



**World Customs  
Organization**

## **Green Customs / Circular economy a Trade Facilitation perspective**

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**KACTION**  
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# Agenda



- Introduction
- The scope of Green Custom
- Experiences
- Challenges and opportunity
- Regulatory compliance of Linear & Reverse supply chains
- Paperless trade in the case of Plastic Waste
- Disruptive technologies
- Performance measurement

# Introduction : zooming out



Waste  
management

## “Green customs” and Customs digitalization

# Introduction: zooming in



**Green supply chain management (GSCM)** – considering environmental aspects along the supply chain at purchasing, product design, production, transportation, packaging, storage, disposal, and end of life management stages

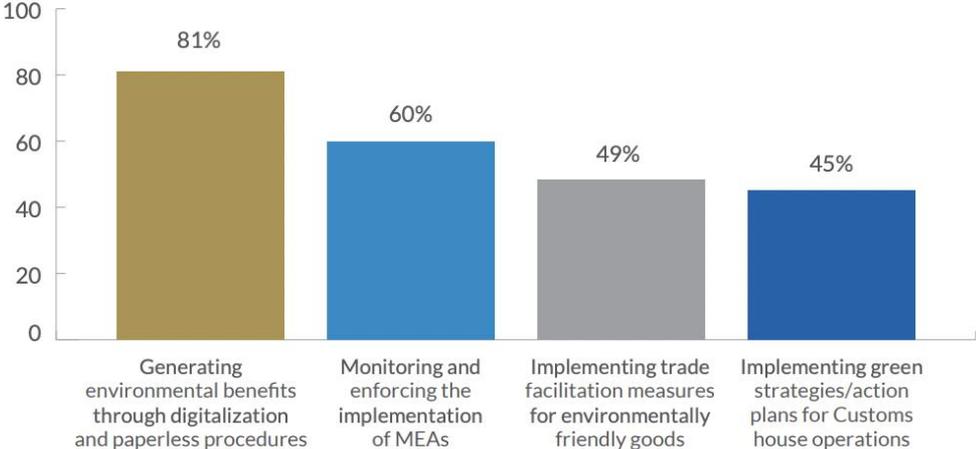
**Leveraging trade** to support sustainability requires

- A reorganization of business practices towards more corporate social responsibility
- The adaptation of regulatory approaches and operations
- For Customs:
  - A specific focus on new business models and reverse logistics,
  - Strengthening the traditional role of Customs in enforcing trade restrictions and prohibitions aimed at protecting scarce natural resources and maintaining resilient ecosystems.
  - To develop solutions to ensure compliant trade in GSC
- **Efficient border management** for the efficiency of green supply chains.
  - SWE
- The **WCO Strategic Plan 2022-2025** has identified Green Customs as a focus area.
- WCO Green Customs Action Plan



## SCOPE OF "GREEN CUSTOMS"

Generating **environmental benefits through digitalization and paperless procedures**, enforcing **MEAs** and domestic environment-related regulations, and implementing **trade facilitation** measures for environmentally friendly goods are the most common components of the definition of Green Customs.



# Experiences



- **Initiatives where** Customs is advocating for sustainable development, both in terms of deliberate strategies, and of explicit operational references:
  - Departmental Sustainable Development Strategy 2020 to 2023 of the **Canada Border Services Agency**
  - **The European Green Deal**, which aims at reducing green- house gas emissions by 50–55% from 1990 levels by 2030 and introducing Carbon Border Adjustment Mechanism, designed to address the risk of ‘carbon leakage’.
  - In June 2022 the **U.S. Customs and Border Protection (CBP)** announced the launch of the **Green Trade Strategy**, a framework to incentivize green trade, strengthen CBP’s environmental enforcement posture, accelerate green innovation, and improve climate resilience and resource efficiency.
  - The Indonesian government plans to develop a National Circular Economy Roadmap guided by the next National Medium Term Development Plan for 2025-2029.

