion by Peru that indicators be introduced to monitor progress with gender equality and diversity, and offered her Administration's experience of using indicators in its annual report on gender equality.
- 238. The Delegate of AUSTRIA recalled that diversity included all forms of discrimination, including that based on religion, age, race, gender or sexual orientation.
- 239. The Delegate of AUSTRALIA added that his Administration was looking forward to seeing the WCO Secretariat implement the measures outlined in the Declaration, as an exemplar for global Customs administrations.
- 240. The Delegate of CAMEROON expressed his appreciation to the WCO Secretariat for bringing up the topics of gender equality and diversity; nevertheless, he wondered how it would be possible to ensure that gender equality and diversity were really achieved.
- 241. The DEPUTY SECRETARY GENERAL thanked all the delegates for their contributions and inputs on these important matters. He was pleased to note that there was overwhelming support for the adoption of the draft Declaration in line with the Policy Commission's conclusion, adding that the Secretariat was highly committed to continue working on this issue. He went on to thank the Vice-Chair for the Americas/Caribbean region for his support and, in particular, the Directors General of Panama, Peru and Jamaica, as well as the Directors General of New Zealand, France and the other Members who had expressed their support for this work and their interest in joining the new Network. He also said that the EU's proposal to host the first

physical meeting of the Network was welcomed. Finally, he stressed that the Council's conclusions on this item were in line with those of the Policy Commission.

- 242. The ACTING CHAIRPERSON referred back to the comment made by the Delegate of Peru concerning the use of indicators to measure the progress of the implementation of the Declaration, and stressed that if the Secretariat did start using indicators in this way, inputs and contributions from Members would be crucial. He went on to encourage all Members to keep the Secretariat updated.
- 243. The Deputy Secretary General agreed with the Acting Chairperson on this point, stressing that Member engagement was key to this matter. He referred to the messages that had been posted in the chat box during the session, including in particular a specific question from Cameroon on how to measure the advances and progress on gender equality and diversity, and noted that this comment was in line with Peru's proposal regarding the introduction of indicators. He said he was certain that the VWG and the new Network would work on this issue.
- 244. Referring to the topic of new working methods, the Delegate of the RUSSIAN FEDERATION expressed his Administration's continued support for the improvement of working methods within the Organization. Having the responsibility of chairing several WCO working bodies, his Administration was always looking at means to fill in gaps and align the operations of WCO working bodies with best practices. He considered that the principles were important, but noted that they needed to be laid down on paper. He looked forward to next June's session, to propose new working methods and governance proposals to improve the operations of the Organization's working bodies.
- 245. The Delegate of CUBA said that as the crisis caused by the COVID-19 pandemic had affected the existing working methods, it was time to prioritize other working methods. He also asked about the state of play regarding the Working Group on Accessions, and requested that this Group present conclusions to the next Policy Commission session so that they could be analysed at the next Council session.
- 246. The Delegate of the UNITED STATES commended the work done by the PTC to adopt and pursue improved working methods for making the Organization more efficient. A prioritization of work would be required, and this would have an impact on resource allocation. Although there was a lot of important work ahead, he pointed out that there were many concrete examples of how to reprioritize work and find efficiencies. He supported the suggestion by Japan to put an end to the IMSC. Tough decisions like this were required as Members were trying to rebuild their economies and the global economy. In the Strategic Plan and the COVID-19 Action Plan, as well as in the course of efforts to establish a Business Continuity Plan, several streams of work had been identified which required prioritization and best resourcing, but at the same time some topics which could be postponed to a later date or deprioritized had been identified.
- 247. The Delegate of the UNITED KINGDOM applauded the ongoing work of the PTC ad hoc mini group and supported the development of a WCO-wide Business Continuity Plan that would deliver consistency across all WCO working bodies.
- 248. The Delegate of INDONESIA, Vice-Chair for the Asia/Pacific region, fully supported the decision regarding working methods aimed at achieving efficiencies. Based on experiences with various types of meetings during the pandemic, he

concluded that concerns regarding time differences and the importance of safety and health protocols should be the top consideration.

