



Government of the People's Republic of Bangladesh

WTO Cell, Ministry of Commerce

Bangladesh Regional Connectivity Project-1

Probashi Kollayan Bhaban

Eskaton Garden, Dhaka-1000



THE WORLD BANK
IBRD • IDA | WORLD BANK GROUP

Conducting 03 Studies Suggested by NTTFC under Bangladesh Regional Connectivity Project-1

Study on Review of collaborative border management
institutional mechanisms for coordinating across
Sectors/Ministries and across countries



March 2020

Government of the People's Republic of Bangladesh

WTO Cell, Ministry of Commerce
Bangladesh Regional Connectivity Project-1
Level-12, Probashi Kallayan Bhaban
Eskaton Garden, Dhaka-1000

STUDY ON
REVIEW OF COLLABORATIVE BORDER MANAGEMENT-INSTITUTIONAL
MECHANISMS FOR COORDINATING ACROSS SECTORS/ MINISTRIES
AND ACROSS COUNTRIES

Submitted to:

Project Director
WTO Cell, Ministry of Commerce
Bangladesh Regional Connectivity Project-1
Level-12, Probashi Kallayan Bhaban
Eskaton Garden, Dhaka-1000

Conducted by:



DEVELOPMENT TECHNICAL CONSULTANTS PVT. LTD. (DTCL)

House-62, Road-14/1, Block-G, Niketon, Gulshan-1, Dhaka-1212
Phone: 880 2 985 6438, 985 6439, Fax: 880 2 984 0973
E-mail: info@dtcltd.org; Website: www.dtcltd.org

MARCH 2020

TEAM OF CONSULTANTS

S.N	Team members	Position in the Team
1.	Md. Munir Chowdhury	Lead Consultant & Team Leader
2.	Dr. Md. Shafiqul Islam	Consultant & Trade Specialist
3.	Dr. Rana Sattar	Consultant & Legal Specialist
4.	Dr. M M Amir Hossain	Consultant & Managing Director
5.	Md. Mahabub Alam	Study Coordinator & Data Analyst

PREFACE

This Final Report intends to respond to the requirement of the client according to the provision of contract agreement signed between Bangladesh Regional Connectivity Project -1 (BRCP-1) and Development Technical Consultant Pvt. Ltd. (DTCL) for conducting the **“03 Studies Suggested by NTTFC under The Bangladesh Regional Connectivity Project-1”**. implementing in Bangladesh by WTO Cell, Ministry of Commerce, GoB. The study consists of Current Status of Coordination and Collaboration among Border Agencies in Bangladesh, bilateral cooperation between neighboring countries and multinational cooperation. It also analyzed the Best Practices of Regional Countries adapted to Facilitate Better Border Management, Existing legal, regulatory and policy frameworks, International/Regional ‘Law and Policy’ Good Practices, Legislative, Administrative and Policy Reforms Required. Finally the study examined the Current Status of Bangladesh in Implementation of the TFA, Identify and Analyze the Status and Best Practice of Regional Countries in Implementation of TFA and on the basis of findings recommendations were determined .

Consultancy services for conducting the” **03 Studies Suggested by NTTFC under The Bangladesh Regional Connectivity Project-1”**. was provided by the Development Technical Consultants Pvt. Ltd. (DTCL), Bangladesh. The study team consists of three senior level experts including field and office level support staffs. The major objective of the study is to obtain a snapshot assessment of the current status of coordination and collaboration mechanism among different border land port agencies and to provide recommendations to establish an effective and efficient coordinating border management system in Bangladesh. Moreover, the study also aims to review and identify gaps of existing policy, legal and regulatory regime –national and international relating to Bangladesh’s cross border Trade and trade facilitation.

The Final Report includes study design, sampling framework and data collection instruments and data collection methods, data management and entry and data analysis and study findings.

Zinat Ara

Project Director (Joint Secretary)
Bangladesh Regional Connectivity Project-1
Ministry of Commerce

ACKNOWLEDGEMENTS

It is indeed a great honor for us that Bangladesh Regional Connectivity Project 1 (BRCP-1) , Ministry of Commerce has entrusted Development Technical Consultant Pvt. Ltd. (DTCL) to carry out the **“03 Studies Suggested by NTTFC under The Bangladesh Regional Connectivity Project-1”**. The final report of the Study has been prepared based on a validation Workshop held on 19 March 2020. The Studies are i) Review of Collaborative Border Management institutional mechanism for Co-coordinating across Sectors/ Ministries and across countries; ii) Analysis of Law and Regulations governing border operation; iii) How comparable countries are addressing implementation of TFA.

The 03 Studies contains objective, scope and methodology of the Studies, current status Co-ordination and collaboration among border agencies in Bangladesh, existing legal, regulatory and policy framework and reforms required, current status of Bangladesh in implementation of the TFA. The consultants also described the best practices of Regional Countries adapted to facilitate Better Border Management and TFA implementation. At the end they analyzed the findings from the three studies and recommended to implement the suggestions.

The principal author is Md. Munir Chowdhury, Lead Consultant cum Team Leader with inputs from Md. Shafiqul Islam, Consultant & Trade Specialist; Dr. Rana Sattar, Consultant & Legal Specialist, , Statistician , Data Analyst and other enumerators and field surveyors of the study team. Project Director of the BRCP-1 Mrs. Zinat Ara , PIU Coordinator, WTO Cell as well as other officials of the Ministry of Commerce, NBR, Land port Authority who provided their extended supports and gave us an opportunity to complete the study. We are thankful to all of them for their valuable cooperation and suggestions. The active support of Dr. M. M. Amir Hossain, Managing Director, DTCL; Mr. M. Habibur Rahman ,Executive Director , DTCL and Mr. Md. Mahabub Alam, Study Coordinator of 3 Studies and Senior Manager of DTCL during data collection and monitoring activities are also acknowledged with thanks.

Md. Munir Chowdhury

Lead Consultant & Team Leader

Table of Content

	Description	Page No.
	Acronyms	ix
	Executive Summary	xii
Chapter 1:	Introduction	1-7
1.0	Introduction	1
1.1	Background	1
1.2	Context of Collaborative Border Management for Trade Facilitation	2
1.3	Rationale of the Study	4
1.4	Review of Current Status of Border Management in Bangladesh	5
1.5	Objectives of the Study	6
1.6	Scope of the Study	7
Chapter 2:	Approach and Methodology	8-11
2.0	Approach	8
2.1	Design of The Study	8
2.2	Sources of Data	9
2.3	Collection and Review of Data, Reports and Information	9
2.4	Methods of Data Collection	9
2.4.1	Review of Secondary Documents and Literature	9
2.4.2	Interview of Target Respondents	9
2.4.3	Focus Group Discussion (FGD)	10
2.4.4	Public Consultations (PCs)	10
2.4.5	Key Informants Interview (KIs)	10
2.4.6	Data collection	11
2.4.7	Review of Secondary Documents and Literature	11
Chapter 3:	Coordination and Collaboration Among Border Agencies in Bangladesh	12-35
3.0	Elaboration of the Current Status of Coordination and Collaboration among Border Agencies in Bangladesh	12
3.1	Delineation of the Inter and Intra Agency coordination mechanisms among different border management agencies	12
3.1.1	Trade through Land Route	12
3.1.2	Situation at the Border	13
3.1.3	Integrated Check-Posts: An Overview	14
3.1.4	Petrapole	14
3.1.5	Integrated Check-posts: Impact and Challenges	15
3.1.6	Infrastructure	15
3.1.7	Scanning and Inspections	16
3.1.8	Identity Verification	16
3.1.9	Migrants' Records	16
3.1.10	Use of ICT	16
3.1.11	Future Outlook	17
3.2	Identification of the status of cross border agency cooperation with special focus on the level of local cooperation between officials of both the sides of border	17
3.2.1	Bangladesh	18
3.2.2	Nepal	19
3.2.3	Bhutan	19

3.2.4	The role of technology	19
3.2.5	Way forward	20
3.2.6	Recommendations for effective border management in the BBIN region	21
3.3	Bilateral Cooperation between neighboring countries and multinational cooperation	21
3.3.1	Bilateral Trade between Bangladesh and India	21
3.3.2	Total trade and Balance of Trade	22
3.3.3	Export to India	22
3.3.4	Import from India	22
3.3.5	Export under SAFTA	22
3.3.6	Trade Related Meetings	22
3.3.7	Border Haat (Village market held on particular days of the week)	23
3.3.8	Existing Non-tariff and Para-tariff barriers (NTB/PTB) between Bangladesh and India	23
3.3.9	Anti-dumping investigation on Bangladesh jute goods	23
3.3.10	Inadequate LCS Infrastructure	23
3.3.11	Port restriction	24
3.3.12	Inadequate physical facilities at land customs stations of India	24
3.3.13	CEPA (Comprehensive Economic Partnership Agreement)	24
3.3.14	CEOs Forum	24
3.3.14	MoU on Capacity Building for Trade Remedy Measures	24
3.3.15	Issues which could be discussed in JCC Meeting with India	25
3.3.16	Bilateral Trade between Bangladesh and Nepal	25
3.3.17	Major exports from Bangladesh to Nepal	26
3.3.18	Major Imports into Bangladesh from Nepal	26
3.3.19	Operational Modalities for the Carriage of Transit Cargo between Nepal and Bangladesh	26
3.3.20	Duty free Market Access to Nepalese Products in Bangladesh and Preferential Market Access to Bangladeshi Products in Nepal	26
3.3.21	Full-fledged Operation of Kakarbhitta-Panitanki-Phulbari-Banglabandh Trade Route	26
3.3.22	Harmonization of SPS and TBT Measures	27
3.3.23	Issuance of Visa on Arrival for the Nationals of Nepal by Bangladesh and Business Visa for Bangladeshi nationals	27
3.3.24	MOU between the agencies	27
3.3.25	Concluding Double Taxation Avoidance Agreement (DTA)	28
3.3.26	Bilateral Investment Promotion and Protection Agreement (BIPPA)	28
3.3.27	Tri-lateral Transit Agreement among Bangladesh, India and Nepal	28
3.3.28	International Trade Fair	28
3.3.29	Tourism	28
3.3.30	Harmonization of working hours at Entry Point	28
3.3.31	Investment in Nepal Hydro Power Sector	28
3.3.32	Simplification of the Procedures of Pharmaceutical Products	28
3.3.33	Cooperation between Trading Corporation of Bangladesh (TCB) and Public Trade Corporation of Nepal	29
3.3.34	Prioritized recommendations identified by each Member States and finally agreed	29
3.3.35	Bilateral Trade Agreement between Bangladesh and Bhutan	29
3.3.36	Bilateral Transit Agreement	30

3.3.37	Duty-Free Market Access	30
3.3.38	Decisions taken at Commerce Secretary level meeting held on 12-13 April 2014 in Thimphu	30
3.3.39	Memorandum of Understanding (MoUs)	30
3.3.40	Way forward to finalize Transit Agreement and related draft Protocol to the Transit	31
3.3.41	Exchange of information relating to bilateral trade and investment	31
3.3.42	Enhance cooperation in tourism sector	31
3.3.43	Operation time extension at Phulbari and Banglabanda LCS	32
3.3.44	Request to Notify Akhaura LCS	32
3.3.45	Regional Trade Agreements (RTAs) and Bangladesh	32
Chapter 4:	Identification and Analysis of the Status and Best Practices of Regional Countries Adapted to Facilitate Better Border Management	36- 63
4.1	Introduction	36
4.1.1	Case Mexico – the United States	38
4.1.2	Case Zambia – Zimbabwe	39
4.1.3	Case Vietnam – Laos BAC	39
4.1.4	The economic subsystem of Central America is comprised of six countries: Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama. Some 32% of the intra-regional trade takes place between these countries	41
4.1.5	Regional initiatives	41
4.2	Identification of Good Practices Utilized Elsewhere (In Terms of Organizations, Rules, Regulations, Handbooks/Guidelines) to Facilitate Collaborative Border Management with Special Reference to Norway and Sweden/Eu Border	46
4.2.2	Border Management -Sweden Norway	48
4.3	Comparison Between Bangladesh And Other Regional Countries Such as India, Nepal And Bhutan in Implementation Of Different International Rules, Regulations, Laws, Conventions, Agreements and Better Practice for cross border management	
4.3.1	South Asia Sub –Regional Economic Cooperation (SASEC)	50
4.3.2	South Asia Sub regional Economic Cooperation Program	50
4.3.3	Bangladesh	51
4.3.4	Bhutan	53
4.3.5	India	55
4.3.6	Nepal	59
4.4	The measures that are taken by the Bangladesh in implementing the internationally agreed rules and regulations regarding better border management	62
4.4.1	Bangladesh Land Port Authority	63
4.4.2	The Bangladesh Standard and Testing Institute (BSTI)	63
4.4.3	Plant Quarantine Department	63
Chapter 5:	Implementation Challenges of the Rules, Regulations, Laws Etc. for Better Border Management In Bangladesh	64-86
5.1	Institutional Weakness and Procedural Hindrances	65
5.1.1	Customs Clearance & Border Control Problems in Bangladesh	65
5.1.2	Transparency & Accountability in Trade & Customs	65
5.1.3	Coordinated Border Management	65
5.1.4	Streamlining formalities and documentation requirements	66

5.2	Modernization of Border Management Procedure	67
5.2.1	International standards and best practices	67
5.2.2	Trusted Traders	67
5.2.3	Integrated border management	68
5.2.4	Keeping the border open	68
5.2.5	Single Window	68
5.2.6	Gateway solution	69
5.2.7	Green Corridor	69
5.2.8	Technology Solutions	69
5.2.9	The ratification by Bangladesh of the Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific	69
5.3	Coordination Of Inter And Intra Border Authorities And Harmonization Of The Border Management Activities	73
5.3.1	Level of Formality in Collaborative Interactions	73
5.3.2	Multiplicity of Agencies at the Border	74
5.3.3	Coordinated Border Management as a Response to Resource Scarcity	74
5.3.4	The 2 Dimensions of Coordinated Border Management	76
5.3.5	Key Principles for the Coordinated Flow of Information	76
5.3.6	Key Principles for the Coordinated Movement of Goods	77
5.3.7	Organization and Structure in Coordinated Border Management	77
5.4	Policy / legal framework	79
5.4.1	Existing Laws/Rules Governing Exports and Imports in Bangladesh:	79
5.4.2	Other Relevant Acts, Rules, Orders and Circulars	79
5.4.3	Law/ Policy Review/Policy Paper preparation	80
5.6	Capacity Development of Through Training	84
5.7	Equipment and Infrastructure	86
Chapter 6:	Analysis of Data and Findings	87-96
Chapter 7:	Recommendations to Facilitate Better Border Management	97-102
Chapter 8:	Conclusion	103-104
	Bibliography	106-109
Appendix-1	Direct Questionnaire	
Appendix-2	FGD	
Appendix-3	KII	
Appendix-4	Field Observation	
Appendix-5	ToR of the Study	

ACRONYMS

ASEAN	:	Association of South East Asian Nations
AEO	:	Authorize Economic Operator
ASYCUDA	:	Automated System for Custom Data
BBIN MVA	:	Bangladesh Bhutan India and Nepal MVA
BTP	:	Bangladesh Trade Portal
BIMSTEC	:	Bay of Bengal initiatives for Multi- Sectoral Technical and Economic Cooperation
BGB	:	Border Guard of Bangladesh
BTC	:	Bangladesh Tariff Commission
BGMEA	:	Bangladesh Garments Manufacturing and Export Association
BIDA	:	Bangladesh Investment Development Authority
BEZA	:	Bangladesh Economic Zone Authority
BB	:	Bangladesh Bank
BAB	:	Bangladesh Accreditations Board
BSTI	:	Bangladesh Standard and Testing Institute
BLP	:	Bangladesh Land Port Authority
BRCP	:	Bangladesh Regional Connectivity Project
BBS	:	Bangladesh Bureau of Statistics
C&F	:	Clearing & Forwarding Agent
CCI&F	:	Chief Controller of Import & Export
CPA	:	Chittagong Port authority
CB	:	Capacity building
DDR4	:	Double Data Rate Type 4
DTIS	:	Diagnostic Trade Integration Studies
DAE	:	Department of Agricultural Extension
DCIs	:	Data Collection Instruments
DPP	:	Development Project Proforma
DTCL	:	Development Technical Consultants Limited
EPB	:	Export Promotion bureau
EU	:	European Union
FBCCI	:	Federation of Bangladesh Chamber of Commerce & Industries

FGD	:	Focus Group Discussion
FPC	:	Finite Population Correction
GDP	:	Gross Domestic Production
ICP	:	Integrated Check Post
ICD	:	Inland Container Depot
IPO	:	Import policy Order
IDA	:	International Development Association
ITC	:	International Trade Commission
IFC	:	International Finance Corporation
ICC	:	International Chamber of Commerce
KII	:	Key Informant Interview
LCS	:	Land Custom Station
LPI	:	Logistic Performance Index
LDC	:	Least Development Country
MVA	:	Motor Vehicle Framework agreement
MoA	:	Ministry of Agriculture
MRA	:	Mutual Recognition Agreement
M&E	:	Monitoring and Evaluation
MOC	:	Ministry of Commerce
MOS	:	Ministry of Shipping
MOH	:	Ministry of Health
MoFA	:	Ministry of Foreign Affairs
NBR	:	National Board of Revenue
NSW	:	National Single Window
NTTFC	:	National Trade and Transport Facilitation Committee
NEP	:	National Enquiry Point
NGO	:	Non-Government Organization
NTB	:	Non-Tariff Barrier
NTM	:	Non-Tariff Measures
PRA	:	Participatory Rural Appraisal
OGA	:	Other Government Agency
OECD	:	Organization for Economic Development and Cooperation

PSI	:	Pre-Shipment Inspection
PCs	:	Public Consultations
PIWTT	:	Protocol on Inland Water Transit and Trade
PIU	:	Project Implementation Unit
QCBS	:	Quality and Cost Based Selection
QAQC	:	Quality Assurance and Quality Control
RTA	:	Regional Trade Agreement
RMG	:	Ready-Made Garment
R&HD	:	Roads and Highway Department
SAFTA	:	South Asian Free Trade Area
SPS	:	Sanitary and Phyto-Sanitary
SME	:	Small and Medium Enterprises
SPSS	:	Statistical Package for the Social Science
SWOT	:	Strength. Weakness, Opportunity and Treats
SCM	:	Supply Chain Management
USAID	:	United States Agency For International development
TBT	:	Technical Barrier on Trade
TQM	:	Total Quality Management
TAPP	:	Technical Assistance Project Proposal
TFA	:	Trade Facilitation Agreement
TOR	:	Terms of Reference
TIR	:	Transport International Route
TEU	:	Twenty Feet Equivalent Unit
TTF	:	Transport and Trade Facilitation
WTO	:	World Trade Organization
WB	:	World Bank
WCO	:	World Custom Organization

Executive Summary

This study intends to respond to the requirement of the consultancy services for conducting 3 Nos. of Survey/Studies Suggested by National Trade and Transport Facilitation Committee (NTTFC) under the Bangladesh Regional Connectivity Project-1 (BRCP-1), jointly financed by the World Bank and the Government of Bangladesh (GOB). The No 1 study “Review of collaborative border management –institutional mechanism for coordinating across Sectors/ministries and across countries” has been carried out with the aim to enhancing international trade through improving connectivity, reducing logistics bottlenecks and supporting the adoption of modern approaches to border management and trade facilitation. The World Bank’s Self-Appraisal Report (SAR) on Regional Strategy recognizes regional cooperation and integration as a key strategic objective. It pinpoints limited intraregional trade and connectivity, cumbersome procedures, non-tariff barriers, and costly road transport and logistics services as key impediments to increasing trade in the region. The SAR Regional Strategy Updates for 2014 and 2015 as well as the SAR Regional Integration Strategy (endorsed in 2014) specifically recognize the importance of regional trade and transport systems for the South Asia Region. Project beneficiaries include passengers, producers, traders and transport services providers in Bangladesh, India, Bhutan and Nepal, as well as communities living around the Regional Corridors in Bangladesh. The study also focuses on supporting policies and investments to remove bottlenecks experienced by women in trade and business, facilitate skills development and bringing in more women traders into formal trade networks and global value chains.

