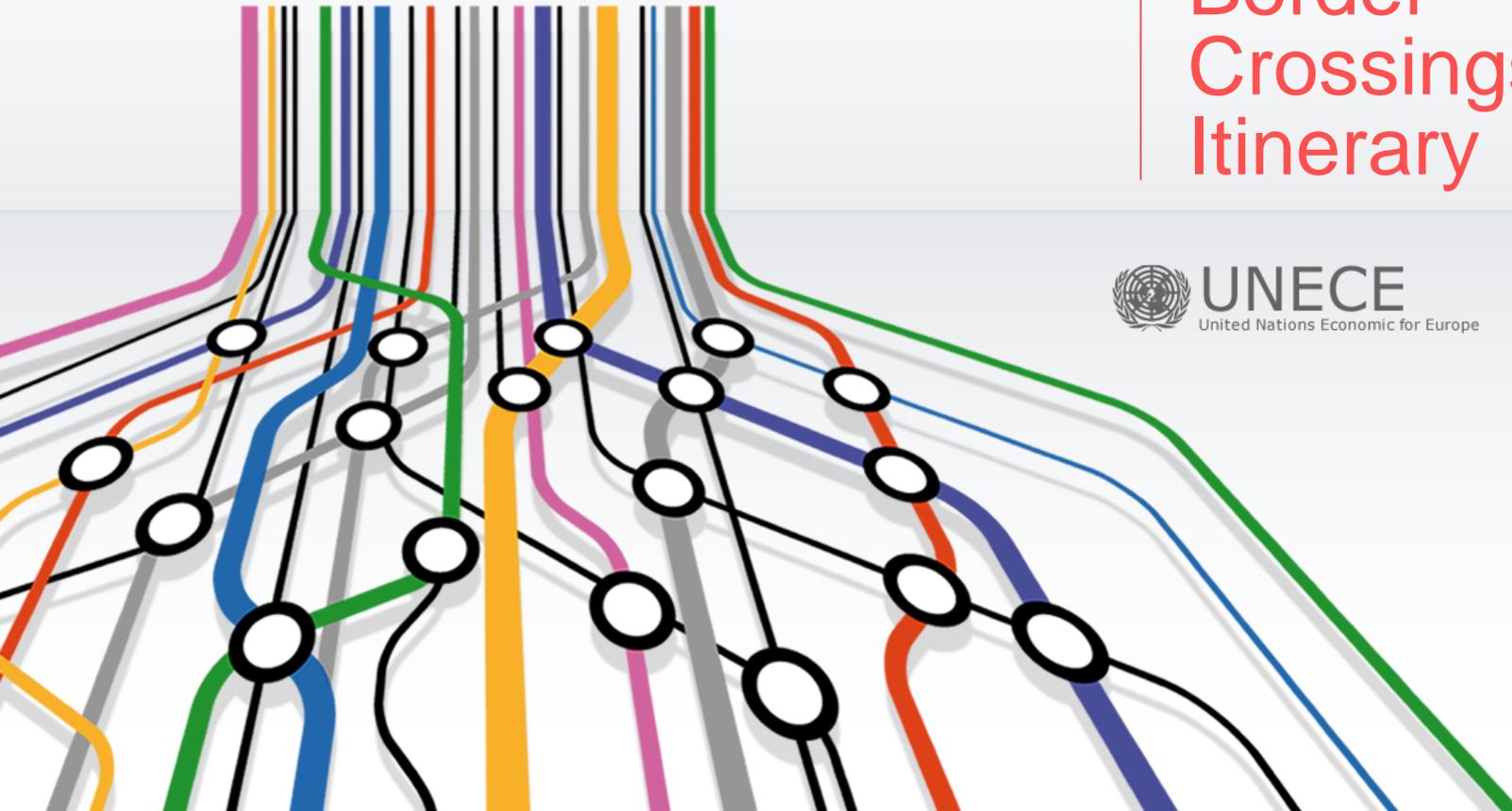


# TRADE FACILITATION IMPLEMENTATION GUIDE

## Reducing Delays at Border Crossings - Itinerary



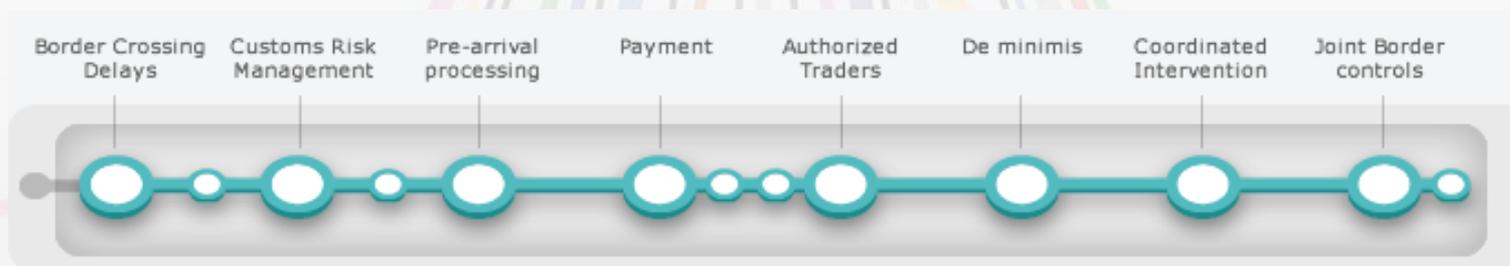
# Reducing Delays at Border Crossings

FAQs



What can be done to reduce delays at border crossings?  
Who should be involved?

# Steps towards reducing Border Delays



- **Itineraries guide users through the wealth of information contained in the TFIG**
- **This Itinerary combines domain-specific TF measures along a dedicated TF goal**
- **The itinerary is not exhaustive, just an exemplary collection**
- **It is possible to add or skip TF measures**
- **Each measure on its own can reduce border delays**

# Towards Fewer Border Delays

## Customs Risk Management

- [Risk management](#) is the basis for risk-based selectivity, which ensures that disruptions occur mainly for high-risk shipments

## Pre-Arrival Processing

- [Pre-Arrival Processing](#) makes optimum use of the time for risk assessments and release decisions while goods are travelling. This should lead to release upon arrival.

