

# *Guidelines*

## *For Land Road Border Stations*

You are the task manager for a Customs modernization project funded by the Bank. The Minister of Finance, at the request of the Director General of Customs, has asked the Bank to fund the construction (or rehabilitation) of a road border crossing in his constituency. Although it is not entirely clear whether the coming general election has anything to do with the request, you have agreed, considering that this investment will further motivate the Customs administration in its modernization drive. These guidelines are intended to help you in deciding what the project should fund. You will find more details in the following sections. Also, the Bank Customs and Cross-Border Facilitation Team is here to help you throughout the process.

What you need to know:

- What is the traffic (type and quantity, including tourists, and cross-border commuters), is the facility really justified, what is the type of trade, is there a significant border-to-border traffic envisaged (e.g., TIR).
- How long does it take, according to the authorities, to cross the border? (You may have surprises later on.)
- What is the organization, how are relations between Customs and the border police and/or immigration authorities (often they are poor), what are the relations with the neighboring country, what kind of fraud is taking place.
- Look out for duty free shops. Border crossings should not be an excuse for establishing them.
- How many border agencies are operating, how do they interact (you may want to meet briefly in the capital representatives of the ministries of Transport, Interior, Health, and Agriculture, and the business and transport associations or Chamber of commerce).
- What are the plans for computerization?
- What are other donors doing, and what lessons they have learned?
- What is the enabling legislation, and how does it affect border operations?

This note will tell you more about:

- *The decision to establish a border station – How should it be made*
- *The main functions performed at a border station*
- *Design (traffic flows, buildings)*
- *Operations*
- *Control policy*
- *Co-located or shared border facilities*
- *Duty-free shops*
- *Performance measurement*
- *IT*

Black lettering describes the basic steps.

Blue boxes provide background information.

Red boxes tell you what you may want to find out before engaging in a project.

*Note: Like any other infrastructure, border stations involve procurement and environmental issues, as well as needs for water, sewage, power, and telephone and computer communications. These are standard, and are not described here.*

*A border station 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 be held up, and, in case of congestion, priority should almost always be given to expediting traffic, as there are other means of establishing further control (i.e., a “safety net”) downstream.<sup>1</sup>*

*The decision to establish a border station*

It depends on:

- An international agreement,
- A government decision, and
- Traffic justification.

#### **Who decides**

In many countries, Customs must approve the decision to establish a border station. However, in some other cases, it is the ministry of interior that makes the decision. In all cases, before the Bank agrees, the traffic volumes should be reviewed. In some cases, Governments may request a border station not because of volume of traffic, but because of smuggling in the region, making the case for a place through which all traffic will be channeled and thus better controlled. This is not always a good starting point, as smuggling will always find its way through other routes, and can also be prevented by using other enforcement methods. On the other hand, border stations serving communities across the border play a major social role, and should always be considered. In all cases, border stations attract commercial activities, either within the station, or on its periphery.

#### **What to look for:**

- Is the border station justified?
- How does the neighboring country feel about it?
- Who will be involved in running the border station? (Although the Bank does not normally deal with law enforcement agencies other than Customs, it is essential to open a dialogue with the police and/or immigration authorities as early as possible, to obtain an idea of what all the border issues are likely to be. While the police is often reluctant to provide too much information, it must understand that the Bank can only fund the facility if it has a clear view of the situation.)

### **Functions**

A border station should therefore accommodate the following functions:



The international road sign marking border facilities is a red-bordered white disk, with a black horizontal bar. The words “Douane” and its translation in the adjacent country’s language usually appear above and below the bar. Although sometimes the word “Police” appears instead, people generically refer to a border station as “Customs”, thus creating the ambiguity between a function (border management, which is not always only a Customs role) and several different other institutions.

- Immigration or other border police authorities (or border guards or troops) verify the identity of individuals entering or leaving the country and their legal grounds to do so. They may also

<sup>1</sup> See separate guidelines on Customs enforcement.

make a record of these movements. Typically, they are not concerned by commercial freight, although they may still keep a keen eye on trucks. Another feature is that they follow the police-type mentality according to which high levels of checking provide better control, and waiting times are irrelevant.

#### *Customs and Immigration*

In some countries, Customs do immigration checks. This is quite logical: Identifying individuals and vehicles is part of the Customs risk assessment process. Customs officials have the ability to read a passport. On the other hand, in some countries, immigration officials replicate Customs checks. This is for a number of reasons: The police consider that their primary function is to fight smuggling (because it is sometimes defined as a criminal, not Customs, offence); they consider Customs are prone to corruption, so they want to double-check; they look for illegal immigrants, so they will search every commercial vehicles; in former communist countries, they consider (sometimes backed by legislation inherited from pre-transition days) that they should run the border; they believe (often rightly) 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.

While there is nothing utterly wrong with such an approach, which is the prerogative of the country, it should be kept in mind that such an organization is (i) expensive, (ii) usually ineffective, and (iii) time-consuming for cross-border traffic.

- Customs ensure that all goods entering the country are accounted for, and meet national legislative and other requirements.

#### *Who are the main actor at the border*

Customs and the police are in all cases the major players at a border station. In some countries, Customs also carry out immigration or other checks, either all the time, or in the absence of an immigration official on duty. In most cases, all the other agencies involved in border processing (e.g., roads, standards, quarantine, etc.) can safely be located elsewhere (but not 100 meters down the road!).

- Other agencies may also seek to intervene, to ensure their own objectives. These may include (not a limitative list):
  - ❑ Transport, through weighing and collection of road taxes, enforcement of transport permit and licensing requirements
  - ❑ Quarantine, through disinfections
  - ❑ Phyto-sanitary checks
  - ❑ Standards
  - ❑ 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)
  - ❑ Etc.
- The **private sector** is often keen to be present at a border station:
  - ❑ Customs brokers (Although brokers are not necessary when goods are not cleared for home consumption at the border, they are useful in establishing transit documents.)
  - ❑ Banks and exchange office
  - ❑ Automobile club
  - ❑ Duty free shops
  - ❑ Catering facilities
  - ❑ Hotels
  - ❑ Parking lots
  - ❑ Mechanical repairs
  - ❑ Etc.

### ***Private initiatives***

There are many reasons why the private sector – often supported by the agency that builds or operates the border facility – may want to be present at the border:

- There is a service to be provided to travelers
- When delays are long, a captive public is good business for restaurants and cafeterias
- The agency that runs the border station usually collects a fee for leasing commercial facilities
- Access to the border zone can facilitate informal cross-border activities.

However, a border station is not an airport where travelers wait for planes. There is thus no reason, except in cases of fraud or irregularity, why people should be kept waiting there. Allowing commercial activities at border stations may encourage: (i) bribing of officials by commercial operators so they keep traffic as long as possible; (ii) uncontrolled movement of individuals across the border line; (iii) difficulties in marshalling people working at the station, who themselves use – and sometimes abuse – the commercial facilities, (iv) leakages in duty-free shops; (v) fiscal difficulties (VAT collection and refunds); (vi) arrival of criminal gangs; and (vii) prostitution. Another point is that, when there are too many catering facilities, border officials also tend to use them, to the detriment of doing their work, and the size of the entire station can become unmanageable.