- The Delegate of AUSTRALIA said that as the scale of the disruption caused by 249. the COVID-19 pandemic was unprecedented, it was imperative to be as well prepared as possible for any future disruption. Australia was the Chair of the ad hoc mini group which had established that the WCO would benefit from a Business Continuity Plan setting out arrangements for the Organization's operations in times of interruption. This Plan would be codified in rules of procedure, by developing a process to allow a committee of decision makers to enact business continuity arrangements and decide whether it would be appropriate to resume normal working arrangements. He was confident that the mini group would succeed in developing modernized rules of procedure, and he thanked the members of the mini group, which remained open for all interested members to join. As the work of the PTC was relevant to many other committees and working bodies across the Organization, he proposed that the Council review the Business Continuity Plan and the PTC's revised Rules of Procedure once finalized, and recommend their adoption as a model approach across all WCO bodies to ensure consistency of operations to the greatest extent possible.
- 250. The Delegate of AUSTRALIA went on to say that the Council should also consider the WCO's experience during the pandemic in order to optimize meetings in a post-pandemic situation. Face-to-face meetings should continue to be the default format as soon as circumstances allowed, but some aspects of virtual meetings, for example document-based consultations, could help to increase participation, particularly for countries without the resources to travel to meetings or maintain a permanent representative in Brussels, notably countries in the Asia/Pacific region which had to contend with long distances and large time differences from Brussels. He recognized the Policy Commission's conclusions for countering challenges related to resources and prioritization, efficiencies and effectiveness that the WCO had faced for years, and which had been exacerbated by the advent of COVID-19. He noted that the PTC and the Working Group on Revenue Compliance and Fraud had asked the Policy Commission to consider the level of detail outlined in the Action Plans for the four WCO Work Packages, and address the issue of how work was added or removed from these Plans in order to ensure clarity and consistency. He asked that this notion be included in future deliberations, and expressed his willingness to actively support the process.
- 251. The Delegate of the EUROPEAN UNION supported the Secretariat's work on the revision of the existing working methods, and the finalization of the Business Continuity Plan. He stressed that once these measures were adopted, it would be very important to rigorously implement and monitor the updated procedures.
- 252. The Delegate of the DOMINICAN REPUBLIC welcomed the progress made on working methods, as this would contribute to more aligned planning across the Organization. She offered her support for these efforts.
- 253. The Delegate of MEXICO acknowledged the importance of the continued work on proposals to prioritize the work of the WCO in order to prepare for the next Policy Commission session, and supported Japan's proposal regarding HS Committee Reports.
- 254. The Delegate of KOREA supported the Report of the Policy Commission, as did several delegates by message.

- 255. The Deputy Secretary General thanked delegates for their contributions and support on this important topic. He said that as far as the Secretariat was concerned it was highly relevant to keep pursuing efficiencies and improving working methods within the Secretariat, which had been adapted under the ongoing COVID-19 circumstances. Currently the Secretariat was conducting a study, together with Members, to identify which measures could be made permanent. In this endeavour, suggestions and conclusions by other working bodies, particularly as suggested by Australia the PTC and the ad hoc mini group, would be taken into consideration. He welcomed the input by Members who had offered to participate actively in the efforts to present tangible proposals to the Policy Commission at its next session.
- 256. Turning to the Canadian proposal regarding Elections at the WCO, the Delegate of the RUSSIAN FEDERATION welcomed the non-paper developed by Canada and fully concurred with the main principles it contained. He considered that these governance matters were of primary importance for the WCO.
- 257. The Delegate of CANADA thanked Policy Commission members for their support regarding the non-paper. She also thanked the United States and New Zealand for their participation in drafting the non-paper. She looked forward to working with Members and the Secretariat to advance further on the recommendations and their implementation, piloting or refinement. She expressed the opinion that this work would strengthen WCO elections and governance, and stressed the need to undertake it with a limited amount of resources and to guickly implement as many recommendations as possible. In this light, she appreciated the Policy Commission's support for the immediate endorsement of Recommendation 2 and its agreement to move forward with Recommendations 6, 7 and 8. Canada would commit to working on the remaining recommendations during the intersession, to enhance their clarity. She added that Canada's recommendations were based on the principles of good governance, including equality and diversity, transparency and accountability. These were values that underpinned the WCO and were of critical importance for international organizations in general. Canada hoped that good progress would be made on the remaining recommendations before June 2021, and that they would be finalized in time for the elections taking place in June 2022.
- 258. The Delegate of CUBA agreed that there was a need to look into electoral procedures within the WCO, and thanked Canada for its efforts in this regard. He said that Cuba could agree with the recommendations put forward in the non-paper. Although conscious that the crisis generated by the pandemic had affected the Organization's work and priorities, he nevertheless drew attention to the importance of concluding the work assigned to the Working Group on Accessions and how that would impact the situation of Kosovo. The Working Group should be tasked to present a conclusion of its work to the next Policy Commission and Council sessions, in June 2021. Work should take place so that the objectives established were accomplished.
- 259. The Delegate of the UNITED KINGDOM thanked Canada for its work on the non-paper. He commended this proposal as an excellent example of a Member-driven initiative to promote transparency, diversity and accountability. He appreciated the wish to improve governance through well-established structures, rather than adding again to the already extensive list of WCO working bodies and, consequently, to the overall costs of the WCO. He said the United Kingdom had conducted a careful review of the recommendations and supported all of them. He recognized, however, that some Members had requested more time to explore some of the recommendations further. He expressed his appreciation for the support of the Policy Commission

