

First Regional Workshop of Euro-Asian Transport Links

Phase II

Facilitating Euro-Asian Transport in the ECO Region

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Border Crossing Point Customs and Trade Facilitation Problems and Solutions

Introduction

“World trade is falling much faster now than in 1929-30” two economists tell us¹, the Asian Development Bank² (ADB) tells us that economic growth will slow in 2009, The World Bank tells us trade will decline by 9 per cent during 2009 while the International Monetary Fund (IMF) said on Wednesday 22 April 2009 that global trade will decline by 11 per cent. Furthermore, two countries with important trade links with ECO member countries the People’s Republic of China exports have halved while industry output declined in Turkey. The People’s Republic of China and Turkey might have contributed most to the development of Euro-Asian Transport links and perhaps contributed the majority of cargo on Euro-Asian air freight and road and railway transport links. Therefore, it is more important now for countries to help their economies and trade grow by solving Customs and transport and trade facilitation problems at border crossing points.

This short paper lists some of the border crossing point Customs problems and solutions and includes some of the behind the border problems if they involve border crossing infrastructure, policies, transport, transit and Customs and other border agency procedures. This paper does not list every border crossing point problem and solution because there is not enough time.

Before explaining some of the problems and solutions a definition of a road border crossing point (BCP) might help start the debate. A road border crossing point is the place where the sovereignty of the country is administratively established. It should provide for efficient processing of lawful traffic, include the facilities to detect violations, and at the same time offer a good image of the country. An essential feature is that traffic should not get delayed, and, in case of congestion, priority should almost always be given to expediting traffic, as there are other means of establishing control downstream for example in an inland clearing depot (ICD). Ideally, customs revenue needs collecting at an ICD and not at a BCP.

¹ A Tale of Two Depressions by Barry Eichengreen, University of California and Kevin H. O'Rourke of Trinity College Ireland, April 2009

² Bleak Outlook for Developing Asia, But Region Can Cope with Crisis Says ADB, Asian Development Outlook 2009, News Release, 31 March 2009

1. Border Crossing Point Customs Problems and Solutions

1.1 Infrastructure problems and solutions

The problems and solutions described below apply to busy and low traffic level border crossing points.

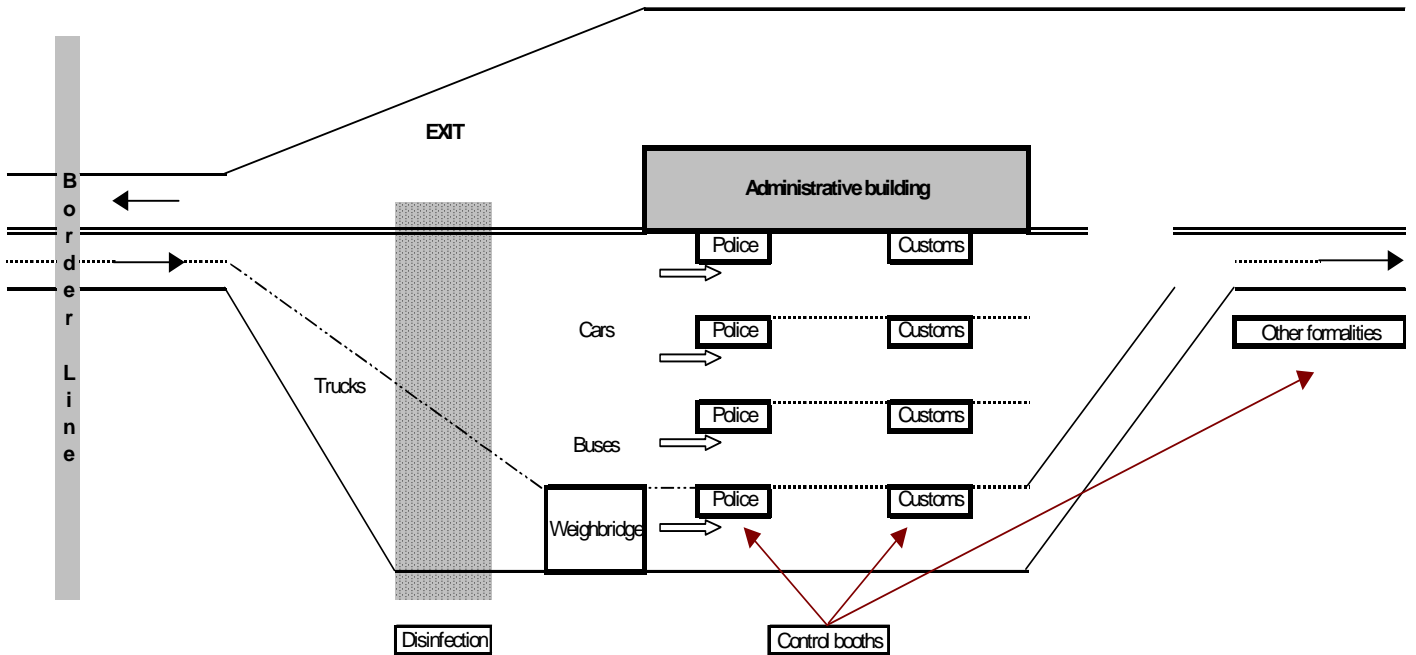
Linear vehicle lanes are not an efficient vehicle management method at road border crossing points because they give vehicle congestion and delays. Most border crossing points in Central Asia and some ECO member countries have linear type traffic lane border crossing points. I have found that where some border crossing points received modernising investment the linear type traffic lane border crossing arrangement remains. The previous vehicle congestion problem was not solved and the congestion and delay problem remains. Modern border crossing point management tend to use several vehicle lanes with some lanes dedicated for passenger cars, buses, other lanes for commercial vehicles and perhaps a dedicated lane for TIR, ATP certified vehicles and for trucks carrying perishable foodstuffs³. Each lane is fenced giving security to passengers and BCP staffs. Vehicle waiting bays are angled in a 'herringbone' design concept. The diagrams below illustrate the comparison between the inefficient liner lane and the use of 'herringbone' waiting bays reducing vehicle-waiting times.