### ***What to look for:***

- What are the agencies operating at the border, are they necessary, could they be located somewhere else?
- Could there be some level of delegation between agencies (i.e., could Customs perform controls on behalf of these other agencies, either as part of Customs control, or as a delegated activity?)
- Do these agencies cooperate well together? (Usually, officials claim they do, but a rapid look around may show it is not the case.)
- Is the government willing to do something about that?
- Who will run the station, and why should it be that way? (In many countries, Customs own and operate the border station, largely because they are under the Ministry of Finance.)
- Are all the ancillary facilities really necessary? Would it not make better sense if they were in the local town or village, a few miles away?
- Is there really a need for such a large parking lot when border agencies claim they expedite all the traffic in no time? (Parking lots are often used by truck drivers to (i) wait for their friends, so they can travel in a convoy, (ii) sleep in a secure environment at no cost, and (iii) abandon their truck for the weekend while they go by taxi to the nearest city to have fun.)

### ***Inter-agency delegation***

This is a frequent occurrence in many Western countries, where staffing is limited, and administrations seek cost-effectiveness. As Customs are always present at the border, it makes better sense if they can also act on behalf of other administrations. However, there are limitations to this: (i) Customs officers are not specialists in the skills of many other regulators, so their contribution will be necessarily limited; (ii) It is less motivating to work on behalf of another institution than one's own organization; (iii) There is a liability issue – Customs officers may not want to be seen responsible for the spread of an outbreak of foot-and-mouth disease; and (iv) In many countries, agencies collect a fee for the services they render at the border, so they are not willing to relinquish job and rent opportunities.

All these objections can be overcome, at least to some extent:

1. Customs officers can be trained in basic skills (for example, they may be trained in road and transport regulations, and may collect transport fees on behalf of the roads administration), or carry out checks on behalf of other administrations as part of the clearance process (for example, making sure that the appropriate certificate is attached to the documentation presented by the driver). In addition, if Customs weigh a truck for control purposes, the weight can also be checked against maximum loading permission. If phyto-sanitary checks consist in sending samples to a laboratory, Customs officials can be trained in the sampling protocol.

2. Delegation does not mean taking the entire responsibility. In case of doubt, there should be a secondary control option (for example, a regional standby regulator for that particular administration, who could be called in).
3. Under a single window environment, Customs would anyway collect fees on behalf of other administrations or agencies.
4. Delegated authority should be regularly audited by the parent agency.

## *Design*

A border station is rightly considered as a window for the country. Unfortunately, this often reflects in unrealistic, occasionally pharaonic ambitions. While a border station should be welcoming, it should also be transparent. The main purpose of the station is to serve traffic, not those who work there (which does not mean officials should not have decent working conditions).

### *Frequent demands: (All of them factual)*

Meeting rooms (one for each administration); big offices for the chief and his (over-)extended secretariat; a lavish cafeteria and television room; a recreation room; a large scale Customs laboratory (when a simple facility would be sufficient); large cloakrooms (often exceeding the staffing needs); bedrooms (for staff who are supposed to be on a night shift); numerous offices for staff who should normally be in the lanes; an unrealistic number of lanes; a VIP room; direct access to the duty-free shop.

### *What is often not requested (or refused by the client):*

Single building for all the agencies; shared common space for the different administrations (meeting rooms, cafeteria, rest facilities); a common entrance; communication within the building between Customs and immigration or police authorities.

1. **Traffic flow.** What a border facility needs, from the geographical borderline to the station is:
  - **Signposting**, with a clear indication (bi- or multi-lingual) of
    - Traveler allowances, provisions, and legal requirements
    - Specialized lanes (i.e., green and red channels, local traffic, TIR vehicles, special transit schemes)
    - Any specific procedure (e.g., border zone permit holders)
  - A limited **buffer parking** before the buildings, to avoid congestion along the main traffic lanes (the parking is based on traffic volumes, and can be managed jointly with the other country)

- **Disinfection pit/sprayer.** The habit in many countries is to have them operating, even in the absence of a health hazard. They often largely serve the purpose of providing (i) a job, and (ii) a fee, for the quarantine authorities. What is really needed is the possibility to install a disinfection facility in the case of an epidemic outbreak.



- **Primary lanes** (two for cars, one for buses, and one or two for trucks in each direction are usually enough, although even very busy crossings, when well managed, can operate with a more limited number of lanes)
- **Specialized lanes** fanning out as early as possible to avoid congestion, or by-passing the main tourist traffic building (essentially for “fast-track” commercial traffic, such as TIR, or for local residents, who have a special permit ). Diplomatic lanes are not usually necessary (Diplomats can be checked like any other traveler, except their luggage may not, under certain circumstances, be opened or their vehicle searched).

***Border zone residents and trade.***

Borders have always attracted local commuter traffic, often because of cheaper prices in the adjacent country. In the former Soviet Union or in the Balkans, new artificial borders appeared after transition, cutting across communities. All this generates traffic flows, which in turn provide revenue and employment opportunities to local business. It is therefore essential, if only for the sake of poverty reduction, to facilitate these flows, yet keep them under control.

***Facilitation:***

Border zone residents should be granted easy passage. This can take the form of (i) dedicated lanes, (ii) special permits, and (iii) windscreen stickers. The principle is that, when affixing the sticker to his windscreen, the driver explicitly declares that (i) he and his passengers are crossing the border in accordance with the country's Customs and immigration rules, and (ii) he or his passengers have nothing to declare to Customs in excess of the normal passenger allowance and/or the specific border regime that may be applicable. The driver can then take a dedicated lane, and avoid queues. Customs or immigration/police officials may carry out a spot check at the exit of the lane, but this should be used essentially as a deterrent, and be infrequent. The penalty for non-compliance should be a fine representing a multiple of the evaded duty AND the temporary or permanent exclusion from the scheme.

***Control:***

In many countries, cross-border (or shuttle) trade represents a very significant amount of foreign trade. However, imports are carried out by individuals who are not registered as traders. A specific mechanism of control should therefore be designed, because imposing the lodging of regular Customs declarations is not practical. Options may include:

- Flat allowance, possibly on a periodic basis, established in value (for example, USD1,000 every six months). This should be controlled through the use of machine readable passports or IDs.
- Taxation by weight, as the goods imported are often basic agricultural products. Specific taxation avoids complicated duty calculations and limits the use of forged invoices.
- The obligation to lodge a regular Customs import declaration for anything that exceeds the allowance.

