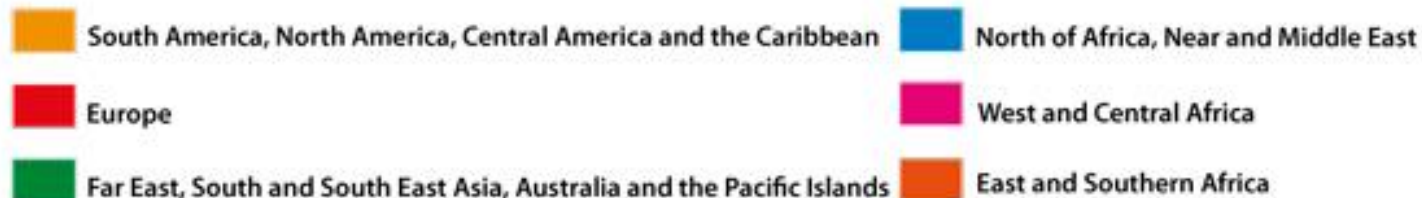# COORDINATED BORDER MANAGEMENT

Introduction to CBM

WCO

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

South America, North America, Central America and the Caribbean		North of Africa, Near and Middle East	
Europe		West and Central Africa	
Far East, South and South East Asia, Australia and the Pacific Islands		East and Southern Africa	

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.
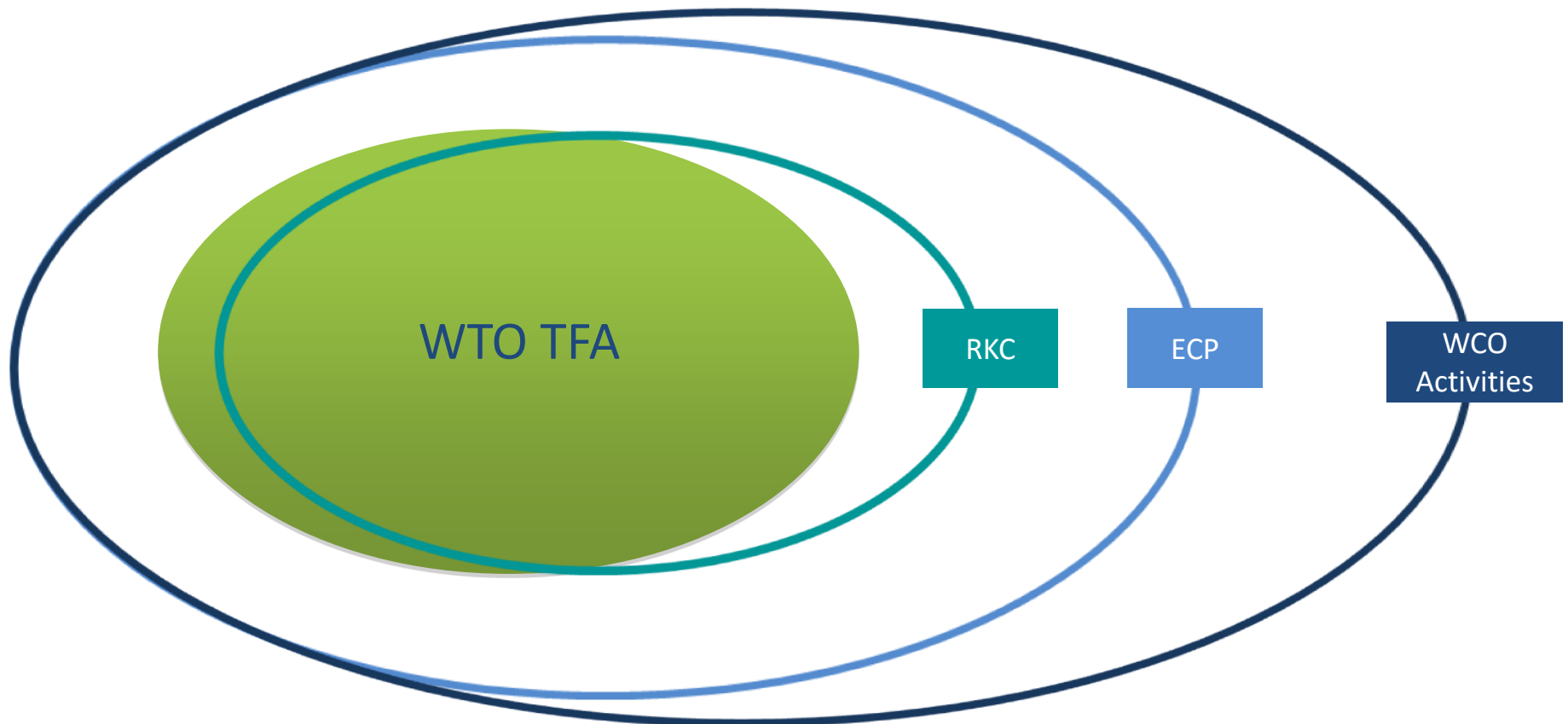
WCO tools to support TFA

