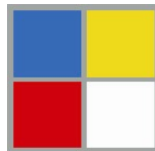




Summary Report

**World Customs Organization
Inter-Agency Forum
on Coordinated Border Management**



**29 to 30 June 2009
Brussels, Belgium**

World Customs Organization

INTRODUCTION

Ever increasing growth in both trade and travel volumes with their associated risks (despite the current global economic downturn) require the exploration of new and more innovative approaches to the management of international border crossings. The Belgian State Secretary for Finance, Bernard Clerfayt, stated that from a government perspective, it is clear that, especially in this period of economic downturn, all public expenditure must deliver quantifiable benefits and value for money. Governments are finding it increasingly difficult to meet the costs associated with maintaining the presence of a multitude of control agencies at the border while at the same time they cannot afford to allow the level of protection extended to their citizens and businesses to diminish.

The international community is increasingly aware that innovative methods must be employed to meet these border control challenges in an efficient and effective manner and is actively pursuing various methods to do so. The Secretary General of the World Customs Organization, Kunio Mikuriya, explained that it is precisely for this reason that the WCO organized an Inter-Agency Forum on Coordinated Border Management to open the dialogue between those stakeholders that have a role in policy development, operational support and delivery of border control.

Approximately 200 participants from Customs administrations, other border control authorities, international organizations, academia and the trading community attended the Forum. There was considerable interaction with the attendees and the panellists of the Forum's six panels. These panels were designed to highlight the current situation and to discuss possible models for coordination at the border, from both a government and an industry perspective.

This document summarizes briefly the main points and conclusions of the different panels.

PANEL I

The aim of the Panel was to discuss why coordinated border management (CBM) was important, and government expectations of their border agencies.

The panellist from New Zealand discussed how New Zealand had put in place a border sector strategy last year. He outlined the New Zealand approach to coordinated border management and explained New Zealand's experience. He emphasized the fact that CBM will strengthen a government's ability to address strategic issues across the border agency sector, as it enabled a holistic approach to border management. In New Zealand's border management approach different agencies collaborated in a close manner with Customs being the lead agency for coordination. This kind of an approach was thought to ensure better and smarter border services at least cost without structural change.

The panellist from China Customs concentrated on his administration's CBM practices both domestically and internationally and outlined some of the challenges China Customs had faced. Based on these experiences he concluded that an incremental approach to CBM was needed. It should be first approached at the national level, then at the regional level and finally at the global level.

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The panellists from the UK explained the border management transformation that had occurred in the UK and outlined some key lessons learned from their experience. The main points raised in their presentation related to the need for new organizational arrangements in order to exploit the benefits of CBM and the need for enhanced integrated risk management. Complicated human resource and employment issues may also need to be addressed if it is decided to integrate more than one agency into a single entity.

Conclusions:

Based on the discussion it seemed that there was a common understanding that there is a need for a more coordinated and collaborative approach to managing borders, not least because politicians, citizens and the trade demanded more efficient ways to organize border operations in a coordinated and cost effective manner.

It was underlined that at the government level, designing and implementing a CBM system will result in more effective delivery of services at the border leading to a more efficient and secure international trade supply chain, as contradictions and redundancies between different agencies' policies, missions and mandates will be reduced or eliminated.

Governments have different strategic objectives and goals for working together. At a domestic level for some governments the goal of a more coordinated approach to managing borders might primarily relate to security whereas the goal for others may be trade facilitation or better service delivery. It was acknowledged that the strategic goals behind the approach will eventually stipulate the way coordination and cooperation will be organized, nationally, regionally and internationally. There was a clear understanding that there is no single CBM model which would fit the purpose of all administrations.

It was also stressed that while a "whole-of-government" approach to border management sounds straightforward in theory, it is difficult in practice. The cultures and philosophies of border agencies often differ. In reality, intervention strategies are of necessity diverse and approaches vary between agencies. The efficacy of each intervention strategy needs to be carefully evaluated and assessed for integration into any future coordinated approach.

There was consensus that CBM is the way to the future. When engaging in this kind of an approach, the need for political will and a strong and powerful institutional sponsor were strongly emphasized. Last but by no means least, the key message emerged that coordination is a means to an end, not the end itself.

