

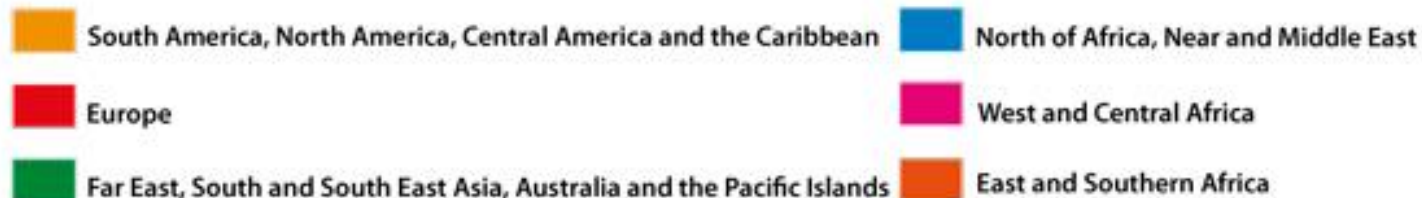


COORDINATED BORDER MANAGEMENT

Introduction to CBM

WCO

The WCO represents **180** Customs Administrations across the globe that collectively process approximately **98%** of world trade.



WTO

Section I – 12 articles regarding Trade Facilitation and Customs Cooperation,
Section II – 10 articles on special and differential treatment for developing, countries and least-developed countries in
Section III – 2 articles on institutional arrangements and final provisions.
The TFA deals almost entirely with Customs-related topics



Section I

- Art.1 Publication and availability of information
- Art.2 Consultation
- Art.3 Advance ruling
- Art.4 Appeal/Review procedures
- Art.5 Other measures for transparency etc.
- Art.6 Fee and Charges
- Art.7 Release and Clearance of goods
- Art.8 Border Agency Cooperation**
- Art.9 Movement of goods intended for import
- Art.10 Formalities
- Art.11 Transit
- Art.12 Customs cooperation



Section II

Special and Differential Treatment for Developing Countries and Least Developed Countries

- Rules about Categories A, B and C
- Assistance for Capacity Building
- Information to be submitted to the TF Committee
- Final provision



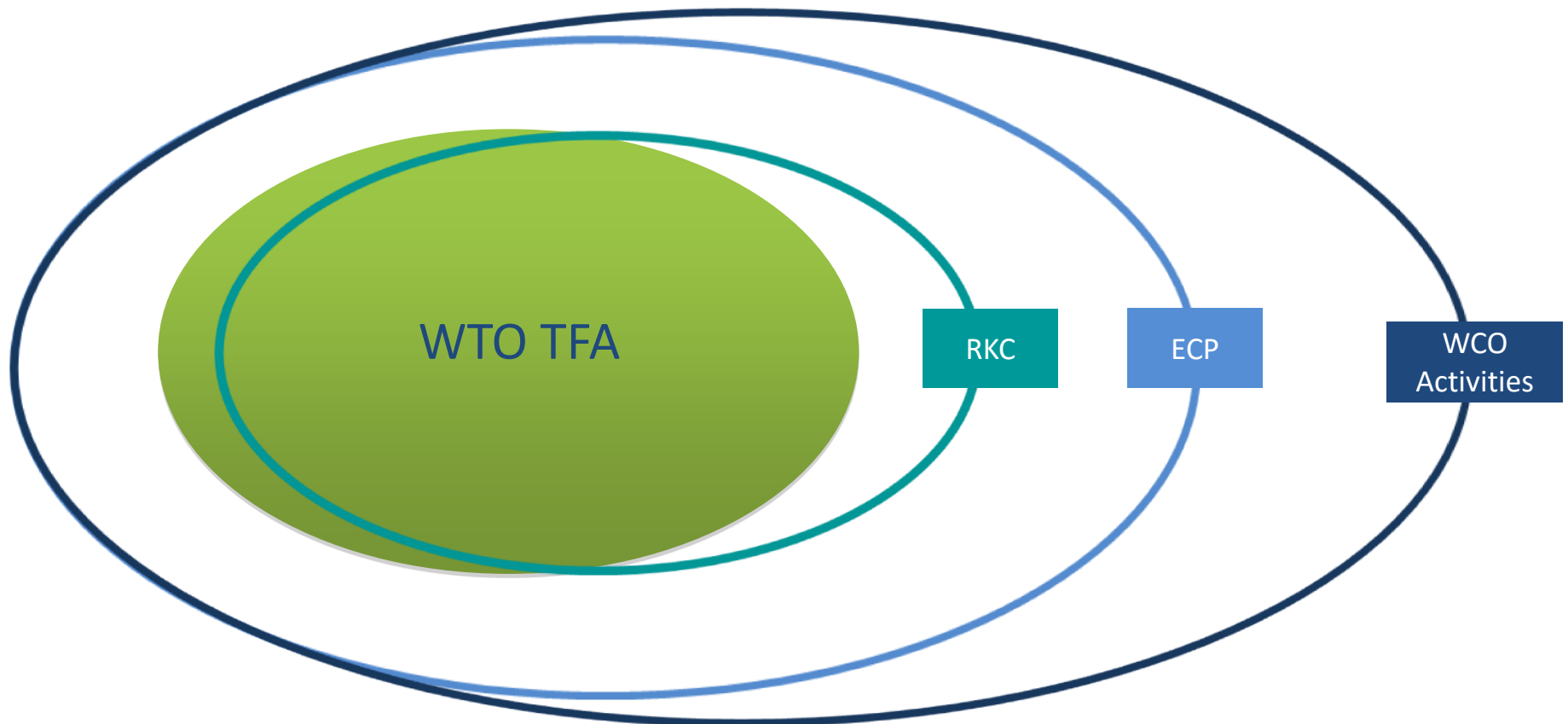
Section III

Institutional arrangements and final provisions

- Committee on Trade Facilitation
- National Committee on Trade Facilitation
- Final provisions

WCO

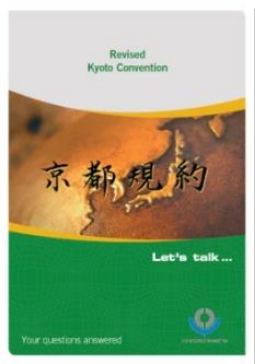
WCO activities cover a wide range of Customs matters, including economic competitiveness, compliance and enforcement, revenue collection and organizational development.



