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INLAND TRANSPORT COMMITTEE

Working Party on Customs Questions Affecting Transport

One-hundred-and-twentieth session
Geneva, 7-10 October 2008
Item 2 of the provisional agenda

**CUSTOMS CONVENTION ON THE INTERNATIONAL TRANSPORT OF GOODS
UNDER COVER OF TIR CARNETS (TIR CONVENTION, 1975)**

Activities of UNECE bodies and other United Nations Organizations
of interest to the Working Party

Security issues

Note by the secretariat

I. MANDATE

1. At its 118th session, the Working Party took note of the request by the Inland Transport Committee (ITC) to look into security-related issues with regard to its fields of competence. The Working Party decided to revert to this request at the present session and requested the secretariat to prepare a document outlining a strategy how to address the issues at hand (ECE/TRANS/WP.30/238, para.4). In line with this request, the secretariat has prepared the present document for consideration by the Working Party.

II. BACKGROUND

2. At its sixty-ninth session (Geneva, 6-8 February 2007), ITC reviewed its work in the area of transport security and agreed to establish a Multidisciplinary Group of Experts on Inland Transport Security (Expert Group) and to approve its Terms of Reference. This decision was further endorsed by the UNECE Executive Committee.

3. The Terms of Reference stipulated that the Expert Group was to be composed of experts in transport security matters appointed by Member States of the UNECE as well as representatives of relevant international governmental and non-governmental organizations. The Terms of Reference included four major areas of work: (i) transport safety and transport security; (ii) inventory of regulatory initiatives at the national level; (iii) inventory of regulatory initiatives at the international level; (iv) inventory of standards, initiatives, guidelines, best practices by the private sector.

4. The Terms of Reference also stipulated that the Group was “to prepare in a coordinated manner recommendations and/or proposals to the UNECE Governments for consideration by the ITC for improving inland transport security in inter alia the following areas of activity: infrastructure, personnel, goods, transport means, information exchange and borders.” Moreover, the Terms of Reference stated that “the above recommendations and/or amendments to existing legal instruments should, inter alia, be aimed at minimizing the risk of terror attacks in the field of inland transport...”. The Group of Experts was expected to complete its work and submit a final report by the end of January 2008.

5. The Expert Group discussed the definition of security in relation to safety. The Group considered a broad approach to the security concept and defined security for its work as: “the protection of human beings, transport means and transport infrastructure against unlawful acts of any kind, including crime, vandalism and terrorism”. This broad approach should facilitate decisions related to cost/effectiveness about investments to be made for combating terrorism. The focus of the Group’s work, however, was the threat of terrorist attacks, bearing in mind the priority of protecting human beings and political stability.

6. In February 2008, the Expert Group submitted to ITC a final report which, inter alia, contained the following recommendations:

- The Expert Group invites all UNECE member States and other interested parties to provide the secretariat with the up-to-date information about inland transport security regulations and initiatives in order to complete and maintain the inventories of national legislation and regulations, international regulatory initiatives and private sector standards and best practices.
- The Expert Group recommends that all UNECE Inland Transport Committee subsidiary bodies review international legal instruments under their respective areas of responsibility. As the first necessary step, each subsidiary body will place “transport security” on the agenda of its first session after 20 February 2008.
- The reviews – by each subsidiary body - will necessarily include the following elements and be undertaken in order to:

- (a) create an inventory of the existing security measures;
 - (b) provide a clear rationale/justification why there exist no security measures, if appropriate;
 - (c) provide a preliminary evaluation concerning the appropriateness/sufficiency of the existing security measures;
 - (d) examine the effectiveness of the implementation of the existing security provisions;
 - (e) create a list of potentially desirable additional security measures;
 - (f) explore the cost effectiveness of future security provisions.
- The Expert Group recommends that Chairmen of all UNECE subsidiary bodies provide preliminary, written reports on their findings not later than two months prior to the 2009 ITC meeting. The reports are to be sent to the Director, UNECE Transport Division.
 - Where appropriate, UNECE ITC subsidiary bodies should begin and/or continue work towards incorporating security provisions in the relevant international legal instruments under their responsibility.

7. ITC Committee approved the Expert Group report and requested its subsidiary bodies to act expeditiously upon the recommendations contained therein (ECE/TRANS/200, para.36). The final report as well as further documentation of the Expert Group can be found on the Inland Transport Security webpage.^{1/}

III. INLAND TRANSPORT SECURITY AND BORDER CROSSING FACILITATION

A. 2002 review

8. In 2002, at the request of the ITC Bureau, the UNECE secretariat undertook a first review of the security aspects of transport in the UNECE region, including the existing UN legal instruments (TRANS/2002/15). According to the review, the main purpose of the conventions administered by UNECE in the field of border crossing facilitation is to facilitate international transport and trade (goods and transport vehicles) while safeguarding at the same time fiscal, economic and public health interests of the Contracting Parties to the Conventions. These Conventions comprise the TIR Convention, the Conventions on Temporary Importation of Road Vehicles, Conventions on Containers and Pallets and the “Harmonization” Convention.

