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1. CHAPTER 1: WHAT IS COORDINATED BORDER MANAGEMENT

1.1. Coordinated Border Management – A New, Old Concept?

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.

The CBM concept is not a new one. The WCO had published the Customs Compendium for Integrated Border Management in 2006 that outlines the key elements of an Integrated Border Management System, as well as planning and implementation issues. Many of these elements addressed in the Compendium published in 2006 are still relevant today. Over the years, variations of the term had surfaced across various forums. It is known as “Integrated Border Management” by the European Union, “Collaborative Border Management” by the World Bank and “Comprehensive Border Management” by the OSCE.

These terms all refer to very similar things, which is essentially the holistic approach involving all cross-border regulatory agencies so that their regulatory functions are discharged in a coordinated manner.

In this compendium, the term “Coordinated Border Management” was adopted in favour of the former name “Integrated Border Management” due to the fact that “Integrated” seemed to pre-suppose structural and institutional integration, which potentially narrows the scope of the concept – the WCO believes that CBM is much broader in the sense that resources, functions, processes and legislations have to be mobilized around a shared vision of effective and efficient border management and there are several solutions to achieve that where an integration of services is just one of the option.

1.2. Level of Formality in Collaborative Interactions

It is likely that all Cross-Border regulatory agencies engage with each other to varying degrees – interactions can take place between individuals at a personal level, or they could be encapsulated into work instructions, operational arrangements, or in more formal settings, defined through laws, regulations and agreements. Coordinated Border Management is more focused with the latter.

Figure 1 aims to illustrate the gradual elevation in terms of the formality that defines inter-governmental collaboration and the differing nature of such relations, as the level of formality increases. It is posited that while ad-hoc and informal arrangements exists, and can do some good in improving the situation at the border, they are unsustainable and will very quickly reach a point of diminishing returns. Informal arrangements that are not structured and backed by official arrangements also gives rise to unpredictability and irregularities that can detract from good organizational governance and accountability.

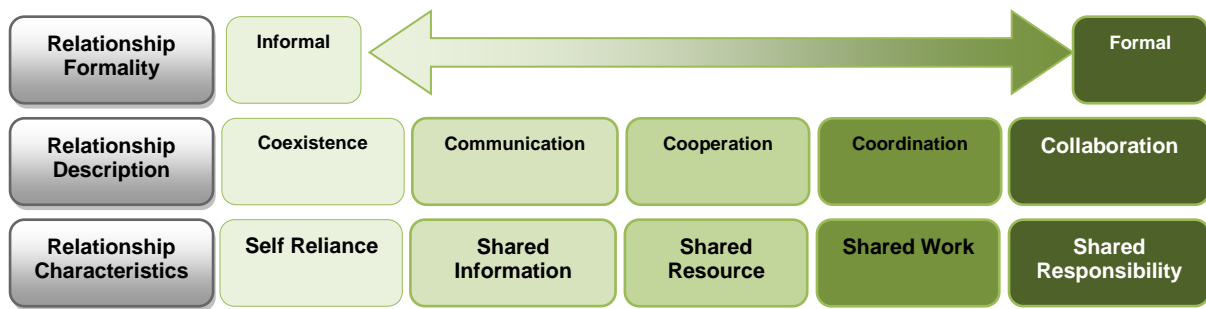


Figure 1: Continuum of Inter-Governmental Integration (Source: Adapted from “Better Connected Services for Kiwis”, Institute of Policy Study, New Zealand)

Coordinated Border Management is ultimately about cross-border regulatory agencies within the same country, as well as like-minded cross-border regulatory agencies across borders, putting in place official measures, mechanisms and communication channels to ensure that regulatory processes are streamlined and effective.

As Figure 1 shows, as the level of formality elevates from a lower, to a higher level, the nature of the corresponding level of collaboration increases in sophistication and confidence. Working relationships between counterparts grow from a level of relatively isolated “self-reliance”, to a level of “shared responsibility”, where agencies undertake shared ownership to achieve effective and efficient border regulatory outcomes.

This does not imply a “one-sized fits all” solution however. While Customs and CBRAs should aspire to a level of formal collaboration anchored by a common sense of responsibility and ownership over border outcomes, it may not be feasible to bring every agency to the same level at the same time, or agency partners only be able achieve a lower level due to operational and policy constraints. This does not imply a failure of CBM, but adaptation and flexible implementation, based on the distinct context of different agencies and countries.

But why is it desirable for cross-border regulatory agencies to work towards shared responsibilities and accountabilities for border regulatory outcomes in the first place? To answer this question, it is necessary to understand the value proposition of border regulatory services.

1.3. Value Proposition of Border Regulatory Services

Cross-border regulatory services help preserve value for the economic operators. Cross-border regulations are necessary for the greater good of society and the economy, as well as individual consumer of goods that are traded across borders. Regulatory services, if efficiently performed, can improve the predictability in delivery times and reduce logistics costs. Conversely, variation in delivery time and costs diminishes the economic value for the trading community and consumers.

Hence, the idea of value maximization and value in cross-border regulatory services is achieved by preventing unnecessary consumption of resources in the normal flow of cargo – and this can only be done if cross-border regulatory agencies coordinated their operations to reduce duplications and delays for traders.

But CBM is not just about benefitting trade through more streamlined procedures and less hassle. Through greater collaboration, cross-border regulatory agencies will also be able to tap on shared resources and leverage on capabilities that are not organic to the administration and achieve greater effectiveness in their regulatory functions by tapping positive synergies. This enables cross-border regulatory agencies to better respond to emerging threats and further enhances the value preservation role of cross border regulatory agencies to the trading community.

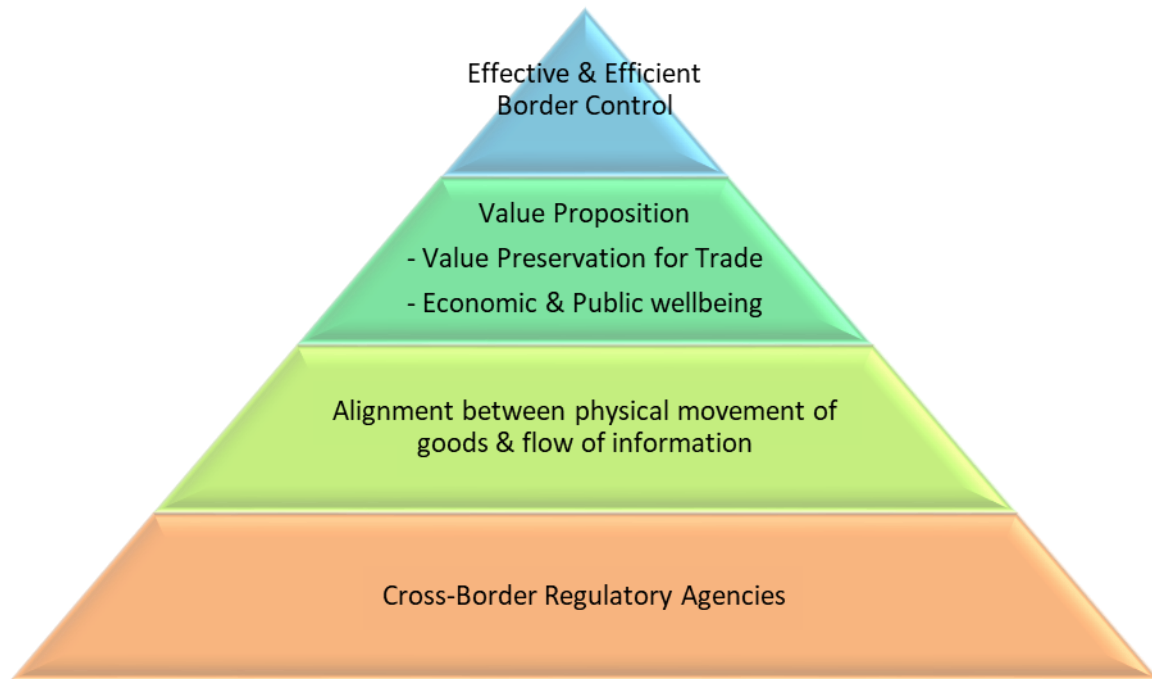


Figure 2: Alignment of Vision for Coordinated Border Management

As shown in Fig 2 above, CBM emphasizes the need for alignment between the functions of the various cross-border regulatory agencies through the 2 key CBM areas – the physical movement of goods, and the flow of information in order to maximize the value proposition of border regulatory functions. This alignment brings about the desired outcome of an effective and efficient border control system.

1.4. Multiplicity of Agencies at the Border

The multiplicity of agencies at the border is a fact in the contemporary regulatory environment, and it is rare for a single agency to be able to take responsibility for upholding the regulatory requirements for all manner of goods, acquire all of the functional and material competencies required to effectively discharge this responsibility and make all of the decisions necessary relating to regulatory control at the border. Specialization of competencies and specific allocation of responsibilities remains an important factor in many border crossings and this, in itself is not a bad thing. What is essential for any cross-border regulatory system to work well is for cross-border regulatory agencies to compare their missions, locate redundancies and identify aspects that contain little added value in terms of border procedures.

The outcome of this effort can and will vary. In some situations, it had led to the creation of a single border agency that is mandated to carry out all border related functions; in other situations, it has resulted in the cross training of inspectors so that one inspector can carry

out the primary functions of several agencies and only has to refer to the other agency in cases of doubt or special circumstances, or for inspectors to conduct the necessary checks all at the same time, so that goods do not have to be checked more than once. Such developments are ultimately shaped by the unique situation facing each agency, or even within different border crossings within the same country.

1.5. Coordinated Border Management as a Response to Resource Scarcity

All cross-border regulatory agencies must find ways to use their limited resources in the most effective manner possible. Coordinated Border Management enables cross-border regulatory agencies to leverage on the strengths and resources of different agencies to overcome resource scarcity.

Resource scarcity refers to:

- (i) The scarcity of time to ensure value preservation for legitimate trade, and effective control on high-risk cargo
- (ii) The scarcity of manpower and competencies to conduct the necessary border control functions
- (iii) The scarcity of information to determine the risk-status of cargo
- (iv) The scarcity of land and other fixed assets necessary for effective border control
- (v) The scarcity of equipment and other movable assets necessary for effective border control

The first three factors – time, manpower and information are typically consequences of process design and can be addressed through process re-engineering. The fundamental approach is for cross-border regulatory agencies to identify synergies and maximize the use of the limited resources available at their disposal, and through this synergy, achieve a holistic approach that performs at a level significantly higher than the mere sum of its individual parts.

Tangible actions to address such scarcities includes process reengineering, so that procedures can take place concurrently instead of consecutively, cross-training and empowering manpower, so that personnel from one agency can perform the checks of other agencies, and sharing of information, so that agencies can engage in shared-decision making to identify high-risk cargo for control.

The last two factors, fixed assets and equipment are more intractable issues and it is clearly not possible to re-build physical infrastructures that fulfil all the requirements of all cross-border regulatory agencies. It is also intrinsically linked to the three factors mentioned above: it is posited that if processes are streamlined and resources shared, maximum effectiveness can be derived from facilities and equipment.

Tangible actions to address such scarcities includes the sharing of non-intrusive inspection equipment and inspection bays, since a coordinated risk management approach would already reduce the number of unnecessary checks and less space will need to be catered for inspections. This results in a smoother flow of goods through the border facility that will reduce congestion and waiting time. If congestions can be mitigated, fewer personnel need to be present in the first place and the surplus manpower can be re-deployed to other priority areas.

Where new construction is envisaged, one method which has been used to address the large cost of constructing border control points is for the neighbouring countries to build a common facility where both Customs and other border agencies work side by side. In this manner, the legal and policy issues of officers working in another country are avoided and the cost of constructing border facilities is reduced.

Some administrations have also found it practical to provide the legal basis for their neighbouring country's Customs officials to perform certain activities on their behalf. In practice, this has resulted in one Customs official performing the export checks to satisfy his country's requirements and then performing the import checks of the importing country. The goods are released for export and import in one series of checks.

The WCO Framework of Standards to Secure and Facilitate Global Trade (also referred to as the SAFE Framework of Standards) is partially based on a Customs-to Customs Pillar and has an Annex containing standards that deal with Customs-to-Customs Network Arrangements.

Non-intrusive examination equipment is extremely expensive. Administrations should consider sharing the use of this equipment with their neighbouring country to help reduce this large capital outlay. The use of detector dogs could also be shared amongst adjoining countries.

The pre-clearance of passengers and goods has proven to be an effective system to reduce the release time for goods and travellers. Pre-clearance involves the stationing of a Customs official in the departing country and this official performs the Customs and Immigration functions for his country in the foreign country. When the passengers arrive at the destination country, they are treated as domestic passengers and are able to leave the premises in a timely fashion. Less congestion at airports permits the construction of smaller terminals. Similarly, goods can be pre-cleared resulting in less congestion in terminals.

Other areas that are not specifically within the purview of Customs but affect Customs operations could be reviewed to reduce the costs for administrations. As an example, in many administrations, Customs is required to hold goods until various internal certification processes have been completed. Administrations could give consideration to granting equivalence to the exporting country's certifying body and then Customs would be able to release the goods after having checked the accompanying certificates (rather than be required to hold them until the national certificate has been obtained).

1.6. Applications of International Standards in Coordinated Border Management

The adoption of international standards leads to simplification and harmonization. The WCO has developed many standards ranging from very technical ones pertaining to data (WCO Data Model) to operational ones (the Revised Kyoto Convention). The use of international standards in Customs environments adds to the effectiveness of Customs and the Coordinated Border Management System. Common international standards allow private sector traders to be better informed and consequently be able to comply with the requirements of the country.

The Revised Kyoto Convention's General Annex contains the international standards necessary for the establishment of a Coordinated Border Management.

Standard setting is also not a field that is unique to customs and the WCO. As Customs administrations work with CBRA partners, it is also important to understand the role of other standard setting organizations and the standards that are applied in CBRA operations. This issue will be further addressed in Chapter 6.

2. CHAPTER 2: FUNDAMENTAL CONCEPTS IN COORDINATED BORDER MANAGEMENT

2.1. The 2 Dimensions of Coordinated Border Management

Coordinated Border Management consists of 2 intrinsically linked areas, namely, the flow of information and the physical movement of goods and people. Each dimension is governed through a series of general principles. These principles shape the specific measures that are applicable for the clearance of goods, and the clearance of people at the border.

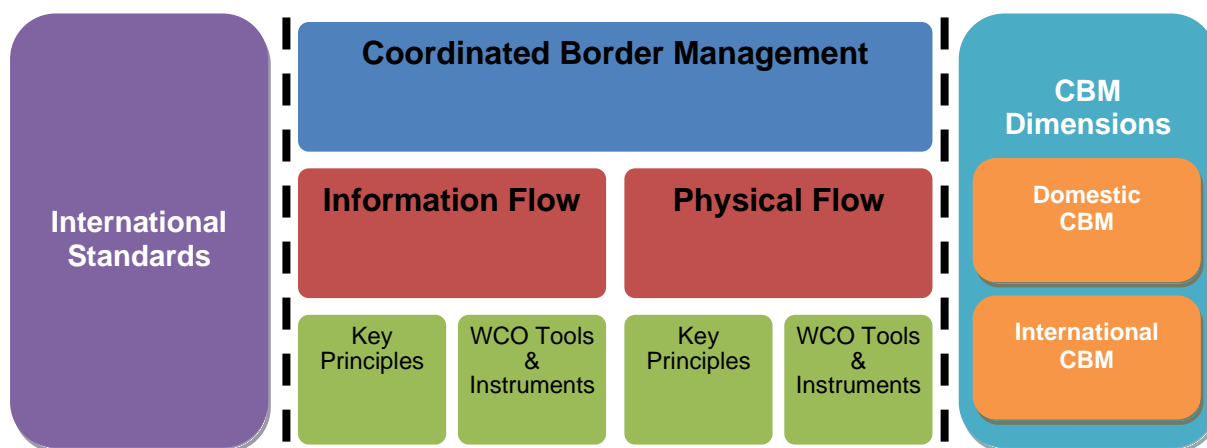


Figure 3: Coordinated Border Management Dimensions

The 2 dimensions of CBM are the foundational underpinning of a CBM system – ultimately, information, whether in paper or digital form, is required for cross-border regulatory agencies to make the necessary decision to control the flow of goods and people. The smooth flow and integrated access to high-quality information enables cross-border regulatory agencies to make the necessary decisions, in a timely fashion and without undue inconvenience to the public. This enables effective risk-management to be performed so that the physical movement of goods can be streamlined and facilitated – high-risk goods that need to be controlled will be accorded the required scrutiny and low-risk goods that can be released will not be unnecessarily hindered.

2.2. Key Principles for the Coordinated Flow of Information

The key principles for the coordinated flow of information within a CBM system is premised on the hypothesis that the availability of good information from the trade, enabled through clear requirements and efficient submission procedures, leads to improved decision making by cross-border regulatory agencies. In order for this to happen, the following principles apply:

- (i) **Regulatory Transparency:** Requirements must be transparent, so that the trading community is clear on who is providing what information, and when and how it needs to be submitted. This ensures that the regulatory authorities have the key information that it needs to process the shipment and reduces scenarios where additional information are required due to unclear requirements. The need to wait for additional information to be furnished in order for clearance decisions to be made results in inefficiencies and bottlenecks that should be avoided.

- (ii) Streamlined Submission: The means for submitting information, whether through paper forms or electronic systems, should be streamlined. Duplications in information requirements should be eliminated as far as possible (i.e. the same information should only be submitted once) and only information essential for ensuring regulatory integrity should be required. Information also does not have to be submitted all at once – this should be streamlined with the process undertaken by different agencies so that information that is essential for security and key regulatory requirements can be evaluated first, while other less critical information can be submitted within a stipulated timeframe.
- (iii) Information Sharing: To the greatest extent possible, relevant information submitted by the trading community relating to shipments crossing the border should be shared between cross-border regulatory agencies concerned so that risk management and collective decision making can take place to either control high-risk shipments, or facilitate low-risk ones.
- (iv) Information Protection: To maintain confidence between the trading community and between cross-border regulatory agencies, the confidentiality of information received and disseminated to authorised parties must be maintained. The sharing of information between cross-border regulatory agencies must be governed by clear rules and where appropriate, legal requirements, to protect the interests of the trading community and provide a legal basis for the actions of cross-border regulatory agencies.

2.3. Key Principles for the Coordinated Movement of Goods

The key principles for the coordinated movement of goods within a CBM system is premised on the hypothesis that the smooth movement of low-risk cargo across borders is essential to the key value proposition of regulatory agencies: value preservation and the effective handling of high-risk cargo leads to greater value preservation by not hindering the movement of low-risk cargo. In order for this to happen, the following principles apply:

- (i) Streamlined checks and clearance: Cross-border regulatory agencies should coordinate efforts to execute control on high-risk cargo. The procedures for conducting the checks should be clear to the trader and if a shipment needs to be inspected by multiple agencies, it should be done at the same time by all parties involved, or by a lead agency (e.g. Customs) authorised to conduct the check on behalf of another agency. The similarities and distinctiveness of the different types of controls utilized by different CBRAs should be holistically examined to ensure effective outcomes for all, and where feasible, the inspection of the goods could also be conducted at designated inland locations, instead of at the borders.
- (ii) Congestions Management: Physical infrastructures should be organized to facilitate smooth movement of goods carrying vehicles and efforts must be undertaken to identify potential sources of bottlenecks (i.e. through a Time Release Study). Cross-Border Regulatory Agencies and the trading community should work together constantly to remedy such bottlenecks.

- (iii) **Manpower Availability:** Cross-border regulatory agencies need to work with each other to ensure that manpower is available to conduct the necessary controls on targeted high-risk cargo so that waiting time is reduced. In order to make the best use of limited manpower, agencies could examine cross-training and empowering personnel from other agencies so that an agency can be tasked to undertake checks on behalf of other agencies under certain conditions, and taking steps to co-ordinate working hours, rest time and shift-change timings so that there is minimal disruption.
- (iv) **Infrastructural Availability:** Cross-border regulatory agencies should be equipped with the necessary equipment and facilities to execute control and seek positive synergies by sharing such resources with each other. In this way, Office space, parking lots, inspection bays and inspection equipment could be better utilized. Non-intrusive methods of inspection should be favoured whenever possible.

2.4. Process Innovation in CBM

The key principles outline the fundamental issues that need to be addressed when embarking of CBM. WCO tools and instruments may provide administrations with further guidance in gaining a better understanding of these issues, or allow Customs administrations to adapt them to their domestic context.

However, it should ultimately be recognized that CBM is an interactive and re-iterative process and beyond ready-made solutions and case-studies that are useful in providing guidance and inspiration, process innovation is key to achieving a sustainable, long-term CBM process that is effective in identifying issues and implementing solutions, and which is responsive to new challenges and threats.

3. CHAPTER 3: IMPLEMENTING COORDINATED BORDER MANAGEMENT

3.1. Organization and Structure in Coordinated Border Management

Coordinated Border Management does not come naturally – it is an engineered process, put in place by like-minded cross-border regulatory agencies both within and across borders to achieve the desired outcome of effective and efficient border control. The motivation behind CBM can be internally or externally motivated.

External motivations include:

- Implementing bilateral or multilateral agreements including:
 - Mutual Assistance Agreements
 - Mutual Recognition of AEO
 - Free Trade Agreements
 - Regional Integration Agreements
 - Multilateral Trade Agreements

Internal motivations include:

- Enhancing national competitiveness
- Construction of new infrastructures like border posts, sea ports or airports
- Addressing security threats and regulatory challenges
- Improving service quality

Both internal and external motivations are valid reasons for undertaking CBM and many situations may result due to a combination of both internal and external motivations. The need to implement legal agreements often provides some legal basis and obligations on the part of signing countries and may even provide the specific scope of the type of CBM required.

At the more basic level, Customs Mutual Assistance Agreements and AEO Mutual Recognition would primarily involve the Customs administrations of both countries but more complex arrangements such as Free Trade Agreements, for example, would typically oblige parties to offer facilitated procedures and preferential tariff rates to each other on the basis of specific origin rules. This requires harmonization in the recognition of goods from preferential partners through certificates of origin, databases of registered manufacturers as well as validation and communication mechanisms in case of doubt. It may also oblige trading partners to exchange data for statistical or trade compliance purposes, and provide assistance to each other to investigate suspicious shipments relating to the free trade agreement.

More far ranging agreements that involve both Customs controls and CBRA regulations would necessitate the formation of formal working mechanisms both domestically, as well as bilaterally or multilaterally to ensure that such provisions could be implemented. The situation is further complicated when addressing Regional Integration Agreements and Multilateral Trade Agreements (such as the WTO Trade Facilitation Agreement), where the provisions are far reaching and cross-cutting to the extent that it is not possible for any 1 party or agency to implement all provisions without collaboration from others.

Internal motivations can provide a similarly compelling impetus. The need to enhance national competitiveness through greater harmonization, simplification and facilitation for

trade is, in itself, a compelling motivation. The construction of new infrastructures would typically bring together Customs, CBRAs and other parties as well, so that the requirements of the respective parties could be deliberated and coordinated. Addressing multi-faceted security threats and regulatory challenges that requires collaboration between Customs and CBRA is similarly compelling.

The intrinsic similarity between these motivations lies with the fact that in both cases, Customs and CBRAs are mobilized through the exercise of political will by higher institutional authorities such as ministries, as well as the personal motivation of ministers and state executives. Political will provides the essential enabler for Customs and CBRAs to act on the internal and external motivations, and translate them into improvements in border management.

Organization is essential. Without an effective organization structure, discussions and priority setting can become haphazard and actions undertaken will be ineffective. In this regard, the implementation of Coordinated Border Management can be characterized through the typical PDCA process shown below.

This re-iterative process is intended to bring together like-minded parties, identify improvements, implement them in a systematic way and sustain the changes over the long-term so that maximum benefits can be generated.

The PDCA cycle is a generic iterative 4-step management method for continual improvements of processes and products and can be applied to CBM as follows:

3.2. The “Planning” Phase

Key activities that need to take place in the “planning” phase include:

3.2.1. Deciding on the steering structure for CBM

Effective organization is key to CBM and a formal structure must be established to facilitate the planning and decision making process. This structure should include a Steering Committee whose main purpose would be strategic level decision making and coordination.

The Steering Committee should establish clear agency and personal leadership through the appointment of a senior official of the lead ministry or agency as the chair of the committee, and should also include senior members of collaborating ministries and CBRAs, as well as members of the trading community so that key decisions can be made in consultation with essential stakeholders.

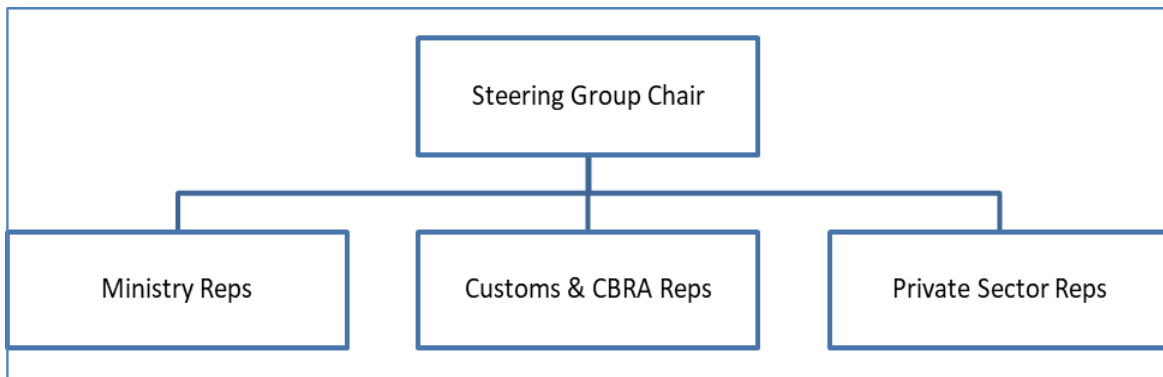


Fig 5: Example of CBM Steering Committee Structure

In the event of a cross-border CBM group, the structure for the Steering Committee would remain fundamentally the same, except that the appointment of the Chair (and where appropriate, vice-chairs) would have to be agreed upon by the various parties involved so that the Steering Committee is able to exercise clear leadership and decision-making powers.

The size of the Steering Committee would also have to be expanded to include members from participating countries.

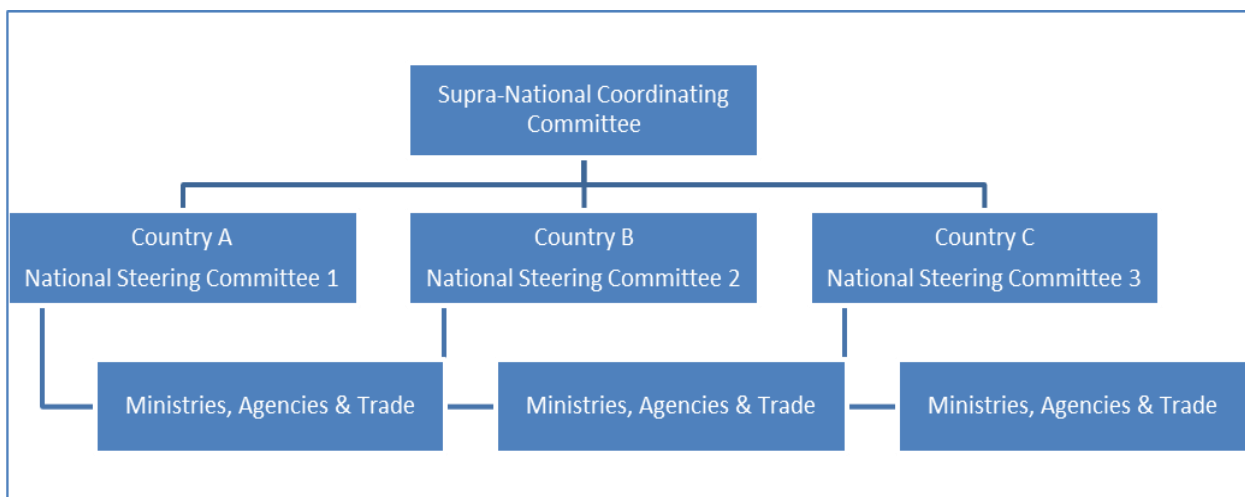


Fig 6: Example of supra-national coordinating structure

Alternatively, a Coordinating Committee Structure could also be considered, so that each National Steering Committee is able to retain a diverse pool of members domestically, but with a supra-national Coordinating Body consisting of the head of each National Steering Committee, providing the leadership and coordination role.

3.2.2. Deciding on the working structure of CBM

The Steering Committee and Supra-national Coordinating Committee structure is intended to enhance the effectiveness of strategy development and high level decision making in CBM. They are typically also supported by working-level groups that consist of technical experts in the various fields.