Ideally the solution at border crossing points for passenger cars and bus passenger lanes at existing and new border crossing points segregated from commercial traffic. During my work with the Jordan Customs Department and the Jordan Ministry of Public Works the solution was to transfer commercial traffic to a new border crossing point about 4 kilometres from the previous border crossing point which became the new passenger car and bus border crossing point. This seems a good solution because processing commercial traffic is different from processing cars and bus passengers.

Diagrams 1 and 2 and 3 below show the problems and solutions.

³ During the Authors study of TIR and export goods in the Kyrgyz Republic, tomato growers and trucking companies reported they did not get preferential treatment for their perishable tomatoes at the Kyrgyz, Kazakhstan or Russia Federation border crossing points

Diagram 1: Classical linear type lane design of many road border crossing points



After passing the border crossing point entry-gate vehicles go down the appropriate vehicle lane. As shown below, cars 1 and 2 must wait until car 3 completes immigration, customs and other agency processing. If there is a delay, vehicles 1 and 2 cannot get out of the lane and exit the control area. Vehicle traffic moves at the pace of the longest control. Traffic movement occurs irrespective of the number of vehicle lanes.

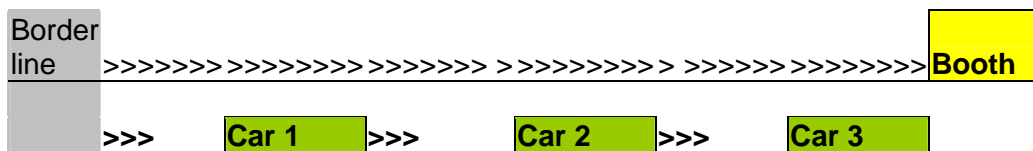
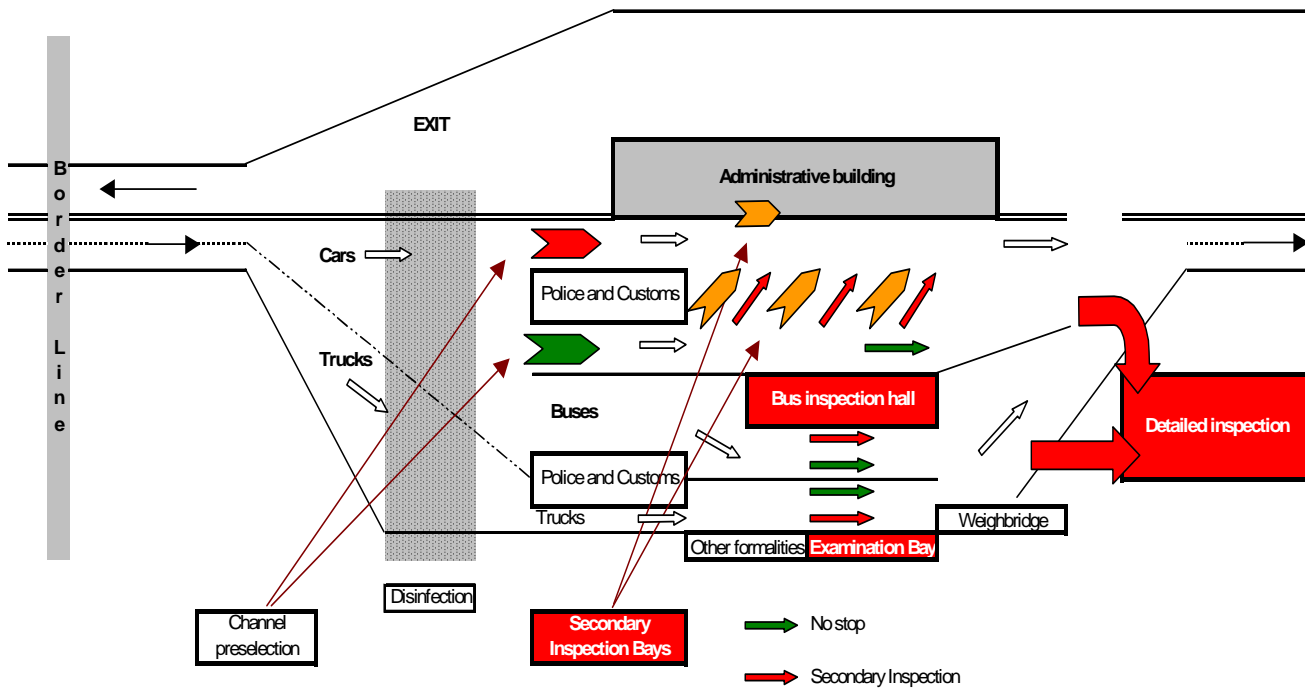


Diagram 2: Road border crossing point with many vehicle lanes

One solution is increasing the number of vehicle lanes as shown in diagram 2 below. However, constructing vehicle lanes is expensive and they need agency staffing. Crossing the facility by foot is difficult and potentially dangerous. When joining the appropriate queue drivers do not know how long the clearing process will take.