## Payment

- [Electronic](#) as well as [deferred duty/tax payment](#) arrangements remove time consuming cash/cheque handling at import.

## Authorized Traders

- [Authorized Trader](#) Programs enable Customs to give compliant traders a low risk scoring based on their trading/clearance history, leading to faster release and clearance times.

## De Minimis

- [De Minimis](#) regimes help to reduce formalities for small, low value or non-dutiable shipments.

## Coordinated Intervention

- [Coordinated Intervention](#) requires all relevant border agencies to work together and conduct physical examinations at the same time.

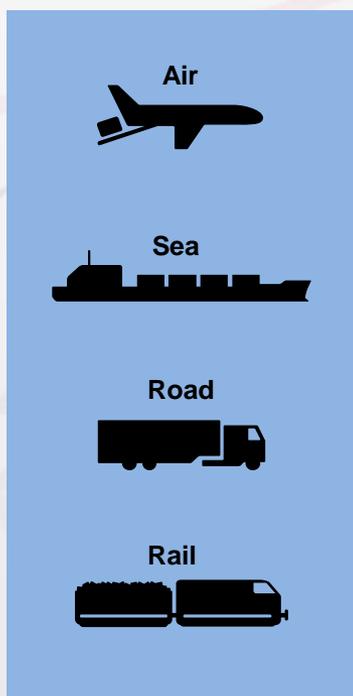
## Joint Border Controls

- Neighbouring export and import countries should coordinate [joint clearance and border control](#) activities, e.g. [opening hours](#), avoiding disruptions during the border crossing process.