WCO tools to support TFA

The WCO has developed a number of instruments and tools, which respond to Members' needs as regards TFA implementation. The WCO is continuing to develop and fine-tune an inter-active guidance tool designed to help Customs implement the TFA.

Examples of WCO tools



**Revised
Kyoto
Convention**



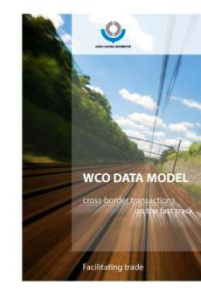
**SAFE
Framework of
Standards**



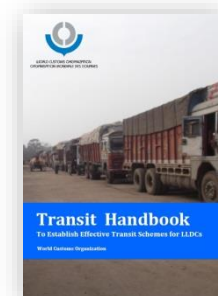
**Time Release
Study Guide**



**Single Window
Compendium**



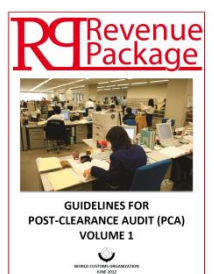
Data Model



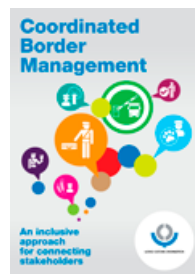
**Transit
Handbook**



**Risk
Management
Compendium**



**Post Clearance
Audit
Guidelines**



**CBM
Compendium**



**NCTF
Guidance**



**TFA e-Learning
courses**



**Customs Business
Partnership
Guidance**

WCO - Harmonized Implementation


The WCO has launched on its website the WCO Implementation Guidance for the TFA to support WCO Members in their efforts to implement the TFA

<http://www.wcoomd.org/en/topics/wco-implementing-the-wto-atf/atf.aspx>













Implementation Guidance

The World Customs Organization (WCO), an intergovernmental organization specially mentioned in the Bali Ministerial Declarations, is highlighting its role in the implementation and administration of the WTO Agreement on Trade Facilitation (ATF). The WCO, the centre of excellence on Customs matters world wide, is committed to the efficient implementation of the ATF.

Select an article below to view more information



Search articles:

Article 1 Publication and availability of information 	Article 2 Opportunity to comment, information before entry into force and consultation 	Article 3 Advance rulings 
Article 4 Appeal or review procedures 	Article 5 Other measures to enhance impartiality, non discrimination and transparency 	Article 6 Disciplines on fees and charges imposed on or in connection with importation and exportation 
Article 7 Release and clearance of goods 	Article 8 Border agency cooperation 	Article 9 Movement of goods under customs control intended for import 
Article 10 Formalities connected with importation and exportation and transit 	Article 11 Freedom of transit 	Article 12 Customs cooperation 

WCO - Harmonized Implementation

The Guidance presents the relevance of WCO instruments and tools such as the Revised Kyoto Convention for TFA implementation.

WCO tools for Article 7.7 (Authorized Operators)

Browse Articles ▾

Release and clearance of goods

Search articles

1	Pre-arrival Processing
2	Electronic Payment
3	Separation of Release from Final Determination of Customs Duties, Taxes, Fees and Charges
4	Risk Management
5	Post-clearance Audit
6	Establishment and Publication of Average Release Times
7	Trade Facilitation Measures for Authorized Operators
8	Expedited Shipments
9	Perishable Goods

OVERVIEW +

WTO ATF +

REVISED KYOTO CONVENTION +

OTHER WCO TOOLS -

SAFE Framework of Standards (download)
The SAFE Framework principally incorporated into its text detailed provisions on the conditions and requirements for Customs and Authorized Economic Operators (AEO), initially developed in a separate document. This addition was driven by the perception that both Customs and its business partners would benefit from having all SAFE and AEO provisions readily available in a single comprehensive instrument.

SAFE Package
The Package includes various tools relating to AEO including AEO Implementation Guidance, the AEO Compendium and Model AEO Appeal Procedures.

- AEO Implementation Guidance (download)
- AEO Compendium (download)
- Model AEO Appeal Procedures (download)
- AEO Benefits: Contribution from the WCO Private Sector Consultative Group (download)
- The Authorized Economic Operator and the Small and Medium Enterprise (FAQ) (download)
- Mutual Recognition Arrangement/Agreement Guidelines (download)
- AEO Template (download)

print this item

MEMBERS PRACTICES +

PERFORMANCE INDICATORS +

- Revised Kyoto Convention
- SAFE Framework of Standards
- AEO Implementation Guidance
- AEO Compendium
- Model AEO Appeal Procedures
- AEO Benefits: Contribution from the WCO Private Sector Consultative Group
- The Authorized Economic Operator and the Small and Medium sized Enterprise (FAQ)
- Mutual Recognition Arrangement/Agreement Guidelines
- AEO Template


WCO - Harmonized Implementation

The Implementation Guidance introduces Members practices and experiences of implementing the TFA.

