



**REGIONAL OFFICE FOR CAPACITY BUILDING
FOR THE WORLD CUSTOMS ORGANIZATION
EUROPE REGION**



REPORT
to the annual Europe Directors General Conference
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Introduction

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

The key objectives of the Office in 2016-2017 fiscal year were as follows:

1. Supporting Members reform and modernization efforts through proper implementation of WCO tools and standards
2. Developing communication and coordination with Members
3. Enhancing Human resource development, training and Management assistance to Members
4. Further Developing partnerships with international organizations and donors
5. Assuring appropriate representation and promotion of the Office
6. Strengthening the Office functionality and management

1. Supporting Members Reform and Modernization efforts through proper implementation of WCO Tools and Standards

CB Support to Members

To support Members activities on reform and modernization in the region the ROCB was assisting WCO in organizing and holding both regional and national events. The ROCB coordinated some other stakeholders CB technical and training events in the region as well.

On 20-21-23 June 2016, ROCB organized 3 visits to the Customs Administrations of Montenegro, Serbia and the Former Yugoslav Republic of Macedonia respectively for the workshop on Need Assessment.

On 15-18 August 2016 in Tbilisi, Georgia customs Procedures and Customs Warehousing Workshop was organized by ROCB in cooperation with the Georgia Revenue Service for the customs officers from Azerbaijan, Georgia, Kyrgyzstan and Switzerland.

On 19-21 October 2016, a workshop in the Container and Cargo Training Center for the officers of the Customs Administration of Azerbaijan.

Regional Mutual CB assistance project

We continued working on the project of facilitating members by rendering mutual assistance in the field of Capacity Building based on the use of the experience and practice generated by the regional membership.

The purpose of the project is to support the WCO Secretariat in meeting Members Capacity Building needs whenever there is shortage of WCO (accredited) experts or financial resources. We decided to focus on Members High priority requests for assistance that haven't been supported financially by WCO donors. The targeted recipient administrations were proposed to accept the engagement of professional specialists from other Customs of the region on the basis of mutual assistance or twinning-type arrangements. Funding for such missions will be insured by distribution of costs between the parties involved or by generating some donors support. ROCB is supposed to play a coordinating role.

2. Developing Communication and Coordination with Members

E-Library

An E-Library has been implemented on our website containing WCO and other important materials. In total, we published more than 100 materials and structured them for Members' convenience into smaller groups in different subjects such as AEO, PCA, ECP, Revenue Package, RM, SW, TRS, etc. The work is going on in close coordination with the Secretariat to have the material better systematized and revised according to the Secretariat's criteria.

The main content of our web site is now published in English and Russian. This was possible thanks to the voluntary help of the Swiss Customs Administration that organized the translation into Russian free of charge. For the time being some new functionalities could not be realized due to technical problems with the IT service provider.

As the ROCB for the WCO Europe Region, one of our aims is to improve the cooperation between customs administrations to improve their capability in customs services. With this in mind and considering the fields of cooperation in customs Capacity Building the head of ROCB initiated a series of awareness-raising visits within the Eastern Europe sub-region to present the work of the ROCB and to foster possible common Capacity Building projects in the future.

3. Enhancing Human resource development, training and management assistance to Members

Last year the ROCB continued the implementation of the project on strengthening Human Resource Development and Training in the region.

We focused the efforts on coordination with all categories of training institutions dealing with Customs education in the region: with WCO Regional training centers and National Training centers of customs services of the region and with representatives of the academic universities of the region, within the WCO PICARD program.

Cargo and Container Training Center

As already announced last meeting in Astana, the project to install a Cargo and Container Training Center (CCTC) was successfully completed with the support of two customs officers from the Dutch Customs, in record time by the end of 2016. The costs were borne by the State Customs Committee of the Republic of Azerbaijan and the ROCB CB Fund. The total expenditure is AZN 55600.-- (~ 30000.-- €). The official inauguration took place simultaneously with the 5th Anniversary of the ROCB in the premises of the ROCB. The ceremonies were accompanied by an informative programme, which attracted our member countries' customs administrations, international organizations and local collaborators and has received much attention in the national media.

A first train-the-trainers workshop took place for the Azerbaijan Officers following the inauguration of our Center. We will go on with the train-the-trainers workshops for Customs Officials from the other countries along the Silk Road. The CCTC will be a significant step forward in knowledge transferring and supporting customs authorities in the efforts on custom modernization and trade facilitation.