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.
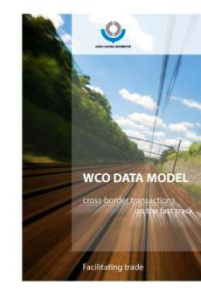
Examples of WCO tools
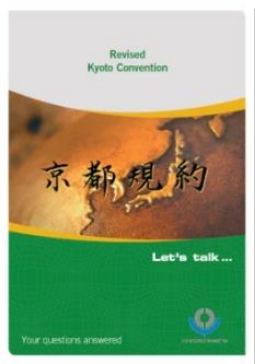
Revised Kyoto Convention	SAFE Framework of Standards	Time Release Study Guide	Single Window Compendium	Data Model	Transit Handbook
Risk Management Compendium	Post Clearance Audit Guidelines	CBM Compendium	NCTF Guidance	TFA e-Learning courses	Customs Business Partnership Guidance
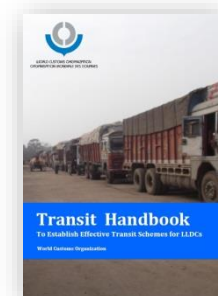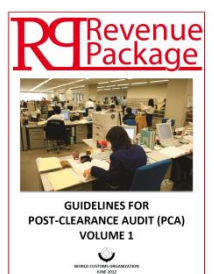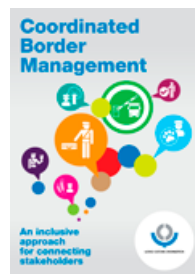
WCO - Harmonized Implementation

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 infomation

TRADE FACILITATION

WCO IMPLEMENTING WTO ATF

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)

- 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)

CBM

🇪🇺	EU: Integrated Border Management
The World Bank	World Bank: Collaborative Border Management
OSCE	OSCE: Comprehensive Border Management
WCO	WCO: Coordinated Border Management
WORLD TRADE ORGANIZATION	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

National & International Legislation

Social & Cultural Situation

ENVIRONMENT

ENVIRONMENT

Terrain Climate & other Agencies

Economic strength & Resources

Border Guard
Border violation, Immigration, Crime

Customs Service
Revenue, Crime, Trade, WMD Proliferation

Veterinary & Phytosanitary
Public Health

INTEGRATED MANAGEMENT OF THE BORDER

Ministry of Foreign Affairs
Consular services, Visas, Passports

Maritime, Aviation & Sea & Air Port Authorities
Public Safety, Trade, Facility Management

Other State & Non-State Actors
Law enforcement, Trade, Intelligence, Community Relations

ENVIRONMENT

ENVIRONMENT

Foreign Relations, Trade & Immigration Situation

Security & Criminal Situation

* 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

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THE ROLE OF CUSTOMS

Revenue collection of import duties and taxes

Protection of Economic Interests
(domestic industry)

Protection of Society <health, safety>
(drug trafficking, firearms, etc.)

Economic Development <trade, investment>
(trade facilitation)

Trade Security <anti-terrorism>
(shifting focus to the entire supply chain)

Environment, etc.

