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**CAPACITY BUILDING WITHIN THE CARIBBEAN FORUM OF ACP STATES  
(CARIFORUM) IN THE AREAS OF COMPETITION, PUBLIC PROCUREMENT  
AND CUSTOMS AND TRADE FACILITATION IN SUPPORT OF THE  
IMPLEMENTATION OF THE CARIFORUM-EU ECONOMIC PARTNERSHIP  
AGREEMENT**

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**FINAL REPORT ON CAPACITY BUILDING IN CUSTOMS  
AND TRADE FACILITATION**

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## LIST OF ACRONYMS

<b>BDV</b>	“Brussels Definition of Value” refers to the system used for determining Customs Value prior to the current WTO Valuation Agreement based on primarily on transaction value.
<b>CARICOM</b>	Caribbean Common Market including the 15 member states which make up the Caribbean Community through the signing of the Treaty of Chaguaramas and more recently the Revised Treaty of Chaguaramas
<b>CARIFORUM</b>	A grouping of 15 Caribbean Community states, along with the Dominican Republic. In 2008, they signed an Economic Partnership Agreement with the European Union
<b>CCLEC</b>	Caribbean Customs Law Enforcement Council – an intergovernmental Customs organisation with headquarters in Saint Lucia.
<b>HS</b>	The Harmonized Commodity Description and Coding System generally referred to as "Harmonized System" or simply "HS" is a multipurpose international product nomenclature developed by the World Customs Organization (WCO).
<b>OECS</b>	Organisation of Eastern Caribbean States
<b>PCA</b>	Post Clearance Audit
<b>ROO</b>	(Rules of Origin) These rules dictate the sufficient (required) level of processing of a product that must take place in a given exporting country in order for the product to be considered as having its origin in that country.
<b>TRIPS</b>	Tax Revenue Information Processing System used by Guyana Revenue Authority for processing customs declarations
<b>UWI</b>	University of the West Indies
<b>WCO</b>	World Customs Organisation
<b>WTO</b>	World Trade Organisation

# FINAL REPORT ON CAPACITY BUILDING IN CUSTOMS IN CARIFORUM

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## 1. The situation in the region as at March 2015 (baseline)

The area related to Customs and Trade Facilitation is covered in Chapter 4 (Articles 29 -36) under Part II of the CARIFORUM EU Economic Partnership Agreement (EPA). The objective of the Chapter on Trade Facilitation is to ensure that the relevant legislation and procedures, as well as the administrative capacity of the administrators, fulfil the objective of effective control and the promotion of Trade Facilitation Article (Art. 129 (2)). The EPA covers areas such as:

- ✓ Customs and administrative cooperation
- ✓ Customs legislation and procedures
- ✓ Relations with the business community
- ✓ Trade Facilitation measures
- ✓ Regional Integration

Prior to the introduction of this project there were several capacity gaps in terms of the obligations and requirements of the EPA among all stakeholders. Business operators throughout the region were not aware the EPA was signed and were unaware of the impact it would have on the business community. Some of the business operators were extremely concerned that the EPA would have a destabilising effect and marginalise their businesses, arguing they could not compete with their European counterparts.

On the other hand, Customs and Regulatory agencies were still performing a high percentage of documentary checks and physical inspections and the exchange of information between those agencies was limited. This was an indication of the lack of the use of modern customs techniques in cargo processing and release. This was not a knowledge deficiency, but rather the unwillingness to implement given the fear it will lead to loss of revenue and control. Consequently, the design of any capacity building programme had to address behavioural issues as well as technical. In our opinion, the behavioural issues were not adequately addressed and the team is concerned that notwithstanding the training, there remains an implementation challenge in the region.

The Legal Framework for Customs and Trade Facilitation is dated; nonetheless efforts are being undertaken in updating legislation both at the national and regional levels to provide the basis for the adoption of modern customs techniques. This is an area of serious concern and CARICOM needs to step up to the plate in ensuring a harmonised approach to realise the full potential of the CARICOM Single Market and Economy (CSME).