- A **pedestrian footway** when justified (it should be secured to prevent pedestrian wandering around the border station and the traffic lanes). In cases where there is a lot of cross-border pedestrian traffic (for example when there is a market town on the other side of the border), a waiting room for pedestrians may be justified.
- A red/green **channel system** (as long as it is operated jointly by Customs and the police – there is no point in having all the traffic from the green lane re-directed to a single lane bottleneck because one of the agencies will not operate according to a twin channel system)
- A **targeting booth** where officials from Customs and immigration – working together ideally – will decide whether the vehicle will be let through without any check or diverted to an inspection bay (secondary examination)

***The targeting booth serves several purposes:***

1. The immigration officer checks passports, and scans them. If there is any more processing (e.g., a complicated visa taking more than one minute to stamp, more than four passports are presented in a minibus, or an irregularity is suspected or spotted, notably through a very brief interview), the vehicle is directed to the inspection bay.
2. The immigration officer hands over the passport to the Customs officer, who may also ask additional questions, and decide to carry out a secondary (i.e. physical) examination. Ideally, when the passport is scanned, it should activate both the immigration and Customs data bases, so that a second scan is not even necessary.
3. Detailed (“secondary”) checks may then be carried out, either by each administration, or jointly.

- **Inspection bays**, arranged spear-like, so they do not block traffic when an examination is under way (three or four are usually enough). See below under 3. Control building,.
- A U-turn, for **rejected traffic**
- Possibly, a **staggered design** for commercial (trucks) and tourist traffic, with the commercial facility further inland

***What to look for:***

- There should not be too many lanes
- By default, traffic proceeds unchecked unless challenged
- Selecting the channel is an explicit declaration by the driver that he has nothing to declare
- The targeting booth should be manned by Customs and immigration
- All detailed examinations take place outside the lanes (As a result, the facility occupies much less space, and is more functional.).

The rule of thumb is that most processing will take place in the lanes.

**2. Administrative building.** The main purpose of the administrative building is to support the processing that takes place in the lanes. As clearance at the border is usually limited (see separate *Guidelines on clearance*), there is no need for the full declaration control facility that would exist at an inland clearance terminal. This means in particular that office space for inspectors, archive rooms for declarations, windows for brokers, are either unnecessary, or should be very limited. The administrative building is the place where (i) management is accommodated, (ii) follow-up action to detections in the lanes is carried out, (iii) clerical operations that can not be carried out in the lanes are conducted (e.g., delivery of a visa, or stamping of a VAT refund form for non-commercial exports), and (iv) enforcement activities are performed subsequently to a detection.

The building requires:

*Ground floor*

- A public area, shared between Customs and the immigration and police authorities, with corresponding counters
- Minimal office space for processing simple operations (including passenger declarations for non-commercial operations)
- A bank window, which can serve as an exchange office
- Toilets for travelers
- A facility for body search
- If necessary, a simple laboratory for identifying narcotics
- In a separate section, interview and detention rooms
- A safe room for keeping seized goods.

*Upper floor (if there is a space constraint)*

- Office space for the commanding officers (Customs and immigration/police authorities, their deputies, and secretariat and archives with limited capacity)
- Office for shift leaders, where shift reports are prepared, and information exchanged between arriving and departing shifts
- A briefing room for shift roll-calls (one for Customs, and one for immigration/police)
- An armory
- A communications room
- A cafeteria
- Cloakrooms for staff
- Toilets and showers

- Sleeping bunks, in limited number, to be used under special circumstances (i.e., investigations staff called to the station for a long duration).

**What to look for:**

- What is the staffing, by agency, and what are the job descriptions? (Sometimes difficult to obtain from the immigration authorities, who consider it a state secret...)
- How are the shift managed? (Ideally, shifts should not last more than five or six hours, and staff should be regularly rotated across the lanes and the positions – freight, light vehicles, passengers)
- Are the shifts adapted to the real traffic conditions? (The answer is often “no”)
- There should be communication between the agencies inside the building
- Common areas such as rest-rooms, conference rooms, reception area, should be shared between the agencies (essentially Customs and immigration/police)
- Commercial services should not be encouraged inside the administrative building, although an exchange office is usually useful.
- What is the space allocation per staff?

Below is the average space allocation recommended in EU countries for **office** staff in a very large facility:

Number of occupants in one office	Total sq.m	Average sq.m/official	Remarks
1	9	9	Single occupant offices are relatively rare in border stations.
2	12	6	Frequent type of layout
3	21	7	Marginal increase in space
4	32	8	due to the necessity to
5	45	9	accommodate more visitors

Below is the usual space allocation for Customs **preventive and enforcement** staff in the same facility (including commanding officers’ offices and secretariat) – the same specifications apply to the police:

Description	Surface (sq.m)	Remarks
Commanding Officer	13	A modular design allows changes in the respective surfaces if the number of female staff increases.
Deputy	12	
Archives	2.15	
Archives	2.15	
Secretary	18	
Archives	3	
Changing room (male)	27	
Changing room (female)	19	
Toilets	16	
Briefing room	21	
Transmissions	6	
Body search	4	
Samples, Analysis	3	
Recreation	21	
Alternate CO	21	
Deputy	14	
Secretary	21	
Interview room	9	
Conference room	50	

Cells	10.50	3 cells of 3.5 sq.m each <sup>2</sup>
Access and corridors	62	
<b>Total</b>	<b>354.8</b>	<b>Overall average 3.5 sq.m to 4 sq.m.</b>
Total office space	106.3	7 officers, average 15.18 sq.m
Total archives	6.95	
Total Changing rooms	45.52	Average 0.5 sq.m
Total space for non office-bound staff	169.53	Average 1.7 sq.m
Conference room	49.38	Average 0.5 sq.m

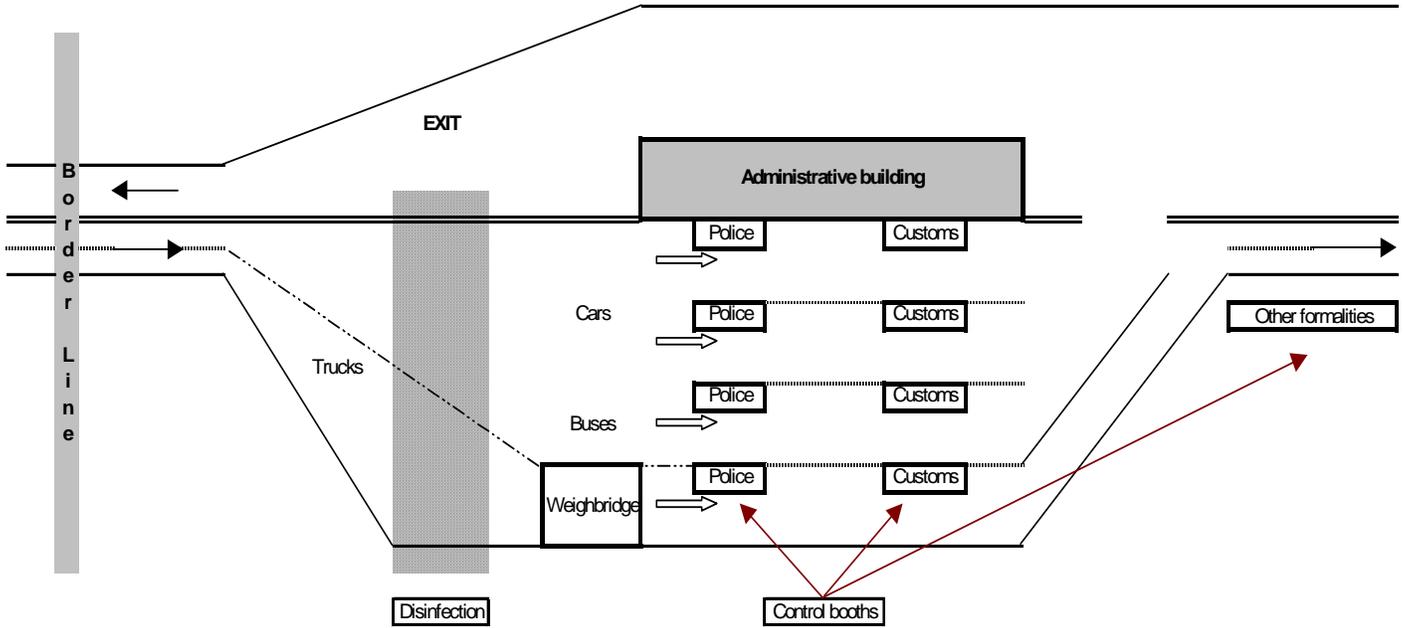
**Note. Detention cells can be shared between Customs and the police, as long as all the procedures for safely detaining an individual are aligned between the two administrations. There should be no stairs leading to the cells.**