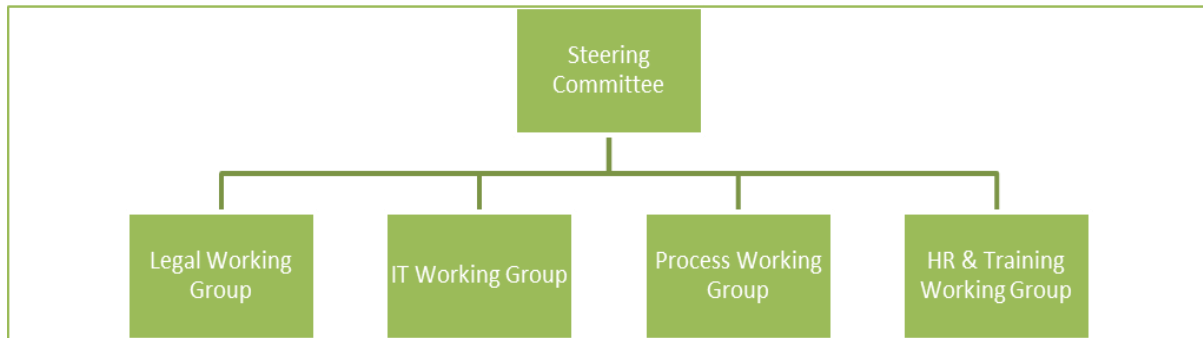


Fig 7: Example of CBM Working Group Structure

Essential fields that are important in CBM and which should be considered as part of working group structures include:

- Legal Basis of CBM: For Customs and CBRAs on the ground 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 and trade, and where greater system interoperability can lead to more efficient systems and greater alignment with the 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.

The work of the various working groups are often interactive – IT and processes need to be grounded in the legal basis while HR and training need to be based on an adequate understanding of systems and processes, and whether new capabilities are needed to support future changes. Hence, these Working Groups will also need to engage with each other regularly, both in the course of their work, as well as through the Steering Committee.

3.2.3. Establishing secretariat support

Both the Steering and Working Structure will require support to ensure that the work is done in an orderly fashion, with proper documentation and administrative support. The existence of secretariat support can enhance the effectiveness of the respective committees, by freeing up time devoted to administrative tasks, such as the planning of meeting dates, ensuring the availability of meeting venues, coordinating the availability of participants and preparation of meeting agendas and documents. In the event that resource constraints do not allow for the establishment of separate secretariat bodies for both the steering and working bodies, priority should be given to the steering body to be supported by a secretariat body while the working bodies could establish an informal secretariat with existing members taking turns to perform secretariat functions, or rotating the function between participating government agencies.

3.2.4. Budget and resource planning

The formation of CBM steering and working structures constitutes a cost, both in terms of monetary resources, as well as man-hours and opportunity costs. Personnel assigned with responsibilities in the Steering and Working Committees cannot be expected to undertake both their committee work and their day-to-day workload effortlessly without sacrificing one

or the other. Hence, recalibration of resources to place CBM on a higher priority is necessary for success.

At the same time, the CBM projects themselves will require monetary resources to carry out – improvements to infrastructures and systems and training budgets will need to be planned in a fiscally responsible way so that CBM programs will become a value-adding investment, and not a resource drain.

This requires coordination among participating agencies to provide the necessary projections and forecasts to request for budget to be made available, or engagement with donors and development partners to fund specific CBM projects.

3.2.5. Determining the composition of personnel within the CBM steering and working structure

All border agencies and those Ministries responsible for policy matters concerning border operations should be included in CBM. The actual composition may differ from country to country, but consideration should be given to including representation from Ministries and organizations such as Customs, Border Guards, Police, Ministry of Finance, Ministry of Economy, Ministry of National Defence, Ministry of Environment, Ministry of Foreign Affairs, Ministry of Agriculture, Ministry of Transport, Ministry of Health, Ministry of Telecommunications, and industry and business groups and associations. In this way, the respective working groups dedicated to studying and implementing the various aspects of CBM can draw on expertise from different parties.

3.2.6. Formalizing the terms of reference for CBM bodies

The terms of reference for all CBM bodies need to be defined and formalized to provide the necessary empowerment and to ensure that they remain focused on their task. In case of overlapping topics, the Working Groups should, themselves engage with one another to establish the necessary consensus on how to proceed or to escalate to the Steering Committee in cases of doubt so that it can provide the necessary guidance on which working group should undertake action on the topic, or to direct 2 or more working groups to work together.

The establishment of clear terms of reference and reporting channels is also necessary for good governance and transparency. This is important to prevent conflicts of interests and irregularities which increase confidence among the various participants.

3.2.7. Developing the scope and intended outcomes for the first phase of activities

The planning phase should also aim to define the scope, intended outcomes and performance measurements for the first phase of activities, based on resource availability and strategic needs. CBM needs to be grounded in realism. It will not be possible to do everything all at once. Therefore, the focus should be on ensuring that the newly established structure was adequate, the goals are achievable and the continual improvement trajectory are sustainable in the long term.

It is necessary to strike a balance between improvements that can be achieved in the short-term and longer-term stretch-goals that require more time to achieve.

3.3. The “Doing” or “Execution” Phase

While the “planning” phase aims to provide the necessary foundation for the CBM structures to take effect, the “doing” or “execution” phase would aim to put the planning into action. Depending on the scope and intended outcomes defined during the planning phase, key activities that typically take place in the doing phase may include:

3.3.1. Establishing the Context:

The respective working bodies should undertake fact-finding to detail and document the existing context. This could be done through environmental scans, a Time-Release Study and process mapping exercise to determine the parties involved in the import / export regulatory process, the amount of time it takes, and the data elements and laws involved.

Another useful tool that could be deployed for structured fact-finding is the WCO Single Window Functional Assessment Template. The template, typically used for single window planning purposes, is just as useful for CBM in allowing for detailed information to be captured so that subsequent process analysis and re-engineering can take place.

Once the necessary fact-finding had taken place, the respective Working Groups should proceed to analyze the information and identify actionable gaps.

3.3.2. Evaluating the options

Due to the complex nature of CBM, not everything can be done at the same time due to the lack of time, lack of resources or other constraints that prevents action on certain issues. The respective Working Groups should evaluate the various issues identified and make appropriate recommendations to the Steering Committee for its decision.

It should always be remembered that CBM is not a one-off affair and the first set of recommendations merely sets the stage for future improvements to take place. Approval of the course of action for the identified priority areas by the Steering Committee also provide the necessary assurance that key government and private sector stakeholders had been consulted and agree with the issues identified and the action plans proposed.

3.3.3. Project Planning

Depending on the level of complexity of the CBM project involved, varying levels of project planning need to be undertaken. Basic arrangements that involve simple re-calibration of existing arrangements such as coordinating working hours and making existing manpower available during peak-hours identified can be executed with relatively straightforward planning. More complicated changes that involve changes in IT systems and work procedures may require more extensive planning where procurement planning, IT project management, training and extensive communication to inform the trade of impending changes are required. The Working Committees concerned will play an important part in this planning, in collaboration with Customs and CBRA elements on the ground so that sufficient preparations are undertaken for the projects to be successfully executed.

3.3.4. Implementing the changes

The approved action plans should now be communicated to the parties concerned and executed. This will involve budget and resource allocation that includes the re-deployment of personnel and equipment and the procurement of additional equipment, construction of new facilities and development of new IT systems. It may also be necessary to make

recommendations on legislative amendments to provide the legal basis for CBM so that streamlined processes can be implemented.

The work of the Steering Committee and Working Groups continue to be of central importance as the execution phase will typically involve coordination between operational units at the border, as well as policy-makers at the Ministry level. The CBM organizational structure serves as the coordinating party to monitor, steer and report on ongoing developments to ensure proper governance for the programmes being implemented. This would also include the need to collect data for key performance indicators and other measurements that had been defined to ensure that implementation led to improvements on the ground.

3.4. The Checking Phase

The “checking” phase reinforces the doing or execution phase by inspecting the results from the execution against the original plans to ensure conformance and quality implementation. In the CBM context, it refers to the extent in which the results on the ground have improved after the implementation of the specific action plans.

3.4.1. Conducting post-Implementation reviews

CBM is not a single undertaking. It typically consists of multiple projects of varying sizes and complexity implemented over time that contributes to a strategic outcome. In assessing the effectiveness of the individual projects implemented, it is necessary to determine:

- (i) Whether the project management was effective
- (ii) Whether the planned project was successfully implemented
- (iii) Whether the successful implementation of the project led to the anticipated improvements and achieved the targets that had been set

These conclusions are essential for ensuring that the experiences gained through the implementation of the projects are distilled and documented for future reference, so that future projects will not make the same mistakes, and things that work continue to be applied and improved upon.

Successful implementation of a project also should not be taken as an outcome in itself – CBM needs to achieve positive results and lead to tangible improvements on the ground. Such results should be identified beforehand and be measurable so that it gives confidence to the implementers that the effort had borne fruit. Conversely, projects that had not resulted in tangible improvements should be critically analyzed so that the root cause of the problem was identified and further improvements can be made.

3.4.2. Reporting of Results

This typically involves the collection of qualitative and quantitative measures that had been identified during the “planning” and “doing” or “execution” phase, such as customer satisfaction measures, time savings for new procedures, time savings arising from improved flow of goods and reduction in the number of duplicated data elements.

Result-reporting is an important source of legitimacy for CBM bodies. The achievement of positive results enhances confidence and reduces resistance to change when stakeholders perceive the improvements made and benefit from them.

The “checking” Phase is important for checking the validity of assumptions made during the planning phase by ensuring that solutions implemented targeted the root cause of the problems. For example, traffic jams at a border post could be caused due to the lack of collaboration between government agencies, or more fundamentally, due to the lack of physical infrastructures, such as narrow roads and poorly designed traffic flow. If CBM had not led to the anticipated level of improvements because the flow of traffic remained un-optimized, the next stage of improvements should focus on traffic flow.

3.5. The Act / Adjust Phase

The “act / adjust” phase serves to provide corrective actions to bring about the next level of improvements. Not everything can be addressed at the same time. Hence, after the first round of issues had been implemented, the gaps between planned and actual results need to be studied so that new action items can be uncovered and previous issues omitted can be re-considered.

This allows for the CBM Organization Structure to enter into its next iteration, where additional stakeholder agencies could be included, terms of references refined, working processes improved and the operation of the individual sub-groups refined.

3.6. Implementation Maturity in CBM

The PDCA Cycle provides a generic model for putting together a CBM organizational structure by incorporating expertise from different CBRAs into a steering and working structure and the reiterative approach needed for continual improvements. As a CBM working structure grows and matures, it will be possible to instil greater levels of sophistication and depth into the working structure, so that higher-order priorities can emerge when the “low-hanging fruits” had been harvested.

Such efforts are necessary to instil continual improvements, foster innovation and bring about even greater levels of customer and stakeholder satisfaction. Examples of such areas include:

- Horizon Scanning and Strategic Planning
- Human Capital Development
- Customer Focus
- Improvements in Key Result Areas

3.6.1. Horizon Scanning & Strategic Planning

In 2008, the WCO published the “Customs in the 21st Century” document which identified, among other things, the challenge faced by Customs in operating in a rapidly evolving environment, with increasing trade volumes, new business models and security threats and organized crime putting pressure on Customs to increase its capabilities. Better coordinated border management was identified as one of the building blocks for the new strategic direction and the pursuit of CBM necessitates Customs and CBRAs to invest in capabilities to support CBM through active research and analysis to identify issues before they escalate into serious challenges that threaten national competitiveness and regulatory compliance.

Generic tools, such as SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis and PEST (Political, Economic, Social, Technological) Analysis provide a ready-made knowledge base to guide administrations in this effort. Such scanning exercises should be done

regularly so that Customs and CBRAs are able to identify cross-cutting issues in a timely manner and formulate effective and coordinated responses to them.

The role of strategic planning in this process cannot be under-estimated. Strategic planning, already an activity that is complicated to undertake in a single agency, compounds in complications when different agencies need to plan for, and coordinate activities at both the operational level, as well as the strategic level. The CBM Steering Committee highlighted above will often have to take an active role in this effort, so as to foster strategic alignment between different government agencies and to take coordinated decisions to tackle cross-cutting issues.

3.6.2. Human Capital Development

Well-designed processes remain dependent on well-trained and well motivated staff to deliver positive results. In the earlier stages of a CBM working structure's existence, it may encounter resistance on the ground due to misunderstandings, defensiveness and reluctance on the part of different agencies to work together due to the perception that CBM may adversely affect their respective agency's interests. The need for effective communication and engagement to mitigate such tendencies would be one of the issues that countries would have to address when embarking on CBM.

Subsequent focus may then shift towards the need for new training to raise awareness between Customs and CBRAs of each others' work areas, or even cross-training to enable an agency to undertake the responsibility of another agency's work in straightforward cases. Greater maturity in the CBM structure may even uncover new competencies and common training areas among different agencies that could be met together.

To ensure alignment between high-level strategy and ground action, the ground staff would also need to be made aware of the common strategic purpose behind their work, and understand how all agencies are dependent on each other to deliver the best possible outcomes to enhance the economic competitiveness of the country.

3.6.3. Customer Focus

The ability to put aside diverse agency interests and come together to achieve a common good needs to be rooted in the recognition that no single agency is able to perform its work in an isolated manner. The trading community and general public also expect government agencies to deliver services in an effective, efficient and coordinated manner.

The CBM Steering Committee will, once again be an important body to establish service standards and targets for Customs and CBRAs to work towards. Better information management, particularly in the processing of customer feedback and complaints, may also uncover opportunities to improve existing processes and services.

3.6.4. Improvements in Key Result Areas

The viability of any CBM effort ultimately hinges on the ability of the parties involved to demonstrate tangible improvements through both qualitative and quantitative measures. Tools such as the Time Release Study provide the methodology to quantitatively measure improvements in the border clearance process and the processing time for electronic declarations provide another important indicator for electronic processing systems or single-window environments.

Improvements in customer satisfaction, determined through a customer satisfaction survey, as well as the reduction in the number of complaints or an increase in the number of compliments received provide qualitative measures to enable the Customs and CBRAs to gauge if their efforts had been successful in improving border processes.

3.7. Continual Improvements and Sustainability

The implementation of CBM necessitates the establishment of formal structures that involves key stakeholders including Customs, CBRAs and the trading community. The composition, size and specific functioning of these structures will depend on the specific local conditions and priorities.

Nevertheless, it should be recognized that while flexibility should be exercised to take into account local conditions and priorities, the principles of effective organization to enable continual improvements would be applicable in all conditions.

It should always be remembered that CBM is not a one-time affair, but a continual improvement process. The basic PDCA cycle provides the basic concept to establish a generic CBM organizational structure and total quality management concepts provide the basis for future maturity, so that CBM will become entrenched into a country's border management processes and provide the firm foundation necessary to support national competitiveness and growth.

4. CHAPTER 4: THE REVISED KYOTO CONVENTION AND COORDINATED BORDER MANAGEMENT

4.1. The Revised Kyoto Convention and CBM

The Revised Kyoto Convention (RKC) is an international Convention that provides a set of comprehensive Customs tools to facilitate legitimate international trade while effecting Customs controls including protection of Customs revenue and society.

It elaborates key principles of simplified and harmonized Customs procedures such as:

- Predictability.
- Transparency.
- Use of information technology.
- Use of modern Customs techniques:
 - Risk management.
 - Pre-arrival information.
 - Post-clearance audit, etc.

4.2. Standards relating to Clearance and other Customs Formalities.

Chapter 3 of the General Annex of the RKC provides standards that, when implemented, provide the template for efficient border post processes.

For instance, Standard 3.1 states:

“The Customs shall designate the Customs offices at which goods may be produced or cleared. In determining the competence and location of these offices and their hours of business, the factors to be taken into account shall include in particular the requirements of the trade.”

In discussing CBM, it would be impossible to regard “Customs Offices” as referring to Customs only. The designation of competency and location **in accordance with the requirements of trade** demands a holistic approach involving both Customs, as well as relevant Cross Border Regulatory Agencies so that goods regulated by CBRA's can also be processed.

Standard 3.11 raises an additional dimension to the need to take a holistic approach:

“The contents of the Goods declaration shall be prescribed by the Customs. The paper format of the Goods declaration shall conform to the UN-layout key.

For automated Customs clearance processes, the format of the electronically lodged Goods declaration shall be based on international standards for electronic information exchange as prescribed in the Customs Co-operation Council Recommendations on information technology.”

As Customs is typically the major agency dealing with imported goods at the border, it is often required to obtain information relating to other matters, such as the compilation of trade statistics, banking or exchange control requirements, as well as CBRA requirements. Conformance to the UN Layout key ensures a level of harmonization between Customs and

CBRAs, as well as between Customs administrations across different countries. The use of the UN layout key had also led to the development of the Single Goods Declaration (SGD), which appears in the Recommendation of the Customs Co-operation Council (WCO) of 26 June 1990 and is included in Appendix II.

A Goods declaration similar to the SGD and known as the Single Administrative Document (SAD) was introduced in 1988 by the European Community to be used in the countries of the European Union for all import, export and transit procedures. The SAD format is widely applied amongst Customs administrations. It is also used by the countries which have applied for membership of the European Union and by the countries of the European Free Trade Association. In addition, a modified version of the SAD is used by countries which have implemented UNCTAD's ASYCUDA Customs automation system.

The concept of combining information required by Customs with data required by other governmental agencies, which is an important advantage of the SAD, can give useful support to the co-ordination of official controls provided for in Transitional Standard 3.35, which states that:

“If the goods must be inspected by other competent authorities and the Customs also schedules an examination, the Customs shall ensure that the inspections are co-ordinated and, if possible, carried out at the same time.”

Where collaboration involves neighbouring Customs administrations, Standard 3.3 as well as Transitional Standard 3.4 and 3.5 further elaborates on operations of common border crossing and juxtaposed Customs offices in requiring Contracting parties to correlate operating hours and competences, establishing joint controls and establishing or converting existing facilities into juxtaposed customs offices:

3.3. Standard

“Where Customs offices are located at a common border crossing, the Customs administrations concerned shall correlate the business hours and the competence of those offices.”

3.4. Transitional Standard

“At common border crossings, the Customs administrations concerned shall, whenever possible, operate joint controls.”

3.5. Transitional Standard

“Where the Customs intend to establish a new Customs office or to convert an existing one at a common border crossing, they shall, wherever possible, co-operate with the neighbouring Customs to establish a juxtaposed Customs office to facilitate joint controls.”

These standards provides essential guidance to Contracting Parties in achieving greater harmonization and efficiency in their border processes, both in exploring domestic CBM, as well as cross-border CBM with neighbouring countries.

4.3. Standards relating to Customs Control

Chapter 6 of the RKC deals with Customs Control, with particular emphasis on the use of risk management and audit-based controls.

The use of risk management to determine objective selectivity criteria in regulatory control is essential for the effective deployment of resources. With the exponential increase in trading volumes all over the world, it is too costly and too inefficient to scrutinize every instance of import and export without distinction. The effective use of risk management enables Customs to facilitate low-risk shipments while focusing its efforts on the higher risk areas.

The relevant standards states:

6.3. Standard

“In the application of Customs control, the Customs shall use risk management.”

6.4. Standard

“The Customs shall use risk analysis to determine which persons and which goods, including means of transport, should be examined and the extent of the examination.”

6.5. Standard

“The Customs shall adopt a compliance measurement strategy to support risk management.”

6.9. Transitional Standard

“The Customs shall use information technology and electronic commerce to the greatest possible extent to enhance Customs control.”

The effective deployment of risk management is directly dependent on the availability of information on the goods. The use of electronic systems to facilitate the submission of pre-arrival declarations makes it possible for Customs to assign pre-arrival decisions on the basis of the declarations received. As Customs, in many cases, is also collecting information on behalf of other CBRAs, it enhances the ability of Customs to work with other CBRAs on joint inspections and joint controls.

The issue of joint risk management between Customs and CBRAs will be further explored in the next chapter.

Chapter 6 of the RKC also deals with the need to establish formal agreements with foreign Customs administrations and the trade to enhance Customs Control. The relevant standards states:

6.7. Standard

“The Customs shall seek to co-operate with other Customs administrations and seek to conclude mutual administrative assistance agreements to enhance Customs control.”

6.8. Standard

“The Customs shall seek to co-operate with the trade and seek to conclude Memoranda of Understanding to enhance Customs control.”

Chapter 1 of this compendium had addressed the need for formal arrangements, to provide a legal basis, as well as to ensure good governance and sustainability. Collaboration with the trading community is also essential for identifying legitimate economic entities that are compliant and can be facilitated, in addition to being able to provide Customs with important feedback and assist Customs in enhancing controls.

4.4. Application of Information Technology

Chapter 7 of the RKC addresses the Application of Information Technology (IT). The increasingly common use of information technology in border regulatory work had brought about increased efficiency. Electronic data and systems can be used to accomplish functions and achieve capabilities that were previously unheard of, provided it was used effectively. The relevant standards provide insights on the proper use of information technology to achieve the maximum effect:

7.2. Standard

“When introducing computer applications, the Customs shall use relevant internationally accepted standards.”

7.3. Standard

“The introduction of information technology shall be carried out in consultation with all relevant parties directly affected, to the greatest extent possible.”

7.4. Standard

“New or revised national legislation shall provide for:

- *electronic commerce methods as an alternative to paper-based documentary requirements;*
- *electronic as well as paper-based authentication methods;*
- *the right of the Customs to retain information for their own use and, as appropriate, to exchange such information with other Customs administrations and all other legally approved parties by means of electronic commerce techniques.”*

As standards 7.2, 7.3 and 7.4 state, the introduction of IT systems needs to be based on international standards and be communicated to all relevant parties to the greatest extent possible to ensure **inter-operability**.

The measure of an IT system’s effectiveness lies in its ability to bring about better communication between relevant parties and better ways of doing things. Hence, an IT system developed for border clearance must consider the diverse government and non-government stakeholders at the border, and their interactions with each other and add value to both private and public sector stakeholders. The use of IT and the electronic Single Window will be discussed in subsequent chapters.

4.5. The Bali Package

The WTO Bali Ministerial Declaration and ministerial decisions were adopted on 7 December, 2013, after intensive negotiations amongst WTO members and was described as the first major agreement among WTO members since it was formed in 1995. The most significant part of the package that related to global commerce is the Agreement on Trade Facilitation (TFA), which brings border processes into sharp focus.

Its stated objectives are:

- To speed up customs procedures;
- To make trade easier, faster and cheaper;
- To provide clarity, efficiency and transparency;
- To reduce bureaucracy and corruption;
- To make of technological advances.

In addition to the trade-focused provisions, the Agreement on Trade Facilitation also includes provisions for assistance to developing and least developed countries to update their infrastructure, train customs officials, or for any other costs associated with implementing the agreement.

4.6. Similarities between RKC and TFA

A comparison between the relevant TFA and RKC standards are shown in the table below:

Agreement on Trade Facilitation	Revised Kyoto Convention
<p>Article 7 Release & Clearance of Goods</p> <p>4.1.1. Each Member shall, to the extent possible, adopt or maintain a risk management system for customs control.</p> <p>4.1.2. Each Member shall design and apply risk management in a manner as to avoid arbitrary or unjustifiable discrimination, or disguised restrictions to international trade.</p> <p>4.1.3. Each Member shall concentrate customs control and, to the extent possible other relevant border controls, on high risk consignments and expedite the release of low risk consignments.</p>	<p>Standards 6.3 Standards 6.4 Standards 6.5</p>
<p>Article 8 Border Agency Cooperation</p> <p>8.1. A 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.</p>	<p>Transitional Standard 3.35</p>
<p>8.2. Members shall, to the extent possible and practicable, cooperate on mutually agreed terms with other Members with whom they share a common border with a view to coordinating procedures at border crossings to facilitate cross-border trade. Such cooperation and coordination may include:</p> <ul style="list-style-type: none"> (i) alignment of working days and hours; (ii) alignment of procedures and formalities; (iii) development and sharing of common facilities; (iv) joint controls; (v) establishment of one stop border post control. 	<p>Standard 3.1 Standard 3.3 Standard 3.4</p>

<p>Article 10 Formalities Connected with Importation and Exportation and Transit</p> <p>10.3.1 Members are encouraged to use relevant international standards or parts thereof as a basis for their importation, exportation or transit formalities and procedures except as otherwise provided for in this Agreement.</p> <p>4.1. Members shall endeavour to establish or maintain a single window, enabling traders to submit documentation and/or data requirements for importation, exportation or transit of goods through a single entry point to the participating authorities or agencies. After the examination by the participating authorities or agencies of the documentation and/or data, the results shall be notified to the applicants through the single window in a timely manner.</p>	<p>Standard 7.2 Standard 7.3*</p> <p>(*RKC Standard 7.3 does not mention the single window directly – it simply states that IT system developments “shall be carried out in consultation with all relevant parties directly affected”. The intended outcome of this standard is to ensure maximum collaboration and inter-operability between the parties of different systems, as well as alignment with existing work processes – both of which are essential to SW development.)</p>
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The alignment between the RKC and the TFA are not limited to the table shown above. Due to the customs-focused nature of the agreement, many of the provisions have their equivalence in the RKC, or other WCO tools, instruments and guidelines.

This alignment enables the RKC to serve as an important foundation in preparing for TFA implementation.

5. CHAPTER 5: WCO INSTRUMENTS & TOOLS FOR CBM

5.1. Application of WCO Tools & Instruments in CBM

The concept of Coordinated Border Management is embedded within various WCO tools and instruments that aim to support Customs Administrations to perform their tasks more effectively and efficiently. To elaborate on the issues raised under Chapter 1, where the issue of the alignment of vision for CBM was mentioned, each WCO tool and instrument can be seen as the means to give effect to that vision and CBM may be perceived as the effective utilization of such international standards (such as the RKC), tools, instruments and guidelines to achieve the most effective and efficient ways to regulate border traffic. By adopting international standards, Administrations benefit from the large body of knowledge and experts that had gone behind the development of these standards, and acquire additional assurance that their procedures would be harmonized and in line with international norms.

However, standards alone are often insufficient to do the job. Standards typically only provide the high-level statement of intent, or intended outcomes. More practical guidance is often necessary to implement the necessary programs to give effect to the standards.

As shown in Chapter 3, the standards relating to CBM in both the RKC, as well as the TFA involve 3 key areas:

- Coordination of procedures and formalities;
- Coordination of enforcement and controls;
- Coordination in information technology developments.

Each area is mutually reinforcing, but each requires different tactical activities to achieve. Substantive achievement in each area further supports the country in achieving the overall vision of CBM, namely, value preservation for trade as well as economic and public wellbeing.

5.2. WCO Tools Relating to Coordination of Procedures & Formalities

5.2.1. The Time Release Study

Before any coordination of procedures and formality can take place, it is important for Customs and CBRAs to have an objective understanding of the current-state. This is an important basis for subsequent reform and changes and is very useful for measuring the effectiveness of measures that were put in place.

An essential WCO tool for this purpose is the **Time Release Study (TRS)**. The TRS measures relevant aspects of the effectiveness of operational procedures that are carried out by Customs and other regulatory actors in the standard processing of imports, exports and in transit movements. The tool allows administrations to identify bottlenecks in the clearance process so that both policy makers and ground operators can develop an objective understanding of the border situation and formulate improvement decisions.

The TRS study can be applied to serve different goals and objectives, including:

- **Macro-Economic Approach** - To **measure** the arithmetic mean and/or median time between the arrival of the goods and their release into the economy;

- **Strategic Planning Approach** - To **estimate** with some precision, based on the standardized system, the time required for each intervening event between arrival and release of the goods, i.e. unloading, storage, presenting the declaration, inspection, release, removal of goods, intervention by other services, etc;
- **Management Approach** - To **inform** the administration's officials in a precise manner, with proper statistical methods, of the time required for Customs release of goods;
- **CBM Approach** - To **identify** the constraints affecting Customs release, such as granting of authorizations or permits, application of other laws, inspections by other services, etc, consider possible corrective actions, if necessary in co-operation with other parties, and select solutions;
- **Modernization Approach** - To **compare** the results obtained in this study by means of the standardized system with previous studies, especially when introducing changes in Customs or border procedures under modernization, reform or trade facilitation programmes;
- **Customs to Business Partnership Approach** - To **undertake** TRS with Business to find bottlenecks in border procedures in order to discuss reasons for delays caused by Customs, other border agencies and/or the private sector, and where necessary to formulate an action plan for improvement; and
- **Customs to Customs Partnership Approach** - To **collaborate** with neighboring countries and with other countries with/or in a Customs/Economic Union on TRS, so as to identify bottlenecks in a common border crossing or in a supply chain from export to import and take necessary solutions.

The key value of the TRS lies in its ability to provide objective and measurable data to inform decision making and determine the relative effectiveness of changes that were implemented at the border. It pin-points bottlenecks and makes clear who are the parties that need to be involved so that the situation can be improved.

While having access to hard facts and objective measurements can enable Customs and CBRAs to focus on the key bottlenecks, it should always be remembered that the whole process needs to be non-judgemental and guided by a spirit of constructive collaboration. Every effort should be made to avoid "finger-pointing" as this can trigger defensiveness on the part of partner government agencies and damage rapport and confidence between parties involved!

5.2.2. The SAFE Framework of Standards (SAFE FoS)

In addition to the specific time required for each step in the process that can be measured through the TRS, it is also necessary for Customs and CBRAs to develop programs and procedures that allows for regulatory processes to be aligned to logistics and supply chain processes to enhance the ease and cost of compliance. The **WCO Integrated Supply Chain Management Guidelines** provides guidance on how Customs can achieve end-to-end control of the supply chain by working with the private sector to acquire the information necessary to make security risk assessments, and with foreign Customs administrations to share information that allows them to manage risks and ensure the integrity of shipments across the entire supply chain.

The SAFE FoS also provides standards to guide Customs in working together with foreign counterparts, the private sector, and other government agencies in ensuring the security of the supply chain.

The SAFE FoS rests on 3 pillars: Customs-to-Customs, Customs-to-Business and Customs to Other Governments and Inter-Government Agencies.

Trade recovery and resumption after a disruptive incident is also identified as a key area where CBM would be crucial. In the absence of pre-arranged mechanisms and plans identifying the specific roles and responsibilities of each government agency, and the general consensus of each agency partner, countries may incur a much higher cost, in terms of lost trade, delays and eroded national competitiveness, as well as preventing the entry of goods that may be crucial to national response to the incident, including relief supplies and essential goods.

