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Organization mondiale des douanes

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Research Study

**WCO INSTRUMENTS AND TOOLS FOR THE TFA IMPLEMENTATION:
A STRATEGIC APPROACH FOR KOSOVO CUSTOMS**

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Executive summary:

This research paper explores how to enhance Kosovo Customs' (KC) capacity for the future implementation of the World Trade Organization's (WTO) Trade Facilitation Agreement (TFA) through identifying and analyzing the most relevant World Customs Organization (WCO) instruments and tools. The paper aims to prepare KC for the effective implementation of the TFA through a structured, phased approach.

The paper identifies and analyzes key instruments and tools developed by the WCO to assist KC in enhancing the efficiency and effectiveness of Customs procedures as part of its preparation for TFA implementation. It underscores the pivotal role of the Revised Kyoto Convention (RKC) in aligning Customs practices with international standards, emphasizing the substantial overlap between RKC provisions and TFA measures, and highlighting the coherence between the two agreements. Furthermore, the paper recommends several other WCO tools and capacity-building programs essential for modernizing Customs operations and facilitating international trade. A list of the most relevant WCO instruments and tools for TFA implementation is provided to assist in this process.

A strategic roadmap has been developed, comprising phases such as needs assessment, full alignment with the RKC, capacity building, stakeholder engagement, and monitoring and evaluation. Each phase delineates specific activities, timelines, and objectives to guide KC toward TFA compliance and modernization.

In conclusion, the strategic roadmap offers a clear trajectory for KC to enhance its readiness for TFA compliance and improve Customs procedures in alignment with global standards. Implementing the recommendations outlined in the paper can empower KC to become a more efficient and transparent Customs Administration, facilitating international trade and economic development.

ABBREVIATIONS AND ACRONYMS

World Customs Organization (WCO)

World Trade Organization (WTO)

Trade Facilitation Agreement (TFA)

Revised Kyoto Convention (RKC)

Kosovo Customs (KC)

Stabilization and Association Agreement (SAA)

Central European Free Trade Agreement (CEFTA)

General Annex (GA)

Specific Annexes (SAs)

Contracting Parties (CPs)

WCO Data Model (WCO DM)

Authorized Economic Operator (AEO)

Key Performance Indicators (KPIs)

Mutual Recognition Agreements (MRA)

Transitional Standards (TS)

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1. Chapter One

1.1 Introduction

In today's interconnected global economy, efficient trade facilitation fosters economic growth, competitiveness, and international cooperation. Implementing international trade agreements, such as the TFA established by the WTO, pose significant challenges for Customs administrations worldwide, including KC. While the TFA is to improve trade efficiency by addressing barriers to trade posed by burdensome border requirements and to enhance transparency, its effective implementation relies on the utilization of appropriate instruments and tools provided by the WCO.

This research attempts to address KC's existing needs and explore the opportunities available through the WCO in preparing for the implementation of the TFA. By identifying and leveraging the primary WCO instruments and tools that fit KC's context, the study seeks to enhance operational efficiency, compliance, and trade facilitation capabilities. Moreover, it aims to develop a strategic roadmap guiding KC toward TFA implementation, outlining actionable steps, timelines, and milestones to optimize resource allocation and foster continuous organizational improvement.

Through these efforts, this research contributes to the ongoing dialogue on Customs capacity building and trade facilitation by offering practical insights and actionable recommendations to bolster KC's readiness for TFA implementation.

1.2 Background and Situation Analysis

The WCO instruments and tools are a cornerstone in facilitating international trade, offering a comprehensive framework of standardized Customs procedures and best practices. While the TFA falls under the authority of the WTO, the WCO plays a vital role in assisting its Members, including Kosovo, in preparing for and implementing this agreement, using existing WCO instruments and tools given the vast majority of the measures are Customs-related.

Upon becoming a Member of the WCO in 2016, Kosovo marked a significant step towards further aligning its Customs practices with international standards. Since then, KC has actively participated in WCO committees, working groups, and meetings, demonstrating its commitment to advancing Customs modernization and trade facilitation. In 2019, Kosovo's accession to two key WCO Conventions, the RKC and the Harmonized System Convention, further strengthened its integration into the global Customs community.

In terms of trade agreements, Kosovo has pursued integration into regional and global trade frameworks to enhance its economic prospects. In 2015, Kosovo signed “the European Union

Stabilization and Association Agreement” (SAA) to foster closer political, economic, and trade ties with the EU. Additionally, Kosovo is a Member of the Central European Free Trade Agreement (CEFTA), which facilitates trade between countries mostly located in Southeast European countries by reducing tariffs and other trade barriers. Furthermore, Kosovo has signed various bilateral trade agreements to promote economic cooperation and market access.

As mentioned above, Kosovo is already integrating into international trade frameworks. Even though it is not yet a member of the WTO and has not formally implemented the TFA, Kosovo has been actively engaged in aligning its trade practices with the TFA standards. This effort focuses on improving customs procedures, reducing trade barriers, and enhancing transparency to facilitate smoother trade operations. By implementing these measures, Kosovo aims to modernize its trade infrastructure and integrate more effectively into the global trading system.