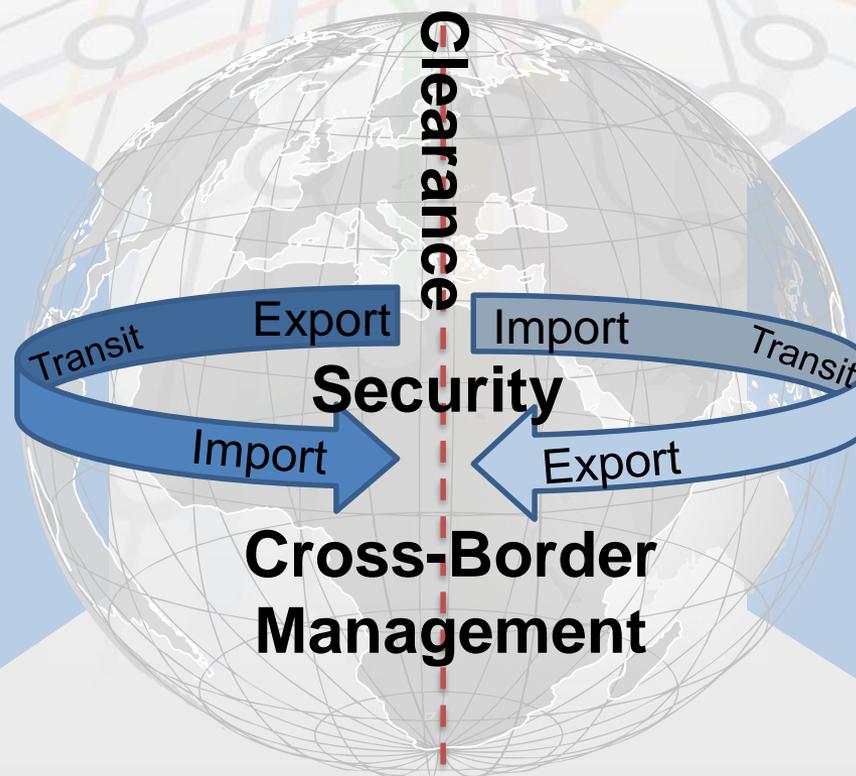
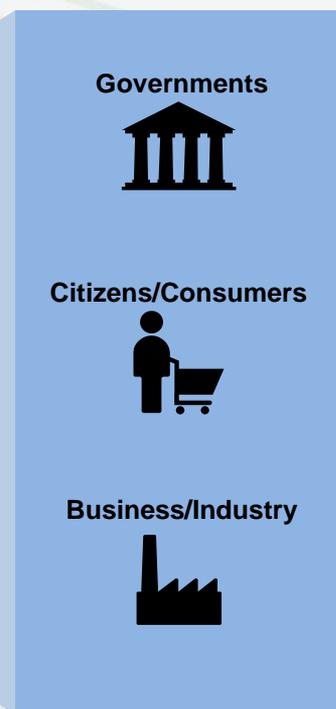
# Focus on Customs and CBM

## Scope of CBM & Customs Domain in Itinerary

### Modes of Transport



### Stakeholders



# Measures were selected along TF principles...

## Trade Facilitation Principles

- Effectiveness
- Efficiency
- Transparency
- Predictability
- Consistency



## Trade Facilitation Indicators: Impact on Trade Cost<sup>1</sup>

Highest Impact on Trade Flows		Highest Impact on Trade Cost	
#	TF Measure	#	TF Measure
1.	Advance Rulings	1.	Streamline Procedures (5.4%)
2.	Information Availability	2.	Advance Rulings (3.7%)
3.	Streamline Fees and Charges	3.	Automation (2.7%)
4.	Simplification and Harmonization of Documents	4.	Streamline Fees and Charges (1.7%)
5.	Co-operation between border agencies, internally and externally		

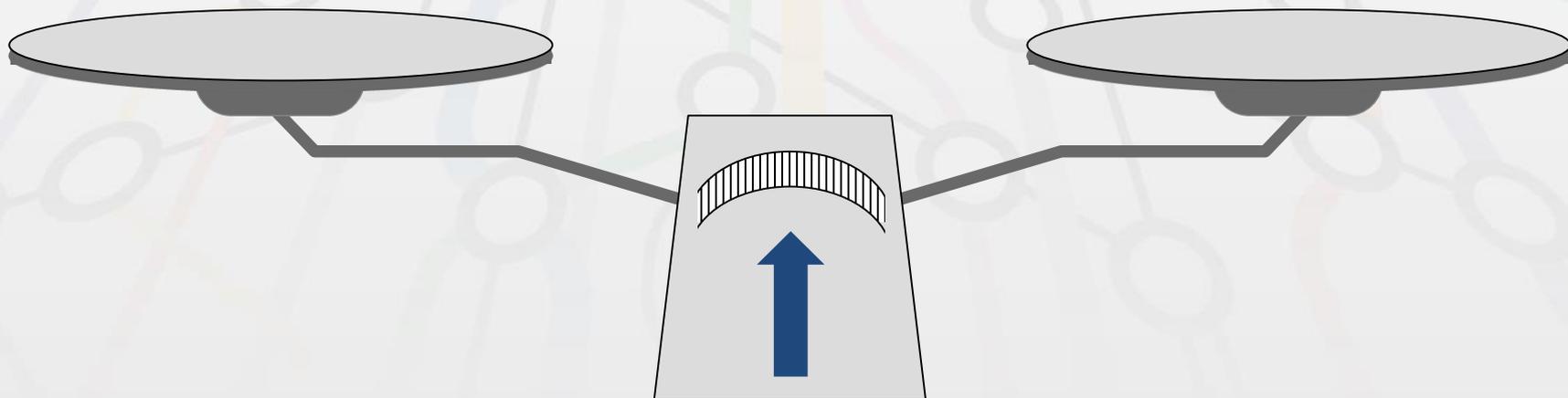
... And Highest Effect On Trade Flows and Cost

