



COORDINATED BORDER MANAGEMENT (CBM):

WCO PRINCIPLES AND ACTUAL PRACTICE

13TH CAREC CUSTOMS COOPERATION MEETING
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ISSYK-KUL, KYRGYZ REPUBLIC

A vision of border services..



- Well defined services
- Paperless physical process at border
 - Queue-less, Time-stamped, Monitored
- Ensuring compliance to all laws
- Empowered staff
- Processes are Information & Knowledge
 - Technological support
 - Making use of new techniques and technologies to work better together
- Performance oriented
 - Performance metrics
- Making the best use out of existing resources
 - To meet current imperatives
 - Resource optimized

Border Agencies

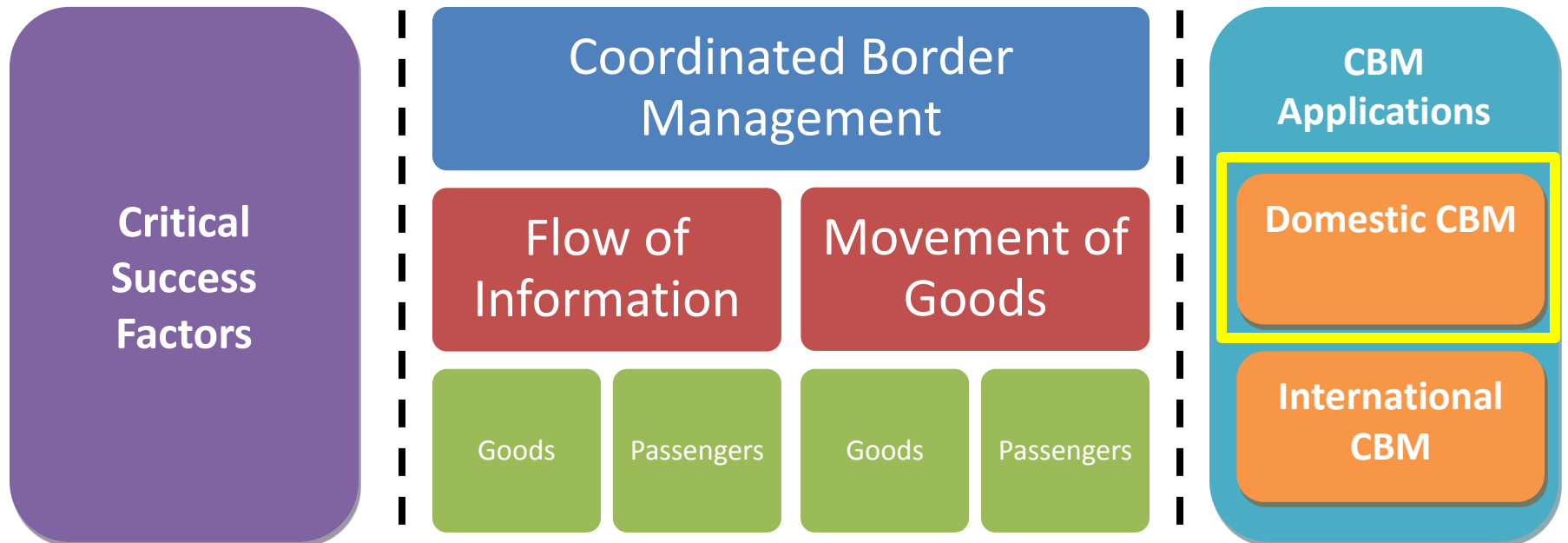


- At the high-level, everything looks quite generic
- As we drill into level of details between different agencies, different processes, the variations will surface

What is CBM?



- Coordinated Border Management (CBM)
 - The optimal flow of goods and information between Customs, Cross Border Regulatory Agencies and Trade to enable effective and efficient border management
 - Whole of Government Approach



What is CBM?



- CBM is an response to scarcity
 - Scarcity of time
 - Scarcity of manpower
 - Scarcity of information
 - Scarcity of land, infrastructures & equipments
- Making the best use out of existing resources so that current imperatives can be met
- Making use of new techniques and technologies to work better together
- CBM is a whole government project – without political will, it is not possible for one agency alone to move forward alone

The role of Customs



- Customs typically key agency at the border
 - Receives information on all imports & exports for revenue collection & regulatory purposes
 - Processes goods carried by passengers
 - Most knowledgeable about trade processes and border procedures
 - Relatively more advanced in use of IT