Chapter one in its introduction says that **1.8 billion people with \$3.8 trillion economy size** and other developments, South Asia is one of the least integrated regions in the world. Intra-regional trade continues to account for **less than 5% of formal trade of the eight member countries** (ASEAN 30%) due to **complexity of safeguard measures and nontariff barriers (NTBs)** among SAARC member countries. Bangladesh manufacturers’ ‘Order to Delivery Cycle’ is 35 to 50 percent longer due to slow, expensive and unreliable inland transportation, cumbersome banking, clearance, Customs and border management processes, inadequate consolidation of terminals, inland clearance depots and land ports. Moreover, for low Logistic Performance Indicators Bangladesh has been placed at 87 out of 160 countries (2.66 out of 5) with a score of 2.57 for Customs performance, 2.48 for infrastructure, 2.67 for logistics competence and 2.73 for international shipments (Out of 5). **Bangladesh Land Port Authority (BLPA) manages 12** (Benapole, Burimari, Akhura, Bhomra, Tamabil, Sona Masjid, Hili, Banglabandh, Tekhnaf, Bibir Bazar, Nakugaon, Sonahat) **out of 24 existing land border ports** with India including one with Myanmar. The scope of the study was concentrated on four land port area i.e. Benapole, Banglabandha, Burimari and Ahaura. Data on various aspects of cross border has been collected and processed on present scenario of the border coordination and management in Bangladesh in comparison with other Developed Countries. It also reviewed the collaborative border management-institutional mechanisms to identify the gaps between present practice and international standard .The study identified **the inadequate infrastructure delays (4/5 days at the busiest border points between Bangladesh and India)** for traded goods at Bangladesh’s border points. **Inadequate and lack of coordination** among the trade related agencies along Bangladesh’s border crossings and trade corridors also contribute to the delays in the process of clearance of goods.

The Chapter two focused on survey work which comprised of numerous field visits, interview with custom officials, land port authority, immigration officer, entrepreneurs including women, truck owners and drivers at their catchment areas; discussion with the officials of the umbrella project, Ministry and relevant officials from government and private sectors.

Chapter three identified and ascertained the current status of co-ordination and collaboration among border agencies in Bangladesh, the Inter- Agency and Intra- Agency coordination mechanism among different border port management Agencies. It assessed the

level of cooperation between the officials of both the sides of the border; bilateral and multinational cooperation between and among the neighboring states;

The Chapter four identified and analyzed of the best practices of regional countries adapted to facilitate better border management with special reference of Norway and Sweden/EU border as well as the facilities in the TIR convention.

Chapter five indicated the challenges and problems of the land ports and tried to find out the institutional weakness and procedural hindrances, need for capacity development through training and modernization of border management procedure.

The field study conducted by the trained survey enumerators and the supervisors gathered information and data of the survey location rigorously and the consultants collected and reviewed the secondary documents and literature drawn from BRCP-1 project authority, BLPA, NBR, Tariff Commission, Ministry of Commerce. They gathered information by using structured questionnaires, focus group discussion, public consultation and key informants' interview. The survey indicated that transportation costs, the largest direct logistic costs in Bangladesh, would have been up to 35 percent lower if there were no congestion on roads. Bangladesh needs to improve its transport and logistics systems to meet the needs of its growing economy and boost export. It requires a system-wide approach and needs greater coordination among public institutions, border agencies and private sectors involved in logistics. At a regional level, harmonizing logistics systems and aligning Bangladesh's customs, land ports, immigrations, transport and traders associations with that of its neighbors could turn Bangladesh into an important node for regional freight flows and further boost its trade. The study also identified the insufficiency of manpower at four land ports, inadequacy of infrastructure and logistics, in sufficiency in automation, existence of non-tariff barriers etc. It has been revealed from the study that Bangladesh's trade with India and other neighboring countries could increase significantly provided the constraints of land ports infrastructure, custom and immigration procedures of both countries were addressed. Immediate improvement of the infrastructure, integrated and sustainable port management and adequate banking services at the land ports are essential to facilitate more favourable trade between Bangladesh and India and other neighboring countries.

Conclusion

Economic history of the world suggests that international trade ranks one of the most influential determinants of economic development. Recent empirical evidences show that there are strong cross—linkages among income, infrastructure and integration of connectivity through all possible mode of transport. Connectivity through land routs offers quickest and cheapest mode for movement of goods and services and it also helps to serve as life line to land lock countries having no direct access to sea route. The success of mutual trade between Bangladesh and its neighboring countries is largely dependent on the success of collaborative border management. Benapole and Petrapole are the largest land ports in Asia, allowing 1.2 million people to pass the border in 2019. Better cooperation and coordination among the relevant public and private sector agencies acting in the land ports could be ensured through bringing the activities of these organizations under a single authority. Expanded Warehouse facilities along with modern equipment for faster loading and unloading of goods along with sufficient testing facilities and certification authority should be in place for trade facilitation. Port connected roads should be widened and regularly maintained for faster movement of transport to and away from the ports. Efficient and adequately trained manpower should be in place in the land ports (LPs), land customs stations (LCS). Simplification and avoidance of duplicity of documentation in the ports are to be ensured to save time for boosting import and exports. It has been experienced that the exporters face lot of difficulties in collecting clearance certificates for the absence of Export Promotion Bureau (EPB) and Bangladesh Standards and Testing Institution (BSTI), Sanitary and Phyto-sanitary (SPS) officers at the land ports. It is essential that EPB, BSTI and SPS should have their offices established and should function round the clock at all the four land

ports. Provision may be made for the establishment of appropriate warehouse equipped with all modern facilities by the private sectors in the land ports premises. Full-fledged operation of ASYCUDA and NSW program at LPs and LCs is to be ensured for establishment of digital corridor with a view to save time and cost. A truck terminal should be set up at the Bhomra and Banglabandh ports urgently to accommodate increased traffic in the ports.

Initiatives for formation of a strong monitoring mechanism are needed for faster establishment of regional corridors, such as Asian Highway, BBIN, SASEC Road Corridor, BIMSTEC and BCIM Route. This will increase the regional road connectivity and reduce the transit time and transportation cost. Concrete steps from Government along with the private sector are required for expansion of the national freight transportation fleet to reduce time and cargo handling cost and ensure high quality of services. Automation in customs, cargo handling and immigration process should be expedited to ensure paperless trade facilitation saving lot of cost and time. In addition, allowing foreign companies to operate land ports including the freight transportation services may increase the competition and ensure efficiency in the Land Ports.

CHAPTER I

INTRODUCTION

1.0. Introduction

- a) Bangladesh is situated at the lower eastern Ganges basin facing the Bay of Bengal to its south with 4,246-kilometer-long border line with India and Myanmar to its west, north and east. It is bordered by India to its west, north and east, Myanmar to its southeast and is separated from landlocked Nepal and Bhutan by the Chicken's Neck corridor. It is closely connected with its geographical counterparts in India through land routes and waterways. By virtue of its location in the South Asia region, Bangladesh enjoys the potential of becoming a transport and transshipment hub for the sub-region comprising Bangladesh, Bhutan, India, and Nepal. In particular, long border with neighbor India with close proximity to landlocked Nepal and Bhutan places Bangladesh in a unique position to substantially increase its trade in goods and services particularly with these three countries through land route.
- b) Though, the volume of trade between Bangladesh and its neighboring countries has increased quite remarkably during last four decades but limited intraregional trade facilitation procedure and connectivity, cumbersome procedures, non-tariff barriers and costly road transport and logistics services have posed as the key hindrances to increased trade in the region warranting specific recognition for enhancing regional trade and upgrading transport systems for the South Asia Region. The study has been carried out with the aim to identify the problems and find out the ways for enhanced international trade through improving connectivity, reducing logistic bottlenecks and supporting the adoption of modern approaches to border management and trade facilitation.

1.1 Background

- a) Bangladesh is the third largest economy in South Asia. It is among the most densely populated countries in the world with a population of about 168.5 million in a land area of 147,570 square kilometers (km). Bangladesh has outstanding achievements for last ten years in some basic areas of macroeconomic management. Total trade reached to around \$ 100 billion in 2018-19 FY four times against \$25 billion in FY 2005-06. Its GDP size is now \$302 billion. Bangladesh's economy grew well above the average for developing countries in recent years, averaging GDP growth by 7-8 percent since 2015. With a per capita GDP of US\$1,909 in 2018-19 FY, Bangladesh has already qualified for Lower middle-income country and will be qualified in middle-income country status by 2021 and will be graduating from LDC status to developing countries by 2024. Bangladesh has made substantial progress in reducing poverty. This is confirmed by multiple direct estimates of poverty and by corroborating evidences.
- b) However, despite 1.8 billion people with \$3.8 trillion economy size and other developments, South Asia is one of the least integrated regions in the world. Intra-regional trade continues to account for less than 5% of formal trade of the eight member countries. SAFTA results to date have fallen short of expectations due to complexity of safeguard measures and nontariff barriers (NTBs) among SAARC member countries. Global, regional and domestic turbulences have also complicated progress in liberalizing trade, investment and other dimensions of regional economic cooperation.
- c) Improvement of the country's multimodal transport and logistics system is the key to achieving Bangladesh's growth and poverty reduction goals. The inability of the transport and logistics network to keep up with the pace of demand is hampering

trade performance. Bangladesh manufacturers' 'Order to Delivery Cycle' is 35 to 50 percent longer than many of their competitors due to slow, expensive and unreliable inland transportation; cumbersome banking, clearance and Customs and border management processes; inadequate consolidation of terminals, inland clearance depots and land ports; and poor seaport and river port terminal productivity.

- d) The Government's Plan to address the above bottlenecks include: (a) enhancing the capacity of multiple key modes of transport, including expanding the road network, increasing the capacity of Bangladesh Railways to carry freight, and enhancing the capacity of the country's inland waterways to carry freight and passengers; (b) improving regional connectivity; and, (c) improving banking, Customs and clearance systems and procedures to decrease clearance time and border crossing time for cross border trade. Under the BBIN (Bangladesh-Bhutan-India-Nepal) regional framework, complementary activities to facilitate regional trade and connectivity are being pursued by the four countries.

1.2 Context of Collaborative Border Management For Trade Facilitation

- a) Bangladesh's exports were six times in the world market share between 2001 and 2018 and more than double in value in the last five years, owing to the success of the readymade garments (RMG) industry. On the contrary, Bangladesh ranks amongst the lower performers in the World Bank's Logistics Performance Index (LPI), placing 87 out of 160 countries in the 2016 index-as compared to India's rank of 35. Bangladesh's over all LPI score is 2.66 out of 5.0 points, with a score of 2.57 for Customs performance, 2.48 for infrastructure, 2.67 for logistics competence and 2.73 for international shipments. For faster and sustained export growth of the country better transport network, proper port management, better infrastructural facilities and faster clearance of goods and reduction of all trade barriers are essential.
- b) Bangladesh is strategically located to play an important role in regional trade and logistics networks and can act as potential transit country in South Asia. It can facilitate movements of goods between several surrounding countries especially between mainland India and the Northeast Region states, and landlocked Nepal and Bhutan as well as overland trade flows between South Asia and Myanmar and the rest of East Asian countries. However, as argued in the Diagnostic Trade Integration Study (DTIS, World Bank, 2013), Bangladesh's relative cost advantage from being a low labor cost producer is diminished or sometimes wiped out by poor performance in trade facilitation. Research shows that high trade transaction costs can be a major obstacle to exploiting trade opportunities presented by the world trading system (Wilson, Mann and Otsuki, 2003; Hoekman and Nicita, 2011). These costs disproportionately affect small firms, farmers' and the poor, reducing their participation in trade and limiting inclusiveness (World Bank, 2013). Trade facilitation not only increases the competitiveness of a country's exports, it also lowers import costs, which have a direct impact on the prices paid by the poor for the goods they consume.
- c) Bangladesh is connected with neighboring countries involving all modes of surface transport (road, rail, inland waterway). Some of the connection's corridors are *West Bengal and Southwest Bangladesh, Northeast Bangladesh and Northeast India and Northward the Shiliguri Corridor then Bhutan and Nepal*. Some of the key bottlenecks along these corridors include congested land ports and border crossings arising from inadequate infrastructure, lengthy clearance times and the need to Trans load cargo from vehicles of one nationality to the other. Increases in bilateral and transit trade volumes are only likely to make the situation worse.
- d) Intra-regional trade and investment accounts for just 5 percent of total trade in South Asia compared to about 25 percent in ASEAN. Estimates suggest that annual intra-regional trade in the region could be more than double to at least US\$40 billion

annually, if the barriers on trading with neighbors were removed (RIS, 2014). Other studies (Zhai, 2010) estimate that investments in transport infrastructure could increase Pan Asian connectivity reducing trade costs by more than 20 percent in India and 12.5 percent in Bangladesh. The lower trade costs would yield annual gains of around 6 percent of 2020 GDP for India and Bangladesh.

- e) Growing recognition of the benefits of economic integration has helped build up political momentum for the regional cooperation agenda, particularly among the Eastern sub-region/BBIN (Bangladesh, Bhutan, India, and Nepal) countries of South Asia. Improved transport connectivity, appropriate measures for logistics facilitation, improved border management, lowered tariffs and removal of other trade barriers including NTMs, NTBs and Para-tariff have become a high priority for enhancement of trade growth among these regional countries, as evidenced by recent sub regional agreements.
- f) In June 2015, the four countries signed the Motor Vehicle Framework Agreement (MVA) which is intended to ease restrictions on cross-border road transit for vehicles, passengers' and cargo. Under the MVA, approved vehicles would be allowed to enter territories within the BBIN under certain terms and conditions which should reduce transport costs and foster the development of multimodal transport and transit facilities that in turn is expected to increase connectivity and promote greater intra-regional trade. A trial run under the BBIN MVA was recently completed when a Bangladeshi cargo vehicle travelled seamlessly from Dhaka to Delhi. The BBIN countries are also in discussions regarding a Multimodal Transport Agreement which will encompass cross-border transit by road, rail and inland waterways. Further, agreements between India and Bangladesh, notably the renewed Protocol on Inland Water Transit and Trade (PIWTT) and Coastal Agreement are aimed to benefit all BBIN countries.
- g) Bangladesh shares a 4,096 km long international border with India, the fifth longest land bordering the world, which accounts for 96 percent of the country's land border. Along this extensive border, the Bangladesh Land Port Authority (BLPA), an agency within the Ministry of Shipping (MoS), manages 12 (Benapole, Burimari, Akhaura, Bhomra, Tamabil, Sona Masjid, Hili, Banglabandh, Tekhnaf, Bibir Bazar, Nakugaon, Sonahat) out of 24 existing land border ports with India, one with Myanmar, with plans to develop remaining eleven border ports that border India and The infrastructure at the existing land ports are, in most cases, suffers from *inadequacy of space* to accommodate existing and potential trade volumes. The *inadequate infrastructure* contributes to transport and clearance delays for traded goods at Bangladesh's border points. Delays of 4-5 days at the busiest border points between Bangladesh and India such as Benapole-Petrapole and Bhomra-Gojadanga are common.
- h) Moreover, *Inadequate and lack of coordination* among the trade related agencies along Bangladesh's border crossings and trade corridors also contribute to the delays in the process of clearance of goods. This is manifested at land ports where the Department of Customs, BLPA and Ministry of Agriculture have established separate establishments resulting minimum sharing facilities among the Agencies leading to cumbersome clearance process for traders.
- i) A significant proportion of the documentations of Bangladesh's international trade procedures, particularly those concerned with preparation of copies of documentation in advance for cargo clearance, *multiple copies of documents* are required to be submitted at the various regulatory government agencies involved in international trade, continue to be *managed manually*. In spite of some automation associated with the submission and processing of Customs declarations, much of the overall process remains *paper-based and inefficient* resulting in a layer of complexity and delay for border clearance and acts as a costly impediment to private sector

competitiveness, negatively influencing the trade and investment environment. Recently National Board of Revenue is implementing a project named Bangladesh National Single Window (BD- NSW) aim to improve its international trading performance through introduction of an electronic, online solution. The objective of introduction of this single window is to facilitate faster and more transparent international trade procedure, reduction of transaction costs.



1.3 Rationale of the Study

- a) Over the last few decades, Bangladesh has made significant progress in lowering trade tariffs and dismantling quota systems. International trade has increased and manufacturing has become more global with developing, emerging and transition economies connecting with international supply and value chains in terms of both their exports and imports. The worldwide distribution and sourcing cycles, along with just-in-time and just-in-sequence logistics services and the emergence of e-business, has created pressure on governments to ensure efficient, fast and reliable border crossing and clearance procedures. GOB has started to realize that their export economies heavily dependent on efficient import processing, hence the need to have a holistic approach for a more efficient management of end-to-end trade transactions. *Lack of transparency about rules and regulations, redundant and lengthy clearance processes and multiple documents requirements in different formats and with different data elements, increase the costs and time of doing trade.* Today these obstacles are seen as posing greater barriers to trade than tariffs and quotas do. Hence, it is more important than ever to achieve trade facilitation to enhance administrative efficiency and effectiveness to reduce costs and time to markets and increase predictability in global trade.

