

UNCTAD Trust Fund for Trade Facilitation Negotiations  
Technical Note No. 14

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## Border Agency Coordination/Cooperation

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### The measure in the WTO context

#### *GATT Article VIII*

GATT 1994 Article VIII (Fees and Formalities connected with Importation and Exportation) recognizes in paragraph 1(c) “the need for minimizing the incidence and complexity of import and export formalities and for decreasing and simplifying import and export documentation requirements.” This has been the basis for discussions on border agency coordination and cooperation.

#### *Proposals made at the Negotiation Group on Trade Facilitation*

Members' proposals address two dimensions of border agency coordination and cooperation:

- 1. The **domestic dimension**; which deals with coordination and cooperation amongst national agencies involved in border controls;
- 2. The **cross-border/international dimension**; recommending cooperation between agencies of neighbouring Members that share common borders.

Proposals aiming at improving coordination of border agencies are concerned with the movement of goods, in particular the physical release of goods at border crossings or inland clearing facilities. Border agency coordination addresses one aspect of the entire trade transaction process. Members' proposals for the establishment of a Single Window to facilitate the entire trade transaction process through better coordination amongst agencies and traders are closely related, but not identical, to the issue of border agency coordination.

Under the heading of Coordination of Activities and Requirements of all Border Agencies, WTO Members introduced proposals seeing for strengthening the discipline on data and documents requirements of border agencies, a single location of verification of consignments and documents control at clearing facilities, and improved cooperation or even integrated management of border agencies, inland and across international frontiers.

### Background

The geographical border is the location where one countries' authority over goods and persons ends and another countries' authority begins. Traditionally the border is the location where enforcement of and compliance with national legislation in such areas as security, environment, immigration, consumer protection, commercial policy, Customs duties, excise, and taxes, takes place. Control and enforcement involves various operations from document and goods control, to the calculation of Customs duties and taxes, the collection of revenue, and immigration and vehicle control. These operations are performed by various governmental agencies, often

physically represented at the border. Traders have reasonable concerns on the number of border control formalities and their organisation. Lengthy border crossing procedures cause delays and congestions and put a strain on the border post facilities, in particular on land border posts, which are often not equipped with sufficient parking lots for trucks and have only one access road. In particular perishable goods are penalized by long waiting times, and unpredictable crossing times impact trade and the overall perform of the supply chain. Also agencies' efficiency is limited through the duplication of tasks and the lack of transparent information documentation flow.

The border crossing can be facilitated through the simplification and harmonization of formalities and required documents the removal of some operations from the actual border post to inland locations, and enhanced cooperation amongst the border agencies. The term Integrated Border Management (IBM) is often employed in this context to describe different forms and levels of border agencies coordination and cooperation with the aim to facilitate legitimate trade and increase operational efficiency.

### *National Border Agency Coordination*

On the national level Coordination and cooperation can encompass different components; such as:

- Joint, coordinated or delegated conduct of inspections with shared risk management processes, control and payment procedures;
- Exchange of data;
- Operation of integrated procedures;
- Joint management of the border post and related facilities.

Examples are: Joint definition and revision of risk management criteria, exchange of data to allow traders and agents unique data entry, a single window for submission of export and import declarations and payment of the various fees and duties, delegated inspections where the first level of inspections is undertaken by one agency and cases transferred to special agencies only when further inspection is necessary.

Border agencies cooperation can be implemented through different governance framework and levels of coordination. Indeed, in reality border agencies often cooperate on a voluntary and ad-hoc basis. Joint working groups for example can be effective means to address sudden occurring problems, for example the planning of traffic flows in peak times. However, in order to strengthen and formalise the cooperation regulatory changes are required as well as remodelling of facilities may become necessary. An integrated IT system, such as a Single Window platform, would facilitate the exchange of data and the operation of integrated procedures, and therefore support border agency cooperation and coordination.

There are different options for the choice of the governance framework for the cooperation; a new agency, a border agency, regrouping all agencies present at border crossings can be set up, agencies can collaborate on the basis of legal understandings, so-called Memorandums of Understanding, or simple consultation mechanisms can be introduced.