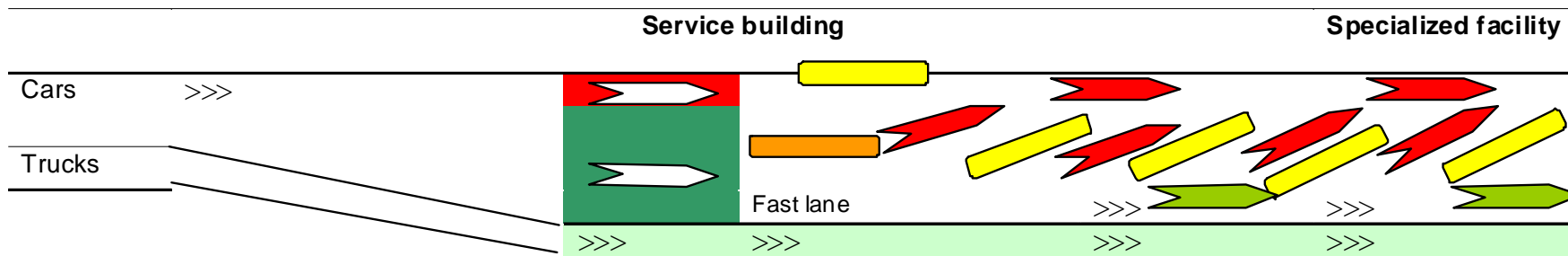
In the diagram below, vehicle traffic moves faster because the duration of a check does not affect the by-pass ability of the green channel.



Drivers entering the vehicle lanes select either green or red channel. Police and Customs can re-direct to other lanes as needed (Lanes 1 and 2). The inspection bays are at an angle, so they do not block the main flow. If these bays are occupied when several controls are simultaneously under way traffic can still proceed. Commercial vehicles can be processed using a similar method.

Diagram 3: Simplified road border crossing point processing

BORDER SIDE (Entering traffic)



	Lane pre-selection. Red Channel.
	Lane Pre-selection. Green Channel. (The bottom – fast – lane should always remain unblocked.)
	Truck lane. Trucks proceed to their own facility further downstream.
	Targeting booth (Border police and Customs, booth has a glass separation between the two administrations).
	Examination bays. Consist of an examination bench and simplified equipment. More thorough searches are carried out in a specialized facility.
	Circuit of vehicles.

In this example 'Herringbone' waiting or inspection bays do not delay traffic. Traffic does not get delayed because one vehicle needs extra inspection or the clearing process is slow for other reasons.

1.2 Who should design re-design and build border crossing points?

Another problem I find while working with different Customs administrations is who gets to design a border crossing point. In my opinion Customs officers are not qualified civil engineers therefore the design, build and repair function is best left to the experts. A new border crossing point design management team should create a new border crossing point design working group which will absorb all the needs from each border agency. This solution might not be popular but it is international best practice.

In some countries, the Ministry of Interior makes the decision and The Ministry of Public Works approves border crossing point infrastructure, equipment and carry out building and pavement maintenance. Before starting border-crossing point projects traffic volumes need reviewing. Governments might need a border crossing point because of smuggling in the region, making the case for channelling all traffic in one place. This is not always a good starting point, as smuggling will always find its way through other routes, and can be prevented using other enforcement methods. Many borders between border crossing points are not fenced or closed allowing free movement of people. On the other hand, border crossing points serving communities across the border play a major social role. In all cases, border crossing points attract commercial activities, either within the crossing point territory or in its periphery.

Another solution might include Government developing and staffing a new border crossing point agency in a Ministry of Public Works whose task it might become to design, build, and repair and maintain border crossing points.

1.3 Container X-Ray Checking

Another issue at border crossing points has become the use of container X-Ray scanning equipment, either fixed or mobile. Some border crossing points such as Jordan and Iraq do need them but I am not convinced expensive X-Ray scanning equipment is justified at each border crossing point because anti-narcotics, anti smuggling and anti-terrorism needs other detection methods including information and intelligence exchange, GPS tracking and Customs and private industry partnership. Border crossing points need electric power and some border crossing points might not have 24 hour power. Low traffic volume border crossing points do not justify expensive truck X-Ray scanning equipment. Working with Nepal Customs I found the mobile truck X-Ray scanner was never used in three years after installation.

Where container X-Ray equipment is installed ideally all export and import commercial vehicles move from document check to the truck X-Ray inspection area. Recommend X-Ray inspection area located after the document checking area.