PANEL II

This Panel was aimed at addressing the current border environment and the pros and cons of operational models; the main question being whether there is a need to change the way borders operate today.

The panellist from Uganda explained that there are many different circumstances (economic, societal, developmental, etc) that affect the possibility and potential for CBM. In a friendly and developed environment the solutions and arrangements could look a lot differ-

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ent than in an opposite environment. CBM-related work needs to acknowledge and take into account these potential difficulties. In his presentation the panellist also referred to “One Stop Border Posts” between Uganda and neighbouring countries as a demonstration of the practical application of CBM.

The need for performance measurement at the border as a starting point for assessing the need for change was also emphasized. Such an approach will enable governments to identify the cause of delays in border procedures and consequently show the potential benefit of a CBM approach and the potential costs associated with non action. The panellists from Australia and the ICC referred to and supported the WCO Time Release Study as an excellent tool that offers a standardized methodology in this respect. Its benefit being best maximized when its scope includes the performance of all border procedures (inwards, outwards and transit).

Conclusions:

The growth in international trade and travel dictate that border control authorities can no longer afford the luxury of working independently from each other. There is an increasing expectation from trade and citizens to deal with government as a single entity rather than dealing with a plethora of individual agencies. The implication of this is recognition that the border sector and its solutions are part of a wider government system.

All agreed that CBM was a long term endeavor, although some of the first steps are not necessarily expensive or difficult to implement but might bring about significant benefits (aligning office hours at border crossings, “One Stop Border Posts” etc).

PANEL III

This Panel dealt with inter-agency cooperation and its benefits; the key question being common risk management and whether it was viable.

The panellist from the OIE (Organization for Animal Health) outlined the growing trans-boundary nature of risk. National and regional challenges have increasingly become global and need to be addressed accordingly. Reinforcement of partnerships between services, countries and private organizations along with improved education and pooling of research efforts were potential actions to address these challenges.

The panellist from IATA explained their e-freight project and outlined the challenges for implementation. The need for a single submission of data for regulatory purposes was stressed and Customs was mentioned as the organization best equipped to become the single point for data submission. The panellist stated that the challenge for Customs was to establish itself as this single point of entry. He also touched upon the role of WCO instruments and the need for their adoption by WCO members.

The panellist from US CBP emphasized that a major aspect of the benefits to be exploited by a more coordinated approach to managing borders had to do with more efficient risk management. Border agencies in many cases approached risk through their agency-specific lenses, but there was an increasing need to shift from agency-specific risk to sharing a more

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general government and broader border sector risk profile. This meant a change in the mindset and demanded a common approach to risk management.

Conclusions:

Common risk management was not only viable but also crucial for effective and efficient service delivery. There were at least four key building blocks for common risk management. These were political will, cooperation, technology, and a highly trained workforce.

The role of information was also emphasized and it was mentioned that when border management agencies lack information for comprehensive, accurate risk assessments, they cannot solve their tasks in the most efficient way. When information is integrated in a uniform way across agencies, efficient risk management becomes easier.

Through sophisticated risk management tools such as advanced predictive analysis, decision-makers can harness seemingly innocuous information from multiple sources to reveal potential threats. This type of risk analysis can increase the security of borders and facilitate trade. By focusing border management resources on the areas of the highest risk, better resource utilization and operational efficiency can be achieved.

PANEL IV

This Panel looked at a possible future border environment from the physical perspective; the main question being how legal and administrative challenges could be overcome.

The panellist from the Global Express Association emphasized the need for CBM in order to avoid creating barriers to trade, particularly trade by SMEs which depend heavily on international e-commerce transactions and relied on fast and reliable procedures to develop their business, while border agencies needed transparency to maintain a high degree of enforcement effectiveness at the least cost.

The panelist from Norway presented examples of country-to-country collaboration and identified legal and/or administrative challenges and considerations that should be taken into account when building cross border collaboration at both national and international level: Norway/Finland and Norway/Sweden have established formal cooperation with one country handling procedures and enforcement at the border on behalf of the other.