However, KC recognizes the necessity of effectively implementing WCO instruments and tools to enhance its operational capacity, particularly in anticipation of the TFA implementation. While the WCO provides various resources, such as instruments, tools, guidelines, standards, and capacity-building programs, KC is keen to develop a customized approach to maximize the utilization of these resources. It is noteworthy that KC currently lacks a comprehensive synopsis detailing which specific WCO instruments and tools could assist in the future implementation of the TFA.

Trade volume statistics further underscore the importance of addressing this challenge. In 2022, Kosovo's import value reached €5.60 billion, up from €4.64 billion in 2021. Similarly, export value increased to €869.6 million in 2022, compared to €712.7 million in the previous year. To further support these growing trade volumes, KC seeks to strategically harness WCO instruments and tools to streamline Customs procedures, reduce trade costs, and enhance trade facilitation.

KC's engagement with the WCO presents a valuable opportunity to enhance its customs operations and prepare for future trade agreements like the TFA. By strategically leveraging WCO instruments and tools, KC can overcome operational challenges, improve compliance with international standards, and further integrate into the global trading system, thereby promoting economic growth and development in Kosovo.

1.3 Objective of the Paper

This research paper aims to achieve two primary objectives. First, it seeks to identify the most relevant WCO instruments and tools to enhance KC's capacity for trade facilitation including the implementation of the TFA, facilitate a smoother transition to TFA implementation and enhance operational efficiency in Customs procedures. Second, it aims to develop a strategic roadmap

based on the proposed recommendations to assist KC in achieving a more efficient and effective state of readiness for the future implementation of Customs procedures.

1.4 Research Objectives

This research paper seeks to answer and offer recommendations for the following questions:

- To identify the most relevant WCO instruments and tools that can enhance KC's capacity for future implementation of the TFA, facilitate a smoother transition to TFA implementation and enhance operational efficiency in Customs procedures.
- To develop a strategic roadmap based on the proposed recommendations to assist KC in achieving a more efficient and effective state of readiness for the future implementation of Customs procedures.

1.5 Significance of the Research Paper

This research paper has several significant points, starting with policy relevance, as it will provide insights and recommendations to KC authorities and policymakers for enhancing Customs capacity and facilitating the implementation of the TFA. The findings of this research can transform into targeted policies, strategies, and interventions aimed at improving trade facilitation processes and fostering economic development in Kosovo. At the operational level, the impact will be the identification of the most relevant WCO instruments and tools and the development of a strategic roadmap for their integration; this study has the potential to impact KC operational efficiency and effectiveness positively. Implementation of the proposed recommendations can lead to streamlined Customs procedures, reduced trade barriers, and enhanced compliance levels, thereby facilitating smoother trade flows and contributing to Kosovo's integration into the global trading system.

1.6 Methodology

The research used a qualitative approach, combining document analysis, case studies, content analysis, and formal communication with KC officials responsible for WCO matters. This method helped to thoroughly examine Customs practices and their alignment with WCO guidelines, identify challenges, and explore opportunities for improvement in preparation for implementing the TFA.

2. Chapter Two

2.1 Role of the WCO Instruments and Tools in TFA Implementation

WCO instruments and tools play a pivotal role in supporting the effective and uniform implementation of the WTO TFA among its Members. Through a set of instruments and tools tailored to enhance Customs procedures, foster collaboration, and streamline international trade processes, the WCO significantly contributes to realizing the objectives of the TFA. Following our research objective, we have included an annex that details several WCO instruments and tools deemed most relevant for KC's future implementation of the TFA. This paper will primarily focus on the RKC due to its specific role and importance in TFA implementation as it served as a basis for TFA negotiations.

Additionally, it will explore other essential tools such as the Mercator Program, Implementation Guidance for Section I of the TFA, the SAFE Framework of Standards, and the WCO Data Model, each playing a distinct yet complementary role in preparing for and executing the TFA implementation effectively, as explained by the authors Wolfgang & Kafeero (2014).

Formal discussions with KC officials responsible for the WCO matter confirmed the lack of a comprehensive synopsis of the specific WCO instruments and tools that could assist in the future TFA implementation. Feedback from KC officials emphasized the need for a thorough examination of available WCO resources and their potential application in enhancing KC's capacities for trade facilitation and preparedness for TFA implementation.

2.2 The Revised Kyoto Convention (RKC)

The RKC, stands as a crucial international agreement designed to simplify and harmonize Customs procedures, facilitating the efficient movement of goods across borders. This Convention aims to create an international instrument to simplify and harmonize Customs procedures and thereby facilitate international trade.

In June 1999, the WCO Council adopted the Protocol of Amendment to the International Convention on the Simplification and Harmonization of Customs Procedures, called the "Revised Kyoto Convention," which officially came into force on February 3, 2006.

Recognizing the evolving nature of international trade, the amended version incorporated practices to address emerging challenges. It sets forth a comprehensive framework of international standards and is considered the blueprint for modern and efficient Customs procedures in the 21st century. As stated by Yasui (Yasui, 2010), acceding to the RKC yields several benefits, one of which is the 'Announcement effect,' certifying a Contracting Party as having international Customs standards in place.