The role of Customs



- **Important source of revenue for governments**
 - Customs duties essential for government operating expenses
 - **Protect Society & environment**
 - Dangerous imports: drugs, counterfeit goods, tainted products, arms, explosive precursors, dual-use goods, CITES, Hazardous waste
 - **Implementing agency for govt policy**
 - Taxes not just for revenue purposes, but also for furthering govt economic, social policy, e.g
 - Free trade agreements & anti-dumping duties
 - Tobacco taxes, alcoholic beverages
 - **Maintaining a level playing field**
 - Smugglers & tax evaders should not be better off than legitimate traders
 - Laws and regulations on imports needs to be upheld for everyone
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The role of CBRAs



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- Regulates imports & exports of goods under their jurisdiction
 - Live animals, plants and agricultural products, food, pharmaceutical products, etc.
 - Consumer safety, telecommunication standards, pharmaceutical products, dual use goods
 - CBRAs regulate a subset of total trade volume
 - All CBRAs will need to engage with Customs from time to time
 - Upholds international obligations, standards relating to trade in certain products. e.g. SPS standard setting bodies recognized by the WTO
 - International Plant Protection Convention
 - Phyto-sanitation measures
 - World Organisation for Animal Health (OIE)
 - Terrestrial Animal Health Code
 - Codex-Alimantarius
 - Food safety standards
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The role of Trade

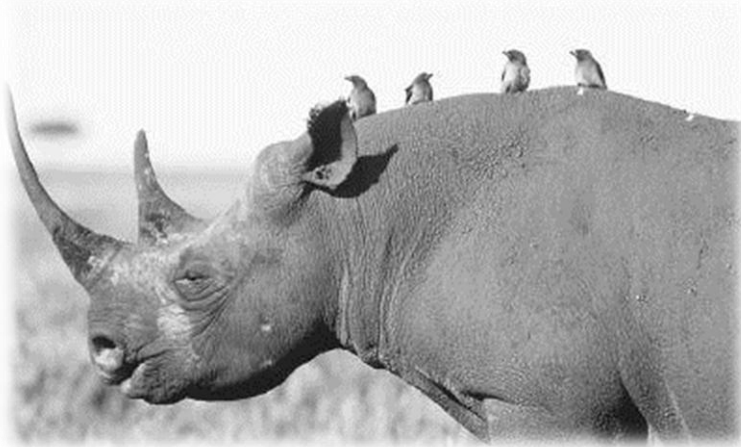


- Makers; Movers and Intermediaries
 - Trade not just a passive entity
 - Important source of feedback
 - Key players in the overall supply chain
 - Customs & CBRAs only a small part of it
 - Without trade, there would be no need for Customs and CBRAs
 - Without Customs and CBRAs, trade would be much more disorganized and public interests would be compromised
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The role of Trade



- “Clients” of Customs and CBRAs
 - Customs, CBRAs provide regulatory services to trade
 - Market access in return for regulatory compliance
 - Symbiotic relationship



CBM: Principles & Applications



- First step to working together is recognizing the similarities & differences

CUSTOMS	CBRAs
Receives information on ALL imports & exports	Receives information on imports & exports for goods under its control
Information requirements revenue focused - Taxpayer ID, value, quantity, HS	Information requirements focused on specific regulatory requirements - License number, agency specific codes, goods description
Supporting documents - Invoice, packing list, BL, CO	Supporting documents - Phyto certs, veterinarian certs, other professional / agency specific documentation/license/permits
Inspection modes - Non-intrusive, supervised de-stuffing	Inspection modes - Quarantine, lab-tests, physical checks, document authentication

CBM: Principles & Applications



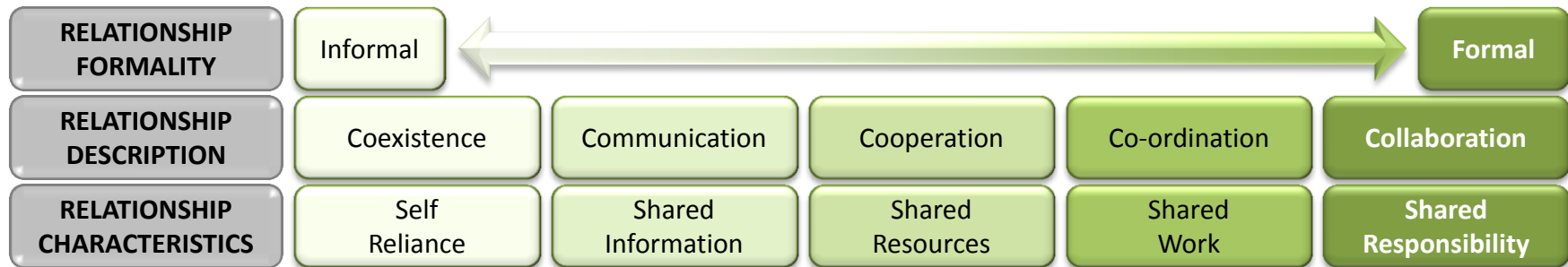
- RKC Chap 3: Clearance & Other Customs Formalities (Std 3.1, 3.3, 3.11 and T. Std 3.4, 3.5, 3.35)
 - Designating locations, competencies and aligning business hours at common border crossings
 - Use of international standards in paper forms and IT formats
 - Joint Controls
 - Joint inspections between Customs and CBRAs
 - Establishment of juxtaposed Customs offices & cooperation at such offices
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CBM: Principles & Applications