**3. Control buildings.** These are the buildings and facilities where specialized controls take place:

- Car inspection bay: This is where the initial inspection takes place, and where officials may empty the contents of a car. It normally consists of an inspection bench, with a pulpit where the examining officer can write a short report and establish an offence report. The area should be well lit. The inspection bay is arranged close to the targeting booth, in a way that it does not block traffic queuing behind. When the inspection bay is placed at an angle to the main lane, it allows vehicles to be kept without blocking those behind.
- Truck inspection bay. The inspection bay should include (i) a platform level with the truck floor, access to a warehouse where one truck could be entirely unloaded (one truck at a time is usually sufficient), and a weighbridge, to allow selective weighing. The layout of the bay and its access should not block traffic.
- Specialized inspection facility. This is the building where vehicles may be subject to a detailed check. It should be covered, enclosed, and include (i) lifting equipment, (ii) an inspection pit, (iii) a comprehensive toolkit, and (iv) a small office.
- Bus facility. The principle of checking a bus/coach load is that all luggage is emptied, and taken to an inspection hall, into which all passengers are admitted at one end, subject to passport control (immigration officer), and to Customs control (along an examination bench). A small cubicle for body search should be provided. An x-ray machine is an option. (As bus and coach processing requires different maneuver space from cars, this facility is usually better located away from the car processing area. It should only be used selectively, as in most cases, clearance can take place on board the coach itself.)

This is the classical linear design of many border stations.

<sup>2</sup> Maximum authorized size, for security reasons (to be able to see the entire cell from the peephole and limit movements), with one built-in bunk (1.4 sq.m) and free space of 2.1 sq.m, which is enough to prevent claustrophobia, but conveys the message to the detained that he is no longer free.



Coming from the border, traffic approaches the control booths in one (or several) lanes. As shown below, cars 1 and 2 have to wait until car 3 has been processed. If there is a delay, 1 and 2 cannot get out of the lane and select another one. Traffic moves at the pace of the longest control. This is irrespective of the number of lanes.

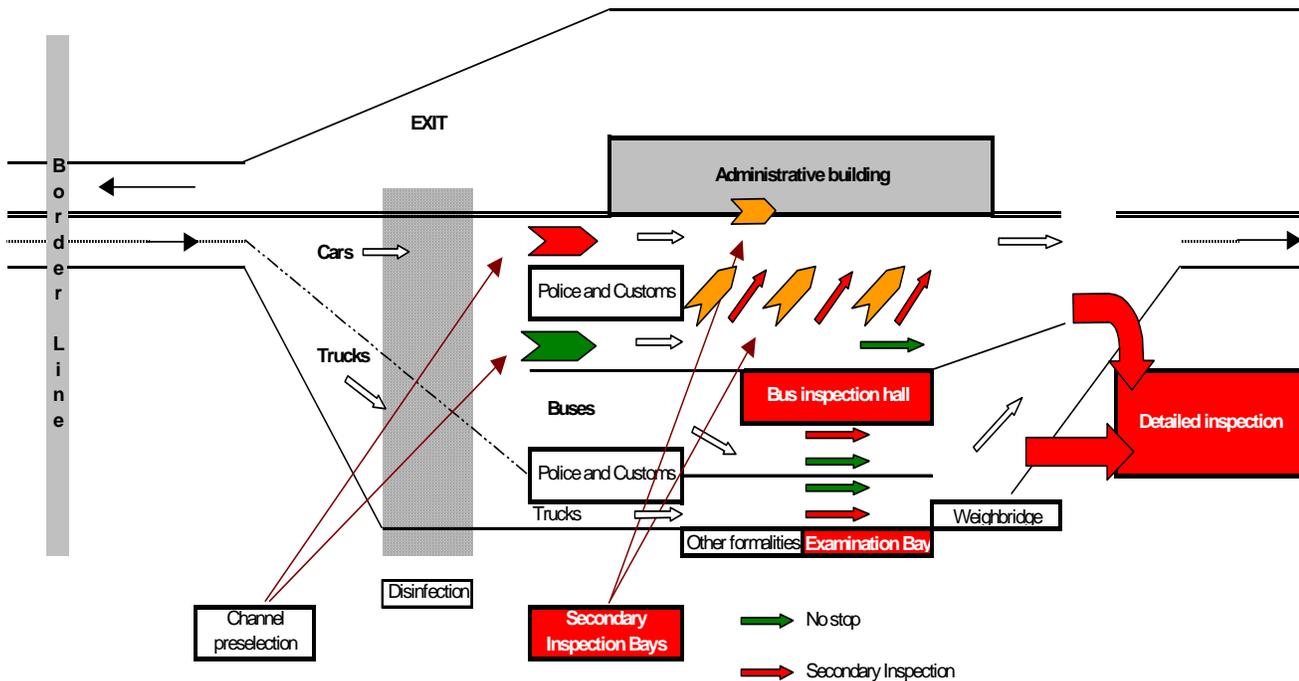


And this is what happens: A queue builds up. Even if processing lasts only three minutes per vehicle, the wait is 3' multiplied by the number of vehicles.

The easy answer would be to increase the number of lanes, as in the picture below. However, lanes are expensive, and they also require staffing. In the example below, neither Customs nor the immigration authorities, have the necessary staff. Even if Customs had the staff, the chances are immigration would not. Crossing the entire facility is difficult, long, and potentially dangerous. When joining a specific queue, the driver does not know how long it will take to clear.



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



Entering traffic selects the channel, and can be re-directed by the Police and Customs targeting booth from green to red (lanes 1 and 2). The inspection bays are at an angle, so they do not block the main flow. If these bays are already occupied (when several controls are simultaneously

under way, which is unlikely), traffic can still proceed through. A similar process can be established for trucks.

#### 4. Operations.

- The basic principle is that, **under no circumstances**, should a queue be allowed to build up.