# Challenges and opportunities of the Green transition



- Materials use will increase in the coming decades
- MEAs number and scope will expand the role of Customs in enforcing environmental regulations
- Increasing trade-related environmental measures (E.g., risk assessment procedures, import and export licenses, bans and quotas )
- **Circular economy**
  - Need to monitor the flows of goods in CE
  - Supply chain **transparency, traceability and visibility**
  - Classification of environmental goods
  - Need to facilitate environmental compliance for goods entering the reuse, refurbish, remanufacture or recycle loop
- Developing Country perspective
- Capacity building
- Export controls
- Cooperation: C2B, C2C, C2G

Need of an effective system of **information exchange** to make global value chains more compliant, transparent and sustainable



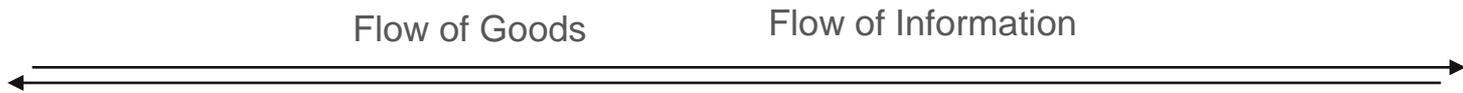
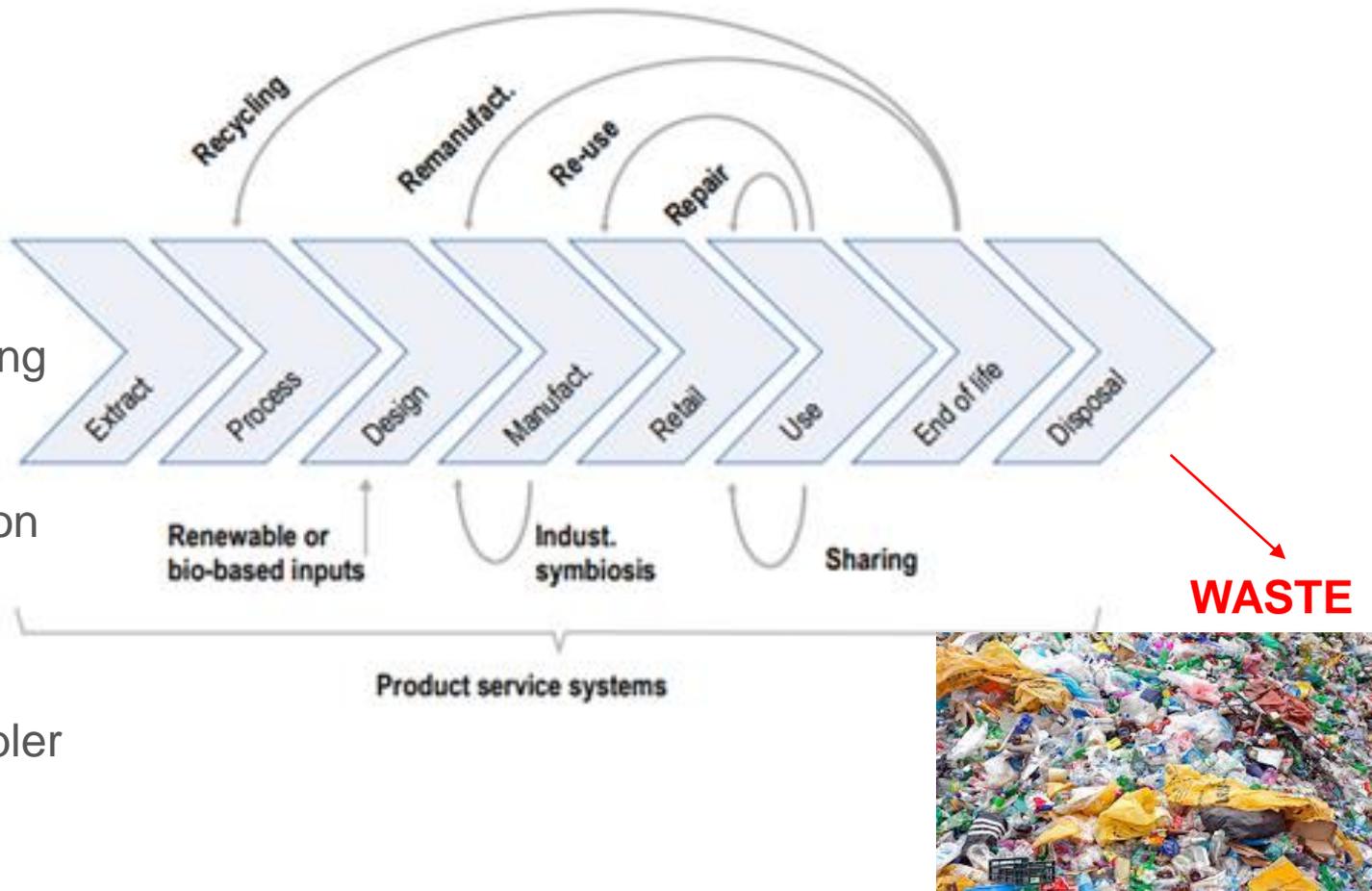
# Linear & Reverse supply chains