5.2.3. Safe FOS Pillar 1: Customs-to-Customs

The Customs-to-Customs Pillar contains standards that support Customs in developing effective mechanisms for securing the international trade supply chain, particularly through the use of advance electronic information and risk management to identify high-risk cargo, the automated exchange of information using harmonized messages and interoperable systems, and the use of non-intrusive inspection equipment for the inspection of goods.

On the domestic front, it should be recognized that the security of the supply chain is not limited to Customs. Customs needs to work in collaboration with law enforcement agencies and other security agencies to ensure that border processes are well coordinated, so that information that is needed is available to all parties, whether in part or in full, and where controls need to be conducted, it is done in a coordinated fashion.

As mentioned in Chapter 1, CBM is a response towards resource scarcity – the use of non-intrusive inspection (NII) equipment is preferred because it takes less time. But the value of NII equipment would be further enhanced if its use could be shared among CBRAs. The use of advance electronic information also needs to be considered as part of the broader question of the total information requirements necessary to regulate and facilitate trade, so that information requirements are not duplicative and burdensome.

On the international front, the network arrangements for the exchange of timely and accurate information will enable Customs administrations to manage risk more effectively. Not only will this improve the ability of Customs to detect high-risk consignments, it will also enable Customs administrations to improve their controls along the international trade supply chain

and make for better and more efficient allocation of Customs resources. The Customs-to-Customs network arrangements will strengthen co-operation between Customs administrations and enable administrations to carry out controls earlier in the supply chain, e.g. where the administration of an importing country requests the administration of the exporting country to undertake an examination on its behalf. The SAFE Framework also provides for the mutual recognition of controls under certain circumstances. The application of this instrument will enable Customs administrations to adopt a broader and more comprehensive view of the global supply chain and create the opportunity to eliminate duplication and multiple reporting requirements.

5.2.4. SAFE FoS Pillar 2: Customs-to-Business

The Customs-to-Business Pillar contains standards for governments to work co-operatively with the private sector to secure the supply chain. The involvement of the private sector is crucial for ensuring that measures implemented are effective, reasonable, achievable and not unduly burdensome. Trade facilitation and trade compliance are ultimately two sides of the same coin. Facilitation that exceeds a reasonable threshold will undermine the job of customs and CBRAs to fulfil their regulatory mission. On the other hand, controls that are not grounded in the correct understanding of how a supply chain operates and burdensome to comply with will not only be ineffective, but will adversely affect a country's national competitiveness.

Just as Customs and CBRAs need to coordinate to reduce duplications and delays, the relationship between the Customs and private stakeholders is also necessary so that the private sector recognizes their responsibilities, and understand how best to work with Customs and CBRAs, so that their goods will not be subject to unnecessary delay. The SAFE FoS sets the standards for Customs administration to establish a partnership with the private sector in order to involve it in ensuring the safety and security of the international trade supply chain. The idea of an Authorized Economic Operator (AEO), which is a key concept that underpins that whole SAFE FoS is premised on the idea of partnership, with AEOs actively involved in implementing security into their operations, and Customs providing accreditation for their security measures against set standards, to maximize security and facilitation.

The SAFE Framework sets forth the criteria by which businesses in the supply chain can obtain authorized status as a security partner. Such criteria address issues such as threat assessment, a security plan adapted to the assessed threats, a communication plan, and procedural measures to prevent irregular or undocumented goods entering the international supply chain, physical security of buildings and premises used as loading or warehousing sites, security of cargo, means of transport, personnel vetting, and protection of information systems. Hence, the application of the SAFE FoS on CBM is very clear: greater assurance provided on the part of trusted AEOs allows Customs and CBRAs to focus on more high-risk areas, while facilitating the low-risk AEOs.

5.2.5. SAFE FoS Pillar 3: Customs to Other Government and Inter-Government Agencies

The Customs to other Government Agency and Inter-Government Agencies Pillar contains standards for Customs to work co-operatively with other government agencies involved with international trade and supply chain, as well as co-operation with foreign governments. The main objective of this cooperation is to ensure that the government response to the challenges of supply chain security is both efficient and effective, by avoiding duplication of requirements and inspections, streamlining processes, and ultimately working toward global standards that secure the movements of goods in a manner that facilitates trade.

The Standard emphasizes mutual cooperation between Customs other competent government agencies, such as aviation authorities, maritime and port security authorities, land transportation authorities, and Customs and Postal Operators, so that the alignment of various security programs and regimes can take place, to achieve the harmonization of national control measures.

5.2.6. Mutual Recognition of AEOs

Mutual Recognition of AEO (MR) is an important instrument for international Coordinated Border Management. With MR, the contracting parties mutually recognize the other party's AEO so that facilitation can be accorded to the mutually recognized AEOs.

This is given effect through the signing of a formal document between two or more Customs administrations outlining the circumstances and conditions in which AEO programs are recognized and accepted between the signing parties. This Mutual Recognition Agreement (MRA) sets out the process to implement, evaluate, monitor and maintain mutual recognition. In addition, the MRA defines the benefits mutually provided to the AEOs by the participating Customs administrations and lays down the practical arrangements enabling the participating Customs administrations to provide those benefits.

5.2.7. Professionalism & Integrity in Customs Administration

Professionalism and integrity is essential to any CBM implementation. Trust and credibility must be firmly established between all CBRAs before effective collaboration can take place. Institutional arrangements have to be established, so that CBRAs operate on the basis of established processes and standard operating procedures, instead of through personal acquaintances and networks. Having trust in the system is essential for all CBRAs to recognize that their regulatory interests and responsibilities are built into the system in a streamlined and holistic way, and instills the recognition that they are not "losing control", but instead, working in a better way that enhances their effectiveness.

The Revised Arusha Declaration, the WCO Model Code of Ethics and Conduct, the Integrity Best Practices Compendium and the Integrity Development Guide provide essential guidance to administrations seeking to improve these areas.

In many Customs administrations, the concept of integrity means delivering services to meet the expectations of clients and stakeholders. Integrity can therefore be defined as: A positive set of attitudes which foster honest and ethical behavior and work practices.

Furthermore, Customs' performance is often regarded as a reliable barometer of how the public perceives the quality and integrity of government as a whole. Hence, the WCO is making a strong case for focusing more heavily on Customs integrity. Consequently, integrity and professionalism is important to Customs and CBRAs because:

- It increases public trust and confidence
- It prevents significant revenue leakage
- It contributes to voluntary compliance
- It facilitates international trade, foreign direct investment (FDI) and economic development
- It increases the level of national security and community protection.

5.3. Coordination of Enforcement and Controls

Customs and CBRAs exist to fulfil a regulatory mission. The regulatory mission may include revenue collection, ensuring that regulatory restrictions and prohibitions are enforced and trade policy is upheld.

In an ideal situation, there would be perfect information to achieve these worthwhile objectives and Customs and CBRAs would have perfect clarity and objectivity to make the right decisions all the time. Unfortunately, limitations exist. Hence, “effective regulation” needs to be understood in terms of what is realistic and achievable, within known constraints and limitations. Such constraints do not imply turning a blind eye to known defects in the system, but rather, working together with all stakeholders to recognizing them and undertaking rational and measured steps to mitigate them.

5.3.1. The Risk Management Compendium

A key tool that exemplifies this understanding of mitigating uncertainties and limitations is the concept of risk management. The increased complexity and volume of international trade, fueled by technological advances that have revolutionized global trading practices, have significantly affected the way Customs administrations carry out their responsibilities and organize their business operations. Today, Customs is required to provide extensive facilitation of trade while maintaining control over the international movement of goods, persons and means of transport. In seeking to achieve a balance between these goals, it was necessary for Customs to shift from traditional control methods, to new thinking and approaches to determine where the greatest areas of exposure to risk exist and how to effectively allocate scarce resources to manage these risks.

Risk management aims to understand and mitigate risks to a level that is “as low as reasonably possible” by analyzing risk-factors, their impacts and likelihood, and implementing a commensurate level of control to mitigate them.

The WCO Risk Management Compendium was developed to support members in developing their risk management programs through a common reference document for the concepts associated with risk management in Customs, and will assist Members in their efforts to develop and implement an all encompassing administration-wide approach to risk management.

From the perspective of governments and other stakeholders, the benefits of risk management include:

- A better balance between Customs control and trade and transport facilitation;
- Enhanced focus on “high-risk” movements of goods and passengers;
- Improved compliance with laws and rules;
- Reduced release times;
- Lower transaction costs;
- The creation of a level playing field for businesses;
- Improved cooperation between traders and Customs bodies;

- A better foundation for revenue collection.

Viewed from the perspective of CBM, Risk Management provides the tool to enable Customs and CBRAs to institute a structured and objective system for managing facilitation, as well as control. By working with CBRAs to integrate risk management into the regulatory process, it will be possible for risks to be managed in a comprehensive manner, through an integrated system. It enhances decision making by ensuring that goods are screened using risk criteria that had been developed by both Customs, as well as CBRAs, so that clearance decisions will be based on the consensus of all CBRAs. It also enhances flexibility in its ability to set different threshold levels for different risks and different stakeholders. By instilling objectivity into the automated clearance, decisions are less random and less arbitrary. Through constant refinements, control decisions become more targeted, and more effective.

5.3.2. WCO IPR CENcomm

The fight against counterfeit products is an area where the ability to receive real-time information and disseminate to multiple parties greatly enhances operational effectiveness and success. Depending on the product and the domestic legislations in place, intellectual property rights infringements are often multi-faceted issues that may involve Customs, police, health agencies, consumer safety agencies, standards agencies and rights owners. A key challenge is the availability of authoritative information to verify suspicious shipments, which is needed by both Customs and CBRAs in order to take action on suspected counterfeit products.

At the beginning of the COVID-19 pandemic, a resurgence in the activities of criminal networks made it necessary to ensure secure data exchanges between Members. For this purpose, the WCO Secretariat put in place, as a matter of urgency, a new channel for the exchange of information on IPR infringements to replace the Interface Public-Members (IPM) tool. The WCO IPR CENCOMM is the new channel for exchanging information on infringements of intellectual property rights (IPR).

Since April 2021, IPR CENcomm has featured a COVID-19 pre-arrival information template. The IPR CENcomm COVID-19 pre-arrival information template is aimed at facilitating the Customs-to-Customs exchange of non-nominal data and at supporting Members in tackling the challenges associated with the requirement for a proper legal basis for the exchange of information. To strengthen cooperation with the private sector, a dedicated “**Rights Holders' Corner**” has been created for inputting essential information that can help in the fight against counterfeiting and piracy. The Rights Holders' Corner was also developed to ensure a smooth exchange of information between rights holders and Customs. To facilitate rapid reporting of seizures, even in the field, an IPR CENcomm mobile shortcut has also been developed.

5.3.3. CEN, CEN Comm and nCEN

The Customs Enforcement Network (CEN) is a global system developed by the WCO for gathering data and information for intelligence purposes. It consists of a database, as well as an encrypted communication tool (CEN Comm) for facilitating the exchange and use of information and intelligence in a timely, reliable and secure manner.

The database contains non-nominal information of Customs seizures and offences which supports Customs and CBRAs in the analysis of illicit traffic in various areas.

The CEN contains 16 different headings and products covering the main fields of Customs enforcement including:

- Beverages
- Cultural objects
- Currency
- Drug Precursor Chemicals
- Drugs
- Fauna and Flora (CITES or Non-CITES)
- Hazardous MaterialsIntellectual property rights (IPR) – Counterfeiting
- Medicine and Pharmaceutical ProductsOther prohibitions and restrictions
- Pornography / Paedophilia
- Radioactive and Nuclear Materials
- Strategic Goods
- Tax and Duty evasion
- Tobacco
- Weapons and explosives

The diverse coverage of CEN allows Customs to effectively support the operations of CBRAs, as well as provides insights to CBRAs on new or emerging threats, so that both Customs and CBRAs are better able to work effectively together to formulate effective responses.

The CENcomm infrastructure also provides a secure messaging tool for National Contact Points to disseminate information and coordinate responses during operations, so that timely intelligence leads to actionable responses.

The National Customs Enforcement Network (nCEN) complements CEN by providing members who had not yet built an enforcement database with a low-cost tool to collect, store and exchange law enforcement information without interfacing with the global CEN database. The application collects and stores of nominal enforcement data at a national level while an Information Communication Interface (Icomm) facilitates the exchange of non-nominal data between Customs administrations on the international level.

5.4. WCO Tools Relating to Coordination of Information Technology Developments

The use of information technology in border processes enables Customs and CBRAs to unlock a strategic level of capability that is important to many aspects of border modernization, such as risk management, advanced electronic declarations and risk management.

The key challenge in the development of IT services lies in the fact that this is typically done at the agency level, with each CBRA having authority over their own systems. This is a situation that is unlikely to change overnight as IT projects will always be dependent of factors including funding, specific agency requirements, the need to maintain support for legacy systems and legal restrictions that prevents agencies from accessing each other's data.

However, this situation can be mitigated through increased communication and consultation between agencies so that even if agencies are not committing to use the same systems, they make an effort to establish inter-operability between systems so that the enhanced interactivity between systems and agencies reduces duplications and leads to more effective CBM.

5.4.1. WCO Data Model

The WCO Data Model defines the maximum data requirements for key import, export and transit-related procedures. In its entirety, the Data Model contains approximately 450 data elements that are subject to regular review and annual releases. These data sets should be considered the primary source for the design and development of cross-border single window systems.

While these data sets define the maximum requirement, Customs and CBRAs would only request the minimum number of data elements necessary to administer their specific legislative or regulatory mandate so as to reduce burden on traders and prevent the proliferation of unnecessary and unusable data collected.

The intent of the WCO is for customs administrations to accept the relevant portion of the WCO data set for customs procedures, provided that all the required data elements are received electronically using specified electronic formats. The WCO data model also includes data elements commonly used by CBRAs in its Licenses, Permits, Certificates and Others (LPCO) Package. This offers traders the ability to transmit data to any administration without resetting their computer format, while also enabling multinational traders to rationalize the maintenance of various interfaces to Customs IT systems. This enhances the ability of administrations to share data with each other through improved system inter-operability.

The WCO DM may be implemented with or without a Single Window environment, as it serves as a standardized data requirement library for Business to Government (B2G) and the Government to Government (G2G) exchange of information.

5.4.2. Harmonizing Information Requirements

The WCO Data Model also greatly facilitates information harmonization to avoid duplications. The **WCO Data Harmonization Guidelines** provides specific guidance on how this is done to achieve a simplified and harmonized data-set that meets the needs of Customs and CBRAs, so that information requirements are transparent, streamlined and unified.

Data harmonization is achieved through 4 steps:

- **Data Capturing:** To assemble an inventory of customs and CBRA data requirements

- **Defining:** Naming and establishing the use and definition of the data element
- **Analysing:** Gaining a full understanding of every data element and definition
- **Reconciling:** Streamlining the data elements captured, so that a common definition is used for similar data elements, and duplications and redundancies are eliminated. In the case of Single Window development, the data elements are also reconciled with the WCO Data Model standard, so that it facilitates the development of electronic forms and functional messages.

The Single-Administrative Document is a good example of the level of simplifications that this process can achieve, where all the information requirements for Customs and CBRAs are distilled into a single form.

The harmonization of information requirements between agencies is desirable, whether as an exercise to minimize and standardize the paper forms to enhance CBM, or as part of the process to develop electronic systems such as a single-window environment.

A data harmonization exercise to streamline paper forms can serve as an essential first-step to engage and promote greater coordination among CBRAs, so that information does not have to be duplicated across different paper forms. This reduces hassle for the trade. However, it should also be noted that paper is limited by its ability to disseminate information in real-time. Paper-based information is also not structured and does not allow itself to be analyzed quickly. This aspect will have an influence on risk management. Material-handling of paper forms by the trade is also cumbersome to both trade, and customs.

The material handling and dissemination challenges can be partly addressed through the use of scanned documents, so that physical movement of papers is replaced by electronic transmission of scanned images instead. But scanned documents are not without their limitations, due to their large file sizes as well as the fact that they remain unstructured data that do not allow it to be analyzed for through system validation checks and risk management.

5.4.3. The Electronic Single Window

An electronic single window may be considered as the electronic manifestation of Coordinated Border Management. UN/CEFACT Recommendation Number 33 refers to the Single Window as “a facility that allows parties involved in trade and transport to lodge standardized information and documents with a single entry point to fulfill all import, export, and transit-related regulatory requirements. If information is electronic, then individual data elements should only be submitted once”.

The WCO elaborates on the term through its definition of a “Single Window Environment”, which refers to “a cross border, ‘intelligent’, facility that allows parties involved in trade and transport to lodge standardized information, mainly electronic, with a single entry point to fulfill all import, export and transit related regulatory requirements”.

The WCO definition is largely in line with UN/CEFACT Recommendation 33, but with greater emphasis on the “intelligent facility” aspect of a single-window. This is because the Single Window is not just the “portal” to a set of facilities. It is the means through which shared smart services are provided to users and such services include data submission, computation of duties and taxes, coordinated risk management, shared operational controls and integrated inter-agency business process and workflows.

Such a definition focuses on the value proposition, as opposed to the technical means, which ultimately, need to be premised on the process alignment between different government agencies, so that goods and information flow seamlessly.

The 2-volume Single Window Compendium provides essential know-how for single-window development. Volume 1, catered to high-level decision makers, covers strategic issues such as policy planning, legal issues and human resource change management.

Volume 2 is a practitioners' guide and include essential know-how for tasks that a single-window implementation team would be required to undertake including functional assessment, data harmonization, business process analysis, dematerialization of supporting documents and single window architecture.

The 2 volumes provide useful guidance to Customs and CBRA partners in a single-window implementation journey.

5.4.4. Globally Networked Customs

The Globally Networked Customs is conceived as a more effective way for countries to implement information exchange agreement through a standardized approach, using generic templates and blueprints. It seeks to shift the existing ways in which individual exchanges are currently negotiated and implemented, in favour of a standardized process based on standards, protocols and guidelines, so that the legal elements, technical details and implementation process can be adapted from a pool of GNC-Compliant solutions that had been tried and tested by WCO members.

At the heart of the GNC concept is the legal toolkit, the Utility Block and the Proof-of-Concept. The legal toolbox provides standardized legal provisions that should be included in any information exchange agreement so as to provide a legal basis to the use of the GNC concept, the Utility Block provides the template that details the functional aspects of the exchange, including how the exchange of information is triggered, the types of information or data exchanged, and the IT specifications of the exchange. The Proof-of-Concept establishes the feasibility of the arrangement and provides certainty that the GNC exchange is functional, scalable and can be applied to other members undertaking similar exchanges.

5.5. Strategic value of applying WCO tools for CBM

WCO Tools and instruments provide the effective mechanisms for the concrete implementation of coordinated border management across the 3 essential areas:

- Coordination of procedures and formalities
- Coordination of enforcement and controls
- Coordination in information technology developments

The guidelines and compendiums provide guidance and practical know-how to Customs administrations. The sharing of such technical know-how between Customs and CBRAs also fosters greater understanding between both parties.

The system tools, such as CEN, nCEN and IPR CENcomm are not just tools that can be used by Customs, but tools that can be shared with CBRA partners, so that new capabilities are shared and lead to greater effectiveness. This reduces the cost of having to develop new

systems, particularly when existing WCO offerings already exist, and can be used to enhance communication and information sharing between Customs and CBRAs.

6. CHAPTER 6: OTHER ORGANIZATIONS' INSTRUMENTS & TOOLS

6.1. Standards relating to CBRAs

The previous chapters had addressed the issue of how WCO's tools and instruments support Customs administrations and CBRAs in Coordinated Border Management. It should be noted, however, that just as Customs is not the sole agency at the border, CBRAs are also guided by international standards in their work and it is necessary for both Customs and CBRAs to acquire working knowledge of each others' standards in order to arrive at a common understanding that enhances CBM.

The following list of standards are not exhaustive, but they provide a sample of the diversity, as well as areas of convergence between Customs and CBRAs that is aimed at promoting greater understanding between agencies.

6.2. Standards of the International Plant Protection Convention (IPPC)

The International Plant Protection Convention (IPPC) is an international plant health agreement established in 1952 that aims to protect cultivated and wild plants by preventing the introduction and spread of pests while minimizing interference with the international movement of goods and people. As of July 2014, there are 181 Contracting parties to the Convention and the IPPC is one of the main SPS (Sanitary & Phyto Sanitary) standard setting organizations recognized by the World Trade Organization.

The IPPC Secretariat is responsible for the coordination of core activities under the IPPC work programme. The Secretariat is provided by the Food and Agriculture Organization of the United Nations.

The 1952 agreement was subsequently revised in 1979 and the amendments came into force in 1991. The revised Convention included the following key features:

- Emphasis on cooperation and information exchange;
- Encouraging harmonisation of phytosanitary measures by basing them on international standards;
- Providing the framework for the Commission on Phytosanitary Measures (CPM) – the governing body of the IPPC, which develops and promotes the use of International Standards for Phytosanitary Measures (ISPMs);
- Establishing the IPPC Secretariat and procedures for standard setting;
- Aligning the Convention with the Agreement on the Application of Sanitary and Phytosanitary Measures – the SPS Agreement – of the World Trade Organization (WTO);
- Responsibilities for contracting parties to promote technical assistance to other parties; and

- Introducing modern plant protection practices such as pest risk analysis to support phytosanitary measures, the designation of pest free areas and the phytosanitary security of export consignments.

6.2.1. Phytosanitary Principles for The Protection of Plants and the Application Of Phytosanitary Measures in International Trade

The “Phytosanitary Principles for The Protection of Plants and the Application of Phytosanitary Measures in International Trade” are a set of standards that describe phytosanitary principles for the protection of plants. It covers principles related to the protection of plants, including cultivated and non-cultivated/unmanaged plants, wild flora and aquatic plants, those regarding the application of phytosanitary measures to the international movement of people, commodities and conveyances, as well as those inherent in the objectives of the IPPC.

The 11 basic principles set out in the standard are:

- (i) **Sovereignty:** Contracting parties have sovereign authority, in accordance with applicable international agreements, to prescribe and adopt phytosanitary measures to protect plant health within their territories and to determine their appropriate level of protection for plant health.
- (ii) **Necessity:** Contracting parties may apply phytosanitary measures only where such measures are necessary to prevent the introduction and/or spread of quarantine pests, or to limit the economic impact of regulated non-quarantine pests.
- (iii) **Managed risk:** Contracting parties should apply phytosanitary measures based on a policy of managed risk, recognizing that risk of the spread and introduction of pests always exist when importing plants, plant products and other regulated articles, and implementing measures that were consistent with the pest risk involved.
- (iv) **Minimal impact:** Contracting parties should apply phytosanitary measures with minimal impact, consisting of the least restrictive measures available so as to immunize impediments to the international movement of conveyances, goods and people.
- (v) **Transparency:** Contracting parties shall make relevant information available to other contracting parties as set forth in the IPPC.
- (vi) **Harmonization:** Contracting parties should cooperate in the development of harmonized standards for phytosanitary measures.
- (vii) **Non-discrimination:** Contracting parties should, in accordance with the IPPC, apply phytosanitary measures without discrimination between contracting parties if contracting parties can demonstrate that they have the same phytosanitary status and apply identical or equivalent phytosanitary measures.
- (viii) **Technical justification:** Contracting parties shall technically justify phytosanitary measures on the basis of conclusions reached by using an appropriate pest risk

analysis or, where applicable, another comparable examination and evaluation of available scientific information.

- (ix) **Cooperation:** Contracting parties should cooperate with one another to achieve the objectives of the IPPC.
- (x) **Equivalence of phytosanitary measures:** Importing contracting parties should recognize alternative phytosanitary measures proposed by exporting contracting parties as equivalent when those measures are demonstrated to achieve the appropriate level of protection determined by the importing contracting party.
- (xi) **Modification:** Modifications of phytosanitary measures should be determined on the basis of a new or updated pest risk analysis or relevant scientific information. Contracting parties should not arbitrarily modify phytosanitary measures.

6.3. Standards of the World Organization for Animal Health (OIE)

The World Organization for Animal Health came into being in 1924 and was known as the “Office International des Epizooties” until 2003, when it adopted its current name, the World Organization for Animal Health while retaining its historical acronym, OIE. It is the intergovernmental organization responsible for improving animal health worldwide. As of 2013, it has 178 member countries.

The organization is headquartered in Paris and overseen by a Director-General elected by its World Assembly of Delegates, consisting of delegates designated by the Governments of all Member Countries.

The organization serves as coordinating body to receive report on animal disease situation from its member countries and disseminates the information to other countries so that preventive action can be taken. It also collects and analyses the latest scientific information on animal disease control and makes such information available to its members to improve methods used to control and eradicate animal diseases.

The OIE also develops standards for the international trade in animals and animal products that enables its members to protect themselves from the introduction of animal diseases and pathogens, without setting up unjustified sanitary barriers.

6.3.1. The Terrestrial Animal Health Code and the Aquatic Animal Health Code

The OIE is the WTO reference organisation for standards relating to animal health and *zoonoses* (diseases that can be transmitted to humans from animals). The OIE publishes 2 codes (Terrestrial and Aquatic) and 2 manuals (Terrestrial and Aquatic) as the principle reference for WTO members. The Terrestrial Animal Health Code and Aquatic Animal Health Code respectively aim to assure the sanitary safety of international trade in terrestrial animals and aquatic animals, and their products.

The Terrestrial Animal Health Code was first published in 1968 and the Aquatic Animal Health Code was introduced to the public in 1995. The codes traditionally addressed animal health and zoonoses. In recent years, they have been expanded to cover animal welfare and animal production food safety.

The *Terrestrial Code* and the *Aquatic Code* contain science-based recommendations for disease reporting, prevention and control and for assuring safe international trade in terrestrial animals (mammals, birds and bees) and aquatic animals (amphibians, fish, crustaceans and molluscs) and their products. The *Codes* detail the sanitary measures for animal diseases, including zoonoses, which should be used by the Veterinary Services and other Competent Authorities of importing and exporting countries. Correctly applied, these measures prevent the introduction and spread, via animals and their products, of agents that are pathogenic for animals and/or humans.

Other standards, such as the *Manual of Diagnostic Tests and Vaccines for Terrestrial Animals* and the *Manual of Diagnostic Tests for Aquatic Animals* provide a harmonised approach to disease diagnosis by describing internationally agreed laboratory diagnostic techniques.

The *Terrestrial Manual* and the *Aquatic Manual* contain OIE international standards on quality management in testing laboratories, principles of validation and quality control of diagnostic assays, and diagnostic testing methods for specific diseases including official tests listed in the *Terrestrial* and *Aquatic Codes*. The *Terrestrial Manual* also provides generic and specific guidance on vaccine quality. In addition to the *Manual*, the OIE publishes a list of approved Standard Sera (reagents) produced by OIE Reference Laboratories, validates and certifies commercially-available diagnostic assays, and publishes a list of the tests certified 'fit for purpose' in the OIE Register of Diagnostic Tests. Assessment of diagnostic tools for terrestrial animals is carried out under the auspices of the OIE Biological Standards Commission (Laboratories Commission). For aquatic animals, assessment of diagnostic tools is the responsibility of the Aquatic Animal Health Standards Commission (Aquatic Animals Commission).

6.4. Standards of the Codex Alimentarius Commission

While efforts to enhance food safety and achieve greater international harmonization pre-dates the formation of the organization, such efforts were given a big push when the Codex Alimentarius Commission was established in 1961 at the eleventh session of the Conference of Food and Agriculture Organization of the United Nations (FAO). Subsequent involvement by the World Health Organization led to the approval to establish the Joint FAO/WHO Food Standards Programme with the Codex Alimentarius Commission as its principal organ and cleared the way for the commission to hold its first session in Rome in October 1963¹.

Since that time, the Codex Alimentarius international food standards, guidelines and code of practices had contributed to the safety, quality and fairness of the international food trade and provided greater assurance to consumers. The Codex Alimentarius Commission currently has 186 members and 224 observers.

Important issues discussed by Codex include biotechnology, pesticides, food additives and contaminants. The application of Codex standards by its members is voluntary, but in many cases, Codex standards serve as the basis for national legislations. References are also made to Codex food safety standards in the WTO Agreement on Sanitary and Phytosanitary measures (SPS Agreement).

6.4.1. Codex Alimentarius Publications

¹ Randell, Alan, *Codex Alimentarius: how it all began*, <http://www.fao.org/docrep/v7700t/v7700t09.htm>

The work of the Codex Alimentarius is published in a collection of standards, codes of practices, guidelines and recommendations. They include:

- **Commodity-specific standards** (e.g. standard for canned strawberries, standard for canned shrimps or prawns, standard for quick frozen cauliflower)
- **Codex general standards** that apply for all commodity-specific standards (e.g. Codex general standards for food additives, contaminants and toxins, Codex general standard for the labeling or prepackaged foods, Codex methods of analysis and sampling)
- **Codex code of practice** addressing hygiene practice, production, processing, manufacturing, transport and storage practices for individual foods or groups of foods that are essential to ensure the safety and suitability of food for consumption.
- **Codex Guidelines** that set out policy in key areas and guidelines for interpreting essential principles and provisions of codex general standards. Interpretative Codex guidelines include those for food labeling, especially the regulation of claims made on the label. This group includes guidelines for nutrition and health claims; conditions for production, marketing and labeling of organic foods; and foods claimed to be “halal”. There are several guidelines that interpret the provisions of the Codex Principles for Food Import and Export Inspection and Certification, and guidelines on the conduct of safety assessments of foods from DNA-modified plants and micro-organisms.