Members' experience regarding Article 10.4 (Single Window)

Browse Articles ▶

Formalities connected with importation and exportation and transit



Search articles

- 1 Formalities and Documentation Requirements
- 2 Acceptance of Copies
- 3 Use of International Standards
- 4 Single Window
- 5 Pre-shipment Inspection
- 6 Use of Customs Brokers
- 7 Common Border Procedures and Uniform Documentation Requirements
- 8 Rejected Goods
- 9 a. Temporary Admission of Goods
- 10 b. Inward and Outward Processing

OVERVIEW +

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OTHER WCO TOOLS +

MEMBER PRACTICES -

Data harmonization for Single Windows: a case study from Oman (WCO News, February 2014) ([download](#))

Qatar Introduces the Customs Clearance Single Window (WCO News, February 2014) ([download](#))

New Zealand Single Window opens for business (WCO News, October 2013) ([download](#))

Nigeria develops an organic National Single Window (WCO News, October 2013) ([download](#))

Survey of Single Window Implementation (Single Window Compendium Volume 2)

The WCO Secretariat undertook a survey of Single Window Implementation. A total of 56 WCO member countries participated in the survey. The survey constitutes part of the WCO Single Window Compendium.

- Single Window Compendium Volume 2 ([download](#))

[print this item](#)

PERFORMANCE INDICATORS +

New Zealand Single Window opens for business

IN AUGUST 2013 the New Zealand Customs Service (NZCS) and the Ministry for Primary Industries (MPI) officially opened the Trade Single Window (TSW) for business, leveraging the WCO model to improve risk management and facilitation of compliant trade. New Zealand's economic wellbeing relies on efficient international travel and trade, while maintaining a secure border.

During 2012/13 NZCS processed 9.7 million international air passengers, and 6.21 million import and 3.48 million export transactions, while collecting 11,239 billion NZ dollars in revenue. With primary production currently generating more than two thirds of the country's export earnings, effective screening of arriving people, goods and craft for biosecurity risk is an ongoing concern for MPI.

NZCS and MPI have been developing their Joint Border Management System (JBMS) over the last three years. The JBMS modernizes the two agencies' border systems and allows them to better share processes, data and technology. The TSW is a key component of the JBMS, and will ultimately provide a single channel for New Zealand's international cargo industry to submit information and receive responses from border agencies.

Existing border systems

All people, goods, and craft entering and leaving New Zealand must be reported to NZCS, and this is mainly done using electronic messages based on an early United Nations trade facilitation committee data model. Airlines and shipping lines submit information about the aircraft or ship, and its cargo, crew and passengers, in messages, including Inward and Outward Cargo Reports.

Information about arriving ships and crew is currently provided in an emailed form which is shared with MPI and New Zealand's maritime safety agency and port health officers. Commercial importers and exporters or their agents have to submit more detailed information electronically to obtain Customs clearance, including import entries and export entries.

The existing Customs system manages this, identifying craft and cargo that could pose a risk, managing import and export permit controls, collating information for invoicing duty and tax, sending clearance notifications to cargo terminals, and recording the results of inspections and audits for analysis and learning.

Information on export and import cargo that is required to manage biosecurity and food safety risks is also sent to MPI systems. Importers may need to submit a Biosecurity Authority Clearance Certificate (BACC) application to MPI for inbound shipping containers and many imported consignments. They are currently either sent electronically or by fax, and may be supplemented by data passed from Customs' system.

Importers of certain foods need to email documents to a central processing office to obtain an import permit, and most animal and plant products exported from New Zealand must be accompanied by an approved export certificate which exporters apply for through MPI's export certification systems.

The existing NZCS and MPI systems lack the flexibility to respond to the increasing demands being placed on them to manage border risks while ensuring the smooth flow of trade and travel. The existing systems and border processes are not well integrated, requiring the duplication of data and processing which slows the supply chain.

While many commercial freight software products are able to join up information at the 'front end' for industry users, at the 'back end' the data is sent to the agencies separately, and updating software can be complex when there are changes.

Clients have also been limited to using one mandated 'messaging gateway' for sending electronic messages to NZCS and MPI.

A smarter, swifter border system

The JBMS initiative modernizes the two agencies' border systems and brings a fundamental change to the way NZCS and MPI

operate at the border. It will enable the agencies to work more collaboratively, with shared processes, data and technology.

The TSW will ultimately provide a single channel for importers, exporters and their agents to provide information required by border agencies. It will cut out the duplication of data and connections required for submitting information to the agencies' separate systems (see illustration).

The richer information available in new messages will be shared by NZCS and MPI to support New Zealand's border and revenue protection, and management of biosecurity and food safety risks. The country's maritime safety agency and port health officers will also access information about craft and crew, and give directions to ships via the TSW.

New message formats

The new electronic craft and cargo reporting and clearance messages are one of three key changes as a result of the TSW. They are based on Version 3.2 of the WCO Data Model (WDM3), enabling information requirements to be harmonized across the border agencies as much as possible. New Zealand border agencies have been closely involved in the development of the WDM3, and are now amongst the first agencies to use the new message formats.

These new WDM3 messages will ultimately replace the current or 'legacy' craft arrival and departure notices, inward and outward cargo reports and import and export clearance documents. The messages will be shared by the border agencies, starting with NZCS, MPI, Maritime New Zealand and port health officers.

For example, the new WDM3 based Import Declaration combines the Customs, biosecurity and prescribed food information required for clearance, in one message. Clients can move to the new WDM3 messages as they are introduced, or continue to use the current 'legacy' messages until the new messages are mandated. NZCS and MPI are consulting with industry on the mandatory date, but it will be no earlier than December 2014.

New connection options

The second key change with the TSW is the availability of new options for clients to submit messages, providing the opportunity to reduce transaction costs. Clients

CBM



EU: Integrated Border Management



World Bank: Collaborative Border Management



OSCE: Comprehensive Border Management



WCO: Coordinated Border Management



WTO: Border Agency Coordination

Why CBM?