# Regulatory compliance of Linear & Reverse supply chains

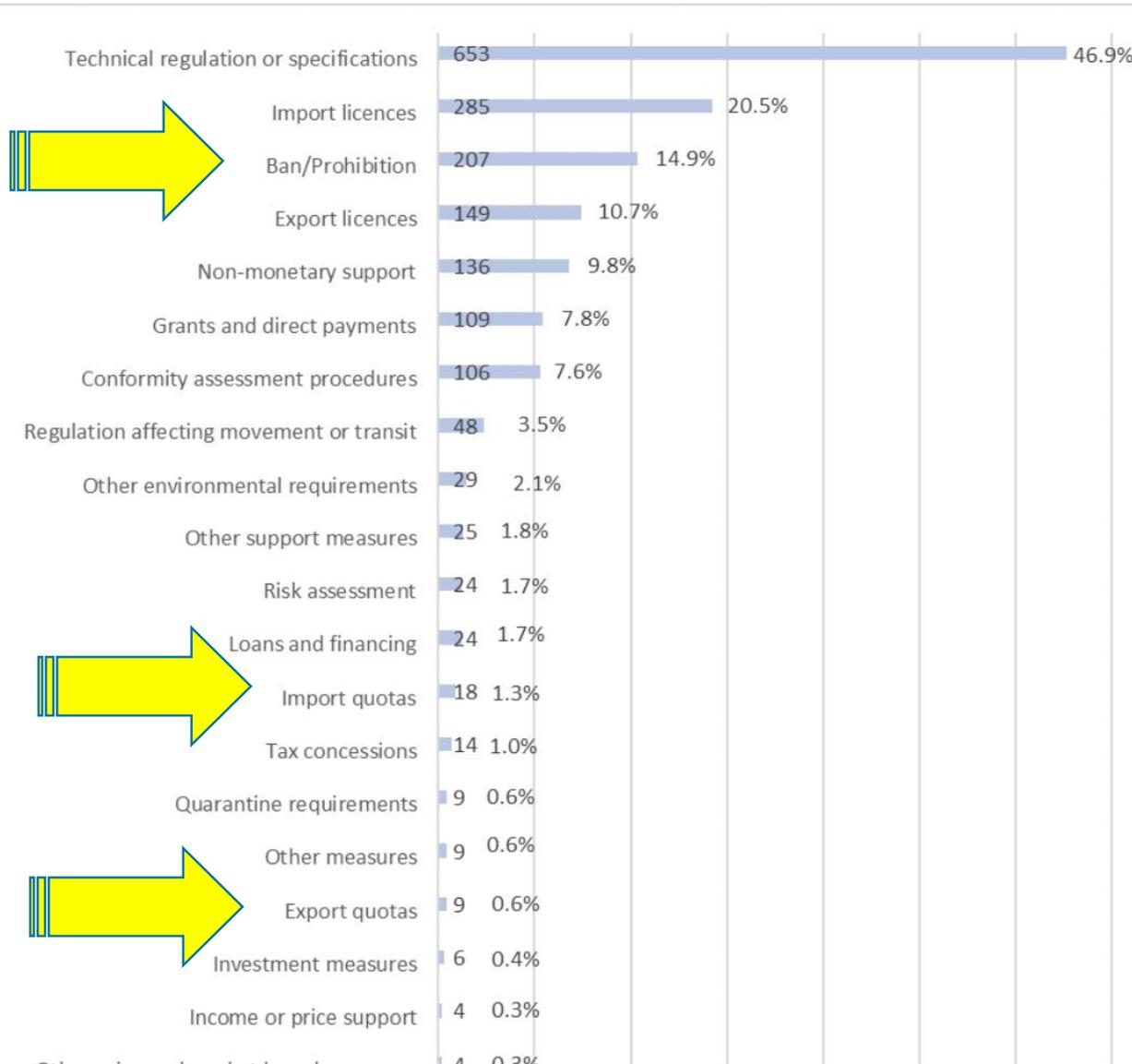
- Trade restrictions, LPCO, technical specifications, coding systems, etc.