The RKC stands on a foundation of key principles to facilitate international trade and promote efficient Customs procedures. These include transparency, which ensures that Customs laws, regulations, and procedures are clear, easily accessible, and understandable; standardization, which establishes uniform Customs procedures to enhance predictability and consistency in the application of Customs rules; automation and maximum use of information technology which encourages the use of modern technologies to automate Customs processes and improve efficiency; risk management which emphasizes the importance of risk assessment techniques to identify and target high-risk consignments while facilitating the clearance of low-risk shipments; and partnerships and cooperation which promotes cooperation among Customs administrations and between Customs authorities and the private sector.

The RKC organizes its structure into three main parts. The first part, referred to as the Body, gives an overall view of the Convention's rules and requires countries to follow them. It sets the basic principles for implementing the RKC. The second part is the General Annex (GA), which contains essential rules applying to all Customs procedures. The GA includes Standards and Transitional Standards spread across ten chapters, ensuring a standardized approach. The last part includes Specific Annexes (SAs), which have more detailed rules. Countries can choose to follow any of these SAs or specific chapters within them. Alongside the rules in the GA and SAs, there are Guidelines. These Guidelines are not strict rules; they are there to help interpret the RKC and show examples of how different Members approach it.

As of June 2024, the Convention boasts of 136 Contracting Parties (CPs). Among the 136 CPs of the RKC, 21 CPs have accepted all the SAs. 33 CPs have acceded to the SAs with reservations, and 82 CPs have not yet accepted the SAs (Figure 1).

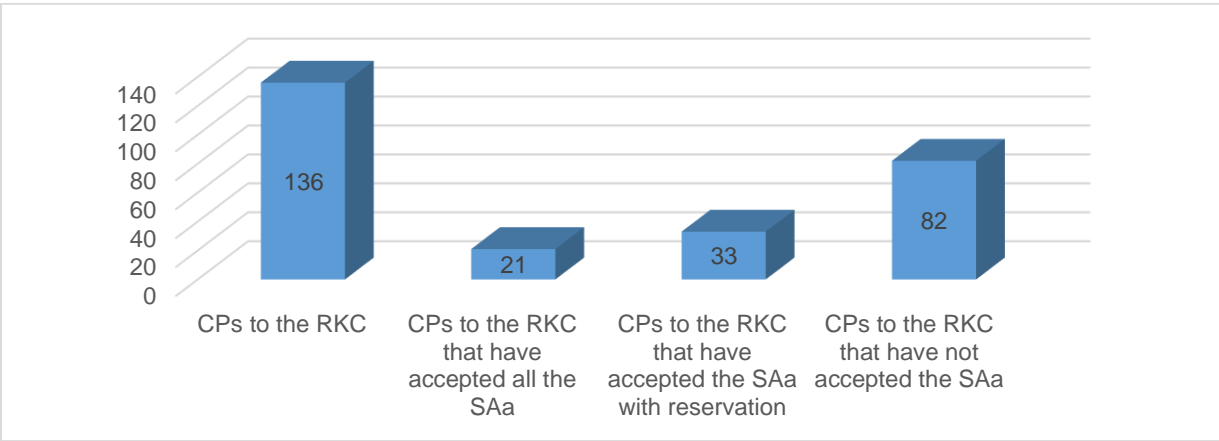


Figure 1. CPs to the RKC by SAs Acceptance Status

In 2020, the Republic of Kosovo acceded to the RKC with reservations about the SAs. Even though Kosovo was not a contracting party to the RKC before 2020, the Convention was acknowledged in the main Customs legislation of the KC as a reference document. This proactive inclusion demonstrated KC's commitment to fully aligning its practices with the fundamental principles outlined in the RKC. Since it acceded to the Convention, KC has undertaken a self-evaluation process to assess the level of implementation of the RKC. By conducting a comprehensive self-assessment, KC demonstrates its dedication to continuous improvement, fully aligning its practices with the principles outlined in the RKC.

Going forward, it might be best for KC to do a more thorough evaluation of how well it is implementing the RKC with technical help from the WCO. This proactive approach will contribute to a more accurate self-evaluation and pave the way for enhancements in KC laws and procedures that are in line with international standards.

2.2.1 Relationship between the RKC and TFA

The RKC and TFA are both international agreements that share a common goal of enhancing international trade efficiency and facilitation. They complement each other in promoting trade facilitation, with the RKC addressing Customs procedures specifically and the TFA covering a broader range of trade-related aspects. The RKC has been recognized as the key implementing instrument in the WTO trade facilitation negotiations (The WTO Trade Facilitation Agreement and the WCO Mercator Programme Approach to Implementation). Customs administrations of many WTO Members have made positive contributions to the WTO trade facilitation negotiations which have culminated in the TFA. Engagement of Customs in the negotiating process has ensured that the TFA is consistent with WCO instruments and tools on trade facilitation and compliance which WCO Members have been developing and implementing over the past years. Those include the RKC, but also many others such as SAFE Framework of Standards, the Time Release Study, the Coordinated Border Management Compendium, the Single Window Compendium, the Risk Management Compendium, Post-Clearance Audit Guidelines, and many others. Many Countries align their Customs practices with both agreements to foster smooth cross-border trade. In this respect, out of the 136 CPs to the RKC, 119 of them are signatories to the TFA