regarding Recommendation 2, and welcomed the fact that other priority recommendations were being moved forward as pilots. He warned other delegates that the perfect should nevertheless not be the enemy of the good. He considered that Canada had set out very practical improvements that could move forward directly to implementation, possibly with some modifications but without any undue delay or deferral, in order to ensure that they would be implemented for the 2022 elections.

- 260. The Delegate of KOREA expressed his strong support for the non-paper submitted by Canada. He said it would allow the WCO to move forward as an Organization once all the recommendations were implemented. He considered that the document was particularly relevant in terms of ensuring that all Members had equal opportunities for elected positions within the WCO. In addition, he particularly appreciated the proposal to eliminate any kind of personal information that could sometimes appear unfair. Finally, he expressed the opinion that these recommendations would improve the transparency of election processes within the WCO.
- 261. The Delegate of the EUROPEAN UNION thanked Canada for its initiative to establish guidelines for WCO election processes. He agreed that this was a good example of a Member-driven initiative. Under the leadership of Canada, he expected that all decisions on this issue would be made by June 2021.
- The Delegate of JAPAN appreciated the proposal from Canada. He supported 262. the suggestion that discussions on the non-paper continue until the Council session in June 2021. In order to have a constructive discussion, he considered that clarification was needed on a number of points. He mentioned, for instance, the spending cap in Recommendation 1, asking whether differences in the need to use translation services were taken into account. For Members that did not use one of the official languages of the WCO, translation represented a huge burden in terms of costs. From the standpoint of a level playing field, such translation costs should therefore be excluded from the proposed spending cap. Japan, but also other Members, still had questions to consider, and needed clarifications on the non-paper. Responses from Canada to questions and comments raised by individual Members would serve as useful references for other Members to consider. Therefore, the delegate suggested that it would be appropriate to exchange comments and responses on this non-paper in a transparent manner. Japan was hoping for a constructive discussion based on reasonable explanations about the different recommendations proposed in the non-paper. As WCO election processes were crucial for all Members, an open discussion was expected. He reiterated his appreciation regarding the proposal from Canada and the contributions expressed by other Members regarding this Agenda item.
- 263. The Delegate of MEXICO welcomed the proposal from Canada, and considered that the provisions set out in the non-paper represented a first step towards the improvement of the entire Organization. He agreed with Japan that further discussions were essential. He concluded by thanking the Acting Chairperson for the excellent work carried out not only during the Policy Commission and Council sessions, but throughout the year 2020, considering the major challenges faced by Members and by the Organization itself. The work done by the Acting Chairperson, in coordination with the Secretariat, had paved the way for business continuity within the WCO in the year 2021.
- 264. The Delegate of TURKEY said that the quality and effectiveness of governance in the WCO had been an important topic in recent years. Strengthening and clarifying

governance issues, especially the election processes, would improve efficiency and increase accountability within the WCO. He expressed his appreciation of the non-paper developed by Canada on this matter, adding that in his opinion this work would have positive effects in terms of enhancing the governance of the WCO and responding to the challenges faced by both the Organization itself and its Members. He added that this initiative was important in terms of financial matters, since the Organization was going through an uncertain and difficult financial period due to the COVID-19 crisis. The work being carried out in this regard was not causing additional costs for the WCO, and he wished to support it. He hoped that all these efforts would lead to fruitful results for the Organization as a whole.