- b) In order to achieve the goal of trade facilitation, there is a need to make trade across borders (imports and exports) faster, cheaper and more predictable, whilst ensuring its safety and security. In terms of focus, it is about simplifying and harmonizing formalities, procedures, and the related exchange of information and documents among various partners in the supply chain. There are great potential gains from trade facilitation for both governments and the business community. Public entities will profit in terms of enhanced trade tax collection, better use of resources and increased trader compliance. A more efficient and transparent delivery of public services will allow the administration to maintain high security levels and effective government control, while diminishing opportunities for corruption. Traders will gain in terms of higher predictability and speed of operations and lower transaction costs, resulting in more competitive exports on global markets. For countries as a whole, reducing unnecessary delays and costs attracts investments, and supports growth and job creation.
- c) The *fundamental principles* of trade facilitation are *transparency, simplification, harmonization, and standardization*. While the transparency within border operations promotes openness and accountability of a government's and administration's actions, simplification of laws and regulations governing border operations eliminates all unnecessary elements and duplications in trade formalities, processes and procedures. Harmonization promotes the alignment of national procedures, operations and documents with international conventions, standards and practices. It can come from adopting and implementing the same standards as partner countries, either as part of a regional integration process or as a result of business decisions. The principle of standardization facilitates the process of developing formats for practices and procedures, documents and information internationally agreed by various parties of border operations. Standards are then used to align and, eventually, harmonize practices and methods.
- d) In order to facilitate effective border operations, there is a need to have an enabling environment that involves different types of interventions and activities addressing the various dimensions of the government. This includes regulatory reforms aiming at a clear, concise, transparent legal framework. However, it requires an in-depth analysis of law and regulations that are critical for border operations. It will include laws and regulations of different agencies that are involved in trade facilitation and border operations. This study has therefore aimed to conduct a study to do an elaborate analysis of regulatory regime that encompasses activities of different organizations.
- e) The Government of the People's Republic of Bangladesh has received an SDR 150 million Credit from the International Development Association (IDA)-a member of the World Bank Group - for financing the cost of the Bangladesh Regional Connectivity Project I (BRCP-I), being jointly implemented by the Bangladesh Land Port Authority (BLPA), National Board of Revenue (NBR) and the Ministry of Commerce (MoC). The second component of this umbrella project is being implemented by the Ministry of Commerce (MoC) as a separate technical assistance project. The overall objective of this technical assistance project is to strengthen trade related institutional capacity in order to ensure active and sustainable cooperation between multiple trade-related stakeholders and economic empowerment of women traders.

1.4 Review of Current Status of Border Management in Bangladesh

- a) *Delays and high transaction costs* at the border undermine Bangladesh competitiveness by increasing the cost of exports and imports and reducing reliability of supply. Therefore, trade facilitation reform that improves border management procedures has become an important development issue, as shown by the increased levels of investment in trade facilitation reform by governments and the development community alike. Traditionally, the major tasks of border management related to export and import trade of a country includes:

- i. Protection and prevention of loss of revenue through smuggling and improper filing of trade documents;
 - ii. Protection of the health and well-being of the community through preventing illegal entry of harmful medicinal products and other psychotropic substances;
 - iii. Protection of flora and fauna and preventing entry of the same which would be detrimental to the agricultural interests of the country; and
 - iv. Prevention of illegal entry and exit of arms, explosives and other materials of like nature.
- b) Border management involves many agencies, such as security, immigration, trade, customs, transport, sanitary and phyto-sanitary agencies, port authorities and private operators. Given the complexity of the issue, the improvement of border management may entail strong political commitment, active involvement and coordination of border agencies, sustainable financial and technical inputs, and maximum use of international instruments and overall user friendly policy guidelines;
- c) As a result of the complex nature of the requirement of many agencies at the border, interagency cooperation and coordination is required to ensure a safe and efficient border management. Besides ensuring that border security is not compromised, an effective border management can generate monetary and non-monetary benefits for the business community and result in the furtherance of legitimate trade. The benefits may include but are not limited to the following:
 - i. Saving of compliance costs arising from simplification and harmonization of processes, procedures and formalities (preparation and submission of required documentation);
 - ii. Saving of costs for services related to transportation, cargo handling, warehousing and cargo examination;
 - iii. Saving of time arising from expeditious border and customs clearance, inspections and other forms of frontier control;
- d) Coordination and collaboration can take the form of empowering a single authority at the border crossing to function for the agency concerned. Clear guidelines and procedures will, however, have to be established. Adequate and continuous training must also be provided to the empowered agency. Coordination can also take the form of constant and regular meetings and dialogues between agencies to share and exchange information and reduce the over-lapping of responsibilities. An appropriate and clear definition of responsibilities for the border agencies may lead to efficient border management. Prompt communications and exchange of information will play a positive role not only for officials of controlling government agencies involved in border management but also for the trading community;
- e) Apart from collaboration among domestic agencies there is also need to have an effective bilateral cross-border cooperation and multinational cooperation on border management issues. Multinational cooperation would also include the cooperation with relevant international organizations in creating, adopting and implementing different international standards and best practices harmonizing and adding effectiveness in coordinated border management; and
- f) Given the coordination and collaboration among local border clearing agencies and cooperation between border clearing agencies of neighboring states are critical for effective trade facilitation. Therefore, this study has been undertaken to understand the current situation of collaboration of border management agencies as well as finding ways to create an enabling and coordinated institutional mechanisms for domestic coordinated border management processes.

1.5 Objectives of the Study

- To ascertain the current status of co-ordination and collaboration among border agencies in Bangladesh;
- To identify the Inter-Agency and Intra- Agency coordination mechanism among different border port management Agencies;

- To identify the status of cooperation of different cross border Agencies;
- To assess the level of cooperation between the officials of both the sides of the border; bilateral and multinational cooperation between and among the neighboring states;
- To ascertain the good practices (in terms of organizations/Laws/rules/regulations) utilized elsewhere to facilitate better management at the borders; and
- To provide recommendations to establish an effective and efficient coordinating border management system in Bangladesh

1.6 Scope of the Study

Studies have been conducted in the following areas which are critical for trade promotion and trade facilitation:

- Review of collaborative border management-institutional mechanisms for coordinating across sectors/ ministries and across countries;
- In-depth understanding about relevant areas of border trade management and trade facilitation which are directly linked with the activities of three implementing agencies (Ministry of Commerce; National Board of Revenue and Land Port Authority) of the BRCP-1 umbrella project.
- Collecting and processing of data on the present scenario of the border coordination, co-operation and management in Bangladesh in comparison with other Developing and Developed Countries
- Reviewing of collaborative border management institutional mechanisms /laws/rules/ regulations that are being practiced in Bangladesh
- Finding out the gaps between present practice and international standards with respect to border management, regulation and trade facilitation
- Any other information that may be essential for the survey/studies

This Study attempts to identify limitations faced by Bangladesh in exporting and importing products that have high trade potential in major cross border markets. Such a study is important in the sense that even though businesses and exporters need to deal effectively with trade procedures at the borders both home and abroad, they are often unable to specifically differentiate between valid NTMs and trade-hindering or trade-distorting NTBs. It is therefore necessary for the private sector, especially the exporters, to acquire a thorough understanding on standards, SPS and TBT measures, testing and certifications, customs formalities, procrastinating and unnecessary trade processes, etc. in the Land ports premises. With the overall objective being “enhanced efficiency of Bangladesh in addressing integrated border management, the Study aims to construct a **Road Map** for sustainable Land port management in Bangladesh by selecting four Land Ports, Benapole, Banglabandh, Burimari and Akhaura namely. The current status of coordination and collaboration among border agencies in the selected land ports will assist our exporters and importers to gain knowledge and experiences and take necessary preparations and achieve adequate capacity to effectively comply with legitimate NTMs, such as standards and certification requirements in export and import markets. The study also highlight the numerous procedural barriers , constituting both at the border and behind border barriers, within Bangladesh that enhance time and cost for shipment, and thus reduce competitiveness of our overall trade.

CHAPTER-2

APPROACH AND METHODOLOGY

2.0. Approach

- i. The objectives of the studies are to review of collaborative border management-institutional mechanisms for efficient coordination across sectors/ministries and across countries. Survey work comprises of numerous field visits, interview with custom officials, land port authority, immigration officer, entrepreneurs including women, truck owners and drivers at their catchment areas; discussion with the officials of the project, Ministry and relevant officials from government and private sectors.
- ii. This section describes the technical aspect of the methodology and sampling strategies of the study in detail. In line with this, the section also provides a comprehensive description of the methodology for ensuring Quality Assurance and Quality Control (QAQC) measures for conducting data collection, recording, cleaning/storing and analyzing the data.

a) General Approach:

The consultants, as part of their approach to accomplish the objectives of the study, reviewed the existing collaborative border management-institutional mechanisms of the coordinating agencies across sectors/ministries and across countries; and assessed how comparable countries are addressing implementation of sustainable and integrated border management in using the established indicators, at the project areas.

b) Specific Approach:

Information has been gathered through survey to provide complete picture on the benchmark situation of the project about the current status of coordination and collaboration among border agencies in Bangladesh, intra-agency coordination mechanism in and among different border management agencies, status of cross-border agency cooperation, and level of local cooperation between officials of both sides of the border, bilateral cooperation between neighboring states and regional and multinational cooperation. Besides, pertinent information that will be essential for future impact assessment of the project intervention also been collected. The information generated has been used to design project activities for the successful implementation of the programs including monitoring and evaluation activities of the project. The output of the survey will contribute significantly in measuring periodic achievements of the project goals and objectives.

2.1 Design of the Study

- a) Survey has been designed emphasizing on appropriate survey sample frame and sampling technique that is statistically sound and acceptable to the client.
- b) The survey design included specific timeline for every activity in order for timely completion of the survey.
- c) The design also included proper deployment of manpower and ensuring systematic monitoring, supervision and coordination of all activities for desired accomplishment of the activities following a critical path making the most effective use of time. One of the most important elements of the design was to finalization of data collection tools-questionnaires for respondent survey and preparation of data collection checklists for FGD, KIs and Public Consultations (PCs).
- d) Prior to the design of the questionnaires and checklists, the list of indicators and measurements of all indicators in detail have been finalized.

- e) The design also included data collection methodologies-secondary data and primary data. The consultants started their fieldwork only after approval of the design by the client.

2.2 Sources of Data

- a) The survey conducted to generate the stipulated primary data. Prior to generation of primary data, the relevant secondary information on the survey including documents/reports have been obtained from the PD-BRCP-1/MOC, NBR, BLPA, BSTI, DAE and other relevant public and private agencies, authorities and reviewed. To develop the survey instruments accurately and to reveal the inherent characteristics of various dimensions of the survey and its contribution to the cross-country border trade, the secondary data has been carefully scanned and is collated with the survey data. For generating the desired primary data, the proposed sample survey has been conducted using an appropriate sampling design and a study instrument (questionnaire).

2.3 Collections and Review of Data, Reports and Information

- a) After commencement of the project, relevant documents and existing data on the current development in border trade in Bangladesh has been collected from different sources, particularly from the PD-BRCP-1/MOC, NBR, BLPA, BSTI, DAE and other relevant public and private agencies and analyzed in order to provide an outline of the initial assessment and facts and figures to be included in the report.

2.4 Methods of Data Collection

Three types of data have been collected for the evaluation study of the assignment and these are given below:

2.4.1 Review of Secondary Documents and Literature

- The consultants collected and reviewed secondary documents related with the study such as inter-ministerial National Trade and Transport Facilitation Committee (NTTFC), WTO Trade Facilitation Agreement (TFA), Bangladesh Trade Portal (BTP), BRCP-1, BLPA, NBR, BSTI, SPS & TBT agencies, Ministry of Commerce different laws, rules, cross border management, good practices in Norway and Sweden/EU border, Switzerland and France/EU border, handbooks/guidelines for collaborative border management.
- The consultants reviewed the National Single Window project implementing by NBR, Land Port Infrastructure Development project, Custom Procedure and requirement at the border, Economic review 2018, 2019, Transport Integrated Route(TIR) convention and Bangladesh, Bilateral trade with India, Nepal, Bhutan , Myanmar and Regional trade of SAFTA, BIMSTEC, APTA etc.
- The consultants collected and reviewed different literature, abstract, guidelines, reports related to the good practices in border management, enabling rules and laws, Bangladesh and other countries TFA implementation status, challenges, and possible measures for implementation.
- The consultants also reviewed the border management and operation performance and examined the best practices

2.4.2 Interview of Target Respondents

- Direct personal interview approach has been adopted for collection of primary data. This method is effectively related to the collection of data directly from the target respondents. The field enumerators personally contacted the respondents and obtained desired information by explaining the objectives of the survey to the respondents;
- Each enumerator was provided with a set of guideline for code and data collection system and overall administration of the survey, a check list to

ascertain the target respondent and the designed and field-tested questionnaire for data collection and administration of the study;

- The enumerators filled up the data sheet following the techniques, procedures, and instructions of the training and demonstration of the field pre-testing questionnaire in consultation with the concerned persons in the designated area;
- The enumerators recorded the data only after fully being satisfied that he has been able to make the respondent understand the question, and the respondent is offering any of the probable answers in his own perception;
- The enumerators made all efforts to have a friendly and open-minded interaction with the respondent instead of asking questions like a school teacher to his students. All questions have been asked one by one, and data has been filled up on the spot and put signature in the space provided and preserve carefully for submission;
- Questionnaires always be filled-up in a respondent by question and in no case it should be repeated and be revived any stage thereafter by anyone. The completed questionnaires has been packed and sealed by enumerators and submitted to the supervisors after completing the study of the respective district.

2.4.3 Focus Group Discussion (FGD)

- There is certain information that is difficult to fully capture by structured interviews within the limited time. Focus Group Discussion (FGD) method is, therefore, needed to get insight into this information. The consultants were planning to conduct FGD with the participation of the respondents who are involved with project interventions in the project areas. Each FGD was organized with 10 participants;
- The participants had been chosen from different stakeholders. The FGD conducted at a venue for each sampled catchment/land ports, which were convenient for the participants and allowed them to speak freely. The FGD sessions were guided by a facilitator or moderator and always encouraged to talk freely and spontaneously about the issues of questionnaires;
- Discussions were recorded in a tape recorded and in black and white. One experienced facilitator or a member of the Survey Team recorded the key points covered in course of discussions. Findings were compiled using both kinds of field records, i.e., taped record and notes. In collecting qualitative information, some data has been collected through hot spot discussion with the key informants;
- The FGD sessions were conducted using a guideline which is based on, not limiting to but including those issues listed here above. However, the FGD guideline further modified in consulting with the PD/PIU, BRCP-1 (Bangladesh Regional Connectivity Project-1), BLPA and NBR.

2.4.4 Public Consultations (PCs)

Total 06 Public Consultations in selected location has been conducted to know the border management, operation, TFA implementation, women entrepreneurs, women friendly facilities at port, cross border and international best practices, rules and laws, challenges and remedial measures etc. The supervisors organized this Public Consultations where consultant conducted and recorded his information as per guideline mentioned-above.

2.4.5 Key Informants Interview (KIs)

Interview of total 50 Key Informants had been carried out from the respondents at different catchment areas. The study team & supervisors collected this information from the NTTFC members, MOC, NBR, and BLPA and cross border officers using checklist.

2.4.6 Data Collection

- a) The trained survey enumerators and supervisors gathered information and data in each of the survey locations rigorously using structured questionnaires, guidelines, checklists and provide daily progress reports. The supervisors also be responsible for conducting focus group discussions and large gathering. The consultants (specialists) including the Team Leader made random visits to ensure quality control of data collection and also to encourage the beneficiaries/respondents` and supervisors.
- b) The filled-in questionnaires also be checked and verified properly. In addition to data collection, the consultant conducted visit in the project area to evaluate the group formation, project activities, infrastructure performance and effectiveness of major project components and its strengths and weakness.

2.4.7 Review of Secondary Documents and Literature

- a) The consultants collected and reviewed secondary documents related with the study such as inter-ministerial National Trade and Transport Facilitation Committee (NTTFC), WTO Trade Facilitation Agreement (TFA), Bangladesh Trade Portal (BTP), BRCP-1, BLPA, NBR, BSTI, SPS & TBT agencies, Ministry of Commerce. The Study conducted an extensive desk review of existing research, information and literature relating to collaborative border management including best practices of regional countries adapted to facilitate better border management.

CHAPTER-3

COORDINATION AND COLLABORATION AMONG BORDER AGENCIES IN BANGLADESH

3.0 Elaboration of the Current Status of Coordination and Collaboration among Border Agencies in Bangladesh

- a) International trade suffers not only because of the existence of tariffs; it also suffers from the existence of numerous Non-Tariff Barriers (NTBs). There are two main forms of NTBs (1) Non-Tariff Measures (NTMs) (2) NTBs emerging from Procedural Obstacles (in other words, Procedural NTBs). Procedural NTBs originate from existence of different types of inefficiencies in customs and trade administration systems, processes, institutions and infrastructure. These inefficiencies emerge as a result of slow and archaic customs clearance systems: These include a) lack of up gradation of customs clearance systems as per international standards, b) Inherent delays in completing customs assessment and delays in processing customs clearance and release, etc. On the other hand c) cumbersome trade documentation requirements are also increase time and cost at the border points, these include the requirement of unnecessary documents, need for multiple copies of the same document, d) absence of a single point of entry or the national single window system, e) lack of adequate intra-border agency & cross-border agency cooperation, etc. Inadequate transport infrastructure also hinders the cross-border trade management; these include lack of sufficient transport infrastructure, absence of wide road network around the country, poor access roads for the land ports. Existence of various other natural barriers that include inefficiencies of other agencies operating at the border, such as lack of modernized port operations, extreme delay in port handling, severe congestion at the Land Ports, inefficiencies of standards agencies (such as BSTI, Plant Quarantine, etc.) in enforcing standards related regulations for conducting test procedures.
- b) To ensure coordinated Border Management a large number of border/regulatory agencies are involved in trade processes, such agencies include-Customs, Immigration, CCI&E, Plant Quarantine, Land Port/Sea Port/Civil Aviation Authority, Border Guard, BSTI, Atomic Energy Commission, Drug Administration, Bangladesh Bank, Trade Association etc. They have different mandates with regard to goods & people crossing borders. Such mandates vary from revenue assurance, migration, phyto-sanitary, radiological, transport, ecological & food safety controls. These agencies tend to work independently, which means they do not have a clear understanding & knowledge of what others are doing, often leads to multiple inspections of the same goods & considerable harassment for traders. There is less single window system at present. Because of difficulties in getting on board all stakeholders. Absence of legal provisions with respect to collaboration and coordination at the border point may be a major reason for efficient land port management.

3.1 Delineation of the Inter and Intra-Agency Coordination Mechanisms among Different Border Management Agencies

3.1.1 Trade through Land Route

- a) Border checkpoints are an integral part of border management. They are usually managed by officials responsible for inspecting and facilitating the legitimate cross-border movement of people and goods, while preventing any unauthorized passage.
- b) Efficient border checkpoints are crucial for promoting regional trade, an area in which South Asia is lagging. Inadequate infrastructure at border checkpoints is one of the biggest obstacles to the growth of trade, as it hinders the movement of both goods and people in and out of neighbouring countries. Currently, South Asia's intra-

regional trade is a mere five percent of the region's total global trade. Thus, conditions at the border checkpoints must be improved to improve India's ties with neighbouring countries, and in particular, trade and people-to-people relations.

- c) As part of efforts to improve the infrastructure at border checkpoints, India is developing Integrated Check-Posts (ICPs). An ICP is intended to be a one-stop solution that houses all regulatory agencies, such as immigration, customs and border security. So far, 20 border checkpoints in India have been designated as ICPs, of which half are located along the India-Bangladesh border. The development of the ICP infrastructure has been planned in two phases: seven have been developed in Phase-1, of which six are now operational; the rest are to be developed in Phase-2. Two of the first seven ICPs are at Agartala and Petrapole on India's border with Bangladesh.
- d) Large amount of trade between India and Bangladesh is carried out by road. There are officially 35 Land Custom Stations (LCS's) through which trade between India and Bangladesh is carried out. Petrapole (in West Bengal, India) and Benapole (in Bangladesh) are the busiest land custom stations between India and Bangladesh. About 70 to 80 percentage of India's total export to Bangladesh is made via three land border routes; Petrapole, Hilli and Changrabanda. Also, Mahedipur in Malda district and Ranaghat in Nadia district are important LCSs.
- e) All LCSs are reported to have infrastructural problems that hinder smooth flow of traffic between the two countries. Narrow and poorly maintained roads coupled with administrative bottlenecks causes delays while transporting. The most important of the Customs posts with comprehensive Customs clearance powers is at Benapole, which borders Petrapole on the Indian side and is on main roads linking Kolkata with Jessore and Dhaka. It handles around 80 percent of India's exports to Bangladesh and close to 90 percent of Bangladesh's exports according to the Ministry of Commerce and Industry of India.

