

**ASSOCIATION OF CARIBBEAN STATES -ACS**

**ACS PROJECT CONCEPT DOCUMENT**

**PROJECT: Addressing Customs Facilitation in the Greater Caribbean**

**ABBREVIATIONS AND ACRONYMS**

<b>ACS</b>	Association of Caribbean States
UNCTAD	United Nations Centre for Trade and Development
WCO	World Customs Organization

<b>I. PROJECT OVERVIEW</b>	
<b>A. PROJECT DESCRIPTION</b>	
<b>1.1 Project name / number</b>	<b>Addressing Customs Facilitation in the Greater Caribbean Region</b>
<b>1.2 ACS Focal Area</b>	<b>Trade Development and External Economic Relations Directorate</b>
<b>1.3 Objectives</b>	<p><b>General Objective:</b> To examine, identify and implement common mechanisms in order to harmonize customs structures and procedures in order to eliminate or reduce the obstacles and challenges to trade facilitation within the Greater Caribbean Region</p> <p><b>Specific Objectives:</b></p> <ul style="list-style-type: none"> <li>▪ To promote transparency in import and export transactions.</li> <li>▪ Simplification and harmonization of administrative and customs procedures into and between the participant Countries</li> <li>▪ Digitization of customs procedures to facilitate the reduction of excessive documentation.</li> <li>▪ Negotiate with cooperating bodies and organizations the requirements and cooperation needs, to transfer customs capacities of the member countries and the ACS associated members.</li> <li>• The achieving of more transparent procedures towards simplification of regulations, procedures and administrative rules.</li> <li>• To create new conditions for improving competitiveness of the economic activities in the Region.</li> <li>• To promote trade and investment in the Region, between country groupings of the Greater Caribbean, and with the rest of the world, taking advantage of the strengthening of links between trade and investment.</li> </ul>

<p><b>1.4 Justification</b></p>	<p>Though there have been major efforts made in addressing issues and obstacle that exist the trading environment within the Greater is still plagued by hurdles which continue to threaten the consolidation of an economic space which supports and bolsters the investment capacity and potential of the stakeholders and actors of the ACS Region. It vital at this time to propose the undertaking of project activities aimed at reducing and eliminating these obstacles and challenges within the trading system of the Greater Caribbean.</p>
<p><b>1.5 Components/ Expected Results</b></p>	<p><b>Components:</b></p> <p>Phase 1. Undertake an assessment through contracted consultant, of the customs systems existing throughout the ACS Region (in each member country) as well as a review of the capabilities, facilities and infrastructure available within the ACS Region (in each Member State) And Recommend to Member States ways in which they can improve existing systems, and also transition into the use of more efficient custom facilitation systems.</p> <p>Phase 2. Presentation of a model or an appropriate methodology to be followed by the countries of the Greater Caribbean, in order to facilitate the process of harmonization of internal customs procedures</p> <p>Phase 3. Organise Training Seminars and Sessions on pertinent issues of Customs Facilitation. Engage in an intensive training process of Customs Authorities through specialized immersion training in those Members States with more development and efficient Customs Systems.</p> <p>Phase 4. Implement improved systems and techniques in the administering of Customs procedures and capabilities.</p> <p><b>EXPECTED RESULTS</b></p> <p>1. Document / evaluation report of the customs systems of the greater Caribbean, with a comparison of the same. This evaluation shall conclude with a.) a proposal of critical path to be followed by the Member States of the ACS, taking a model more advanced or appropriate (one of the countries of the region), and b.) a presentation on the proposal recommended to all Member States of the ACS.</p> <p>2. A unified customs procedures Manual that serves as guide for the Manual of procedures of each country, in order to achieve a</p>

	<p>simplification and harmonization of customs procedures and documents.</p> <p>3. A training programme aimed at enhancing the capacity of the customs agents in less developed customs systems within the ACS Member States.</p> <p>4. A plan of recommendations to be implemented by country, including the training process, as well as the equipment recommended for purchase, for the purpose of establishing national priorities required in order to harmonize country processes with those of the rest of the Greater Caribbean Region.</p>
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<b>1.6 Estimated Costs and Duration</b>	Cost estimated at Ongoing (Duration depends on progress of meetings, and rate of implementation of components)
<b>1.7 Project current status</b>	In the process of consultation between the States, and approval by the Members of the ACS
<b>B. STAKEHOLDERS</b>	
<b>1.8 Entity responsible</b>	Association of Caribbean States ( Directorate of Trade Development and External Economic Relations)
<b>1.9 Beneficiaries</b>	ACS Member States and Associate Members Countries of the Greater Caribbean Economic Entities of the Greater Caribbean. Business Owners and Entrepreneurs Regional/International Institutions Customs Authorities and Officials Trade Promotion Organizations Ministries of Trade and Industry
<b>1.10 Collaborating institutions</b>	The ACS Member States with more advanced customs systems and processes UNCTAD (United Nations Centre for Trade and Development), Inter-American Development Bank, Ministries of Trade and Industry of the Region, World Customs Organization
<b>1.11 Executing Institutions</b>	Association of Caribbean States (ACS)
<b>1.12 Financing Institutions</b>	Funding Agencies, Funding Country ( To Be identified)

## II. PROJECT INTERVENTION LOGIC

### A. CONTEXT AND BACKGROUND

#### 2.1 Trading Environment

The promotion of trade, and an enhanced economic space for investment and economic sustainability is a major pillar upon which the Association of Caribbean States (ACS) was founded. It was envisioned by the crafters of this organization that the barriers and challenges of the trading system in the Greater Caribbean would be eliminated in order that each Member and Associate Member of the ACS could benefit from opportunities existing within our Greater Caribbean Region. Though there have been major efforts made in addressing issues and obstacle that exist the trading environment within the Greater is still plagued by hurdles which continue to threaten the consolidation of an economic space which supports and bolsters the investment capacity and potential of the stakeholders and actors of the ACS Region.

