RESOLUTION

on regional integration and modernisation of customs for sustainable development in ACP Countries, in cooperation with the EU

The ACP-EU Joint Parliamentary Assembly,

– meeting in Strasbourg (France) from 17 to 19 March 2014,

– having regard to Article 18(1) of its Rules of Procedure,

– having regard to the Partnership Agreement between the members of the African, Caribbean and Pacific Group of States of the one part, and the European Community and its Member States, of the other part, signed in Cotonou on 23 June 2000 (the Cotonou Agreement), in particular Articles 36 and 37 thereof, and revisions of the Cotonou Agreement in 2005\(^2\) and 2010\(^3\),

– having regard to the UN Millennium Declaration of 18 September 2000, which sets out the Millennium Development Goals (MDGs) as objectives established jointly by the international community for the elimination of poverty,

– having regard to the Commission communications entitled ‘Increasing the impact of EU Development policy: An agenda for change’ (COM(2011)0637), and ‘The future approach to EU budget support to third countries’ (COM(2011)0638),

– having regard to the Commission proposal for a Council Regulation on the implementation of the 11\(^{th}\) European Development Fund (COM(2013)0445),

– having regard to Council Regulation (EC) No 1528/2007 of 20 December 2007 applying the arrangements for products originating in certain states which are part of the African, Caribbean and Pacific (ACP) Group of States provided for in agreements establishing, or leading to the establishment of, Economic Partnership Agreements\(^4\),


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\(^1\) Adopted by the ACP-EU Joint Parliamentary Assembly on 19 March 2014 in Strasbourg (France).
\(^3\) OJ L 287, 4.11.2010, p. 3.
having regard to Council Regulation (EC) No 1207/2001 of 11 June 2001 on procedures to facilitate the issue of movement certificates EUR.1, the making-out of invoice declarations and forms EUR.2 and the issue of certain approved exporter authorisations under the provisions governing preferential trade between the European Community and certain countries and repealing Regulation (EEC) No 3351/83,

having regard to the Community guidelines on the application in the Community of the provisions concerning the validity of the proofs of origin,

having regard to the Commission communication setting out conditions, in the context of preferential tariff arrangements, for informing economic operators and Member State administrations of cases of reasonable doubt as to the origin of goods,

having regard to the World Bank’s Customs Modernization Handbook, published in 2005 (French version 2007),

having regard to the European Consensus on Development,

having regard to the United Nations Code for Trade and Transport Locations (UN/LOCODE) and its yearly updates,

having regard to the Customs Quick Tool HS codes for the screening of ozone depleting substances (ODS),

having regard to the OECD paper of July 2012 entitled ‘Tax administration: detecting corruption’ issued as part of the CleanBiz initiative,

having regard to the 8th WCO Partnership in Customs Academic Research and Development (PICARD) Conference hosted by the International Business and Law Institute of the National Research University of St Petersburg, 18-20 September 2013,

having regard to Regulation (EU) No 528/2013 of the European Parliament and of the Council of 12 June 2013 amending Regulation (EC) No 450/2008 laying down the Community Customs Code (Modernised Customs Code) as regards the date of its application,


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– having regard to the WTO Agreement on Implementation of Article VII (Customs Valuation)\textsuperscript{13},

– having regard to the WTO Agreement on Rules of Origin\textsuperscript{14},

– having regard to the World Customs Organization document entitled ‘Customs in the 21\textsuperscript{st} Century’ and to the resolution of the Customs Co-operation Council of June 2009 on the WCO’s Continuing Response to the Global Economic Downturn,

– having regard to Article 51, footnote 14 of the WTO TRIPS Agreement, on ‘counterfeit trademark goods’ and ‘pirated copyright goods’\textsuperscript{15},

– having regard to the 2013 CIAT Conference on Strengthening relations between Customs and Tax Authorities to fight tax fraud, Nairobi (Kenya), 9-12 September 2013\textsuperscript{16},