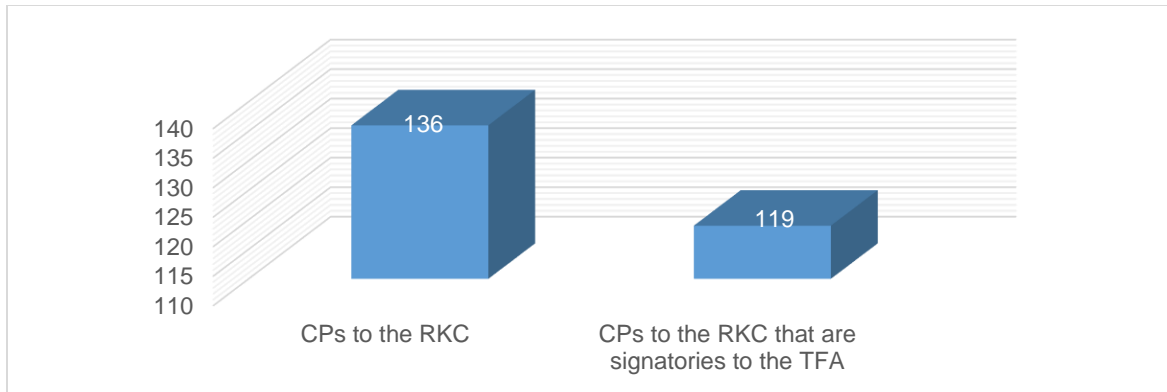


Figure 2. Total number of CPs to the RKC and their signatory status to the TFA

The TFA came into force in 2017 as an international instrument aiming to improve global trade efficiency. The TFA addresses bureaucratic challenges, enhances transparency, and capitalizes on innovative technologies. The agreement is organized into several key components. Firstly, it features a preamble that establishes the overarching goals, emphasizing the importance of trade facilitation for economic development and the reduction of trade barriers. The core of the TFA lies in its articles, which cover a wide range of measures such as Customs procedures, transparency, cooperation, and capacity building. Notably, the TFA (Article 23.2) encourages the establishment of National Committees on Trade Facilitation (NCTF) to coordinate and oversee the implementation of trade facilitation measures at the national level. The agreement includes mechanisms for information exchange, notifications, consultations, and periodic reviews, foster transparency, and cooperation among WTO Members in the pursuit of improved trade facilitation. Furthermore, the TFA underscores the significance of technical assistance and capacity building as essential elements for the successful implementation of its provisions.



Figure 3. Structure of the TFA by section

The WCO Analysis of Section I of the TFA shows a high level of consistency between the TFA provisions and WCO instruments and tools. The Analysis also shows that the WCO standards and tools address the TFA requirements in cooperation and coordination with other border agencies. It also points to the areas needing more guidance (WTO Agreement on the trade facilitation - Analysis of Technical Measures 2016).

Studies such as those by Wolfgang and Kafeero (2014) highlight the significant overlap between RKC provisions and TFA measures. The coherence between the two agreements was emphasized at the WCO Global Conference on the Comprehensive Review of the RKC in 2018. Much of the content of the TFA can already be found in the RKC, holding, therefore, few surprises for the WCO and its Members (Wolfgang, 2019). The alignment between the RKC and TFA makes the RKC a crucial instrument for preparing KC for future TFA implementation. YASUI (2010) underscores the advantageous position of RKC CPs in negotiating bilateral or regional trade agreements, including Free Trade Agreements (FTAs). Countries implementing the RKC can save time in trade negotiations through common Customs procedures.

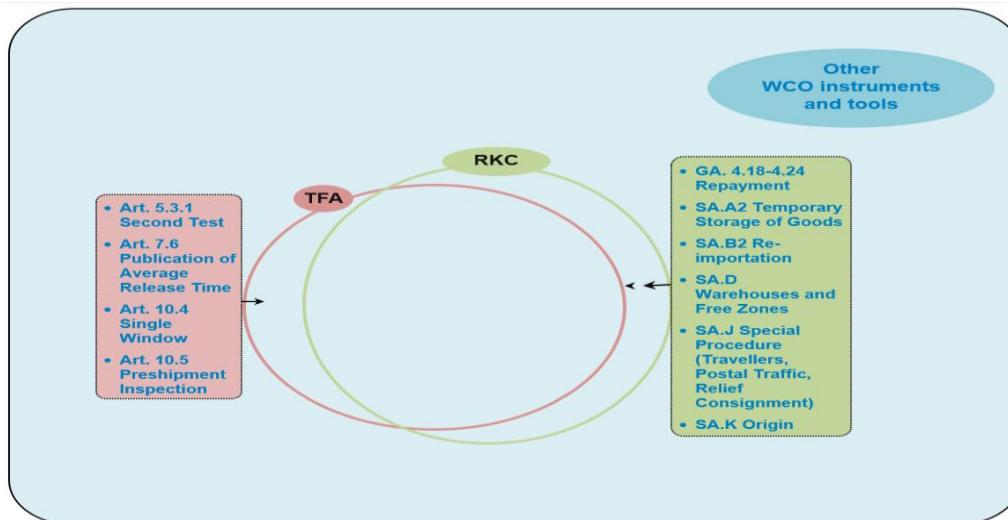


Figure 4. The RKC and other WCO instruments and tools overlap with and TFA

The RKC and the TFA share common objectives aimed at fostering international trade facilitation. Both prioritize the simplification and harmonization of Customs procedures, utilizing modern technologies like electronic data exchange and automated systems to enhance efficiency. Transparency and predictability in trade procedures are significant focuses, with signatories encouraged to provide clear information about Customs rules, contributing to smoother transactions. Additionally, both agreements advocate for risk management techniques, expediting the clearance of low-risk shipments while identifying high-risk ones for inspection. Cooperation among border agencies and Customs authorities is crucial. Beyond Customs procedures, both agreements aim to harmonize controls across countries, foster a consistent trading environment, and reduce barriers.