<sup>1</sup> - OECD Trade Policy Working Papers No. 118, 2011

# ... enabling a balance with Customs control

Customs Control

Trade Facilitation



# WEF Enabling Trade Report 2013

## Supply Chain Barriers

Definition: The lack of infrastructure, institutions, policies and services facilitating the free flow of goods over borders

Market access	Border	Telecom and transport	Business environment
<p><b>1. Domestic and foreign market access</b></p> <ul style="list-style-type: none"> <li>- Quotas</li> <li>- Import fees – not tariffs (e.g. tax schemes)</li> <li>- Local content requirements</li> <li>- Rules of origin</li> <li>- Technical, sanitary and phytosanitary measures or other requirements</li> <li>- Import/export licenses</li> </ul>	<p><b>2. Border agencies; administration burden of complying with standards</b></p> <p><b>4. Transparency of border administration</b> (e.g. facilitation payments)</p>	<p><b>7. Availability and use of information and communication technologies</b> (e.g. tracking, electronic-tolls, communication)</p>	<p><b>8. Regulatory environment</b></p> <ul style="list-style-type: none"> <li>- Investment policy</li> <li>- Hiring foreign workers</li> <li>- Other regulatory environment issues (including trade finance)</li> </ul> <p><b>9. Physical security</b></p>

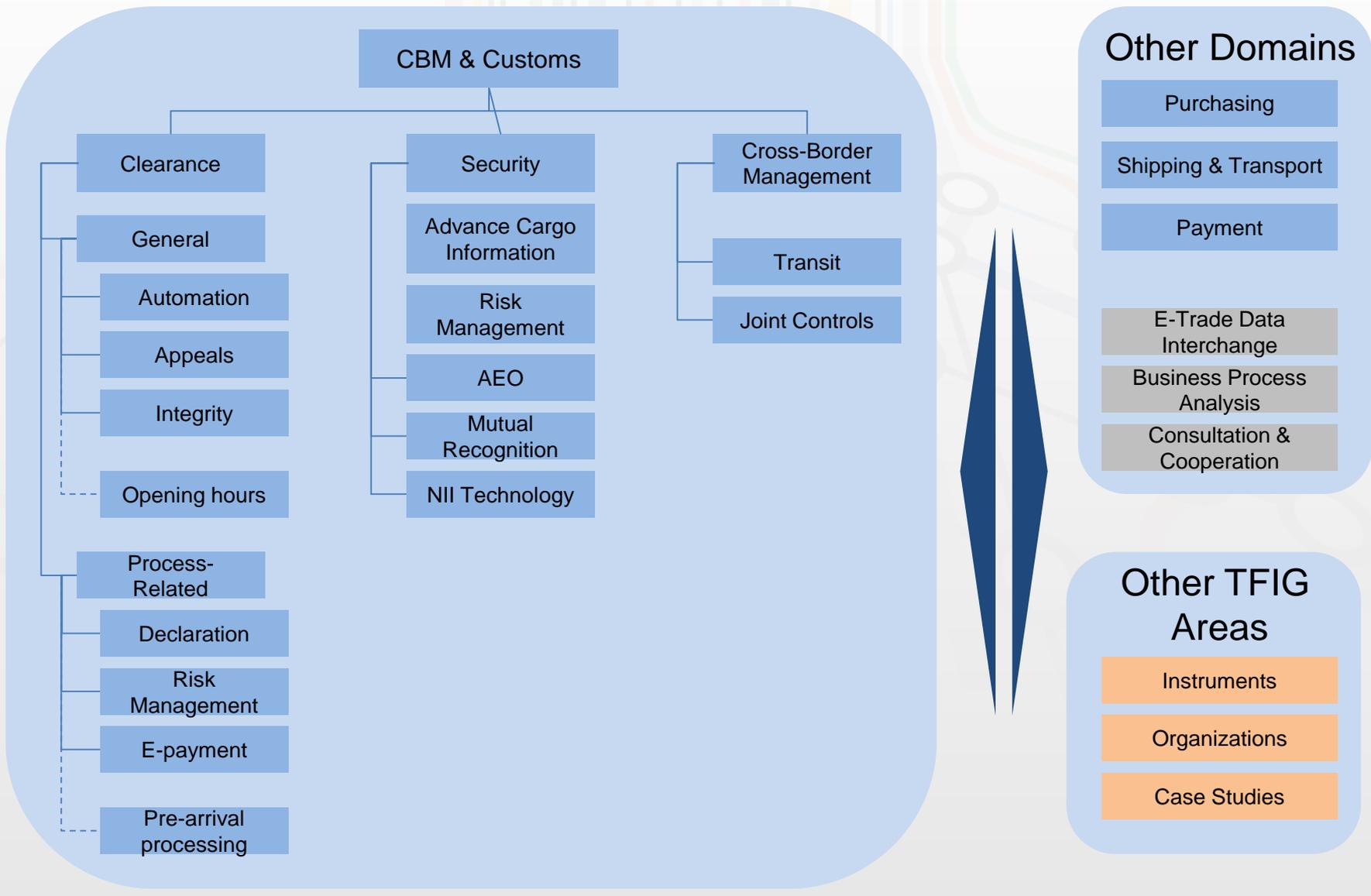
“...if all countries reduce supply chain barriers halfway to global best practice, **global GDP could increase by 4.7% and world trade by 14.5%**, far outweighing the benefits from the elimination of all import tariffs. In comparison, completely eliminating tariffs could increase global GDP by 0.7% and world trade by 10.1%”