3.1.2 Situation at the Border

- a) India and Bangladesh were once part of one territory before being broken up by the Radcliffe Line, drawn in 1947 for the Partition of India. With the division of British India into two countries, Bangladesh became part of Pakistan. It was referred to as "East Pakistan," until it declared independence in 1971.
- b) Currently, India shares the longest land border with Bangladesh, stretching over 4,096.9 km. This boundary falls in five Indian states-West Bengal, Assam, Meghalaya, Mizoram and Tripura-and runs through a diverse topography, including dense forests, hills, river, populous towns and paddy fields.

Table 3.1: Indian States that Share a Border with Bangladesh

Indian States	Length of Border (in Kilometers)
West Bengal	2,216.7
Assam	263
Meghalaya	443
Tripura	856
Mizoram	318

Source: Home Ministry Annual Report 2017–18, Government of India.

- c) Indians and Bangladeshis are united by shared ancestry, linguistic and ethnic ties, and social and familial linkages. This makes the border between the two countries porous and difficult to manage, which in turn facilitates transnational crime networks in running criminal activities across the border, primarily smuggling (of narcotics, arms, gold, and counterfeit Indian currency) and trafficking (of humans and cattle).

- d) To prevent such illegal activities, India has adopted a policy of 'guarding and regulating' to secure its Bangladesh border. To guard the boundary, barbed-wire fencing has been erected on the border and floodlights installed in adjacent areas. Further, Border Security Force (BSF) personnel are stationed at the border as the first line of defense. To regulate border activities, land customs stations (LCS), inland customs ports and immigration checkpoints have been set up at designated entry and exit points. The movement of both goods and people are routed through either LCS or inland customs ports.
- e) The nature of bilateral relations between two neighbouring countries determines one's approach towards its border with the other. Presently, India and Bangladesh share a warmer and cordial relationship, and the ICPs are reflective of this. While security remains the primary concern, India is also working on widening its cooperation with Bangladesh through trade and connectivity. The ICPs are crucial for both.

3.1.3 Integrated Check-Posts: an Overview

- a) The ICPs are sensitive zones at border crossings, with adequate passenger and freight-processing facilities. They integrate three main border-related functions
 - **Customs:** Clearance of cargo/goods carried by vehicles, valuable personal items of passengers, and currency are done by monitoring mechanism and installed equipment.
 - **Immigration:** Checking of passports, visas and passenger identification are done.
 - **Border Security:** Maintenance of security, preventing the flow of illegal arms and other lethal weapons, and providing of backup support to customs and immigration.
- b) The ICPs are aimed at facilitating the systematic, seamless and secure cross-border movement of goods and people by ensuring efficient passenger flow, providing adequate passenger facilities, smoothening processes, optimizing and systemizing support facilities and improving traffic flow.
- c) To encourage trade, the ICPs should have the following facilities: warehouse and open yards for the storage of goods; parking facilities for the smooth flow of traffic and cargo; in-house weighing facilities for trucks; and security for the goods to prevent pilferage at the warehouses. To facilitate the passage of people, the ICPs should include the followings under one roof: immigration, customs, security, taxation authorities, animal quarantine, warehouses, cargo and baggage examination yards, parking zones, banks, post offices, communication facilities, tourist information centers, waiting halls, canteens or refreshment stalls, public conveniences and primary health provision.
- d) Thus, for an ICP to be efficient, multiple stakeholders including the Central Board of Indirect Taxes, immigration officials, border guarding forces, food safety departments, banks and warehousing authorities should be involved.

3.1.4 Petrapole

- a) Petrapole is located in the North 24 Parganas district, and its ICP is 80 km from Kolkata, the capital of West Bengal. The corresponding area in Bangladesh is Benapole located in the Jessore district in Khulna region. The foundation stone of the Petrapole ICP was laid on 19 August 2011, and the cargo complex has been in operational since 12 February 2016.
- b) The facilities available at the ICP include customs, a cargo terminal, import and export warehouses, a quarantine block, a public health office, weighbridges, a public utilities block, banks and ATMs, an electricity substation, a foreign-exchange bureau, a parking area, a cafeteria, a rummaging shed and a dormitory building.

- c) The Petrapole border crossing is one of the busiest LCS in Asia, and a significant portion of the Indo-Bangladesh land-border trade happens via this ICP. Thus, the Petrapole border is operational round the clock, all seven days of the week.

Table 3.2: Trade Statistics, 2014-19

Year	Export (INR Cr)	Import (INR Cr)	Trade (INR Cr)	Cargo Vehicles (No.)
2014-15	12,820	2,367	15,187	117,526
2015-16	13,656	2,685	16,341	128,995
2016-17	15,654	2,847	18,501	146,706
2017-18	16,110	2,690	18,799	146,341
2018-June 2019	5,347	1,063	6,410	52,009

Source: Land Port Authority of India.

- d) The major items of export include cotton fabrics, synthetic fibers, motor vehicle chassis, two-wheelers (motorcycles and scooters), non-alloy steel, machinery parts, yarn, books and papers, iron and steel products, cereals and other food products. The major imports include jute products, knitted fabrics, betel nut, rice bran, fish, zinc plates, cotton rags, lead, readymade garments, re-processed plastic agglomerate.

3.1.5 Integrated Check-posts: Impact and Challenges

- a) The ICPs have transformed border-crossing between India and Bangladesh by bringing in all the concerned agencies under one roof and thus substantially organizing the processes. Where the facilities are operational, cross-border movement has become easier and less time-consuming. At Agartala and Petrapole, passengers reported improved conditions at the checkpoints. Some benefits of the ICPs, as noted by the interviewees in this field survey, include the following:
- Relatively increased efficiency in the inspection and release of goods;
 - Improved quality of the services rendered by border agencies; and
 - Expedited border-crossing and improved flow management.
- b) However, there is room for improvement in several areas, to further tap into the potential of the ICPs.

3.1.6 Infrastructure

- a) During the fieldwork, several infrastructure flaws were observed near the ICPs, which restrict their efficacy. For instance, the narrow approach road in Petrapole results in massive congestion in the vicinity, increasing the travel time from Kolkata to the border. Further, cargo and passenger terminals have been separated in Petrapole. The facilities available in the passenger terminal are insufficient for the volume of passengers it handles daily. This is evident in the long queues of passengers outside the terminal every day. Passengers have to stand for a long time, causing immense discomfort. This situation is further exacerbated during the monsoon season due to the lack of any shelter or shade;
- b) There is also a disparity in infrastructure across the border, which hinders the efficient functioning of the ICPs. For example, the parking at the Petrapole ICP can accommodate around 2,000 trucks a day, whereas Bangladesh can handle only 450. Thus, there is a perpetual backlog. In areas close to Petrapole, thousands of trucks could be seen waiting. Consequently, Bangaon (a village 7 km from the Petrapole ICP) has turned into a bustling town and parking for trucks which has become a source of revenue for the *panchayet*. The parking charges are often high;
- c) A truck from India that enters Bangladesh via an ICP should ideally return within the same day. However, the trucks that enter Benapole have to wait for a day or two because of insufficient infrastructure, before they can return to Petrapole. Additionally, poor law and order results in miscreants harassing the drivers and tampering with their cargo.

3.1.7 Scanning and Inspections

- a) Currently, the ICPs lack sufficient screening facilities. There are no technological tools to scan the trucks crossing the border for loading and unloading of goods. The goods are inspected manually, which is not a reliable method. Moreover, the BSF, which is in charge of border security and monitoring the ICPs, are only sanctioned to check the permits for the trucks entering/exiting, not the cargo. Such loopholes, according to experts, allow malicious groups to conduct unlawful activities across the border.
- b) One of the most significant uses of technology for goods inspection is baggage scanning machines. However, during fieldwork, such scanners, where available, were frequently found to be non-functional. ICP officials expressed the need for increasing the use of technology in surveillance and monitoring of the goods and personnel crossing the border. Manual inspection is not only inefficient, but also not received well by many passengers. The criminal network takes advantage of this to smuggle goods such as narcotics and gold. For instance, legal passengers are often used to smuggle gold using innovative methods such as concealment in snack boxes. The security forces have to rely mostly on intuition to detect such perpetrators.

3.1.8 Identity Verification

- a) During the interviews conducted by the consultants, some of the local residents claimed that illegal immigrants often take up jobs in the facilities near the ICPs. Trucks can enter ICPs across the border using simple photograph-based paper permits allotted to the drivers, which can be tampered with. The locals expressed concerns about security, since the personnel at the ICP gates are not equipped to verify the authenticity of these documents. The veracity of these claims could not be corroborated. Recently, India and Bangladesh agreed to issue electronic passes to truck drivers at Petrapole. This is a step in the right direction and must be implemented at all the ICPs to reinforce border security and allay the concerns of local citizens.

3.1.9 Migrants' Records

- a) The ICP immigrations are handled by multiple agencies, e.g. the Bureau of Immigration, the central body under the MoHA, is in charge of the Petrapole and Hilli but not the rest of the ICPs. Thus, there is no common record for the people entering or exiting via land-border checkpoints. This restricts the movement of legitimate passengers to specific ICPs. To increase the flexibility of movement and ease of tracking, the government must develop a central database on priority.

3.1.10 Use of ICT

- a) It has been gathered that currently, none of the ICPs employ adequate information and communication technology (ICT). High-speed digital connectivity is needed to optimize ICT usage. However, since the ICPs are located in remote areas, they receive low-speed of bandwidth. According to experts, poor digital connectivity will negatively affect the performance of the Single Window System (SWS), which is necessary for paperless trade. Notably, facilitating the effective implementation of the SWS is amongst the facilities planned for the ICPs; the system will help improve not only cross-border trade but also India's ranking on the Ease of Doing Business Index.
- b) India and Bangladesh have begun their bilateral discussions to address the various issues in border management.

3.1.11 Future Outlook

- a) The establishment of the ICPs on the India-Bangladesh border reflects India's willingness to provide world-class facilities at the border checkpoint to promote trade and connectivity with its neighbour. The Agartala and Petrapole ICPs have led to substantial development; however, much more work remains to be done. The government can draw lessons from the existing ICPs to avoid replicating their flaws and thus improving those that are yet to be developed. In the future, efficient ICPs will be crucial to India's trade and connectivity with Bangladesh. India must therefore focus on consistently upgrading the facilities in a timely manner.
- b) This report recommends the following specific measures to address the current issues around the ICPs along the India-Bangladesh border:
 - i. Increasing the use of technology for scanning and monitoring purposes, especially the installation of cargo scanners to prevent pilferage;
 - ii. Improving support infrastructure to ensure optimal use of technology, e.g. enhancing digital connectivity and better budget allocation for the maintenance of technological tools;
 - iii. Early issuance of smart cards for the drivers who provide their services in the ICPs; and
 - iv. Streamlining immigration by developing a centralized database. Further, immigration across ICPs should be brought under the aegis of a single agency.
 - v. Furthering cooperation between state governments to improve infrastructure such as roads and land acquisition.
 - vi. Institutionalizing dialogue between state authorities and the union government will help better address the concerns of the states and find ways to increase cooperation. Moreover, since the ICPs involve multiple agencies, a framework must be established to formalize the interaction amongst such agencies. This will ensure the smooth functioning of ICPs.

3.2 Identification of the Status of Cross Border Agency Cooperation with Special Focus on the Level of Local Cooperation between Officials of Both the Sides of Border

- a) The borders that divide countries into geographical entities also serve as channels of interconnection between the very same territories. Borders divide and connect, at the same time they present both opportunities and challenges. How do sovereign nations realize the potential of cross-border engagement, while managing the various issues that arise out of opening up these borders? This is a challenge that is true for the BBIN countries-Bangladesh, Bhutan, India and Nepal. Smart border management has become an increasingly urgent imperative.
- b) Border management has become a major challenge in the post-globalization world. The traditional approach to border management emphasizing on security has become inadequate. Today countries need not only to ensure seamlessness in the legitimate movement of people and goods across their borders but also undertake measures to curb illegal flow. Increased bilateral and multilateral cooperation, coupled with the adoption of new technologies, will facilitate the movement of citizens and products without endangering security.
- c) The same challenge is being faced in South Asian countries. While the region is perhaps among the least integrated in the world, it is also where extremism is rife, and cross border crimes such as arms and drugs smuggling are rampant. Yet there is huge potential for stronger intra-regional connectivity in the BBIN region, including higher trade thus making it necessary to develop more effective strategies for border management. A step in the right direction is the signing in

2015 of the Motor Vehicles Agreement (MVA) between the BBIN countries, designed to facilitate the intra-regional movement of cargo, vehicle and people.

- d) The BBIN bloc is located in eastern South Asia. Analysts have made various projections that this sub-region will soon become a major transit hub, with projects such as the Trans-Asian Highway that will connect the entire continent of Asia through a network of roads and railways. At the same time, the BBIN sub-region is home to significant populations of the world's poorest who live on less than a dollar a day. BBIN countries also face acute challenges of insurgency, militancy and smuggling of drugs and arms. There is no doubt that enhancing inter-BBIN connectivity will pave the way for greater economic opportunities. The question, however, is how the BBIN nations will deal with the concomitant risks and challenges of opening up their borders

Enhancing Inter-BBIN connectivity will pave the way for greater economic opportunities

- a) The challenge takes on varying degrees from one country to another. To begin with, the region has borders that are open in some parts and closed in others. For example, while India's border with Bangladesh is closed, those with Nepal and Bhutan are open. Moreover, India is the only country that shares borders with all the three others in the bloc, and this raises its stakes in the pursuit of a more effective border management strategy.

Table 3.3: India Border with Neighboring Countries

Country	Length of the Border with India (In KN)
Bangladesh	4096
Bhutan	699
Nepal	1751

- b) The movement of people within the sub-region is common, with people moving from one country to another for various reasons like higher education, health, tourism and better economic opportunities. However, while the bulk of travel of persons across BBIN's borders is for legitimate purposes, the proliferation of cross-border crime undermines the smooth management of boundaries. Among the BBIN countries, India is the largest country and shares its borders with seven other nations. Bangladesh shares a border with Myanmar; Nepal shares with India, Bhutan and China; and Bhutan shares borders with India, Nepal and China.

3.2.1 Bangladesh

- a) The border between India and Bangladesh spans 4,096 km, making it the longest in the BBIN region and the fifth in the world. The border is porous and runs through dense forests, rivers, villages and towns. It is also a hotbed of cross border criminal activity. Unauthorized cross-border trade in goods such as jamdani sarees, rice, salt and diesel has flourished, despite the presence of strict trade regulations and barriers. Both countries have taken steps to strengthen border vigil through enhancement of border guards. India has also constructed a barbed-wire fence and improved lighting along the border. It set up a border management department to oversee developmental work in the bordering areas and upgraded infrastructure at major entry and exit points. India is also establishing integrated check posts (ICP) at its land borders which will house all regulatory activities such as immigration, security and customs under one roof.

- b) India and Bangladesh have both signed a border management plan that envisions joint patrols and information-sharing. A dispute resolution mechanism ensures regular meetings between border guards as well as director-generals of the Border Security Force (BSF) and Border Guards Bangladesh (BGB). India and Bangladesh have also established border haats (Village market held on particular week days) to deal with illegal or unauthorized trade. Although India and Bangladesh officially trade goods worth \$7 billion, illegal trade between the two countries is estimated to be double the figure.

3.2.2 Nepal

- a) Nepal shares an open border with India which facilitates the free movement of people, creating economic opportunities for both sides. Millions of Nepalese move to India for work. However, the open border is under growing threat of criminal enterprises which use it for human trafficking, mainly of women and children, narcotics trade, and the transport of fake currency.
- b) Being a landlocked country, Nepal depends on India for connectivity to the rest of the world. Any disruption at the border creates significant socioeconomic impacts for Nepal. Ensuring the smooth movement of goods and vehicles at the border is both a necessity and a challenge.
- c) Experts have made strong recommendations for better coordination of agencies and closer monitoring of the border. India has deployed Sashastra Seema Bal (SSB) at the border. An increased use of technology in monitoring border movement can also help to secure the open border.

3.2.3 Bhutan

- a) Bhutan is another landlocked country that shares an open border with India. This border is defined by foothills, unlike the complex topography of dense forests, rivers and populations that defines the borders of India and Nepal, and India and Bangladesh. The two countries share warm bilateral ties and strong border coordination. Officials meet biannually to discuss various issues concerning border management. Bhutan's main concern is that its citizens and vehicles should be allowed free movement once they are in Indian Territory. There have been instances where the movement of Bhutanese nationals has been disrupted due to socio-political disturbances in India, such as during the Gorkhaland movement in West Bengal when vehicles belonging to Bhutanese nationals were destroyed. It is necessary for India's central and state governments to ensure that appropriate measures are in place to protect the citizens of Bhutan or any other neighbor who may be in India during moments of internal strife.
- b) There are also concerns that the open border is being abused by both criminals and insurgency groups. Insurgents from neighboring Indian states often sneak into Bhutan for sanctuary. Although Bhutan succeeded in flushing them out of its territory in a major operation in 2003, fears are persistent about criminal and militant activity.
- c) Migration is another issue in Bhutan-India border management. As areas bordering Bhutan are largely underdeveloped, many Indians work as manual labour in construction sites in that country, where they manage to earn more decent wages. This migration has provoked concerns of altering demographics in both countries. Migrants and infiltrators are also accused of deforestation, poaching, and wildlife smuggling.
- d) For Bhutan, issues of hydropower and trade within the region impinge on its border cooperation. Other issues such as rupee trade and banking facilities on both sides of the border are also important.

3.2.4 The role of Technology

- a) An example of effective use of technology in border management is the *Schengen Information System of the European Union (EU)*, which aids in the

sharing of information among these countries. The initiative has enabled an integrated border management system within the EU, which covers regular travel facilitation, understanding of entry and exits, and cooperation among different services, including police, customs and border controls. Such cooperation is key to the smooth functioning of all border management systems. To keep a check on the movement of visitors, the EU is trying to establish a smart border, although the huge influx of refugees from war-torn Syria is posing its own set of problems.

- b) Whether the EU model can be replicated in the BBIN region remains to be seen. Countries in South Asia have mostly adopted a bilateral approach in dealing with borders and the idea of developing a border cooperation mechanism at the regional level is still new.
- c) Technology for managing borders can be used to either guard borders and/or build border infrastructure. There are various technologies available for the former, such as the smart fencing, electronic-optics and surveillance devices, and unmanned aerial vehicles. Specific technologies exist for specific purposes. Regarding the latter use of technology in border management, there is a need to upgrade infrastructure at borders, particularly at entry and exit points. India has announced that it will be setting up 13 integrated check points along its borders, where technology will play a major role. Devices like scanners and weighing machines have already been installed for smooth functioning of ICPs. But experts feel that technology has a bigger role to play at these posts. For instance, they suggest greater use of information and communications technologies to reduce paperwork and promote faster clearances.