9. The issue of security is not dealt with directly in any of these Conventions. However, in the framework of the TIR Convention, restricted access for operators to use the facilitation measures provided by the Convention has been introduced recently. This restricted access to the TIR regime, while mainly aimed at preventing customs fraud, may actually serve security purposes. The trend in the framework of the “Harmonization” Convention has so far been towards greater flexibility of the rules and, for example, the road transport industry has argued in favour of issuing annual multiple-

^{1/} <http://www.unece.org/trans/main/ac11/ac11.html>.

entry visas to drivers without unnecessary formalities or restrictions, which may raise, among others, security problems. Nevertheless, the mentioned facilitation measures do not preclude application of restrictions and controls imposed under national regulations on grounds of public security and safety (Article 47 of the TIR Convention and Articles 11 and 12 of the “Harmonization” Convention). Furthermore, the purpose of the instruments is to relieve Customs authorities from routine procedures and allow for more target-oriented controls based on risk assessment and intelligence.

10. Document TRANS/2002/15 pointed two issues which might benefit from additional security considerations:

- introduction of modern communications means between Customs authorities;
- consideration of establishing a new Annex to the “Harmonization” Convention on security for international goods transport by road, rail and inland waterways.

B. Activities of the Multidisciplinary Group of Experts on Inland Transport Security in 2007-2008

11. Among the legal instruments which fall under the responsibility of WP.30, the Expert Group considered the TIR Convention and identified the following security elements therein:

- access to the TIR system is granted only to transport operators who have been authorized by Customs authorities on the basis of strict criteria laid down in Annex 9, part II. The authorization can be withdrawn if these criteria are no longer fulfilled;
- vehicles performing TIR transports need to be equipped with Customs secure loading units and need to fulfill specific sealing requirements (Annex 2);
- mutual recognition of Customs controls, aimed at reducing check procedures en route to a minimum. In particular, goods should be thoroughly checked at departure and put under Customs seal;
- use of a unique and secure document, the TIR Carnet, which serves as Customs declaration and guarantee up to \$50 thousand per TIR Carnet (Annex 1);
- the TIR Carnet contains a number of visible and invisible security elements;
- the opportunity to prescribe time-limits, itineraries and/or escorts in case of transport of high-risk goods;
- establishment of a control system for the termination of TIR transports to facilitate trade and insurers to apply risk management tools in the commercial operation of the TIR system (Annex 10);
- the UNECE has established and maintained a database (ITDB) on all transport operators who have been admitted to the TIR system or excluded from the system. The ITDB is accessible on-line for Customs authorities. A mechanism has been introduced (so-called Fraud Report Form) to share information about fraud among Customs authorities;

- at present, joint efforts by Customs and trade are undertaken to fully computerize the TIR system with the aim to further enhance global facilitation and provide supply chain security. The main objective of the computerization is the establishment of an international, centralized database in order to facilitate the secure exchange of data between national Customs systems and the management by Customs of data on guarantees. The availability of TIR related data in an electronic format as advance cargo information at a stage prior to the acceptance of the Customs declaration at the Customs office of departure or the arrival of goods at a Customs office en route or at destination, will allow Customs to develop and apply internationally integrated risk management tools. These activities are carried out in the Informal Ad hoc Expert Group on Conceptual and Technical Aspects of Computerization of the TIR Procedure.

C. Initiatives by other international governmental and non-governmental organizations

12. Since 2001, a significant number of initiatives have been launched by various organizations with a view to addressing security challenges. From the prospective of border crossing facilitation, the major development was the adoption in 2005 of The Framework of Standards to Secure and Facilitate Global (SAFE Framework) by the World Customs Organization. The SAFE Framework aims to:

- Establish standards that provide supply chain security and facilitation at a global level to promote certainty and predictability.
- Enable integrated supply chain management for all modes of transport.
- Enhance the role, functions and capabilities of Customs to meet the challenges and opportunities of the 21st Century.
- Strengthen co-operation between Customs administrations to improve their capability to detect high-risk consignments.
- Strengthen Customs/Business co-operation.
- Promote the seamless movement of goods through secure international trade supply chains.

13. The SAFE Framework consists of four core elements. First, it harmonizes the advance electronic cargo information requirements on inbound, outbound and transit shipments. Second, each country that joins the SAFE Framework commits to employing a consistent risk management approach to address security threats. Third, it requires that at the reasonable request of the receiving nation, based upon a comparable risk targeting methodology, the sending nation's Customs administration will perform an outbound inspection of high-risk containers and cargo, preferably using non-intrusive detection equipment such as large-scale X-ray machines and radiation detectors. Fourth, the SAFE Framework defines benefits that Customs will provide to businesses that meet minimal supply chain security standards and best practices.

14. The SAFE Framework, based on the previously described four core elements, rests on the twin pillars of Customs-to-Customs network arrangements and Customs-to-Business partnerships. The two-pillar strategy has many advantages. The pillars involve a set of standards that are consolidated to guarantee ease of understanding and rapid international implementation.

15. As far as NGOs are concerned, the International Organization for Standardization (ISO) works in the security area on the following subjects: identification of containers, container door end security, mechanical seals for containers, electronic seals for containers, supply chain application of radio frequency identification (RFID), security management for the supply chain, current list of management systems standards (MSS), societal security, road-traffic safety management systems. ISO keeps the Working Party regularly informed of developments which relate to the competence of WP.30. The International Road Transport Union (IRU) has also actively contributed to the security aspects of transport by adopting several positions and resolutions, as well as by elaborating voluntary security guidelines for operators.

IV. FURTHER CONSIDERATIONS BY THE WORKING PARTY

16. Based on the above information and pursuant to the ITC request, the Working Party may wish to review legal instruments in the area of border crossing facilitation with the aim to addressing issues (a) to (f) of para. 6 above. In particular, the Working Party may wish to identify which conventions, if any, could benefit from additional security elements and how such elements could be introduced in their text. Alternatively, the Working Party may consider drafting and adopting a resolution on security issues within its terms of reference.

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