WEF News Release, 23 Jan 2013

# Key Customs and CBM related TF Instruments

- **Revised Kyoto Convention**
  - Adopted: 1999, entry into force: 2006, contracting parties: 104, administered by: WCO
- **The International Convention on the Harmonization of Frontier Controls of Goods**
  - Adopted: 1982, entry into force: 1985, contracting parties: 56, administered by: UNECE
- **Harmonized System**
  - Adopted: 1983, entry into force: 1988, contracting parties: 141, administered by: WCO
- **FAL Convention**
  - Adopted: 1965, entry into force: 1967, contracting parties: 115, administered by: IMO
- **Chicago Convention**
  - Adopted: 1944, entry into force: 1947, contracting parties: 190, administered by: ICAO
- **GATT Valuation Agreement**
  - Adopted: 1994, entry into force: 1994, contracting parties: 154, administered by: WTO
- **TIR Convention**
  - Adopted: 1975, entry into force: 1978, contracting parties: 68, administered by: UNECE
- **Montreal Convention**
  - Adopted: 1999, entry into force: 2003, contracting parties: 97, administered by: ICAO

# Structure of the CBM & Customs Domain



# TF measures related to clearance

## GENERAL

Aiming at implementing and fostering **key trade facilitation principles** such as **predictability, consistency and transparency**

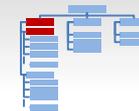
Seeking to enhance the **effectiveness** and the **efficiency** of **Customs**

## PROCESS RELATED

Specific process-related measures with tangible impact on the **efficacy** of the **overall clearance process**

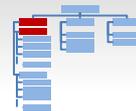
Can be **local in reach** and relatively **inexpensive** to implement

# General TF measures affecting clearance



- Internationally standardized Customs terminology and trade data definitions
- Publication of relevant laws and regulations
- Formal trade consultation
- Customs Brokers
- Appeal system
- Integrity programs
- Risk management and selectivity 
- Customs automation
- Single window programs
- Authorized trader programs 
- Post-clearance audit
- De minimis schemes 
- Opening Hours 