– having regard to the Ministerial Declaration and Decisions of the Ninth Ministerial Conference of the WTO in Bali, 3-6 December 2013,

– having regard to the report of the Committee on Economic Development, Finance and Trade (ACP-EU/101.547/14/fin.),

A. whereas customs play a vital role in collecting duties on trade in goods, which is a crucial source of revenue for the public budget, especially for countries such as most of the ACP States that struggle with high levels of deficit and public debt;

B. whereas one of the aims of budget support under the 11th EDF (2014-2020) should be to improve and intensify technical assistance and exchange of best practices in the field of customs;

C. whereas the deepening of regional integration in the ACP, including the creation and maintaining of customs unions, necessitates prudent modernisation of customs, good governance and transparency in customs and tax matters as well as an efficient legislative framework to design and implement trade defence instruments;

D. whereas modernisation of customs needs to be conducted transparently by involving parliaments and domestic stakeholders, and whereas the modernisation process should involve recruitment and training of customs experts, adequate technical infrastructure, including ICT connectivity, and enhanced institutional enforcement capacity of customs authorities;

\textsuperscript{13} http://www.wto.org/english/docs_e/legal_e/20-val_01_e.htm
\textsuperscript{14} http://www.wcoomd.org/en/about-us/legal-instruments/~link.aspx?_id=8FB281B82DD8465CB7FE588031749A3B&_z=z
\textsuperscript{15} http://www.wto.org/english/news_e/news12_e/trip_05jun12_e.htm
\textsuperscript{16} http://www.ciat.org/index.php/en/international-cooperation/international-activities/technical-conferences/2682.html
E. whereas reform at national level and regional integration initiatives in the customs sector must be pursued in synergy with trade facilitation efforts within the multilateral WTO system;

F. whereas swift and comprehensive implementation of the provisions of the trade facilitation agreement concluded at the Ninth WTO Ministerial Conference in Bali will help to modernise customs regimes and to accelerate trade procedures as well as improve trade exchanges;

G. whereas modernised customs should operate in a consumer-friendly manner to help fight against counterfeited and falsified goods, thus helping consumers to make an informed choice and improving their safety;

H. whereas customs efficiency requires the reduction of red tape, unnecessary administrative burdens and the costs arising therefrom, and the creation of a level playing field with other trading partners which subsequently contributes to both regional integration and viable EU-ACP trade;

I. whereas the Commission requires customs cooperation agreements to be concluded with states and regions in order to facilitate cumulation at various levels, and whereas the GSP rules of origin do not provide for full cumulation on items 1-24 of the Harmonised System (HS) Code although those are the products in respect of which many ACP LDC States have a competitive and comparative advantage when it comes to exports;

1. Welcomes the increased role of customs administrations, not only in the enforcement of measures but also in the detection of possible crimes, particularly trafficking crimes, and points out the need to fight customs tax crimes and malpractice, including bribery;

2. Considers that ACP countries would greatly benefit from the strengthening of customs authorities in order to facilitate the implementation of regional integration goals and objectives;

3. Points out the important facilitating role of regional customs unions for intra-regional trade;

4. Recognises that customs duties are an important source of revenue for public budgets of ACP countries, but that these should not be the sole source of revenue; stresses that the elimination of tariffs or reduction in customs duties could be compensated for by higher trade volumes, diversification of fiscal revenues and increased GNI contributions;

5. Commends the OECD countries that have recognised the capacity of value added tax (VAT) to raise revenue in a transparent manner and calls on the EU to provide technical assistance to the ACP partner countries that are in the process of introducing a broad-based consumption tax to foster compliance with the OECD VAT/GST (goods and services tax) guidelines; stresses that, in the context of international trade liberalisation, introducing VAT is one of the preferred alternatives to customs duties;
6. Considers that changes in the preferential rules of origin under Economic Partnership Agreements must take into account the impact, as identified through analysis of the associated costs and benefits, on the economy of each ACP country; considers that the costs and benefits, to the EU Member States and to the ACP countries, of methods of calculation for purposes of determining origin on the basis of value added must be rigorously analysed;