It is worth mentioning that the RKC and TFA differ significantly in their structural organization. The RKC adopts a structure based on annexes; the GA is obligatory, and SAs are optional. The TFA has a categorization system, distinguishing measures into A, B, and C categories, each with its own level of implementation commitments. The TFA's categories facilitate a nuanced approach, allowing Member states to tailor their commitments, while the RKC's annexes outline specific procedures and practices, potentially offering less flexibility in implementation. Both frameworks aim to enhance trade facilitation but diverge in their organizational strategies and the degree of specificity in outlining Customs-related measures.

In summary, the RKC plays a crucial role as a comprehensive guide for KC in its pursuit of modernizing procedures and aligning with global best practices on international trade facilitation.

The adoption of RKC standards holds the potential to bolster KC's preparedness for TFA implementation, fostering more efficient, transparent, and facilitative trade operations.

2.3 The WCO Data Model

The WCO Data Model (WCO DM) serves as a critical tool in modernizing Customs procedures and facilitating international trade, particularly in the context of trade TFA implementation. For KC, leveraging the WCO DM is essential for streamlining operations and enhancing efficiency. The importance of the WCO DM lies in its ability to provide a standardized framework for electronic data exchange, ensuring interoperability and compatibility among Customs authorities, traders, and other stakeholders involved in international trade. By adhering to the WCO DM, KC can facilitate seamless communication and information sharing, meeting the data exchange requirements outlined in the TFA. This standardized approach supports advanced electronic submission of Customs data, risk management, and post-clearance audits, which are essential components of TFA implementation.

Furthermore, the WCO DM enhances data accuracy and consistency by providing common data structures and standardized elements for describing goods, parties involved in trade transactions, and other relevant information. KC can improve data accuracy, minimize errors, and enhance the reliability of Customs declarations, fostering transparency and trust in Customs procedures. The WCO DM supports the development and implementation of electronic Customs systems, which are crucial for modernizing Customs operations and expediting trade flows. By further aligning with the WCO DM, KC can automate processes, streamline data capture and processing, and enhance overall efficiency. This supports TFA provisions relating to electronic documentation, data exchange, and other electronic Customs processes.

The WCO DM facilitates international trade by promoting consistency, efficiency, and interoperability in Customs procedures. In the context of TFA implementation, the WCO DM becomes crucial because it fully aligns Customs procedures with the Agreement's requirements. The TFA emphasizes simplification, harmonization, and standardization of Customs procedures to reduce trade barriers and facilitate smoother trade flows. By leveraging the WCO DM, Customs administrations, in this case, KC can ensure that their data management systems are compatible with TFA requirements, thus enabling more efficient implementation of the agreement and enhancing trade facilitation efforts.

In summary, leveraging the WCO DM can be vital for KC efforts to modernize Customs operations, enhance trade facilitation, align with TFA requirements, and promote efficient and transparent Customs procedures.

2.4 SAFE Framework of Standards and its Role in Trade Facilitation

The SAFE Framework of Standards (FoS) represents another crucial tool developed by the WCO that plays a pivotal role in shaping global Customs and trade practices. The WCO created this framework to balance the dual objectives of enhancing trade facilitation and ensuring the security of international supply chains.

The SAFE FoS, as an integral component of the WCO's initiatives, significantly contributes to the TFA's implementation. The SAFE FoS's emphasis on risk management is a core principle. By promoting risk-based approaches to Customs controls, the framework enables Customs administrations to focus resources on high-risk shipments, expediting the clearance of low-risk goods.

Another key feature of the SAFE FoS is its encouragement of AEO programs. These programs recognize and reward businesses with a proven record of compliance and security measures, fostering trusted partnerships between Customs and the private sector. This promotes the harmonization and standardization of Customs procedures, directly supporting TFA goals for streamlined trade facilitation. KC has already issued authorizations for some AEOs (Authorized Economic Operator) but has not yet signed any Mutual Recognition Agreements (MRAs). The MRA status among trading partners, facilitated by the SAFE Framework, will further strengthen KC's global relationships, facilitating smoother trade transactions and reinforcing supply chain security efforts through TFA provisions.

The support provided by the SAFE FoS will enable KC to enhance its risk management systems and integrate security measures, ensuring the effective implementation of TFA measures. By incorporating SAFE FoS principles, KC will streamline Customs procedures, fostering transparency, compliance, and predictability in global trade processes. Overall, SAFE further aligns KC's operations with the TFA, promoting efficient Customs procedures and bolstering trade security.

In conclusion, the SAFE FoS provides a comprehensive and integrated approach that can significantly aid KC in implementing TFA measures, enhancing both trade facilitation and supply chain security. By adopting the principles of the SAFE FoS and tools in SAFE Package, KC can ensure a more secure, efficient, and predictable trading environment.