Changing border context

Volume of goods

Resource limitation

New challenges

Reality

Duplication of inspections

Silo mentality

Poor co-ordination and organization of border control processes

Results

Slow clearance times

Delays

Increased non-compliance

Increased costs to Trade

Solution

=

Coordinated Border Management



Why CBM?

Structured approach to border management



More efficient usage of human resource



Risk management



Stakeholders benefits



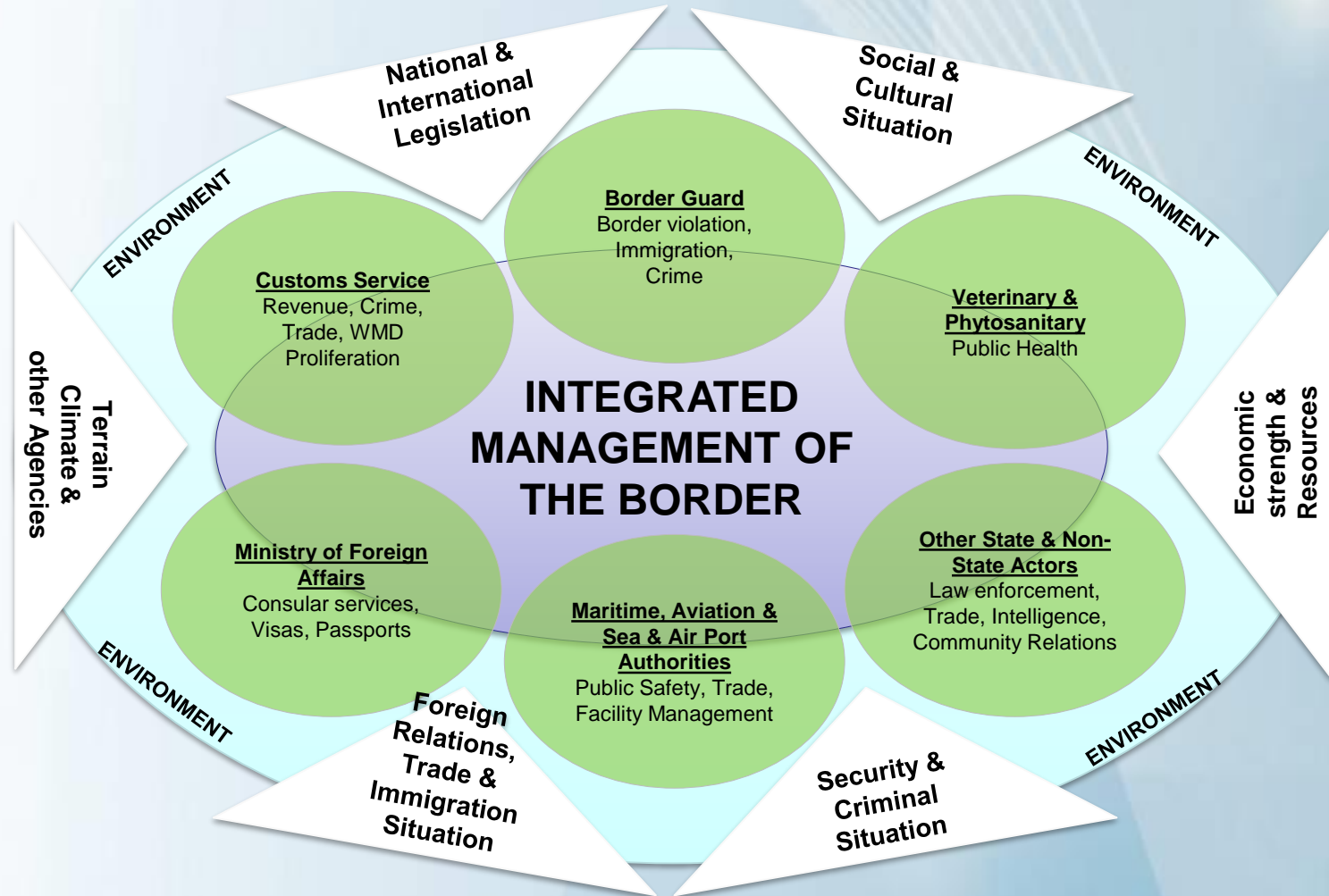
COORDINATED BORDER MANAGEMENT

The optimal flow of goods and information between **Customs, Cross Border Regulatory Agencies** and **Trade** to enable effective and efficient border management.

CBM:

- **coordinated approach** by border control agencies,
- **greater efficiencies** over managing trade and travel flows,
- maintaining a **balance with compliance requirements**,
- response to **scarcity of time, manpower, information and infrastructures**
- making the **best use out of existing resources** so that current imperatives can be met

COORDINATED BORDER MANAGEMENT



* Source: A presentation by Mr. Henry Bolton, OSCE Secretariat

Potentially a Very Complex Matter!

Coordinated Border Management

Drivers

- Increased trade volumes
- Increased security threats
- Society demand
- Fiscal constraint
- Etc.