For border cooperation to succeed for BBIN, there is a need to synergise the system and strengthen infrastructure.

- d) Considering the economic conditions of BBIN countries, border management specialists have cautioned that all countries in the region might not have the financial capacity or expertise to suddenly take a leap forward in the use of better and more sophisticated technology. For border cooperation to succeed for BBIN there is a need to synergize the system and strengthen infrastructure. This, in turn, requires joint capacity-building and training. While India can help its neighbours in building capacity, additional support can be sought from countries outside the region that have successfully cooperated with their neighbours. For instance, the United States has a smart border system with Canada and also organizes activities on border management for capacity-building in various countries;
- e) In the BBIN region, there is concern whether the use of technology is an economically viable solution. Policymakers and analysts feel that while the development and use of new technologies might pose financial challenges in the initial phases, in the long run the cost will fall below that necessary for the deployment of guards along the lengthy borders. Further, technology is important for better coordination among agencies, as this will enable smooth data-sharing both inside the country as well as across the borders. The lack of coordination among agencies is a key reason for inefficient functioning of land custom stations and ICPs. Border cooperation will be successful only when border infrastructures are fully developed.

3.2.5 Way Forward

- a) Well coordinated border management in BBIN countries is crucial for the development of the trade and economy in the sub-region. Since challenges and concerns vary across the member countries, building consensus for a common border management framework is essential. As the BBIN countries have engaged

themselves in deepening cooperation in areas of trade and energy, there are strong reasons of optimism about such prospects.

3.2.6 Recommendations for effective border management in the BBIN region:

1. Strengthen coordination and integration among agencies for smooth functioning of the ICPs.
2. Adopt biometric and digital profiling of citizens who travel across the region;
3. Improve the capacity of various agencies by training them to use technologies as and when adopted;
4. Improve socio-economic conditions of the border populations
5. Set up smart fencing along borders;
6. Sensitize agencies along the borders about legal and illegal movements;
7. Maintain strong relations with each other, given that any border management framework for BBIN will depend on the nature of bilateral relations between its member countries.
8. Install closed circuit televisions for better border monitoring;
9. Keep in mind emerging challenges for security and welfare of borderlands, which include issues relating to water, climate change, agriculture, public health, telecom and cyber security, as these have trans-border implications
10. Promote cooperation and exchange of information among officials across the borders to tackle challenges of radicalism and extremism;
11. Develop a shared understanding and work together to counter terrorist and militant groups operating across the entire region;
12. Establish an integrated border security system to deal with drug trafficking, human trafficking, movement of weapons, infiltration by terrorists and similar other violations;
13. Take into account interests of the local population;
14. Take into account interests of the local population. As problems vary from country to country, a blanket policy for the sub-region should be avoided. Policies should be made in accordance with ground realities;
15. Sensitize agencies along the borders about legal and illegal movements;
16. Improve the capacity of various agencies by training them to use technologies as and when adopted;
17. Take into account interests of the local population;
18. As problems vary from country to country, a blanket policy for the sub-region should be avoided. Policies should be made in accordance with ground realities.

3.3 Bilateral Cooperation between neighboring countries and multinational cooperation

3.3.1 Bilateral Trade between Bangladesh and India

- a) Bangladesh and India enjoys excellent bilateral trade and economic relations. Being the second largest trading partner of Bangladesh, next to China, and being the members of SAARC, Bangladesh and India cooperate both bilaterally and multilaterally to strengthen commerce and trade. Over the period of last 7 (seven) years, bilateral trade has registered an impressive growth. Total trade between the two countries increased from USD 5.1 billion in fiscal year 2010-2011 to USD 9.5 billion in 2017-18. However, this growth was mainly driven by substantial increase of import of industrial raw materials and consumer goods into Bangladesh from India. India now ranks 2nd in the list of importing countries of Bangladesh, next to China. Being a SAARC LDC, Bangladesh enjoys duty free and quota free market access for all products except 25 tariff lines (alcohol, tobacco and drugs) to India under SAFTA.

This has created immense opportunity for Bangladesh to further enhance trade with India. But regrettably, despite Bangladesh's serious efforts, export to India has not increased significantly mainly due to some challenges with regard to product diversification, product standardization, infrastructure at the land port, road and shipping connectivity, Para-tariff and non-tariff barriers, which need proper attention and intervention.

3.3.2 Total Trade and Balance of Trade:

The existing balance of trade between Bangladesh and India is as follows:

Table3.4: The trade between Bangladesh and India

[Value in Million US\$]

FY	Imports from India	Export to India	Balance of Trade	Total Trade
2010-2011	4586.80	512.50	-4074.30	5099.30
2011-2012	4743.30	498.42	-4244.88	5241.72
2012-2013	4740.65	563.96	-4176.69	5304.61
2013-2014	6035.48	456.63	-5578.85	6492.11
2014-2015	5827.55	527.16	-5300.39	6354.71
2015-2016	5450.70	689.62	-4761.08	6140.32
2016-2017	6146.25	672.41	-5458.12	6802.94
2017-2018	8619.40	873.27	-7746.13	9492.67

Source: Export Promotion Bureau & Bangladesh Bank

3.3.3 Export to India:

The main items exported from Bangladesh to India are:

- a) Raw jute, Jute goods, Jute yarn & twine, Cane molasses, Engineering products, Furnace oil, Frozen fish, Sacks & bags, Cement, Betel nuts, Knit & woven garments, Cut flower, Rice bran oil, Copper wire, Agro processed Food, Soap & Toiletries, Jamdani Saree, Mosquito net, Accumulator battery etc.

3.3.4 Import from India:

- a) **The main items imported from India into Bangladesh are:** Live animals, food stuffs, vegetables, spices, mineral products, products of the chemical or allied industries, plastic and articles thereof, textiles & textiles articles, pulp of wood, articles of stone, base metals, vehicles & transport equipment, machineries etc.

3.3.5 Export under SAFTA:

- a) Bangladesh enjoys duty free access (zero duty) to India under SAFTA for all products except 25 products (alcohol, drug and tobacco).

3.3.6 Trade Related Meetings:

- a) In order to further strengthen and consolidate bilateral trade relations several committees have been formed under the umbrella of Ministry of Commerce. Commerce Secretary Level Meeting, Joint Working Group (JWG) on Trade Meetings, Joint Committee on Border Haats meeting is held every year between Bangladesh and India. The last Commerce Secretary level meeting between Bangladesh and India was held on 07-08 February, 2018 in Dhaka. Apart from these committees, there are also several sub-groups such as Sub-group on LCS Infrastructure, Subgroup on Banking, Joint Customs Group (JGC) etc. are also active in resolving issues.

3.3.7 Border Haat (Village market held on particular days of the week):

- a) In order to respond to the longstanding demand of the people living in remote border areas Bangladesh and India have made significant progress in establishing Border Haats. The Border Haats were established with the intention to contribute to the economic benefits of the border communities, as well as, to build a much-needed mutual trust. Four Border Haats are currently operating at the India-Bangladesh border;
- b) On April 08, 2017, during the official visit of the Honorable Prime Minister of Bangladesh to India, the revised Memorandum of Understanding (MoU) and Mode of Operation (MoO) on border haat were signed. In the renewed MoU and MoO, the list of items to be traded in the border haats is being extended. Number of traders and the allowable limit of goods to be purchased are also increased. Having positive feedback and response from the users and the stakeholders of the border haats, both countries further agreed to establish 6 (six) newer border haats. Constructions of these proposed Border Haats are underway. In 1st meeting of the Joint Committee on Border haat, it was decided that apart from these 10 border haats 6 more new haats will be established. The 2nd meeting of the Joint Committee on Border Haat held in Sylhet in April 2019 has identified the location of these haats which will be finalized through joint inspection and consultation. These Border Haats are to be constructed by 2020. So the total number of border haats will be 16.

3.3.8 Existing Non-tariff and Para-tariff barriers (NTB/PTB) between Bangladesh and India:

3.3.8.1 Non-recognition of certificates issued by BSTI

- a. Bangladesh achieved accreditation from NABL of India for 27 products on 161 parameters. After going through long internal processes India has issued the necessary notification in 2017 to accept certificates issued by BSTI for 21 food items. However, India is yet to issue notification for remaining 6 non-food items (namely cement, soap, MS rod, angle & plate, G I pipe and textile). Reasons for non-issuance of notification for those 6 items are informally known that those products are not accredited by the NABL of India. However, those products were accredited by the Bangladesh Accreditation Board (BAB). Both BAB of Bangladesh and NABL of India are supposed to accept each other's recognition/certificates, as both are common members of the Asia Pacific Laboratory Accreditation Cooperation (APLAC). Pertinent to mention that APLAC and the Pacific Accreditation Cooperation (PAC), the two regional accreditation cooperation initiatives have merged recently and started its journey from 1 January 2019 in the name of Asia Pacific Accreditation Cooperation (APAC). Since NABL and BAB are now common members of the APAC, they should recognize each other's certificate. Because NABL, in practice, does not accept BAB accreditation, India's concerned institutions are reported to be not in a position to issue necessary notification for those 6 non-food items as well 6 additional items which BSTI has requested later on. On that background Bangladesh needs to raise the issue now on why NABL is not accepting the accreditation certificates issued by the BAB, despite both BAB and NABL being the common members of the APAC. Moreover, in 2018 BSTI requested India to recognize one more item - caustic soda which is pending on the Indian side.

3.3.9 Anti-dumping investigation on Bangladesh jute goods:

- a) India has imposed anti-dumping duty on jute goods (yarn, hessian and bags) exported from Bangladesh on 5 January 2015 ranging from USD 6.30 to USD 351.72 per metric ton. Until then, Bangladesh jute and jute goods enjoyed zero-duty benefit to the Indian market under SAFTA (South Asian Free Trade Agreement). In the last Commerce Secretary level meeting held in February 2018, Bangladesh requested India to consider review of the measure for jute products. India has also initiated investigation to impose anti-dumping duty on

fishing net and hydrogen peroxide. India's imposition of anti-dumping duty on Bangladesh's jute products has started to adversely impact on exports to the neighboring country. Moreover, this has shaken the confidence of Bangladeshi businessmen.

3.3.10 Inadequate LCS Infrastructure:

- a) Infrastructure facilities at LCS at Burimari, Banglabandh, Akhaura, are inadequate. Moreover, no officer is posted at Agartala LCS to issue SPS certificate despite huge volume of trade carried through this station. India needs to accelerate the development of infrastructure of their LCSs and post adequate officers at the LCS. Recently sub-group on LCS Infrastructure with Chairman of the Land Port Authority as the head, has been formed to identify the area where further development needed. Recently held 2nd meeting of the subgroup has reviewed the current status of infrastructure at the LCSs along the Bangladesh-India border and made several recommendations/decisions.

3.3.11 Port restriction:

- a) There are port restrictions on export of motor bikes to India along the Meghalaya/ West Bengal/Assam/Tripura-Bangladesh border. Moreover, the quality certification issued by Bangladesh Road Transport Authority (BRTA) is not being accepted by the Indian authorities. There is also port restriction on export of soap to India.

3.3.12 Inadequate physical facilities at land customs stations of India

- a) Many of the Land Customs Stations on the Indian side such as Gojadanga, Changrabandha, and Fulbari etc have got no warehouse facilities and in such cases goods exported from Bangladesh are kept in the open place till customs formalities for clearance are completed. This results in huge damage and inconsistent supply of goods to the Indian market.

3.3.13 CEPA (Comprehensive Economic Partnership Agreement):

- a) Bangladesh and India signed bilateral trade agreement in 1972 which was later renewed in 2015 with some amendments/modifications. But this agreement is only facilitative in nature. However, Bangladesh and India being member of SAFTA (South Asia Free Trade Agreement) and APTA (Asia Pacific Trade Agreement) are enjoying duty benefits for trade in goods. Hence during the Commerce Secretary level meeting held in Dhaka in February 2018 both the countries agreed to explore the possibility of entering into a Comprehensive Economic Partnership Agreement (CEPA) covering various aspects of trade such as trade in goods, trade in service, investment, e-commerce, standardization etc. This issue was further discussed during the Commerce Minister level meeting held in September 2018 in Dhaka. Based on this, Ministry of Commerce has taken initiatives to conduct a study on CEPA.

3.3.14 CEOs Forum:

- a) As per decision of Commerce Secretary Level meeting held on 7-8 February 2018 at Dhaka both sides are agreed to form a Chief Executive Officer (CEO's) Forum. Later Indian High Commission, Dhaka send a draft Terms of Reference (ToR) of CEO's Forum. Ministry of Commerce after several rounds of meeting with the stakeholder has made several amendment/modification proposals and sent to Indian side through Foreign Ministry on 11 July 2019. ToR to form the CEO's Forum would be finalized after receiving comments from India.

3.3.14 MoU on Capacity Building for Trade Remedy Measures:

- a) India sent a draft MoU on Establishment of an Expert group on Trade Remedy Measures to promote cooperation in areas of mutual interest. Ministry of Commerce along with Bangladesh Tariff Commission, authority to deal with trade remedy measures, examined and received the draft MOU. Bangladesh

side provided to Indian Authority on 11 July 2019 through Foreign Ministry. Bangladesh is waiting for India's Response.

3.3.15 Issues which could be discussed in JCC Meeting with India include:

- a) Non-recognition of accreditation certificates for the testing laboratories by BAB through the concerned accreditation agencies of India (NABL) although both are common members of several regional/global accreditation related regulatory bodies.
- b) Anti-dumping investigation of several Bangladesh origin goods.
- c) Necessary amendment in the Provisions of the MoU and MoO of the Border Haat arrangement between Bangladesh and India and completion of border haats which are under construction.

3.3.16 Bilateral Trade between Bangladesh and Nepal

- a) Bilateral trade between Bangladesh and Nepal began in 1976 under the Trade and Payment Agreement, and the Transit Agreement along with a protocol to the Transit Agreement. The Agreements are automatically renewed for every three years. Although about 3 decades have passed, bilateral trade between the two countries has not grown much and the volume of trade has remained significantly low. Total trade volume in fiscal year 2012-13 was US\$ 62.09 million.
- b) The Fourth meeting of Nepal-Bangladesh Joint Working Group (GWG) was held on 22-23 October 2019. In that meeting Nepal felt great importance to its close bilateral relationship with Bangladesh and wants to take it to new heights by enhancing trade, transit, connectivity and investment. The meeting highlighted the enormous potentials in trade, tourism, multimodal connectivity, agriculture, hydropower etc. A MOU on agreements and operation modalities for carriage of transit cargo, agreement on regulation of motor vehicles passenger traffic (Dhaka-Kathmandu Bus Services) and MOUs related to food safety, agriculture, duty free and preferential product access to each other's market, visa procedure, investment promotion and transit facilitation were also discussed in the meeting.
- c) Bangladesh has been maintaining an excellent bilateral trade relation with Nepal. Bangladesh and Nepal both are signatories to SAFTA. Efforts are underway to strengthen trade relations between the two countries by exchanging concessional list of tariff items under SAFTA. Bangladesh's imports and exports figures with Nepal are shown below.

Table 3.5: Bilateral trade Between Bangladesh and Nepal

(Values in million US\$)

Fiscal Years	Export to Nepal	Import from Nepal	Trade Balance
2006-07	0.85	5.98	(-) 5.13
2007-08	6.71	52.96	(-) 46.25
2008-09	8.06	68.80	(-) 60.74
2009-10	8.79	43.15	(-)34.36
2010-11	10.84	49.03	(-) 38.20
2011-12	41.58	26.16	15.42
2012-13	26.41	35.68	(-) 9.27
2013-14	13.68	21.50	-(7.82)
2014-15	25.05	12.06	- (12.99)
2015-16	17.89	09.40	-(8.49)
2016-17	47.40	10.00	- (37.40)

Source: EPB/ Bangladesh Bank

3.3.17 Major exports from Bangladesh to Nepal:

- a) Jute, Pharmaceuticals, Electric accumulators, woven garments, plastic goods, knitwear, readymade garments, paper, beverages, Cotton waste, cotton knitted fabrics, Sugar confectionery and other manufactured goods etc.

3.3.18 Major Imports into Bangladesh from Nepal:

- a) Vegetable products (lentils), prepared foodstuffs, animal food, mineral products, chemical or allied industrial products etc.;
- b) Both the countries are members of SAFTA and BIMSTEC FTA. However, as of now both countries have been exchanging tariff concessions under SAFTA; and
- c) Commerce Secretary level meetings are held on regular basis between Bangladesh and Nepal. The last meeting was held during 10-11 May 2016 in Dhaka to strengthen the trade relations between the two countries.

3.3.19 Operational Modalities for the Carriage of Transit Cargo between Nepal and Bangladesh

- a) Operational Modalities for the Carriage of Transit Cargo between Nepal and Bangladesh emphasized the significance of the 'draft on Operational Modalities for the Carriage of Transit Cargo between Nepal and Bangladesh' which has been exchanged and is under active consideration of both governments. Bangladesh felt that since the Bangladesh-Bhutan-India-Nepal (BBIN) Motor Vehicles Agreement (MVA) is a comprehensive agreement for movement of cargo and regular and non-regular passenger vehicles, focus may be given to develop the required Protocols of the BBIN-MVA. To facilitate trade and transit relations between the two countries suggested two new routes for Nepal from *Banglabandh- Panchagarh-Parbatipur-Chittagong Port and Rohanpur-Chapai Nawabganj- Jamuna Bridge-Comilla-Chittagong port*. A draft agreement has already been developed and ready for discussion. This will enhance the movement of people, business community and student through land route.

3.3.20 Duty free Market Access to Nepalese Products in Bangladesh and Preferential Market Access to Bangladeshi Products in Nepal

- a) Bangladesh already offered duty free access to 108 products to Nepal. During the last Technical Committee meeting held in Kathmandu in 2015, the Nepalese side informed that they had accepted the offer. The Nepalese side also handed over an offer list of 50 products for preferential market access for Bangladesh to Nepal during the last Technical Committee meeting. The modalities of duty-free access/preferential tariff are examining under multilateral, regional and bilateral agreements. The Technical Committee at Joint Secretary Level would recommend the implementation modalities as soon as possible. Both sides examined the relevancy of signing PTA for granting preferential market access under the WTO rules and procedure

3.3.21 Full-fledged Operation of Kakarbhitta-Panitanki-Phulbari-Banglabandh Trade Route

- a) During the 2nd Commerce Secretary level meeting, Nepalese side had mentioned that there was no formal customs office at Banglabandha land port causing delay in customs clearance of Nepalese goods, and hence requested the Bangladesh side to establish a full-fledged customs office at Banglabandha land port. Following that request we have taken necessary action and the Land Customs Station and Immigration Office at Banglabandha are now fully functional;
- b) Nepal side exploring the opportunities to consider allowing Nepali trucks to enter up to Mongla and Chittagong ports or the ICD Kamalapur or any other convenient land ports/ICDs and also exploring for extending Railway track up to Banglabandh point to facilitate trade. In case of Railway Connectivity Rohanpur

to Khulna railway track is already in operation. A feasibility study on Khulna-Mongla railway link has already been done and the construction of Khulna-Mongla broad-gauge railway line is being implemented by the Ministry of Railway, which is expected to be completed soon. This project will facilitate the transportation of container and bulk cargo from Mongla port to Nepal through Mongla-Khulna-Rohanpur-Singhabad rail route. Upgrade of the existing infrastructures such as improvements of customs clearance facilities including establishment of Bank, fully fledged Immigration office and well-equipped quarantine check post to ease movement of Nepali cargo at LCS Banglabandha are under process.