##### *Never a queue.*

This is not entirely true, as there are (few) cases when a queue can be permitted. This is notably the case when Customs want to create a psychological effect, showing that detailed controls are enforced. However, these cases should not be frequent. In a recent situation on the Franco-Swiss border at Geneva airport, the Swiss authorities were on the lookout for bank robbers whom they suspected of trying to flee to France. The Swiss border guards had a reinforced presence of heavily armed guards at the border station, yet they simply made every vehicle slow down at walking pace (although this was enough to create a queue), and looked into every car, without ever stopping them. Within one hour, they had nonetheless arrested the robbers.

- Shift management should be flexible (i.e., the shift leader should allocate staff to lanes according to traffic, and switch positions periodically)
- Shifts should not last more than 5-6 hours. 12 hour shifts are inadequate.
- Although Customs all over the world are fairly sensitized to facilitation issues, this is not the case for other agencies, in particular the border police or the immigration authorities, as these nearly always consider that control should prevail over facilitation. This can be improved through close cooperation between Customs and the police, and a good understanding of the facilitation agenda.

##### *Shifts*

The duration of a shift is often a difficult issue. Customs administrations claim that they cannot afford the staff for shorter shifts, because of overtime or night time bonuses, and staffing shortages, yet visits to border stations show oversized shifts where more than half the personnel at night is asleep. Assigning staff to night shifts is a convenient way of paying overtime, when there is no real necessity for large staffing. It should be remembered that staff are assigned to a border shift to work, not to sleep. Unannounced visits to border stations have also shown that staff are often in the cafeteria watching a football match, during which the entire station is closed.

Another point is that staff are assigned to one specific lane for the duration of the shift. This is poor management, as it encourages corrupt practices and does not provide for adjustments due to traffic levels.

- If there are barriers (not recommended), or traffic lights, they should be open by default, even in the absence of staff (the principle is that traffic is allowed to move freely if not challenged).
- When there is a change of shift, this should not disrupt border operations. Shifts should overlap. Closing accounts should not be an excuse to delay traffic.
- All agencies present at the border should have coordinated working hours (corresponding to those of the authorities on the other side of the border), and in the absence of one agency, a delegation of authority mechanism should be put in place.
- There should be regular inter-agency staff briefings.
- Customs staff should be allowed to operate throughout the facility (from the border line to the exit of the facility). The purpose is to enable Customs officers to do preliminary targeting before vehicles reach the targeting booth.

Many experiences have been carried out in Western Europe and Northern America. They have all indicated that simplified border processing schemes are practical, and enable better detection of frauds and irregularities. These are based on:

- Self declaration of the drivers, who, by selecting the fast lane, indicate that they comply with all rules and regulations applicable to international travel (immigration, Customs allowances, etc.) (Franco-Swiss system);
- Possible additional pre-screening of regular users who are issued with a special pass (US-Canada system);
- Use by commercial vehicles of an international or regional transit system (for example TIR) which in theory should only be verified at the start and the end of the journey;
- Joint processing, inspection, and payment at one terminal (Ohrid scheme between Albania and Macedonia in 1997), with subsequent re-allocation of duties;
- Collection of duties at a single point of payment (TTFSE initiative and Moldovan single window – Frontiera - system); and
- Use of an internationally or regionally accepted single weight certificate (SECI and TTFSE recommendation).

## ***Management***

- All the border agencies should agree on the business process, and in particular identify common and specific data necessary for each administration, and define a simple way of unique capture (for example, passport data should be captured by optical readers by immigration authorities, and transmitted electronically to Customs).
- A simple coordination mechanism for secondary (i.e., detailed) control should be designed locally, and include cross designation of officers from different agencies (requiring basic training).
- Computer systems should provide for minimum information sharing (i.e., non-confidential information captured by one agency that would be necessary for the processing purposes of the others).
- Regular coordination meetings at local, regional, and national, levels.

This system can later be extended across the border, subject to a similar approach.

## ***Control policy*** *(See also separate guidelines on risk management)*

The principles below outline the main principles only.

- The past approach consisting in examining everyone and everything is now totally unrealistic. Only a limited amount of traffic should be subject to checks, which include cursory examinations (i.e., simply opening a car boot without emptying it, or opening the back door of a truck without looking into it, should be counted as an examination). In fact, cursory examinations seldom give any results, and it is better to do fewer but more comprehensive checks.
- While it is the responsibility of Customs to check goods in commercial or private vehicles, the police often replicate these checks, on many grounds (trying to find evidence of

corruption in Customs, looking for drugs or illegal immigrants, or simply asserting power). This practice should be discontinued, or at least police checks should take place alongside Customs examinations.

- Scanning equipment is often requested as an alternative to physical examinations. In fact, scanning a vehicle is the same as physically inspecting it. Scanning 100 percent of all traffic is not realistic, and scans should be subject to specific rules of selection.
- Under the Geneva Convention on the simplification of Frontier Control of Goods<sup>3</sup>, controls should be coordinated, take place at the same time in the same location, and, whenever possible, delegated to Customs.

All international instruments (EU accession blueprints for Customs, Kyoto Convention, Geneva Convention on harmonized border controls), as well as international best practice, recommend the following principles for the inspection of goods and vehicles:

- Checks must take place where they are the least obtrusive, and, as much as possible, close to the final destination of the goods;
- Checks must be coordinated with Customs, which is the sole agency responsible for the control of goods crossing the border, and take place at the same time;
- There should be no interference from other bodies in the carrying out of activities for which Customs are responsible;
- Checks should be, as far as is possible, carried out jointly by the agencies on both sides of the border; and Fast track systems should be introduced for (i) pre-identified vehicles, and (ii) regular commuters.

This leads to the following principles:

- Cross designation of officials may expedite the process; Customs being the leading agency, this should be done essentially in coordination with Customs (Geneva Convention);
- Border activities in both countries can be co-located in one country;
- Further integration may be sought through (i) joint processing and inspections, (ii) exchange of data, (iii) single window payment and processing.

### **What to look for:**

- What is the rate of examination?
- What is the rate of detection? Is there a log of irregularity kept at the station? What are the types of offence detected?
- Are there repeat examinations performed by other agencies, and why?
- Is there some scanning equipment available and is it used?
- What are the examination facilities and tools like, are they used, and how successfully?
- What kind of training is provided, and is there a need for further training?

### ***Co-located operations***

The principle of co-located, or shared, facilities (sometimes inadequately referred to as “single windows”) is that all the border checks of both countries take place in the same location. There are many models and examples of such facilities, which appeared in the pre World War II period.

<sup>3</sup> <http://www.unece.org/trans/conventn/harmonie.pdf>

***Co-located border facilities can often operate even when the political relations between two countries are not good, as Customs officers notoriously get on well with their colleagues, irrespective of political systems.***

One of the first co-located facility appeared between France and Belgium after World War I. It was a farmhouse, which accidentally found itself sitting on the very border between the two countries as a result of a border rectification. The border line actually was going across the dining room. This was most convenient when the authorities of one country wanted to interview a person detained in the other country, without actually seeking extradition. The interviewed person would sit on the Belgian side, while French investigators would ask questions from the French side of the dining table. The concept was later extended to more regular operations.