### *Cross-border cooperation*

Cross-border agency cooperation is very complex and relies on a robust legal framework shared by both countries; either a policy declaration, a MOU or a full fledged bilateral agreement. The optimal form of cross-border cooperation is the joint One Stop Border Post (OSBP), operated by two neighbouring countries. Many countries aim for the creating of such OSBPs (see box below). The joint operation of a border posts requires close cooperation in the daily management of the border posts, the harmonization of requested documentation, the development of an enabling legal framework covering mutual recognition of controls and the exchange of data, joint maintenance of the infrastructure, and the operation by border agency officials on an extra-territorial basis when needed. Often substantial infrastructure investments (new buildings, access roads, information and communications infrastructure (ICT) and agreements for sharing the information, shared new scanners and weight bridges etc) will be necessary.

#### **Joint Border Posts in Africa**

After several years of preparation a Bilateral Agreement to establish a Joint Border on the South African-Mozambique Border was signed on September 2007 between the Presidents of South Africa and Mozambique. South Africa has agreed to finance the major infrastructure works and both countries are in the process of setting up the necessary bilateral working groups to undertake the preparatory work. These technical working groups would deal with legal framework, infrastructure, Information and Communications Technology, operational procedures, human resources and training, safety and security and border management. In addition a Communications Unit was created to keep all stakeholders –public as well as private-informed of the progress and solicit advice.

In West Africa Joint Border Posts are planned on the borders between Ghana and Burkina Faso and on the border between Burkina Faso and Mali as well as on the border between Senegal and Mali. These initiatives are undertaken in the context of Corridor developments financed by the national Government, the EU, the African Development Bank and the World Bank. Most of the preparatory work is undertaken at the Commission of the West African Economic and Monetary Union. Progress towards a model agreement on the legal and operational framework as well on infrastructure works and the Border post management is well advanced.

Less integrated forms of cross-border cooperation also have beneficial impact on trade facilitation and constitute first steps towards a joint OSBP. The alignment of office hours for Customs clearance can be achieved via a simple consultative mechanism including neighbouring countries' border posts managers and stakeholders. Countries can also agree to recognize controls, such as vehicle weighing, and the cross-border road permits. On the basis of the WCO Johannesburg Convention countries can also provide mutual administrative assistance and share Customs information in cases of infractions. However, if countries would like to establish a routine exchange of Customs data, a national legislation providing for the collection and transmission of information in line with existing laws on data protection and data privacy, and a bilateral agreement specifying the condition and use of such information become necessary; the WCO Model Bilateral Agreement on mutual administrative assistance in Customs Matters, and Guidelines for the Development of national Law for the collection and transmission of Customs Information are useful tools in this respect.

## **Benefits and costs**

### *Benefits*

Coordination and cooperation of border agencies contribute to reducing compliance and enforcement costs, and result in efficiency gains and less operating costs. For the trading community the gains are simplified document requirements and time to prepare declaration, reduced time spent for border controls and during the actual border crossing and a more predictable process flow.

The benefits in detail are:

- Simplification of document preparation (lower compliance costs for the declarant)
- Faster border crossing resulting from harmonization of physical inspections of crossing cargo, vehicles and drivers and better flow management;
- Reduce pressure on the infrastructure;
- Costs savings in administration, and streamlines procedures, improved working conditions for government officials due to the use of shared information, common premises and services;
- Reduced staff needs owing to task sharing among different agencies - thus liberating skilled human resources for other activities; and

### *Costs*

Costs vary depending on the level and mechanism of agency coordination. Costs can be expressed in terms of transaction costs, meaning time needed for the drafting of the necessary laws, and negotiations with the relevant agencies on the change. Some staff will also be necessary to work permanently with the mechanism.

In nearly all planned OSBP there is a need for major new infrastructure and ICT investments, including a redesign of the traffic flow, joint inspection spaces, and redesign of the offices of customs, immigration and other border agencies to ensure a fluid border crossing process for passengers and cargo. The position of scanning equipment and weight bridges should also be coordinated with other border control activities. All this may involve substantial expenditures and will require careful planning. The planning of the infrastructure will need to be aligned to the new operational procedures that will need to be drawn up in cooperation with the different border agencies of the countries involved.