3.3.22 Harmonization of SPS and TBT Measures

- a) On TBT measures, considering the importance of mutual understanding on the standardization of each other's products, a MoU between Bangladesh Standards and Testing Institution (BSTI) and Nepal Bureau of Standards and Metrology (NBSM) was signed during the meeting on 11 May 2016;
- b) As SPS measure a draft MOU between Bangladesh and Nepal will be prepared by the concerned department soon and it will be sent by the diplomatic Channel.

3.3.23 Issuance of Visa on Arrival for the Nationals of Nepal by Bangladesh and Business Visa for Bangladeshi nationals

- a) There is no restriction on issuance of on-arrival visa at the land immigration points, but due to some technical constraints, difficulties have arisen for issuing on-arrival visa to Nepalese citizens. Bangladesh side assures that it would further facilitate issuing on-arrival visa to the Nepalese citizens at the land immigration points. Bangladeshi businessmen are facing problems to obtain long-term business visa. The prerequisites for obtaining Nepalese business visa are stringent and a good number of conditions are needed to be fulfilled including having investment in Nepal. Bangladeshi businessmen need to travel to Nepal to explore business opportunities even before investing in Nepal and therefore to promote trade and investment, Bangladesh requested for simplification of the procedures of issuing long-term business visa to Bangladeshi Businessmen. Both Bangladesh and Nepal agreed in the last fourth meeting of JWG for the establishment of immigration office at all agreed land custom stations starting with Banglabandha and Burimari custom points to facilitate travelers from both sides as Nepal has already set up such facilities in Kakarbhita border point.
- b) In the 4th JWG meeting Bangladesh side emphasized that enhancement of trade and investment between the two countries require people-to-people connectivity along with the physical connectivity. Bangladesh businessmen encounter problems in getting business visa which is essential for expanding their business in Nepal. However, there is no provision of granting business visa for traders in Nepal. This needs to be seriously taken care of on priority basis. Bangladesh also emphasized that the existing provision or granting investors visa is not business friendly as it requires showing USD 100.000 investment

3.3.24 MOU between the agencies:

- a) Both sides extensively discussed the following MoUs exchanged between two countries.
 - i. MOU on Strengthening SPS Cooperation between Plant Quarantine and Pesticide Management Center, Ministry of Agriculture and Livestock Development, Nepal and Department of Agricultural Extension. Bangladesh;
 - ii. MOU on Food Safety between Department of Food Technology and Quality Control (DFTQC), Ministry of Agriculture and Livestock Development, Nepal and Bangladesh Safety Authority (BFSA), Ministry of Food Safety;
 - iii. MOU between Nepal Food Management and Trading Company and Trading Corporation of Bangladesh (TCB);

- iv. MOU between Trading Corporation of Bangladesh (TCB) and Salt Trading Company Limited of Nepal;
- v. Nepali side will share revised draft MoUs mentioned in (a), (b) and (c) to Bangladesh within a month through diplomatic channel. Bangladesh side sent back their comments facilitating signing of the MOU during the 5th Commerce Secretary level meeting.

3.3.25 Concluding Double Taxation Avoidance Agreement (DTA)

- a) Nepal and Bangladesh have already signed DTAA in July, 2019. Both sides appreciated signing of the DTAA between the two countries.

3.3.26 Bilateral Investment Promotion and Protection Agreement (BIPPA)

- a) A model text of Bilateral Investment Agreement (BIT) is under the finalization process and will share it to Bangladesh once approved by Government of Nepal.

3.3.27 Tri-lateral Transit Agreement among Bangladesh, India and Nepal

- a) Both Bangladesh and Nepal is to explore the possibilities of linking Nepal and Bangladesh through inland waterways and also stated that they are in negotiation with India for the use of inland waterways for the movement of cargo. Recalling the decision of the Fourth Commerce Secretary Level meeting Nepali side further highlighted the importance and need of a tri-lateral Arrangement among Bangladesh, India and Nepal for enhancing trade, connectivity including inland waterways and transit between and among the three countries.

3.3.28 International Trade Fair

- a) The importance of holding regular trade fairs organized by the either side to further enhance the trade relations between the two countries have been recognized by both the countries. Bangladesh have been regularly participating in different trade fairs in Nepal and invited the Nepalese business community as well as the Government of Nepal to participate in the Dhaka International Trade Fair (DITF).

3.3.29 Tourism

- a) Different concepts on promoting joint tourism, e.g. "From the highest peak to the longest beach and vice versa", "Buddhist Circuit Tourism" were discussed in the meeting. Considering the natural and cultural heritage in the two countries, both sides recognized the potential in the tourism sector and agreed to jointly explore the avenues of further collaboration. The meeting agreed to encourage private tour operators to come up with joint tour packages so that third country tourists may visit both the countries under a single package.

3.3.30 Harmonization of working hours at Entry Point

- a) **Working hours at the land custom stations has been harmonized**

3.3.31 Investment in Nepal Hydro Power Sector

- a) Nepal has huge potential in hydro-power generation. Bangladesh side expressed its interest in investing in the Hydro-power projects in Nepal and purchasing power from Nepal.

3.3.32 Simplification of the Procedures of Pharmaceutical Products

- a) Bangladesh side informed their intention of exporting pharmaceutical products to Nepal and mentioned the difficulties faced in this regard. It therefore requested the Nepalese side to ease the import regime so that Bangladeshi pharmaceuticals can be exported to Nepal. The Nepalese side took note of the matter and assured to communicate it to the appropriate authorities in Nepal.

3.3.33 Cooperation between Trading Corporation of Bangladesh (TCB) and Public Trade Corporation of Nepal

- a) Bangladesh side emphasized the need for cooperation among state owned enterprises of both countries for trading of essential commodities. Bangladesh side also mentioned that during the technical committee meeting held in Kathmandu in 2015 drafts of two MoUs [one between Trading Corporation of Bangladesh (TCB) and National Trading Limited (NTL) of Nepal, and the other between Trading Corporation of Bangladesh (TCB) and Salt Trading Corporation (STC) of Nepal] were handed over to the Nepalese side. Response from Nepalese side is awaited. Both sides agreed to facilitate direct communication between concerned organizations with a view to achieving progress in this regard.

Nepal is always committed to implementing the following recommendations as regard to Nepal on priority basis keeping in mind the country's existing situation.

- i. Reduction/Removal of Non-Tariff Barriers (NTBs) and Para-Tariff Barriers (PTBs)
- ii. Energy Cooperation
- iii. Trade Facilitation Measures
- iv. Investment Cooperation
- v. Reduction of products in the Sensitive Lists
- vi. SAARC Agreement on Trade in Services (SATIS)
- vii. Improvement in Connectivity (rail, road, air, maritime) among Member States

3.3.34 Prioritized recommendations identified by each Member States and finally agreed by the Meeting after detailed deliberations in past have already were circulated in SAARC- ADB document. So we need to move forward accordingly.

According to the document circulated by SAARC-ADB, the following recommendations were identified for implementation simultaneously on a priority basis after detailed deliberations:

- i. Reduction/Removal of Non-Tariff Barriers (NTBs) and Para-Tariff Barriers (PTBs)
- ii. Energy Cooperation
- iii. Trade Facilitation Measures
- iv. Investment Cooperation
- v. Reduction of products in the Sensitive Lists
- vi. SAARC Agreement on Trade in Services (SATIS)
- vii. Improvement in Connectivity (rail, road, air, maritime) among Member States

3.3.35 Bilateral Trade Agreement between Bangladesh and Bhutan

- a) A general Trade Agreement between Bangladesh and Bhutan was signed in May 2003 for a 5-year term with provision for renewal beyond that period with its Protocol. After the expiry of this Trade Agreement, a new Agreement, with a 5-year term, was signed on 7 November, 2009 during the visit of the Hon'ble PM of Bangladesh;
- b) Bangladesh has started internal process to renew this agreement as per decision taken at the Commerce Secretary level meeting held in Thimphu during 09-10 April 2014;
- c) Bangladesh's export to Bhutan: Fruit juice, breakfast cereal, Garments, Melamine, Pharmaceuticals, Toiletries, kitchenware etc. dominate the export of Bangladesh to Bhutan;
- d) Bangladesh imports: Fruits, minerals & stones, spices, cereal, prepared animal fodder etc. spices from Bhutan.

3.3.36 Bilateral Transit Agreement

- a) A Transit Agreement between the two friendly countries was signed in 1980 which expired in 2000. The Transit Agreement could not be made operational owing to the absence of Protocols/Operating Modalities. This concern was raised by Bhutanese side to finalize the modalities;
- b) Bangladesh has proposed a draft Terms of Reference (ToR) for the Bangladesh-Bhutan-India Trilateral Joint Working Group on Connectivity and Transit at the meeting held on 19 April 2014 at MoFA Dhaka. It was agreed in the meeting to continue discussions at the next meeting of the Working Group to finalize the ToR and framework for facilitating sub-regional connectivity and transit. The next meeting of the JWG would be held in Delhi soon.

3.3.37 Duty-Free Market Access

- a) Bangladesh is providing duty free market access to 18 Bhutanese products (6 digit level) pursuant the decisions made by Hon'ble Prime Minister during her visit to Bhutan in 2009. In reciprocity, Bhutan is providing the same treatment for 90 products under Annex-B to the Trade Agreement and its Protocol. This list has been revised few times on mutual understanding.

3.3.38 Decisions taken at Commerce Secretary level meeting held on 12-13 April 2014 in Thimphu:

- a) The 7th Commerce Secretary Level Meeting (CSLM) between the Royal Government of Bhutan and the Government of the People's Republic of Bangladesh was held from 12 to 13 February 2019, in Thimphu, Bhutan. Friendly relations existing between the two countries have been nurtured by high level visits to each country. MOUs was required to be concluded for enhancing trade and transit and building institutional linkages and collaboration between respective agencies involved in trade.

3.3.39 Memorandum of Understanding (MoUs):

3.3.39.1 MoU on the use of inland water transport routes for transit and bilateral trade:

- a) The Bhutanese side developed a draft SOP. Both the sides had expressed satisfaction of having established the Joint Technical Committee (JTC) to take forward discussion on the SOP. Bangladesh side agreed to host the last JTC Meeting in Dhaka. The Bhutanese side requested for familiarization of the identified inland water routes. The Bhutanese side further highlighted that in view of the MOU having been signed in April 2017 and the directive of the CSLM in December 2017 to work on the SOP, and for finalization of the SOP before the end of this year (2019).

3.3.39.2 MoU between BSTI and BSB:

- a. After the signing of the MoU and decisions of the last CSLM, Bhutanese side had submitted a proposal which included a suggestion for a formal visit by the officials of respective institutions and meeting to consider collaborations in the areas including recognition of certification schemes, research collaboration, facilitation of tests and calibration services etc. The Bhutanese side requested for an update on the status of the proposal shared by BSB and conveyed the urgency to take forward the implementation of the proposal. The Bangladesh side agreed to take up the issue with the BSTI. In addition, the Bhutanese side also suggested to develop a joint project involving Bangladesh (BSTI), Bhutan (BSB) and Nepal (NBSM) proposed for funding under the SAARC Development Fund to develop the capacity of the respective national quality infrastructure. The Bangladesh side expressed agreement on the proposal.

3.3.39.3 MoU between Ministry of Agriculture, Government of Bangladesh and BAFRA, Royal Government of Bhutan

- a) The Bangladesh side reiterated their interest to expand further collaboration between relevant agriculture organizations of the two countries. Bhutanese side emphasized for further strengthening institutional linkages between the two countries.

3.3.40 Way forward to finalize Transit Agreement and related draft Protocol to the Transit Agreement:

- a) The Bhutanese side expressed appreciation for having successfully convened two rounds of Joint Working Group meeting (This meeting” held in Nov’ 17 in Dhaka and the 2nd in Oct’ 18 in Thimphu). The Bhutanese side updated that during the 2nd JWG, the two parties had agreed on the new text for Article 18 and 20. However, a decision could not be reached on acceptance of Letter of Guarantee or Bank Guarantee. Bhutan proposed for trading through India and resolution of the issue of Letter of Guarantee or Bank Guarantee;
- b) The Bhutan side reiterated the conclusion of the Transit Agreement along with the Protocol. The Bangladesh side assured to complete it by the next meeting of the CSLM.

3.3.41 Exchange of information relating to bilateral trade and investment

- a) The Bangladesh side attached the importance on the exchange of trade and investment related information among the business people and having cooperation among business community and especially on cooperation among the Chambers of Commerce in the two countries. The Bhutanese side:
- b) Bhutanese Highest Business organization was requested to field a business delegation to Bangladesh to explore the huge business opportunities. Bhutanese side agreed to encourage the private sector as well as the Bhutan Chamber of Commerce & Industry to take the initiative of sending a business delegation to Bangladesh, while at the same the Bangladeshi side will also look into fielding a business delegation to Bhutan;
- c) The Bhutanese side shared the interest of promoting Bhutan as an investment market and stressed on the need to undertake special efforts for furthering trade and bilateral investment in the interest of the private sector of both the countries. The Bhutanese side also narrated the initiative being taken to develop the industrial estates along the southern part of the country near the huge Indian market and cited the availability of clean hydropower at competitive rates besides other incentives available.

3.3.42 Enhance cooperation in tourism sector:

- a) The Bhutanese side recalled the decision of the last CSLM on the need to have more cooperation in the tourism sector for mutual benefit of both the countries through promotion of joint package tours. The Bhutanese side expressed the necessity on the establishment of necessary institutional linkages between the two tourism authorities. Both parties further reiterated the importance of enhancing cooperation between the two countries in the tourism sector in order to share experiences in tourism-related services and to promote joint package tours. It was informed that TCB is desirous of working together with Bangladesh counterpart in view of the high importance the Royal Government has attached to the tourism sector in the current 12 Five Year Plan with numerous flagship events. The potential to promote the respective countries as exclusive tourist destination for the citizens of the two countries was also expressed. The Bangladesh side assured to conclude a MoU with the Bhutanese counterpart very soon.

3.3.43 Operation time extension at Phulbari and Banglabandha LCS:

- a) Banglabandha and Burimari Land Customs Stations (LCS) are the two entry/exit points mostly used by Bhutanese exporters for exports to Bangladesh. Bhutanese trucks carrying consignments from Bhutan are retained at Banglabandha (Bangladeshi side) and Phulbari (Indian side) LCS due to traffic congestion and limited infrastructure which frequently disrupted Bhutanese exports. The authorities have allocated specific time period for entry of Bhutanese consignments into Bangladesh. The Bhutanese side requested for operational time extension for entry of Bhutanese consignments into Bangladesh and informed that similar request has also been made to Indian counterparts to facilitate Bhutanese exporters. The Bangladesh side has already extended operation time for Banglabandha and Burimari LCS from 8:30 AM to 6:30 PM: 6 days a week. It was further assured to provide the services beyond the above timeframe if requested by the Bhutanese side with prior intimation.

3.3.44 Request to Notify Akhaura LCS:

- a) The Bhutanese side submitted that opening up of Agartala-Akhaura route would be beneficial for most of the Bhutanese exports due to the easy accessibility to railways of both India and Bangladesh. The Bhutanese side therefore requested Bangladesh Government to notify Akhaura LCS in Bangladesh as an additional exit/entry point for Bhutan's trade. The Bangladesh side agreed to consider the request.

Cooperation in Hydropower Sector:

- a) Bhutan has huge potential for hydro-electricity generation to meet the growing demand in Bangladesh. Generation of electricity in Bhutan for use in Bangladesh would make a win-win situation for both the countries. The Bangladesh side underscored the need of signing of the MoU on Trilateral Investment in Bhutan. JSC/JWG on Power Sector Cooperation between Bangladesh and India emphasized the signing of MoU;
- b) The Bhutanese side identified an 1125 MW Dorjilung project in Eastern Bhutan as the trilateral project. The Bhutanese side attached importance on the joint agreement of India and Bangladesh to take up the project. The Bangladesh side should take initiatives to take forward the trilateral cooperation in hydropower.

Other Matter(s):

- a) Bhutan has started exporting through Tamabil and Nakuguan LCS since November 2018 following the suggestion to Bhutan to make use of these LCS in the last CSLM and the subsequent 4th Customs JWG meeting. However, Bhutanese exporters were not able to export all the products as the lists of items approved/notified by National Board of Revenue are not allowed through these LCS. The Bhutanese side requested Bangladesh to facilitate export of Bhutanese products through these LCS. The Bangladesh side agreed to issue necessary SRO.

Table 3.6 Bangladesh-Bhutan Trade Figure

3.3.45 Regional Trade Agreements (RTAs) and Bangladesh

FY	Bangladesh Imports from Bhutan	Bangladesh Exports to Bhutan	Balance of Trade	Total Trade
2008-2009	12.16	0.61	-11.55	12.77
2009-2010	11.98	2.24	-9.74	14.22
2010-2011	18.60	3.12	-15.48	21.72
2011-2012	20.71	9.13	-11.04	29.84
2012-2013	24.67	1.82	-22.85	26.49
2013-2014 (July-March)	18.14	1.37	-9.01	10.59

3.3.45.1 SAARC Preferential Trading Arrangement (SAPTA):

- a) The Agreement on SAARC Preferential trading Arrangement (SAPTA) was signed on 11 April 1993 and entered into force on 7 December 1995, with the desire of the Member States of SAARC (Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka) to promote and sustain mutual trade and economic cooperation within the SAARC region through the exchange of concessions.
- b) The main purpose of SAPTA was to urgently promote the intraregional trade which constitutes a negligible share in the total volume of the South Asian trade. The objectives were to:
 - 1) promote regional cooperation;
 - 2) expand trade and investment;
 - 3) strengthen intraregional economic cooperation;
 - 4) promote intraregional trade;
 - 5) liberalise trade.
- c) SAPTA is the first step towards higher levels of trade and economic cooperation in the region, and in progression the South Asian Free Trade Area (SAFTA) was signed in 2004.

3.3.45.2 South Asian Free Trade Area (SAFTA):

- a) The SAFTA Agreement was signed on 6 January 2004 during Twelfth SAARC Summit held in Islamabad, Pakistan, and the agreement entered into force on 1 January 2006. Actually, SAPTA was envisaged primarily as the first step towards the transition to a South Asian Free Trade Area (SAFTA) with a goal to home a Customs Union, Common Market and Economic Union.
- b) The Trade Liberalization Programme (TLP) under SAFTA commenced from 1st July 2006. Since then the exports under SAFTA have been witnessing considerable upward trend; but still intra-SAARC trade flows under SAFTA are far below to its potential. Reduction in the size of Sensitive Lists is recognized as an important instrument to increase the quantum of regional trade. Under Phase-II, all the Members States reduced their Sensitive Lists by 20%, which has been effected from 1 January 2014. Consultations are going on with the stakeholders for further reducing the sensitive lists under Phase-III.
- c) Under the Phase-II of the Trade Linearization Program under SAFTA all the import tariffs have been brought down between 0-5 percent. As an LDC, Bangladesh is enjoying 0% tariff access on all items export to India except only 25 items (i.e. alcohol, drugs, narcotics etc.) under SAFTA.