## 2. Capacity building provided during the project

In keeping with the deliverables of the project scope, and based on desk research carried out using questionnaires and other sources, several areas were found to be lacking in the region. Some of these were:

- i. Risk Management;
- ii. Post Clearance Audit;
- iii. HS Classification;
- iv. Rules of Origin;
- v. Valuation.

As a result, the following capacity building initiatives and recommendations were put forward for design development and implementation of training at three levels:

### I. Level I

This area focused on generalised awareness and sensitization training which was delivered through one day workshops in the various member states except for the Dominican Republic and Bahamas to date. The object of these workshops was to inform and impart knowledge to supply chain operators on the requirements of the EPA in context of trade facilitation as covered by Chapter 4 of the EPA agreement. The general audiences included both the public and private sectors. The local and national bodies made all the local arrangements from venues and invitees. Overall these workshops were well organised and planned in terms of venues and equipment. Generally, the attendance level exceeded expectations except for Haiti. A recommendation was made for a follow up workshop to be organised. The sessions were generally interactive and the participants had opportunities to share knowledge and experiences. We opine that the objectives of level one training were achieved.

### II. Level II

This level was the core customs training directed mainly for customs officers and trade officials. The level covered eight: Customs and Trade Facilitation, EPA Introduction, Risk Management, Customs Valuation, HS Classification, Rules of Origin, Basic Management. The training was blended modular approach including both a face to face and online approaches. The on-line component was hosted on the Caribbean Customs Law Enforcement Council (CCLEC) e-learning portal. The CCLEC e-learning portal is a regional web based training portal for regional administrations to conduct their respective training. As such we must express our appreciation to CCLEC and the former Permanent Secretary for aiding this regional effort and at no cost to the project. The face to face component was conducting over three days with four face to face workshops, two each in two member states namely Saint Lucia and Trinidad and Tobago where Barbados and the Organisation of Eastern Caribbean States (OECS) were hosted in Saint Lucia and Trinidad hosting the remainder of the Member States. There were twenty-eight participants two from each member states except for the DR. The e-learning was self-directed courses in the eight technical areas mentioned earlier.

### III. Level III

The level III component included the development of six modules in the following areas; Introduction to the EPA; Rule of Origin EPA; managing human resource development; international customs instrument; international Best Practice in Customs Operations and

Intelligence Management. The development and delivery of these modules were undertaken in conjunction with the UWI SRC where the UWI training portal was used as the medium for the on-line delivery. The courses delivered through pre-recorded lectures and live tutorials over eight weeks. A total of twenty-five persons registered with only fourteen completing. The program met with the accreditation of the UWI and as such contributed toward a post graduate program for participants wishing to pursue addition studies with the said institution. Regional and international Customs experts facilitated the implementations of levels 2 & 3 in conjunction with SGS. All in all this level was a success story albeit some challenges given that this was a pilot program. Nonetheless there are lessons to be learnt and a legacy is established that can be improved upon regarding material updating and delivery for future use by the UWI.

### **3. Perspective on results achieved (with reference to country cases as appropriate)**

The implementation of the project resulted in a number of positives for the region, where level 1 general sensitization workshops were conducted in fourteen member states involving a wide cross section of trading community. These workshops assisted in broadening the EPA awareness and its obligations to the trading community. It can be argued that most stakeholders now have a better understating of the EPA. The workshops created many regional networks among the Customs family which evident now by the using of a current what's up grouping of the participants who are currently sharing information both professionally and personally.

The participants of the Trinidad Group (level 2) attempted to draft a Strategic Plan for implementation of TF measures. This draft has the potential for further development and use in adopting a regional approach to the implementation of Trade Facilitation measures contained in the EPA. Not only was it able to create intra sub-customs grouping, but cooperation has been strengthened with regional and national institutions: CCLEC, UWI and National Customs Administrations and also with Public and Private sectors officials.