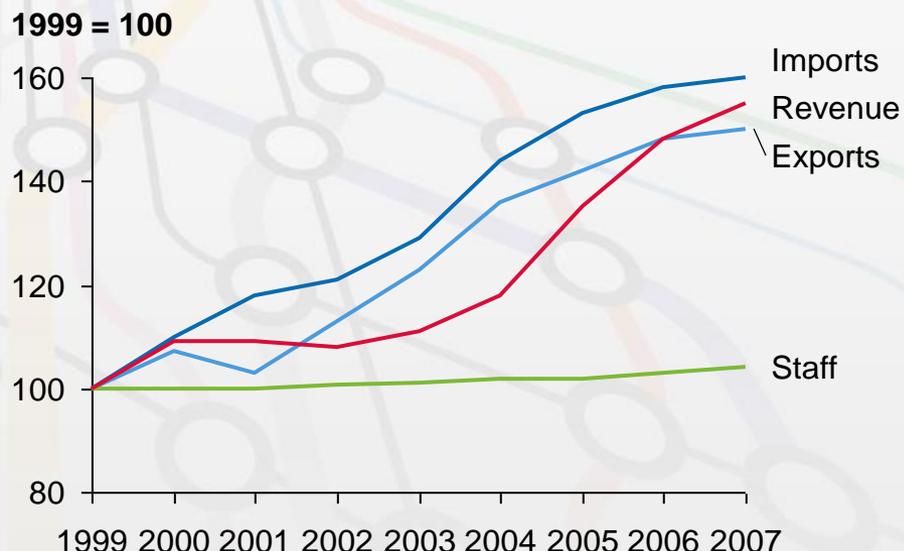
# Example – Risk Management



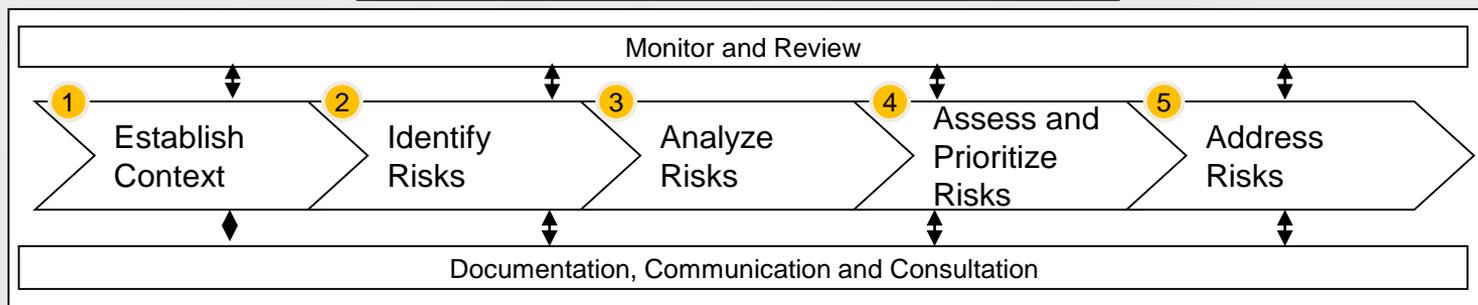
## Impact of Risk Management Application in Japan

### Explanation

- Enhancements made to Japan Customs' risk assessment capabilities since 1999 helped Customs in keeping the staffing level nearly unchanged since 1999 while the number of import transactions increased by almost 60 % (2007) and exports transactions increased by around 50% (2007) (Source: WCO Risk Management Compendium)
- Further reading:
  - [WCO Risk Management Compendium](#)
  - [ICC Customs Guidelines # 14](#)



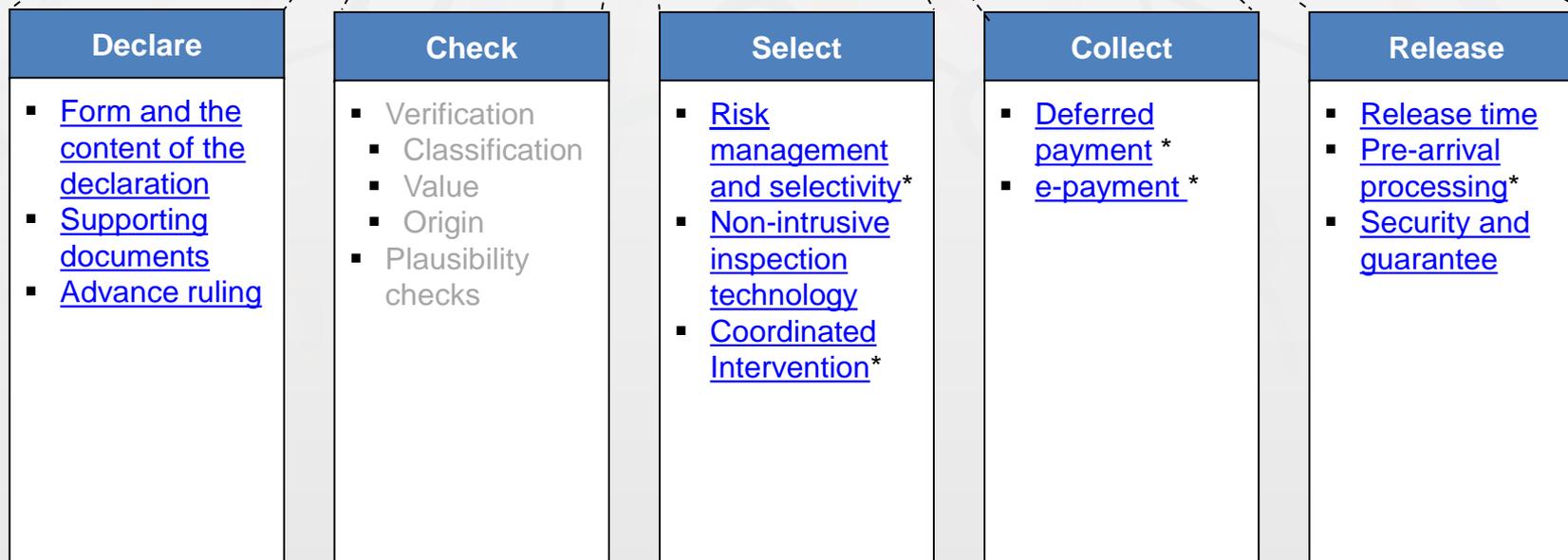
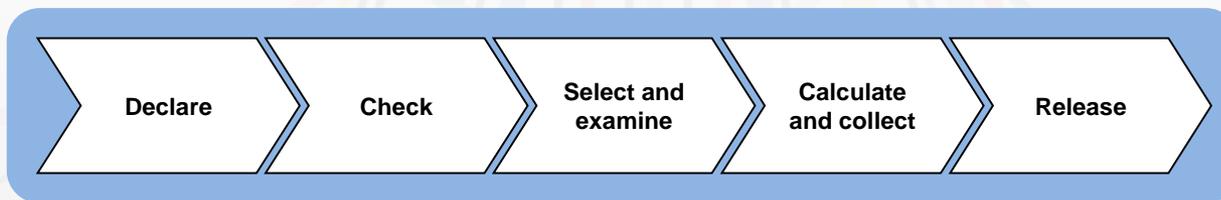
## Example of a Risk Management Process



