

# Handbook on Best Practices at Border Crossing Points

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Organization for Security and  
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# Handbook Presentation Outline

- ⑩ Chapter 3: Striking a balance between security and trade facilitation, private industry user partnership
- ⑩ Chapter 5: Risk Management and selectivity
- ⑩ Chapter 6: Border crossing point design options
- ⑩ Chapter 10: Performance indicators and benchmarking



# Chapter 3: Striking a balance between security with trade facilitation and getting private industry partnership (1)

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## Chapter 3 outline:

### 3.1 Trade and security environment: EU and Finland/Russia examples

- National and international security initiatives
- Transport specific security initiatives
- Security schemes initiated by private industry
- Standards and methods

### 3.2 Private Public Partnership: the BCP agency and private user type

- Becoming part of the globalised and interconnected supply chain: no good supply chains falling over once goods get to a Central Asian land or rail or maritime border crossing point because of lack of predictability, no ferry schedule and lack of tracking. Local efforts introducing EDI seals and combined rail freight consignment note

# Chapter 3: Striking a balance between security with trade facilitation and getting private industry partnership (2)

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## 3.2 Continued:

- What is Trade Facilitation and why it is important
- How to get Trade Facilitation and or improve Trade Facilitation using methods such as Time Release Studies (Uzbekistan) and other methods such as Trade Facilitation Auditing (The World Bank toolkit), Business Process Mapping (Thailand) and also Combined Border Management and Single Stop Customs (Mekong Sub Region Customs administrations)

3.3 The case for a BCP management paradigm shift: control or check

3.4 Examples of Customs and trade partnerships

3.5 Introducing consultation methods between Customs and trade and models. What is needed; training, awareness of good practices, high level commitment, leadership, public outreach

# Chapter 3: Striking a balance between security with trade facilitation and getting private industry partnership (3)

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## Key message: lessons learned and good practice

1. BCP management decides if it wants 100% document and physical control and stop trade **or**, zero document and physical inspection. Neither policy acceptable. So, need to balance border crossing point security management methods with trade facilitation.
2. Objective: striking the right balance but what is the right balance?
3. OECD Customs physical inspection average about 5% compared with the Central Asia region where Customs physical inspection was about 70% now getting reducing to 40% and targeting to 20% but still not risk based inspection
4. Border agencies and Customs adding computer methods: SWS
5. Piece by piece method needs comprehensive integrated approach

# Chapter 3: Striking a balance between security with trade facilitation and getting private industry partnership: Getting the right balance (1)

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## EU case 1

1. OECD calculates each 1% saving in trade related trade transaction costs yields a world wide benefit of US\$43 billion (2003)
2. Each day saved getting goods to market increases exports
3. EU Customs administrations using electronic systems to increase international competitiveness
4. EU Security Amendment to the Customs Code and Implementation Provisions
5. EU Authorized Economic Operator (AEO) method
6. Electronic exchange of risk management data between EU Customs administrations
7. Export and import pre-alert systems start 1<sup>st</sup> July 2010

# Chapter 3: Striking a balance between security with trade facilitation and getting private industry partnership: Getting the right balance (2)

## EU case 2

1. EU exporters must comply with pre-export procedures in other countries such as the USA:
  - Customs and Trade Partnership Against Terrorism CTPAT 2001
  - Bioterrorism Act 2002
  - Container Security Initiative CSI
  - Secure Freight Initiative SFI
1. EU wants to “enhance supply chain security”, so no longer BCP but end to end / door to door
2. Aviation “known shipper” concept
3. Maritime and port security provisions
4. Result: security spaghetti

# Chapter 3: Striking a balance between security with trade facilitation and getting private industry partnership: Getting the right balance (3)

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## EU case 3

1. Modernized Customs Code 2008
2. Paperless trade and Customs environment started 2008
3. Multi Annual Strategic Plan MASP includes several projects:
  - New Computerized Transit System NCTS + TIR
  - Risk Management Framework
  - Economic Operator Registration and Identification EORI
  - Export Control System ECS and Import Control System ICS
  - Automated Export System AES
  - Integrated Tariff Environment
  - EU Customs Information Portal and Single Electronic Access Point



# Chapter 3: Striking a balance between security with trade facilitation and getting private industry partnership: Getting the right balance (4)

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## Finland – Russian Federation case 1

1. Discussion and co-operation between relevant border agencies
2. Local border crossing point co-operation
3. Logistics co-operation
4. Pilot EU-Russian Federation information exchange 2009
5. Using electronic information exchange
6. Integrating border crossing point and Customs infrastructure
7. Increasing interoperability: 8 Finnish companies and Russian counterparts
8. Finnish and Russian Ministry of Transport support