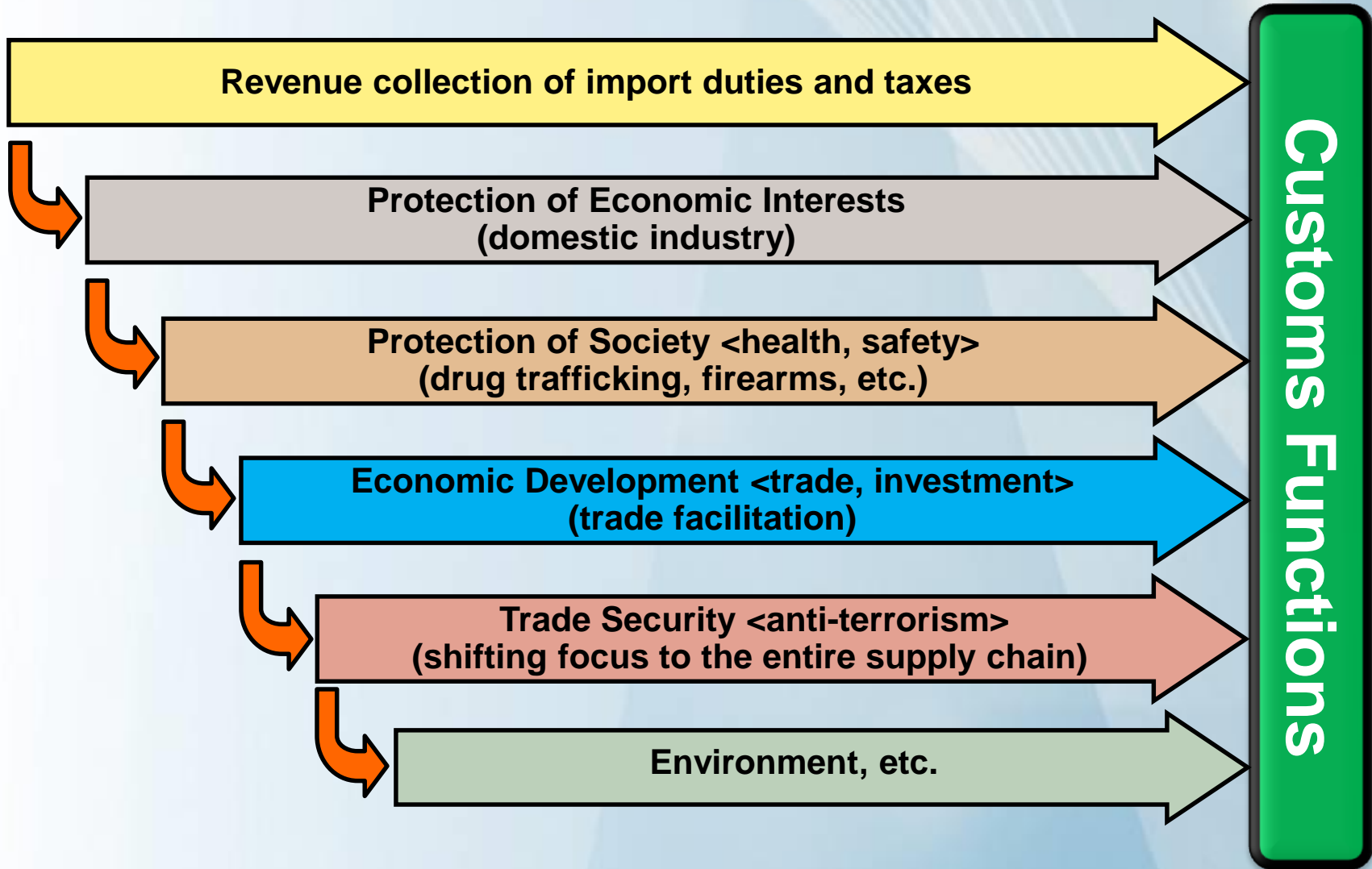
Success Factors

- Political will
- Legal basis
- Private sector buy-in
- **Organizational will**

Benefits

- Enhanced risk management
- Resource efficiencies
- Internal and external policy cohesion
- Increased accountability / transparency

THE ROLE OF CUSTOMS



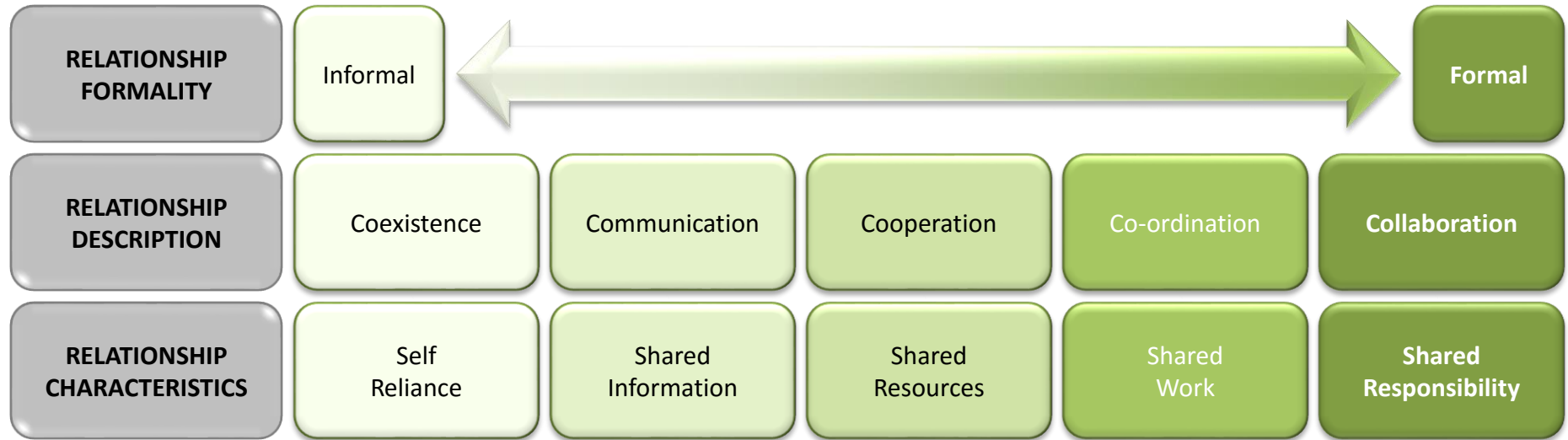
THE ROLE OF CBRAs

- Regulates imports & exports of goods **under their jurisdiction**
 - Live animals, plants and agricultural products, food, pharmaceutical products etc.
 - CBRAs regulate a subset of total trade volume
- CBRAs vested with **specific responsibilities to uphold regulations on imports / exports of certain goods**
 - Consumer safety, telecommunication standards, pharmaceutical products, dual use goods
- All CBRAs will need to **engage with Customs from time to time**

