



SEMINAR ON REDUCING OBSTACLES AT BORDER CROSSINGS 5-6 MARCH 2009

SUMMARY CONCLUSIONS

The World Bank, the United Nations Economic Commission for Europe and the International Transport Forum organised in Paris on 5-6 March a Seminar on Border Crossings, as an input and preparation for discussions on the topic in Leipzig. The event was attended by almost 100 experts from Governments, International Organisations and private sector interests. The list of attendees is attached in Annex 1.

More than 30 presentations were made and these are listed in Annex 2. They are all available on the website as well.

<http://www.internationaltransportforum.org/Proceedings/Border2009/index.html>

The Seminar also used as an input the responses to an ITF border crossing questionnaire sent to and answered by 45 Countries.

The event was organised in three broad sessions

- The extent and nature of the problem; progress made and remaining problems;
- Examples of good practices and improvements;
- Main messages and way forward.

The following is a brief summary of the key issues that emerged and the main messages that participants supported under each of these headings.

The Extent and Nature of the Problem

Crossing borders has always been a problem in transport. In the 1980s and 1990s steady progress was made to simplify procedures and reduce delays and costs especially in Europe where many borders disappeared but also in other regions. The terrorist attacks of September 2001 resulted in a sharp increase in security measures for international travel and trade. Moreover, in some regions, like the former USSR or South East Europe, a set of new borders was created. In summary, new security requirements, as well as existing procedures mean that international transport still faces obstacles, costs and difficulties in crossing borders.

The costs include time losses, the costs of immobilised equipment, security and theft risks, additional inventory costs, and the human costs for transport workers and the affected border populations. This is compounded by a high level of unpredictability in both time and costs, which is a major impediment to supply chain efficiency. More generally, delays and other costs reduce trade and welfare. Estimates of the worldwide income gains from a 1% reduction in trade and transport costs (direct and indirect) are estimated by the OECD at about 40 billion dollars. Each additional day that goods spend in crossing borders increases the costs of trade by 0.8%. Transit overhead costs can be from 30% to 100% of direct transport costs. Direct costs of this kind are now higher than existing tariffs, with indirect costs often much higher.

On some road trips, the waiting time at borders can account for a third of the total time taken and the road fleet is up to a third bigger than it needs be to carry the trade. Railway trips still take a very long time, for example, moving goods from Moscow to Berlin by rail still takes 7 days.

The main problems identified in the answers to the questionnaire from 45 Countries and the presentations at the seminar are similar to those identified in earlier work and in many other studies. These include delays due to the different controls required at borders, the problems due to lack of coordination between different authorities within and between Countries, infrastructure problems with parking or approach lanes for road transport, interoperability problems for railways, limited use of electronic communication technologies, which, when used, do not always comply with international standards regarding the exchange of data and finally specific problems of bribery and corruption. Lack of leadership on Transport and Trade facilitation at borders remains an issue. Specific presentations highlighted these problems. Worth mentioning is the presentation from India which highlights the main problems in the regions around the country and shows the severity of the problems encountered in specific parts of the world. Business interests complained of the very slow progress in improving the situation and the lack of harmonization in the implementation of international instruments combined with the lack of monitoring of performance as well as corruption problems.

Delays on international railways are frequently due as much or more to internal railway checks as to international customs or border crossing formalities. But some problems linked to regulations remain, notably the compatibility between CIM and SMGS consignment notes and the failure to facilitate rail equipment exchanges between countries.

Indicative targets for border crossing times, (for example, 1 hour for road crossings), agreed by Ministers in the past have been achieved in some cases but in many instances are very far from being reached.

Progress Made and Good Practice Examples

Not everything was a problem however and the Seminar reported on many recent initiatives and examples of good practice. These included cases from

particular modes and specific corridors as well as more systematic attempts to manage in a coordinated way the necessary controls while at the same time facilitating trade. As one example, the cooperative arrangements at the US/Canada border, the busiest in the world, include a joint working group with all the key customs, finance and trade and transport interests, which is a model for institutional cooperation. The incorporation of stringent additional security measures after 2001, while maintaining the enormous cross border flows, is a striking achievement.