3.3.45.3 SAARC Agreement on Trade in Services (SATIS):

- a) The SAARC Agreement on Trade in Services was signed at the 16th SAARC Summit held in Thimphu in April 2010 with a view to expand cooperation in trade in services and further deepen the integration of the regional economies. The Agreement entered into force on 29 November 2012.
- b) All the Member States have ratified the Agreement and exchanged initial Offer Lists and Request Lists with a view to finalizing the Schedules of Commitments. In the meantime, Bangladesh has offered 02 Services Sectors (Telecom & Tourism) and submitted its Schedule of Commitments. Bangladesh has also requested all member States to liberalize ten Services Sectors: Accounting & Auditing, Management Consulting Services, Computer related Services, Telecom Services, Financial Services, Construction & Engineering, Education Services, Audio-visual Services, Courier Services and Maritime Services. Discussion and negotiations among the member states are going on for finalizing the Schedules of Commitments. Bangladesh would be benefitted in the area of investment and trade after implementation of the Agreement.

3.3.45.4 Asia Pacific Trade Agreement (APTA):

- a) The first regional agreement in the Asia-Pacific region, called "Bangkok Agreement", was signed in 1975. Then with its first amendment in 2005 the "Bangkok Agreement" was reorganized and renamed as the "Asia-Pacific Trade Agreement (APTA)". Its present Participating States are Bangladesh, India, Laos, South Korea, Sri Lanka and China.
- b) The 4th Round negotiation has been concluded and has been announced during the 4th Ministerial Council held in Bangkok, Thailand on 13 January 2017. Mongolia is in the process of formally acceding to APTA as a new member. The 4th Round negotiation on tariff concession has been implemented from 01 July 2018. Under the 4th Round products falling under 10,677 HS codes will get tariff preference for their export to the APTA Participating States.
 - i. Three Framework Agreements, (i) Framework Agreement on the Promotion and Liberalization of Trade in Services among the Participating States, (ii) Framework Agreement on the Promotion, Protection and Liberalization of Investment in the APTA Participating States, and (iii) Framework Agreement on Trade Facilitation in the APTA Participating States have been signed and ratified by the Participating States. Separate Working Groups have been formed for implementing the framework agreements at the earliest.

3.3.45.5 BIMSTEC Trade Negotiating Committee (TNC) Meeting

- a) The BIMSTEC Framework Agreement was signed in June 1997 and Agreement on FTA concluded in February 2004. Member countries are Bangladesh, India, Myanmar, Sri Lanka, Thailand, Nepal and Bhutan. Fast and Normal track methods are adopted in order to implement the duty reduction process under BIMSTEC agreement. In case of First Track products, non-LDCs are to open up their markets for the products of LDCs in 1 year and LDCs are to do the same for non-LDCs in 5 years. On the other hand for Normal Track products, non-LDCs are to open up their market for the products of LDCs in 3 years and the LDCs to follow 10 year schedule in order to open up their markets for the products of non-LDCs. Least Developed Member Countries of BIMSTEC FTA are to enjoy special and differential treatment.
- b) A BIMSTEC Trade Negotiating Committee (TNC) has been constituted to conduct negotiations on trade in goods, trade in services and investment. The Committee has undertaken negotiations on trade in goods, trade in services and investment. The BIMSTEC FTA on trade in goods was scheduled to enter into force from 1 July 2006. Negotiations on trade in goods are yet to be completed due to divergence in opinion. It has already held 20 meetings. 21st TNC meeting was held in Dhaka on 18-19 November, 2018.

3.3.45.6 Trade Preferential System among the OIC Members (TPS-OIC)

- a) TPS-OIC launched First Round on Trade Negotiations under TPS-OIC in April 2003. First Round was concluded in November 2005 with finalization of a protocol on Preferential Tariff Schemes for TPS-OIC (PRETAS). Bangladesh signed TPS-OIC (PRETAS) on 26th November 2006.

3.3.45.7 Preferential Trade Agreement (PTA) among D-8 Countries (D-8)

- a) Developing-8 is an arrangement for development cooperation among the member countries: *Bangladesh, Egypt, Indonesia, Iran, Malaysia, Nigeria, Pakistan and Turkey*. D-8 was officially established by the Summit of Heads of State/Government in Istanbul on June 15, 1997 (Istanbul Declaration). The objectives of D-8 are to improve positions of the developing countries' in the world economy, diversify and create new opportunities in trade. Bangladesh signed Preferential Trade Agreement (PTA) among D-8 Countries in 2006. But due to the fact that the PTA's Rules of Origin has 40 percent value requirements and Bangladesh is not considered advantageous, Bangladesh did not ratify D-8 PTA earlier. Bangladesh has finally ratified the D-8 FTA in November 20017.

3.3.45.8 EU-Bangladesh Business Climate Dialogue:

- a) EU-BD Business Climate Dialogue was held on May 19, 2016, with the representatives of the European Ambassador to the eight European countries and representatives of 5 Joint Chambers of Bangladesh. Representatives from 20 ministries and organizations were present in the meeting.
- b) In the meeting, 5 working groups based on the relevant sector were formed. In more than one meeting, the Working Group has identified investment and trade problems of EU-dominated countries in Bangladesh. Subsequently several rounds of Dialogue has been held on 4 October 2018 last.

3.3.45.9 Cross-border paperless Facilitation:

- a) The framework agreement on Facilitation of Cross Border Paperless Trade in Asia and the Pacific prepared by UNESCP has been signed by on 29 August 2017 where Bangladesh with this agreement, regional trade will be faster.

3.3.45.10 other preferences and arrangements

- a) Bangladesh remains a beneficiary under the GSP schemes, particularly the DFQF schemes of Australia, Canada, the European Union, Iceland, Japan, Montenegro, New Zealand, Norway, the Russian Federation, Switzerland, and the United States (until 2013).¹ It is also entitled to DFQF schemes provided by certain Members of the WTO, including China, Chinese Taipei, Chile, India, Kazakhstan, the Republic of Korea, the Kyrgyz Republic, Tajikistan, Thailand, and Turkey. Despite the current non-eligibility for the U.S. GSP, Bangladeshi exports to this market were sustained; the United States remains the second-largest individual country destination for Bangladeshi exports (Table A1.3) and in 2017, Bangladesh was its third-largest supplier of clothing (HS61, HS62).² Bangladesh has also been expanding its exports to the Canadian market, and considers this market's ROOs as one of the most flexible, thus facilitating apparel exports.³ Bangladeshi exports to China, under its LDC-specific scheme, have been limited. The utilization of India's LDC DFQF market access preference scheme by Bangladesh has also been limited, as it mainly trades with India under the SAFTA framework, and on an MFN basis. No data on the share of exports benefiting from GSP treatment from 2012 onwards were available from the authorities.

¹ The United States suspended Bangladesh from its GSP beneficiary list in June 2013, as it considers that the country does not meet all eligibility criteria. WTO online information. Viewed at: <http://ptadb.wto.org/Country.aspx?code=116>; UNCTAD (2015), *Generalized System of Preferences-List of Beneficiaries*, 1 February. Viewed at: http://unctad.org/en/PublicationsLibrary/itcdtsbmisc62rev6_en.pdf.

² UNSD Comtrade database.

³ *Dhaka Tribune* online "\$3 billion in exports from Bangladesh to Canada by 2021", 6 May 2018. Viewed at: <https://www.dhakatribune.com/business/2018/05/06/3-billion-exports-bangladesh-canada-2021>.

CHAPTER-4

IDENTIFICATION AND ANALYSIS OF THE STATUS AND BEST PRACTICES OF REGIONAL COUNTRIES ADAPTED TO FACILITATE BETTER BORDER MANAGEMENT

4.1 Introduction:

- a) International Border Agency Cooperation (IBAC) is a key element of the modern trade facilitation philosophy that seeks to make cross-border trade and logistics faster, cheaper and more predictable while ensuring adequate compliance and regulatory control over the traffic. International Border Agency Cooperation has already had a substantial positive impact on trade facilitation worldwide. The ongoing efforts border control agencies are realizing many benefits of inter-agency and international cooperation on border management matters. However, the research discovered several innovative activities that have not yet been exploited to their fullest potential, especially in the less developed parts of the world and the OIC community. For example, One-Stop Border Posts (OSBPs) seem a promising solution for facilitating cross border traffic at a local level between two neighboring countries. Investments in training and education are suitable ways for increasing general awareness of the benefits of Border Agency Cooperation. Pursuing regional recognition of border controls (e.g. security) and trusted trade programs (e.g., Authorized Economic Operators) and developing regional harmonization of trade regulations were found to be the most powerful tools for advanced economies to pursue trade facilitation. Also the establishment of common e-customs declaration systems and legal frameworks were found to be promising ways to strengthen Border Agency Cooperation at the regional level. There are several ongoing international Border Agency Cooperation initiatives. The international cooperation takes place at the bilateral, regional, and global levels. The research suggests that the regional (multi-lateral) cooperation has the biggest trade facilitation potential, over ad hoc bilateral arrangements and rather generic global initiatives. In any case, there is no best solution for promoting international Border Agency Cooperation: any national or regional strategy for BAC should consider the special characteristics and needs of the target context.
- b) The key thematic areas of Border Agency Cooperation include policy, process, people, technology, infrastructure and facilities. United Nations Economic Commission for Europe (UNECE) argues that advancing BAC requires efforts at many fronts: legal reforms to create a clear and transparent legal framework; organization to understand specific needs of different stakeholders; technology to enable electronic exchange of information; processes to make government and business processes more compatible; and people to train key personnel to implement the envisioned changes. The figure below illustrates the key differences between an uncoordinated and coordinated approach to border management

Figure 4.1 Differences between uncoordinated and coordinated border management

Uncoordinated	Coordinated
Little or no communication	Smooth flow of information
Duplicative control	Streamlined control
Conflicting requirements	Clarity in requirements
Separate functional silos	Cross functional collaboration

Source: WCO 2014

- c) There is no standard definition of BAC, and the concept is in fact known by many headings as shown in Table below. The World Customs Organization talks about Coordinated Border Management (CBM), the European Union about Integrated Border Management (IBM), the World Bank about Collaborative Border Management (CBM) and the Organization for Security and Cooperation in Europe (OSCE) about Comprehensive Border Management (CBM). Common to all approaches is that they seek to coordinate activities across a range of border control agencies.⁵ They might slightly differ in terms of scope and priorities, but these approaches align with the notion of Border Agency Cooperation, a term used in the WTO's Trade Facilitation Agreement.⁶

Table Concepts similar to Border Agency Cooperation

Concept	Definition	Source
Coordinated Border Management (CBM)	"A coordinated approach by border control agencies, both domestic and international, in the context of seeking greater efficiencies over managing trade and trade flows, while maintaining a balance with compliance requirements."	WCO 2014
Integrated Border Management (IBM)	"Covers co-ordination and co-operation among the relevant authorities and agencies involved in border security and trade facilitation to establish effective, efficient and integrated border management systems, in order to reach the common goal of open but controlled and secure borders"	European Commission 2007
Collaborative Border Management (CBM)	"In collaborative border management a virtual border encompasses the entire transport and supply chain, assessing goods and passengers for admissibility and clearance in advance of arriving at the physical border. Border management agencies work together, sharing information. As they gather, collate, and share more data, a complete view of risks and opportunities emerges, encouraging a knowledge sharing culture and a border management strategy built on proactive decision-making."	McClendon et al. (2011) / World Bank
Comprehensive Border Management (CBM)	"OSCE uses the term Comprehensive Border Management, which does not embrace the totalities of either Integrated or Coordinated Border Management, although it does contain elements of both as they apply to all 56 participating States."	OSCE 2012

Source: WCO 2014, European Commission 2007, World Bank 2011, OSCE 2012

4.1.1 Case Mexico-the United States

- a) The border between Mexico and the United States is the most frequently crossed boundary in the world, with approximately 350 million crossings and over five million cars and trucks traversing the border annually. The boundary is 3,142 km long and along the border there are ten states, four in the US and six in Mexico. The border area is of critical economic importance for both. Being Mexico the second largest destination of US goods and services after Canada, nearly 500 Billion USD worth of goods cross between the countries each year. Approximately 80% of this trade crosses the border via road and rail. In addition, the US imports from Mexico contain as much as 40% US content, which means that the goods often cross the border multiple times in the course of being turned into the final product. Such volumes mean that highly efficient ways of managing the border are compulsory.
- b) In this scenario, many initiatives related to BAC took place, the most relevant one is the **21st Century Border Management**: the Joint Declaration on 21st Century Border Management between the US and Mexico was signed in 2010. Its main objectives are: (i) enhancing economic competitiveness by expediting lawful trade, while preventing the transit of illegal merchandise between the two countries; (ii) facilitating lawful travel in a manner that also prevents the illegal movement of people between the two countries; (iii) sharing information that enhances secure flows of goods and people; and (iv) disrupting and dismantling transnational criminal organizations and penalizing their members and supporters.
- c) **Single Entry of Trade Data and Single Cargo Inspections**
- d) The 21st Century Border Management initiative is focused on expediting the process of migration and movement of all goods that pass through the US–Mexican border. Both governments expect to collaborate and coordinate in the pre-screening, clearance and inspection of people, goods and products. The objective is to intercept dangerous individuals, goods and contraband while alleviating congestion. Furthermore, under this initiative, the standardization of a single entry of trade data is expected (importers and exporters only provide information once), reducing the administrative burden and the cost of trade.
- e) **Agricultural products and food safety**
- f) In June 2015, the Mexican Secretariat of Agriculture, through the National Health Service, Food Safety and Quality and the US Department of Agriculture signed a letter of intent to formalize cooperation for developing mutually compatible electronic certification systems for plants and animals. This arrangement aims to provide increased compliance for the import and export of agricultural products and enhance food safety and bilateral trade.
- g) **Risk management and information sharing**
- h) The 21st Century Border Management Joint Declaration establishes several areas for collaboration and coordination in risk management: (i) joint assessments of threats, development of a common understanding of the operating environment, and joint identification of geographical areas of focus for law enforcement operations; and (ii) the development of complementary risk management strategies aimed at separating high-risk and low-risk shipments and individuals.
- i) **Infrastructure development**
- j) Equipment and tools: the Merida Initiative has donated different equipment with the aim of facilitating work in the borders, such as the detection of illicit trade goods. This equipment includes: (i) scanners, X-ray machines and other non-intrusive inspection equipment that will enhance the Mexican government's ability to detect illicit goods at internal checkpoints and ports of entry; and (ii) nearly 400 dogs trained in the detection of narcotics, weapons, explosives, ammunition, currency and human remains to the federal police, the Office of the Attorney General and customs.

- k) **Public works infrastructure:** both countries also have joint investment in infrastructure. For example, the West Rail Bypass Bridge at Brownsville-Matamoros between Texas and
- l) Tamaulipas was opened in August 2015, being the first international railway bridge between the two nations in 100 years.
- m) **Telecommunication infrastructure:** also under the Merida Initiative, a secure, cross-border telecommunications system between ten border cities has been established. This system provides the capability on both sides of the border to request and exchange information regarding active criminal investigations.
- n) **Trusted trader programmes**
 - o) In 2014, the US and Mexico signed a mutual recognition of trusted traders document. The objective is to grant special privileges to those companies that are certified by the corresponding authority in order to have their trucks at the front line at border crossings.

4.1.2 Case Zambia-Zimbabwe

4.1.2.1 Highlights:

- a) The main border crossing between the two countries is called Chirundu Border Post. One-Stop Border Post (OSBP) between Zambia and Zimbabwe is considered to be the leading OSBP in Africa, with a high-degree of practical cooperation in place.
- b) Reported OSBP benefits in Chirundu include (i) improved clearance time of less than a day, (ii) reduced cost of doing business, (iii) information sharing among border agencies and (iv) drastic reduction of fraud, among several other benefits.
- c) The main objective of the Chirundu OSBP is to improve efficiency in border management and operations, thus reducing the time and cost of crossing the border. Its specific objectives are the following:
 - 1) To combine the activities of Zambian and Zimbabwean border agencies at a single location by redesigning the border infrastructure and establishing a Common Control Zone (CCZ);
 - 2) To reduce the number of stops and period of stopping in cross-border trade and transit transactions;
 - 3) To streamline procedures and systems and establish a framework for joint processing, thereby enhancing trade facilitation and reducing the waiting time and cost of passing through the Chirundu border; and
 - 4) To simplify traffic flow and facilitate easy movement of commercial and passenger traffic, thereby preventing traffic jams.

4.1.3 Case Vietnam-Laos BAC

4.1.3.1 Highlights

- a) The cooperation in Laobao-Dansavanh border crossing point builds on the Greater Mekong Sub-region Economic Cooperation Program-Trade and Transport Facilitation initiatives-The Cross Border Transport Agreement (GMS CBTA)-since the year 2005. Key achievements until today include: (i) advanced participation of key border enforcement agencies in the two countries including customs, border guard, police, immigration and quarantine, (ii) improved enforcement and faster and easier clearance and (iii) increased inbound and outbound volumes of trade in goods and traffic in vehicles.
- b) As a landlocked country Laos is dependent on the transit traffic from and to Vietnamese ports. Also the Vietnamese industry relies on a variety of raw materials and mining products originating in Laos. In fact, the trade between the countries has increased significantly over the past years. The two countries form part of the East-West Economic Corridor of the Greater Mekong Sub-region (GMS). The border

crossing point (BCP) Laobao-Dansavanh connects the provinces of Quang Tri in Vietnam and Savanakhet in Laos. These border crossings play a very important role in enhancing trade and investment flows between Vietnam and Laos and also between Thailand and Myanmar. It is important for both Laos and Vietnam to improve the cross-border control cooperation at the Laobao-Dansavanh BCP in order to promote the flow of goods transiting via Vietnam.

4.1.3.2 Legal framework

- a) The cooperation in the Laobao-Dansavanh border crossing point builds on the Greater Mekong Sub-region (GMS) Economic Cooperation Program, which is a key initiative of the Asian Development Bank (ADB), initiated already in 1992. The GMS Cross Border Transport Agreement (CBTA) is one of the pillars of the Trade and Transport Facilitation initiatives under the GMS program. The GMS CBTA provides a single legal instrument for facilitating cross border movement of goods and people and was implemented in the Laobao-Dansavanh border crossing point (BCP) in 2005. In addition to the GMS CBTA, the legal framework of the Laobao-Dansavanh BCP constitutes a wide range of agreements and MoUs between the national and functional agencies implemented between years 2005 and 2014.