6.5. The WTO Agreement on the Application of Sanitary & Phytosanitary (SPS) Measures

The International Plant Protection Convention Secretariat, the World Organization of Animal Health and the Codex Alimentarius Commission are recognized as standard setting organizations under the WTO Agreement on the Application of SPS Measures. This means that for the purpose of Article 3 of the Agreement, “international standards, guidelines or recommendations refer:

- (i) For food safety, the standards guidelines and recommendations established by the **Codex Alimentarius Commission**;
- (ii) For animal health and zoonosis, the standards, guidelines and recommendations developed under the auspices of the **World Organization of Animal Health**;
- (iii) For plant health, the international standards, guidelines and recommendations developed under the auspices of the Secretariat of the **International Plant Protection Convention**.

The Agreement on the Application of Sanitary and Phytosanitary (SPS) Measures entered into force on 1 January 1995. The Agreement on the Application of Sanitary and Phytosanitary Measures sets out the basic rules for food safety and animal and plant health standards. It allows countries to set their own standards, but also imposes the primacy of science as the basis for SPS regulations and for such measures to be applied objectively in a non discriminatory measure and only to the extent necessary to protect human, animal or plant life or health.

Member countries of the WTO are encouraged to use international standards, guidelines and recommendations established by the IPPC, the OIE and Codex, or measures which result in higher standards if there is scientific justification. The agreement still allows countries to use different standards and different methods of inspecting products and countries can set higher standards based on appropriate assessment of risks so long as the approach is consistent and not arbitrary.

6.6. Commonalities between Customs and CBRA Standards & Tools

The multiplicity of agencies at the border is a fact of modern border operation and SPS authorities represents some of the key agencies that Customs works with on a regular basis and from the summary provided above, it can be seen that the work of SPS agencies, are also guided by international standards premised on the basic need for fairness, objectivity, harmonization and transparency. An understanding of the points of convergence between these international standards and Customs is absolutely necessary to achieve greater levels of coordination in border processes.

While it may not appear that the work of Customs has much in common with agriculture, animal health and good safety agencies at first glance, a deeper understanding of the standards and work of these agencies reveals the following similarities.

6.6.1. Trade Facilitation

The WTO SPS Agreement states that “members should, when determining the appropriate level of sanitary or Phytosanitary protection, take into account the objective of minimizing negative trade effects”. The objective of SPS regulations are not solely intended to keep dangerous pests, diseases and products out of the border, but to ensure the smooth trade of animal, agricultural and food product. A lapse in SPS regulations can lead to the spread of agricultural pests that can devastate farms, the spread of animal diseases that renders livestock unsafe for consumption, the spread of diseases that endangers human health and the distribution of tainted food that adversely affects human health.

Such incidents can seriously damage a country’s economy, destroy the livelihoods of food producers and disrupt trade. However, these controls are made effective and possible, not by excessive regulations, but by harmonized and measured ones, based on international standards and scientific evidence.

6.7. Risk Management in Coordinated Border Management

The use of risk management in cross-border work is not limited to Customs. Risk management is deployed in many SPS functional areas as well. However, the understanding of risk between Customs and CBRAs are not always the same and achieving greater understanding between Customs and CBRAs in the applications of risk management is necessary before greater collaboration can be enabled.

6.7.1. IPPC Framework for Pest Risk Analysis

The IPPC Framework for Pest Risk Analysis (PRA) is a standard that describes the 3 stages of pest risk analysis for the purpose of evaluating scientific evidence to determine whether an organism is a pest, the probability of introduction and spread of the pest and the potential economic impact in a defined area, if the pest was introduced and allowed to spread. This

analysis then provides the rationale for the appropriate Phytosanitary measures for that specified PRA area.

The 3 stages of PRA are:

- Stage 1: Initiation – The identification of organisms and ways in which the pest could be introduced (i.e. pathways).
- Stage 2: Pest risk assessment – The categorization of the pest to determine if the organism has the characteristics of the organism, the assessment of the introduction and spread of the pest, the assessment of the economic impact and the conclusion summarizing the overall pest risk on the basis of this assessment.
- Stage 3: Pest risk management – The identification of Phytosanitary measures that reduces the pest risk to an acceptable level.

The IPPC Framework also addresses aspects common to all PRA stages such as:

- The recognition of uncertainty as an inherent component of risk and the need to document, communicate and seek expert judgment to mitigate uncertainty. The presence of uncertainty may also require additional monitoring so that decisions can be re-evaluated when necessary.
- The need for information gathering throughout the whole process through scientific publications and technical information, and to address information gaps that are identified during the information gathering process.
- The need for documentation to enhance transparency so that technical justification for Phytosanitary requirements can be made available to other contracting parties on request.
- An interactive risk communication process to allow for the exchange of information between National Plant Protection Organizations and stakeholders to raise awareness and achieve a common understanding of the pest risk, so as to develop credible and consistent regulation policies to deal with pest risks.
- Ensuring consistency in the conduct of PRAs to facilitate the principles of non-discrimination and transparency. Consistency is also important for improving familiarity with the PRA process, increasing the efficiency in completing PRAs and for improving comparability between PRAs on similar products or pests.
- Avoiding undue delays, particularly when other contracting parties are directly affected by ongoing PRAs.

6.7.2. OIE Risk Analysis

The Terrestrial Animal Health Code and Aquatic Animal Health Code of the OIE both contain the same chapter on risk management. The emphasis of the OIE is in providing importing

countries with an objective and defensible method of assessing the disease risks associated with the importation of animals, animal products, animal genetic materials, foodstuffs, biological products and pathological materials.

The OIE identifies 4 components in risk analysis:

- Hazard identification: the process of identifying the pathogenic agents which could potentially produce adverse consequences associated with the importation of a commodity
- Risk assessment: the quantitative or qualitative estimation of risks associated with a hazard
- Risk management: the evaluation of the risk estimate as well as the evaluation and implementation of options to reduce the risk associated with an importation to an acceptable level
- Risk communication: the process of providing information regarding hazards and risks are gathered from potentially affected and interested parties during risk analysis, as well as the providing of information relating to the risk management measures to decision makers and interested parties in both importing and exporting countries.

Essentially, in the control of animal diseases, risk management is seen as the process of deciding upon and implementing measures to achieve the country's appropriate level of protection, while ensuring that negative effects on trade are minimized. The objective is to manage risk appropriately to ensure that a balance is achieved between a country's desire to minimize the likelihood or frequency of disease incursions and their consequences and the country's desire to import commodities and fulfill its obligations under international trade agreements.

6.7.3. Codex Alimentarius Working Principles for Risk Analysis for Food Safety for Application by Governments

The Working Principles for Risk Analysis for Food Safety for Application by Governments of Codex Alimentarius are intended to provide guidance to national governments for risk assessment, risk management and risk communication with regard to food related risks to human health. The Working Principles identify 3 distinct, but inter-related components for risk analysis:

- Risk assessment: A scientifically based process consisting of (i) hazard identification, (ii) hazard characterization, (iii) exposure assessment and (iv) risk characterization.
- Risk management: The process, distinct from risk assessment, of weighing policy alternatives, in consultation with all interested parties, considering risk assessment and other factors relevant for the health protection of consumers and for the promotion of fair trade practices, and, if needed, selecting appropriate prevention and control options.
- Risk communication: The interactive exchange of information and opinions throughout the risk analysis process concerning hazards and risks, risk-related factors and risk perceptions, among risk assessors, risk managers, consumers, industry, the academic

community and other interested parties, including the explanation of risk assessment findings and the basis of risk management decisions.

In the risk assessment phase, hazard identification refers to the identification of biological, chemical and physical agents capable of causing adverse health effects which may be present in a particular food or group of foods. Once identified, the hazard characterization phase provides for a qualitative or quantitative evaluation of the nature of the adverse health effects of these hazards.

This is further elaborated through an exposure assessment, in which the qualitative and / or quantitative evaluation of the likely intake of the hazard identified is determined and finally, the risk characterization, in which the qualitative and / or quantitative estimate, including the attendant uncertainties of the probability occurrence and severity of known or potential health effects in a given population based on the previous phases is determined.

The Working Principles further elaborates on the issues that countries need to be attentive to in the conduct of risk management, including:

- Transparency, consistency and comprehensiveness: risk management should be transparent, consistent and fully documented. Decisions on risk management should be documented so as to facilitate a wider understanding of the risk management process by all interested parties. The primary objective of sanitary measures taken should be to protect the health of consumers. Unjustified differences in the measures selected to address similar risks in different situations should be avoided. Risk management should also take into account relevant factors comprehensively including production, storage and handling practices used throughout the food chain, methods of analysis, sampling and inspection, feasibility of enforcement and compliance and the prevalence of specific adverse health effects.
- Structured approach and risk-based decision making: risk management should follow a structured approach that includes preliminary risk management activities, evaluation of options, implementation, monitoring and review of decisions taken. Risk assessment and risk management should be functionally separate to the extent possible, to ensure scientific integrity and to avoid confusion and conflict of interests between risk assessors and risk managers. Decisions undertaken should also be based on risk management and should be proportionate to the assessed risk. Risk management should also take into account the economic consequences and the feasibility of risk management options.
- Managing uncertainties: Uncertainties exist in risk assessment and risk management of food related hazards to human health. The degree of uncertainty and variability in scientific information needs to be explicitly considered in risk analysis. The assumptions used for the risk assessment and risk management options should reflect the degree of uncertainty and the characteristics of the hazard.
- Engagement between governments and international organizations: Countries should take into account relevant guidance and information obtained from risk analysis activities pertaining to human health protection conducted by Codex, FAO (Food and Agricultural Organization), WHO (World Health Organization) and other relevant

international intergovernmental organizations, including OIE and IPPC. Countries should also share information and experiences on risk analysis with relevant international organizations and other national governments to promote and facilitate a broader and, where appropriate more consistent application of risk analysis.

6.7.4. Synthesis of CBRA requirements with Customs in Risk Management

As shown in the previous paragraphs, while the fundamental conduct of risk management and the desired outcomes that it seeks to achieve are common across Customs and CBRAs, there are also notable differences.

One of the most obvious differences is the use of scientific methods and data in risk management. Due to the nature of SPS controls, this is natural – the spread of pests and diseases and possible contamination of food products need to be rooted in scientific evidence and rigorously understood in scientific terms in order for effective risk-based decision making to be effective.

However, aside from this essential difference in the sources of information used, the challenges of using risk management for border control by SPS authorities are little different from Customs administrations – the management of uncertainties, the lack of objective information, challenges in linking cause and effect, difficulties in deriving quantitative evidence to determine likelihood and impact, imperfect data quality hindering objective decision making and the need to engage, communicate and foster an interactive process with stakeholders so that risk-based decisions can be fine-tuned and kept relevant.

An understanding of how different CBRAs execute the risk management process is an important step in bringing counterparts together to maximize the effectiveness of control in their respective area, where possible, to enrich the understanding of their operating environment through the collective knowledge, experience and expertise of Customs and CBRAs and to build a more effective and efficient CBM process.

6.8. Instruments, standards and tools of the Universal Postal Union (UPU)

Established in 1874, the Universal Postal Union, with its headquarters in the Swiss capital Berne, is the second oldest international organization worldwide.

With its 192 member countries, the UPU is the primary forum for cooperation between postal sector players. It helps to ensure a truly universal network of up-to-date products and services.

In this way, the organization fulfils an advisory, mediating and liaison role, and provides technical assistance where needed. It sets the rules for international mail exchanges and makes recommendations to stimulate growth in mail, parcel and financial services volumes and improve quality of service for customers.

The growing e-commerce market means that an unprecedented number of parcels and small packages are being exchanged across borders, making smooth cross-border management and seamless collaboration between Posts and Customs more necessary than ever.

The UPU works actively with partners in the supply chain to keep mail moving across borders and ensure that these mail items reach their destination safely and on time.

One example of such cooperation is with the World Customs Organization (WCO): the WCO–UPU Contact Committee was established in 1964 at the Universal Postal Congress in Vienna as a means to collaborate on issues related to the clearance of postal items through customs. This joint committee develops procedures, guidelines and publications to guide Post–Customs work at the national, regional and international levels. The two organizations also engage in joint capacity-building projects, organizing workshops on postal customs issues for postal operators and customs administrations around the world.

6.8.1 Joint WCO–UPU publications on postal customs matters

The following are joint WCO–UPU publications on postal customs matters:

Joint WCO–UPU guidelines for developing a memorandum of understanding (MoU) between Customs and the Post at the national level: The main aim of these guidelines is to provide guidance and ideas to Posts and customs administrations for formalizing contacts at the national level. The guidelines consist of three sections: in the first section, key principles and recommendations for developing an MoU are identified; the second section contains details for supplementing and implementing the guidelines; and in the third section, an example of an existing MoU between a customs administration and a designated postal operator (DO) is provided.

WCO–UPU Postal Customs Guide: This guide is an information source for postal and customs administration staff dealing with postal customs clearance. For Posts, it is intended as a means of acquainting staff with the various aspects of the postal supply chain's customs component and with the different WCO standards, instruments and tools. For customs administrations, the aim is to help staff responsible for postal customs clearance (rapidly increasing work for customs administrations) to become more familiar with the postal processes involved in the international exchange of mail.

WCO–UPU guidelines on the exchange of electronic advance data (EAD) between designated operators and customs administrations: This document is an entry-level information source for Posts and customs administrations working collaboratively to establish the exchange of EAD, offering advice on how to gain support within their

respective organizations for the adoption of this development project. The guidelines provide:

Information to assist in the development of a business case for DOs and customs administrations to begin exchanging EAD;

Information on tools, standards and regulations;

A step-by-step approach to assist in process and system development;

Key considerations for this kind of project as well as lessons learned.

WCO–UPU guidelines on data capture and compliance with CN 22/23: This document explains the postal customs declaration forms, listing all their data elements, with their corresponding item attributes in the relevant EAD messaging standards (ITMATT, CUSITM–CUSRSP). It also provides guidance on multi-channel efficient data capture options, and steps to improve data quality and compliance with CN 23/22 forms, along with examples. The CN 22 and CN 23 are customs declaration forms used by customers of the Post for customs clearance of postal items subject to customs control. These UPU customs declarations have been developed in consultation with the World Customs Organization; changes to the forms are also discussed and agreed between the UPU and WCO.

6.8.2 Electronic advance data at the UPU

Article 08-002 of the UPU Convention Regulations contains implementing provisions for providing electronic advance data:

- 1 Items containing goods may be subject to specific import customs- and security-based requirements for providing electronic advance data as referred to in article 8.1 of the Convention. Letters, postcards, printed papers (other than books) or letter-post items containing correspondence or items for the blind, which are not subject to customs duties, shall be exempted from these requirements.
- 2 Each item for which electronic advance data is provided shall be accompanied by the appropriate UPU customs declaration form.
- 3 The electronic advance data required to meet such requirements shall, in all cases, replicate data documented on the appropriate UPU customs declaration form.
- 4 Each item for which electronic advance data is provided shall bear a unique item identifier, in both human-readable and barcode format, conforming to UPU Technical Standard S10. All exchanges of electronic advance data provided for customs and security reasons shall be compliant with UPU Technical Standard M33 [ITMATT V1] and shall correspond to the content of the UPU customs declaration form.
- 5 Electronic advance data shall be used in a manner consistent with the relevant provisions of the Acts of the Union regarding the processing of personal data. Without prejudice to the foregoing, the exchange of such data may be additionally governed by bilateral or multilateral agreements or protocols regarding the protection of personal data and other technical aspects relating to data exchanges.
- 6 Certain items may be subject to extra security measures as per the relevant procedures adopted by the UPU in consultation with other relevant stakeholders. Such measures may include, inter alia, the tracing and/or prevention of further conveyance of individual items.
- 7 In order to safeguard the smooth flow of the items referred to herein, member countries and designated operators implementing the provisions of this article shall do so in a manner that is consistent with the capacity of the global postal network and the available infrastructure for implementation thereof, and also take into account whether

the requirements for providing electronic advance data can be met by all concerned parties in the international postal transport chain.

6.8.3 Key UPU electronic advance data messaging standards and EDI messaging framework

The ITMATT (ITeM ATTtribute) messaging standard is the EDI message used to communicate information about the attributes (characteristics) of mail items. In the customs context, it is the EDI standard used by designated postal operators to send CN 22/CN 23 postal customs declaration data in electronic form to other DOs.

The UPU Global Postal Model is the EDI messaging framework developed by the UPU to address pre-loading advance cargo information requirements, as stipulated in the SAFE Framework of Standards, involving the provision of electronic advance data to the destination customs authorities. It includes eight messaging flows, including the exchange of customs declaration and transport data, among key stakeholders of the global postal supply chain: origin and destination Posts; destination Customs; and the air carrier.

6.8.4 Joint WCO–UPU electronic messaging standard CUSITM–CUSRSP

The WCO and the UPU developed a joint EDI standard, CUSITM (CUSToms ITeM) – CUSRSP (CUSToms ReSPonse), to support the electronic exchange of information between Posts and their national customs administrations. Posts can send electronic customs declarations and receive referral responses from their customs administration. CUSITM–CUSRSP is compliant with the WCO's v3 data model.

The use of CUSITM–CUSRSP, the joint UPU–WCO standard for electronic messaging, avoids the need to create bespoke IT solutions in each country. Advance electronic data (ITMATT v1 and PREDES) on mail shipments prior to their loading for air transport and before the physical arrival of postal items assists Customs in carrying out effective risk management, saves time/workload at destination, and facilitates efficient clearance/release of low-risk items to cope with the growing volumes from e-commerce items. There can be several CUSRSPs for one CUSITM declaration. Customs can override its decision at any time up to the physical arrival of the item.

6.8.5 UPU Customs Declaration System

CDS, the Customs Declaration System created by the UPU's Postal Technology Centre, helps streamline customs clearance by allowing participating Posts and Customs to exchange electronic advance data in a number of ways.

For all packages sent containing goods, UPU regulations require Posts to share information about the sender, contents and value with customs authorities. In the past, this information was sent with packages exclusively by means of a paper form, but CDS now enables Posts to share this information via EDI messaging before the package is sent. This advance information can help Customs decrease its own processing times.

CDS also enables customs administrations to send EDI messages to Posts. For example, Customs can use the platform to notify Posts if an item has been rejected during the screening process. This, in turn, allows Posts to better track packages as they make their way through the supply chain.

The UPU's Customs Declaration System can now interface with the ASYCUDA World system developed by the United Nations Conference for Trade and Development, by means of the joint WCO–UPU EDI messaging standard CUSITM–CUSRSP.

6.8.6 Other key UPU instruments

The UPU Customs Compendium is a living, online publication which contains public, country-specific postal customs procedures so that origin Posts can inform their customers sending mail items, and facilitate the postal customs clearance process at destination. The UPU Customs Compendium contains the following sections:

- Import processing of customs duties and postal charges;
- Delivery of taxable/dutiable items;
- Other agencies responsible for customs clearance of postal items;
- Questions relating to customs declarations;
- Miscellaneous information.

The UPU list of prohibited and restricted items is an online repository hosted on the CDS platform, to capture country-specific restrictions and prohibitions relating to international mail flows. The Universal Postal Convention establishes rules applicable to letter-post and parcel-post items exchanged between all UPU member countries. Article 19 of the Convention contains a detailed list of items that are not admitted in the international mail flow. Articles VIII and IX of the Final Protocol to the UPU Convention contain a list of provisions and reservations from UPU member countries related to article 19. The online repository allows the DOs of UPU member countries to provide additional country-specific restrictions and prohibitions in coordination with their customs administrations.

6.9. Standards of the Basel Convention on Transboundary Movements of Hazardous Wastes and their Disposal

Tragic incidents involving ships from developed countries disposing of their hazardous wastes in developing countries without the capacity to handle them in an environmentally sound manner demonstrated the need for global cooperation to prevent and combat this type of activities. These incidents triggered the negotiations that led to the adoption of the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal. The Convention was adopted on 22 March 1989 by the Conference of Plenipotentiaries in Basel, Switzerland, and entered into force in 1992. As of July 2021, the Convention had 188 Parties, making it almost universal in geographical scope.

The overarching objective of the Basel Convention is to protect human health and the environment against the adverse effects that may result from the generation and management of hazardous and other wastes.

The provisions of the Convention are structured around three pillars:

1. Control of transboundary movements of hazardous and other wastes
2. Promotion of environmentally sound management of hazardous and other wastes
3. Prevention and minimization of the generation of hazardous and other wastes

Customs and cross-border regulatory agencies (CBRAs) focus on the transboundary movement of hazardous and other wastes.

6.9.1. Principles for waste trade

The Basel Convention regulates transboundary movements (TBM) of hazardous and other wastes by applying the prior informed consent (PIC) procedure. Wastes covered by the Basel Convention are listed in the Annexes to the Basel Convention and are divided into hazardous wastes and other wastes.

Hazardous wastes:

- Categories of wastes listed in Annex I with waste codes Y1 to Y45 (for example clinical waste or waste contaminated with polychlorinated biphenyls)
- Wastes included on list A in Annex VIII, divided into four main categories, with waste codes ranging from A1010 to A4160 (for example asbestos waste or waste batteries)
- Wastes defined as, or considered to be, hazardous wastes by the domestic legislation of the Parties to the Basel Convention (Article 1(b)).

Other wastes are categories of wastes requiring special consideration and are listed in Annex II to the Basel Convention. Annex II currently contains three categories of waste with the following codes:

- Wastes collected from households (Y46)
- Residues arising from the incineration of household wastes (Y47)
- Mixtures of plastic waste² (Y48)

The PIC procedure³ lies at the heart of the control system for wastes covered by the Basel Convention. It requires that, before any transboundary movement of wastes covered by the Basel Convention may take place, the authorities of the prospective countries of import and

² For the complete description of this waste code, please refer to:

<http://www.basel.int/TheConvention/Overview/TextoftheConvention/tabid/1275/Default.aspx>.

³ For a detailed description of the PIC procedure and related notification and movement forms, please refer to: <http://www.basel.int/Procedures/NotificationMovementDocuments/tabid/1327/Default.aspx>.

transit are notified of the intended movement(s). This enables the competent authorities, such as environmental authorities, Customs and CBRAs, to monitor the movements of hazardous and other wastes as controlled by the Basel Convention and to ensure the disposal of the wastes in accordance with national requirements for waste management operations. Only after consent has been given by all competent authorities involved in the transboundary movement may the transboundary movements commence.

PIC procedure explained in nine steps (see also Figure 1):

- 1. Contract: The exporter/generator of the wastes and the proposed disposer enter into a contract specifying that the wastes will be disposed of in an environmentally sound manner.*
- 2. Notification: The exporter/generator notifies the competent authority (CA) of the country/state from which the wastes are to be exported of the proposed movement. The country/state of export forwards the notifications. The country/state of export then notifies, or requires the generator/exporter to notify, the country/state of import (and, if applicable, the country/countries or state(s) of transit) of the proposed movement of hazardous wastes or other wastes through a notification document.*
- 4. Response from the competent authority (CA): The CA of the country/state of import must provide the country/state of export with written consent, and must confirm the existence of a contract between the generator/exporter and the disposer, specifying the ESM of the wastes. If applicable, a written response from the countries/states of transit is also required.*
- 5. Decision submitted to the exporter/generator: Upon receipt of the written consent from the country/state of import and any countries/states of transit, and the confirmation of the contract from the country/state of import, the CA of the country/state of export may authorize the shipment to start.*
- 6. Waste movement document: The exporter/generator completes a movement document for each transboundary movement/shipment of waste and signs the declaration in box 15. A copy of the notification form and consent should also accompany the movement/shipment.*
- 7. Signing of waste movement document by the carrier(s): The carrier(s) also have to sign box 8 of the waste movement document.*
- 8. Certification of receipt and disposal of the waste: The disposer must inform the exporter/generator and the CA of the country/state of export on arrival of the waste at the country/state of import, on receipt of the wastes, and once the disposal has been completed in accordance with the terms of the disposal contract.*
- 9. Release of financial guarantees: Once the country/state of export has received the signed movement document from the disposer stating that the waste has been disposed of properly, the financial guarantee/bond/insurance can be released, if applicable.*

BASEL CONVENTION PRIOR INFORMED CONSENT PROCEDURE FOR HAZARDOUS AND OTHER WASTES (Y AND A CODES)

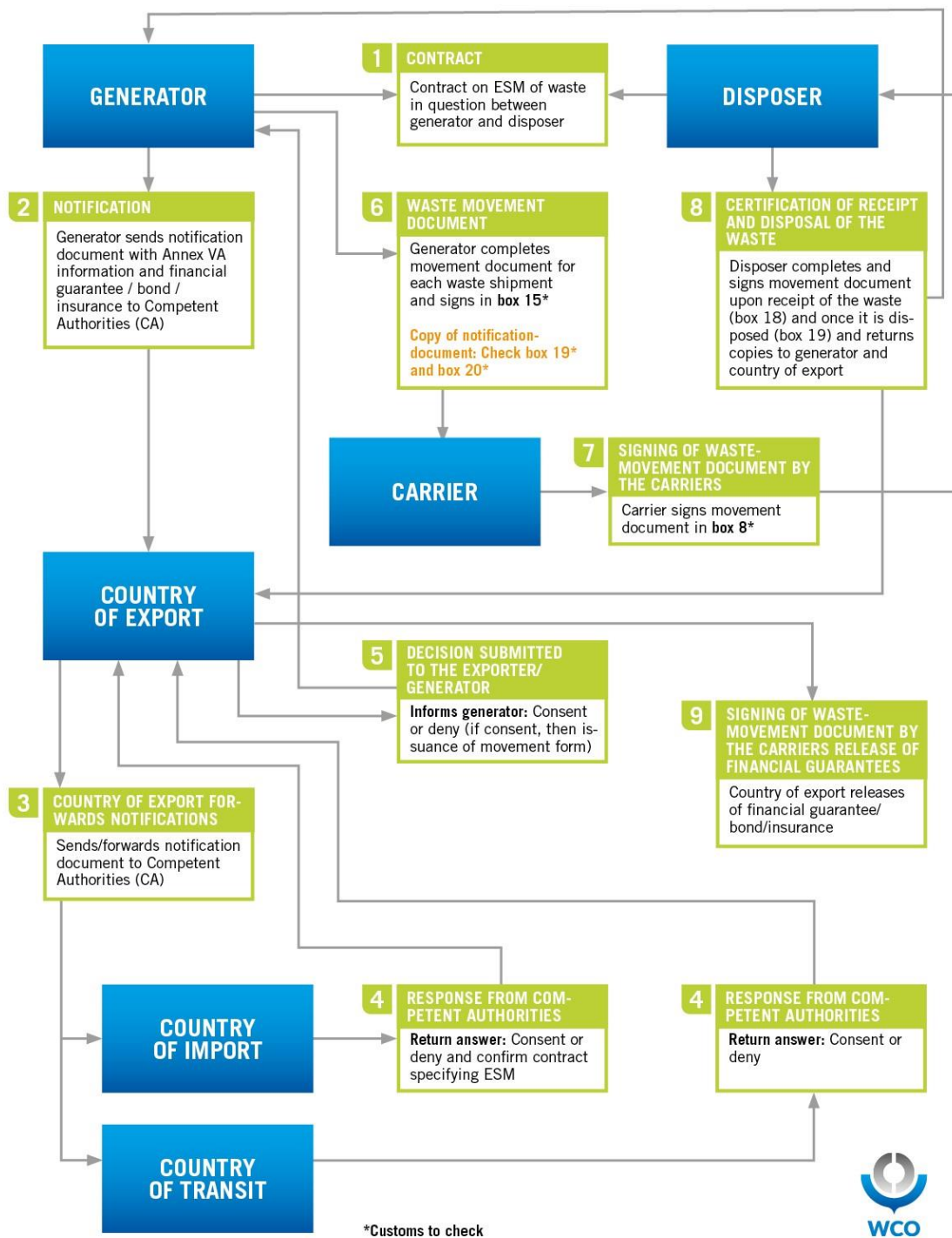


Figure 1: Schematic overview of the Basel Convention PIC procedure (source: APPW Project)

Furthermore, hazardous and other wastes should be managed following the fundamental principle of environmentally sound management (ESM).

“Environmentally sound management of hazardous wastes or other wastes’ means taking all practicable steps to ensure that hazardous wastes or other wastes are managed in a manner which will protect human health and the environment against the adverse effects which may result from such wastes.” (Article 2, Basel Convention)

Hazardous and other wastes may not be exported:

- to a Party having banned such imports;
- to a Party not having consented in writing to the import;
- to a non-Party, unless the Party has entered into an agreement with the non-Party stipulating provisions for TBM that are not less environmentally sound than those stipulated in the Basel Convention;
- for disposal in Antarctica.

It must be noted that non-hazardous waste not listed in Annex II or Annex VIII does not fall under the control regime of the Basel Convention. Countries may, however, implement national regulations on the import, transit and export of non-hazardous waste. Parties to the Basel Convention can also consider or define other wastes than those listed in Annexes I and II as hazardous under its national legislation and requesting the application of requirements concerning transboundary movements of waste.