Customs Functions
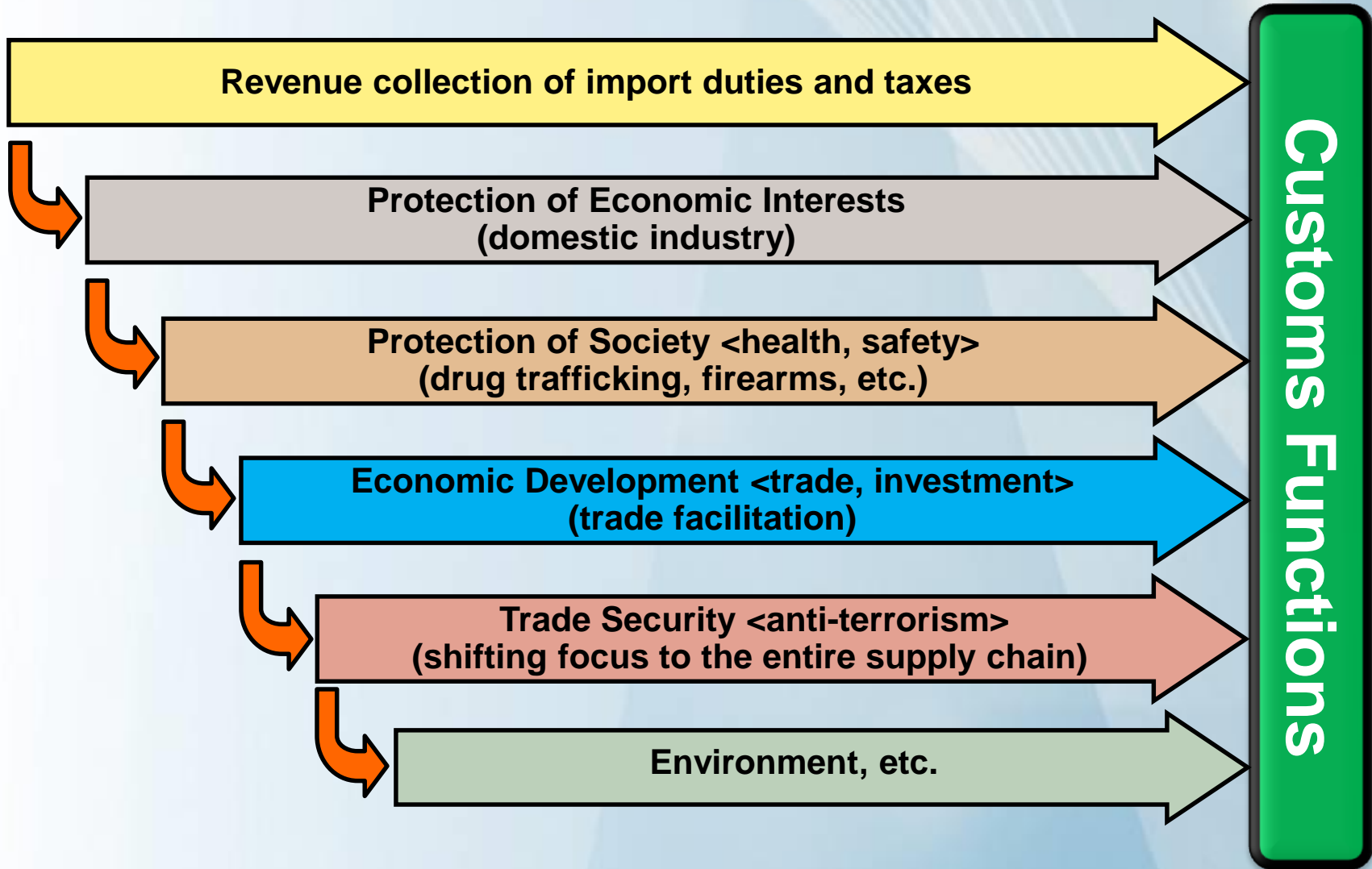
THE ROLE OF CBRAs

- 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

	Informal				Formal
RELATIONSHIP FORMALITY	Informal	→			Formal
RELATIONSHIP DESCRIPTION	Coexistence	Communication	Cooperation	Co-ordination	**Collaboration**
RELATIONSHIP CHARACTERISTICS	Self Reliance	Shared Information	Shared Resources	Shared Work	**Shared Responsibility**
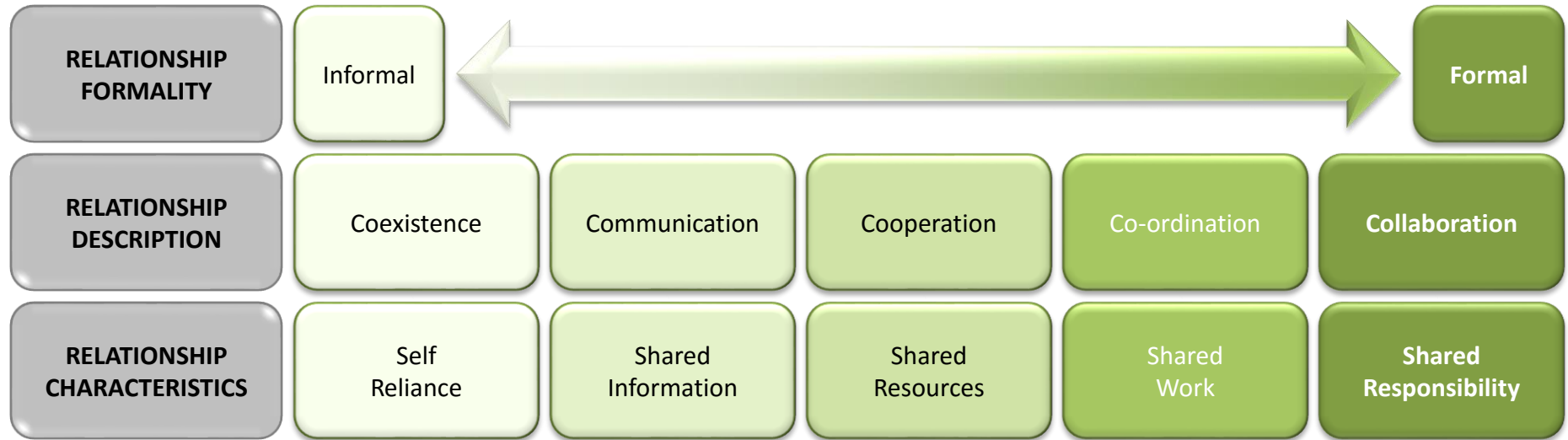