- RKC Chap 6: Customs Control (Std 6.3, 6.4, 6.5, 6.7, 6.8; T. Std 6.9)
 - Use of risk management
 - Cooperation between Customs Administrations
 - Cooperation with Trade
 - Use of Information Technology
 - RKC Chap 7: Application of IT (Std 7.3, 7.4)
 - Stakeholder consultation in introduction of IT systems
 - Use, retention and sharing of electronic information
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CBM: Principles & Applications



- Totally uncoordinated border situations are rare – it is common for multiple agencies to be involved in border operations
- Key issue is not the number of agencies at the border, but how well they work together and share confidence between and among them.
- Degree of formality is VERY important – need to move beyond informal / personal network arrangements to be sustainable

CBM: Principles & Applications



Shared Information

- Eliminates duplications in info requirements – each information only needs to be submitted once
- Allows all personnel have the info they need to do their work effectively

Shared Resource

- Reduces costs through sharing resources between different agencies – NII equipment, inspection bays, offices, IT systems
- Co-location allows everyone to work “under one roof”, enhancing communication and availability

Shared Work

- Agencies empowered to assist each other. e.g. customs empowered to conduct checks on behalf of CBRAs, in a joint border post, customs from either country can clear imports / exports

Shared Responsibilities

- Common sense of purpose and vision among all agencies at the border.
- Facilitation coordinated between all agencies, controls determined holistically

CBM: The Process Perspective



- Communication with CBRAs & Trade provides structure, formality and sustainability
 - Applying existing tools, methodologies, techniques to border clearance context
 - Not always about “examples”, “best practices” of how things are done elsewhere
 - Border conditions are different (geography, politics, laws, culture)
 - Case studies serve as inspiration, but solutions seldom 100% “plug & play”
 - Business innovation: imitation as sincerest form of flattery, but innovation is what adds **significant** value
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Single Window Environment



“Within the context of this Recommendation, a Single Window is defined as a **facility** that allows **parties** involved in trade and transport to lodge **standardized information** and documents with a **single entry point** to **fulfill all import, export, and transit-related regulatory requirements**. If information is **electronic**, then individual data elements should only be submitted once.”

UN-CEFACT Recommendation 33

WHO?

- Parties involved in trade and transport

WHAT?

- Standardized information and documents

WHERE?

- Single entry point

WHEN / WHY

- Fulfill all import, export, and transit-related regulatory requirements.

HOW?

- Electronic data elements should be submitted only once

SW in the context of CBM



- E-manifestation of CBM
- CBM is an important first-step in SW implementation
 - Bringing Customs, CBRAs and Trade together
 - Examining information requirements, goods flow and process
- Key factors in SW implementation equally relevant in CBM
- Electronic SW is seeing the challenges through IT-centric perspective

Key Factors

- Political will
- Strong lead agency
- Partnership between govt & trade
- Clear project boundaries & objectives
- User friendliness & accessibility
- Legally enabling environment
- International standards and recommendations
- Identifying possible obstacles
- Financial model
- Payment possibility
- Promotion & marketing
- Communication strategy

WTO Trade Facilitation Agreement (TFA)



- The WTO TFA deals almost entirely with Customs-related topics but foresees cooperation with other agencies (CBM). The TFA also encourages Members for Border Agency Cooperation (Art 8) and establishing Single Window (Art 10.4).
- 22 out of 32 measures apply to multiple agencies, not only to Customs. For efficient implementation of the TFA, it not only Customs (who is in any case broadly familiar with), the involvement, coordination and collaboration with other border agencies, is of pivotal importance.
- The WCO has been a strong votary of cooperation amongst all government agencies through Coordinated Border Management (CBM) at both domestic and international level,
- The WCO has been promoting CBM by enhancing international engagement, developing tools and supporting a ‘one-stop shop’ at the border.
- The WCO is developing a **CBM Compendium and Transit Handbook’**.
- The WCO has also developed a Compendium on **“How to Build a Single Window Environment”**

Proposed Pillar 3 in SAFE Framework of Standards



- Recognizing the need for enhanced cooperation between Customs and other Government Agencies, a **3rd Pillar (Customs-Other Government Agencies)** is being developed for inclusion in SAFE 2015 review.
- It sets out standards for cooperation at three levels - within Government; between and among Government and Multinational.