- Need of information sharing and harmonization

- SW as a key enabler



# Environment-related Trade measures

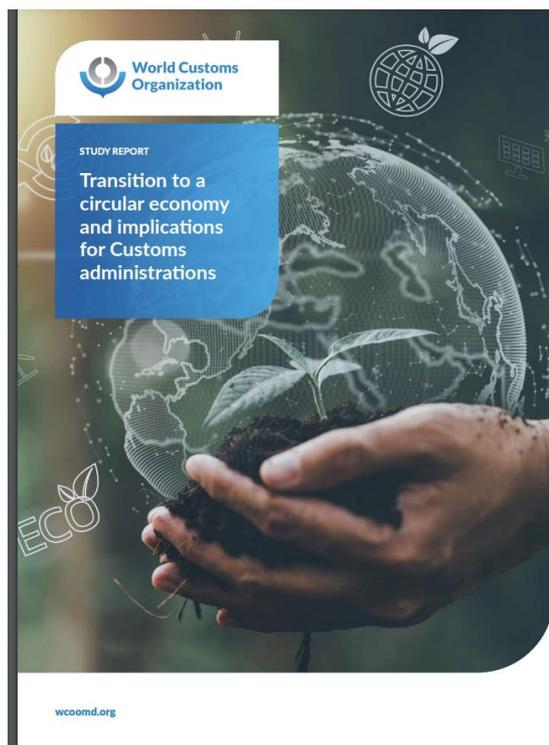


<https://edb.wto.org/>

The first two environmental objectives :

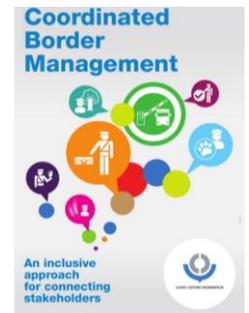
1. Chemical, toxic and hazardous substances management (36.2%)
2. MEAs implementation and compliance (18.8%).

# Transition to a circular economy and implications for Customs administrations



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# Paperless trade in the case of Plastic Waste