Source: Adapted from "Better Connected Services for Kiwis", Institute of Policy Study, New Zealand

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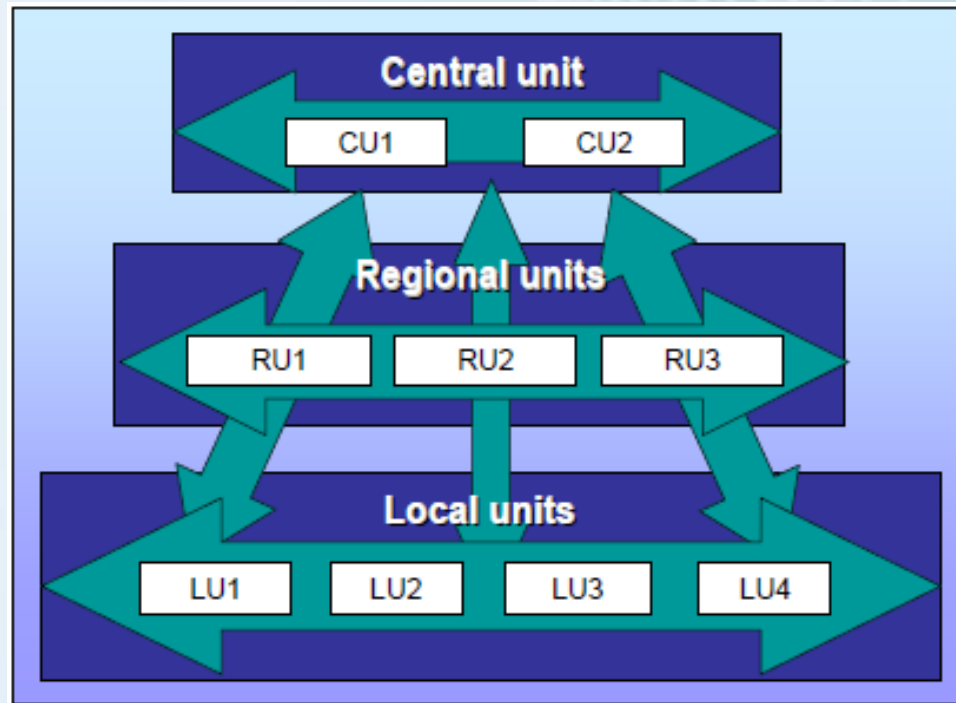
Efficient internal cooperation and management of processes, information and resources within a ministry or agency responsible for specific tasks **at local, regional and central levels**, as well as **between different units of the same levels**