THE ROLE OF TRADE

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

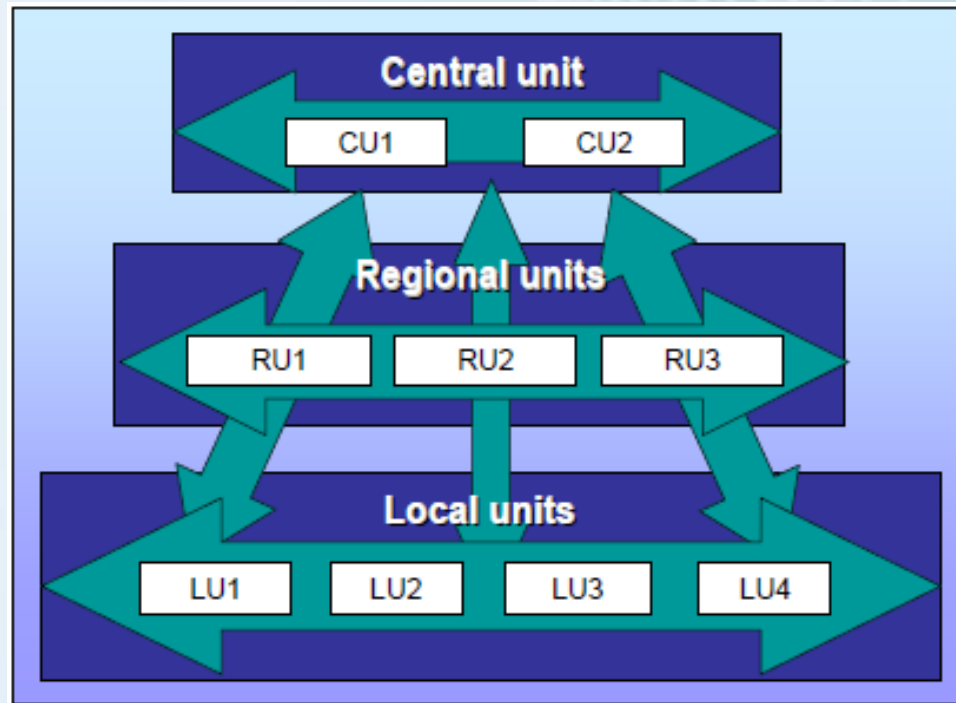
CBM Concepts and Applications



Source: Adapted from "Better Connected Services for Kiwis", Institute of Policy Study, New Zealand

- 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**
- **Degree of formality is VERY important** – need to move beyond informal / personal network arrangements to be sustainable

Intra-service cooperation

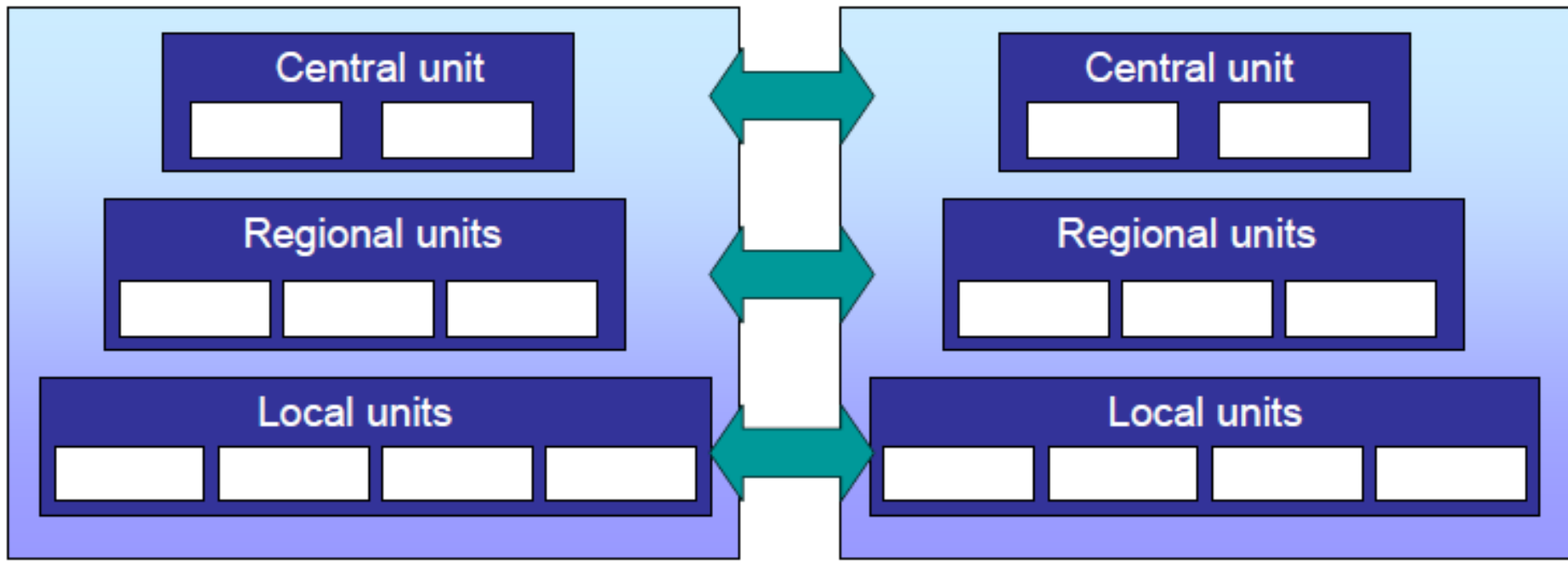


Efficient internal cooperation and management of processes, information and resources within a ministry or agency responsible for specific tasks at local, regional and central levels, as well as between different units of the same levels