The process of defining the new legal framework, the ICT infrastructure, the operational procedures and the management details for the operation of the new infrastructure has proven time consuming. They should follow a carefully designed time bound process. Difficulties to ensure coordination between all agencies involved should not be underestimated. High level political support of the overall process will be of great assistance to achieve the results that often find their origin in high level political commitment.

### *Implementation issues*

- The movement to more integrated border agencies operations should start with an analysis/mapping of each agency's existing procedures, mandate and

operations. Based on these findings a new set of joint operational procedures need to be agreed upon with all agencies involved.

- A governance model for the joint Border post will need to be defined. This includes the financing modalities for the construction and maintenance of the facilities, the operations of the facility (
- The preparation of the new infrastructure should be based on the existing and projected traffic flows (vehicles, trains, persons) and the new operational procedures that will determine the time that each passenger, including the delegation of responsibilities to other agencies. This study should indicate how long each passenger, car and truck spend at the border and how these delays will be impacted by the new operational procedures. Hence a careful study of this traffic flow should be undertaken *before* final decisions are made pertaining to the design of the infrastructure.
- A monitoring system of the traffic flow and time delays should be designed to measure the impact of the changes and to continuously identify possible bottlenecks at the border post.
- New operational procedures for all border-crossing agencies will be designed. These should reflect simplification and be aligned to international standards – including risk management- and joint data elements. This would lead to the development of common documents and integrated procedures. Operational procedures could allow for moving certain operations to inland destinations, pre-arrival declaration using Electronic Data Interchange, greater use of post-clearance audits, Authorised Economic Operator Schemes, pre-arrival clearance and modern risk management (See the WCO SAFE Framework)..
- The delegation of responsibilities and tasks, the exchange of information as well as the need to operate on an extra territorial basis for some agent requires that an enabling legal and regulatory framework be prepared.
- The decision to share data between the different agencies and Departments operating at the border will require a new IT environment, and possible the introduction of a Single Window platform.
- Use of international standards for data exchange and the use of data elements.

## References and tools available

### *ASYCUDA*

The Automated System for Customs Data (ASYCUDA) is a computerised Customs management system by UNCTAD. See [www.asycuda.org](http://www.asycuda.org).

### *UNECE instruments*

Tools for facilitating the exchange of information and data amongst agencies include: the United Nations Layout Key for Trade Documents (UNLK, ISO 6422, see [www.unece.org/cefact](http://www.unece.org/cefact)); the United Nations Trade Data Elements Directory (UNTDDED, ISO 7372, see [www.unece.org/cefact](http://www.unece.org/cefact)); the United Nations Electronic Data Interchange for Administration, Commerce and Transport (UN/EDIFACT see [www.unece.org/trade/untddid/welcome.html](http://www.unece.org/trade/untddid/welcome.html)). Furthermore relevant standards are the UN/CEFACT Single Window Rec. 33, (see [www.unece.org/cefact/recommendations/rec\\_index.htm](http://www.unece.org/cefact/recommendations/rec_index.htm)). The International

Convention on the Harmonisation of Frontier Controls of Goods (see [www.unece.org/trans](http://www.unece.org/trans));

*World Customs Organization instruments*

WCO SAFE Framework

Nairobi and Johannesburg Convention

*The Global Facilitation Partnership for Transportation and Trade (GFP)*

GFP Technical Note on Integrated Border Management  
<http://www.gfptt.org/uploadedFiles/7488d415-51ca-46b0-846f-daa145f71134.pdf>

*See also UNCTAD*

Further Technical Notes related to the topic are available via <http://r0.unctad.org/ttl/technical-notes.htm>. See in particular:

- Technical Note 7 (Maintenance of Integrity among Officials)
- Technical Note 12 (Risk Management in Customs Procedures)
- Technical Note 13 (Simplification of Trade Documentation Using International Standards)
- Technical Note 21 (Automated System for Customs Data (ASYCUDA))

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