2.5 WCO Mercator Program and Its Significance in TFA Implementation

In addition to instruments and tools, capacity-building initiatives offered by the WCO play a crucial role in supporting Customs administrations in their efforts to implement the TFA. Launched in 2014, the Mercator Program, the WCO's flagship programme to support TFA implementation, aims to assist countries in effectively implementing the TFA by utilizing existing WCO instruments and tools.

The programme follows a dual-track approach that comprises of overall and tailor-made tracks. This allows the WCO to respond to important cross-cutting and country-specific challenges to TFA implementation. The overall track of the Mercator Programme addresses broader interests, including TFA-related awareness raising at global, regional, and national level, as well as developing, updating, and enhancing existing WCO tools, instruments and training materials related to TFA implementation. On the other hand, the tailor-made track targets Member's specific needs for assistance in implementing the TFA and depending on the extent of the request, WCO responds with different solutions.

The tailor-made track of the Mercator Programme is anchored on the WCO's capacity building principles of ownership, needs based support, partnerships, results-based management and sustainability of reform and modernization initiatives. Tailor-made assistance may come in the form of "Multi-Year (MY) Mercator Programme Implementation Plans" or ad-hoc engagements supporting specific TFA articles. A growing proportion of Mercator Programme support under the tailor-made track is now being delivered under this MY Mercator delivery model bringing the total number of MY Mercator beneficiary Members to sixty-three.

One of the key benefits of the MY Mercator delivery model for KC is its adaptability to the specific context and needs of the administration. As KC undergoes the process of integration into the global trade community, tailoring the model to align with the country's unique challenges and priorities becomes crucial. This customization allows KC to address specific bottlenecks and gaps in its trade facilitation capabilities, leading to smoother trade flows and enhanced efficiency.

MY Mercator partnerships start with a diagnostic assessment that uses a combination of tools to assess each TFA article's implementation status. TFA diagnostic assessment activity includes the development of a MY Mercator Implementation Plan, based on the agreed assessment recommendations, that forms the basis of future WCO delivery and serves to facilitate enhanced engagement with other development partners, other government agencies and private sector stakeholders involved in trade facilitation reforms.

Follow-up activity, including monitoring and evaluation perspectives, is conducted jointly between the WCO and the Member administration regularly.

Moreover, the Tailored Track TFA Maturity Model serves as a tool for fostering dialogue and collaboration between KC and international partners, including the WCO and the EU. By demonstrating commitment to TFA implementation and progress towards achieving maturity milestones, KC can strengthen its partnerships and access technical assistance and support from the Mercator Programme and other relevant stakeholders.

Considering the benefits and support that the WCO Mercator Program offers, we can conclude that in preparation for the future implementation of the TFA, KC should benefit from MY Mercator Partnership, leveraging the technical assistance and capacity building it offers. This proactive approach will help KC further align with international best practices and effectively implement trade facilitation reforms, supporting the country's readiness for the future implementation of the TFA.

2.6 WCO Implementation Guidance for Section I of the TFA and Significance of This Web Tool for TFA Preparation

The WCO Implementation Guidance for Section I of the TFA is a web-based tool holds immense significance in the context of preparing for the TFA implementation, as it serves as a valuable resource in aligning Customs procedures with the technical provisions outlined in the TFA, thereby enabling countries to optimize their trade facilitation efforts. This chapter explores the importance of this web-based tool in TFA preparation, highlighting its key features and benefits.

The WCO Implementation Guidance for Section I provides comprehensive guidance on aligning Customs procedures with the technical provisions of the TFA. It assists Customs administrations in understanding their obligations under the agreement and implementing necessary reforms to streamline trade processes. By offering detailed insights into TFA requirements, this Guidance enables countries to identify areas for improvement and develop targeted strategies for compliance.

The WCO implementation Guidance covers twelve articles and about forty technical measures of the TFA in Section I, and The Guidance, for each of those measures, provides the following categories of information: Overview; Text of the TFA Article; relevant RKC Standards and RKC Guidelines; other relevant WCO tools and Members practices.

The Guidance was updated in 2023 with the inclusion of recently developed WCO instruments and tools and the updated and new case studies by Members. The revised version of the Guidance is available on the WCO website in three languages.

Effective monitoring and evaluation are critical for assessing the progress of TFA implementation and identifying areas for further improvement. The Web Tool facilitates monitoring and evaluation efforts by providing tools and templates for tracking implementation progress, measuring performance indicators, and conducting self-assessments. By enabling Customs administrations to systematically assess their compliance with TFA provisions, the Tool supports continuous improvement and ensures that trade facilitation efforts remain on track.

In KC's case, the WCO Implementation Guidance can play a crucial role in the preparation and implementation of the TFA. By utilizing the tool, KC can benefit from detailed guidance on the individual technical measures of the TFA. This will help in understanding the specific requirements and best practices for implementing each provision, ensuring a comprehensive approach to TFA compliance.

Furthermore, the tool can assist KC in planning the sequencing of implementation, thereby enabling a structured and effective approach to adopting the TFA provisions. Additionally, it guides the provision of technical assistance and capacity building, which is crucial for the KC administration in enhancing their readiness for TFA implementation.