7. Calls therefore on the EU – as the biggest donor of official development assistance to ACP countries – and on the recipient governments to focus on ensuring that there are sufficient budgetary resources; and calls for greater transparency and accountability on the part of customs authorities in order to improve the efficiency of their daily operations and the overall positive impact they have on the development of cross-border, bilateral, plurilateral and multilateral legal trade flows;

8. Stresses that, if requested, the EU should support customs reforms and modernisation, sharing its knowhow and good practices in terms of customs cooperation, and optimising the use of funds and instruments within the existing framework;

9. Encourages exchanges of good customs modernisation and trade facilitation practice between the European Union and the ACP countries;

10. Points out that customs contribute to effective and efficient border management, which is essential to facilitate trade, reduce trading costs, and thus enhance the competitiveness of a country, and that in the 21st century the primary focus of customs is shifting from physical control over consignments at the time of importation to post-release verification using audit-based controls, which increases demand for well-designed ICT support;

11. Is convinced that well-functioning customs are a pivotal element of sustainable development that makes possible, for example, the participation of the private sector in the real economy, regional cohesion and integration of markets through cross-border cooperation, and the development of WTO-compatible open and fair trade;

12. Considers that practical steps resulting in the modernisation of customs should, amongst other objectives, focus on:

   - taking due account of the views of authorised economic operators (AEOs) in order to ensure effective simplification and streamlining of procedures in force;
   - designing and implementing a risk-based approach for the control of parcels and shipments as part of an efficient strategy to fight against counterfeiting while avoiding unnecessary bureaucracy, delays in customs clearance, and extra costs for both businesses and citizens;
   - creating and implementing harmonised rules as part of a single customs code, including a single external tariff, for each customs union, and the possibility for a customs representative compliant with the AEO status
to provide his or her services in a member country of the customs union other than the one in which he or she is established;

- ensuring that compliant and trustworthy AEOs enjoy the benefits stemming from international agreements on mutual recognition of AEO status;
- developing or strengthening measures in force for the traceability of goods;
- ensuring sufficient training opportunities for customs officials in charge of the verification of documents for customs clearance, especially as regards the rules of origin, the UN/LOCODE and ozone-depleting substances (ODS) codes;

13. Considers, furthermore, that a database of AEOs, including information on customs offences and ongoing investigations, which would be made available at no cost to the ACP customs authorities, could facilitate the sharing of information and best practices and increase the enforcement rate of customs rules;

14. Calls on the Commission to establish an exchange programme for customs experts and other law enforcement officers of the EU and ACP countries, in cooperation with EU Member State customs authorities and the new European Observatory on Counterfeiting and Piracy, with a view to strengthening bilateral cooperation in the fight against illicit parallel trade in goods, fostering the protection of the intellectual property of registered right-holders, and closely monitoring the trade in ODS contributing to climate change;

15. Sees a modern and efficient customs system as a necessary basis for effective trade defence policies, and considers that the authorities tasked with trade defence proceedings should, accordingly, take full account of customs authorities’ experience and expertise;

16. Calls for customs administrations to enhance their inter-agency cooperation with other border and cross-border entities, particularly health and safety inspectorates, including at ACP and EU levels;

17. Calls on the European Union and the ACP countries to encourage all initiatives to enhance regional integration in the customs sector, while ensuring that the standards established under such initiatives are compatible with the international multilateral system and that they further the aim of creating an open, equitable market;

18. Instructs its Co-Presidents to forward this resolution to the ACP-EU Council of Ministers, the European Parliament, the European Commission, the EU Council Presidency, the African Union, the Pan-African Parliament, national and regional parliaments and the ACP regional organisations.