The ROCB Europe is ready to plan and host cargo and container trainings in our premises. Customs Administrations from the WCO Europe Region are kindly invited to use our premises.

Events hosted by Europe RTCs

Last year in the premises of RTCs the following events were held:

RTC-Astana; 3-4 August 2016 – International seminar on “Technical characteristics of customs inspection equipment”.

RTC-Astana; 24-26 August 2016 – International seminar on “Control of customs value of the goods including payments for using IPR objects”.

RTC-Astana; 12-13 October 2016 – International seminar on “Best practices of the interaction of customs and tax services including framework of AEO System”.

RTC-Baku; 31 May 2016 – International Conference “Multisectoral cooperation: the role of customs service in modern economic development”.

RTC-Baku; 14 October 2016 – Seminar “Preferential rules and simplified transport of goods not for production or commerce, imported by private persons”

RTC-Baku; 15-30 October 2016 – Bilateral dog training with the Senegalese Customs

RTC-Baku; 29 June - 1 July 2016 – International Conference “Youth Dialogue – raising capacity through the expansion of international customs cooperation”.

RTC-Baku; 18-26 January 2017 – International workshops on “Tariff Classification. International trade transactions. Machine and human intelligence”.

RTC-Budapest; 6-8 April 2016 – Regional seminar (I) on the COPES project.

RTC-Budapest; 11-13 May 2016 – Regional seminar (II) on the COPES project.

RTC-Budapest; 29 June – 1 July 2016 – 2nd Working Group meeting of the Implementation of the Framework Agreement on Co-operation in Facilitating Customs Clearance.

RTC-Budapest; 5-9 September 2016 – Seminar of the Organization for Economic Co-operation and Development (OECD).

RTC-Budapest; 22 November 2016 – Naming ceremony of the Regional Training Centre of the World Customs Organization.

RTC-Budapest; 23-24 November 2016 – International scientific conference „Modern Platforms of Interaction - Enhancing Co-operation between Tax and Customs Administration.

RTC-Moscow; 28 May 2016 – International Conference “Current issues of customs sphere in the framework of Eurasian economical union”.

RTC-Moscow; 21-22 September 2016 – The first Meeting of the WCO Technical Working Group on Non-Intrusive Inspection (TEG-NII).

RTC-Moscow; 23 November 2016 – International Conference “Current issues of combating smuggling and customs tax evasion in the framework of CIS”.

RTC-Skopje; first half of 2016 – Scientific Research Project “Comparative Time Release Study”. The Project was realized in three phases: preparation and planning; data collection and data analysis and formulation of conclusions.

RTC-Skopje; 10-12 May 2016 – Regional Workshop on Risk Assessment in Transit.

RTC-Skopje; 8-13 August 2016 – International Summer School “Make a difference - Become a leader by enhancing regional cooperation through customs modernization”.

RTC-Skopje; 14-15 February 2017 – The 8th Regional Meeting of the WCO Europe Region ROCB, RTCs and Vice Chair Offices.

RTC Ukraine

ROCB was informed about the fact that the RTC in Ukraine has been relocated from Dnipro (Dnepropetrovsk) to Khmelnytskyi. This relocation was formalized by exchange of letter between the State Fiscal Service of Ukraine and the WCO secretariat.

Cooperation with the Academia

We continue developing cooperation with the academic circles of the Europe region.

ROCB hosted some INCU workshops within the framework of INCU regional office winter school/fellowship programme.

The head of the INCU secretariat has proposed an internship of students from the Shanghai Customs College (SCC) at ROCB, Baku. SCC is a long-standing member of the INCU and an active participant in the WCO's PICARD Program and it is also one of the WCO's RTCs. ROCB is well disposed towards INCU's idea and is currently evaluating the feasibility of such an internship. It is understood that the internship will be unpaid and all expenses relating to accommodation, meals and travel will be covered by SCC.

Issuing of the Regional Scientific Journal "CUSTOMS"

This Journal was created in 2011 and has been published by the Ukrainian University of Customs and Finance (former RTC) since 2013 in English and Russian. It is intended for a wide audience of professionals interested in the Customs theory and practice. It is a good platform for the scientists and specialists from Customs, academia and business to share their views on various issues of Customs research. For the management of the Journal, the Editorial board is comprised of well-known scientists of European countries.