6.9.2. Basel Convention publications

Guidance and capacity building documents and tools to support Parties to the Basel Convention are available on the website of the Basel Convention. Examples of relevant documents, with a particular focus on the role of Customs and enforcement, include:

- **Guidance**⁴ with a view to achieving the objectives of preventing and combating illegal traffic, such as the Guidance on the implementation of the Basel Convention provisions dealing with illegal traffic, the Guidance Elements for Detection, Prevention and Control of Illegal Traffic in Hazardous Waste, and the Instruction manual on the prosecution of illegal traffic of hazardous wastes or other wastes;
- **Training materials**, such as the Manual on Illegal Traffic for Customs and Enforcement Agencies⁵ and the interactive Manual for Customs on hazardous chemicals and wastes;⁶
- **Guidance on the overall working of Multilateral Environmental Agreements**, including the Green Customs Guide⁷ and the Frontline Customs’ Officers Guide to Key Multilateral Environmental Agreements;⁸
- **Online tools** to support the identification of applicable procedures for transboundary movements of wastes, for example the Export and Import Control Tool⁹ and the

⁴ Basel Convention guidance materials:

<http://www.basel.int/Implementation/LegalMatters/IllegalTraffic/Guidance/tabid/3423/Default.aspx>.

⁵ Manual on Illegal Traffic for Customs and Enforcement Agencies:

<http://www.basel.int/Implementation/LegalMatters/IllegalTraffic/Guidance/tabid/3423/Default.aspx#>.

⁶ Access to the interactive manual:

<http://www.brsmeas.org/Implementation/TechnicalAssistance/ToolsandMethodologies/ManualforCustomsOfficers/tabid/4457/language/en-US/Default.aspx>.

⁷ Green Customs Guide:

https://greencustoms.org/sites/default/files/resources/Green%20Guide%20Customs%20to%20MEAs%202018%20%20Low_0.pdf.

⁸ Frontline Customs Officers’ Guide to Key Multilateral Environmental Agreements:

<http://www.wcoomd.org/en/topics/enforcement-and-compliance/instruments-and-tools/guidelines/frontline-customs-officers-guide.aspx>.

⁹ Export and Import Control Tool: http://ers.basel.int/BC_ControlSystem/BC-ControlTool.htm.

database with decisions to prohibit or restrict the import or export of hazardous or other wastes.¹⁰

6.9.3 Customs and cross-border regulatory agency standards and tools

In relation to transboundary movements of waste, the competent environmental authorities play a key role in the regulatory process, as they are responsible for dealing with notifications, consent, conditions for import and/or export, and, in the case of illegal trafficking, the take back of the waste. Coordination with Customs, CBRAs and the competent authorities is, however, necessary to ensure effective trade facilitation and control of the national legislative framework implementing the provisions of the Basel Convention.

To facilitate and increase the level of compliance, both operators and authorities need to have a clear understanding of the legislation, regulations and standards in place to control and monitor imports and exports of waste. This implies the need for transparency, particularly in relation to publicly accessible data, trade flows and supply chains, and trade-related measures and sustainability standards relevant to waste.

The Basel Convention also states that Parties to the Convention must introduce appropriate national legislation to prevent and punish the illegal trafficking of waste. A proper transposition of the provisions from the Basel Convention into a national legislative framework is therefore needed to enable Customs, CBRAs and the competent authorities to fulfil their tasks.

One means of facilitating transparency and coordination is through digitization. This concept provides streamlined access to the documentation relating to the PIC procedure for transboundary movements of hazardous wastes or other relevant documents for other streams of wastes such as certificates of quality for CBRAs and Customs. In many countries, such documents are still paper-based, and they are mainly transmitted by post, fax and e-mail. There are a number of potential benefits to establishing electronic approaches to the notification and movement documents, including reduced administrative burden, and a more efficient and less costly PIC procedure. Other benefits of digitization relate to improved risk management and risk profiling options leading to improved enforcement and reduced risk to illegal trade, as well as the possibility of linking it to Authorized Economic Operator or Trusted Operators programmes.

Electronic approaches to the notification and movement documents by the Basel Convention competent authorities

Work on electronic approaches to the notification and movement documents was initiated by the Committee Administering the Mechanism for Promoting Implementation and Compliance (ICC) with the Basel Convention with a view to improving the implementation of and compliance with Article 6 of the Basel Convention.¹¹ At its thirteenth meeting, the Conference of the Parties to the Basel Convention requested the Secretariat to prepare a document¹² containing options for how to move forward on electronic approaches to the notification and movement documents, taking into account prior work undertaken by the ICC on this issue.

¹⁰ Import and Export Restrictions database:

<http://www.basel.int/Countries/ImportExportRestrictions/tabid/4835/Default.aspx>.

¹¹ ICC report: <http://www.basel.int/Portals/4/download.aspx?d=UNEP-CHW-CC.12-11-Add.2.English.pdf>.

¹² Basel Secretariat report: <http://www.basel.int/Portals/4/download.aspx?d=UNEP-CHW-OEWG.11-INF-21.English.pdf>.

At its fourteenth meeting, in paragraph 3 and 4 of decision BC-14/11,¹³ the COP invited the Parties to the Basel Convention to share their experiences¹⁴ in developing and implementing electronic systems for exchanging information on or controlling movements of goods and wastes, and to consider options for making the system part of a more general system such as through the establishment of a Single Window environment to enhance information-sharing between the environmental authorities and other regulatory agencies, including Customs.

6.9.4. Facilitation of legal waste trade

As the Basel Convention regulates transboundary movements of hazardous and other wastes, it specifies circumstances in which waste can be shipped under the PIC procedure. The environmentally sound management requirements in the Basel Convention further ensure the proper recycling or recovery of the waste at its destination. The opportunity for Parties either to consent or object to or ban certain waste trade based on national standards and capabilities should protect them from unwanted waste trade. Lack of proper waste facilities and technologies might impact the environment, human health, food chains and people's livelihood due to uncontrolled management or unwanted pollution.

Customs' role in the legal trade in wastes covered by the Basel Convention is to verify whether consent has been given by all Parties involved in the transboundary movement and whether the shipment meets all the requirements, such as the correct waste movement document, (a copy of) the notification form, if the waste conforms in a material way with the accompanying documents and if the waste is not deliberately disposed of in contravention with the Basel Convention. In this case, Customs need to have knowledge of and access to the consent issued for waste imports or exports by the competent authorities and the necessary documents that should accompany the shipment. In the case of waste covered by the Basel Convention shipped under the PIC procedure, the movement document can be used to verify the legality of the trade. In those cases where waste not covered by the Basel Convention is imported or exported, national provisions could be in place to regulate these shipments of waste.

As part of their pre- or post-clearance processes, Customs could also verify the exporter, importer or receiver of the waste, and check whether the relevant entity has all the required licenses or permits in place. Additional obligations, such as import quotas or registration requirements, could also form part of these verification processes.

In relation to transit, the Trade Facilitation Agreement (TFA),¹⁵ which entered into force on 22 February 2017 following its ratification by two thirds of the WTO membership, contains provisions for expediting the movement, release and clearance of goods, including goods in transit. The TFA requires that regulations or formalities in connection with traffic in transit should be eliminated or reduced if they are no longer required or if a less trade-restrictive solution becomes available. The TFA includes several measures that facilitate transit procedures, including the pre-arrival declaration, and prohibit restrictive measures in relation to Customs charges, formalities and inspections other than at the offices of departure and destination. It contains several provisions relating to guarantees.

¹³ Decision BC-14/11:

<http://www.basel.int/Implementation/Controllingtransboundarymovements/eapproachesfornotificationandmoveme nt/Decisions/tabid/7376/Default.aspx>.

¹⁴ Replies by the Parties:

<http://www.basel.int/Implementation/Controllingtransboundarymovements/eapproachesfornotificationandmoveme nt/Overview/CommentsBC1411decision/tabid/8359/Default.aspx>.

¹⁵ More information about the WTO Trade Facilitation Agreement can be found here:

https://www.wto.org/english/tratop_e/tradfa_e/tradfa_e.htm#VII

The provisions on Customs transit have been specified in Specific Annex E of the WCO's Revised Kyoto Convention and further guided by other documents. While the WCO Transit Handbook¹⁶ deals with various aspects of the operation of Customs transit procedures, the Transit Guidelines¹⁷ provide more detailed guiding principles on how efficient transit can be implemented. The latter covers all aspects of transit, from ensuring guarantees that cover any potential Customs liability, to the sealing of goods, and implementation of programmes for improving the integrity of Customs and other border control agencies.

In the context of transboundary movements of hazardous waste and other wastes regulated by the Basel Convention, the PIC procedure requires a response by all states/countries involved. The state/country of transit, may consent to the movement (with or without conditions), deny permission for the movement or request additional information. It has 60 days after having received the notification to respond.

Paragraph 4 of Article 6 of the Basel Convention¹⁸ also provides the opportunity for each state/country of transit, to decide not to apply the prior written consent requirement, either generally or under certain conditions. Parties of transit are required to inform the other Parties of these types of decisions through the Secretariat of the Basel Convention. In such cases, if no response has been received by the state/country of export, within 60 days of the receipt of a notification, by the state/country of transit, the state/country of export may allow the export to proceed. This is also called *tacit* consent.

6.9.5. Risk management as part of coordinated border management of waste trade

The principles of risk management and risk-based selectivity apply to all relevant agencies, including Customs. Risk management can be deployed as part of waste management by other competent authorities as well, aside from in relation to imports and exports. However, Customs and CBRAs do not always share the same understanding of risk, and achieving greater understanding on the part of both Customs and CBRAs in the application of risk management is therefore necessary before closer cooperation or integrated risk management can be implemented.

If Customs operate in a Single Window environment, the information required by all participating agencies for the regulatory clearance of goods is submitted via a single entry point. The data can then be used to process the release and clearance of the goods, as well as for risk analysis purposes. This arrangement offers an opportunity for all agencies to coordinate action in terms of inspection and controls based on risk.

Risk management can be used both for facilitating legal trade and for detecting illegal trade. In order for Customs to conduct a proper risk assessment, they would need to consider using various sources of information available from other agencies, for example concerning registered or licensed importers or exporters, clarity on banned or authorized waste streams, quality standards and volumes, and up-to-date information concerning legislation.

6.9.6. Coordinated border management to help tackle the illegal waste trade

¹⁶ WCO Transit Handbook: <http://www.wcoomd.org/-/media/wco/public/global/pdf/topics/key-issues/ecp/2015/transit-handbook-for-upload-en.pdf?la=en>.

¹⁷ WCO Transit Guidelines: <http://www.wcoomd.org/-/media/wco/public/global/pdf/topics/facilitation/instruments-and-tools/tools/transit/transit-guidelines.pdf?db=web>.

¹⁸ Under the Committee Administering the Mechanism for Promoting Implementation and Compliance with the Basel Convention, work is ongoing to improve the implementation of and compliance with Article 6 of the Convention on transboundary movement between Parties, including work on paragraph 4 of Article 6 of the Convention on transit transboundary movements. More information about this work can be found here: <http://www.basel.int/Implementation/LegalMatters/Compliance/GeneralIssuesActivities/Activities202021/Transittransboundarymovements/tabid/8182/Default.aspx>.

Combating the illegal waste trade and dealing with the consequences and follow up of illegally shipped waste are also enhanced by coordination between Customs, CBRAs and the competent authorities. This could cover, for example, the joint development of risk indicators to target possible suspicious shipments, inspection and identification of waste, and enforcement actions, such as prosecution.

The Convention explains the concept of illegal traffic and outlines the action to be taken should such a case arise (Article 9). Under the Basel Convention, any transboundary movement of hazardous wastes:

- *without notification pursuant to the provisions of the Convention to all states/countries concerned; or*
- *without the consent of a state/country concerned; or*
- *through consent obtained through falsification, misrepresentation or fraud; or*
- *that does not conform in a material way with the documents; or*
- *that results in deliberate disposal (e.g. dumping) of hazardous wastes in contravention of the Convention and of general principles of international law,*

is considered to be illegal traffic.

Under the Convention, the Parties consider that illegal traffic is criminal, and each Party has the obligation to introduce appropriate national/domestic legislation to prevent and punish illegal traffic as well as a general obligation to cooperate with a view to achieving the objects of Article 9 of the Convention. The Basel Convention also contains provisions on the take back of illegally shipped waste covered by the Convention.

In cases where the transboundary movement of hazardous wastes or other wastes is deemed to be illegal traffic as the result of conduct on the part of the exporter or generator,¹⁹ the Convention requires the state/country of export to ensure that the wastes in question are taken back by the exporter or generator or, if necessary, by the country itself into the state/country of export. If the take back is impracticable, the waste should be disposed of in an environmentally sound manner.

In those cases where the transboundary movement of hazardous wastes or other wastes is deemed illegal traffic as the result of conduct on the part of the importer or disposer, the state/country of import shall ensure that the wastes in question are disposed of in an environmentally sound manner by the importer or disposer or, if necessary, by the state/country itself.

In cases where the responsibility for the illegal traffic cannot be assigned either to the exporter or generator, or to the importer or disposer, the Parties concerned must cooperate to ensure that the wastes in question are disposed of as soon as possible in an environmentally sound manner.

Even though the main responsibility for the take back procedure lies with the competent authorities, Customs and CBRAs are also involved in this process.²⁰ The findings of the frontline officers can be part of the motivation to request the take back of the waste in question to the state/country of export. Specific information about the return shipment is likely to be known by Customs, such as container number(s), seal number(s), actual shipping date, destination, carrier, etc. This is important information to share with the

¹⁹ Under the Basel Convention, “generator” means any person whose activity produces hazardous or other wastes, or who is in control or possesses the waste; while “exporter” means any person under the jurisdiction of the state/country of export who arranges for hazardous or other wastes to be exported.

²⁰ WasteForce project publication: Best practices of repatriation of illegal waste shipments from Asia to Europe: <https://www.wasteorceproject.eu/wp-content/uploads/2021/02/D4.4-WasteForce-Best-practices-of-repatriation-of-illegal-waste-shipments-from-Asia-to-Europe.pdf>.

agencies in the country of destination of the waste, in order to track and follow the waste and verify its destination and treatment operation upon arrival.

In those cases where other procedures are followed and Customs gives an order directly to the carrier to take back or re-export the illegal shipment, the competent authorities are not aware that there has been an instance of illegal traffic, and thus the environmentally sound management of the waste cannot be verified.

6.9.7 Coordinated border management in the context of plastic waste: highlights from the Asia Pacific Plastic Waste (APPW) Project

To strengthen the capacity of Customs administrations to mitigate and respond appropriately to environmental threats in the Asia-Pacific region, in April 2020, the WCO's APPW Project²¹ was established with the financial support of the Government of Japan and the participation of several WCO Members in the region. The project confirmed that collaboration between Customs and CBRAs to tackle illegal waste trade is of crucial importance. Formal and informal coordination agreements as well as digitized processes and information exchange through interoperable platforms enabling searches and data extraction of relevant agencies are needed. The limitation on access to and the sharing of information and intelligence caused by restrictions, often placed by legislation and data security/civil liberties legislation, govern the type and recipients of the information. Formal procedural requirements to gain access to intelligence and share information, for example on the waste trade and the compliance level of traders and operators, between agencies should therefore be in place. In order to verify the legitimacy of waste crossing the border, Customs ideally should have access to the following documents and information:

- Decisions concerning prior informed consent procedures – consent or denial by the states/countries of export, transit and import. This information is normally held by the Basel Convention competent authorities, who are in charge of taking decisions to allow or deny transboundary movements of waste. This applies for Customs in the states/countries of export, transit and import.
- Waste notification and movement documents for the notification of and consent for movements of waste. These documents are the responsibility of the exporter or generator of the waste. The original waste movement document should accompany the shipment. It is recommended that a copy of the notification form also accompanies the shipment.
- Licensed facilities to treat, manage, transport, import and/or export waste. This information should be available from the issuing authorities, for example the Ministry of the Environment or the Ministry of Trade.
- Advance cargo information, held by the carriers, and advance Customs declarations, held by the exporters.

One means of fostering and organizing coordination between Customs, CBRAs and the competent authorities is by establishing Memoranda of Understanding. These jointly negotiated agreements may contain the following elements:

- purpose of the agreement/MoU;
- information about the Parties to the agreement/MoU and the agencies overseeing its implementation (e.g. chief executives of the institutions involved);
- goals of each institution in relation to waste shipment controls;
- legal powers and responsibilities belonging to each institution;

²¹ Link to the project: <http://www.wcoomd.org/en/topics/enforcement-and-compliance/activities-and-programmes/environment-programme/ap-plastic-waste-project.aspx>.

- a statement about how each institution will exercise those powers and responsibilities with regard to waste shipment controls;
- agreed joint working relationships;
- information exchange procedures;
- points of contact;
- process for review of the agreement/MoU, including regular high-level review meetings;
- period of validity.

More details about the CBM approach in the context of plastic waste, as well as the sharing of best practices, can be found in Annex III on **“Coordinated border management in the context of plastic waste: experiences of the Asia Pacific Plastic Waste (APPW) Project”**.

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Annex I: Country Practices & Experiences

Botswana: Beginning the CBM process

Implementing effective policy and practices with respect to the management of cross-border flows is one of the priority work areas identified by the Botswana Unified Revenue Service (BURS) and other border regulatory and enforcement agencies, whilst they seek to create a better environment for traders and travellers alike. This is because it has been established that smooth movement of goods and services, including passengers, between Botswana – a landlocked Southern African country – and her neighbours is, in a lot of cases, hampered by delays at border posts.

Joint cooperation between all agencies involved in the cross-border movement of goods through the implementation of coordinated border management (CBM) will, therefore, go a long way in eliminating current trade barriers, paving the way for Botswana to become more economically productive and enhancing regional integration efforts.

In order to gather ideas and support on CBM implementation from all the actors involved, a policy dialogue attended by key stakeholders was undertaken in May

2014. The event provided an opportunity for senior government officials and executives from leading companies and business organizations, representing manufacturers, importers and brokers, to learn about CBM best practices and to give their input into developing a CBM strategy.

Following the dialogue, the Botswana Government nominated five participants, each from different agencies, to visit ports and borders in Finland, as part of the CBM component of the Finnish-funded WCO East and Southern Africa (ESA) Project: 'Building Trade Capacity through Customs Modernization in the ESA Region'. The study visit took place from 17 to 19 September 2014 and the delegation was led by the Commissioner of Customs who was accompanied by senior government officials from Customs, Immigration, Veterinary Services and the Police.

They visited the Finnish Customs Headquarters and Customs' Risk Management Centre in Helsinki, as well as the seaport of Vuosaari and the model border station of Nuijamma on the

Finnish-Russian border. The delegation also met representatives from various border agencies. Participants hailed the study visit as an eye opener to the possibilities and levels of how border agencies can jointly cooperate with each other efficiently and effectively while also individually achieving their statutory obligations. The way Finland's land borders are manned by only two authorities – Customs and the Border Guard – is one of the major highlights that the delegation picked up on, and what they would like to recommend for adoption in Botswana.

For example, preliminary discussions between Customs and Immigration officials showed that it would make sense to allow Customs to handle passport control for truck drivers so that the latter do not have to deal with different offices when crossing the border, first to clear their goods and then to have their passport checked as is currently the case. Implementing this form of interagency cooperation would require the training of officers to do tasks on

behalf of other agencies, which could take time. One possibility is to launch a pilot project at one of the borders as a starting point with a view to progressively rolling out the project to the whole country.

Subsequent to a benchmarking exercise, the BURS, with the technical support of the WCO, undertook a diagnostic of Botswana's current border management environment from 13 to 23 January 2015 with a view to recommending actions that should be taken to implement a CBM system. The mission involved interviews with all border agencies and the private sector, as well as visit to a number of Botswana's border posts. A follow-up policy dialogue to consider the diagnostic report and to make firm decisions on the next steps aimed at implementing a CBM system in Botswana is scheduled for March 2015.

Canada: Collaboration between Canada Border Service Agency (CBSA) & Canada Post Corporation (CPC)

The rise of e-commerce has brought tremendous benefits to both retailers and consumers. Retailers can now access a global customer base through their websites and consumers can shop in the comfort of their own homes through the internet and receive their orders in their mailbox.

The increasing volumes of postal small packages pose challenges to Customs and other regulatory agencies that need to enforce against illicit or unsafe goods. The presence of "dark net" sites such as the "silk road anonymous marketplace", offering illicit substances, weapons and pedophilic content for sale, and distributing them by post, further illustrated the complex and urgent need for action to keep the public safe.

The opportunities and risks posed by post are not lost on countries. In 2006, the CPC announced the Postal Transformation Project, a project to update infrastructure and systems used to process domestic and international mail. This project included upgrades to the International Mail Exchange Offices (Mail Centers) with the construction of a new facility in Vancouver and renovations to the Toronto and Montreal facilities.

Also included in the Postal Transformation Project, is an initiative to commence the exchange of electronic data on mail items with other postal administrations. This initiative creates an unprecedented opportunity for the CBSA to modernize its Postal Program as CBSA's postal processes at that time, developed in 1992, remained highly manual, was labor intensive and had not kept pace with increases in mail volumes and technological advances made in other areas of border management. Border Services Officers (BSOs) had to physically screen every mail item entering Canada to perform risk assessment and determine admissibility as well as manually assess applicable duties and taxes.

This process also does not leverage on existing CBSA enforcement databases, targeting systems and electronic lookout capabilities used in other entry modes to identify and interdict high-risk or prohibited goods entering Canada. In addition, the process results in the CBSA expending a disproportionate amount of time towards the function of assessing duties and

taxes. This gap creates vulnerability in the CBSA's capacity to fully uphold its security mandate in this environment.

To ensure that both CBSA and CPC were able to meet the challenges and risks faced by their respective organizations in the area of postal imports, the CBSA and the CPC signed a Letter of Intent on December 1, 2010, outlining the agreement between both organizations to move forward with the Postal Modernization Initiative (PMI).

The CBSA end-state vision of the PMI is to align the Postal Program with other Agency programs that currently leverage advance electronic data in support of targeting and risk assessment principles, while also addressing the antiquated systems and infrastructure currently in place at the three CBSA International Mail Exchange Offices.

However, until such time that a CBSA Risk Assessment system is in place for the PMI, an interim state approach will be taken whereby BSOs will use a secure visual tool to view EDI data on mail items and make informed pre-arrival decisions for appropriate diversion within the Mail Centre flow.

As the U.S., Germany, and U.K represents approximately 70%-80% of the total mail volume and are equipped to send advance mail item information to Canada, the initial stages of the PMI will only include electronic data from these countries. However, several other countries have also expressed an interest in participating in the EDI exchange. India and China participated in a test trial in early 2011 and Australia and Russia have also expressed interest. Denmark, Israel, and France are also accepting data from Canada.

Improved Targeting and Risk Assessment

The availability of data in electronic form allows for greater possibilities in risk management through applying rules to automatically risk-assess the electronic data.

CBSA Officers then uses the results of the automated risk assessment processes to make pre-arrival decisions that are applied upon arrival of the mail item.

Hence, mail items where advanced information was available could be expeditiously dealt with. For mail items where no EDI was provided pre-arrival, explicit sorting rules will be applied upon arrival. To further speed up the process, conveyor belts with mechanized diversions are installed to promote continuous flow and reduce physical handling of mail items.

The conveyor belts facilitate the movement of mail items according to 4 operational areas:

1. Primary Quality Assurance – BSO will visually inspect mail items with EDI in support of a release free decision prior to release and have an opportunity to refer to secondary.
2. Primary – BSO main focus will be to visually inspect non-EDI mail items. Additional tools such as 6 sided images and a new workstation will be introduced to enhance inspection.
3. Primary In-Line X-ray – BSO will review images of mail items that are referred based on either a pre-arrival BSO decision or a decision from the Primary BSO.

4. Secondary Examination Area – Mail items referred to Secondary will be x-rayed within the flow to aid the BSO in the examination process. Secondary referrals will also include Enforcement/OGD mail items.

These improvements brought about through the Postal Modernization Initiative has allowed CBSA Officers at the mail centres to more readily focus their work and attention on the examination of higher risk and targeted mail shipments and through a data-centric and risk-based process that allows for more objective decision making.

Finland: Managing land borders, the innovative Finnish model

Finland is bordered by Sweden in the west, Norway in the north, and Russia to the east, while Estonia lies in the south, across the Gulf of Finland. The Nordic countries – Denmark, Finland, Iceland, Norway and Sweden – are members of the Schengen Area, an area comprising 26 European countries that abolished passport and other types of controls at their common borders.

As a result of the implementation of the Schengen Agreement in 2001 by the Nordic countries, most of Finland's land border controls are, therefore, focused on the Finnish-Russian border, which is 1,324 km long – 1,269km runs on dry land, while the rest is covered by lakes and waterways.

The two main agencies managing Finland's border are Customs and the Border Guard, and in some cases, the Finnish Police. They do this under the framework of the Police, Customs, and Border Guard (PCB) co-operation agreement. PCB agencies are all law enforcement and pre-trial investigation authorities.

The PCB agencies have been cooperating since 1927. Their long history and high degree of cooperation includes established coordination mechanisms and structures at the national and regional level.

This cooperation is based on legislation, with the first decree providing a regulatory basis for such cooperation being promulgated as early as 1949. The current legal basis, the PCB Act 687/2009 was passed by the Finnish Parliament in 2009. Alongside this legislation are the trilateral and bilateral agreements signed by the heads of the PCB agencies.

The national agreement on PCB cooperation was signed on 8 April 2010. Its basic principles focus on deploying resources according to the analysis of the risk, the effectiveness of joint crime prevention control, and the avoidance of duplicated effort and overlapping functions. This agreement provides for:

- common national orders;
- further regional and local agreements;
- more detailed division of tasks in the area of previously overlapping responsibilities;

- intelligence and information-sharing through common use of databases;
- cooperation in the drafting of new legislation;
- a common approach to international cooperation;
- joint use of technology and equipment.

One of the main starting points for PCB cooperation is that each authority is responsible for its statutory duties, but cooperates in areas of overlapping interest in order to carry out its duties in the best possible way.

The country practice focuses mainly on land borders, and on the cooperation set-up between the two main agencies physically present on the ground, namely Customs and the Border Guard. It first sets out the duties of these agencies, and then explains who does what.

Border Guard

The 2,700 person strong Border Guard is a specialized law enforcement agency under the authority of the Ministry of the Interior. Its most important task is to ensure that cross-border passenger traffic goes through the official border crossings, and that all formalities are adhered to.

The role of the Border Guard includes border surveillance and border checking functions, as well as Customs functions in areas without sufficient Customs staff, maritime search and rescue functions, national military defense functions, and policing functions. Although passport control is usually carried out by the Border Guard, in some locations in Finland it is done by Customs, or even the police, if the Border Guard is not present.

The Border Guard has increased its staff levels in the Eastern region on the basis that the Eastern Finnish/Russian border was assessed as being a higher risk, and therefore a priority compared to the other land borders that Finland shares with Norway and Sweden, which since 2001 have come under the Schengen Acquis.

Customs

The Customs Service is under the auspices of the Ministry of Finance. Customs is responsible for the control of imported and exported goods, including cross-border traffic, and the enforcement and collection of import duties and excise taxes.

As in many countries, Finnish Customs is mandated by law to perform many duties at the border on behalf of other agencies. More specifically, it carries out what is known as first level controls – depending on the seriousness of the issue at hand, the actual agency in charge may take the case over. Second level controls are, most of the time, not handled at the border as such, but at the final destination of the goods or the place of unloading/loading of the goods.

In 2014, Finnish Customs had approximately 2,300 employees. About 700 Customs officers are directly involved in the area of border controls, which includes monitoring commercial vessels, as well as small aircraft at six inland airports. At land-based border crossing points with Norway and Russia, Customs control the movement of goods.

In view of the assessed risk, Customs has focused its efforts and resources in particular along the Russian border, where about 340 officers are based. A further 340 Customs officers are based at the ports along the Gulf of Finland, operating mainly as mobile units.

Enhanced cooperation

If both agencies cooperate on a daily basis with other government departments, Customs and the Border Guard have taken the notion of cooperation one step further. An innovative model between the two authorities has been in use for almost five years now, based on the following principles:

- organization of joint training;
- delegation of tasks;
- sharing of equipment and facilities;
- sharing of information and databases;
- creation of joint teams.

In the field

An overview of the coordination of workflow at a border post gives a good idea of how things work. There are nine border posts between Finland and Russia and, if necessary, 10 additional border crossing points can be opened on a temporary basis to handle specific convoys – for instance, round timber cargo arriving from Russia.

As a large proportion of the trade between north-western Russia and the rest of the world goes through Finnish ports, the traffic of lorries carrying goods can be intense. Travellers are also numerous – Russian tourists undertake shopping trips to Finland and spend time at Finnish ski resorts, while Finns undertake shopping trips and cultural visits to Vyborg and St. Petersburg.

At the border post, passenger and commercial traffic is processed using a onestop method. A single Customs officer processes the import declaration and the transport driver's passport. To support these checks, the officer has access to both the Customs and Border Guard Risk Management Database.

Customs officers have been trained by the Border Guard to inspect identification documents and visas, among other procedures. Border guards have, in turn, received basic Customs training, which includes the search of vehicles and the recognition of prohibited and restricted goods, such as drugs, alcohol, and counterfeit items.

The approximate time at export for Customs procedures and passport control is about five to eight minutes. At import it varies between three and 25 minutes depending on whether it is an empty truck or whether the goods at the border are cleared for free circulation. There is an additional second level control where detailed inspections are undertaken when needed. Depending on the nature of the control, it will either be handled by Customs or the Border Guard.

Regarding outgoing passenger traffic, the Border Guard performs passport controls, and checks invoices, tax-free cheques, and vehicle insurances, as well as the cats, dogs and

pets that passengers have with them. Approximately 85% of the people who cross the border are Russians, and almost all of them have something to declare on their way home – usually some groceries, for which they present an invoice or a tax-free cheque. If the goods need to be controlled more thoroughly or some other irregularities occur then the case is handed over to Customs.