*Placement – These facilities can be established:*

- At the very border, with the border line cutting across the facility. This is the US-Canada model. It is adapted to a flat environment.
- Inside a city. This was often the case in densely populated border areas, such as the Franco-Belgian border. These facilities are often difficult to manage.

In one case, a smuggler was detained by French Customs on the Belgian side of a shared facility. He asked to go to the toilets, which were technically on Belgian territory, and escaped through the window. It was legally difficult to re-arrest him on Belgian soil, as he had not committed any offence there.

- On one side of the border. This is the preferred model in mountain areas.
- In another country: This is the model of passenger pre-clearance carried out by US Customs at some Canadian airports.
- Split between traffic flows. This is the Channel Tunnel model, where all checks are carried out in the country of departure.
- Inside the territory.

#### ***Different cases of co-location***

- Border stations situated on the very border line (US-Canada model), which may be only practical on flat terrain, and when the processing is very similar on both sides of the border (in the absence of a buffer zone between the two border stations, delays in the country of entry may overflow in the country of departure, causing traffic queues).

- Shared facilities well inside the territory of one country (European model, and the Channel Tunnel). These require an international treaty addressing such issues as sovereignty rights and applicability of national legislation between the facility and the geographical border (for example, although a driver has cleared Swiss immigration of the French territory, he is still in France, and French legislation continues to apply – arrest, traffic rules, etc. – until he has crossed into Switzerland).

- Advance clearance in the country of departure (US-Canada scheme).

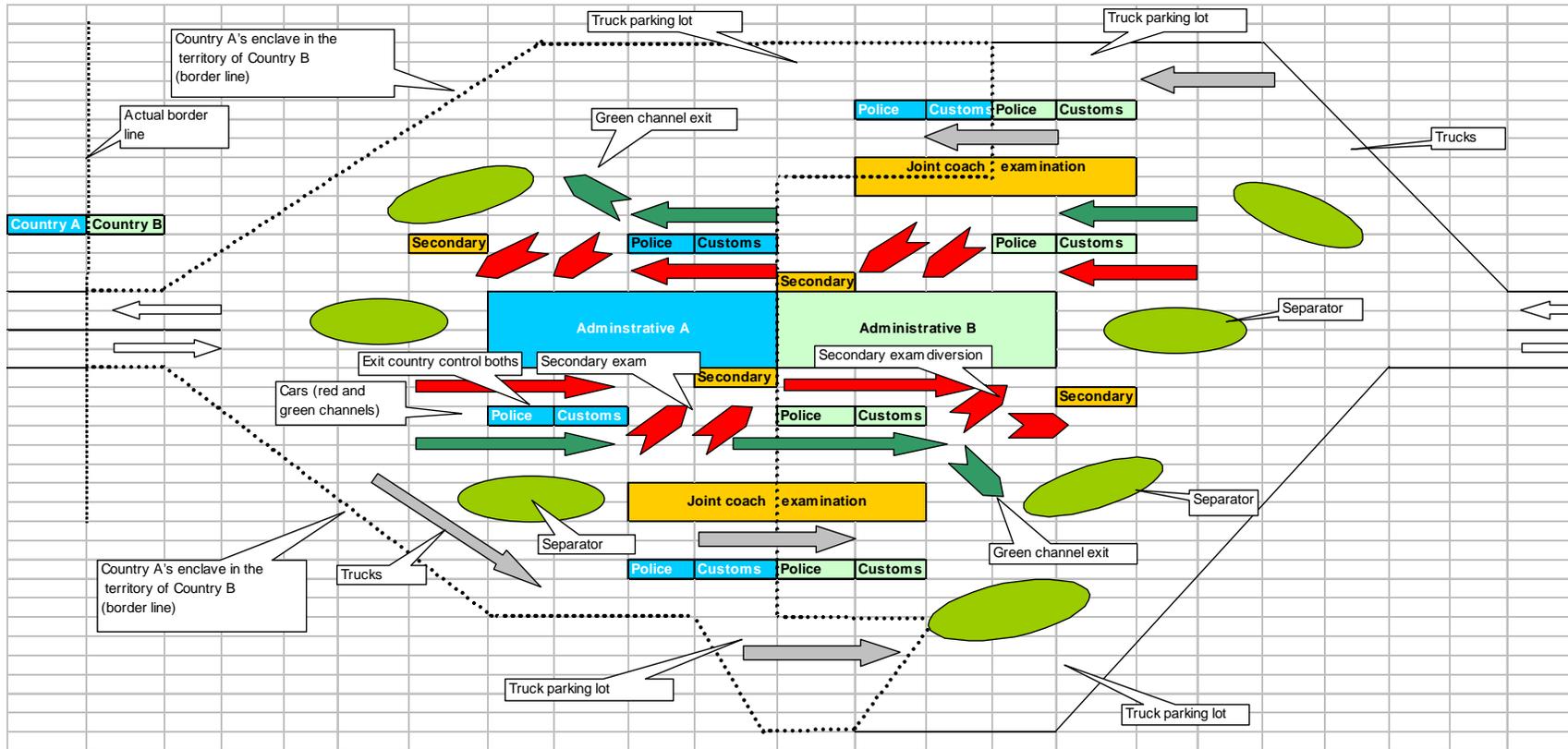
- The Ohrid system operated in the spring of 1997 demonstrated that Albanian Customs officers could operate in a Macedonian inland terminal, carry out import clearance and assess duties, at the same time as Macedonian authorities cleared the same consignment for export.<sup>4</sup> Import duties were collected on behalf of Albania by a Macedonian bank, and paid into the Albanian Treasury daily.

<sup>4</sup> Goods were transported to the actual border under a joint Macedonian-Albanian transit scheme.

- The EU-developed PAIS system, still in operation in Albania, provided for the exchange of information regarding shipment data from the country of departure.

In all cases, direct communication across the border (telephone and computer connections) is necessary. A combination of all systems can be envisaged, depending on the local conditions. The diagram below shows the main functions to be addressed.

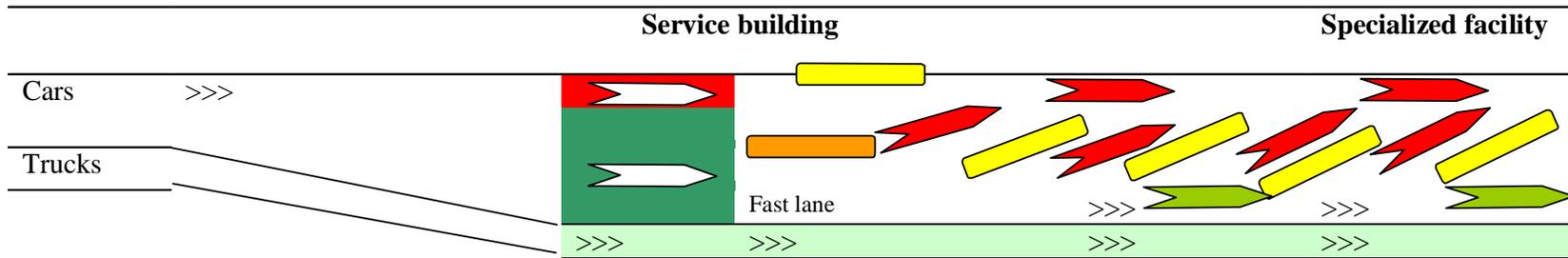
# Outline of a co-located facility

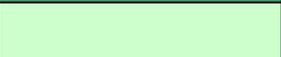
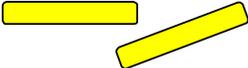
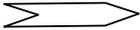


Even if there is no simultaneous agreement between the two countries, a border facility may be designed in the perspective of future co-location. Figures below show how a phased approach was designed for a border station which was envisaged initially for one country, then later turned into a co-located border station.