Source: EC Guidelines for IBM in the Western Balkans

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Inter-agency cooperation

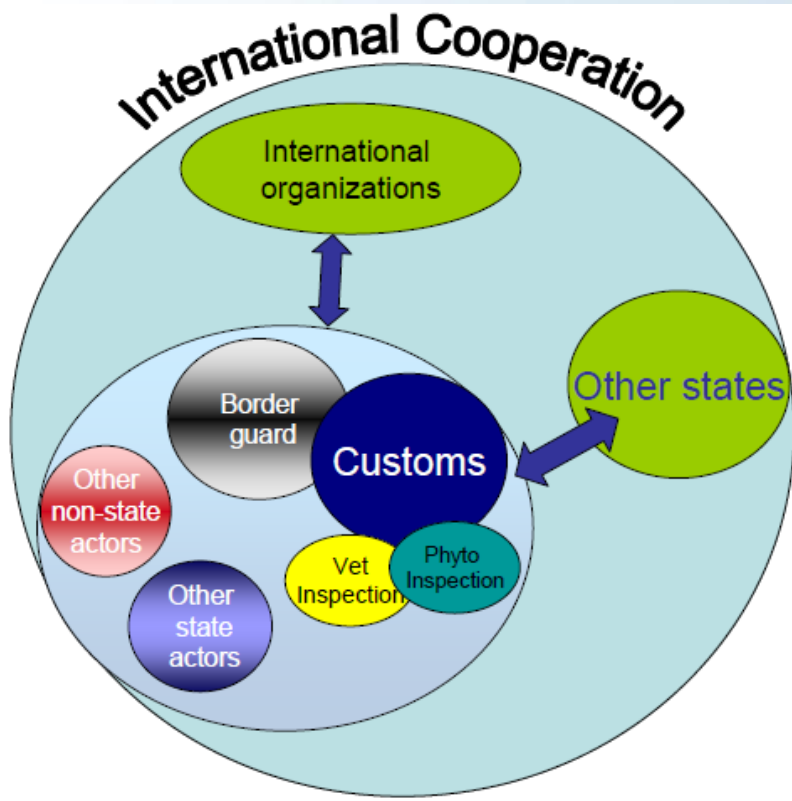


Cooperation at local, regional and central levels between ministries or state with different tasks related to border management

Source: EC Guidelines for IBM in the Western Balkans

International cooperation

Include three different aspects:



- **Cooperation at local level** between officials on both sides of the border
- **Cooperation between neighboring states** (cooperative management of common border crossing, organization of joint patrols)
- **Cooperation at the multinational level** aimed at enabling a more efficient approach to common fields of work

Source: EC Guidelines for IBM in the Western Balkans

CBM Motivations

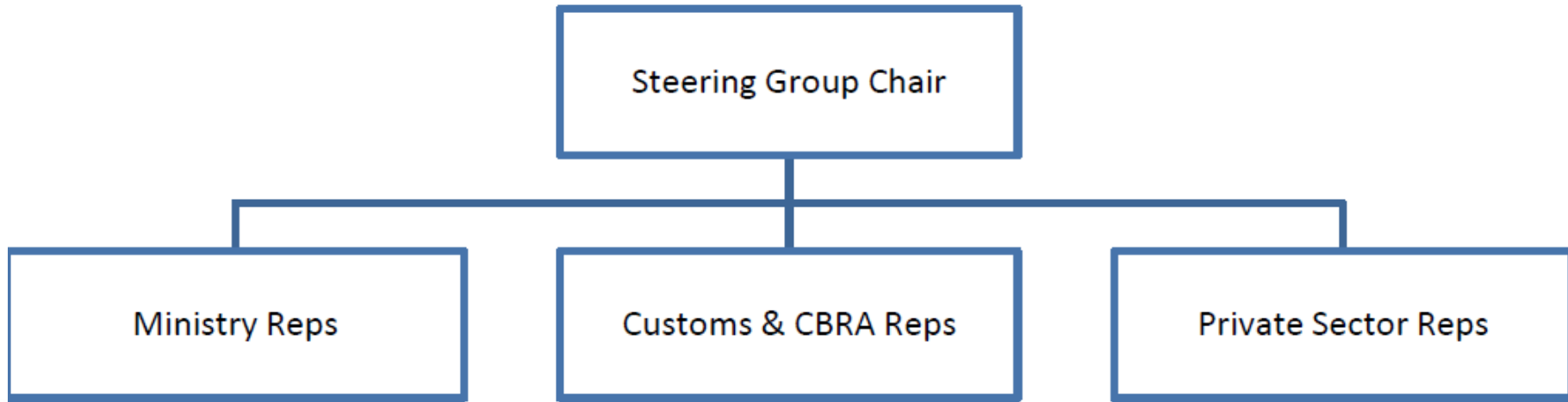
External motivations

- Implementing **bilateral or multilateral agreements** including:
 - Mutual Assistance Agreements
 - Mutual Recognition of AEO
 - Free Trade Agreements

Internal motivations

- Enhancing national **competitiveness**
- Construction of **new infrastructures** like border posts, sea ports or airports
- Addressing **security threats** and **regulatory challenges**
- **Improving service quality**

CBM – Steering Committee



- Lead ministry or agency as the **chair of the committee**
- **Senior members** of:
 - Collaborating **ministries**
 - **CBRAs**
 - **Trading community**

Key decisions can be made in **consultation with essential stakeholders**

Implementing CBM

Legal Basis

To identify the various legal enablers that provide for enhanced CBM, or legal gaps that prevents effective CBM.