In conclusion, the WCO Implementation Guidance for Section I plays a vital role in TFA preparation by offering comprehensive guidance, facilitating customized implementation strategies, promoting capacity building and knowledge sharing, enhancing transparency and predictability, and supporting monitoring and evaluation efforts. The Guidance serves as an indispensable resource for advancing their trade facilitation agendas in alignment with the provisions of the TFA.

3. Chapter Three

3.1 Recommendations and Conclusions

After engaging in formal discussions with KC officials responsible for WCO matters, it was confirmed that KC currently lacks a comprehensive synopsis detailing which specific WCO instruments and tools could assist in the future implementation of the TFA. The feedback and perspectives shared by KC officials highlighted the need for a more thorough examination of the available WCO resources and their potential application in enhancing KC preparedness for TFA

implementation. Based on the analysis of the relevant WCO instruments and tools, the following recommendations have been addressed for KC to enhance its capacity for future implementation of the TFA. These recommendations have produced a strategic roadmap, providing clear steps and milestones for KC to follow to achieve a more efficient and effective state of preparation for the implementation of Customs procedures:

Leverage the WCO instruments and tools identified in Annex 1: The WCO instruments and tools that can assist in the TFA's implementation. By implementing these tools, KC can further align its Customs procedures with international best practices and enhance its preparedness for TFA implementation.

Engage with the WCO Mercator Program to leverage technical assistance and capacity building needed. Conduct a comprehensive needs assessment and develop a tailored-made capacity-building plan in the margins of a Multi-Year (MY) Mercator engagement.

Align Customs procedures with RKC standards to enhance predictability, transparency, and efficiency. Conduct a gap analysis and integrate RKC provisions into regulations and procedures.

Enhance Customs officials' skills and capabilities through targeted training programs and collaboration with the WCO. Evaluate and improve existing training initiatives.

Foster collaboration with stakeholders through a multi-stakeholder task force and regular consultation ensuring a coordinated approach to TFA implementation. Stakeholders, including the business community, national agencies, and other relevant entities, will be involved from the initial phase. This coordinated approach ensures that their unique perspectives and needs are addressed, leading to a comprehensive and inclusive implementation. Early and continuous engagement will help build consensus, streamline processes, and facilitate smoother execution of TFA provisions.

Develop a follow up activity plan including for monitoring progress and evaluating the effectiveness of TFA implementation. Define key performance indicators and establish mechanisms for data collection and analysis.

3.1.2 Strategic Roadmap for KC: Future Implementation of the TFA

Phase one: Prepare KC for TFA implementation through WCO MY Mercator Engagement

Activity 1: Preliminary Engagement with the WCO MY Mercator Programme (Timeline: January 2025)

- Establish communication with the WCO Mercator Program-Capacity Building Directorate.
- Express your need for support for TFA implementation and interest in becoming a MY Mercator beneficiary.

Activity 2: Mercator diagnosis assessments (Timeline: February - March 2025)

- Conduct a thorough analysis of KC's current customs procedures, systems, and practices.
- Identify strengths, weaknesses, gaps, and areas needing improvement to meet TFA requirements.
- A comprehensive diagnostic report highlighting key areas for reform and development.

Activity 3: Strategic recommendations for reform (Timeline: April - May 2025)

- Based on the diagnostic assessment, develop targeted recommendations for reforming KC's customs procedures.
- Align KC's practices with international standards and best practices outlined in the TFA.
- A strategic roadmap for implementing necessary reforms to facilitate trade and enhance customs efficiency

Activity 4: Development of Mercator Implementation monitoring plan - Maturity Modelling

- Create a detailed implementation plan that outlines specific actions, timelines, and responsibilities.
- Ensure systematic and phased implementation of the recommended reforms.

Phase two: Ensuring Full RKC Alignment: Enhance predictability, transparency, and efficiency by fully aligning Customs procedures with RKC standards.

Activity 5. Review the self-assessment of the Gap Analysis earlier conducted: (Timeline: June - July 2025)

- Conduct a thorough review of the previous Gap Analysis conducted during the accession to the RKC.
- Use this review as a baseline to evaluate whether the initially identified gaps have been adequately addressed.

Activity 6: Assess General Annex (GA) Standards and Transitional Standards (Timeline: August - September 2025)

- Evaluate the implementation status of the "108 Standards" in the GA, which must be implemented within three years of accession.
- Review the implementation progress of the 13 TS in the GA, considering the five-year implementation period.

Phase three - Capacity Building on Human Resources: Enhance Customs officials' skills and capabilities to implement TFA-related measures effectively.

Activity 7: Evaluation and Improvement of Training Programs (Timeline: February - March 2026)

- Evaluate current training programs and identify areas for improvement.
- Develop targeted capacity-building initiatives tailored to TFA implementation needs.

Activity 8: Collaboration with International Partners (Timeline: April - May 2026)

- Collaborate with international partners, such as the WCO and relevant donor agencies, to access technical assistance and training resources.

Phase four - Stakeholder Engagement and Collaboration: Foster collaboration with stakeholders to ensure a coordinated approach to TFA implementation.

Activity 9: Multi-Stakeholder Task Force Establishment (Timeline: since the beginning of the first phase - ongoing) since the beginning of the first phase

- Establish a multi-stakeholder task force to oversee the implementation of the strategic roadmap.