In additional this represents a first step of a Post graduate modules developed in eight areas related to Customs and Trade Facilitation. This is a solid foundation for the UWI to build upon and to develop into a full graduate training program for customs and other trade professionals. Currently there are two tertiary levels training programs that of the EPA/ UWI and CCLEC diploma in Customs management. Given the availability of these two programs, it is opportune for the organisations to cooperate with each other in combining the two programs which are complementary. No effort should be wasted in causing this as managerial capacity is critical and lacking within Customs Administrations in the region. It is in the interest of the UWI to take the lead in developing a regional academic program given the experiences of this project. The project was able to further develop two key individuals in the design and delivery of online customs management training, and who can serve as leading experts for any future projects of this nature. The availability of two e-learning platforms which were tested and effectively used is also noteworthy. These are keys assets which can underpin the regional training and capacity building initiative.

### **4. Current situation in the region and recommendations for future capacity building**

Following on the completion of the project the following are recommendations as a result;

➤ **Continue sensitization (level I training) to Members states who were not covered**

As indicated there is at least one member state (Bahamas) where the level one training did not take place. It is recommended that further training along the lines of Level 1 continue to be implemented, as there are several lessons learnt from conducting the workshops in the different Member States. Even in some of the Member States the cross section was not sufficiently broad and therefore key stakeholders are still uninformed of the content of the EPA and its obligations and or potential impact on their economies. A case in point is Haiti, where the participation was less than what was desired. Consequently, it is strongly recommended that as soon as possible, continuing training be organised for Haiti allowing them to gain similar benefits as other Member States. We opine that the one day was too short and if funding is available, additional level one workshops should be undertaken to broaden the scope of stakeholders.

➤ **Technical training for private sector: Customs Brokers & Clerks;**

It is strongly recommended that development of modules and training be undertaken in a structured way for the private sector; customs brokers and clerks. Unfortunately, in this project, it proved very difficult to reach this group of stakeholders and it is one of the areas of weakness for the region in the implementation of the EPA and other trade agreements.

➤ **Conduct Train the Trainer programmes to improve pool of potential trainers**

A core group of senior customs officials were trained within the frame of Level 2 training. However, the training of trainers (ToT) aspects of the programme needs to be taken further. While there may be several customs officials with the knowledge and technical expertise; the delivery is a different issue altogether. To ensure that the legacy of this project is sustained, it is again recommended that at the soonest we further extend the ToT capabilities in both teaching methods for adult learners and content training. This will deepen the pool of resources to continue with the training and the sustaining of the project legacy.

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➤ **Establish stronger links with Customs Administrations through CCLEC, CARICOM and OECS**

A collaborative approach between CCLEC, CARICOM and OECS is necessary at this point to address the capacity deficit in implementing the Customs and trade facilitation measures. CCLEC can muster the regional customs administrations while CARICOM and OECS can exert their influence over the officials from the respective Ministries of Trade, all of whom are critical to successful implementation.

➤ **Upgrade course materials and continue offering on-line advanced course at SRC;**

The completed training modules should be copyrighted to the UWI SRC who will lead on the upgrading and development into a full standalone degree program for the region. The program then should be one of the core UWI programs available to all students of the regional customs officials and the wider circle of trade officials and practitioners.

## **Tutors**

**Claude Paul:** A former Comptroller of Customs in St. Lucia, Permanent Secretary of the Caribbean Customs Law Enforcement Council and Director of Customs Reform in the Commonwealth of Dominica.



**Martin Wilde:** An international best practice, operational, training, legislative, policy and standard operational procedural expert in key core Customs, Trade and Law Enforcement areas. Martin, has high level international evaluation experience with the United Nation Office for Project Services (UNOPS) in Afghanistan and the United Nations Office on Drugs and Crime (UNODC).

**Paul Hilaire:** A former Permanent Secretary of the Caribbean Customs Law Enforcement Council CCLEC. He worked with the Customs and Excise Department of Saint Lucia for ten years, and is now working in the area of trade policy with the Min. of Trade.