1.4 Low traffic volume border crossing points

Small border crossing points with low volume traffic levels must be neglected. They need investment as part of a Customs administration and Ministry of Commerce & Industry programme to improve Customs control and trade facilitation. The European Commission Border Management for Badakshan Afghanistan (BOMBAF) project on the Tajikistan and Afghanistan borders gives us an example of relatively low cost

infrastructure solutions. The BOMBAF project spends about US\$150,000 converting ISO containers into office and living accommodation. Working with the Islamic Republic of Afghanistan Customs Department I found the list of typical equipment procured for one of these small low traffic volume border crossing points included:

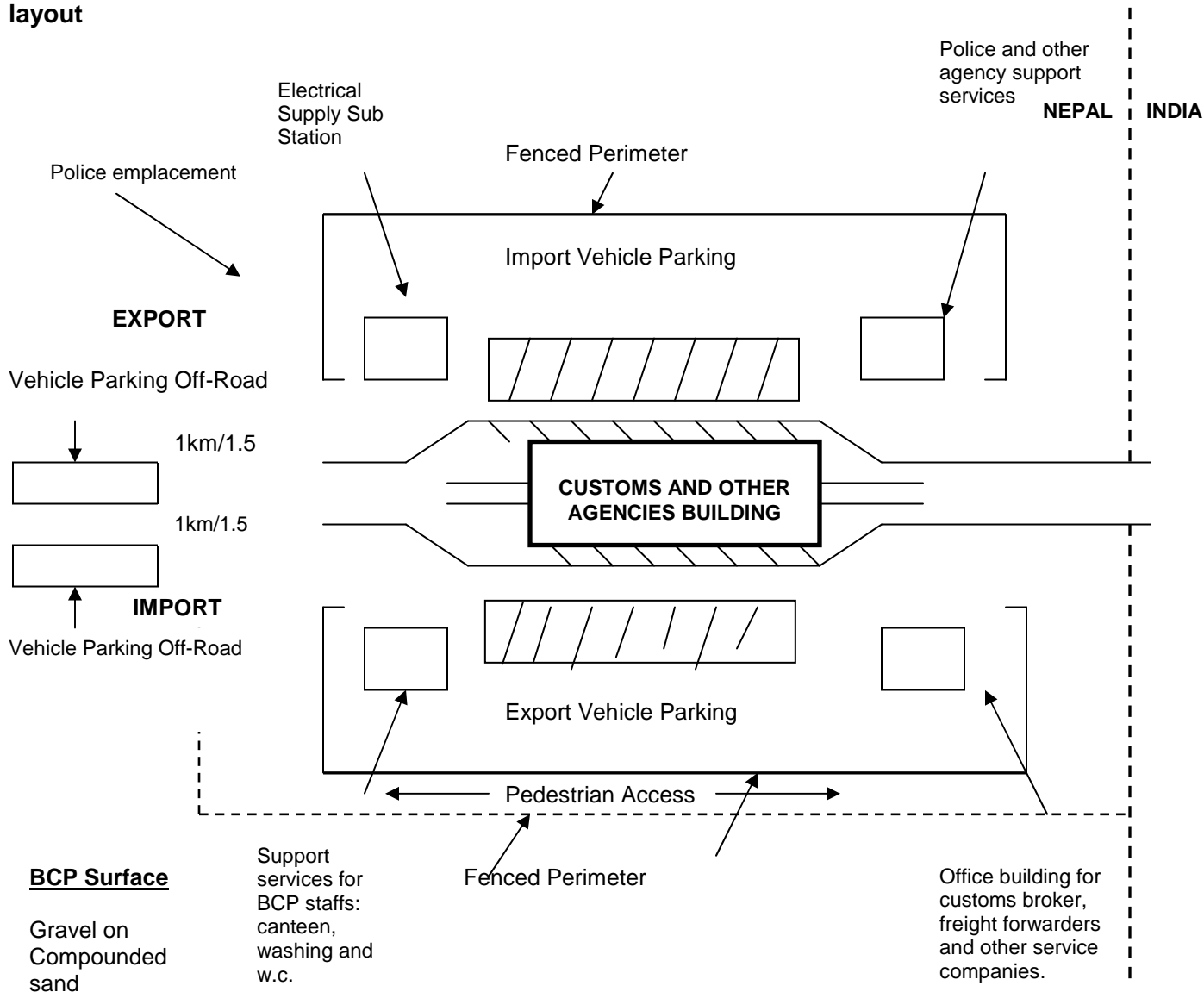
Table 1: Customs border crossing point equipment

No	Item	Estimated USD\$ each ⁴	Total quantity	USD\$ Total	Technical specification
1	Quad bike 4 x 4 ATV	19,000			
2	Quad bike tool kit	200			
3	HF radio base station and antenna	3,000			
4	HF radio quad bike station and antenna	3,000			
5	Binoculars	700			
6	Electricity generator 35KVA	7,500			
7	Computer work station (Country enabled)	1,750			
8	Passport and visa reader (Country enabled)	4,000			
9	Spot lighting (BCP roof spot light)	90			
10	Hand held flash lamps	50			
11	Customs inspection staff rummage kit	3000			
12	Hand tools	100			
13	GPS (Country enabled)	300			
14	Map set (printed locally)	100			
15	Drug testing kit	100			
16	Endoscope	3500			
17	Leather working gloves	10			
18	Contraband detector	6,000			
19	Digital camera	500			
20	Hand distance meter	100			
21	Anti drugs and anti fraud and other posters	50			
22	Legal warning posters, set	50			
23	Field telephone and cabling connected to the Country Police Station and or other authority	500			
24	Drug detector type SABRE 2000	35,000			
25	Precursor chemical detector	500			
26	Office safe large	1,500			
27	Office safe small	400			
29	First aid kit	100			
30	Fire extinguisher for electrical fires	100			
31	Fire extinguisher for 'dry' fires	50			
32	Fire blankets	50			
33	Air conditioning units	300			
	TOTAL USD\$				

⁴ All prices are estimates and no prices have been checked in the market or on databases

Countries with smaller traffic levels compared with the Tajikistan Afghanistan might consider building border crossing points using modular building methods. Modular buildings can be moved to other locations or expanded as needed. Working with the Nepal Customs Department I suggested a generic small border crossing point infrastructure solution. Each border crossing point has unique characteristics and the generic low traffic volume border crossing point design layout shown below needs adapting to suit. The BOMBAF⁵ solution includes all accommodation, IT, washing, kitchen and offices in one large building made up of several linked ISO containers. Diagram 4 below, shows segregated import traffic flow from export traffic flow. Pedestrians using the border crossing point, perhaps each day, are not allowed to enter into the border crossing point, instead they use a fenced off pedestrian access.