The panellist from Guatemala outlined the CBM scheme in his country. The measures taken in the administration had led to a situation where the average clearance time for goods had fallen from over 70 hours in 2007 to 11.3 hours in 2008. The main reason for this was the new Customs ICT infrastructure and the solving of legal issues which enabled better cooperation, risk assessment and data sharing with neighbouring countries.

Conclusions:

During presentations and discussions, the legal challenges relating to cross border cooperation were raised, with some innovative solutions offered in the presentations. These included the establishment of a legal framework for setting up joint border posts, the inclusion of a

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legal structure for facilitation and compliance actions, cross-training, and in one example, the harmonization of rates of tariff duties and taxes. Also raised were issues associated with CBM implementation such as data protection and data sharing. The need for a single common declaration submitted concurrently at export and import for improved transparency, and consideration of the need to ensure the protection of commercially sensitive information.

PANEL V

The aim of this Panel was the concept of a future 'virtual border', the idea being to move the declaration process from the physical border to the 'virtual border' as this will enable Customs to intervene before the arrival of the goods.

The panellist from Accenture explained that information should be submitted at the earliest stage in the Customs process enabling early collaboration and exchange of data between border agencies to enable pre-clearance, and the early identification of high-risk individuals and cargo. Many changes are required to establish a virtual border including policy, process and technology changes.

The panellist from GS1 introduced standards the company had developed for identification and communication of data throughout the supply chain. Standardization and harmonization of industry information benefits the CBM environment in many ways. The availability of product and parties' information can provide Customs with additional information to aid effective risk assessment. This information can be provided to Customs as data, by RFID technology, or by bar code scanning where Customs require additional supporting information at import, export or transit points.

The panellist from UNECE explained how it contributes to a possible future border environment by developing international recommendations and supporting standards for single window implementation that include document alignment, codes and data definitions. A key component of CBM is the single submission of information from trade to government and the sharing of this information amongst government agencies. The Single Window is a practical framework which brings the concepts of electronic data exchange and process simplification together.

Conclusions:

Reference was made to the importance of adoption of version 3.0 of the WCO Data Model by WCO members. This will provide an electronic "lingua franca" to support the further development of cross-border regulatory reporting systems. It was also pointed out that the Data Model has been developed in compliance with UN/CEFACT international standards and data structures.

PANEL VI

This Panel addressed the importance of capacity building which was seen as a prerequisite for effective and efficient CBM as without sufficient organizational capacity, it would be difficult for agencies to involve and engage efficiently in CBM.

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A panellist from the EC highlighted the importance of learning from each other as there were already examples of different arrangements in operation. He emphasized the importance of compiling a list of different types of best practices and guidelines already available and the production of a typology of these arrangements for WCO members and others involved at the border.

South Africa raised the importance of regional integration when planning and initiating CBM systems. The panellist from South Africa later emphasized the importance of working within regional structures. The benefit of arrangements such as joint cooperation committees in border issues between neighbours was also highlighted.

Conclusions:

It was accepted that there is usually a mix of policy objectives behind coordinated approaches in different countries. This is something that needs to be acknowledged; instead of developing structural models, focus should be on CBM approaches that provide increased coordination and collaboration at borders while recognizing that political, social, geographical and other constraints may exist. It was also mentioned that a holistic approach for improving the capacities of all agencies operating at the border was needed through dedicated capacity building assistance.

THE WAY FORWARD

The forum was initiated to function as the beginning of a dialogue between Customs administrations, other national authorities, international organizations, academia and the private sector in understanding each other and in seeking mutual benefits for taking a coordinated approach to managing borders.

All WCO members were encouraged to start or intensify the dialogue with their partner agencies at the national level and Customs administrations were encouraged to use different regional gatherings and fora to take up this issue.

There was a need for documenting different approaches and practical arrangements relating to CBM. Based on the discussions, the WCO would undertake further research to establish case studies on what is happening, to list available technical tools, to produce check lists, and to undertake typology studies. It will also update its existing tools and continue to collect best practices that will be shared with other border agencies at future workshops on this subject.

Since there is no other obvious forum to talk about this issue at the global level, the WCO will provide a platform in the future for all stakeholders involved in CBM to continue the dialogue at international level.