Source: EC Guidelines for IBM in the Western Balkans

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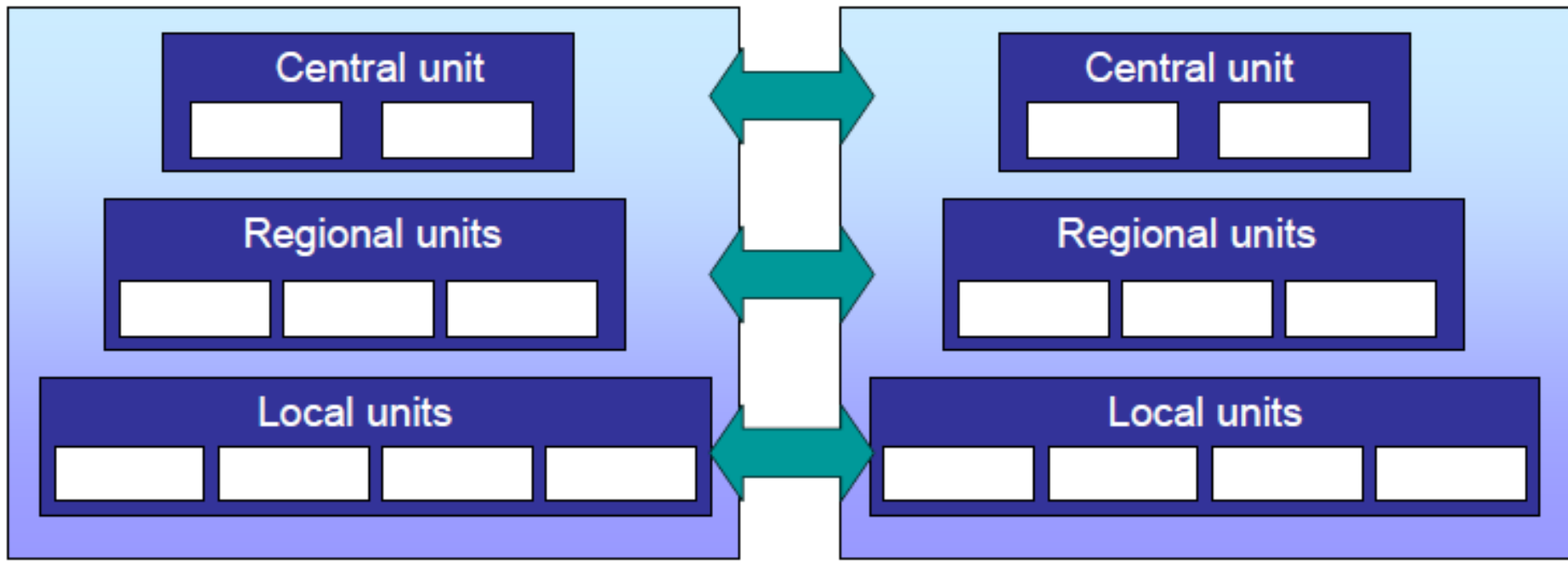
Cooperation at local, regional and central levels between ministries or state with different tasks related to border management

International cooperation

Include three different aspects:

International Cooperation

- International organizations
- Border guard
- Customs
- Other non-state actors
- Other state actors
- Vet Inspection
- Phyto Inspection
- Other states
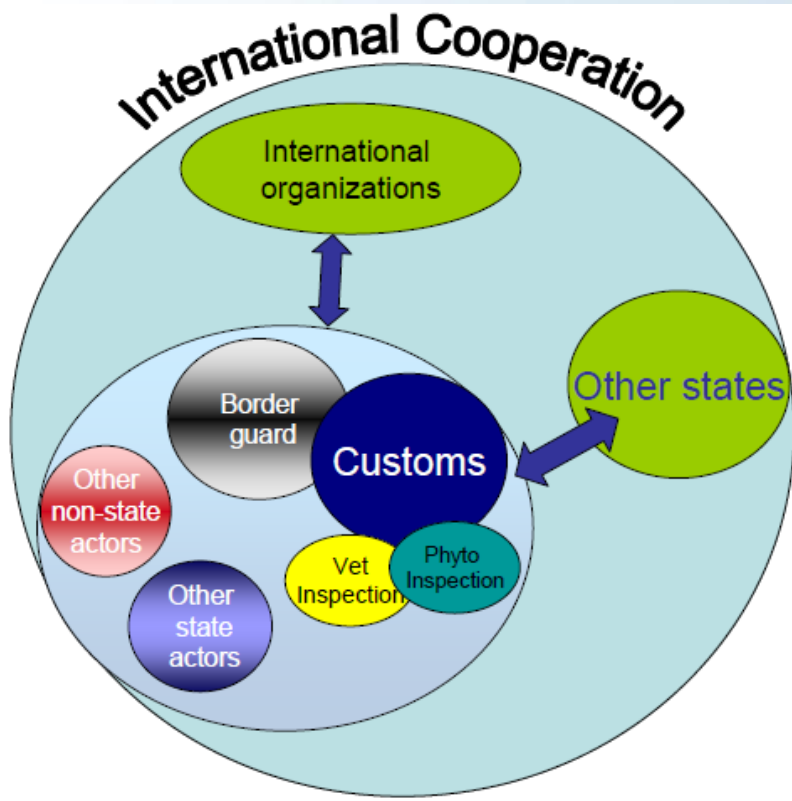
- **Cooperation at local level** between officials on both sides of the border
- **Cooperation between neighboring states** (cooperative management of common border crossing, organization of joint patrols)
- **Cooperation at the multinational level** aimed at enabling a more efficient approach to common 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
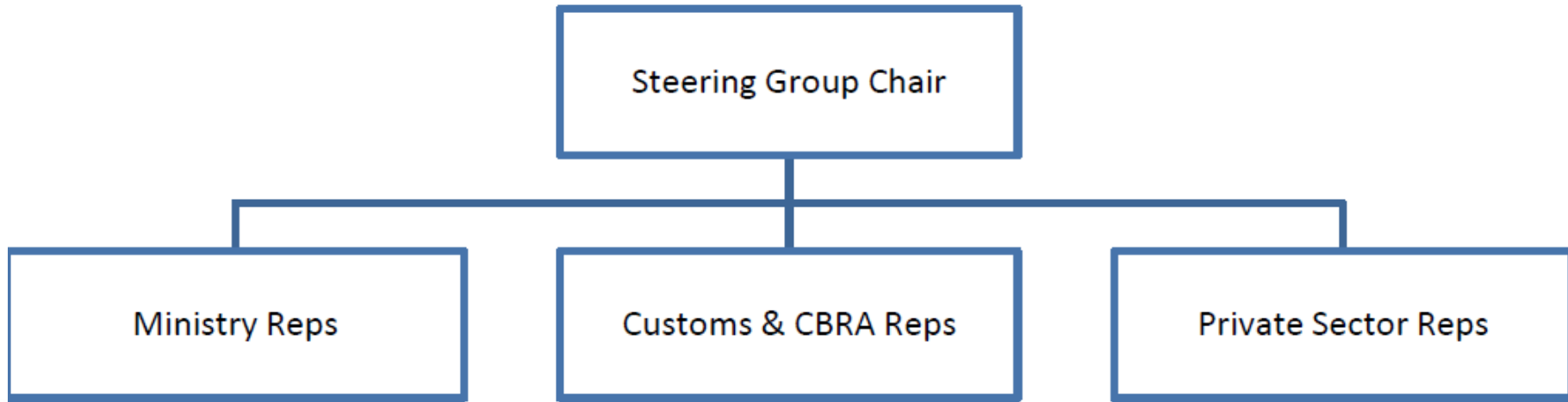
- Lead ministry or agency as the **chair of the committee**
- **Senior members** of:
  - Collaborating **ministries**
  - **CBRAs**
  - **Trading community**