Diagram 4: Generic low traffic volume road border crossing point design layout



⁵ The BOMBAF project is implemented by UNDP

1.5 Vehicle Inspection

Some countries insist on 70 per cent physical vehicle inspection. The detection rate using 70 per cent inspection is not published so we do not know how successful or how much delay this gives to legitimate trade. Many Customs administrations are trying to reduce the inspection rate but I suggest that they need to reduce inspection rates faster and start using risk management, post audit inspections, and start a low risk due diligence programme so Customs can select vehicles not in the low risk due diligence programme for inspection. A known trader programme is described in the non infrastructure part of this paper. With trade decreasing Customs administration are part of the solution to help national exporters and importers and the reason for getting rid of delays at border crossing points especially for land locked countries is described in a World Bank study.

Trading on Time

The World Bank⁶ measured export time delays moving product from the factory to ship in 126 countries. The study estimated that each additional day that a product is delayed prior to being shipped reduces trade by at least 1 per cent. Delays have an even greater impact on developing country exports and exports of time-sensitive products, such as perishable agricultural products. A day's delay reduces a country's relative exports of time-sensitive agricultural products by 7 per cent.

In Denmark an exporter needs three documents to complete an export shipment; export declaration form, bill of landing and a commercial invoice and two signatures, one from Customs and one from the sea port. It takes an average of 5 days from the time the Danish exporter starts preparing documents to the time the cargo is ready to sail.

A one day reduction in delays before a cargo sails to its export destination is equivalent to reducing the distance to trading partners by more than 85 kilometres. The World Bank study explains that this might explain why Mauritius enjoys export success: with 16 days to process cargo the efficiency of its trade infrastructure is identical to that of the United Kingdom and better than France's.

Ideally vehicles identified by security and Customs as a threat or contravening Customs Laws and Customs Rules and other laws need moving to a secure inspection area. Ideally covered warehousing needed by Customs officers to search vehicles and open containers and search goods.

1.6 Border crossing point design guide

Modernising road border centres is an opportunity for different border agencies to improve performance and reduce delays. Objectives for integrated agency border crossing management include reducing smuggling and revenue collection but objectives should include making trade facilitation measures such as reducing export and import

⁶ Trading on Time, by Simeon Djankov, Caroline Freund and Cong S. Pham, The World Bank, 26 January 2006

time delays and reducing goods time to market as part of a trade competitiveness initiative. Border crossing point changes should get included into a supply chain and trade facilitation strategy as part of a Customs and Government initiative to increase exports, increase employment and reduce poverty.

Some of the management methods used to improve border crossing point performance and reduce delays include:

- provide high quality staff working conditions
- provide high professional image
- match road border crossing point building with work procedures that maintain a fast flow of export and import traffic
- secure buildings and road border crossing point territory / zone
- joint security, immigration, customs and police checking and inspection
- modern IT communications
- WAN network and ASYCUDA or equivalent
- modern radio and satellite communications
- plan space for locating future bonded warehousing
- combined or integrated border management (IBM)
- single window system (SWS)
- compare border crossing point performance indicators each month reporting indicators to border management
- joint border crossing point customs, immigration and security policy needed to target increased performance. Border crossing point policy should include service indicators for users
- keep export and import traffic lanes simple by designing constant flow technique
- fast track lane for pre-alerted commercial vehicles and buses and for TIR, ATP and vehicles carrying perishable foodstuffs
- risk management using vehicle and cargo selection. Selection needs risk assessment and ideally the risk assessment databank needs valid information about any participants in a Customs low risk due diligence programme

Equipment needed includes vehicle registration number plate scanner linked to Police and Ministry of Transport databases, passport and visa scanner linked to Ministry of Foreign Affairs and immigration databases, Customs document scanners linked to Customs administration database and other databases for other Ministries and agencies linked to border crossing points 24 hours each day 7 days each week. The Republic of Kazakhstan has started by building a central computer control centre. This part of the solution needs expensive investment and not every country can afford the investment. Donor agency help needed.

1.6.1 Road Border Crossing Point Functions

A road border crossing point should accommodate the following functions:

(i) Immigration or border police or security authorities verify the identity of individuals entering or leaving the country and their legal grounds to do so. They might also make a record of these movements. Important that the frontier between border crossing points closed otherwise smuggling and trafficking continues.

One Face At The Border

In some countries' Custom's officers carry out immigration checks. Identifying individuals and vehicles is part of the Customs risk assessment process. Customs might need access to information from vehicle number registration scanner equipment. Customs have the ability to read a passport. However, in some countries immigration officials replicate Customs checks, for a number of reasons. Immigration authorities consider their primary function is to fight smuggling, which is not the case; they might consider Customs as prone to corruption, so they want to double-check. Immigration officers decide to look for illegal immigrants, so they will search each commercial vehicle and they consider they should manage the border. Immigration authorities believe that they are responsible for security so they want to know everything that is going on, although they do not necessarily have the tools to analyze the data. Different situations need different management solutions. While there is nothing wrong with such approaches such border management, methods and organization are (i) expensive, (ii) usually ineffective, and (iii) time-consuming for cross-border traffic.

