



Seventh Meeting of the SASEC Customs Subgroup (SCS-7)
30-31 July: Colombo, Sri Lanka
Learning Event: Coordinated Border Management
31 July

CONCEPT NOTE

I. Background

1. Governments across the globe rely upon their respective national statutory frameworks to regulate the nature and quality of goods entering their territories, covering areas such as food safety, environment, hazardous goods, plant and animal quarantine, dual-use goods, national security, quality standards, and others. Multiple regulatory agencies, including Customs, are tasked with the implementation of these statutory frameworks, each with their specific mandate. All these agencies—Customs and Other Government Agencies (OGAs)—are subject to and apply their own business processes, IT systems, and facilities during implementation of the relevant statutes, which can often lead to multiple interventions on the same goods at border crossing points. Multiple agencies and interventions at the borders causes specific problems, including:

- Repeated inspection of goods by different agencies;
- Excessive document submission requirements;
- Multiplicity of rules, IT systems, and procedures;
- Separate infrastructure for these agencies and the consequent costs; and
- Ineffective compliance management.

2. This fragmented type of approach to border management commonly results in delays and high transaction costs to trade, ultimately adversely impacting national economic competitiveness. Of equal concern to governments is the possibility that such a fragmented approach may diminish the effectiveness of risk management systems and procedures.

3. Over the past two decades, national administrations have been trying to address the problem of fragmented, time-consuming and costly procedures by enhancing coordination among the regulatory agencies and their functions. The term Coordinated Border Management (CBM) refers to a 'coordinated approach by border control agencies, both domestic and international, in the context of seeking greater efficiencies over managing trade and travel flows, while maintaining a balance with compliance requirements'.¹

II. Coordinated Border Management

4. Increasing trade flows, security and safety concerns, and revenue considerations have today necessitated a more coordinated management of borders, not only for effective risk

¹ World Customs Organization. 2015. *Coordinated Border Management Compendium*. Geneva. www.wcoomd.org/~media/wco/public/global/pdf/topics/facilitation/instruments-and-tools/tools/safe-package/cbm-en_lr.pdf?la=en

management, but also to build and maintain resource efficiencies and increase accountability and transparency of government agencies.

5. Coordination should be improved both vertically (i.e. between the Central Ministry/Headquarters and the field agency for each OGA), and horizontally (i.e. between Customs and the other OGAs within a country). Better vertical coordination will more effectively enable introduction of modern concepts such as automation, risk management and cross-border mutual recognition. Improved horizontal coordination will help Customs administrations—the most visible at-border agency that deals with all international cargo—coordinate among all OGAs.

6. Effective cross-border coordination plays an equally important role in ensuring the smooth flow of goods and movement of people across borders, especially at land borders where agencies on both sides of the border are involved in clearance of the same set of goods. There exists a wide range of coordination mechanisms to support CBM, that would in turn require support by suitable institutional mechanisms at local, central and cross border level, including:

- Coordinated inspections behind the border;
- Joint inspections among border regulatory agencies of the exporting and importing countries;
- Integrated Check Posts housing all agencies and facilities under one roof;
- Cross-border One-Stop Shops;
- National Single Window systems and Regional Single Window systems.

7. The benefits of effective CBM serve both public and private sectors – Customs, OGAs, freight forwarders, and individual traders. Cross-cutting benefits include:

- Efficient delivery of services at the border by reducing redundancies and resolving contradictions;
- Better risk management;
- Faster clearance times;
- Reduced need for elaborate border infrastructure for each agency; and
- Better use of resources, including human and ICT.

III. CBM and the World Trade Organization Trade Facilitation Agreement, Other Conventions and Frameworks

8. Recognizing the beneficial impact of CBM on trade facilitation, the World Trade Organization Trade Facilitation Agreement (WTO TFA) requires under Article 8: Border Agency Cooperation that

1. 'Each Member shall ensure that its **authorities and agencies responsible for border controls and procedures dealing with the importation, exportation, and transit of goods cooperate with one another and coordinate their activities** in order to facilitate trade
2. Each Member shall, to the extent possible and practicable, cooperate on mutually agreed terms with other Members with whom it shares a common border with a view to coordinating procedures at border crossings to facilitate cross-border trade. Such cooperation and coordination may include:

- (a) alignment of working days and hours;
- (b) alignment of procedures and formalities;
- (c) development and sharing of common facilities;
- (d) joint controls;
- (e) establishment of one stop border post control.'

9. In addition, TFA Article 7: Release and Clearance of Goods states that Members should 'concentrate customs control, and **to the extent possible other relevant border controls**, on high risk consignments and expedite the release of low risk consignments'. And TFA Article 10: Formalities Connected with Importation and Exportation and Transit obliges WTO Members to establish or maintain a single window (Article 10.4). The World Customs Organization likewise promotes implementation of CBM through tools and instruments such as the Revised Kyoto Convention, the SAFE Framework of Standards, as well as through its dedicated CBM Compendium.

IV. CBM Implementation

10. Given the broad spectrum of agencies, legal and regulatory frameworks, and systems involved, however, the path to achieving and sustaining CBM is challenging. Strong political will is a fundamental pre-requisite, demanding sufficient support and financial resources over time to ensure sustainability.

11. The areas to be addressed would include the legal, procedural, ICT, institutional and other issues. Each CBM measure (coordinated/joint inspections; integrated check points, National Single Window et al.) would have its own set of issues to be resolved and suitable governance structures to be put in place. Adequate resources for capacity-building should be committed, starting with identification of existing competency and capacity gaps among participating agencies, and inculcating new skills needed for sustainable implementation of the CBM.

V. Objective of the SCS-7 Learning Event

12. Given the current focus of SCS activities and capacity building—implementation of the WTO TFA and other international conventions and framework—the Learning Event aims to introduce CBM to the SASEC Customs Subgroup as an area for further discussion. The SASEC Customs administrations will be requested to consider (i) whether additional training opportunities on CBM would be valued as complementary to ongoing efforts, and (ii) if so, which specific areas of CBM should be prioritized for SCS action.