- 265. Several delegates used the messaging platform to add their views to the discussions. The Delegate of AUSTRALIA welcomed the Policy Commission's endorsement of Canada's non-paper on governance arrangements. He indicated that Australia would support the efforts to achieve business optimization, accountability and transparency for the Secretariat and Members alike. He then thanked Canada for its ongoing work on WCO governance reform and welcomed the receipt of the non-paper, which had been developed and presented through the appropriate channels. He added that the agreed outcomes from the Policy Commission, i.e., the approval of Recommendation 2 and the piloting of Recommendations 6, 7 and 8, represented a positive first step. Australia was looking forward to seeing the outcomes of the June 2021 deliberations on the non-paper's other recommendations, as the full package of proposals would help ensure a level playing field for elections, this being an important feature of a healthy organization.
- 266. The Delegate of BELARUS, also using the messaging platform, thanked the Deputy Secretary General for his full report on the Agenda items under discussion on this day. He confirmed his Administration's support to the Secretariat in these hard times, welcoming its efforts to develop measures to improve the work of Customs. The Customs Service of Belarus was ready to cooperate with the Secretariat and other Customs services to mitigate the influence of coronavirus, and to collaborate for the benefit of the whole Customs family.
- 267. The Delegate of NEW ZEALAND reaffirmed, on the messaging platform, New Zealand's support for Canada's non-paper on working methods, and echoed the United Kingdom's intervention regarding the progression of all the recommendations.
- 268. The Delegate of ICELAND communicated, via the messaging platform, that the Policy Commission's endorsement of Canada's non-paper was welcome. Moreover, Iceland Revenue and Customs affirmed its dedication to good governance, integrity, transparency and accountability in the work of Customs.
- 269. The Delegate of the UNITED STATES voiced, via the messaging platform, his Administration's support for all the recommendations contained in Canada's electoral reform non-paper, and looked forward to collaborating on their implementation. In addition, he agreed with Australia's point that further alignment of the packages would be useful for the Secretariat and Members alike.
- 270. The Delegate of SERBIA, writing on the messaging platform, welcomed the fact that the Secretariat had included the issue of good governance in the Agenda of the current Council session. He recalled that the Republic of Serbia, alongside the Russian Delegation, had been one of the first to stress the critical importance of achieving the standard of good governance in the future work of the WCO. He added

that the work of the Organization had been burdened by this issue for a long time, and he was pleased to have not one, but two constructive proposals on how to address this problem, developed separately by the Russian and Canadian Delegations. He was aware of the opinion that both proposals represented a valuable contribution to finding a constructive solution to this issue. In that respect, he considered that these proposals were complementary and mutually inclusive as they addressed the broader and the more concrete aspects of the good governance issue. Therefore he thanked the Secretariat for including the Russian proposal in the Agenda of the meeting, and invited Members to take both documents into account when engaging in further discussions with the aim of developing a sustainable solution based on WCO membership consensus.

- 271. On the messaging platform, the Delegates of ISRAEL, SENEGAL, COMOROS and the ISLAMIC REPUBLIC OF IRAN also expressed their support and thanked Canada for its work on the non-paper on governance arrangements.
- 272. The ACTING CHAIRPERSON thanked Members for their contributions, made orally or in written form using the KUDO messaging platform. He invited the Deputy Secretary General to make concluding remarks.
- 273. The DEPUTY SECRETARY GENERAL noted the overwhelming support expressed by Members for continuing this work towards the next Policy Commission and Council sessions, in order to improve the election processes. He said that the contributions made during the Council session appeared to be in line with the conclusions reached by the Policy Commission on this matter. The Secretariat would therefore start to pilot Recommendations 6, 7 and 8 as requested by the Members. He thanked delegates for their numerous contributions regarding governance matters within the WCO, emphasizing that a high level of Member engagement was essential to keep the Organization moving in the right direction.
- 274. In conclusion, the Council :
 - took note of the progress and latest developments with the WCO gender equality and diversity agenda;
 - agreed to support the WCO Secretariat in its ongoing work on gender equality and diversity by actively contributing to the work with the VWG and by providing feedback and ideas, as well as sharing good practices;
 - <u>adopted the Declaration of the Customs Co-operation Council on Gender</u> Equality and Diversity in Customs (Annex III):
 - took note of the information regarding working methods and reporting procedures employed by the various WCO working bodies, including the feedback and comments provided by Members regarding potential areas for further improvement;
 - <u>agreed that the existing "Guidelines concerning Improving the Efficiency</u> <u>and Effectiveness of WCO Working Bodies" should be updated, as proposed</u> <u>by Members, and that an updated draft thereof should be presented to the Policy</u> <u>Commission and Council in June 2021;</u>
 - <u>supported the development of a Business Continuity Plan for the WCO to</u> prioritize activities and alter working arrangements during disruptive events;

- <u>tasked the Secretariat with collecting input regarding priorities from</u> the Chairpersons and members of different WCO working bodies to serve as a basis for the intersessional work;
- <u>adopted Recommendation 2 of the non-paper "Elections at the WCO :</u> <u>Re-Examining Governance Principles" and agreed to pilot Recommendations 6, 7</u> <u>and 8; and</u>
- <u>invited interested Members to contribute to further deliberations</u> on Recommendations 1, 3, 4 and 5 during the intersession, in order to better inform the discussions that would take place during the June 2021 Policy Commission and Council sessions.