Diagram – Simplified seamless processing (phase 1)

BORDER SIDE (Entering traffic)

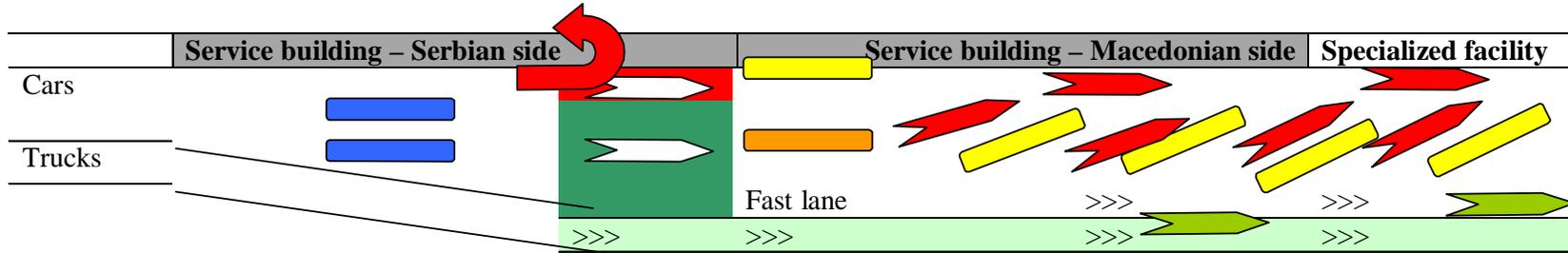


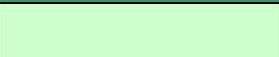
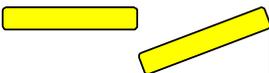
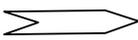
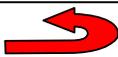
	Lane pre-selection. Red Channel.
	Lane Pre-selection. Green Channel. (The bottom – fast – lane should always remain unblocked.)
	Truck lane. Trucks proceed to their own facility further downstream.
	Targeting booth (Border police and Customs, booth has a glass separation between the two administrations).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

Phase 1 corresponded to initial design and single-country operations. Phase 2 involved the extension of the facility. Phase 3 shows the final operational layout.

Diagram 2 – Introduction of a joint facility (phase 3)

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.
	Macedonian Targeting booth (Macedonian Border police and Customs, booth has a glass separation between the two administrations).
	Macedonian Examination bays. Consist of an examination bench and simplified equipment. More thorough searches are carried out in a specialized facility.
	Serbian booth (Customs and border police; booth has a glass separation between the two administrations).
	Circuit of vehicles.
	Vehicles denied right of exit or returned to Serbia by Serbian authorities. May apply to cases when an irregularity is detected on exit, so that prosecution can take place on Serbian territory.

A legal agreement between the two countries is necessary to cover (i) management of the facility and its maintenance, (ii) legal powers of officials on foreign territory, (iii) status of access roads, (iv) legal system under which operations are conducted (for example, a smuggler is arrested, and while detained, commits a non-Customs violation: Under which country's legislation is the offence prosecuted, and who is competent for charging the offender?), and (v) determine the legal status of non-administrative personnel operating in the facility (e.g., to which labor legislation are brokers of country A subject when working in country B?).<sup>5</sup>

Shared facilities can generate difficulties in terms of cooperation between administrations (the same activity may be an offence in one country but not in the other). Modes of cooperation and exchange of information should therefore be carefully planned. When Customs checks are carried out concomitantly by both countries, if the incoming official detects a violation while carrying out the check in the outgoing country, the outgoing country's official may be tempted to halt the process, and take over. A detailed protocol for conducting checks should therefore be elaborated, ensuring that it is also consistent with police operations.

*Necessity – Are such facilities useful?*

- They expedite passenger traffic, as all checks take place in a same location.
- Benefits are less obvious for commercial traffic. There are limits to integration of controls and processing:
  - If checks take place concomitantly at a border location where clearance for domestic consumption is allowed, the country of entry officials will need an import declaration which will not be necessary for the country of export officials' purposes. This will delay processing significantly.
  - If procedures are not broadly aligned (e.g., border clearance on one side of the border, and inland clearance on the other side, it may also affect processing times, by adjusting them to the longest procedure.
  - When checks are integrated between the two countries, numerous legal issues may arise.
  - If there is a linear chain on operations (i.e., all checks are carried out by officials of the country of exit who then hand over the vehicle to their neighboring colleagues), the benefits of a shared facility are less significant.
- However, shared facilities are an opportunity to:
  - Unify procedures: Weighing of trucks, or disinfection, only takes place once.
  - Generate economies of scale: There is only one parking lot.
  - Coordinate data: Declaration data in one country can be automatically used by the other country.
  - Reduce brokerage fees, as the same broker can operate in both countries (this requires a specific agreement).

***What to look out for:***

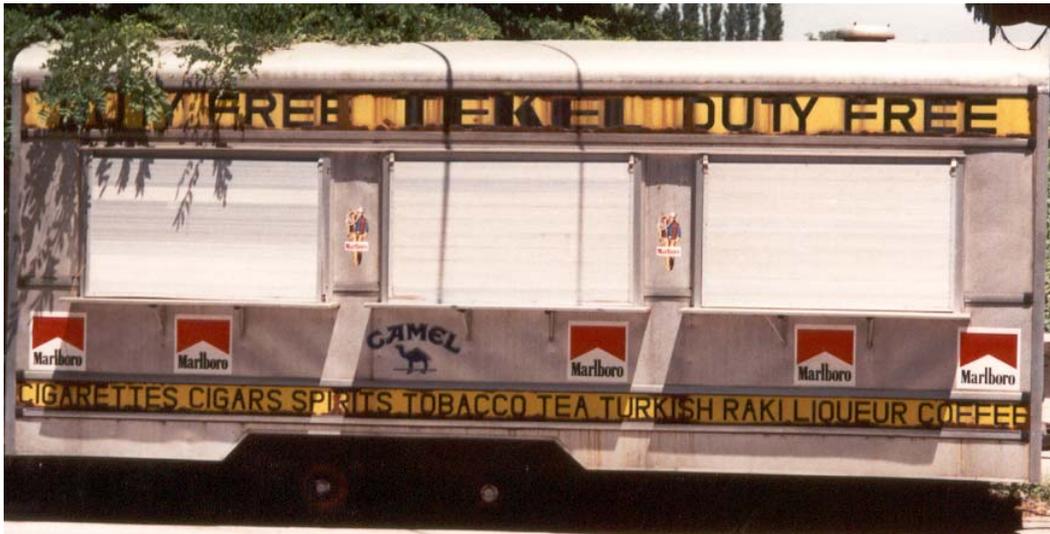
- What is the legal framework of the facility? Who pays for what, and what are the cost-sharing arrangements?
- Where is the actual border located, and how does it affect operations?
- Is the section of the neighboring country entirely extra-territorialized, or are officials' powers restricted?

