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**Coordinated Border Management-  
Experience  
of  
Asia and the Pacific region**

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# Outline

1. Introduction to United Nations Economic and Social Commission for Asia and Pacific region
2. United Nations ESCAP initiatives to improve regional connectivity
3. Coordinated Border Management (CBM) - Importance
4. State of Play of CBM in Central Asia, South East Asia, South Asia
5. Lessons learned
6. Suggestions for future research
7. Conclusion

# 1. Introduction

- ESCAP one of the five regional commissions of the United Nations, has 62 member countries
- Largest in terms of area and population served 4 billion people (62% of world's population)
- Objective is to promote cooperation among the member states for inclusive and sustainable economic and social development in Asia-Pacific with priority to attain MDGs
- Region contributes 26% to the World's GDP
- Has 66% of World's poor; only 20% have access to health care; has low intra-regional trade 37% as compared to EU 68% and NAFTA 51%
- But touted as an engine of global growth as per World Bank's Global Development Horizons 2011 report; Region will contribute 50% to global growth by 2025

## 2. UNESCAP initiatives for regional connectivity

- Resolution 48/11 of ESCAP
- Busan Declaration on Transport Development in Asia and the Pacific, a vision for International, Integrated and Inter-modal transport and logistic system for the region
- Inter Governmental Agreements on Asian Highway and Trans-Asian Railway Networks and the proposed agreement on dry ports for attracting investments
- Increasing importance of non- physical barriers
- Comprehensive approach to address these barriers. ESCAP recently did a study on them and as a result has formulated a Regional Strategic Framework to address the issues holistically

### **3.Coordinated Border Management (CBM) Importance**

- Excessive delays at the border crossing – major barrier to international transport; aggravated due to lack of cooperation and coordination among agencies
- Border delays may eventually add 15% to the cost of goods
- One day of delay reduces trade by 1 percent and for time-sensitive agricultural lands for 7 percent
- Another study found that 10 % reduction in border transaction cost can lead to 3% increase in exports
- Need for coordinated approach among agencies behind the border and across the border (joint controls)
- International efforts to promote CBM; Harmonization convention and Revised Kyoto Convention

# Trading across borders

<u>Economy</u>	<u>Documents to export (number)</u>	<u>Time to export (days)</u>	<u>Cost to export (US\$ per container)</u>	<u>Documents to import (number)</u>	<u>Time to import (days)</u>	<u>Cost to import (US\$ per container)</u>
East Asia & Pacific	6.4	23	890	6.9	24	935
Eastern Europe & Central Asia	6.4	27	1,652	7.6	28	1,845
Latin America & Caribbean	6.6	18	1,228	7.1	20.1	1,488
Middle East & North Africa	6.4	20.4	1,049	7.5	24.2	1,229
<b>OECD</b>	<b>4.4</b>	<b>11</b>	<b>1,059</b>	<b>4.9</b>	<b>11</b>	<b>1,106</b>
South Asia	8.5	32	1,512	9	33	1,744
Sub-Saharan Africa	7.7	32.3	1,962	8.7	38.2	2,491

Source: Doing Business database 2011, WORLD BANK

## 4. State of Play of CBM in Asia



## Central Asia

- Countries are landlocked, have a high transportation cost, have a low LPI and rank low on 'trading across the borders' parameter of Doing Business report
- EU's Border Management Program in Central Asia (BOMCA)- Capacity building to develop IBM strategies, encourage joint cross-border controls
- CAREC Program; Joint Customs controls a priority to facilitated trade leading to SW
- Many countries in the region have functional joint controls, Kazakhstan with Russian Federation, China and Kyrgyzstan
- Adoption of a Unified Cargo Manifest
- Turkey's initiative using BOT model to modernize its border gates

## South East Asia

- Fairly integrated region, low transportation costs, most countries have high LPI and rank high on the 'trading across the borders' parameter of the 'Doing Business Report'
- CBM is promoted by Subregional transport agreements, the ASEAN Framework Agreement on Facilitation of Goods in Transit and the GMS Cross Border Transport Agreement
- Countries have entered into detailed MOUs outlining control procedures for Single Window and Single Stop Inspection for specific border crossings
- Single Windows for trade have been promoted extensively in the region. ASEAN, ESCAP playing important role, formation of UNNEXT

## South Asia

- Intra subregional trade is only 2% as compared to 26% in South East Asia, countries have low LPI and rank low on 'trading across the border' parameter
- Virtually no joint controls, none of the countries is signatory to the Harmonization Convention
- Study on transit regimes and border crossings in east south Asia conducted under ARTNET found inefficient border crossings a major deterrent to subregional trade
- Out of nine border crossing only one was found to be relatively efficient
- India's effort to modernize its land border crossings- Land Port Authority of India

## 5. Lessons learned

- Political Commitment is vital
- Nominate lead agency at the border
- Start with Customs controls
- Develop a Model MOU for CBM
- Standardize and replicate existing good practices
- Involve private sector in CBM efforts
- Initiate CBM at inland locations

## 6. Suggestions for future research

- Customs responsible for one third of clearance time, Customs modernization will not help if other agencies continue to use outdated procedure
- How to work in consonance with other border agencies to optimize control and facilitation?
- Extensive information sharing and various models of data sharing should be researched and explored, WCO data model version 3
- Development of Customs tools, procedures, standards not in isolation but after considering overall impact
- CBM should lead to increase in revenue for Governments and reduction in informal payments; a hypothesis need to be confirmed

## 7. Conclusion

- Better CBM is one of the ten building blocks 'Customs in 21<sup>st</sup> Century' vision adopted by WCO council in 2008
- Countries in Asia and the Pacific have realized the importance of CBM and are taking tangible steps
- CBM is must to improve regional connectivity to boost demand to sustain growth momentum
- Various CBM approaches possible most of them need detailed and careful planning
- Initiatives for improving physical infrastructure as well as regulatory and institutional barriers will have synergistic effect on growth- removal of poverty in Asia and the Pacific region

# Thank You

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