



PROGRESS REPORT

WCO Europe Region Heads of Customs Conference 2018

A. OVERVIEW

The Regional Office for Capacity Building (ROCB) for the World Customs Organization (WCO) Europe Region has been functioning in Baku, Azerbaijan, since 17 October 2011 based on the Memorandum of Understanding signed between the WCO and the Government of the Republic of Azerbaijan.

Technical staff of ROCB Europe is seconded by Customs Administrations of WCO Europe Region. Currently, there are three technical staff seconded by the Customs Administrations of Switzerland (head of office), Kazakhstan and the Republic of Turkey (joined in September 2017).

The Office is fully ensured with administrative staff including office manager and support staff as well as guardsmen by the State Customs Committee of the Republic of Azerbaijan.

B. REGIONAL ACTIVITIES

In 2017/2018, ROCB Europe hosted 20 events. Similarly, 14 regional or sub-regional activities were held by Regional Training Centers. The information of these activities as well as supplementary information are annexed to this document (Annex II and III respectively).

C. STRATEGY

In terms of strengths, weaknesses, opportunities and threats; the following points merit consideration with regard to future work of ROCB Europe.

There is an extensive ongoing support to ROCB Europe from the host administration, the State Customs Committee of the Republic of Azerbaijan. ROCB Europe has its own premises with spacious offices and well-furnished large meeting hall and training sections. The coverage of ROCB Europe is the largest in comparison to other WCO Regions and it is comprised of Member Administrations some of which are substantially advanced in customs. The location of the ROCB Europe is practical and it is virtually in the center of the WCO Europe Region in geographical means which makes it easily reachable from any country in the WCO Europe Region.

However, ROCB Europe traditionally suffers from under employment of technical personnel and lack of adequate financial support from the member Customs Administrations which in turn causes ROCB Europe to underperform. The level of low backing seems to be dramatic considering the large coverage of the WCO Europe Region. The attention and willingness to hold collaborative activities of Member Administrations with ROCB Europe is limited. Absence of a strategy for the WCO Europe Region prevents ROCB Europe from performing in a fulfilling way in line with regional guidance and needs.



Still, ROCB Europe has the potential to play a role in regional capacity building activities as well as customs related projects to a much greater extent as opposed to the current situation. ROCB Europe can act as a coordination hub for the region for Regional Training Centers, RILOs and Vice-Chairmanship as well as WCO Europe Region Heads of Administration Conference. ROCB Europe web site can be and has been used for accessing working documents and announcements for regional meetings and events through public or member only sections, as the case may be. Within the framework of a long term regional strategy, ROCB Europe can use its potential for a stable and sustainable work program.

Against this background, ongoing low level of support could result in decreased attention and a decline of interest for WCO activities in WCO Europe Region. Limited number of high level regional events coupled with low level of regional coordination might result in as an unbalanced regional coordination as well as lack of mutual understanding among Member Administrations.

In order to meet the long term targets and face the challenges, ROCB Europe has drafted its Strategic Framework which includes, among others, mission and vision statements, values and strategic goals.

Mission statement: ROCB Europe is the beacon for the work of customs capacity building activities in the WCO Europe Region. It exclusively aims at enhancing capacities of Customs Administrations in paving the way for more secure and simplified customs processes and international trade operations”.

Vision statement: ROCB Europe’s vision is to realize sustainable capacity building activities with concrete outcomes that favorably benefit Customs Administrations.

Values: Excellence, Cooperation, Inclusiveness, and Continuous Improvement.

ROCB Europe performs its work in line with its four keystone strategic goals and three strategies on organizational management and communication.

Keystone Strategic Goals:

- **Promote the work on customs capacity building and WCO instruments.**
- **Foster customs reform and modernization process of Member Administrations.**
- **Strengthen regional cooperation among Member Administrations.**
- **Enhance collaboration with stakeholders, development partners and donors.**

Strategic Goals on Organizational Management:

- **Strengthen office management and improve institutional functionality.**
- **Secure adequate funding and financial sustainability.**

Strategic Goal on Communication:

- **Address a broad audience and raise awareness on customs capacity building and development.**

An Execution Program is projected to be implemented with a view to achieving the strategic goals. As a continuation, Progress Report shall be presented annually which shall indicate the actual activities carried out against the Execution Program in an effort to monitor the performance.



D. ROCB EUROPE FUNDING

Balancing financial sustainability with organizational goals has been one of the core challenges for ROCB Europe for a considerable period of time. Therefore it is important to determine major difficulties with respect to financial sustainability that are faced by ROCB Europe considering the overall objective of the Office.

The latest decision with regard to funding mechanism for ROCB Europe was taken by the WCO Europe Region in June 2012 within the context of June consultations. The decision, which is stipulated in the Doc. SP0431E1a (Annex III) page 24 of Secretary General's Progress Report on the Implementation of the Strategic Plan, introduces a new mechanism for contributions that would be received from all Members of the region for a 3-year period. The related excerpt reads as follows:

"At its June consultations in Brussels in June 2012, the Region agreed on a new model for financing of the daily running of the ROCB. The model comprises a yearly contribution from each of the 52 Member administrations and will start working from the financial year 2013-2014, for a 3-year period."