Presentations from Australia showed how the approach in forward looking customs authorities is evolving from one based on imports and revenue collection to one based on security and exports, with mutual recognition between Countries on their procedures. The results were such that "The Time-Release Study" was now showing that the logistic chain operators were actually those adding to delays and not the procedures linked to clearing borders.

The Pan European Corridor examples in Europe/Asia have incorporated some of these features and useful progress is reported, albeit less striking than those above.

The use of performance indicators, whether simple ones, like delay times, for example the IRU's Border Waiting Time Observation (BWTO) or time to release, or more complex indicators, like those being developed by the World Economic Forum or the World Bank and the United Nations Economic Commission for Europe, are powerful tools and provide the necessary objective background to performance measurement. Authorities and operators should provide and maintain the data essential for these indicators. Other countries might follow Finland's example and show via Webcams the situation at borders.

For railways, frequently burdened with old infrastructure and different signalling systems, the problems of interoperability are serious and costly to remedy. However, some encouraging examples were presented where, with close cooperation between the different actors, very significant improvements were made, for example, in facilitating rail movements between Belgium and Germany.

Main Messages on Way Forward

There was strong support around the following strategic ideas for making further progress

A Shared Vision for Border Crossings

The participants shared a vision for the future that is built on an integrated and cooperative model for border management. Instead of competition and adversarial relations between agencies, the aim is for a combined approach based on a single window for business and users. There should be a balance between control and facilitation, with as much of the work as possible done in advance using electronic communication to replace the present paper based systems.

In implementing this vision, some fundamental principles were agreed.

Use Existing Legal Framework

The legal framework at international level is broadly adequate to provide a framework for trade and transport. The IMO facilitation convention, the UN Harmonization convention, TIR and other transit regimes, the WCO SAFE framework and the revised Kyoto convention provide in general terms a satisfactory framework for progress. Many of the problems at borders are related to weak and non-harmonised implementation and application of these instruments. Ongoing WTO negotiations on a new Trade Facilitation Agreement provide a possibility and should be actively used by Ministries of Transport to introduce measures that could significantly reduce many of the problems and ensure a more harmonised application of the existing legal instruments (of WCO, UNECE, etc) at global level through references in the legally binding Trade Facilitation Agreement.

Strengthen Interagency Cooperation

One of the recurrent problems concerns the multiple agencies involved and their frequent inability to coordinate their activities. The implementation of the vision would, as a first step, try to bring these activities together in a more unified and business friendly way. One agency needs to take overall responsibility, bringing together the views of all actors, for example in trade facilitation committees and in implementing single window solutions. More autonomy so that decisions can be taken at borders would also be desirable.

But more is required. There needs too to be an effort among the Countries to see to what extent these requirements at international level (phytosanitary rules, technical conditions, weighing vehicles) can be simplified or reduced or carried out in other ways or places.

Transport Authorities are not the only nor the most important authorities involved at borders. They can assist facilitation in two main ways; first, by minimising and streamlining the checks and controls they are responsible for themselves and, second, by being much more proactive in working with border police, customs authorities and others in supporting simplification, streamlining and speeding up of processes. Transport authorities have a role to support efficient trade and legitimate operators.

Strengthen Cross Border Cooperation

This is an extension of the previous point. This needs to start with neighbours and can be expanded regionally or on major trade corridors. The ideal to be aimed at is shared facilities and joint controls at border points as well as mutual recognition of these.

Involve the Business Sector from the Beginning

Business interests present at the Seminar cited examples of controls and checks that were difficult or impossible to carry out in a practical sense. Business believe there possibilities to improve security and business efficiency at the same

time, for example, in traceability, theft avoidance and information exchange. Business asked for a dialogue on measures being considered by Governments from the beginning. The tripartite approach (authorities, employers and workers) could also be taken forward concretely to facilitate trade and transport by the ILO.

Move to Risk Based Approaches

Evidence from facilitation studies at the seminar and in other work showed that using targeted checks and a risk based approach can both speed up procedures and improve border authorities' results (revenues, detection of problems) at the same time. The concept of Authorised Economic Operator (AEO) has a strong potential for further development. Full scanning (for example, of containers) is costly, slow and diverts resources from potentially more risky operations.