## Flow of information and goods (waste)

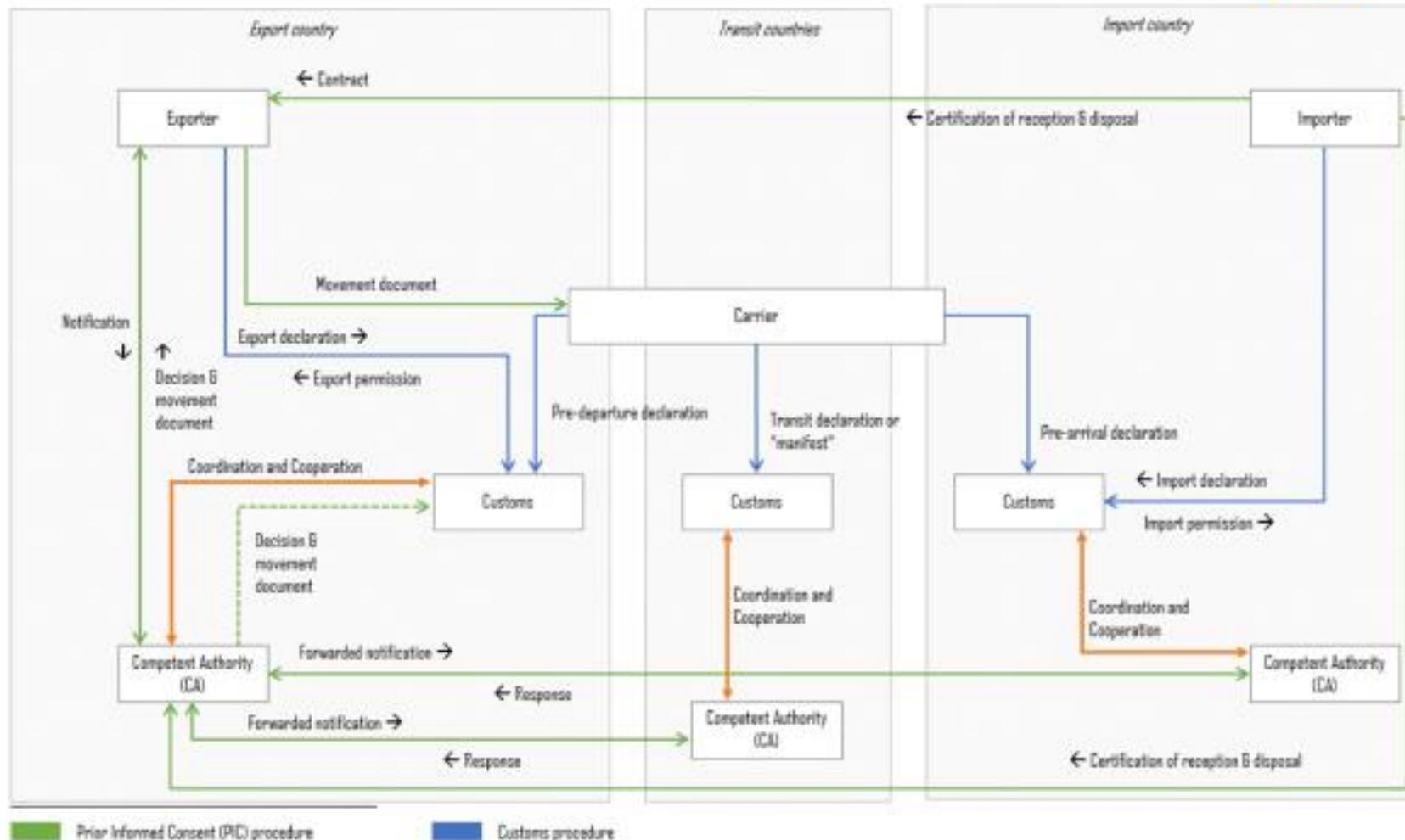


Figure 3: Flow of the PIC and Customs procedures for transboundary movements of waste covered by the Basel Convention (source: APPW Project)

# Key information on waste trade in the SWE

- Procedures related to the legal plastic waste trade, including quotas, national quality standards, prohibited and/or banned waste streams;
- Required documentation for hazardous waste and other wastes falling under the scope of the Basel Convention:
  - (a copy of the) prior informed consent document, including proof of consent by the competent authorities
  - waste movement documents accompanying the shipments
- Required documentation based on national requirements for shipments of hazardous, non-hazardous or other waste, such as proof of registered exporter/importer, import or export license/permit, or pre-shipment certificate;
- Licensed facilities or sites to accept and manage plastic waste.