# Clearance process related TF Measures

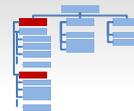


## Typical Steps in a Customs Clearance Process



\* Part of the Itinerary

# Example – Pre-Arrival Processing

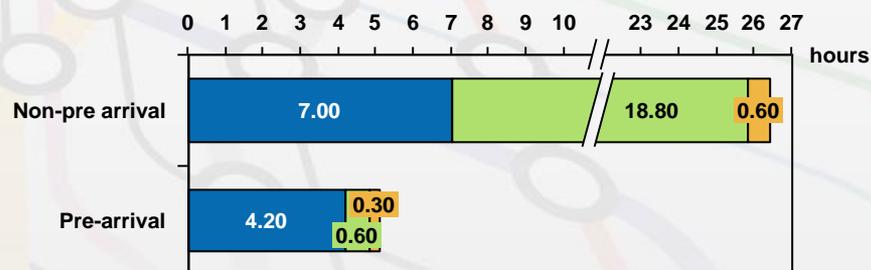


## Impact of Pre-Arrival Processing on Release Times

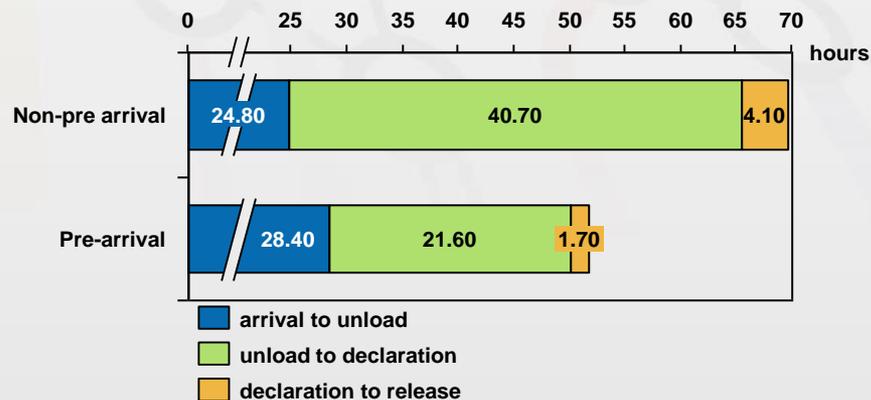
### Explanation

- According to a Time Release Study conducted by Japan Customs in 2009, the time required for Customs to release sea cargo in a non-pre-arrival mode was 4,1 hours compared to 1,7 hours in a pre-arrival mode. In the case of air cargo, pre-arrival declaration reduced release time from 60 to 30 minutes.
- Further reading:
  - Standard 3.25 of the [Revised Kyoto Convention \(RKC\)](#)
  - [WCO Immediate Release Guidelines](#)
  - [ICC Customs Guidelines # 9](#)

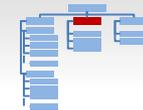
### Air Cargo Release Times



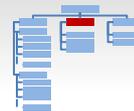
### Sea Cargo Release Times



# (Supply Chain) Security



- **Authorized Economic Operator (AEO)** 
  - a way to provide legitimate trade with a mechanism to receive tangible benefits for their commitment to invest in and comply with supply chain security standards.
- **Mutual recognition** of AEO programs
  - means that AEOs would not have to undergo the time consuming accreditation process in every country again and again.
- **Non-intrusive inspection technology**
  - can help to increase security, but at the same time can help to avoid time consuming physical inspections.