Activity 10: Consultations and Communication Strategies (Timeline: December 2026 –ongoing)

- Foster collaboration with government agencies, trade associations, and international organizations through regular consultations and communication strategies.

Phase five - Monitoring and Evaluation of the progress and effectiveness of the TFA implementation: Integrating MY Mercator monitoring:

Activity 11: Adopt MY Mercator Monitoring Tools: (Timeline: Continuously)

- Utilize Mercator Programme's maturity models.
- Define key performance indicators (KPIs) and benchmarks based on Mercator standards.

Activity 12: Establish Regular Reporting, Review, and Assessment Mechanisms (Timeline-ongoing)

- Set up structured reporting systems and schedule quarterly review meetings.
- Use Mercator templates for consistent updates and progress tracking.
- Perform semi-annual evaluations using Mercator evaluation tools.

By implementing this strategic roadmap, KC can enhance its capacity, streamline Customs procedures, and improve readiness for TFA implementation. The roadmap emphasizes the adoption of the WCO instruments and tools, capacity-building initiatives, stakeholder engagement, and monitoring and evaluation to ensure effective implementation and fully alignment with international best practices.

3.2 Conclusion

The above-outlined strategic roadmap offers KC a comprehensive framework, especially in compliance with the TFA's requirements. KC can address key challenges and capitalize on opportunities to modernize its operations and improve trade facilitation through a systematic approach that integrates relevant WCO instruments and tools, capacity-building initiatives, stakeholder engagement, and monitoring and evaluation mechanisms.

The review of the WCO's instruments and tools showed how important it is to use tools like the RKC, WCO DM, SAFE, Mercator Programme, and others to simplify Customs procedures, improve data sharing, and make sure that they are in line with best practices around the world. By adopting these tools and further one aligning Customs practices with international standards, KC can improve efficiency, transparency, and predictability in Customs operations, facilitating smoother trade flows and fostering economic growth.

Furthermore, the strategic roadmap emphasizes the importance of capacity-building initiatives to equip KC staff with the necessary skills and knowledge to implement TFA provisions effectively. Training programs tailored to TFA requirements, along with partnerships with international organizations and donor agencies, can support KC in enhancing institutional capacity and driving sustainable Customs modernization efforts.

Stakeholder engagement and collaboration are central to the strategic roadmap's success. Effective partnerships with government agencies, trade associations, private sector stakeholders,

and international organizations are essential for driving reforms, sharing best practices, and mobilizing resources.

In addition, robust monitoring and evaluation mechanisms are critical for tracking progress, identifying challenges, and making necessary adjustments to the roadmap over time. By establishing clear performance indicators and benchmarks, KC can measure the impact of TFA implementation efforts and ensure accountability for achieving strategic objectives.

Overall, the strategic roadmap offers a clear path forward for KC to enhance its readiness for TFA compliance and improve Customs procedures in line with international standards. By implementing the recommendations outlined in the roadmap, KC can position itself as a more efficient, transparent, and responsive Customs Administration, contributing to the facilitation of international trade and the economic development of Kosovo and the wider region.

Annex 1:

The WCO instruments and tools that can assist in the implementation of the TFA

- Revised Kyoto Convention
- Transparency and Predictability Guidelines
- Recommendation (1999) on the Use of World Wide Web sites by Customs administrations
- Recommendation (2001) on the application of HS Committee Decisions
- Revised Arusha Declaration Concerning Good Governance and Integrity in Customs
- IT Guide for Executives
- Customs-Business Partnership Guidance
- Model Business Lens Checklist for Small and Medium Sized Enterprises (SMEs)
- Technical Guidelines on Advance Rulings for Classification, Origin and Valuation
- Diagnostic Tool on Tariff Classification, Valuation, and Origin Work and Related Infrastructure/Guidelines on Customs Infrastructure for Tariff Classification, Valuation, and Origin
- Practical Guidelines for Valuation Control
- SAFE Framework of Standards
- Risk Management Compendium
- Single Window Compendium
- Immediate Release Guidelines
- Coordinated Border Management Compendium
- Single Window Compendium
- WCO Data Model App
- Transit Handbook
- Transit Guidelines
- Compendium of Best Practices in the Area of Transit
- Recommendation (2012) on the Dematerialization of Supporting Documents
- Model Bilateral Agreement
- Nairobi Convention
- Johannesburg Convention

- Globally Networked Customs
- Voluntary Compliance Framework
- Customs Enforcement Network Global Application (CEN)
- Customs Enforcement Network Communication Platform (CEN comm)
- National Customs Enforcement Network Application (n CEN)

Mercator Programme:

- Overall Track:
- Implementation Guidance for Section I
- The WTO Trade Facilitation Agreement and the Mercator Programme Approach to Implementation
- Analysis of Section I
- Use of ITC – WTO Agreement on Trade Facilitation
- Tailor-made track
- TFA Maturity Model Assessment Guide (Members only)
- A WCO Initiative to Support WTO TFA Implementation
- A Navigational Map for Trade Facilitation - WCO Mercator Programme
- Information sheet - WCO Mercator Programme
- WCO Mercator Programme
- WCO Time Release Study

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