Work towards a Multilateral Approach

To ensure the mutual recognition of Authorised Economic Operator programmes and WCO SAFE requirements, there would be a need for over 16,000 individual bilateral agreements on border crossing and trade arrangements. These are costly to draw up, to monitor, and to implement consistently. A global move towards common standards and rules via existing international instruments is the aim and the bilateral option should be reserved for specific cases not covered by international conventions.

There are many international organisations that are contributing to the work. The more their work is coordinated and outputs converge, the greater the chance of consistent approaches internationally.

Develop IT

Among the issues raised here were the use of biometric controls for passengers and predeclarations for goods transport. Their wider application could facilitate travel and trade. A problem does seem to be the non harmonised development of IT systems and interface technology for trade. A greater use of harmonized information technology aimed at improving facilitation services and security parameters is needed but should not become an obstacle in border crossing procedures.

Monitor Performance

Customs authorities, trade interests, transport operators and associations can all facilitate improvements by transparent and regular publication of performance indicators for trade facilitation and border crossings. These can be customs data like time to release, transport operators data on border crossing times like the BWTO mentioned above, or broader indices like the World Bank or the World Economic Forum competitiveness index with components on border crossings, transparency and corruption. Indicators which show also economic costs are important as they may have the political impact to bring about change. Handbooks on good practice (e.g. from the World Bank and the OSCE/UNECE) are a valuable aid to improving policy and performance. States should contribute actively to those mechanisms and

provide data for them. They should be made as widely available as possible and especially to those responsible for border crossings.

Some particular issues were also raised.

Visas for Transport Workers

There are different visa regimes for transport workers in road and rail transport, shipping and aviation. These all remain difficult for the workers involved and impose costs on transport and trade. The ILO convention for Seafarers, the IATA regime for aviation and the different arrangements for road transport could be streamlined and improved. The recognition of drivers, in the most recent bilateral agreements between the EU and third countries, is a step forward. The ILO in its tripartite structure could work to devise a regime that would satisfy security concerns while facilitating the lives of transport workers. This work could perhaps be done initially in regions to facilitate concrete progress.

Special Issues for Rail Transport

As mentioned above, many rail systems suffer from the fact that they were often originally built to **avoid** international transport; this raises a complex array of infrastructure, electricity supply, signalling, operating and institutional issues that require intensive efforts to resolve. Lack of cross-border acceptance of railway vehicles, especially locomotives and lack of licenses for railway undertakings to operate on rail infrastructure in another country are also considered an important handicap. As rail transport is ideally suited to longer corridor trips, the approach could be best taken on specific corridors. More use of transit systems like TIR in railways was also suggested.

A specific issue concerned the critical need to extend the use of the uniform CIM/SMGS consignment note to more railway routes and corridors. Major advantages for cross border rail traffic could be obtained if the uniform consignment note were also to be accepted as a customs document beyond the CIM area.

Special Issues for Air Transport (Airports)

With ever growing number of passengers and travel globalization, the airports are faced with a very challenging situation: they need to constantly increase the speed of the passenger flows at the cross-border check points while achieving and maintaining a high level of security. The airport industry believes that the best way to achieve this result would be through the design, testing and installation of automated biometric border control systems. The industry has also expressed the view that State support in achieving that goal would be necessary at the planning, operational and financial levels. The introduction of such systems in an effective manner requires international cooperation and coordination among different actors. Transport authorities need to be actively involved in these discussions

ANNEX 1. PRESENCE LIST

ITF/UNECE/WB JOINT SEMINAR ON
OVERCOMING BORDER CROSSING OBSTACLES

Paris, 5 – 6 March, 2009

CO-CHAIRS: Dr Eva MOLNAR, Marc JUHEL, Jack SHORT

UNECE/CEE-ONU	Dr. Eva MOLNAR Director of the Transport Division CEE-ONU / UNECE
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ICS	<p>Mr Simon BENNETT Secretary International Chamber of Shipping</p> <p>Mr Tim WATSON International Chamber of Shipping</p>
ILO/OIT	<p>Mr. Marios MELETIOU Sectoral Activities Branch International Labour Office (ILO)</p>
IRU	<p>Monsieur Jean ACRI International Road Transport Union (IRU) Head TIR System</p> <p>Mr Peter KRAUSZ Head Goods Transport and Facilitation International Road Transport Union (IRU)</p>
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ANNEX 2. LIST OF PRESENTATIONS AVAILABLE ON THE WEBSITE

Session 1. Obstacles at Border Crossings - What Are They and How Much Do They Cost?