6. OTHER BUSINESS

(a) <u>Report on the Audit Committee</u>

- 275. The Deputy Secretary General read out the Report of the 14th Meeting of the Audit Committee, held on 17 and 18 February 2020, prepared by Mr. Md. Masudul Kabir (Bangladesh), Chairperson of the Audit Committee.
- 276. He said the Audit Committee had conducted a Risk Mapping which had resulted in the development of a new Audit Plan which laid out 19 different major risks the WCO was currently facing. These included five top priority risks where most urgent action was required, namely lack of influence, politicization of the Organization, inadequate implementation of relevant tools, poor involvement of Members, and lack of consideration of technical committees. In addition, the Audit Committee had discussed and agreed that the underlying risk of these issues was the poor prioritization of topics. These strategic issues had been brought to the attention of the Policy Commission at its 83rd Session, in December 2020, and the Commission had suggested that these issues also be reported to the Council. The Audit Committee had suggested including these issues in the Environmental Scan and establishing a link between this risk mapping exercise and the balanced scorecard of the Strategic Plan.
- 277. For financial year 2020/2021, the Audit Committee had agreed on one external audit on "lack of expertise and knowledge", with a link to "talent management", and one internal audit on "security risks".
- 278. The Audit Committee had finalized the working paper on "Guiding Principles for Memoranda of Understanding (MoUs)", and this had been approved by the Policy Commission at its 83rd Session.
- 279. Furthermore, the Audit Committee had agreed to review its Charter during the intersession to address a number of peculiarities and inconsistencies, including discrepancies between the Charter and the current practice applied by the Council relating to the terms of office of the Chair, Vice-Chair and Committee members. The Deputy Secretary General thanked Members for the work they had done on the Charter, under the leadership of the Netherlands.
- 280. The Chairperson opened the floor for comments and questions.
- 281. The Delegate of the EUROPEAN UNION (EU) stressed that the Council should not simply take note of the Audit Committee Report, but should call on the Secretariat

to present concrete recommendations to the Policy Commission and Council in 2021 on how to address the risks identified. While he could see from the financial reports, including the acquittal of the Secretary General's responsibilities regarding the financial accounts, that financial management issues were taken into account very effectively by the WCO, he highlighted the importance of considering non-financial governance issues with the same level of scrutiny. There were very important "red" areas of risk, including the loss of WCO influence and the politicization of the Organization, where concrete action was required by the Secretariat. He proposed that the conclusions of the Policy Commission be modified to ask the Secretary General to present concrete recommendations in June 2021, so that the Policy Commission and Council could take decisions and avoid loss of influence of the Organization.

- 282. The Deputy Secretary General thanked the Delegate of the EU for his comments, and clarified that the risk mapping conducted by the External Auditor had resulted in a renewed Audit Plan to address the 19 risks identified. These risks had to be considered by the whole WCO community, i.e., the Secretariat together with the Members, through the relevant working body which was the Audit Committee; the latter would follow up on this matter and report back through its Report to the Policy Commission and Council. He added that the Audit Plan contained a detailed description of the different types of risks, and of the actions to be taken to address them within the next three years, including external and internal audits.
- 283. The Vice-Chair for the AMERICAS AND THE CARIBBEAN region expressed his support for the continuation of the Working Group on Additional Languages, in order to increase the active participation of Members in WCO working bodies and to mitigate the risk of poor involvement of Members, which was identified in the WCO risk matrix. He offered the support of his region to address and follow up on these important issues.
- 284. The Delegate of the EU, while acknowledging that some of the decisions regarding the identified risks would have to be considered by the Council, insisted that the Secretariat had a specific responsibility to make proposals on many of these risks, and possessed the necessary tools for this purpose. Therefore, the Secretariat had to take responsibility for addressing these risks in order to ensure that the Council, in June 2021, could take collective decisions about them.
- 285. The Delegate of PORTUGAL highlighted the importance of the Working Group on Additional Languages to promote inclusivity and Members' engagement, and to keep the Organization active and relevant. She supported the continuation of this Group.
- 286. The Chairperson noted that several delegates had, through messages, supported the EU proposal.
- 287. In conclusion, <u>the Council</u> :
 - took note of the Report of the 14th Meeting of the Audit Committee; and
 - instructed the Secretariat to present the identified risks and how to address them in a more concrete manner to the next sessions of the Policy Commission and Council.