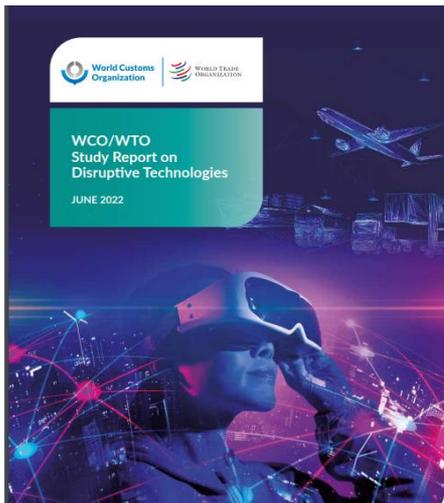


# Disruptive technologies

# WCO work on technologies in 2022



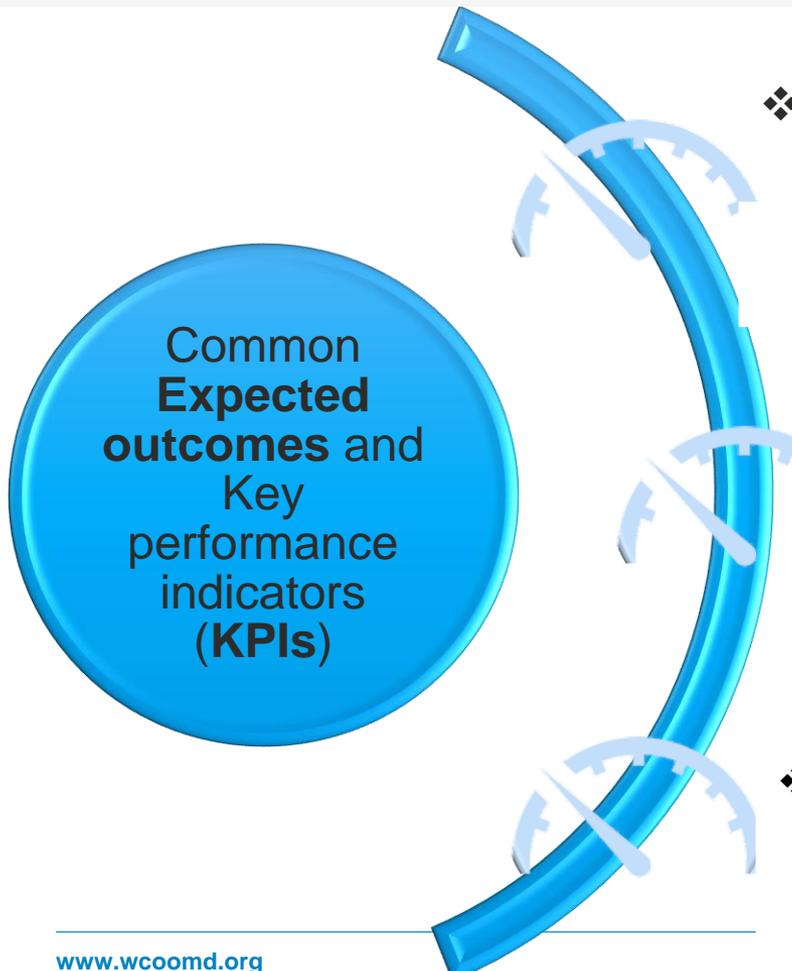
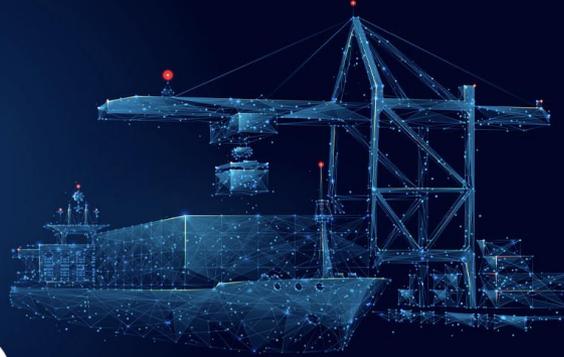
- ✓ **“Role of Advanced Technologies in Crossborder Trade: A Customs Perspective”**
- ✓ WCO Annual Consolidated Survey
- ✓ 3 groups of technologies (blockchain/DLT; IoT; and DA, AI, ML)
- ✓ Level of implementation, benefits and challenges, Members’ case studies