Sharing equipment

Customs and the Border Guard share common premises and equipment. Each authority has a designated role in the servicing and maintenance of the equipment. X-ray machines are largely the responsibility of Customs. Road-testing equipment, such as lorry brake-testing pads, are also maintained by Customs.

All equipment can be shared and operated by each agency upon request. Thus, although the equipment belongs to one agency, it can be easily relocated to the other agency, which enables smoother processing of the workflow without unnecessary and lengthy administrative procedures, thereby reducing costs.

Sharing information

Common databases are linked to the different agencies' operational and risk management databases, leading to a common approach when a 'signal' is recorded. Some control and enforcement officers have access to each other's systems on a need-to-know basis, with levels of restricted access determined by rank and functional responsibility.

An example of a 'best practice' is the Joint Crime Intelligence and Crime Analysis Centre, formed as part of the national PCB agreement. The National Bureau of Investigation in Helsinki, one of the main units of the Finnish Police, is responsible for the operation of the centre which in turn is linked to regional analysis groups. There are also five PCB Provincial Crime Intelligence and Analysis Groups. These units are staffed by officers from all three enforcement agencies.

Joint teams

Joint agency enforcement units have been established, which include officers from the three main agencies forming part of the PCB agreement. This initiative provides a reliable and regular channel for information exchange, more efficient border management, and for targeting organized crime.

Political will

Strong political will was needed to achieve a deeper level of cooperation between Customs and the Border Guard. Many obstacles, especially related to the sharing of information versus privacy, data protection and confidentiality of trade information, can only be overcome with political will.

Agencies involved in managing border flows should not cooperate only because the law or their top management says so, but also because cooperation and division of work is actually the optimal solution for them and for their business environment.

In Finland, cooperation is seen as the way to overcome the challenges of managing an increasing level of traffic with limited – and sometimes reduced – financial and human resources.

Germany: Coordinated Border Management between Border Guard and Customs administration

I. General Remarks

The German Customs Administration supports and practices a close cooperation between the different authorities working at the border. However, it endorses the view that each Member State should be able to choose a cooperation model taking into account its particularities in terms of organisational structures, competences, location etc.

In Germany the level of cooperation depends on different means of transport (via airport, seaports, land borders – see additional remarks).

The German Customs Administration prefers border management to focus on coordination rather than integration and therefore promotes the use of the expression “Coordinated Border Management” (CBM) instead of “Integrated Border Management” (IBM).

Our preference for CBM has to do with the particular role of the Customs Administration which is primarily a fiscal administration. While border guards focus on the cross-border movement of persons, customs is responsible for the control of goods with regard to fiscal as well as safety aspects. Customs may conduct inspections on behalf of other government agencies that have border regulatory responsibilities when the respective mandate is given by law and thus prevents the importation of illicit goods that may be controlled by other government agencies. The task to monitor the cross-border movement of goods as safety authority has, however, to be seen as an annex to the customs’ primary task to collect customs duties and taxes. As a fiscal administration, the customs’ work is not territorially limited to the borders but is exercised throughout the country.

Therefore, the tasks of our Customs Administration as a safety authority cannot be detached from its tasks as a fiscal authority and therefore should not be integrated in terms of an Integrated Border Management.

But if necessary for aspects of safety and security, information has to be exchanged between the other authorities working at the border according to and within the limits of the respective legal framework - in particular in terms of data protection and tax secrecy.

According to our view, a coordination of border management implies a strict separation of competences between border guards and customs on the one hand, but a comprehensive transfer of competences on the other hand for any first action at the border if necessary. This means that, for instance in the absence of the border guard for any first action at the border, a customs officer may fulfil the tasks of a border guard and vice versa.

For instance, until the Schengen accession of Switzerland the model of a comprehensive transfer of competences in the case of any first action had been successfully implemented at the German-Swiss border and has proved to particularly encourage officers to learn more about the other authority and to acquire skills allowing them to better cooperate with the respective other authority. This transfer of competences is based on Sect. 66 and 67 Federal Border Police Act.

Sect. 66 “Official Tasks of Customs Officers in the Areas of Responsibility of the Federal Border Police”

(1) The Federal Ministry of the Interior, in agreement with the Federal Ministry of Finance, may entrust customs officers with the discharge of tasks relating to the police control of transfrontier traffic (Sect. 2 (2) No 2) at individual border crossing points, if this facilitates the clearance of transfrontier passenger traffic.

(2) Where customs officers discharge tasks in line with Paragraph 1 above, they shall have the same powers as Federal Border Police officers. In this respect, they are subject to the supervisory control by the Federal Ministry of the Interior and the subordinate Federal Border Police authorities.

Sect. 67 “Official Tasks of Federal Border Police Officers in the Areas of Responsibility of the Customs Administration”

(1) The Federal Ministry of Finance, in agreement with the Federal Ministry of the Interior, may entrust Federal Border Police officers with the discharge of tasks relating to customs administration at individual border crossing points, if this facilitates the clearance of transfrontier passenger traffic.

(2) Where Federal Border Police officers discharge tasks in line with Paragraph 1 above, they shall have the same powers as Federal Customs officers. In this respect, they shall be subject to the supervisory control by the Federal Ministry of Finance and the subordinate customs offices.

The overall aim is to improve the border management and to increase the benefits to government and trade (e.g. more trade facilitation, higher safety/security and protection, using synergy effects between the authorities to reduce costs for equipment and human resources).

II. Additional Remarks

1. Checkpoints at the external border

Checkpoints at the external border in Germany refer mainly to airports and seaports.

1.1. Airports

According to Article 191 para. 1 and 2 Regulation (EU) No. 2454/93, hold baggage is checked only at the airport of the departure and the final arrival – that is, in a different way from border guards control.

For organizational reasons checks on persons must take place directly after entering any building of the first airport (arrival in a Schengen Member State) in order to allow fast transit

to internal Schengen flights. Customs control (control of goods) focuses on hold baggage which must be checked close to the belts for incoming luggage. It could be discussed to merge control on persons with cabin baggage and money control (Article 194 para. 1 Regulation (EU) No. 2454/93), however for reasons of resources random checks are the rule. They should be carried out before the passengers are mixed with passengers of other airplanes (Article 195 Regulation (EU) No. 2454/93).

1.2. Seaports

At the seaports of the European Union, passenger ferries between Schengen Member States and third states being neither EU nor Schengen Member States are rare. For organizational reasons it would be difficult in German ports to introduce a one stop control for checks on persons as well as on freight. Due to specific risks in terms of prohibitions and restrictions (e.g. narcotics), this is particularly valid with regards to ferries running between Turkey and the EU or ferries running on the Black Sea.

2. Co-operation model

Some additional remarks regarding the co-operation model from the German customs' perspective:

2.1. Synchronised checks

Dog handlers working for customs are trained in a different way than dog handlers working for border guards, focussing on different purposes – except for sniffer dogs for explosives. When running checks, the teams (dog handler and dog) can not replace each other. Therefore, an integrated operational approach of border management with respect to such teams is not helpful, providing information about the availabilities is sufficient in order to enable the respective management to synchronise checks.

2.2. Training

Even though customs dog training serves different purposes than the one for border guard dogs cooperation with regards to the training with arms and self-defence is generally possible. However, the German Customs Administration does not support a standardized training and training scheme neither with regards to the above-mentioned education aspect nor in general.

Hong Kong, China: Road Cargo System (ROCARS)

In order to keep abreast with global, regional and national developments in moving towards electronic customs clearance and enable the industry stakeholders to submit electronic advance cargo information to Customs, Hong Kong Customs (HKC), with support from the government, developed a system, namely, "Road Cargo System" (ROCARS), for customs clearance of road cargoes at all LBCPs. The ROCARS was officially launched on 17 May 2010 and became mandatory on 17 November 2011.

At the technology level, the system was based on ISO/TS 1500-2:2004 (electronic business eXtensible Markup Language Message Service (ebMS)) and Public Key Infrastructure (PKI), etc., which are adopted for effective and efficient data exchange and system connections with the stakeholders, including Logistics Industry, e.g. shippers/freight forwarders, truck drivers, agents, etc.

The ROCARS aims to provide a seamless system for the movement and customs clearance of road cargoes for the purposes of trade facilitation and adequate risk profiling of the cargo consignment based on electronic advance cargo information.

Under the Import and Export (Electronic Cargo Information) Regulation, Chapter 60L of the Hong Kong Laws, a shipper or freight forwarder is required to provide a pre-defined set of cargo information to HKC electronically through ROCARS before the cargo consignment enters or leaves Hong Kong, China in a truck. All users of ROCARS must register with HKC before they can submit the relevant cargo information in ROCARS.

Description of the Practice

A shipper or a freight forwarder acting as a shipper is obliged to submit a pre-defined set of cargo information to HKC through ROCARS at most 14 days in advance or at least 30 minutes before the cargo consignment being imported from or exported to the Mainland China by truck. As an acknowledgement after successful submission of cargo information, ROCARS returns a "Customs Cargo Reference Number" (CCRN) for the cargo consignment to the shipper who should then pass it together with the cargo description to the relevant truck driver. No less than 30 minutes before the truck arriving at an LBCP, the truck driver should do the "bundling" through ROCARS (via the Internet or by phone) by providing the CCRN and his vehicle's registration number to HKC. The ROCARS will then inform the truck driver the earliest time to cross the boundary.

Under ROCARS, officials of HKC can conduct risk profiling on every cargo consignment in advance for determining whether a truck needs to be attended for inspection. When the cross-boundary trucks arrive at the LBCPs, they are only required to stop at one kiosk for immigration and customs clearance. With the introduction of one-stop clearance process, the average clearance time is significantly reduced from 60 seconds to 20 seconds. All cross-boundary trucks, except those selected for inspection, enjoy seamless customs and immigration clearance at the land boundary under the ROCARS.

In this way, the ROCARS system enabled:

- Customs officers to conduct risk assessment on land cargo consignments based on the electronic advance cargo information
- Provide seamless single kiosk clearance at the land boundary to speedup cross-boundary road traffic
- Facilitate the introduction of one-stop customs clearance for inter-modal transshipment cargoes (for instance, land-to-air transshipment cargoes may normally be subject to customs clearance at either the land border control point (LBCP) or the airport, instead of both locations)
- Reuse the cargo information submitted to ROCARS for import/export customs declaration which can enhance data accuracy and save users' effort and time of inputting the common data in the trade declaration submission

Customs-Business Partnerships

HKC has established a liaison mechanism with the representatives of shippers, freight forwarders and truck drivers for exchanging operational views and comments on the ROCARS. Moreover, HKC has also launched an extensive publicity program and established outreach teams to assist the industry stakeholders to get used to the ROCARS. A website (www.rocars.gov.hk) has also been established to help the public to better understand the arrangement and benefits of the new system.

Singapore: TradeNet, Singapore's National Single Window

One of the major trade barriers is the ease of obtaining regulatory approval for the import, export or transshipment of goods. In a conventional pre-national-single-window environment, traders have to manually submit different applications to different government authorities. A single national electronic window system allows a single electronic application to be submitted to all relevant government authorities for processing and approval.

TradeNet is Singapore's National Single Window. This is an online trade declaration facility linked with the relevant governmental agencies so that traders need not approach the individual agencies for licensing applications and documentation.

The Challenge of Trade Documentation

Before the implementation of TradeNet, traders had to interact with several agencies including then-Customs and Excise Department (CED), port authorities, then-Trade Development Board (TDB) and Competent Authorities (CAs), as well as comply with the different rules for the importation, exportation and transshipment of goods.

Preparing multiple copies of the trade declaration forms and physically carrying them to the various government offices for processing meant that a two-day turnaround was common.

The cost of trade documentation was about 4 to 7 per cent of the value of goods shipped and it seemed like a lot of work with little payoff.

With Singapore being a small country with no natural resources and limited manpower, staying successful meant improving competitiveness, especially in external trade which was the largest business sector. Cutting costs was inevitable, and the 4 to 7 per cent was the best place to start.

Getting all on board

The idea of a National Single Window (NSW) was born from high-level government discussions in the 1980s on continued economic growth. The recession of 1985 and 1986 is a turning point in Singapore's economic development. A high-level Economic Committee was convened by the government to consider options for continued development of the Singapore economy. Improvement in the efficiency of trade was named then as a major goal²².

The efforts to improve efficiency of trade brought together key government agencies involved with trade, as well as private sector groups. These government and private sector players included:

- Trade Development Board
- Customs and Excise Department
- Port of Singapore Authority

²² Harvard Business Review, Singapore Tradenet: A Tale of One City, September 30, 1995

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- Jurong Town Corporation
- Civil Aviation Authority of Singapore
- Singapore Telecoms
- Other CAs
- Singapore National Shipping Association
- Singapore Freight Forwarders Association
- Singapore Air Cargo Agents Association
- Board of Airline Representatives
- Federation of Chambers of Commerce and Industry

A TradeNet Steering Committee was created to oversee the process and organize the intensive efforts needed to streamline trade procedures. The Steering Committee was supported by 3 working sub-committees, namely, the Maritime Community Sub-committee, the Air Community Sub-committee and the Government Sub-Committee.

TradeNet, Singapore's National Single Window, involved much more than an IT system. There were changes required to be made for procedures and the way the government and private sector went about their work in terms of trade documentation and regulation.

Thus, the subcommittees of the TradeNet Steering Committee met extensively over several months, investigating and streamlining trade procedures and developing a profile of essential trade documentation activities that were to be incorporated in the new procedures. Each subcommittee produced a report, and these reports were integrated into an "Integrated Procedures Report" that served as the focal point of procedural reform and system development discussions.

There were also extensive consultation with companies industry associations, seeking their feedback so as to develop a National Single Window that would meet industry's needs.

Such extensive change management and consultations eventually led to buy-in within government and the private sector to develop TradeNet. All relevant parties agreed that significant savings would result from reducing the burden of trade documentation handling. Streamlining trade would also make the Singapore trading community more competitive internationally.

In December 1986, the TradeNet project was announced with a target to bring the system online within two years.

Building TradeNet

Building TradeNet was a challenge. To have it go live on time, the TradeNet team focused on simplifying information required for exchange and transaction processing components of the system. Other capabilities to handle more complex processes were planned to be implemented in a phased approach.

Singapore launched TradeNet, the world's first NSW, on 1 January 1989. The first transaction was an application from an air cargo agent and the approved document was received 10 minutes later. With TradeNet operational, traders would henceforth transact with Customs (for imports) and the Trade Development Board (for exports) via TradeNet.

During the launch of TradeNet in 1989, the current Prime Minister of Singapore Lee Hsien Loong, who was then Minister of Trade and Industry, described TradeNet as a "strategic infrastructure" which is an important productivity tool and called for "full paperless documentation by 1992"²³.

By December 1989, TradeNet handled about 45 per cent of all trade documentation for sea and air shipments. The success led to the government mandating the use of TradeNet for all trade transactions in 1991, ahead of schedule.

In 1995, users' productivity has gone up by 20 to 30 per cent and costs were down by as much as 50 per cent.²⁴

Today, under the purview of the Singapore Customs, TradeNet is available 24 hours a day, 7 days a week. Permit application approvals are conveyed electronically to the sender through TradeNet within 10 minutes in 99% of the cases. Thus, the cost and turnaround time for the preparation, submission and processing of trade and shipping documents are reduced. Together with a risk management approach using the information declared by traders in TradeNet, cargoes which are assessed to be of low risk were cleared quickly without unnecessary delays at the border.

Strengthening Engagement with Other Government Agencies and Traders

With the implementation of TradeNet, the focus shifted from reform and streamlining to sustainability and continuous improvements. Updates of TradeNet were rolled out every 3 to 5 years. This ensured that TradeNet kept pace with changing industry needs.

The Customs Advisory Council was established in 2000 with public and private sector members to advise on the strategic directions of Singapore Customs. The Council deliberates on Customs-related initiatives and provides feedback and advice on industry trends, government policies and other matters that may affect cross-border trade and the delivery of border services. It also functions as an active platform to solicit external advice from the business sector.

Efforts in pursuing organizational excellence led Singapore Customs to adopt the Business Excellence Framework published by the national standards and accreditation body, SPRING Singapore²⁵. This framework provided the guidance for Singapore Customs' systems, processes and relations with core stakeholders and customers.

Singapore Custom's focus on organization excellence led to improvement in stakeholder and customer engagement in 7 key areas:

²³ 'Full paperless documentation by 1992', The Strait Times, 18 Oct 1989

(<http://eresources.nlb.gov.sg/newspapers/Digitised/Article/straitstimes19891018-1.2.56.20.aspx>)

²⁴ The Computer Network that Saves Time, Jobs and S\$1B a Year, The Strait Times, 10 January 1995. The article cited Mr Robert Yap, managing director of Yap Chwee Hock Transport then, as saying "TradeNet has enabled us to halve the number of shipping clerks and clear the work comfortably within office hours. "You can say that it has doubled our productivity."

²⁵ Spring Singapore, Business Excellence Initiative, <http://www.spring.gov.sg/qualitystandards/be/pages/business-excellence-initiative.aspx>

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- Leadership: as part of the planning process, the senior management of Singapore Customs reviews the department's partnerships with key partner government agencies and identifies areas of collaboration
- Planning: Adopting a global perspective in planning to develop strategic responses for a whole-of-government approach in collaboration with partner government agencies
- Information: Ensuring seamless flow of critical and timely information across the supply chain
- People: Enhancing human capital through effective training, job rotation and exposure to partner government agencies' work
- Processes: Involving customers, stakeholders and partners in the design of new facilitation schemes
- Customers: Understanding customers' changing business needs and working with partner government agencies to co-create solutions better meet customers' needs
- Results: Continuous improvement to raise the bar and challenging ourselves to bring the organisation to greater heights

In line with its focus on organisational excellence, Singapore Customs builds on its collaboration with other government agencies in TradeNet into a holistic partnership among government agencies with Singapore Customs performing a coordinating role as a "one-stop shop" for trade-related issues, in the same way that TradeNet provided a one-stop interface for businesses to submit trade documentation to Government.

Singapore Customs' efforts was recognized in 2012 when Singapore Customs was presented with the Singapore Quality Award, the most prestigious award presented by SPRING Singapore conferred on organisations in Singapore for their attainment of world-class standards of performance excellence.

Future Developments

In 2013, Singapore Customs started work on re-inventing TradeNet as an update to its national trade infrastructure. This will be done through a study involving our partner government agencies and the private sector to bring about greater synergies across the supply chain in deepening the integration of Singapore's trade and logistics IT systems, processes.

United States of America - Border Interagency Executive Council

On February 19, 2014, President Obama signed Executive Order 13659, Streamlining the Export/Import Process for America's Businesses, which, among other things, formally established the Border Interagency Executive Council (BIEC) to develop policies and processes to enhance coordination across customs, transport security, health and safety, sanitary, conservation, trade, and phytosanitary agencies with border management authorities and responsibilities to measurably improve supply chain processes and improve

identification of illicit shipments. The BIEC is chaired by the Department of Homeland Security with a Vice Chair to be selected every two years among BIEC members.

The BIEC held its Inaugural Meeting on March 10, 2014, chaired by DHS Deputy Secretary and attended by BIEC department and agency senior leadership, as well as senior representatives from the National Security Council (NSC), the National Economic Council (NEC), the Office of Management and Budget (OMB), and the U.S. Trade Representative (USTR). At this meeting, the Consumer Product Safety Commission (CPSC) was nominated and agreed to serve as the Vice Chair. BIEC members also approved a charter and established three committees for Risk Management, External Engagement, and Process Coordination to carry out the seven BIEC functions outlined in the EO.

BIEC membership is at the Department level and includes representatives from the following departments and independent agencies.

- U.S. Department of Agriculture
- U.S. Department of Commerce
- U.S. Department of Defense
- U.S. Department of Health and Human Services
- U.S. Department of Homeland Security
- U.S. Department of the Interior
- U.S. Department of Justice
- U.S. Department of State
- U.S. Department of Transportation
- U.S. Department of the Treasury
- U.S. Consumer Product Safety Commission
- U.S. Nuclear Regulatory Commission
- U.S. Environmental Protection Agency

A critical success factor in implementing coordinated border management is the establishment of a high level forum to resolve issues pertaining to interagency collaboration and enable effective integrated government action. The EO formally enhanced collaboration efforts between the work of the BIEC and the International Trade Data System (ITDS) Board of Directors to drive policy coordination among the technical experts engaging on single window development (ITDS Board of Directors) and the high-level policy decision makers (BIEC) to focus on improving border management policies and processes across the U.S. government in partnership with non-governmental stakeholders

The International Trade Data System (ITDS) Board of Directors was established under the Security and Accountability for Every Port Act of 2006 (SAFE Port Act). The SAFE Port Act directed all agencies that require documentation for the import and export of cargo to participate in ITDS to establish a single portal system, or single window, for the collection

and distribution of trade data. With the issuance of the EO, the Secretary of the Treasury continues to oversee the development of the single window through ITDS. The EO also established a December 2016 deadline for completion and government-wide utilization of ITDS.

The experience of the United States provides strong support of political will as a critical success factor in implementing coordinated border management. BIEC leadership continues to demonstrate a strong interest in BIEC efforts and reinforced the need for departments and agencies to maintain urgency and high-level commitment in accomplishing the aggressive deadlines outlined in the EO. Representatives from the Executive Office of the President, including the NSC, NEC, USTR, and OMB, continue to monitor the progress of BIEC initiatives closely and track the specific deliverables.

The formation of the BIEC was ultimately premised on the understanding that CBP could not successfully execute its mission on its own and interagency collaboration is fundamental to achieving its modernization goals. The Border Interagency Executive Council (BIEC) enables CBP and partner government agencies to continue to work towards a “one-government” approach governing the movement of goods across our national borders.

Annex II: Coordinated Border Management in the context Customs-Police Cooperation

I. Customs - police cooperation

a. On the role of Customs and Police

Customs is responsible for improving the flow and security of goods, means of transport (and to a certain extent people) as they move across borders, while ensuring compliance with customs legislation and any other law or international instrument that falls under their responsibility.

The common role of the police is to apply criminal law, provide security to citizens, goods and institutions, and, in some cases, to combat illegal immigration and maintain the general law and order in their states. Police often have broad legal authorities to investigate crime and make arrests but lack detailed knowledge of daily customs procedures and customs-specific detection and enforcement techniques. Conversely, customs often neither has the ability nor the training to work outside of Customs environments. In many countries, both groups work only within their safe “spheres” of expertise and fail to capitalize on the greater enforcement achievements that could result from joint efforts.

Police and customs have mutual interest in combatting fraud and illegal trafficking. Both institutions share the common goal of preventing, detecting and investigating criminal activity, as well as enforcing specific laws and regulations within their respective areas of responsibility. In many cases, their respective mandates, objectives and areas of competence overlap, and thereby generate the duplication of efforts, lack of cooperation and poor use of taxpayer money.

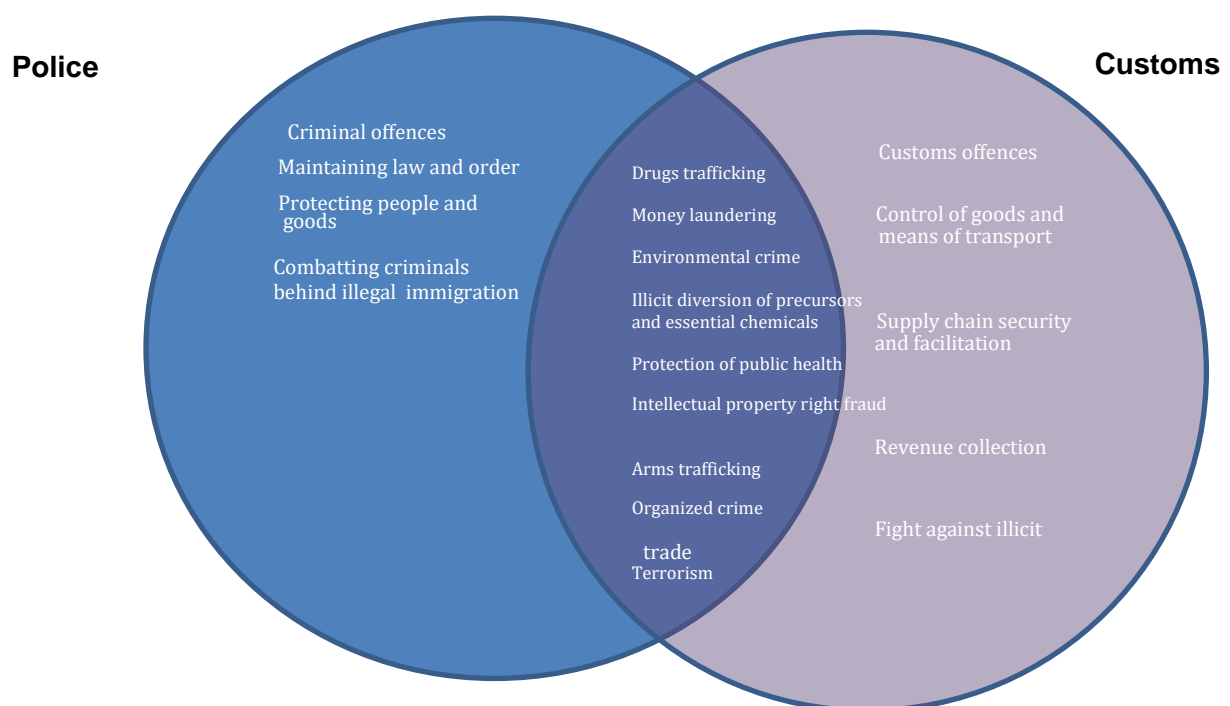


Fig. 1 Customs - Police overlapping functions

Many types of fraud and trafficking violations fall under both criminal law and customs legislation, hence the importance of better coordination between both organizations. Customs and police must invest in a coordinated approach to address the aforementioned enforcement priorities, as these entities share a common goal in providing for the public safety and they will also mutually benefit from each other's expertise and resources.

b. The influence of national legislation

The national legal framework is a crucial element to take into consideration as it sets out the competences and capacity afforded to customs and police and plays a major role in defining customs - police relations. This explains why, in the absence of harmonised practices, customs - police cooperation has witnessed varying degrees of progress across different countries. The legislative framework becomes even more complex when these two entities fall under different ministries.

In countries where customs has a high-level of authority in the area of law enforcement, customs commonly acts as the policing agency at the border and pursues border-related law enforcement tasks in a semi-independent – if not completely independent fashion (e.g. US ICE/HSI, German ZKA and others). In other cases, police often share mutual responsibilities with customs, particularly when it comes to cross-border crime (organized crime, money laundering, terrorism-related offences, etc.)

In many countries, customs has some level of investigative power and is authorized to conduct simple administrative investigations. It is more often the case, however, that the most serious customs offences are investigated by the police and/or other competent law enforcement agencies because customs does not have the mandate, requisite training or resources available to undertake broader enforcement/investigative activities. It is in this setting that close cooperation between customs and police is vital, as the latter is inevitably part of the border enforcement process (i.e. customs possesses the mandate for detention and seizure of goods or means of transport and the police possess the mandate to enforce the criminal law).

At the other end of the spectrum, there are the limited cases where customs administrations do not have any enforcement authority and in which violations and cases of non-compliance get passed to the police for investigation by mandate. In these cases, the role of customs in enforcement is to detect non-compliance and conduct border interdictions. In this case too, close cooperation between customs and police is required in order to achieve better results in the pursuit of public safety and security.

Whatever the model in place in a particular country, cooperation and collaboration between customs and police is critically important and mutually beneficial.

c. Coordination to manage limited resources

Customs and police face increasing pressure to maintain and even improve the services they provide, while resource levels available to them remain the same. Both therefore deal with the issue of how to best utilize their existing resources under increasing financial constraints. Coordination can present the beginning of an answer to the challenges presented by the scarcity of resources because it allows organizations to maximize their resources in the most effective manner possible, as well as to develop economies of scale.

The definition of resource scarcity has been provided by the WCO Coordinated Border Management compendium which describes it as:

- The scarcity of time to ensure value preservation for legitimate trade, and effective control on high-risk cargo;
- The scarcity of manpower and competencies to conduct the necessary border control functions;
- The scarcity of information to determine the risk-status of cargo;
- The scarcity of land and other fixed assets necessary for effective border control; and
- The scarcity of equipment and other movable assets necessary for effective border control;”

Even though the concepts developed in the WCO compendium are generally relevant to all cross-border regulatory agencies, the same considerations are equally applicable to customs and police cooperation.

In presenting what the concept entails, it suggests that the first three factors - time, manpower and information can be tackled through process re-engineering, as they are typically consequences of process-design. Through common work, organizations tend to make an efficient use of the limited resources available to them and achieve better results.

Process re-engineering allows customs and police to streamline procedures, and as a result of increased coordination, to thereby perform tactical and operational activities in a harmonized fashion. This coordinated approach also encourages information sharing which paves the way for the best practice of shared-decision making.

Unlike time, manpower and information, the issue of limited infrastructure and equipment cannot be solved through re-engineering of processes. Both are however linked since it can be postulated that by aligning processes and sharing resources, less personnel are needed and it therefore reduces the need for additional equipment and infrastructure.

II. Opportunities for cooperation

The primary role of law enforcement is to prevent and detect criminal acts, with the expected result being the protection of the public from crime. When this expectation is not satisfactorily met, an investigative process is often undertaken with the desired outcome being to identify, apprehend, and prosecute the perpetrators. The diagram below helps visualize the processes involved in intelligence analysis, risk profiling, operations, and investigations, as well as the way in which they all interconnect within the enforcement continuum. Each sprocket feeds into the capabilities of the subsequent sprocket, thereby making the entire gear a more effective machine.