  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
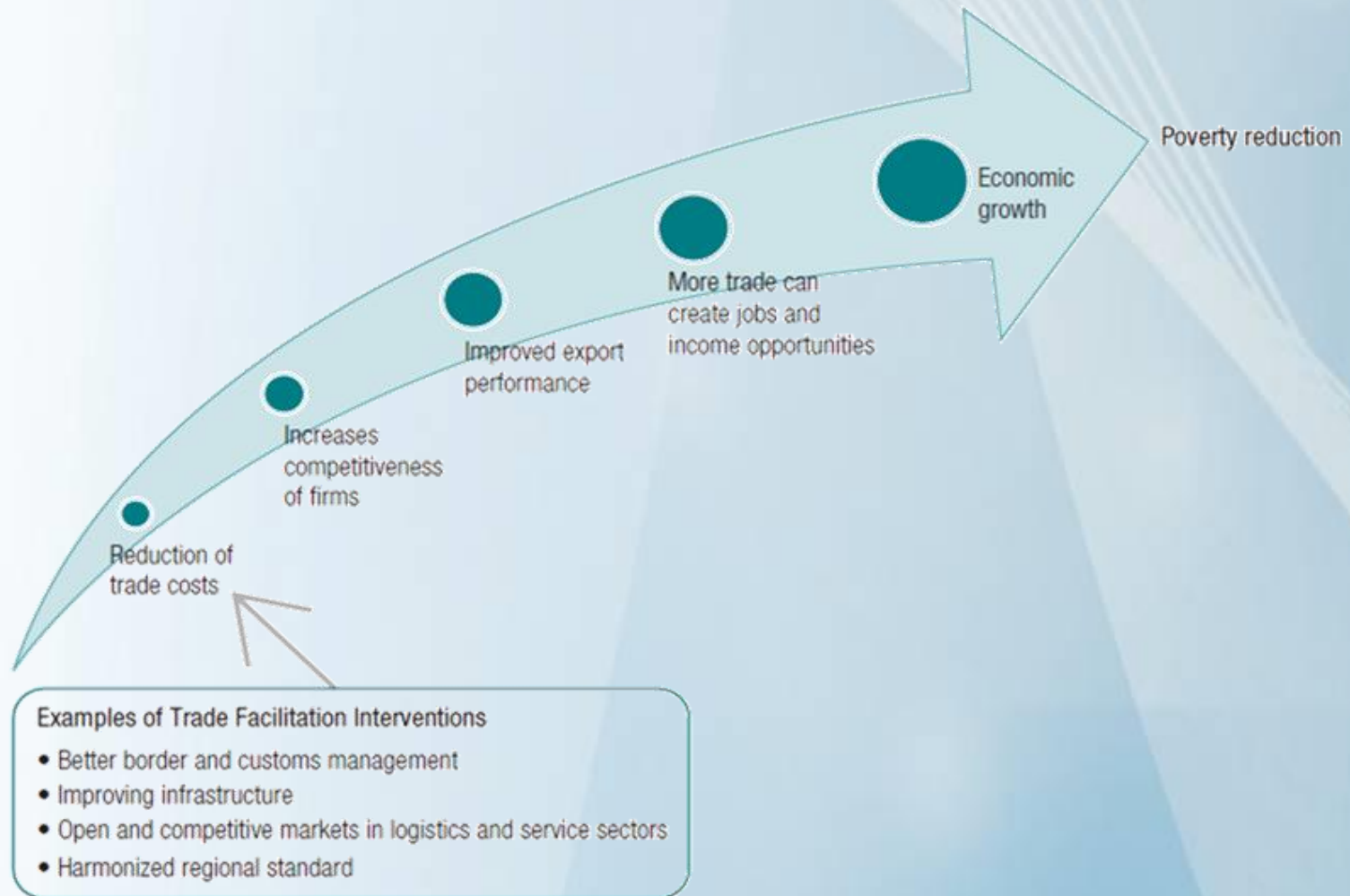- shift-change timings

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

Poverty reduction

Economic growth

More trade can create jobs and income opportunities

Improved export performance

Increases competitiveness of firms

Reduction of trade costs

Examples of Trade Facilitation Interventions
- Better border and customs management
- Improving infrastructure
- Open and competitive markets in logistics and service sectors
- Harmonized regional standard

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