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<sup>5</sup> An apparently secondary issue, which may however prove disruptive, is the right of officials to go on strike. When this happens on foreign territory, the national legislation may not be applicable, especially in cases of picketing.

- What form of cooperation mechanism is institutionally provided?
- Are immigration/police and Customs operations broadly aligned, and if not, how does it affect operations?
- Under which status are officials and employees vis a vis the labor legislation? Are they paid special bonuses when working abroad? Where do they start their shift (i.e., in their country of origin or when they reach the neighboring country? In the latter case, what is their professional status en-route?
- Are staff allowed to wear and use weapons in the other country, and, if yes, under which legislation?
- What is the status of sniffer dogs regarding quarantine legislation?
- Where is the duty free shop located? Who is responsible for it?

### *Duty free shops*



Duty free shops are technically bonded warehouses located outside the fiscal territory of a country, and supply goods on which domestic taxes were not collected. Travelers are entitled to buy supplies in these shops, but (i) must comply with the allowance applicable in the other country, and (ii) pay duty on the excess. In no case can buyers from the country of exit be allowed to return to their country without paying the duty. Duty free shops are not established for the convenience of officials or local residents who are not genuine travelers. Many countries impose rules (e.g., the benefit only applies to travelers who remain outside the country for more than 24 hours, and local resident, who can access the duty free shops more easily and frequently, usually have a limited allowance.

Duty free shops can take many forms, ranging from floating supermarkets on car ferries (where they contribute substantially to the running costs of the ferry operator) to large scale village markets in Central Asia or the Caucasus. In all cases, they should be kept under control. The reason is that, unless these shops are well controlled, they open an avenue for smuggling, revenue evasion, and money laundering.

- Shops must be licensed, preferably by the Minister of Finance, acting upon a proposal from the Director General of Customs. Licenses can be revoked in the case of fraud or repeated negligence. The design and layout of the shop should be approved by Customs. Operators should provide a bond or guarantee.

- Shops should be placed between the last control post of the country of exit and the first control post of the country of entry. They report to the country on whose geographical territory they are located. Fencing or separators should limit the access to the shops to traffic entitled to use them.
- There should be very visible and intelligible notices in several languages explaining who is entitled to use the shops, and what are the regulations applicable in both countries. Shopkeepers may be required to ask customers for their passport and make a note of the passport numbers and travelers' names or vehicle registration numbers.
- Shop operators should keep the same books as in the case of a bonded warehouse. Customs should carry out regular, unannounced, inventory checks.
- Border staff and employees should be barred from using the shops, especially when on duty and in uniform. Severe penalties should be instituted for violations.

***What to look for:***

- **Make sure the license to operate a duty free shop is not also a license to print money. Find out who runs the shops, and if it is the brother in law of the Minister, make a passing remark in your Aide-Mémoire.**

**Where should be located the duty-free shops**

As mentioned above, they should be after the last control post when leaving the country. In European countries, duty-free shops are only accessible to travelers departing, but in many other countries, including highly developed and organized countries such as Australia, they can be also accessed by incoming passengers. The rationale is that goods are considered as purchased abroad, and, if within the franchise, they are admitted duty-free.

If the country policy is that goods purchased in the shops must be taken out of the Customs territory, duty-free shops at land borders must be restricted, with fencing and/or traffic separators, to exiting traffic.

***Performance measurement (see also separate guidelines on performance indicators)***

The Bank is interested in providing the best value for money to its clients. Therefore, a modern border facility is often presented as one way of improving border crossing times. However, modern – and sometimes lavish – infrastructure is often not enough to improve performance. Similarly, Government agencies often do not have a clear idea of the processing time they impose on traffic, as they measure only their intervention, with little or no consideration for the queue effect (even if it only takes five minutes per car in Customs and five minutes at the immigration booth, the total is [5 + 5 + transfer time] multiplied by the number of vehicles. The average waiting time is therefore substantially more than the advertised ten minutes.)

The Bank has developed a measurement system based on a black-box principle: Observers measure the time when a vehicle enters the facility, and the time when it exits. This goes on for a period of 24 to 72 hours. After about three measurements, a baseline for crossing time can be established. It is suggested that monitoring should go on during entire project life – and hopefully after – so that other than infrastructure reforms are also assessed in terms of facilitating traffic and trade.

***What to look for***

- ***Is it possible to establish a performance measurement system?***

- *Could it be combined with performance measurement on the other side of the border?*
- *Can it be funded? (Usually, trust funds can be mobilized during project preparation)*

***IT solutions*** (see also separate guidelines on Customs computerization)

- Even if there is no clearance at the border, the Customs computer system – assuming there is one – is necessary to capture transit data.
- There are cases when data concerning commercial traffic is captured not only by Customs but also by other agencies (essentially the police). This should not be allowed to take place.
- Conversely, data captured by one agency should be shared with all the other appropriate and interested agencies. (For example, passport details machine-read by the immigration authorities should be passed on to Customs)
- Ideally, data captured on traffic on one side of the border should be shared with the authorities on the other side. This is particularly the case for vehicle registration numbers, and details of transit documents. Not only does it save time, but it also limits fraud.
- IT will not replace human judgement.

***What to look for:***

- *What are Customs plans for computerization? Will the border station be connected to the system?*
- *Is there other than transit processing at the border (i.e., clearance for home consumption)?*
- *Is the computer system compatible with (i) other agencies' systems, and (ii) the system in use across the border?*
- *Is there a MoU between the agencies for exchanging data?*
- *Is there an agreement with the other country for the exchange of data?*

***Further resources***

The following documents websites provide interesting models that you may want to explore for further information:

Canada:

<http://www.gfptt.org/Entities/ReferenceReadingProfile.aspx?id=0acae916-1e92-4a7d-a140-ba73c25b7f62>

ADB: (A description of processing at border stations in a co-located environment)

[http://www.adb.org/Documents/Events/2003/CCC/Second\\_Mtg/wp\\_02.pdf](http://www.adb.org/Documents/Events/2003/CCC/Second_Mtg/wp_02.pdf)

Andean Community (A good model of international agreement regulating co-located border facilities)

<http://www.comunidadandina.org/ingles/border/bcc.htm>

French Customs: Although slightly aging, still up to date.

Guidelines on co-located facilities (1983) (available on request)

For further information, please contact the Customs and Cross-Border Facilitation Team in the following order:

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