Operations built on the use of intelligence and analysis in the development of risk indicators are those which most often result in multiple and larger seizures, as well as arrests. The importance of having an investigations component within this continuum cannot be understated as this is what culminates in the true dismantling of criminal organizations

through prosecution. The intelligence garnered through investigations frequently serves as invaluable source material. This intelligence also completes the cycle and, in turn, increases the credibility, reliability and accuracy of the information used for analysis to support the development of risk profiles and to thereafter define operational priorities.

a. Intelligence exchange

The efficiency of controls, both for customs and police, depends on the quality of information and intelligence collected from different sources. Police often hold a great deal of intelligence on organized crime and criminal groups. While these groups are not behind all customs offences, customs often have to deal with the activities of transnational criminal groups. There may be cases whereby a suspect shipment undergoing customs checks is linked to the illicit activities of a criminal group known to the police. Several tactical objectives can be achieved through better information and intelligence exchange. For example, customs receives additional data to support its targeting and risk assessment efforts. The sharing of intelligence generally make risk analysis and targeting systems more effective, directly improving the success rate of controls and other broader enforcement efforts for both organizations. On the other hand, customs hold a lot of valuable data on legal trade, but also on illicit trade activities undertaken by criminal groups as well. Customs can in turn, provide police with better leads for their investigative efforts. As a model of information exchange, the INTERPOL databases, such as the nominal database, Stolen Lost Travel Document (SLTD) database, and Stolen Motor Vehicle database, allow for international information exchange that is actionable by both customs and police. Similar information exchange procedures can be implemented at a national level among law enforcement agencies for similar purposes.

b. Cooperation for risk analysis and targeting purposes

In controlling cross-border movement, customs is often tasked with the responsibility of executing activities on behalf of other national ministries or agencies. This constantly expanding role, along with the growth of cross-border trade and the development of new techniques and methods used in trafficking and commercial fraud have led to the introduction and development of risk management and targeting within customs' operations. The need for strong risk analysis is also relevant for police, as it allows the identification of trends and patterns in criminal activities. This process ultimately helps determine the deployment of resources into what presents a higher risk. In that regard, a growing number of customs administrations have been reorganizing their business unit functions, resulting in the establishment of specific risk assessment/targeting centres to ensure better:

- Management and fusion of information;
- Application of a nationally coordinated approach to risk assessment and targeting;
- Coordination of the intelligence and operational activities;
- The ability to holistically manage enforcement risks across the border.

In some countries, police have been invited to join and work in the centres. This has enabled better planning, coordination and response actions and it has generally contributed towards a more efficient and cost-effective delivery of whole-of-government border management goal.

Profiling passengers in using Passenger Name Records (PNR) as well as Advanced Passenger Information (API) databases by law enforcement agencies are good examples in generating risk and threat assessments at airports. Depending on the national legal restrictions, certain customs and police services are able to request access to this data from the different airlines. In certain cases, joint customs and police units are also able to access the same information.

c. Cooperation in interdiction and investigations

The commodity or contraband seized, as well as the related documentation, can be among the most critical elements of physical evidence needed to prove a criminal act. In this, customs can assist police in building stronger cases when it involves organized crime groups that are involved in cross-border activities. Although it is generally accepted that information obtained from physical items usually reflects a higher evidentiary value, it is important to stress that this concept also applies to other types of evidence, such as personal evidence obtained through inspections, eyewitness statements, statements of suspects detained at time of seizure. The latter include spontaneous utterances, admissions of guilt and confessions, which are very often first collected by frontline customs officers, prior to the involvement of an investigator.

In cases falling under both criminal law and customs legislation, there is added value in creating joint investigation teams that can be setup for a fixed period and a specific purpose or longer, depending on high level agreement terms. Through joint investigations and operations, customs and police can better follow the financial and other traces in order to disrupt criminal networks and bring to justice the people in higher level positions, instead of ending up with lower level operators at their respective ends. This outcome results in bigger asset seizures and eventually leads to bigger cut of proceeds of crime and related asset distribution to both organizations.

III. Enhancing cooperation

a. Partnership levels

Forward deployed (or) field personnel from the two organizations often exchange information on new challenges, concerns and needs as they arise in the operational environment; however this cooperative model may also serve well at the institutional level, and can be organized through various agreements and formal legal instruments. Informal cooperation, whether it be organized through an ad-hoc basis or evolve naturally, are often short-lived and therefore long-term results may not be as ideal as those achieved under the framework of formal agreements. Informal arrangements that are not subject to any formal framework

may also lead to a lack of standardized procedure which can strain accuracy in accountability and documentation, making the management of these informal relationships too difficult and unviable. Historically, such informal arrangements often see a very low level of information exchange taking place and very few resources pooled.

It is often the case that frameworks for more formal arrangements are the key steps between organizations striving for deeper cooperation at all levels (strategic, operational and legislative).

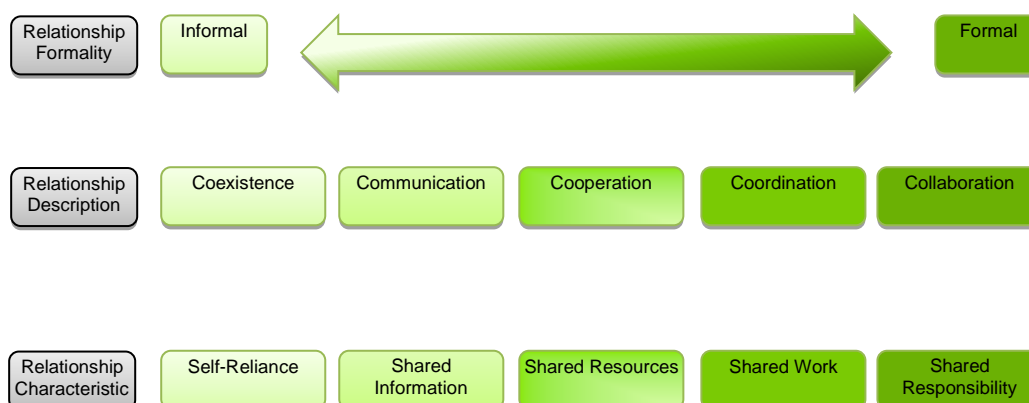


Fig. 3 Continuum of Inter-Governmental Integration (Source: taken from “*A Discussion Document For Managers and Front-Line Staff*”, Institute of Policy Study, New Zealand)

Figure 3 is part of the “*Discussion Document for Managers and Front-Line Staff on Better Joining Horizontal and Vertical*” and describes the different levels of formality involved in inter-governmental relations, from coexistence, based on informal interaction, right through to established collaboration.

Coexistence is the lowest level of interaction. The agencies work independently of one another and do not cooperate on strategies or operations. No formal arrangements are in place.

Communication involves informal meetings, which may lead to limited and sporadic information exchange subject to the pressing needs of either of the parties, or on immediate situations and events that they may be facing.

Cooperation implies a more formal structure whereby official meetings are organised and information is exchanged more regularly in order to allow both border agencies to achieve their respective objectives. This level also involves the sharing of resources.

Coordination is a more advanced level whereby tasks are shared, still in order to achieve respective objectives. Front line staff work hand in hand on a daily basis in order to avoid any overlap or duplication and to ensure greater efficiency and effectiveness overall.

Collaboration is the highest level of integration. At this level, information is exchanged continuously through integrated databases and resources are pooled at the institutional

level. Methods, practices and values are harmonized and conditions are created for the emergence of a new organizational culture and common language. The majority of objectives and the responsibility for achieving them are shared.

Leaving aside any notion of a mandatory move towards the collaboration model outlined herein, it must be noted that the very nature of the challenges faced by modern customs today will progressively lead us to strengthen relations between customs and police.

b. Key elements of Customs – Police Cooperation

A precondition for good cooperation is having clearly defined mandates respected by all stakeholders and political will at the highest levels of government as well as the agencies themselves.

In order to set up an environment of strong and lasting cooperation, aside from mutual respect and trust, a well-defined structure is needed across all levels of customs and the police. Securing political will at the organizational level, by engaging with ministers for example, is the crucial first step when setting up such a cooperative framework. Once guidelines on cooperation have been established, they should be formalized in writing as soon as possible.

It is recommended that agreements on customs – police cooperation also cover emergency responses to situations of disruption to trade or national security. For this purpose, organizations need to have deep understanding of each agency's enforcement mandate and its response plans in order to facilitate coordination.

For those countries where very little or no cooperation already exists between customs and police, it is recommended to explore the establishment of a Customs - Police Cooperation Committee (CPCC), jointly-led by strategic level decision makers or managers from the two agencies, acting as the designated representatives of their respective directors.

The CPCC would implement key decisions, fostering a positive culture of cooperation at all levels of the two organisations. High-level managers should be committed in ensuring that the guidelines established by the CPCC are enacted and that cooperation strategies and action plans are shared with transparency at all levels of each administration.

In order to respond to tactical and operational needs, it may be worth considering setting up regional CPCCs or committees organised by sector of criminal activity, each made up of mid-level managers. This type of system may prove useful in encouraging a better understanding of the mandates of each authority and lead to deeper collaboration between front line staff. Cooperation at an operational level should be organised in line with the higher-level cooperative framework and its objectives in order to achieve tangible results. At a tactical level, cooperation often requires the ability to react quickly to unfolding situations. This can be done by deploying liaison officers or having rapid response mechanisms in place.

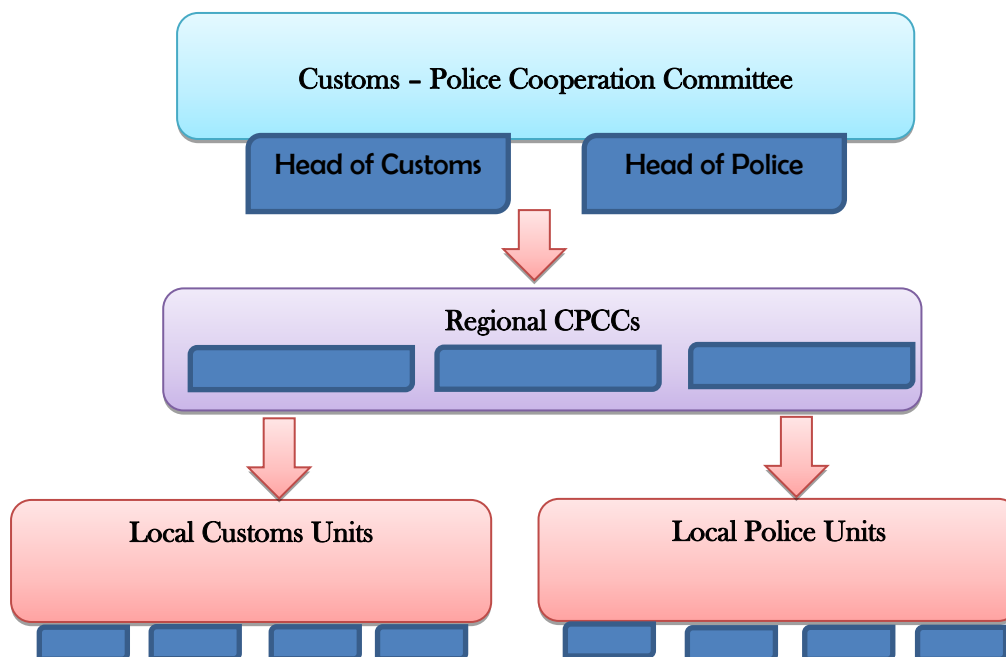


Fig. 4 CPCC Cooperation model

IV. Implementing Customs - Police Cooperation

a. Memorandum of understanding or agreement

Countries that desire to enhance coordination between customs and police can choose to do so by adopting a Memorandum of Understanding (MOU) or a Memorandum of Agreement (MOA). While the first one describes a mutual understanding of goals, and plans shared by the parties, an MOA details the specific responsibilities of, and actions to be taken by, each of the parties so that their goals may be accomplished. This MOA can be tested and put into practice through joint operations, joint training, and even simulated exercises in preliminary stages, either independently on the national level or with assistance from international organizations such as the WCO and INTERPOL, which have significant experience in coordinating such events.

b. Joint activities

In order to give substance to any kind of cooperative agreement, it is important for customs and police to engage in joint activities to allow each party to not only gain a deeper understanding of each other's methods and cultures, but also to create routines and habits between the organizations that are essential to a coordinated and efficient approach to operational activities. In time, regular joint activities will become commonplace and will be considered a standard operating procedure in furtherance of achieving the highest levels of public safety and national security.

In implementing common activities, both organizations may decide to merge resources. This can potentially help alleviate the conundrum of limited equipment, as well as both reduce the need for additional human resources and make operations more efficient and effective.

Joint activities between customs and police can potentially include:

- Joint risk analysis and targeting;
- Joint interdictions;
- Joint investigations;
- Joint operational activities;
- Joint controlled delivery operations.

From a strategic point of view, joint planning activities can be envisaged with the purpose of aligning strategies and setting common objectives. It is recommended that joint planning activities cover emergency responses to situations of disruption to trade or national security. For this purpose, organizations need to have deep understanding of each agency's response plans in order to facilitate coordination.

c. Liaison officers

The deployment of liaison officers can contribute to improved information exchange and coordination both at the operational and strategic levels. The roles and responsibilities of these officers should be clearly delineated from the outset of the new relationship and must be agreed to by both organizations. Liaison officers present an exceptional opportunity for building bridges between customs and police, as they traditionally have a panoramic view of the goals and objectives of each organization. The WCO and INTERPOL have already implemented this strategy to enhance cooperation and to facilitate information exchange by employing a Customs/Police Coordinator as an intermediary between the both organizations.

d. Common training courses and officer exchange

Joint training forums offer the first opportunity to introduce officers to the roles and objectives of the other organization. Common training not only helps them understand those responsibilities and shared goals of customs and police, but it also fosters a sense of unity and friendship between officers of different organizations. Joint training ultimately allows networking among staff and helps build the necessary trust between the organizations. This can be facilitated by organizations such as the WCO and INTERPOL which routinely gather law enforcement officers from a wide spectrum of specializations for joint group training forums. These training forums take place at both in-country and regional locations, so that officers can appreciate working with their own colleagues but also their counterparts in other countries. Often, regional best practices are taught at these training events.

Countries planning to implement common training for customs and police officers, can envisage initiating this process with topics such as leadership, stress management and first aid, before delivering more technical subjects.

The exchange of officers should also be viewed as a good way to enhance cooperation and increase officer's knowledge of the goals, objectives and modus operandi of each organization.

V. International projects to assist Member States and to enhance cooperation between border forces

a. UNODC/WCO/INTERPOL Project aircop

Project AIRCOP was launched in 2011. It is funded by the European Commission and Canada, managed by the United Nations Office on Drugs and Crime (UNODC) and implemented by the WCO and INTERPOL in close cooperation with the WCO members and other law enforcement agencies. Project AIRCOP is aimed at combating illicit cocaine trafficking by air from South America to Europe, via Africa, as well for fighting airport crime. It is primarily focused on West and Central African airports, where the first multidisciplinary **Joint Airport Interdiction Task Force (JAITF)** units, comprising officers from customs, police, the Gendarmerie and other law enforcement agencies, were established.

The Project AIRCOP annual programme includes operational activities. It was through this program that five phases of Operation Cocair were conducted to test the real-time operational capabilities of JAITFs.

JAITFs bring together experts from custom, police, immigration and airline companies who work together at major airports to combat international illicit drug trafficking by air passengers. The JAITFS collect and analyze passenger information in furtherance of conducting risk assessments. In addition to the intelligence and risk assessment, the JAITFS also conduct interdiction operations, with designated JIATF members serving as control officers. The intelligence obtained from customs RILOs or customs agencies and from police is operationalized as a joint initiative by JAITF.

b. UNODC/ WCO Container Control Programme (ccp)

The Container Control Programme, developed jointly by the World Customs Organization (WCO) and the UNODC, has been operational for more than 10 years (2004). It assists countries in creating sustainable law enforcement structures called "Port Control Units / PCUs" in selected sea- and dry-ports.

One of the key elements of the CCP is the concept of national ownership and empowerment which makes it possible for law enforcement agencies in one country to overcome counter-productive interagency competition and lack of coordination, and to unite their efforts and

resources for multi-faceted risk analysis, profiling and investigations as part of a strategic “dismantle a criminal network” approach.

c. **collaborative effort on API and PNR**

API and PNR are used by governments and law enforcement agencies to analyze and make, where appropriate, the necessary interventions. Thus API/PNR enables law enforcement agencies to conduct a proper risk assessment and precise checks. It can be provided by airlines by sending the information electronically (“push” method) or allowing the appropriate authorities to access the parts of their reservation systems where the PNR information is stored (“pull” method).

In that regard, the WCO joined forces with the International Civil Aviation Organization (ICAO) and the International Air Transport Association (IATA) under the framework of a committee established in 2004, responsible for the management and maintenance of the guidelines on API and PNR data.

Advanced Passenger Information (API) is an electronic data interchange system established by US Customs and Border Protection. It provides a limited number of data elements (identification details from the passport and basic flight information) from commercial airline and vessel operators to the computer system of the destination country. API is not required for airline processes and will therefore only be collected in case of a legal requirement by the passenger/travel-agency at the moment of reservation, check-in or boarding; legal requirements for the collection of API currently exist in 23 countries.

Personal Name Records (PNR) is the generic name given to records created by the airlines for each flight a passenger books. They contain information provided by the passenger and information used by the airline for their operational purposes. It may include elements of information that will also be reported under API.

VI. WCO tools and resources to assist Members

To strengthen customs - police coordination, the WCO provides different tools that facilitate exchanges between customs and other law enforcement organizations.

The SAFE Framework of Standards (SAFE FoS) provides standards to guide customs in working together with foreign counterparts, the private sector and other government agencies in ensuring the security of the supply chain. The third pillar of the SAFE FoS promotes cooperation between customs administrations and other government and inter-governmental agencies. This pillar strives to ensure a whole-of-government approach to securing the movements of goods in a manner that facilitates trade. This is achieved by streamlining processes, harmonizing national control measures and stimulating mutual cooperation.

Through different operational activities led by the WCO Compliance and Enforcement Programme, the WCO is able to bring together local customs administrations and

international law enforcement organizations like INTERPOL, Europol or the European Anti-Fraud Office.

The WCO CENcomm is an encrypted communication tool for the exchange of information and intelligence, available 24/7. This tool is part of the WCO Customs Enforcement Network (CEN) that assists member administrations in combatting transnational organized crime through the real-time exchange of information for intelligence purposes within a secure information technology network. CENcomm is the primary tool used by customs and other relevant law enforcement agencies when carrying out joint international operations.

VII. INTERPOL policing capabilities

a. Interpol nominal Database

As of January 2018, contains some 205,000 records of known international criminals and missing persons.

Data storage on individuals, details of offences and all items of information linked to persons and events

Records consist of known international criminals, missing persons or dead bodies, to include their criminal histories and identifiers (i.e. photographs, fingerprints, DNA, etc.).

b. INTERPOL DNA Database

Countries use the INTERPOL DNA database to exchange and compare DNA profile data from crime scenes and known persons, as well as missing persons and unidentified human remains. This international DNA database can be directly accessed by national authorized entities such as INTERPOL National Central Bureaus (NCBs) and forensic laboratories. As a new service, INTERPOL will soon offer the use of family DNA comparisons for the identification of missing persons.

c. Interpol's fingerprint database

The fingerprints database contains more than 182,000 fingerprint records (as of December 2017). Authorized users in member countries can view, submit and cross-check fingerprint records using I-24/7, INTERPOL's secure global police communications network, via a user-friendly automatic fingerprint identification system (AFIS). Law enforcement officers can either take fingerprints using an electronic device or manually using ink and paper, then use a special scanner to save the data electronically in the appropriate format. They then submit the data to the INTERPOL General Secretariat to be uploaded to the database. Records are saved and exchanged in the format set by the National Institute of Standards and Technology (NIST).

The INTERPOL Fingerprint Unit provides a service called AFIS gateway, which allows member countries to remotely submit a fingerprint search (INT-I compliant file) against the INTERPOL database and receive an automated response.

Automated ten-print verification has been introduced, along with a high-volume search facility that allows more than 1,000 comparisons per day against the INTERPOL fingerprint database which runs 24 hours a day, seven days a week.

d. Interpol Stolen and Lost Travel Documents (Sltd) database

The SLTD is the global repository for invalidated travel documents because they were reported to INTERPOL as having been stolen, lost, stolen in blank or revoked by their legitimate issuing authority.

As of January 2018, in compliance with the INTERPOL Rules on the Processing of Data, the ASF SLTD contains 74.4 million records on invalid documents, without any nominal data. Mandatory data for each record is: document identification number (DIN), type of document, country of issue, loss/theft/revocation status; optional data is mainly: NCB reference, place and date of theft/loss, date of issuance/expiry.

In case of a match between the search data given and the information in SLTD, a first level reply (positive query result) is displayed. The information contained is:

- Document Identification Number
- Document Type
- Issuing Country.

The officer checking the information must decide whether or not it matches the search criteria before accessing the details of the second level reply.

Accessing detailed information generates an automatic hit alarm notification. It is automatically sent to the NCB that recorded the data (or to the General Secretariat, on behalf of an international organization), to the enquiring NCB and to INTERPOL's Command and Coordination Centre.

In border control situations, the bearer of a travel document which exactly matches the search criteria (document identification number, issuing country, type of document) should be guided to a secondary inspection area while the search result is being confirmed by the NCBs. Any further check should be conducted by an experienced law enforcement official.

The NCB of the checking authority must contact the source NCB to confirm the validity of the data.

This validation process must be completed before taking any further action, within the time limit given under national laws. The recommendation regarding validation of an exact positive search reply is one hour on a 24/7 basis.

e. INTERPOL STOLEN VEHICLE (SMV) Database

Its purpose is to provide police, customs, investigators and vehicle registration authorities worldwide with an effective tool, essential in the fight against the illegal import/export of stolen motor vehicles and identifiable spare parts, to facilitate their recovery.

The database contains some 7.2 million records of all types of motor vehicles, such as cars, trucks, trailers, plant and machinery, and motorbikes which have been reported as stolen to authorities. It contains extensive identification details enabling the identification of a stolen vehicle.

Through a special arrangement between the organizations signed in November 2016, the WCO was officially provided access to the INTERPOL SMV database and is therefore able to perform queries on its own or, in urgent situations, on behalf of their member countries.

f. INTERPOL STOLEN WORKS OF ART (WoA) Database

This database centralizes worldwide information on stolen cultural objects and contains around 50,000 records, submitted by 134 INTERPOL member countries, with more than 27,000 searches carried out in 2017.

The Stolen Works of Art database is accessible to law enforcement agencies through the INTERPOL NCB in each member country. Authorized members of the public as well as international organizations, state authorities, cultural institutions, art professionals and private collectors can also receive access rights.

g. Interpol Firearms Programme

INTERPOL Illicit ARMS RECORDS AND TRAINING MANAGEMENT SYSTEM (IARMS)

Funded by the European Union under the Instrument for Stability and Peace, iARMS is a state-of-the-art tool that facilitates information exchange and investigative cooperation between law enforcement agencies in relation to the international movement of illicit firearms, as well as licit firearms that have been involved in the commission of a crime.

INTERPOL BALLISTIC INFORMATION NETWORK (IBIN)

IBIN is the only large-scale international ballistic data sharing network in the world. It supports the global networking of Integrated Ballistics Identification Systems (IBIS) and provides a global platform for the centralized collection, storage and cross-comparison of ballistics data. IBIN provides the opportunity to find critical investigative leads, identify links between crimes more quickly and effectively, and find connections between separate crimes from different countries that might otherwise remain undetected. Law enforcement agencies have direct access to the IBIN server through a dedicated secure network.

INTERPOL FIREARMS REFERENCE TABLE (IFRT)

IFRT is an interactive online tool for authorized law enforcement users which provides a standardized methodology to identify and describe firearms, and enables an investigator to obtain or verify the details of a firearm. Access is managed by the NCB in each member countries.

h. How to access interpol's Databases

INTERPOL's secure global police communications network called I-24/7 connects the INTERPOL Secretariat General and every INTERPOL National Contact Bureau (NCB) to each other and to INTERPOL's databases. Access to I-24/7 can be extended from the NCB to police, customs or other law enforcement agencies, allowing the agency to perform queries independently. If your administration wants to get access to the INTERPOL databases, please contact your NCB.

i. 24/7 Assistance – Command and Coordination Centre (ccc)

Global coverage

The CCC's main function is to support international police cooperation in real time. By offering 24-hour support seven days a week in all four official languages (English, French, Spanish and Arabic), the CCC facilitates communication and coordination between NCBs worldwide.

Another key activity of the CCC is the issuing of INTERPOL international alerts, known as notices, allowing police to share critical crime related information about modus operandi or potential threats.

Main activities

The CCC's activities focus on:

- Assessing incoming communications and determining the priority of each message;
- Conducting instant checks against all INTERPOL databases and replying to urgent queries;
- Monitoring open sources in order to assess threats and to ensure all resources are ready and available if needed;
- Coordinating the exchange of intelligence and information for important operations;
- Issuing global or regional alerts and publishing notices of potential threats;
- Assuming a crisis management role during serious incidents, such as terrorist attacks, and coordinating specialized assistance.

Specialized assistance

At the request of member countries, INTERPOL can deploy specialized teams comprising relevant experts to assist national police and other law enforcement agencies with major incidents or security preparations.

INTERPOL Incident Response Team (IRT): An IRT is deployed during or immediately following a crisis or emergency, such as a terrorist attack, hurricane or a serious police incident. The team is tailored to the specific nature of the incident, and can provide a range of analytical and investigative support.

INTERPOL Major Event Support Team (IMEST): An IMEST is deployed to assist member countries with the preparation and coordination of security for major international events. The team members help the national police make the best use of INTERPOL's databases and facilitate real-time exchange of data

j. INTERPOL training and online learning tools

INTERPOL GLOBAL LEARNING CENTRE (IGLC)

INTERPOL Global Learning Centre (IGLC) is a web-based learning portal allowing authorized users access to a comprehensive range of more than 50 e-learning resources. IGLC is the ideal tool to reach a wide law enforcement community all around the world.

All law enforcement agencies, including customs and police, can access the IGLC via the INTERPOL secure website. Any new user wishing to access the site must request an authorization to their NCB. Usernames and passwords will then be created by INTERPOL's General Secretariat.

INTERPOL TRAINING CATALOGUE FOR MEMBER COUNTRIES

INTERPOL is seeking to become a global centre of excellence in facilitating new training opportunities for member countries, as well as developing a culture of learning and exchange of expertise between all law enforcement communities. INTERPOL also intends to ensure that law enforcement agencies are fully aware of the services provided by INTERPOL and are encouraged to use them.

This training portfolio serves as a useful tool in helping us to achieve a high standard of active lifelong learning. It includes 42 training activities (specific and generic) which are aligned with INTERPOL's strategic priorities.

VIII. Conclusion

While the growth and acceleration of the cross-border movement of goods, people and means of transport are beneficial for legal trade, they also present opportunities for transnational criminal organizations, which never stop their efforts in attempting to circumvent law enforcement, their safeguards and operations at the borders. It is clear that in order to efficiently and effectively address this new operating reality, customs and police must work more closely together to combat criminal activities and face the challenges brought about by both new trafficking methods and means of fraud.

While it is important that such coordination efforts occur within a formal and mutually agreed upon framework, countries must first assess the current state of relations between both organizations to identify potential avenues to strengthen and enhance customs – police cooperation. Engagements such as joint operations and regular exchange of information will better enable customs and police to achieve their objectives, in line with their respective mandates and missions and improve the efficiency and effectiveness of operational activities.

IX. Diagnostic tool

The diagnostic tool is supposed to be used as a guideline for member countries to assess the current situation on customs - police cooperation in order to start the process or to work on missing requirements.