# Chapter 3: Striking a balance between security with trade facilitation and getting private industry partnership: Getting the right balance (5)

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## Finland – Russian Federation case 2

1. Using GSM information exchange
2. Common interfaces for e-documents and ICT system interoperability
3. Automatic identification of flows and transport fleet locating using RFID
4. Pilot projects:
  - Integrating information getting transparency in supply chain
  - Pre-arrival information using EU Customs Code
  - Real time transport data from different actors to the Customs broker in the Russian Federation

# Chapter 3: Striking a balance between security with trade facilitation and getting private industry partnership: Getting the right balance (6)

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## Finland – Russian Federation case 3 future plans

1. Electronic tracking of intermodal transport
2. Operations models for logistics centers and goods terminals using electronic information exchange and automatic identification in the supply chain
3. Information systems communicating with authorities such as pre-arrival as in EU

# Chapter 3: Striking a balance between security with trade facilitation and getting private industry partnership: Getting the right balance (7)

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## United Kingdom case 1 using industry action plan

### Improving UK border procedures

1. Coordinating border security and controls
2. International Trade Single Window System
  - All trade related information to get transferred to a Business Link website
  - Using IT to get electronic trade transactions
  - Modernizing and changing trade documents

# Chapter 3: Striking a balance between security with trade facilitation and getting private industry partnership: Getting the right balance (8)

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## United Kingdom case 2

### Customs

1. Continuous change to the UK HM Revenue & Customs “Customs Blueprint” report
2. Get proportionate Modernized Customs Code implementing provisions 2011
3. Improve Online Tariff 2009 onwards

# Chapter 3: Striking a balance between security with trade facilitation and getting private industry partnership: Getting the right balance (9)

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## United Kingdom case 3

### Transport infrastructure and export control

1. Developing solutions to transport bottlenecks delivering better end to end journeys
2. Improving international trade network infrastructure
3. Improving Export Control Organization using training, awareness activities, and fast track methods for low risk

# Chapter 3: Striking a balance between security with trade facilitation and getting private industry partnership: Getting the right balance (10)

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## United Kingdom case 4

### The Informed Trader

1. Getting a new strategy how to give information to and advise to traders
2. Promoting international trade as a career path using:
  - New International Trade and Logistics Operation course
  - Further develop the UK “Skills for Logistics” qualification
  - Scheme to accredit short trade practice courses
  - Youth training and Graduate Talent Pool promoting professionalism in international trade

# Chapter 3: Striking a balance between security with trade facilitation and getting private industry partnership: Getting the right balance (11)

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## United Kingdom case 5

### Policy coordination

1. Creating a cross-Government International Trade Facilitation Committee enhancing international trade policy coordination by:
  - Ensure all EU and national legislation affecting trade and all cross-cutting impacts solved
  - Finding and using border crossing point best practices
  - Reviewing UK level with international comparators



# Chapter 3: Striking a balance between security with trade facilitation and getting private industry partnership: Getting the right balance (12)

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## United Kingdom case 6

### International comparisons

1. Continuously improve UK performance in international indicators such as The World Bank's "Doing Business" report i.e., trading across borders indicators by:
  - Using the action plan proposals
  - Getting increased business engagement
  - Making regular performance assessment by the International Trade Facilitation Committee

Ends

# Next Chapter 4 Processing freight: control, clearance and transit policies

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تاریخ ۱۳۸۴/۱۱/۲۷  
شماره ۱۰

1: Sender Error! Not a valid link. 4/3. Paxe Aspevan. 4/3. Paxe Aspevan. 4/3. Paxe Aspevan. 4/3. Paxe Aspevan.	16: Carrier (name, address, country) نام، آدرس، کشور	17: Successive Error! Not a valid link.
2: City of delivery of the goods محل و تاریخ تحویل کالا Tehran	18: Carriers' reservations & observations توضیحات و ملاحظات حمل کننده Manteh - HOMEP 53-79	
3: Decline استناد ضمیمه attached	10: Statistical number شماره آماری 1133 2114 3247	11: Gross weight in kg وزن ناخالص (کیلوگرم) 12660 17000 21600
14: Instrument for carriage دستور در مورد پرداخت هزینه payment	19: Special agreements توافقیات خاص مسئولیت اموال غیر مختار خارج از CMR بدون صاحب آن است	15: Cash on delivery محل و تاریخ صدور 21: Established on 19
20: Signature & Stamp of the sender محل امضا و مهر کننده	22: Goods received place on تاریخ و محل دریافت کالا Signatures & stamp of the consignee محل امضا و مهر گیرنده کالا	