

# WCO GLOBAL DIALOGUE ON CAPACITY BUILDING

The following are the opening remarks by Mr Mike Eland, Director General, UK Customs and Mr Kunio Mikuriya, WCO Secretary General elect, at the WCO Global Dialogue on Capacity Building held in London, UK, on 2 October 2008. The objective of the conference was to generate concrete actions in sustainable customs reform leading to closer donor cooperation.

## *Opening remarks by Mike Eland, Director General, UK Customs*

I am very pleased to have this opportunity to address the WCO's Global Dialogue on Customs Capacity Building. With the world facing a global economic and banking crisis the demands on customs administrations have never been greater and we must all share our knowledge and experience to develop and implement the best way ahead.

I am delighted and encouraged to see so many of you from Customs, Trade, Development Agencies and Donor groups here today and I am especially pleased to welcome Martyn Dunne, the new Chairperson of the WCO Council, Kunio Mikuriya, the WCO Secretary General elect, and Pravin Gordhan, the Commissioner of the South African Revenue Service. I am sure that their contributions will help to focus our minds and generate much needed meaningful discussion.

Capacity building is about delivery. It is no good us concluding instruments in international meetings if we are then unable to implement them effectively.

HM Revenue and Customs and its predecessor, HM Customs and Excise have been actively involved in providing hands-on customs and tax expertise to a considerable number of capacity building initiatives for more than ten years on behalf of the WCO, and on behalf of other international development organisations.

We have also made positive contributions to the development of the Capacity Building Strategy adopted by the WCO in 2004, and we have participated with the WCO on the development of the Framework of Standards to Secure and Facilitate Global Trade. HM Revenue and Customs is a strong and proactive supporter of the WCO Columbus Programme and in partnership with other WCO Members, have played an active role in the delivery of Columbus projects. We are pleased with the progressive implementation of the WCO SAFE program which has raised the profile of customs administrations in the crucial need to improve border security.

The United Kingdom (UK) fully supports and endorses the partnership agreement between the WCO and the World Trade Organization, which brings together development and expertise concerning improved trade facilitation, supply chain security and the enhancement of capacity within customs administrations. Our officers have visited Geneva to receive briefing and training on the purpose and strategy of this new partnership. Closer understanding and cooperation between intergovernmental organisations is essential if we are to avoid duplication of efforts and maximise the impact of development support.

Throughout all of our capacity building activities we seek to cover all aspects of customs and tax work including the revenue raising areas of direct and indirect taxation. We, and the major international development agencies and financial institutions, recognise the increasingly important and essential roles that both customs and revenue administrations play in assisting governments achieve their national and international objectives. A well run customs and revenue administration contributes enormously to a country's financial wellbeing and their ability to facilitate legitimate trade and attract new inward investment. Views about the efficiency and effectiveness of a customs administration often shape the perceptions of key individuals and organisations involved in making important and far reaching trade

and foreign investment decisions. But above all customs and revenue administrations provide the much needed financial resource required by all governments to help achieve policies and to provide for their people. There is too much smuggling and tax fraud in the world. We must work together to ensure that the revenue due to governments is properly collected.

Whilst there is no doubt that capacity building initiatives can and do make a difference; they cannot be successful on their own. The UK's considerable involvement and experience with capacity building has demonstrated to us the importance of the partnership approach between providers and recipients. Capacity building projects are major undertakings requiring not just commitment from the experts involved but, more importantly, the political will of the beneficiary country and the long-term and sustained commitment of the recipient organisation's top level management.

Capacity building is certainly not a quick fix. It is a long-term solution focusing on the provision of sustainable development through reform and modernisation. By its very nature it requires stamina from those involved; commitment beyond the norm and a will to accept and facilitate change at both the customs administrations and governmental levels. The rewards are great: increased revenue, a safer society, progress in the fight against drug smuggling, counterfeiting and money laundering, improved trade facilitation for imports and exports, inward investment opportunities and security of the international supply chain, to name but a few.

Capacity building must support strategic objectives. The WCO and its Members under the wise guidance of Pravin Gordhan, are to be commended for producing an excellent document 'Customs in the 21st century'. This gives a vision and a road map of what is required for Customs over the years ahead. Global capacity building initiatives in the area of Customs must use this paper to give strategic direction to individual projects.

The 21st century is producing a new set of issues for Customs with the increased focus on border security, the need for better integrated border management arrangements and the further development of revenue authorities. The need to share experiences and to work together has never been greater. The UK looks to the WCO to give leadership to customs developments at the global level. I am confident we will get that leadership from Martyn Dunne and Kunio Mikurya and we look to them to re-invigorate and re-energise WCO membership participation to help drive forward change.

Without doubt capacity building has a crucial role to play to assist WCO Members to attain the highest professional standards and to take advantage of new technology and ways of working. It is a partnership arrangement of many players: customs, trade, national and international organisations and, of course, donors. Everybody seeks and demands success and this is why the WCO must ensure its assistance program is carefully coordinated with all the other parties with an interest in the customs area. Let me repeat an earlier message: HM Revenue and Customs remains committed to assist the WCO and its members carry out the necessary developmental changes required to take Customs forward. This will require the ongoing support, commitment and participation of all the organisations represented in this room.

Let me close by thanking you all for attending today. Let us build on the productive discussions at the first Global Dialogue in Johannesburg last year to raise cooperation on customs capacity building to a new level.