Information Technology

To identify areas where data harmonization can lead to greater simplifications for government, trade and physical flow of goods.

Processes

To map existing border processes so that bottlenecks and inefficiencies can be identified and resolved.

Human resources & training

To identify current state of competencies among participating agencies to identify capacity gaps and new skills needed.

CBM Diagnostic Missions

National Policy dialogue

- Top management of all respective authorities are met on individual dialogs

Diagnostic Mission

- Border crossing points were visited (small, med)

Diagnostic Report

- suggestions of changes that need to be carried out in the field of Coordinated Border Management.

High level meeting

- presentation of Report

Implementing CBM

Evaluating the option

- Not everything can be done at the same time
- First set of recommendations merely sets the stage for future improvements to take place
- „Quick wins”

Implementing the changes

- The approved action plans should now be communicated to the parties concerned

Checking phase

- Were changes effective, successfully implemented and achieved the targets

Key Principles

Streamlined checks and clearance:

- clear procedures
- multiply agencies control done at the same time
- could also be conducted at designated inland locations

Congestions Management:

- physical infrastructures should be organized
- efforts must be undertaken to identify potential sources of bottlenecks

Manpower Availability:

- to conduct the necessary controls
- cross-training to undertake checks on behalf of other agencies
- co-ordinate working hours
- shift-change timings

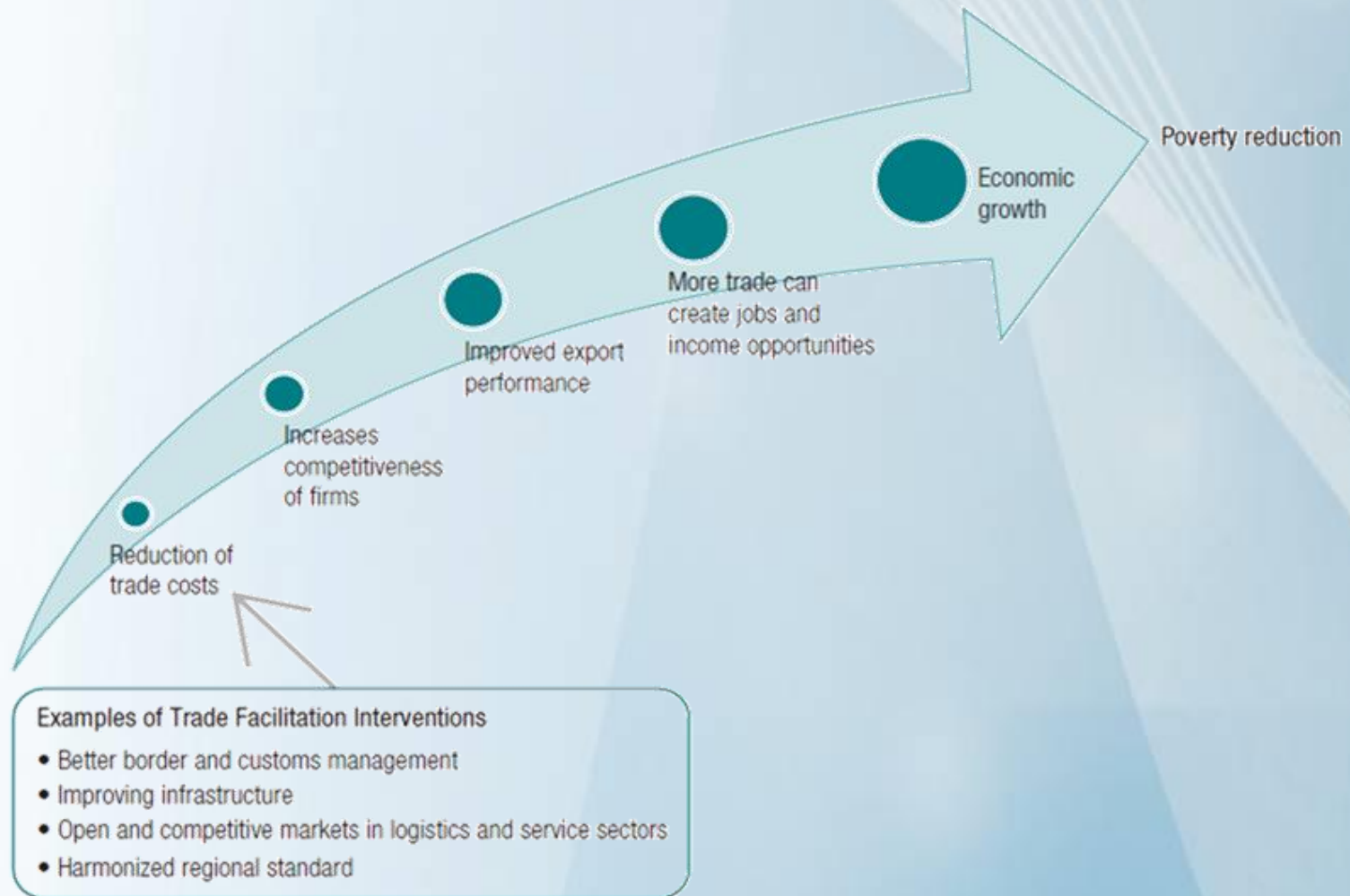
Infrastructural Availability:

- agencies should be equipped with the necessary equipment
- sharing the equipment
- office space, parking lots, inspection bays and inspection equipment could be better utilized

Hampering Competitiveness

Figure 7.2 >

How Trade Facilitation Can Contribute to Reaching Development Goals



IN ESSENCE



- No standardized approach, **no one-sized-fits all**
- Countries must apply a solution that **fits its domestic context**
- **Tools & Instruments** support various areas of CBM

**Thank you for
your attention**