A critical area in which these obstacles and barriers are most evident is that of Trade Facilitation, and those elements which exist to ensure the optimum running of the regional trading system.

Trade facilitation covers all the steps that can be taken to smooth and facilitate the flow of trade. The term has been used widely to cover all sorts of non-tariff barriers, including product testing and impediments to labor mobility, but in the WTO it is defined as “the simplification and harmonization of international trade procedures” covering the “activities, practices and formalities involved in collecting, presenting, communicating and processing data required for the movement of goods in international trade”.

The Doha Round talks on trade facilitation cover freedom of transit, fees and formalities related to importing and exporting and transparency of trade regulations – which essentially relates to border procedures such as customs and port procedures, and transport formalities.

Within the Greater Caribbean Region a number of trade facilitation concerns relate directly to the strict WTO definition but also extend to cover vital elements, which have proven major difficulties for the Region

- i. Harmonization and Standardization of customs procedures

##### **2.1.1 Harmonization and Standardization of customs procedures**

Among ACS Member States there is a vast difference in the custom systems, procedures or the procedures application, so the documents requested to clear the goods in addition there is no a Regional Customs Manual , this has become a real concern and obstacle to the development of greater and improved economic relations in the Region. As a result of this, it is most important that steps be taken towards simplification, standardization and harmonization of custom documents, procedures and formalities promoting quicker, safer, and efficient trade in the ACS Region, using the Best practices and WCO Safe Framework, UNCEFACT, UNCTACT as the framework Also the importance of sharing and learning from the experience of more developed member States through specialized technical assistance and capacity building has been highly recognized.

### **2.1.2 Proposal**

In light of the above mentioned issues facing the Region, The Directorate of Trade Development and External Economic Relations considers it vital at this time to propose the undertaking of project activities aimed at identifying specific solutions in relation to customs facilitation in an effort to reduce and eliminate obstacles and challenges within the trading system of the Greater Caribbean.

The components of this project have been identified due to their interconnectivity, and the impact of the interdependence of the various elements on the effective flow of trade

#### **Components:**

Phase 1. Undertake an assessment through contracted consultant, of the customs systems existing throughout the ACS Region (in each member country) as well as a review of the capabilities, facilities and infrastructure available within the ACS Region (in each Member State) And Recommend to Member States ways in which they can improve existing systems, and also transition into the use of more efficient custom facilitation systems.

Phase 2. Presentation of a model or an appropriate methodology to be followed by the countries of the Greater Caribbean, in order to facilitate the process of harmonization of internal customs procedures

Phase 3. Organise Training Seminars and Sessions on pertinent issues of Customs Facilitation. Engage in an intensive training process of Customs Authorities through specialized immersion training in those Members States with more development and efficient Customs Systems.

Phase 4. Implement improved systems and techniques in the administering of Customs procedures and capabilities.

## **2.2 OBJECTIVES**

**2.2.1 General Objective:** To examine, identify and implement common mechanisms in order to harmonize customs structures and procedures in order to eliminate or reduce the obstacles and challenges to trade facilitation within the Greater Caribbean Region

#### **2.2.2 Specific Objectives:**

- To promote transparency in import and export transactions.
- Simplification and harmonization of administrative and customs procedures and documents
- Digitization of documents to be used in the customs procedures to facilitate paperless transaction



- Negotiate with cooperating bodies and organizations the requirements and cooperation needs, to transfer customs capacities of the member countries and the ACS associated members.
- The achieving of more transparent communication with the user publishing in the web sites all the regulations, procedures and administrative rules.
- To create new conditions for improving competitiveness of the economic activities in the Region, using for example periodical workshop with Public Private dialogue
- To promote trade and investment in the Region, between country groupings of the Greater Caribbean, and with the rest of the world, taking advantage of the strengthening of links between trade and investment.

### **2.3 EXPECTED RESULTS**

Document / evaluation report of the customs systems of the greater Caribbean,, with a comparison of the same. This evaluation shall conclude with a.) a proposal of critical path to be followed by the Member States of the ACS, taking a model more advanced or appropriate (one of the countries of the region), and b.) a presentation on the proposal recommended to all Member States of the ACS.

2. A unified customs procedures Manual that serves as guide for the Manual of procedures of each country, in order to achieve a simplification and harmonization of customs procedures and documents.

3. A training programme aimed at enhancing the capacity of the customs agents in less developed customs systems within the ACS Member States.

4. A plan of recommendations to be implemented by country, including the training process, as well as the equipment recommended for purchase, for the purpose of establishing national priorities required in order to harmonize country processes with those of the rest of the Greater Caribbean Region.