(b) Proposal by the Russian Federation

- 288. The ACTING CHAIRPERSON introduced this topic by recalling that it had been added to the Agenda under Item 6 (Other business), at the request of the Russian Federation.
- 289. The Delegate of the RUSSIAN FEDERATION warmly greeted all delegates and informed them of the outcomes of the Summit of the Supreme Eurasian Economic Council which had taken place the day before, and which had addressed issues closely related to Customs activities. Firstly he reported that the Summit had approved the Eurasian Economic Union's Development Strategy up until 2025, and he highlighted the fact that the Customs Union was one of the most important pillars of this Strategy. The Summit had agreed to extend the institutionalization of the Customs authority, as well as the development of a single standard for all the Customs services involved. He would be happy to update delegates on the work being implemented in this regard in the coming months. Secondly, the Eurasian Economic Union, formed by Armenia, Belarus, Kazakhstan, Kyrgyzstan and the Russian Federation, as well as Moldova as an observer, had very recently granted observer status to Uzbekistan and Cuba. He took the opportunity to congratulate and welcome them, and looked forward to good cooperation with them as new observers.
- 290. He then moved to introduce a proposal regarding the improvement of the work of the WCO. He expressed enthusiasm for the proposals from the European Union regarding the need to address the risks identified by the Audit Committee, and reminded delegates that the Russian Federation had always been a firm supporter of initiatives that resulted in proposals to improve the efficacy of the Organization. He recalled that during his time as Chairperson of the WCO Audit Committee, he had addressed the risk of the WCO losing its relevance and international status. The Russian Federation's proposal on the establishment of an Internal Oversight Body at the WCO, which had also been presented to the Policy Commission, was aimed primarily at enhancing the Organization's transparency. The proposal was based on the experience of the United Nations, the World Trade Organization and other relevant international organizations. In essence, the proposal aimed to establish an Internal Oversight Department at the WCO Secretariat, which would exercise audit, internal investigation and control functions on all major activities within the Organization. The Internal Oversight Department would enable the WCO to rapidly address key risks. such as the WCO possibly losing international relevance. The Department would report to the Council and would interact directly with other bodies such as the Policy Commission, the Audit Committee, the Finance Committee and the PTC. It would provide regular reports to these bodies, and the Secretary General would also be personally informed. The Council Chairperson and Vice-Chairpersons would also be involved in this work, taking into consideration its relevance.
- 291. From the personnel perspective, the Internal Oversight Department would be comprised of four Secretariat staff : one Director who would be appointed for five years, and three Technical Officers who would be selected based on the special skills required. The delegate indicated that the structure of the Department and the way it should work could be further analysed. In order to hone the work of the Internal Oversight Department and facilitate its interaction with the Council, a Permanent Working Group on Oversight should also be established. It could include representatives from all WCO regions, based on the principle of proportionality. This Working Group would cooperate with the Council Chairperson and Vice-Chairpersons during the intersessions to ensure greater Members' involvement, which would serve to address risks such as the WCO losing influence, and insufficient

levels of Members' participation. Such risks could be addressed through this proposal under the leadership of the Council Chairperson and Vice-Chairpersons. The Delegate concluded by expressing his gratitude for the opportunity to present the proposal, and encouraged Members to consider it further during the intersession.

- 292. The ACTING CHAIRPERSON welcomed the Russian Federation's enthusiasm for the Organization, and thanked him for having delivered such a clear presentation. He recalled that the Policy Commission had discussed this proposal and, in light of that, he wished to offer some clarifications. The general outcome of the discussion in the Policy Commission had been that Members were always willing to discuss governance matters. Specifically, he informed the Council that the Policy Commission had concluded by taking note of the presentation delivered by the Russian Federation and by welcoming the general principle of improving governance, calling on Members to maintain an open dialogue on this important matter for future meetings. Some delegates had expressed the opinion that the implications of adding a Director and additional staff to the WCO would not be manageable. Others had said they would like more time to be able to absorb and better understand the proposal and have an open dialogue, while others had supported the proposal and its further consideration.
- 293. The ACTING CHAIRPERSON then opened the floor for additional comments.
- 294. The Delegate of CUBA thanked the Acting Chairperson for presenting the conclusions of the Policy Commission. He expressed the view that implementing the proposal was not necessarily an impossibility, but it would need to be examined in more detail. Member administrations had some experience in this area and certain national governments had similar departments in place, as well as permanent secretaries who worked in a fashion comparable to what was being proposed. He cautioned that further consideration should be given to how the proposal could work in practice, and wondered whether there was a need for a Director and three Technical Officers. It was essential to ensure that the proposal really corresponded to what was necessary, and that a solid mechanism for oversight would be established. On that basis, he supported the idea of opening a dialogue that would allow Members to look into the proposal in further detail and study it in conjunction with the paper developed by Canada. He felt that this proposal might not be the only way forward, and a number of other suggestions and proposals could also emerge and be considered by the Policy Commission. These could include the possibility of analysing the experiences of other international organizations, and of Member administrations.
- 295. The Delegate of CHINA pointed out that several papers and comments considered over the previous few days were addressing matters of governance. This reflected Members' concern with regard to the smooth operation of the WCO, particularly in light of current challenges. The WCO had been established in the 1950s, and she considered it natural that the Rules of procedure and operations established at that time could not foresee, or address, all the problems of today. She said Customs was a family, and the WCO was its home. A comprehensive and cross-cutting review of the Rules of procedure and operations to align them on the new times would help to improve efficiency and transparency.
- 296. The ACTING CHAIRPERSON recalled that the Policy Commission had agreed that the Chairperson and Vice-Chairpersons would coordinate during the intersession to improve working methods, streamline the work of WCO bodies and improve governance, but he noted that this important work could not be rushed.