A.1.		
Question	Common weaknesses	Possible solution
What arrangements exist in your country for customs-police cooperation?	No arrangement in place. Coexistence with no significant interaction.	Implementation of MOU/MOA between customs and police
Answer:		

A.2.1.		
Question	Common weaknesses	Possible solution
Does the agency have a formal protocol for secure exchange of information with one another?	Lack of or at best ineffective information exchange between customs and police.	Encourage active participation in the use of national information and data sharing systems using fusion centres, single points of contact or liaison officers.
Answer:		

A.2.2.		
Question	Common weaknesses	Possible solution
Please describe how often and in which way such exchange occurs ?		
Answer:		

A.3.1.		
Question	Common weaknesses	Possible solution
Do the agencies cooperate with each other during risk analysis and targeting	No communication between customs and police. Absence of identification of common risks.	Implement joint-risk profiling/analysis operations.
Answer:		

A.3.2.		
Question	Common weaknesses	Possible solution
If so, is this arrangement supported by an MOU or legislation?		.
Answer:		

A.4.1.		
Question	Common weaknesses	Possible solution
Do the agencies cooperate with during the control of modes of transport and controlled delivery operations?	No communication. Duplication of control activity..	Implement joint operations.
Answer:		

A.4.2.		
Question	Common weaknesses	Possible solution
If so, is this arrangement supported by an MOU or legislation?		
Answer:		

A.5.1.		
Question	Common weaknesses	Possible solution
Does the agency have the authority to make seizures in all risk areas (drugs, counterfeits, endangered species, cash smuggling...)?	No authority	
Answer:		

A.5.2.		
Question	Common weaknesses	Possible solution
If not what areas are exclusive to each service?		
Answer:		

A.6.		
Question	Common weaknesses	Possible solution
Do the agencies cooperate with one another during investigations ?	No communication. Duplication of efforts	Implement joint-investigations at coexistence, communication and cooperation levels.
Answer:		

A.7.1.		
Question	Common weaknesses	Possible solution
Does the agency have powers to investigate offences or organized criminal groups?	Officers may not have the power to conduct criminal investigations. There may be a shared responsibility or competency with other national administrations	
Answer:		

A.7.2.		
Question	Common weaknesses	Possible solution
If so, how are cases referred for investigation?	No mechanism in place to gather intelligence and or investigate information provided by fellow officers or third parties	
Answer:		

A.8.		
Question	Common weaknesses	Possible solution

Annex II

Does the agency have the legal powers to conduct investigations with the national prosecuting authority?		
Answer:		

A.9.		
Question	Common weaknesses	Possible solution
Is it possible for the agency to undertake surveillance of people, goods and premises including using communication interception systems and other surveillance equipment?	No authority or formal policies and procedures for the use of electronic interception equipment. Lack of skills/expertise/equipment required.	
Answer:		
A.10.		
Question	Common weaknesses	Possible solution
Does the agency have its own staff of undercover officers?	No authority or relies on other administrations to conduct covert operations .	
Answer:		

A.11.		
Question	Common weaknesses	Possible solution
Does the agency have the power to authorize the deployment of informants? If so, what are the arrangements for sharing?	No authority.	
Answer:		

A.12.		
Question	Common weaknesses	Possible solution
Does the agency have forensic	No authority or formal policies	

science capabilities or do they rely on other agencies to provide the expertise?	and procedures for the use of forensic science techniques. Lack of skills/expertise, equipment required.	
Answer:		

A.13.		
Question	Common weaknesses	Possible solution
Are Customs and Police resources (Infrastructure, equipment, means of transport) shared during joint operations?	.	
Answer:		

A.14.1.		
Question	Common weaknesses	Possible solution
Does the customs administration or police contribute liaison officers to work at each other's premises for enforcement purposes?	No liaison officers. No communication. Duplication of control activity.	Consider national virtual task forces when resources do not allow for physical placements in ongoing units
Answer:		

A.14.2.		
Question	Common weaknesses	Possible solution
If so, please describe the role of customs and/or police liaison officers		
Answer:		

A.15.1.		
Question	Common weaknesses	Possible solution
Does the customs agency provide training to police	No training available.	

Annex II

officers??		
Answer:		

A.15.2.		
Question	Common weaknesses	Possible solution
If so, in what areas of expertise?		
Answer:		

A.16.1.		
Question	Common weaknesses	Possible solution
Does the police agency provide training to customs officers??	No training available.	
Answer:		

A.16.2.		
Question	Common weaknesses	Possible solution
If so, in what areas of expertise?		
Answer:		

Annex III. Coordinated border management in the context of plastic waste: experiences of the Asia Pacific Plastic Waste (APPW) Project

About the Asia Pacific Plastic Waste (APPW) Project

The Asia Pacific Plastic Waste Border Management (APPW) Project sought to strengthen the capacity of Customs administrations to mitigate and respond appropriately to environmental threats in the Asia-Pacific region. Particular emphasis was placed on the implementation of the Basel Convention, specifically on matters related to plastic waste and the illegal shipment thereof.

While recycling and the circular economy have been touted as potential solutions, upwards of half of the plastic waste intended for recycling has been exported to hundreds of countries around the world, with the leading destination being China, which has cumulatively imported 45% of plastic waste since 1992. However, the growing awareness in China of the challenges related to imported scrap plastics has already altered and will continue to alter the global market trends in and geographical dynamics of the plastics industry. China started to increase its import controls in 2013 with “Operation Green Fence”, followed by the implementation of an anti-smuggling campaign entitled “National Sword 2017”. As a result of these operations, a policy was introduced banning the importation of most plastic waste in 2018.

This sudden gap in the accessibility of plastic waste management capacity led to the re-routing of thousands of containers filled with plastic waste being shipped from Europe and North America to other countries in the Asian-Pacific region. This trend posed increasing challenges to the recipient countries with regard to import monitoring and management of the plastic waste. Furthermore, with the international rules on transboundary shipments of plastic waste being amended on 1 January 2021, Customs administrations in importing jurisdictions were faced with new operational challenges.

Under the project, diagnostic missions were conducted in the beneficiary countries, capacity building materials were developed, training courses were delivered and a more regional approach was taken towards solving the plastic waste problem and tackling the illegal trafficking of plastic waste.

Plastic waste amendments

With the Plastic Waste amendments,²⁶ as decided in May 2019, the scope of the Basel Convention has changed significantly, impacting the rules governing the movement of plastic waste across international boundaries. The changes to the Basel Convention were adopted by its governing body, the Conference of the Parties (COP), in its decision BC-14/12 and came into effect on 1 January 2021.

The amendments extend the Convention’s PIC requirements to the transboundary movement of certain plastic waste. Before the amendments were introduced, plastic waste was, in principle, considered as non-hazardous waste and, consequently, was not covered by the scope of the Basel Convention.

²⁶ Link to the amendments:

<http://www.basel.int/Implementation/Plasticwaste/PlasticWasteAmendments/Overview/tabid/8426/Default.aspx>.

New entries for plastic waste

The first amendment concerns the insertion of a new entry Y48 in Annex II which covers plastic waste, including mixtures of such wastes unless these are hazardous (as they would fall under A3210) or presumed not to be hazardous (as they would fall under B3011). This category of mixed plastic wastes is subject to the prior informed consent (PIC) procedure.²⁷ The amendment to Annex VIII, with the insertion of a new entry A3210, clarifies the scope of plastic wastes presumed to be hazardous and therefore subject to the PIC procedure.

The amendment to Annex IX, with a new entry B3011, clarifies the types of plastic wastes that are presumed not to be hazardous and, as such, not subject to the PIC procedure.

The wastes listed under entry B3011 include: a group of cured resins, and non-halogenated and fluorinated polymers, provided the waste is destined for recycling in an environmentally sound manner and almost free from contamination and other types of wastes; and mixtures of plastic waste, consisting of polyethylene (PE), polypropylene (PP) and/or polyethylene terephthalate (PET), provided they are destined for separate recycling of each material and in an environmentally sound manner, and almost free from contamination and other types of wastes.



Figure 2: New entries for plastic waste following the amendments to the Basel Convention (source: Basel Convention Secretariat)

Classification criteria

In order to determine the applicable regime for transboundary movements of plastic waste, it is important to identify the type of plastic waste (A3210, Y48 or B3010), the intended treatment operation, the level of contaminants and possible hazardous characteristics from a scientific or environmental point of view as laid down in the Basel Convention and national regulations.

Parallel to the Basel waste classification system, the HS codes are the main tool used by Customs to classify the goods. For the classification of plastic waste, some HS codes exist,

²⁷ Details of the PIC procedure are set out in paragraph 6.6.1 of Chapter 6.

but not for all types. Chapter 39 covers plastics and articles thereof, and substances called polymers, semi manufactures and articles thereof. However, not all plastic articles are specified in this Chapter. This Chapter does not cover other articles specifically mentioned in Note 2 to Chapter 39, such as textiles, footwear, electrical appliances, parts of vehicles, furniture and toys. Heading 39.15 relates to waste, parings and scrap of plastics.

For the purpose of the Basel Convention in accordance with its Article 2, paragraph 1, “wastes” are substances or objects which are disposed of or are intended to be disposed of or are required to be disposed of by the provisions of national law. For Customs purposes, plastic wastes are broken or worn articles of plastics that are clearly not usable for their original purposes, or manufacturing waste (shavings, dust, trimmings, etc.).

This discrepancy between Basel Convention codes and HS codes for plastic waste may present challenges for the classification and identification of those materials. Work is ongoing between the WCO and the Basel Convention Secretariat to align the codes.

Coordinated border management in the context of plastic waste

Implementation and proper enforcement of the Basel Convention provisions related to plastic and other waste require, among other things, the establishment of an appropriate legal framework at the national level. In terms of Customs processes, it is essential to have an understanding of the trade in plastic waste, its characteristics and size. Due to the complexity of diverse legal powers and responsibilities, and in view of the technical and legal scope of the plastic waste trade, a coordinated border management approach is strongly recommended to effectively facilitating the legal trade and tackling the illegal trade in plastic waste.

Facilitating the legal trade in waste and preventing and combating illegal waste traffic require the cooperation of several enforcement agencies at the national level. Customs authorities are therefore not alone in undertaking this task, and they might rely on the relevant national environmental agencies to provide them with the appropriate legal and technical information, equipment and facilities. Similarly, national environmental and enforcement agencies often need the support of the Customs administration to perform inspections at border crossings. There are a number of ways of formalizing and facilitating cooperation, including the conclusion of Memoranda of Understanding, the establishment of joint committees or the development of joint training activities, in the process of which these three cooperation modalities can also be interlinked. An example would be an ad hoc committee dedicated to plastic waste, or a joint training course on plastic waste.

In addition to national mechanisms, international cooperation is also strongly encouraged. The exchange of information on, for example, modi operandi, suspicious movements or seizures may support Customs efforts in targeting possible illegal shipments and facilitating legal movements.

Some examples from the APPW Project are highlighted below.

Indonesia: Task force on imports of non-hazardous waste

The National Task Force for supervising imports of non-hazardous waste as industrial raw materials was established in 2019. Its members are: Ministry of Trade, Ministry of the Environment and Forestry, Ministry of Industry, Ministry of Foreign Affairs, National Police and Ministry of Finance (Directorate General of Customs and Excise).

Philippines: Collaboration in waste control training

Well-trained officers at various levels and at different stages of the import chain, including compliance and enforcement, are essential for controlling plastic waste imports. In addition to the overall Customs training strategy, a particular focus is being placed on the provision of targeted training on the topic of plastic use, plastic waste, Basel Convention procedures and safety measures. An MoU is in place between the Philippines Bureau of Customs and the Department for the Environment and Natural Resources to provide support for training, ensure the development of materials and encourage the exchange of information.

Philippines: Regional collaboration

As a part of the ASEAN, Philippines Customs participate in a Customs enforcement working group, established at the regional level, that is also tasked with developing a mechanism for Custom-to-Customs (C2C) exchange of information. The working group is long established but, in the light of the growing waste problem, has more recently begun specifically focusing on the issue of waste.

Sri Lanka: Participation in joint committees

Implementation of the Basel Convention provisions is facilitated via a technical committee established at the national level, the National Coordinating Committee for the Basel Convention (NCCBC). Customs are included in this committee, together with other authorities such as the environmental authorities. For example, importers of waste need to apply to this committee for an import approval. Another committee in which Customs participates is the Solid Waste Management Committee (under the Environment Ministry). The use of five types of single-use plastic items is, for example, banned by this Committee.

(Source: Diagnostics Reports of the APPW Project)

Single Window

The Single Window is a cross border, “intelligent” facility that allows parties involved in trade and transport to lodge standardized, mainly electronic, information via a single entry point to fulfil all import, export and transit-related regulatory requirements. In the case of plastic waste, the use of a Single Window not only enables the trader to adhere to regulatory compliance requirements with reduced costs, but also provides for shared services among the regulatory agencies involved, including integrated risk management, shared operational controls and orchestration of interagency business processes and workflows. In the context of plastic waste, a Single Window environment can provide Customs and competent authorities access to key data, such as:

- procedures related to the legal plastic waste trade, including quotas, national quality standards, prohibited and/or banned waste streams;
- required documentation for hazardous waste and other wastes falling under the scope of the Basel Convention:
 - o (a copy of the) prior informed consent document, including proof of consent by the competent authorities
 - o waste movement documents accompanying the shipments
- required documentation based on national requirements for shipments of hazardous, non-hazardous or other waste, such as:

- proof of registered exporter/importer,
- import or export license/permit,
- pre-shipment certificate;
- licensed facilities or sites to accept and manage plastic waste.

Streamlining regulatory procedures in a Single Window environment and enabling access to harmonized data and relevant (digitized) documents and information for the clearance of goods covered by restrictions and prohibitions are key enablers for efficient and paperless Customs clearance. To this end, it is necessary to carry out business processes mapping to be aware of the information requirements for each of the relevant Customs procedures applicable to transboundary waste shipments (import/export/transit/inward-outward processing, take back procedures) and streamline the relevant processes in order to reduce the release time for waste shipments in a secure and safe manner.

Indonesia: Electronic registration of certified exporters and importers

An electronic register of certified exporters and importers has been established under the remit of the Ministry of Trade and is accessible through the Indonesian Single Window (INSW).

Vietnam: Environmental sound management facilities in the national Single Window

The Ministry of Natural Resources and the Environment (MONRE) is one of the government agencies participating in the Single Window Environment (SWE). The list of facilities certified for environmental sound management is accessible by Customs and automatically updated in the Customs clearance system. Certificates of conformity for waste import, issued by the MONRE, are processed through the SWE. The above-mentioned certificates are issued by the MONRE on an annual basis together with quota allocations.

(Source: Diagnostics Report of the APPW Project)

Risk management

Effective compliance, safety and security is supported through a comprehensive risk management strategy. The risks associated with plastic waste trafficking relate to involved entities, origin, frontline services, the supply chain, post-clearance procedures and compliance.

In order to build a picture of the risk posed by the trafficking of plastic waste, information and intelligence from a wide range of resources should be accessed and analysed. This process should also include information and intelligence from the competent authorities and international partners. On the basis of identified risks, trends and modi operandi, profiles can be developed that include, for example, indicators related to:

- high-risk countries of origin or destination;
- misuse of HS codes for plastic waste (for example 39.20 which is the code for plastics, but not plastic scrap, or 63.05 which is the heading for sacks and bags);
- low monetary value;
- consignees and their possible compliance history;
- legal requirements.

Best practices identified by the APPW Project in the case of Sri Lanka Customs also demonstrated the added value of tools such as the WCO Cargo Targeting System (CTS).²⁸ This is a risk assessment and targeting solution developed by the WCO to enable its Members to implement international best practices in the area of cargo risk assessment and trade facilitation. This implements key parts of the WCO's SAFE Framework of Standards and Revised Kyoto Convention. The CTS risk management solution covers all components such as software, hardware, data assistance, training and mentoring, maintenance and support, and implementation.

Indonesia: Controlling risks from the origin

Applications to the register of certified exporters are handled by the Indonesian Embassy in each of the various exporting countries. Accompanying documents are uploaded by the importer at the time the Customs declaration is submitted and include a statement by the exporter on the quality of the shipment and a certificate of accreditation certifying the exporter as a waste broker/dealer that is issued by the competent authorities in the exporting countries (Ministry of the Environment in some instances). The exporter receives accreditation from the relevant competent authorities through the Indonesian Embassy in each country. Non-hazardous waste also must arrive in designated ports as provided for in the national regulations.

Customs controls of imports of non-hazardous waste are dependent on the surveyor's report which is done in the exporting country on the basis of sample checks that are carried out in cooperation with the Customs authority of the exporting country.

Philippines: Risk profiles based on historic events

Customs have developed a number of profiles in the field of waste and plastics, mainly based on information and experiences from previous seizures. In the manifest system, searches and queries can be made based on the description, HS codes, tariff headings, company profile and country of origin. Dedicated profilers are appointed in ports to monitor imports of waste. The risk indicators and profiles are updated on a regular basis.

(Source: Diagnostics Missions and Report of the APPW Project)

Dealing with non-compliance (take back procedure)

In the case of illegally shipped waste covered by the Basel Convention, under certain circumstances, the competent authorities in the country of import have the right to request a take back of the waste to the country of export. Authorities dealing with illegal waste shipments therefore need to gather documentation and evidence in order to determine who is responsible for the illegal shipment and provide potential grounds for a take back request. A coordinated approach between Customs and the competent authorities is also essential in such a situation so as to ensure proper compliance with the take back provisions of the Basel Convention.

Indonesia: Repatriation of contaminated scrap metal from Indonesia to the UK

In 2011, a shipment of 89 containers holding 1,800 tonnes of scrap metal were inspected by Customs officials in the port of Jakarta, Indonesia. According to the Indonesian authorities, the scrap metal was contaminated with asphalt, plastic and liquid. The

²⁸ Link to the CTS: <http://www.wcoomd.org/en/topics/enforcement-and-compliance/instruments-and-tools/cargo-targeting-system.aspx>.

shipment of 89 containers were successfully repatriated in 2012, as a result of cooperation between the authorities in Indonesia and the UK. This repatriation was also successful because the Indonesian authorities gathered and exchanged evidence and persuaded the authorities in the UK that the suspicious shipment could indeed be an illegal shipment of waste, and that the exporter could possibly be held responsible for this particular shipment.

(Source: <https://www.wasteforceproject.eu/wp-content/uploads/2021/02/D4.4-WasteForce-Best-practices-of-repatriation-of-illegal-waste-shipments-from-Asia-to-Europe.pdf>)

Philippines: Successful sent back 331 containers of contaminated waste

In 2018, 331 containers holding waste were shipped illegally from South Korea to the Philippines. In the Customs declaration, the materials were classified as “synthetic plastic flakes”, but an examination revealed that the containers were loaded with a mix of different types of waste, such as soiled nappies, batteries, bulbs and discarded electronics. No authorization had been given for this import. Following successful bilateral negotiations led by the Philippines Bureau of Customs, all 331 container vans of illegal waste shipments were re-exported to South Korea in 2019 and 2020.

(Source: <https://ipen.org/news/philippines-returns-80-containers-south-korean-garbage>)

Investigations

Members may opt to divide the responsibilities for investigating waste offences between multiple agencies according to the stage of the investigation or the seriousness of the offences that appear to be involved.

Below is an example of a mechanism recommended by Interpol.

National task forces

A National Environmental Security Task Force (NEST) brings together police, Customs, environmental agencies, prosecutors, non-governmental organizations and intergovernmental partners to focus environmental crime fighting efforts on the networks and crimes that particularly affect a country.

NESTs allow law enforcement to stand alongside scientific experts whose knowledge and access to resources are invaluable in the fight against environmental criminals. A NEST draws on the mandates of each agency involved to combat crimes that affect the environment from all angles – from on-the-ground illegal poaching to investigations into the financial and tax affairs of criminal networks.

It is recommended that, prior to establishing a NEST, member countries host a high-level meeting (a National Environmental Security Seminar, or NESS) to bring together relevant experts, stakeholders and decision-makers to identify and prioritize the national environmental security needs. The issues identified at this seminar can then be used to guide the formation of the NEST. Following the seminar, it is also recommended that member countries consider establishing a National Environmental Security Steering Committee (NESSC) to guide the formation and direction of the NEST.

(Source: <https://www.interpol.int/en/content/download/5100/file/National%20Environmental%20Security%20Task%20Force%20%28NEST%29.pdf>)

Mapping

The Basel Convention procedures for shipping waste across borders intertwine with Customs procedures.

As mentioned above, in addition to Customs, there are other government agencies and cross-border regulatory agencies that play a role in controlling transboundary trade in plastic waste. The competent authorities (CAs) issue either their consent or a refusal for transboundary movement of waste under the Basel Convention and may support or take part in the control of plastic waste at the border. Outside the provisions of the Basel Convention, non-hazardous plastic waste is not generally subject to any export or import licensing rules. However, some countries may require permits, licenses or certifications that go beyond the prior informed consent (PIC) procedure of the Basel Convention. These permits, licenses and certifications can be granted by regulatory bodies operating under the trade, environment, finance or other ministries.

Thus, when it comes to transboundary movements of plastic waste, a Customs declaration is a necessary document that traders must submit to Customs, together with relevant permits, licenses, certificates and other accompanying documents, in order to place goods under a Customs procedure. The Customs declaration is also the main dataset for risk-based, selective targeting of consignments for document and physical checks. As part of a risk assessment, Customs compare declaration data and other available information against pre-determined risk indicators, profiles and rules to identify consignments that represent the highest risk of non-compliance.

In the context of the APPW Project, the following diagrams have been developed to visualize the legal trade in waste (Figures 2 and 3) and provide an overview of the various phases and indicators involved in targeting suspicious shipments of waste (Figure 4).

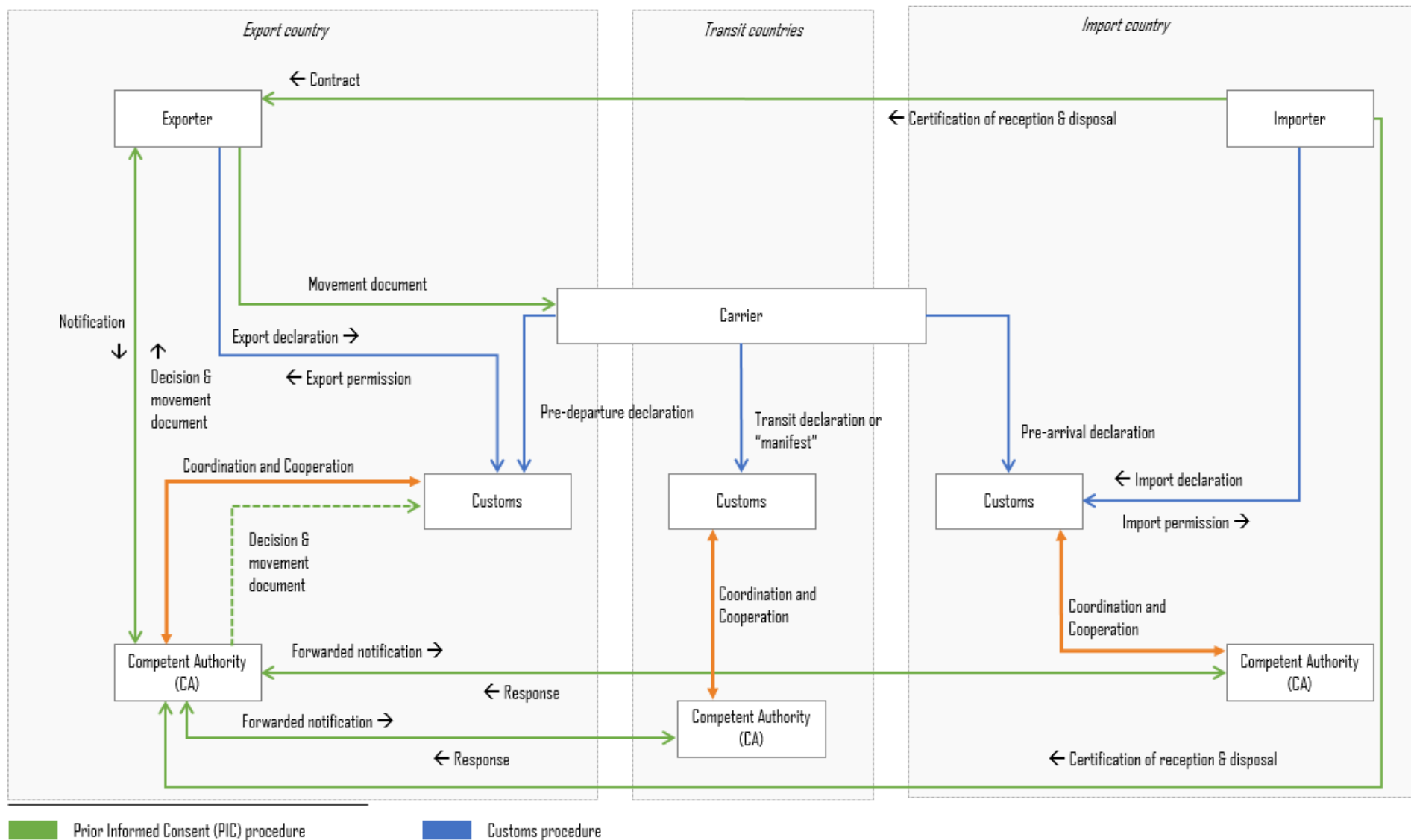


Figure 3: Flow of the PIC and Customs procedures for transboundary movements of waste covered by the Basel Convention (source: APPW Project)

A few definitions

The main elements of the PIC procedure are shown in green.²⁹ The formal communication lines related to the PIC procedure flow between the competent authorities of the States of export and import and, where applicable, the State of transit. National cooperation agreements can be used to provide further details as to whether, how and when Customs are notified.

- **Movement document:** A document containing information about the wastes which should accompany a shipment of waste from the point at which the transboundary movement commences to the point of disposal.
- **Notification:** The obligation on the State of export to provide, or require the generator or exporter to provide, information about a proposed transboundary movement of hazardous wastes and other wastes to the countries concerned. Such notifications should be made in a language acceptable to the countries of import.
- **Competent authority (CA):** The governmental body designated by a party as responsible for dealing with notifications of a transboundary movement of hazardous wastes or other wastes.

Shown in blue, the phases of the Customs procedure are visualized in a simplified manner. In the case of plastic waste, coordination with the other cross-border regulatory agencies (CBRAs) or competent authorities might be required to acquire pre-loading, pre-shipment and/or pre-arrival information, as well as information for the post-clearance audit. This is represented by the orange coordination and cooperation lines between Customs and the competent authorities.

²⁹ For a full explanation of the PIC procedure, please see:
<http://www.basel.int/Procedures/NotificationMovementDocuments/tabid/1327/Default.aspx>.



Figure 4: Framework for facilitating trade in (plastic) waste

Annex III

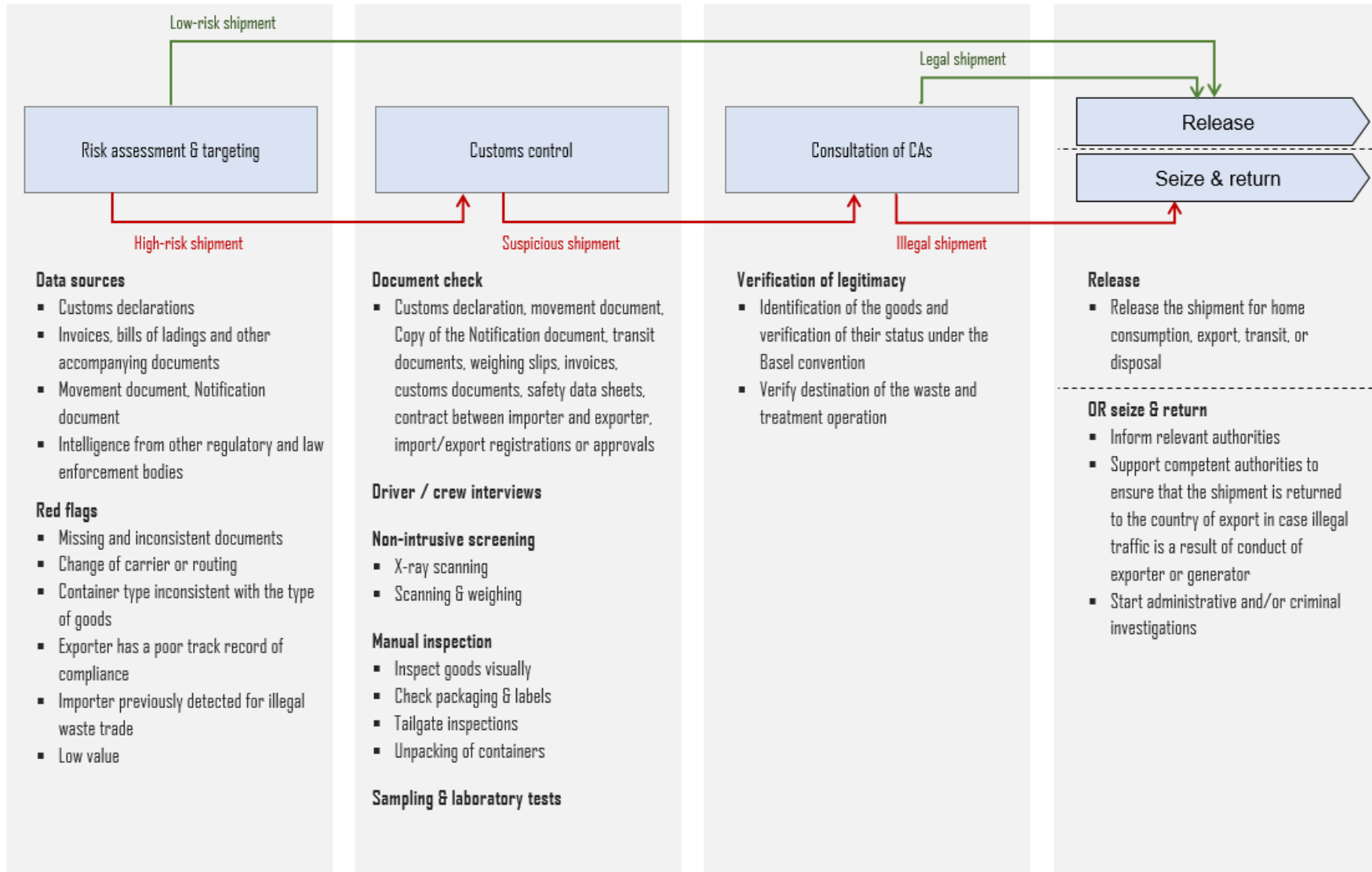


Figure 5: Overview of identifying possible illegal shipments of waste (source: APPW Project)

Figure 4 illustrates the type of information that may indicate high-risk or suspicious shipments and the type of examinations that may be carried out. It also underlines the importance of consulting the CAs or other relevant authorities to support the identification of the waste and the verification of its destination and treatment/disposal. Treatment has to take place in an environmentally sound manner. In those cases where the waste has to be taken back to the country of origin, CAs should also take the lead.