Customs and Immigration are the major players at a road border crossing point. In some countries, Customs carry out immigration checks all the time. Other agencies are usually located on other areas of a road border crossing point. Some countries, such as the Republic of Kazakhstan Customs Control Committee are introducing what might be described as a 'One-Face-At-The-Border' policy; customs officers make all first document checks passing on problems and discrepancies to the appropriate agency speeding the flow of commercial and passenger vehicles. Considering the low traffic levels at some BCPs Customs might want to think about training Customs officers carrying out immigration and passport management methods ('multi-skilling').

(ii) Customs counts all goods entering the country and ensure goods meet national legislative standards and other needs.

(iii) Other agencies might intervene ensuring their objectives. These might include:

- ❑ Ministry of Transport, check-weighing vehicles using calibrated weighbridge, collecting road taxes, enforcing transport permits and licensing needs. Customs officers can check if drivers possess a valid international weight certificate and therefore do not need another weight check
- ❑ Ministry of Agriculture quarantine, through disinfections
- ❑ Ministry of Health phyto-sanitary checks and might check valid food quality certificates
- ❑ Metrology Standards (Ministry of Trade)
- ❑ Radiology checks (not to be confused with radio-active detection equipment: radiology checks are for health reasons, whereas detectors are installed to prevent the import of radio-active material)
- ❑ Other agencies

1.6.2 What to survey at border crossing points

- What agencies operate at the road border crossing point? Where do the agencies need locating while their staffs carry out part of the import and export management flow through the road border crossing point;
- Do border agencies cooperate? Are there legal documents showing agency cooperation? What is the legal status of any combined or integrated border management initiative (IBM);
- What is the status of any 'Single Window System' (SWS);
- Do all ancillary services have buildings at the border-crossing point? For example, fire department, emergency helicopter landing pad, building to locate the Customs Department ASYCUDA computer equipment, back up emergency power generators and other;
- Is there a need for larger border vehicle parking areas? Parking spaces are used by truck drivers to (i) wait for documents or spare vehicle parts; (ii) repair tyres; (iii) wait to create a convoy, (iv) sleep in a secure place at no cost, and (v) wait because security and customs might carry out import and export procedures with batches of between ten to twenty vehicles instead of using continuous flow management method?
- Pilot export block booking and or import pre release initiatives;
- Customs staff multi tasking

1.6.3 Traffic management flow

Before reaching the border crossing point:

(i) Multi Language Signposting

- ❑ 20 kilometre sign post and 1 kilometre sign post and last sign post telling drivers which road lane they must approach. Road signs might start at the main Highway junction with each BCP access road;
- ❑ Mandatory speed signs;
- ❑ Traveller document needs and allowances, provisions, and legal requirements;
- ❑ Road lane management indicator sign: green and red lanes, local traffic, diplomats, fast track lane for valid members of any Customs Department low risk due diligence programme. At many small BCPs not enough land space for designated fast track lanes;
- ❑ Haz-Chem and fuel truck lane. At many small BCPs there is no need for Haz-Chem and fuel track lanes;
- ❑ No public access sign.

(ii) Vehicle parking

Calculate the area needed for secure commercial and passenger vehicle parking and segregating commercial and passenger parking. Locate both parking areas away from the border crossing point, perhaps one or half of one kilometre from the border crossing centre entry gate. Ideally, vehicles should not wait to enter a border crossing point. Road border crossing point management should avoid creating congestion at border crossing point entry gates. People meeting and greeting others can park their vehicles and wait in this parking area. Ideally covered shade roofing

needed for seated waiting area. Private companies might want to locate catering facilities in this area.

1.6.4 Entry gate

Ideally entry gates at a border crossing point not needed. A gate is used when a border crossing point is closed. Many border crossing points in Central Asia have entry gates delaying vehicle entrance. Lines of traffic several kilometres long sometime wait to approach the border. Commercial, car and bus vehicles wait together because there is often only one traffic lane to get to the border crossing point.

Security is an important issue at the road border crossing points. Recommending carrying out radioactive and radiological testing inside a border crossing point is not correct because the threat enters the centre before detection. Recommend radioactive and radiological testing and narcotics detection carried out at the entry gates to the border crossing point. While radioactive detection equipment ideally needed difficult justifying equipment at small BCPs. Ideally BCP entry gates need several lanes segregated for passenger, bus and commercial vehicles. All agencies need responsible staffs at each entry gates. Recommend one agency carries out testing and shares results information with other border agencies.

1.6.5 Vehicle lanes

Export and import direction:

Ideally two traffic lanes one for passenger cars and one lane for buses. Two or four traffic lanes for commercial trucks. Passenger, bus and commercial lanes need physical segregating i.e., fencing with no public access. Recommend considering an area for future lane expansion.