Coordinated Approach



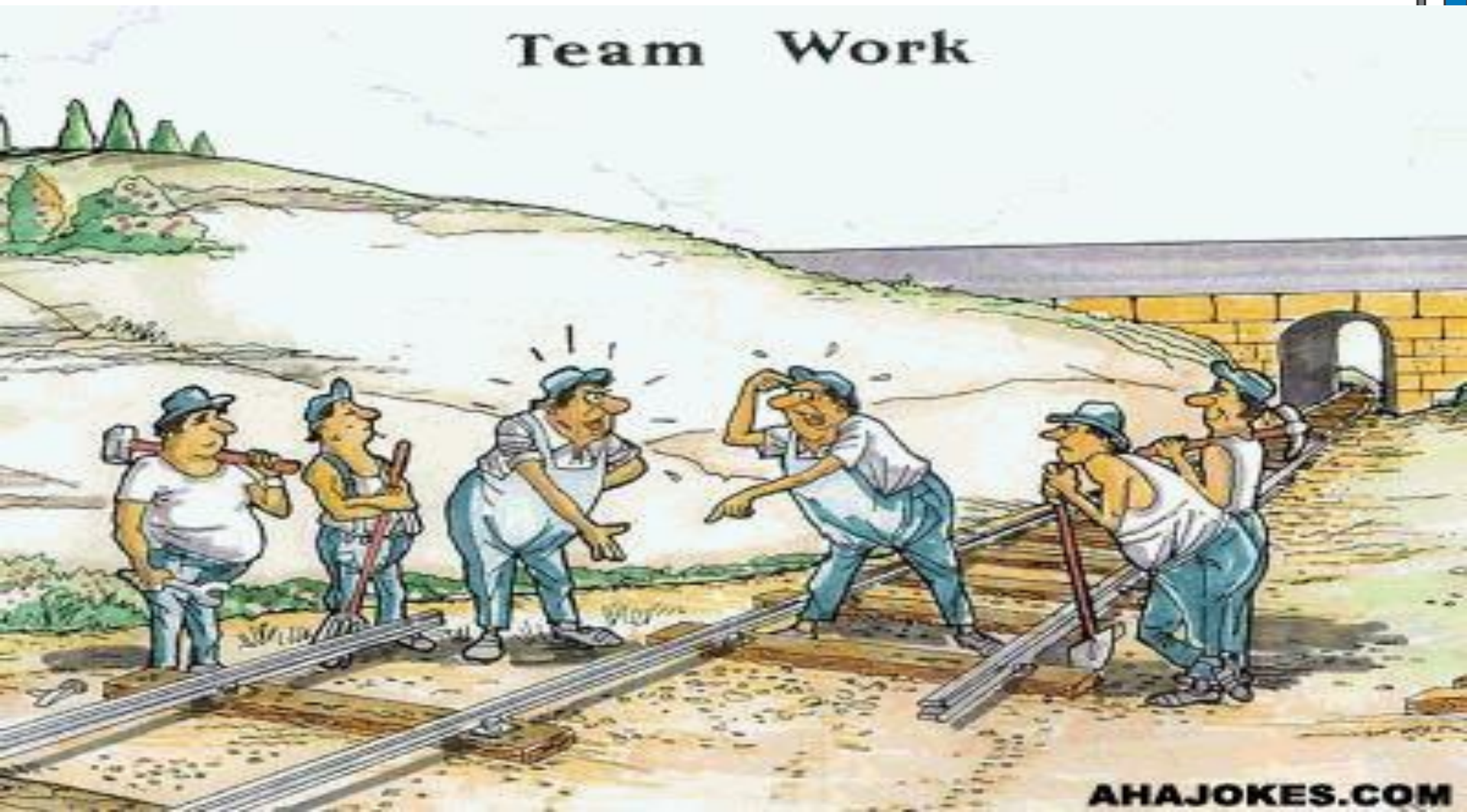
TEAMWORK

**Coming Together Is Beginning. Keeping Together
Is Progress. Working Together Is Success.**

Lack of Coordination ?



Team Work





THANK YOU!

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