- **Findings of the ITF 2009 Survey on Border Crossing Obstacles in the Member Countries** -- Slides
Peter RANGER, Consultant
- **Crossing Borders Lessons from Experience**
Jean-François ARVIS, World Bank, International Trade Department
- **Findings of the OECD study on The Costs and Benefits of Trade Facilitation**
Evdokia MÖISE, OECD
- **Global Enabling Trade Report 2008: Benchmarking the ease of getting goods across borders**
Margareta DRZENIEK, World Economic Forum
- **Costs of Waiting at Borders - The Road Transport Industry's Point of View**
Peter KRAUSZ, IRU
- **Commission Survey on Agreements on Cross-Border Rail Traffic in Europe**
Frank JOST, European Commission
- **Cross-Border Management Challenges and Solutions: The Airport perspective**
Vlad OLTEANU, ACI Europe
- **Border crossing impediments - how they affect a country?**
Maris PEKALIS, Latvia
- **Border Crossing Issues: Finland - Russia**
Jouko ALALUUSUA, Ministry of Transport and Communications, Finland
- **Forging Efficient and Economic Transport Logistics: Case Study India-Bangladesh**
K.L. THAPAR, Asian Institute of Transport Development, India
- **Extension of the TEN-T to the Neighbouring Countries and Regions. Horizontal Measures**
Svetlana GLIGOROVSKA, European Commission DG TREN
- **Corridor VIII: Border Crossing Issues and Transnational Cooperation in the Transport Sector** -- Slides
Michele GRIMALDI, Corridor VIII Secretariat
- **Activity Report on Cross Border Issues and Results of the Cross Border Surveys**
Technical Secretariat of the Steering Committee for Pan-European Corridor X
- **An Outline of the Current Activities of the ILO on Road Transport Border Crossing**
Marios MELETIOU, International Labour Organization

Session 2. Good Practice Solutions - Positive Achievements

- **A Future Perspective of Border Management**
Tom DOYLE, World Bank
- **Transit systems, including TIR, and strategic directions of their development**
Artur BOUTEN, UNECE
- **Customs responses for facilitating the cross-border movement of goods and conveyances**
Thierry PIRAUX, WCO
- **Challenges in facilitating trade and transport**
Neil MANN, Australian Customs Service
- **Time Release Study 2007**
Neil MANN, Australian Customs and Border Protection Service
- **Eurasia Business Platform Initiative**
Eric STEWART, US Chamber of Commerce
- **Security, Risk Perception and Cost-Benefit Analysis. Round Table Conclusions**
Stephen PERKINS, ITF/OECD Joint Transport Research Centre
- **TIR electronic pre-declaration (TIR-EPD): How it works in reality**
Jean ACRI
- **Potential of integrated rail border crossings and administrative and operational interoperability**
Paul GUITINK, CER
- **Reducing Bottlenecks at Borders: an Infrastructure Managers Viewpoint**
Michael ROBSON, EIM
- **Best Practices - Canada-U.S. Land Border Management**
Robert MCDUGALL, Permanent Delegation of Canada to the OECD
- **How does the WCO help its Customs Administrations to overcome corruption? --**
Slides
Patricia REVESZ, WCO
- **Fighting corruption through better border management**
Tom DOYLE, World Bank

Session 3. Policy Challenges - How To Move Forward?

- **Lessons from the implementation of the Harmonisation Convention to enhance border crossing performance management**
Konstantin GLUCKHENKIY, UNECE
- **The WCO SAFE Framework of Standards**
Thierry PIRAUX, World Customs Organization (WCO)
- **Evidence-based Impacts of Simplified Control Procedures on Revenues**
Mark JUHEL, World Bank
- **Promoting Best Practice Solutions across OSCE Region**
Roel JANSSENS, Organization for Security and Co-operation in Europe (OSCE)
- **Border Crossing Obstacles: A Maritime Perspective**
ICS Written Contribution