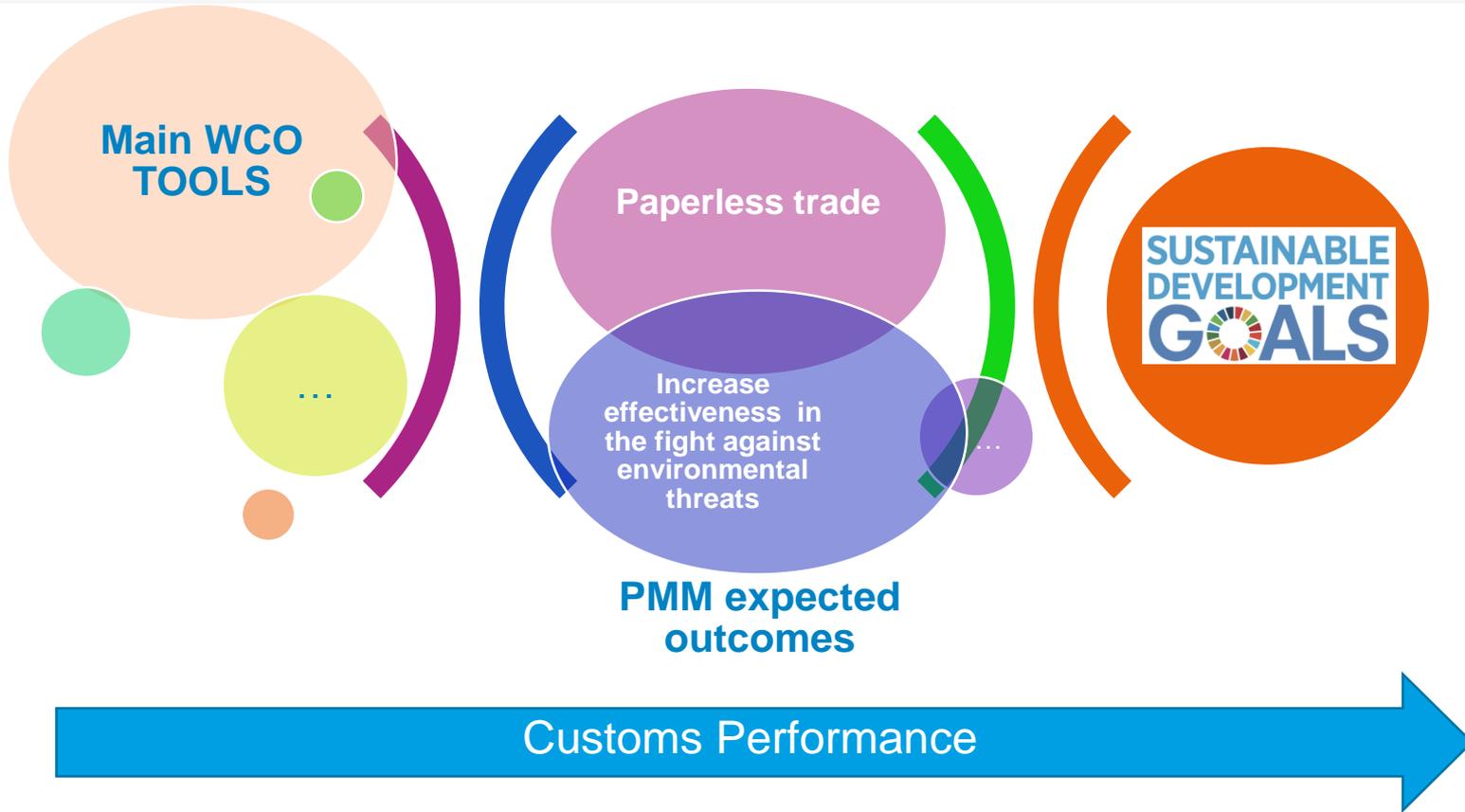
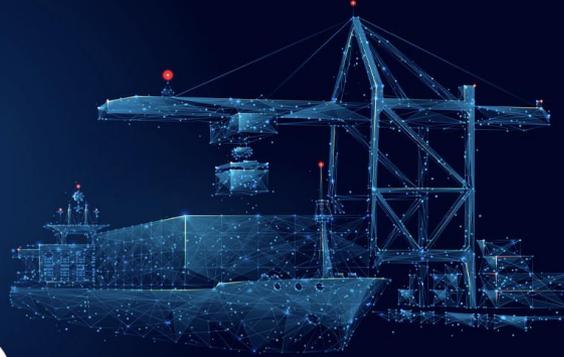
- ✓ **“WCO/WTO Study Report on Disruptive Technologies 2022”**
- ✓ First version published in 2019
- ✓ 7 groups of technologies (blockchain/DLT; IoT; BD, DA, AI & ML; biometrics; drones; virtual, augmented and mixed reality; and 3D printing)
- ✓ Level of implementation, benefits and challenges, 42 case studies, recommendations, lessons learnt



# Measuring Performance



- ❖ Assessing **efficiency and effectiveness of all Customs competences at the outcome level**:
  - Trade facilitation and economic competitiveness
  - Enforcement, security and protection of society
  - Revenue collection
  - Organizational development
- ❖ Measuring the application of the main **WCO instruments and tools**
- ❖ Helping Customs to contribute to **Sustainable Development Goals**
- ❖ Enabling **evidence-based technical assistance and capacity building support**





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