(i) Fast Track Vehicle Lane:

Ideally Customs, immigration and police need pre-alerting about compliant commercial vehicles. Compliant commercial vehicles might include those belonging to a Customs Department low risk due diligence programme or have a valid TIR Carnet. Vehicles carrying perishable foodstuffs must get priority processing by getting directed to the front of a line or directed into the fast track lane. Many border crossing points do not have dedicated fast track lanes;

(ii) A segregated pedestrian footway if and when justified. Ideally each BCP large or small should stop and prohibit public access;

(iii) A red and green channel system but not justified at small BCPs;

(iv) Document checking 'bays':

Recommend using 'herringbone' vehicle document checking bay pattern for passenger, bus and commercial vehicles. Document checking area should not use linear lanes in the export and import vehicle processing and inspection areas. Linear lanes result in congestion because each vehicle and passenger document checks are completed at different speeds as explained above. Drivers should not be delayed because one vehicle document check takes longer than the rest. Vehicles must have the space to pass other vehicles waiting in the document checking bay area. The linear lane construction method is inefficient for security, customs, and immigration and police officials and gives delays for drivers;

(v) A U-turn lane for use by rejected vehicles with a lane to a secure inspection and waiting area, perhaps feasible at large BCPs;

(vi) Segregating Traffic Lanes:

Because security is an important issue for ECO member countries road border crossing point's commercial vehicle document checks and inspection area ideally need securing from other parts of the border crossing point. Customs officers and Police should stop public and passengers mixing with drivers causing unauthorised access and safety and security problems.

1.6.7 Commercial vehicle lane information needs

- (i) Several lanes each lane needs numbering
- (ii) Control gates
- (iii) Staff control booths or office buildings
- (iv) Lane width and length
- (v) Green, red, yellow lanes
- (vi) Vehicle turning circles
- (vii) Parking bays: ideally 'herringbone'
- (viii) Number and location of multi lingual signs
- (viii) Lighting
- (x) Location and number of security cameras

1.6.8 Passenger car and bus passenger lane information needs

- (i) Number of vehicle lanes
- (ii) Lane width and length
- (iii) Location and number of multi lingual signs
- (iv) Lane control barriers
- (v) Passport and immigration control checking hall. Ideally passengers stay inside the vehicle. The checking hall used in case of events or infringement;
- (vi) Security control while vehicle parked
- (vii) X-Ray passenger and luggage inspection equipment. Inspecting luggage in case agencies have information and or intelligence
- (viii) Lighting along each lane
- (viii) Location and number of security cameras along each lane

1.7 Non Infrastructure border crossing point problems and solutions

Regardless of good border crossing point infrastructure the border facilities are only as good as the management procedures. Getting good management procedures the Trade and Transport Facilitation South East Europe (TTFSE)⁷ project prepared several road border crossing point performance indicators and were then able to make procedure changes:

- (i) Total number of inspections
- (ii) Total number of irregularities / number of inspections
- (iii) Average border exit time
- (iv) Average border entry time

⁷ TTFSE project funded by The World Bank

- (v) Surveyed case of corruption
- (vi) Reported case of corruption

TTFSE designed development objectives and achievement ratios:

- (i) Revenue collected / customs staff ratio
- (ii) Total customs administration cost / revenue collected ratio
- (iii) Revenue collected / salaries ratio
- (iv) Trade volume / customs staff ratio
- (v) Annual number of declarations / customs staff ratio

TTFSE used import clearance and clearance time principles:

- (i) Clearance on the property of the receiver
- (ii) Pre-approved importers
- (iii) Pre-arrival declarations and preliminary decisions
- (iv) If customs do not arrive at the property of the receiver during the prescribed time, then the imported allowed unloading the truck and delivering the goods. Importer or customs broker must file the import customs declaration the next day.

TTFSE used targets measuring improvements:

- (i) Target: all trucks cleared in less than 15 minutes between 30 – 50%
- (ii) Target irregularities: number of inspections should be between 10 – 15%
- (iii) Target for inspection, import and export, with selectivity and risk management plus customs intelligence in practice at each border crossing point (BCP) should be between 5 – 20%
- (iv) Target for the average border crossing point exit time should be between 40 minutes and 1-hour.

To get performance indicators Customs administrations need to collate the following data:

- (i) Total revenue collected
- (ii) Total cost of the customs service
- (iii) Total number of customs personnel
- (iv) Total customs salaries
- (v) Annual number of declarations
- (vi) Value of recorded imports
- (vii) Value of recorded exports.

2.0 Transport and Trade Facilitation

2.1 Infrastructure Transport and Trade Facilitation Problems and Solutions

2.1.1 Truck Axle Weight

Some ECO member countries have different truck axle weight legislation effectively stopping other country trucks crossing borders. Legislation harmonisation needed to get uniform truck axle weights. Harmonising axle weights included in the ADB CAREC action plan.

2.1.2 Truck Technical Specification

Some ECO countries have different truck technical specification legislation which needs harmonising. Harmonising truck technical specification included in the ADB CAREC action plan.

2.2 Non Infrastructure Transport and Trade Facilitation Problems and Solutions

Solving non infrastructure and behind the border issues ECO member countries might want to study the Greater Mekong Region (GMS) Cross Border Transport Agreement as a template to carry out similar South Asia and Central Asian Regional border crossing and transit facilitation. The GMS Cross-Border Transport Agreement signed by Laos, Thailand, Viet Nam, Cambodia, the Union of Myanmar and The People's Republic of China.