However much this was an ideal way for providing sustained mid-term financing, the mentioned decision has been only partly implemented up to the present time as shown below:

Financial Year	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
Number of Contributing Members	37	37	37	38	39

Current funding mechanism for ROCB Europe operates as follows:

- a) ROCB Europe received funding from 39 WCO Europe Region Members in the amount of 1,750 Euros each, totaling 68,250 Euros annually for the Financial Year 2017/2018;
- b) The contributions received from the Members are on a voluntary basis.

Connection between financial stability and long term strategic outlook should be on a firm footing with a view to ensuring concrete and foreseen outcomes from the projects and initiatives carried out by ROCB Europe. However, there would be a risk of declined or disrupted sustained operational activity of ROCB Europe in the face of limited number and voluntary nature of contributions by the Members.

In the same vein, contributions have been stayed almost on the same level for considerable period of time and there has been no increase in the amount.

At the same time, setting a period for contributions such as 3 years and prolonging the period for additional one-year periods annually works against the long term financing of the Office. This is why, the best way would be not setting a period for contributions and, in contrast, having the annual contributions permanent.

Within this scope, contributions to ROCB Europe might be re-evaluated in terms of amount, periods and voluntary nature with reference to explanations and proposals stated in the ROCB Europe Future Funding document.



E. PREVIOUS YEAR EXPENSES AND PROJECTED 3-YEAR BUDGET

The budget of ROCB Europe is formed by the voluntary contributions of the Members of the WCO Europe Region. Since 1 April 2017, 39 Members have collected a total amount of 68,250 Euro for ROCB Europe for the current financial year.

The Office expenditure (in Euro) from 1st of April 2017 until 1st of April 2018 (for the period after the last Directors General Conference in Vienna) has been as follows:

Adm. Expenses:	€ 4,061
Missions:	€ 26,504
Promotion:	€ 435
Communication:	€ 17,880

Total Expenses for the period of 1st April 2017 to 1st April 2018 is: € 48,880

A three-year budget estimate for ROCB Europe which is annexed to this document (Annex I) indicates projected financial allocations. In order to provide ROCB Europe with necessary financial recourses to attain strategic goals, a broader budget is needed. This is why, the Budget proposal for 2018-2019 is based on the assumption of acceptance of a new contribution model (please see document for ROCB Europe Funding).

F. CONTAINER AND CARGO TRAINING CENTER

The Cargo and Container Training Center is located at the ROCB Europe premises and intended for providing training for front-line customs officers on cargo and container control matters both theoretically and practically. The Center was opened on 18 October 2016, on the same day of 5th Anniversary of ROCB Europe.

Increased level of international trade and corresponding use of containers require growing attention to the need for better scrutiny with a view to ensuring effective Customs controls. The Cargo and Container Training Center provides yet another useful and effective training facility for Customs community.

The center, which was built with the kind support of Customs Administration of the Netherlands, is the second center worldwide after the one in Rotterdam. Its modeling is also inspired by the design of Rotterdam Center.

ROCB Europe hosts cargo and container trainings at the center ex officio or upon receiving requests from member administrations.



G. PROMOTION AND OUTREACH ACTIVITIES BY ROCB EUROPE

ROCB Europe has initiated and executed progress on promotional and outreach activities as follows in the previous year:

Communication:

- **Translation of WCO Training Materials into Russian language:** Up to now, 894 pages – 17 documents from Revenue Package have been either translated, updated, edited or proofread. Further translation of materials will follow immediately.
- Update of ROCB Europe **contact points**. Unfortunately, the feedback for updating the contact points information is limited (14 Members). Remaining Members are invited to submit their updated contact point information.

Publicity Materials:

- Newly designed and improved **flyer** which includes general information about WCO, ROCBs, RTCs and ROCB Europe.
- Newly designed and improved **brochure** which includes detailed information about ROCB Europe.
- **Presentation** about ROCB Europe and its operating context (also available on the web site).

Web Site:

- Consistently updated **news section**.
- Regularly updated **events calendar** section with links to the event itself (if available).
- **Member's Only Section** which is used for restricted meeting documents and other important texts about the ROCB Europe and WCO regional issues.
- **Member Profiles Page** which will indicate information about WCO Europe Members such as establishment year, number of border gates, main border gates, administration statement, etc. (ongoing project).
- A dedicated page for information on the **ROCB Europe Cargo and Container Training Center** is publicized on the web site.

Corporate design:

- Designated **letterheads and font character**.
- Designated **colors and color alignment** between the web site and other publicity materials.
- Revised **ROCB Europe logo**.

Social Media:

- Frequently updated **Twitter Page** (account name: @rocb_europe).
- Frequently updated **LinkedIn Page** (account name: ROCB Europe).

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ANNEXES:

1. ROCB Europe 3-Year Budget Estimate
2. Activities Hosted by ROCB Europe
3. Activities by Regional Training Centers