ROCB is putting all its efforts to secure the continuation of the Scientific Journal. We would like to encourage you to do so as well and to send us any available articles and research materials for publication in the journal. Any assistance by the members will be highly appreciated.

ROCB is pleased to inform that the 'Customs Scientific Journal' has been indexed in the international database Copernicus. The index Copernicus value (ICV) for 2015 is at 73.13. The journal is listed in Copernicus at place 37 out of 517 among Ukrainian journals.

All issues of the magazine are available on the ROCB web site (www.rocb-europe.org).

4. Developing Partnerships with International Organizations and Donors

Cooperation with international organizations

For the delivery of individual or joint training sessions in the region, we cooperate with UNECE, UNODC, OSCE, ADB, the Interpol, and various Embassies etc.

ADB and UNODC have jointly conducted training sessions in the ROCB premises in Baku.

The ROCB develops contacts with the Eurasian Economic Commission (EEC-Steering body of the Customs Union of Belarus-Kazakhstan-Russia).

We are strengthening our close and friendly relations with colleagues from all the ROCBs. We regularly exchange information and documents with them and share periodical publications.

5. Assuring Appropriate Representation and Promotion of the Office

Meetings with Official Delegations

Along with development of a regional web site and participation in the international conferences, we carried out a number of meetings with Member Customs management, visiting our office.

In 2016/2017, our office welcomed official delegations led by the representatives of Customs services of Austria, Hungary, Netherlands, Kazakhstan, Turkey, South Korea as well as diplomatic staff representatives of the Embassies of Greece, Belarus, Moldova, Romania, Ukraine and France. During the conversations we cordially informed our distinguished guests on the role of the ROCB, a scope of its activities and projects, and challenges faced.

Workshops held in the premises of the ROCB-Europe

The following training events took place in the premises of the ROCB Europe in Baku, Azerbaijan since Mai 2016:

On 10-12 May 2016, an AEO national seminar for the officers of CA of Azerbaijan.

On 19-29 September 2016, a working meeting to Support Afghanistan`s implementation of WTO Trade Facilitation Agreement.

On 3-7 October 2016, a regional IPR seminar for Central Asia and Azerbaijan under UNODC-WCO Global Container Control Programme.

On 22-25 November 2016, a WCO Mercator Programme Advisors Refresher workshop with participants from Azerbaijan, Netherlands, Norway and Russian Federation.

On 28 November - 1 December 2016, a workshop on E-Commerce and Digital Customs for the CA of Europe region.

On 7-8 December 2016, a workshop on Facilitation of regional transit trade in CAREC.

On 18-26 January 2017, INCU Baku Regional Office Winter Internship-Fellowship Programme.

The organization and carrying out of activities in the ROCB premises appeared a very extensive and tough logistical process which has demanded from all our Office staff the maximum attention and efforts.

To estimate our work load in a more visual manner, we apply the Matrix of logistic actions. It should be noted that the huge part of this work is assumed voluntary by the CA of Azerbaijan, which employees take care of visa issues and transfers and accompaniment of all participants and trainers.

Despite the fact that Enforcement stays beyond the ROCBs competences we will keep organizing events in the field of compliance and enforcement, with the understanding of their high importance for the overall customs modernization process. At the same time, we see here a good potential for cooperation with other WCO regional structures.

We would be happy to offer our Office premises in Baku to any Member of the region for conducting your training sessions or holding other events.

6. Strengthening the Office Functionality and Management

Human Resources

At the moment the Office staff is comprised of two technical attachés:

The head of ROCB (since mid-2015), seconded by CA of Switzerland, accredited by the Ministry of Foreign Affairs of the Republic of Azerbaijan in the rank of an Attaché of the Embassy of Switzerland in Baku, attached to the staff of Europe ROCB.

The Coordinator of the ROCB programs (since March 2013) seconded by CA of Kazakhstan, accredited by the Ministry of Foreign Affairs of the Republic of Azerbaijan in the rank of the Counselor of the Embassy of the Republic of Kazakhstan in Baku, attached to the staff of Europe ROCB.

The Office is fully ensured with an administrative staff, kindly appointed by the host Customs service (Office manager, IT expert).

We would like to thank the Directors General of Azerbaijan, Kazakhstan, Switzerland, for their efficient practical support rendered to our Office.