The GMS Cross-Border Transport Agreement gives a border crossing and transit model implementing and enforcing simplifying and harmonising customs procedures, documentation, controls, inspections, container sealing, and truck axle weights. The GMS Cross-Border Agreement reduces transit times. The GMS Cross-Border Transport Agreement (CBTA) as a model because it covers in one document cross border transport facilitation:

- (i) Single window inspection. The different inspections and controls of people: passport, visa, driving license, customs, health, vehicle registration and insurance carried out jointly at the same time⁸;
- (ii) Single Step Inspection. The officials of country pairs shall assist one another to the extent possible in the performance of their duties. The two adjacent national authorities will carry out their inspections jointly and simultaneously. Where the local configuration does not allow the installation of physically adjacent back-to-back frontier control posts, the control officials from one Contracting Party shall be allowed to perform their duties on the territory of the other Contracting Party;
- (iii) Coordinating hours of operation. The Contracting Parties will coordinate the hours of operation of their adjacent frontier crossing control authorities;

⁸ GMS Cross-Border Transport Agreement, Part II: Facilitating Border Crossing Facilities, Article 4: Facilitation of Border Crossing Formalities www.adb.org/GMS/Cross-Border/part2.asp

- (iv) Advance exchange of information and clearance. The Contracting Parties will work together to allow for advance exchange of information and clearance of goods and people.

Part IV of the Agreement describes cross-border transport of goods:

Article 7: Exemptions from physical customs inspection, bond deposit and escort:

a. The Contracting Parties undertake to exempt cargoes in international transit from:

- i. routine customs physical inspection at the border;
- ii. customs escorts in the national territory;
- iii. the deposit of a bond as a guarantee for customs duties.

b. For that purpose, the Contracting Parties undertake to institute a transit and inland customs clearance regime.

Article 8: Transit traffic:

- a. The Contracting Parties grant freedom of transit through their territory for Transit Traffic to and from the territory of other Contracting Parties.
- b. Transit Traffic shall be exempt from any customs duties and taxes.
- c. Charges relating to Transit Traffic other than customs duties and taxes shall be gradually levied in two steps:
 - (i) Step 1: Charges concerning Transit Traffic other than customs duties and levied as determined in Protocol 2;
 - (ii) Step 2: Charges levied on Transit Traffic shall only be cost related.

Article 9: Phyto Sanitary and Veterinary Inspection

The Contracting Parties shall comply with international agreements related to the regulations of the World Health Organisation, Food and Agriculture Organisation, and Office International des Epizooties in applying inspection of goods crossing the border.

Article 10: Special Regimes for the Transport of Particular Categories of Goods

- a. The Agreement shall not apply to the transport of Dangerous Goods;
- b. The transport of Perishable Goods shall be granted a priority regime for border crossing clearance formalities so that they might not be unduly delayed.

Article 27: Border Crossing Facilities

The Contracting Parties undertake to build or upgrade the required infrastructure at the border crossing points and to staff them so as to assure speedy and efficient completion of frontier crossing formalities.

The GMS Agreement is a compact and comprehensive multilateral instrument, that covers in one document all the relevant aspects of cross border transport facilitation. For example:

- (i) Single step / single window customs inspection;
- (ii) Cross border movement of people (visas for people involved in transport);
- (iii) Transit traffic regimes, including exemptions from physical customs inspection, bond deposit, escort and agricultural and veterinary inspection;
- (iv) Trucks must meet agreed standards to cross borders;
- (v) Exchange of commercial traffic rights;
- (vi) Infrastructure, including road and bridge design standards, road signs and signals.

In March 2006 member countries agreed new goals:

- (i) Exploiting synergies in the GMS transport system;
- (ii) Moving towards an open market for transport services;
- (iii) Facilitating economic efficiency to reduce transport costs;
- (iv) Completing the GMS network and improving links with South Asia; and
- (v) Encouraging multi-modalism.

The Agreement agrees on active private sector involvement in transport sector development in transport sector development because of the large resource needs.

Other transit methods include the Common Transit Convention method used by EU member states and signatory countries to the EU Customs Union. Each member country manages a national customs tariff using TARIC. Each member country manages a declaration and guarantee system, for example CHIEF in United Kingdom and ATLAS in Germany.

2.3 Transport and Trade Facilitation Strategies

Many countries do not have a Transport and Trade Facilitation Strategy and instead try to solve parts of the challenge. I recommend Governments task their Customs administrations and Ministries to create a Transport and Trade Facilitation Strategy and that this strategy gets incorporated into a countries Trade Competitive Strategy.

Getting a new Transport and Trade Facilitation Strategy needs a comprehensive integrated policy approach. Pakistan published a new National Trade Facilitation Strategy in July 2008. Part of the strategy includes performance indicators, bench marking, UNeDocsPK project, joining to several international conventions and several other initiatives. The Islamic Republic of Afghanistan Customs Department started border crossing performance indicators and reduced truck waiting times at the Torkham border crossing point with Pakistan.

2.4 Transport and Trade Facilitation Questionnaires

Policy makers and Ministers need information and with out information they cannot make changes. Without a “picture” or report about what happens at each border crossing point policy makers are blind. Foreign investors compare international indexes when making investment decisions.

Design survey questionnaire focusing on narrow definition making survey task simple and achievable by national EATL focal points, for example some surveys might get information enough to complete:

- (i) international trade transaction procedures identifying bottlenecks and needed improvements;
- (ii) time release study establishing the cargo clearance times at border crossing points;
- (iii) logistics performance index (LPI) accessing overall logistics performance and competitiveness;
- (iv) trade enabling index (ETI). Measuring ten trade pillars and comparing the result with other country ETIs;
- (v) landed cost index assessing adequacy of pricing relating to other ports in the region;
- (vi) export distribution index comparing the situation with other countries;
- (vii) import distribution index making an assessment of the import situation compared with other countries;
- (viii) national warehousing status;
- (ix) inventory storage time.

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