- 297. The Delegate of CANADA expressed appreciation for the work done by the Russian Federation and its proposal for the establishment of an Internal Oversight Body at the WCO. As an enthusiastic proponent of improved transparency and governance within the WCO, Canada noted this as an ambitious proposal and a well-intentioned one. Taking into account the views expressed by Members during the Policy Commission session, Canada agreed that the proposal should be further discussed in June 2021. The creation of a new and independent oversight body and working group would not only be a demanding request for the WCO at this time, but could also undermine the efficiency and effectiveness of efforts to improve transparency and good governance, by having the opposite effect of concentrating power in a single WCO body. Instead, the delegate reiterated her support for better utilization of existing WCO bodies and processes to improve transparency and good governance practices in the Organization, and advocated rerouting resources to this work as required in a context of restriction and reprioritization in the post-pandemic recovery. She encouraged the Russian Federation to further develop the proposal and to identify ways of improving transparency and oversight which were truly non-duplicative. She felt strongly that Members were in a position to make immediate advances in terms of improving the transparency of election processes and the accountability of Directors, and this should be the focus of current efforts as endorsed by the Policy Commission and the Council. Additional governance proposals would be considered in due course.
- 298. The Delegate of KAZAKHSTAN, while commemorating the National Day of the Kazakhstan Customs Service, expressed his Administration's gratitude for being recognized as the winner of the WCO Photo Competition. He thanked the Russian Federation for its proposal, which he supported as it addressed a relevant issue, but he recognized that more time and consideration were needed.
- 299. The ACTING CHAIRPERSON congratulated Kazakhstan Customs on winning the WCO Photo Competition, and on the celebration of its National Day.
- 300. The Delegate of TURKEY also joined the Acting Chairperson in congratulating Kazakhstan. Turkish Customs considered the proposal from the Russian Federation to be a good basis for further discussions aimed at enhancing governance within the WCO. He agreed with the Delegates of Cuba and China that the proposal could be used as a basis for further discussion, and also agreed with the Acting Chairperson that more time was needed to consider all the pros and cons of the proposal for the Organization.
- 301. The Delegate of the RUSSIAN FEDERATION thanked the Acting Chairperson and the delegates who had expressed support for the proposal. He said he was encouraged by the discussions, and agreed to elaborate further on the proposal. He would also be happy to discuss additional proposals that might be considered during the intersessional period. The proposal would be elaborated in more detail and in a reasonable manner, also trying to solve the issue of its financial implications. He concluded by reiterating that he was pleased and encouraged to continue the work.
- 302. The ACTING CHAIRPERSON encouraged delegates to make use of the intersession to discuss the proposal further, and concluded by indicating that the Council adopted the Policy Commission's conclusion on this item.

7. NOMINATIONS AND ELECTIONS

(a) Nomination of a Director, Tariff and Trade Affairs

- 303. It was announced that the candidates for this post were :
 - Mr. Konstantinos KAIOPOULOS (Greece)
 - Mr. Aung Min THYKE (Republic of the Union of Myanmar)
 - Mr. Philiso Phodiso VALASHIA (Botswana).
- 304. After indicative voting had taken place, <u>Mr. Konstantinos KAIOPOULOS (Greece)</u> was nominated by acclamation for appointment as Director, Tariff and Trade Affairs, for a five-year term of office.
- 305. Mr. KAIOPOULOS expressed his appreciation to delegates for doing him the honour of electing him as Director of Tariff and Trade Affairs. Based on the Members' collective wisdom and experience, he committed to work collaboratively to secure sustainable regional and global supply chains, and to face the impact of the pandemic and move towards recovery and building resilience. Recognizing that the task ahead of him as Director would not be easy, he paid tribute to outgoing Director Ping Liu and recognized the value of his support in the transition process. Affirming that "Customs connect, even though borders divide", he called on all Members to face the challenges ahead together.