Taking into account the overload with tasks of the technical staff of the Office, at least three more seconded officer who would assume a range of tasks of interacting with WCO Europe Members are needed to achieve noticeable progress in running the regional projects (communication, Contact Points management, Expert Team management, mutual assistance missions in the region, collecting and distribution of best practices, cooperation with diplomatic and other missions of the WCO Europe Region in Baku and so forth).

The most important goal would be to increase the number of staff to four technical attachés – 2 Russian-speakers with good English knowledge and two English-speaking attachés with knowledge of the Russian language - as it was foreseen in the background papers for the ROCB.

Regional Strategic Issues

Regional Strategic Plan

The WCO Europe Region currently does not have a Regional Strategic Plan. The Regional CB Strategy has expired. A think tank group developed this strategic paper in 2011. At the DG's meeting 2015 in Wroclaw it was established that the regional strategic plan was largely congruent to the WCO Strategic Plan and the continuing validity of the regional strategic plan of 2011 was recognized.

Term of tenure of the Vice-Chair

With a view to the need for a clear regional direction and sustainable CB efforts and in order to strengthen and further the collaboration between the ROCB and the Vice-Chair's office, the ROCB would like to propose to the DG's annual conference to consider taking a decision to allow regional Vice-Chairs to hold office for a period of two or three years. Currently it takes

quite a long time for the new designated Vice-Chair to put a team together, to organize the administrative tasks and before first contacts with the ROCB as well with the member countries can be established the next DG's meeting has to be organized. In this respect, a long-term commitment between the Vice-Chair and the ROCB as well as the member countries would be more than desirable and would strengthen any sustainable CB projects for the European Region. That is why the ROCB suggests to extend the Vice-Chair's term of office from actually one year to a period of two or three years.

I would like to kindly request the heads of Customs of the WCO Europe Region to decide on the next steps to be taken.

Future financing of the ROCB in Baku

Background

At the WCO Europe Regional Heads of Customs Conference on 19 - 20 May 2016 in Astana, the subject of the future funding of the Regional Office of Capacity Building in Baku, Azerbaijan was discussed. The Heads of Customs agreed that the funding method applied for the period 2013 to 2016 could be continued for one more year to cover the period 2016 - 2017 and to allow the Office time to find alternative ways of funding itself.

After careful analysis of the possibilities for alternative funding the ROCB staff came to conclusion that the only source for raising funds and assuring self-funding could be renting the premises (meeting room) to third parties.

Actual situation / feasibility for renting

In the past two years the host country – Azerbaijan, has been facing economic crises. The national currency is devaluated every day. Despite or just because of that, financial entities invests in property building especially in hotels. We are faced with the situation of having more than forty-seven 4-star hotels and fifteen 5-star hotels based in Baku all of which are excellently equipped with multimedia conference rooms and offer competitive conference packages to their clients. These hotels can offer a full range of in-house business services including accommodation, catering and conference rooms for very good conditions.

The ROCB on the other hand, can offer a single conference room with fifty-two seats and two projector and one interpreter's booth. All third party services such as catering, additional furniture (e.g. speaker's desk), microphones and loudspeaker system, workshop material, etc., means of transport has to be rented or bought additionally. Letting our premises to rent to third parties means also additional costs for the hosting country due to shorter lifespan of all equipment and higher maintenance costs caused by higher frequency of use by third parties.

Aggravating factors are that big multi-national companies such as BP, Socar and others have their own meeting rooms in place. There is no platform for the ROCB to make its own premises more popular. Despite all the efforts initiated by the ROCB as e.g. personal introduction by the head of ROCB to the Embassies of the WCO Europe Region based in Baku, or publishing and informing a wider audience about our services on various occasions by different means such as flyers or webpage, there was no interest in renting our premises.

ROCB Proposal for further financing

The current funding model by voluntary member contributions has proven effective and successful to support the basic expenses of the ROCB. It gives the member countries the flexibility to choose whether to pay the amount required for the ROCB functioning together with their annual WCO membership contribution. This model has had the advantage for the ROCB, which is operating with a shortage of personnel, to concentrate its work more fully on their core skills and tasks.

In recognition of all above-mentioned facts, I therefore would like to put forward the following proposal:

The Europe Region Heads of Customs Conference agrees that the financial agreement 2013-2016 for the funding of the ROCB will be further extended under the same conditions for an indefinite time period.

I would like to kindly ask the Europe Heads of Customs to adopt my proposal in order for the Europe ROCB to be able to continue fulfilling its tasks as mandated by the Regional membership and providing effective capacity building support in the region.