# Example – AEO

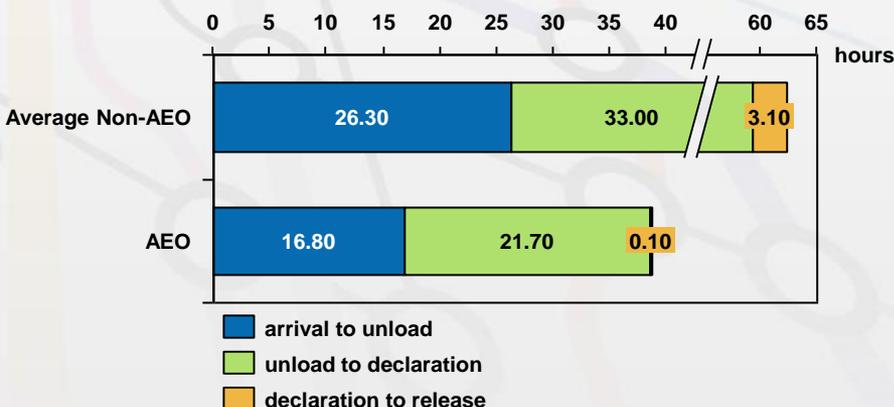
## Tangible Benefits to AEOs – Example of Japan Customs

### Explanation

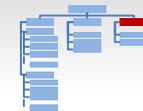
- According to a Time Release Study conducted by Japan Customs in 2009, the time required for Customs to release sea cargo from non-AEO traders was 3,1 hours compared to 10 minutes for cargo from traders having an AEO status with Japan Customs.
- Further reading:
  - [WCO SAFE Framework of Standards](#)
  - [AEO benefits paper](#)
  - [WCO SAFE Package](#)



### Sea Cargo Release Times

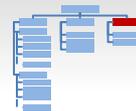


# CBM



- **Joint border controls** 
  - help to eliminate redundancies in the clearance process at land border crossings.
- **Risk management standards** 
  - increase the predictability in the entire door-to-door supply chain.
- **International transit arrangements**
  - ensure that goods can be delivered smoothly and fast to its final destination without having to undergo Customs clearance in every country they pass through.

# Example - Joint Border Controls



## Joint Border Facility between Germany and Poland

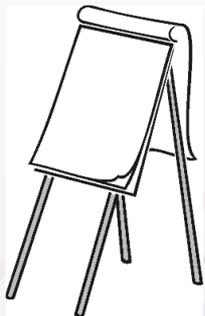
### Explanation

- Standards 3.4 (joint Customs controls) and 3.5 (juxtaposed Customs offices) of the [Revised Kyoto Convention \(RKC\)](#)
- Standard 3.3 of the RKC (coordination of [opening hours](#) and the respective competences)
- Coordination of the physical layout of the border crossing, e.g. number of lanes, transit lanes, parking lots and other relevant facilities (see Art. 6 of Annex 8 to the [International Convention on the Harmonization of Frontier Controls of Goods](#))
- Bilateral agreement or treaty:
  - legal basis for budgetary commitments to establish and maintain joint facilities and the division of the costs,
  - definition of the border line,
  - Legal powers for law enforcement measures (e.g. penalties, seizures, arrests) on the territory of the other country



The picture shows the border crossing in Ludwigsdorf between Poland and Germany and provides a good practice example of such a common border crossing with joint facilities (Customs office, inspection area, parking lots, temporary storage, etc.) in each direction. The joint Customs office Ludwigsdorf is entirely on German territory, approximately 1 km away from the German Polish border.

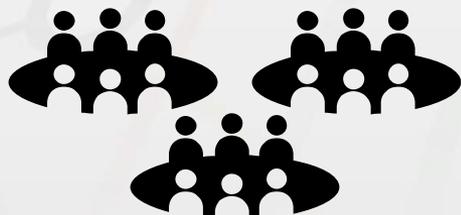
# Session 6 Approach



**1. Introduction**



**2. Plenary –  
Root Cause Analysis Exercise**



**3. Group Work – Solutions:  
General Clearance Measures,  
Process-related Measures,  
CBM Measures**



**4. Plenary –  
Presentation of Group Results;  
Discussion**

## Guiding Questions

- **What is the topic/area about?**
- **Which measures are particularly relevant as solutions to the causes identified?**
- **Which measures can help to quantify improvements in the border crossing process?**
- **How would you go about measuring the border crossing process – process, stakeholders, organization?**

# Thank you!

For more see Reducing Delays at Border Crossings  
Itinerary: <http://tfig.unece.org/contents/borde-crossing-delays.htm>

Link to: 