(b) Elections

- 306. It was proposed that <u>Mr. A. AL KHALIFA (Bahrain) be elected Chairperson of</u> the Council for the remainder of financial year 2020/2021.
- 307. It was announced that following consultations between the Members in the various regions, it was proposed that the Delegates of Azerbaijan, Botswana, Congo (Republic of the), Guatemala, Indonesia and Jordan be elected Vice-Chairs for the remainder of financial year 2020/2021.

308. <u>The Council agreed to the above proposals, which were approved by acclamation</u>.

- 309. Following consultations between the Members in the various regions, it was proposed that the Council elect as members of the Policy Commission the Delegates of Argentina, Austria, Bangladesh, Belarus, Canada, Chile, China, Democratic Republic of the Congo, Egypt, France, Germany, India, Israel, Japan, Korea (Republic of), Mauritius, Mexico, Nigeria, Russian Federation, Saudi Arabia, Sweden, United Kingdom, United States and Zimbabwe.
- 310. Following consultations between the Members in the various regions, it was proposed that the following Members be elected to serve on the Finance Committee : Antigua and Barbuda, Burundi, Canada, China, European Union, France, Gambia, Haiti, Indonesia, Italy, Japan, Kazakhstan, Korea (Republic of), Russian Federation, Saudi Arabia, Serbia, Switzerland, United Kingdom and United States.
- 311. It was proposed that Mr. P. HILL (Canada) be re-elected Chairperson of the Finance Committee for the remainder of financial year 2020/2021, and that Mr. D. ALHAJIE SAIHOU (Gambia) be re-elected as Vice-Chair.

- 312. Following consultations between the Members in the various regions, it was proposed that the following Members be elected to serve on the Audit Committee : Armenia, Bangladesh, Cameroon, Comoros, Guatemala, Mexico, Morocco, Netherlands, South Africa, Sri Lanka, Togo and Tunisia.
- 313. It was proposed that Mr. Md M. KABIR (Bangladesh) serve as Chairperson of the Audit Committee for the remainder of financial year 2020/2021, and that Mr. A. KOOIJ (Netherlands) serve as Vice-Chair for that period.
- 314. <u>All these proposals were approved by acclamation</u>.

8. DATE AND PLACE OF NEXT SESSION

315. The 138th Session of the Council would be held from 24 to 26 June 2021, preceded by the 84th Session of the Policy Commission from 21 to 23 June 2021.

CLOSURE OF THE SESSION

- 316. The SECRETARY GENERAL thanked the Acting Chairperson for assuming the responsibility of chairing the Council Session in extraordinary circumstances. In his capable hands the Council had focused its discussions on key Customs matters, and had produced excellent outcomes. The Secretary General also conveyed his heartfelt appreciation to the Vice-Chairpersons, recognizing that without their collective leadership it would have been difficult for the WCO to make key decisions to advance the work and priorities in the current, challenging situation. He particularly included in this tribute the Vice-Chairs who had stepped down, namely Dominican Republic and Guinea. The Vice-Chairs had been very helpful in transferring their knowledge, experience and network contacts to their respective successors, in order to ensure uninterrupted regional cooperation. He added that while Bahrain was also stepping down as Vice-Chair, he looked forward to continuing the close cooperation with Mr. Al Khalifa in his capacity as Council Chairperson.
- 317. The Secretary General went on to thank all WCO Members for their constructive spirit and unity in this time of crisis. He then recognized the work of the Secretariat staff, and was pleased to acknowledge their strong spirit and determination to intensify efforts to support the Customs officers who were working tirelessly at borders. He also took the opportunity to pay tribute to Director Ping Liu, whose term of office had come to an end after five years of excellent performance. It had been a real pleasure working with him, and he had demonstrated real leadership and team spirit. The Secretary General concluded by wishing Members good health, and said he looked forward to continuing the work ahead in order to achieve the common goals of recovery, renewal and resilience.

318. The ACTING CHAIRPERSON thanked delegates for their cooperation and support during the Session. He also expressed his gratitude to the Secretary General and the staff of the Secretariat for their hard work. He then drew the 137th Session of the Council to a close by wishing all Members health and safety.

A. AL KHALIFA, Chairperson.

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