4.1.3.3 Operational set-up

- a) The model started operations on 25 December 2014 and was officially launched on 6 February 2015. Each party established an inter-agency control station (ICS) and a common control area (CCA) for conducting documentary and physical inspections of goods, passengers and vehicles crossing the shared border. Personnel from the two countries assigned to work at CCA include personnel from (i) Coast Guard, Customs, Plant Guarantee and Animal Guarantee for Vietnam and (ii) Customs, Immigration Police and Quarantine Officers (CIQ) for Laos. For the goods and vehicles inbound to Vietnam, joint inspections are conducted by the Vietnamese Customs, border guard officers, the Laos' customs and immigration police officers. On the Laos border, these inspections are carried out by the Vietnamese Customs, border guard and the Laos customs officers.
- b) Submission, lodgment of customs declaration form and other supporting documents and conducting of customs clearance procedures of customs administrations are to be done at the inter-agency control station (ICS) in the country of entry, instead of the ICS in the country of exit. If goods and vehicles are subjected to physical inspection by customs administration of one party, the customs administration of the other party will conduct the joint physical inspection simultaneously or almost simultaneously at the Common Control Area (CCA).

4.1.3.4 Organization and Personnel

- a) The Vietnamese and Lao customs, Vietnamese border guards, the Lao police, quarantine and immigration appoint officials to work at both the common control area (CCA) of Laobao and Dansavanh. For example, the sub-department of the Laobao customs assigns a competent team of customs officers cooperating with the Laos customs officers to conduct joint physical inspections as well as to execute customs clearance procedures for goods and vehicles coming into Laos from Vietnam. Regulations on task divisions, working hours, labour policies and legal organizations are stipulated fully in an arrangement between the Vietnamese and Lao Ministries of Finance

4.1.3.5 Information Technology and Automated Customs System

- a) In general terms, the customs clearance procedures are applied for goods and vehicles in the country of entry. In particular, the procedures are carried out with the Vietnam Automated cargo clearance system (VNACCS) for the goods and vehicles declared by the Vietnamese owner and with the ASYCUDA for the Laos declarations. It has been noted that the two systems-ASYCUDA for Laos Customs and for Vietnam Customs-do not interface.

4.1.4 The economic subsystem of Central America is comprised of six countries: Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama. Some 32% of the intra-regional trade takes place between these countries

- a) To create a BAC model adjusted to the Central American context. It aims to promote coordination between the public and the private sectors in order to improve tax collection procedures, control, border security and facilitation of transit of goods and people. This Central American BAC model is based on the following eight pillars that need to be achieved in the medium and long term:
 - 1) Adoption of international standards that aim to improve information exchange between the authorities by implementing international standards.
 - 2) Information interoperability, where the objective is to improve control, institutional coordination and reduction of trade procedures by exchanging information between the corresponding authorities.
 - 3) Comprehensive risk management that aims to reduce physical intervention by improving and using risk analysis involving the participation and cooperation of all the customs control institutions and the private sector.
 - 4) Reliable operators have the objective of reducing the fiscal risk and increasing supply chain security by certifying reliable operators and mutually recognizing their AEOs.
 - 5) Quarantine control that reduces time and cost at borders and increases commercial flow through the region.
 - 6) Integration procedures and control aim to implement a border control process that defines the sequence and mode of action and compulsory intervention of control institutions of both countries, following a management based on risk profiles, advance electronic information and joint inspection at the border.
 - 7) Infrastructure and equipment that respond to the operational demands of each border post.
 - 8) Border community and security, which would ensure that the areas surrounding border crossings have an economic and social environment that facilitate proper functioning and sustainability.

4.1.5 Regional initiatives

4.1.5.1 Gulf Cooperation Council

- a) Perhaps the most relevant regional initiative within the Arab region is the Gulf Cooperation Council (GCC). The GCC provides a highly relevant platform for BAC, with some best demonstrated practices and important achievements. The Cooperation Council for the Arab States of the Gulf, more commonly known as the Gulf Cooperation Council, is a regional economic and political union established in 1981. It comprises six Arab states on the Persian Gulf, namely Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the UAE. The GCC has taken steps to establish a monetary union and has launched economic projects to promote integration.
- b) The GCC demonstrates advanced collaborative arrangements between customs administrations under the GCC Customs Union that was established in 2003 and has been operational since 2015. The Customs Union demonstrates many forms of cooperation, such as a single entry point system for imported goods, common customs regulations and procedures, common rules for calculation of customs value of foreign goods, and so forth. In addition, there are provisions for sharing customs expertise through the exchange of customs officers and through common training programs.

4.1.5.2 Association of South East Asian Nations

- a) The Association of Southeast Asian Nations, or ASEAN, is a well-established economic and political organization founded in 1967. ASEAN's key objectives are to

accelerate economic growth, social progress, and sociocultural evolution among its members. From ASEAN's ten members, three belong to OIC nations, namely Indonesia, Malaysia and Brunei. The fundamental objectives of ASEAN include the creation of a single market and strengthening cross-border security. Effective cooperative arrangements and enhanced information exchange across border control authorities will enable the realization of these ambitious goals. ASEAN has already geared efforts towards the harmonization of standards, and transparency, amongst other things. In the framework of the ASEAN Free Trade Agreement (AFTA), there is focus on customs modernization and standards, as well as technical regulations. Other trade facilitation measures include the establishment of the ASEAN Customs Agreement, the ASEAN Framework Agreement on the Facilitation of Goods in Transit, the ASEAN Framework Agreement on Multimodal Transport, the implementation of the ASEAN Framework Agreement on Mutual Recognition Arrangements, and the ASEAN Single Window Agreement.

4.1.5.3 BAC in Kazakhstan: Taking benefit of regional cooperation

- a) Border Agency Cooperation efforts in Kazakhstan build on the cooperation among the Eurasian Customs Union, a single market alliance between five former Soviet states: Armenia, Belarus, Kazakhstan, Kyrgyzstan and Russia. The same way as the EU Customs Union, the Eurasian Customs Union seeks to strengthen the Eurasian single market by removing barriers for free regional movement of goods, services, capital and people. Operational since 2015, the Eurasian Customs Union imposes a common external tariff on goods from third countries. There are no customs posts between the members of the Union, and the members have agreed on common rules regarding sanitary and phyto-sanitary standards for food and agricultural products. The recent economic downturn, however, has slowed down the pace of integration and trade facilitation in the Union.

4.1.5.4 Case Uganda

I. Highlights:

- a) Recently-established One-Stop Border Post (OSBP) at the Uganda-Kenya border makes cross-border trade and travel faster, more reliable and cost-effective.
 - b) Uganda and countries of the East African Community (EAC) have reduced the complexity of cross-border trade and logistics by harmonizing regulations concerning food and agricultural products, simplifying certificates of origin and by establishing a trade helpdesk.
 - c) The World Customs Organization supports Uganda and other EAC countries in launching a regional Authorized Economic Operator Program (AEO)
- I. The Customs Management Act of the East African Community (EAC) Customs Union sets the basis for customs operations in Uganda. The East African Community comprises Uganda, Kenya, Tanzania, Rwanda, Burundi and South Sudan (since April 2016). The Customs Management Act provides the baseline for cooperation of the respective authorities in customs matters-including trade facilitation issues, standards, plant and animal health, human health, statistics and security-in the six member countries. Over the past two years, customs administrations of Rwanda, Uganda and Kenya have successfully strengthened their collaboration, especially regarding cross-border movement of goods and customs clearances. Customs authorities in these countries have launched common customs modernization programs, common electronic cargo tracking systems and regional Authorized Economic Operators (AEO) programs. They are also working on elimination of duplicate security checks and to make operational *One-Stop Border Posts (OSBP)*. These initiatives have lowered trade barriers between these countries, through reduction of customs bureaucracy and security-related road blocks along the Northern Corridor, for example. To realize further trade facilitation benefits, the

countries have also harmonized axle road control measures at weigh bridges, removed cash bonds, as well as arranged 24/7 opening hours at all border crossings. These initiatives have resulted in reduction in cost of transporting a container from Mombasa to Uganda from about 3,375 USD to about 2,300 USD (saving of 1,075 USD). Besides, the time of moving a container from Mombasa to Kampala has shorted to four days, from earlier 18 days.

II. The initiatives have also facilitated collection of trade statistics.¹³⁶ Uganda has been implementing a program on elimination of non-tariff barriers (NTB). The program which started in 2012 is coordinated by the Ministry of Trade, Industry and Cooperatives, involving all key border agencies, with a “stake in trade facilitation”. Strategic aspects of this cooperation include the following:

- 1) Establishment of an information exchange facility,
- 2) Development and implementation of a communication and advocacy strategy for eliminating non-tariff barriers to trade,
- 3) Institutional coordination for removal of NTBs – an EAC NTB elimination Act/ law has been enacted and is under development in Uganda,
- 4) Re-alignment of national laws and regulations, and
- 5) Initiatives for introduction of a Single Window system.

II. Working principles and practices:

a) To realize the cooperation between Ugandan and Kenyan Customs as well as with other authorities in the two countries, multiple approaches to organize the work have been introduced and implemented:

- 1) Placing officers from all authorities physically together to handle the work. The most visible example can be seen at the two immigration counters: one for Uganda (with a Ugandan officer) and one for Kenya (with a Kenyan officer). The two officers see each other and can communicate with each other. Between the two desks there is a way leading out of the building; thus no-one can leave without been seen by the officers.
- 2) Joint examinations and accepting each other's work. An example is the way of working between the Ugandan National Bureau of Standards and the Kenyan Bureau of Standards. In a MOU, both national authorities agreed on joint examinations and accepting each other's work. Documentation and certificates marked by one of them after examinations are accepted by the other authority. This is enabled by the harmonized legislation within the EAC.
- 3) Automating the work. For the clearance process, Uganda uses the ASYCUDA World system. Next to Customs, all other agencies are linked to the system, with the aim to cover all aspects from different legislations in the treatment of declarations. Also the banks are linked to the system to guarantee that the border taxes are paid in full before releasing the goods. For the treatment of declarations, the system distinguishes the following four channels:
 - o Green channel. No action / Release of goods.
 - o Red channel. Physical examination of goods before release. In case there is the need of a physical examination, these examinations are done by a team composed of Customs from Uganda and Kenya and all other agencies that are needed.
 - o Blue channel. Release of goods, followed by post-clearance audits.
 - o Yellow channel. Some documentation has to be completed before release of the goods.
- b) Granting access to the IT-systems. Kenya uses for its declarations an own system called Simba, while Uganda uses the ASYCUDA-system. Both countries provide direct IT-system access to the neighboring officers.¹⁴⁰ □ Centralized clearance in Mombasa, Kenya: Next to the clearance at the borders, EAC introduced from 2015 a new way of clearance, the Single

Customs Territory (SCT) system. Goods that are entering the EAC in Mombasa, Kenya are cleared in there even if the goods are destined for Uganda. To make this happen, Ugandan officers are working in Mombasa side-by-side with their Kenyan counterparts. In addition, the Ugandan Bureau of Standards, Veterinary and agricultural authority, and the Drugs authority, among others, are present in Mombasa.¹⁴¹ Goods that are cleared and released in Mombasa can be monitored in a regional cargo tracking system. The tracking system comprises of satellite connections, a central monitoring centre and special electronic seals fitted on cargo containers and trucks, which give the precise location of goods in real time. Finally, regarding the procedures at the Kenyan Ugandan border: trucks with centrally-cleared shipments don't have to stop at the border to fulfill any formalities. Next to Uganda and Kenya, also Rwanda is using this system today.

III. Authorised *Economic Operators*:

- a) For cargo from regional AEOs crossing the border, there is a non-stop procedure in place. Corresponding to a cargo having had a central clearance in Mombasa, there is in fact a stop that does not require filling in any documentation. For national AEOs importing goods in Uganda, there are no physical examinations at the border; instead, all checks are done as Post Clearance Audits. These benefits are based on the risk analysis done in the validation process for getting the status of AEO. Sensitive goods: Uganda Customs is using a list of sensitive goods – e.g., cigarettes in the past were escorted by Uganda Customs to their final destination. Now there is an electronic cargo tracking system, and electronic seals together with GPS technology are used for monitoring purposes. The plan is that this system will be used across the EAC in the future. Cross-border communities: Uganda Customs is facilitating the cross-border communities by the following means:
 - 1) A national ID is accepted as a sufficient document for cross-border travel,
 - 2) A simplified certificate of origin for goods below a value of 2,000 USD is in use,
 - 3) A simplified declaration can be produced, entered in the ASYCUDA system by the Customs officers and
 - 4) Meeting space is being offered at the Customs building. Cross-border trade associations: Uganda Customs is facilitating the work of the trade associations by:
 - 5) Offering space in the OSBP Buildings,
 - 6) Providing information that is needed by traders and
 - 7) Delivering training on how to complete customs declarations.

4.1.5.5 Case *Malaysia*

I. Highlights:

- a) Malaysia has a powerful national government-industry body, Special Task Force to Facilitate Business (PEMUDAH), to promote trade facilitation. The body provides an open forum for interactive discussion and a platform for pilot projects.
- b) Malaysia has strengthened collaboration across different border control agencies to step up the fight against cross-border drug trafficking and people smuggling as well as to improve enforcement of the country's territorial waters

□

- c) Malaysia would benefit from a broader international recognition of its national AEO program and air cargo security regime
- d) At the policymaking level, the Ministry of International Trade and Industry (MITI) sets general directions for achieving goals of International Trade and Industries. MITI also co-manages many important working groups on trade facilitation, including the *Focus Group on Trading across Borders (FGTAB)* and the National Logistics Task Force with Customs. FGTAB has three focus areas that need improvement: reduce the number of documents and clearance times, reduce the cost of international trade, and computerize all processes related to trade. Focus Group on Trading Across Borders (FGTAB) has facilitated several important initiatives over the past few years:
 - 1) The design of new Standard Operating Procedures to help customs inspection systems and to expedite the import-export
 - 2) The establishment of the Malaysian Authorized Economic Operator (AEO) program
 - 3) The launch of the Customer-Centric Service Delivery initiative that seeks to reduce the administrative burden of customs clearance and to improve quality of the overall customs service.
 - 4) The setting up of a program for identifying reliable customs brokers and forwarding agents.
- e) The Malaysian government engages also the private sector in trade facilitation discussions and initiatives. Much of this government-industry collaboration takes place at the Focus Group on Trading across Borders (FGTAB), a form of public-private partnership coordinated by the Special Task Force to Facilitate Business (PEMUDAH). PEMUDAH involves many working groups (e.g., on efficiency and trading across borders) that provide a forum for an open interactive discussion.

II. Towards regional e-clearance systems

- a) Malaysia is currently developing a new electronic single window system called “uCustoms.” This national single window will connect all relevant Malaysian border control agencies, providing trading companies a single-point access to government services. The Malaysian national single window paves the road towards a future regional ASEAN single window. The ASEAN member countries are developing some elements of the regional single window, but the project is at an early state. Capacity building efforts of the World Customs Organization (WCO) are strongly supporting the development of the ASEAN single window.

4.1.5.6 Mutual recognition (MRAs) of Authorized Economic Operator (AEO) programs

- a) The Malaysia customs has run a fully operational Authorized Economic Operator (AEO) program since January 2010. Currently, there are 56 AEO-compliant companies: exporters, importers, and manufacturers. The current Malaysian AEO focuses exclusively on customs matters, not on security that is a part of many AEO programs worldwide (e.g., the US Customs Trade Partnership Against Terrorism and the EU AEO-S). At the ASEAN level, many member countries already have operational national AEO programs, and those few countries without AEOs have pledged to launch their own programs soon¹⁶⁶. Although there are no practical projects pursuing regional recognition (MRA) of these AEO programmes, the ASEAN countries are, in principle, committed to promoting mutual recognition of AEO status and customs controls¹⁶⁷. So far, however, the Malaysian customs does not have MRAs with any ASEAN country. Even so, Malaysia signed MRAs with Japan¹⁶⁸ in 2014 and Hong Kong¹⁶⁹ in 2016. Malaysian customs expect to

have more MRAs soon, with Thailand for example, and they are also negotiating with the US, China and the EU.

4.2. Identification of Good Practices Utilized Elsewhere (In Terms of Organizations, Rules, Regulations, Handbooks/Guidelines) To Facilitate Collaborative Border Management with Special Reference To Norway And Sweden/EU Border

4.2.1.1 Background:

- a) With 57 participating States in Europe, Central Asia and North America and 11 Asian and Mediterranean Partners for Co-operation, the **Organization for Security and Co-operation in Europe (OSCE)** is the world's largest regional border security organization. On the other hand The **United Nations Economic Commission for Europe (UNECE)** is one of five regional commissions of the United Nations. Its principal aim is to promote *Pan-European Economic Integration*, which it pursues by bringing together 56 member States from the European Union, non-EU Western and Eastern Europe, South- Eastern Europe and the Commonwealth of Independent States (CIS), and North America. **OSCE/ UNECE Handbook of Best Practices at Border Crossings: A Trade and Transport Facilitation Perspective** is intended for use as a practical guide both for government agencies and for the private sector bodies that are the “users” of border crossing points. Throughout the Handbook, pragmatic advice regarding the development of new border-related policies and the introduction of new best-practice procedures and technologies is complemented with actual operational examples. All Customs authorities will find a number of recommendations that will improve their work and will facilitate trade and cross border transport. Although best practices are offered as “guidelines”, the Handbook cannot be used simply as a “checklist” as the policies, processes and technologies described have to be integrated and adapted to the particular needs of each OSCE participating State/UNECE member State. The Handbook covers the following topics: relevant legislation, legal issues, the role of international organizations, comprehensive border management, participation of and collaboration with users from the private sector, trade facilitation and security, freight processing and goods control policies, risk management, border design, information and inspection technologies, human resource management, financial management, and, finally, performance indicators and benchmarking. The Handbook is divided into the following areas

4.2.1.2 Trade and Customs: The International Legal Framework:

- a) Provides an overview of the existing legal framework surrounding international trade, Customs and border management. It briefly introduces some of the key conventions and arrangements that make up the international legal framework in this field, including the World Trade Organization (WTO) Agreements, the WCO's Revised Kyoto Convention and SAFE Framework of Standards, and the UNECE International Convention on the Harmonization of Frontier Controls of Goods. Consideration is then given to trade agreements such as preferential trade agreements and free trade agreements, with a number of existing multilateral and bilateral examples.

4.2.1.3 From Domestic to International Cooperation:

- a) Increases in cross border transactions and in the importance of global trade for national economies are compelling present-day governments to develop more efficient border management processes. Increasingly, border agencies are developing mutual co-operation and partnerships in order to rise to the new challenges posed by globalization. It presents the OSCE's Comprehensive Border Management Concept, looks at domestic co-operation issues, and then moves on to examining aspects of international cooperation. **Integrated Border Management (also known as “Coordinated” or “Collaborative” Border Management), the “Single Window”, the Single Administrative Document (SAD), and the one stop border crossing** are the good practices for many developing countries are also prescribed here.

4.2.1.4 Balancing Security with Trade and Transport Facilitation and Developing Partnerships with Private Industry:

- a) Government has been trying to find a better balance between security and trade facilitation. Currently, many countries are tailoring and implementing measures to secure their borders. However, if the closing of borders to illegal traffickers also entails their being closed to legitimate traders and businesses, such measures have a negative effect. Governments must therefore find a better balance between securing their borders and facilitating lawful trade. It also describes a number of border security measures currently in use, and then examines several methods for facilitating trade and establishing partnerships between trade and government. As a whole, it offers a comprehensive and integrated “whole of government” approach to border crossing point management methods and policy development.

4.2.1.5 Processing of Freight: Policies for Control, Clearance and Transit:

- a) According to the policies that are followed, there can either be long queues and delays at a border, or cross-border transactions can be fast and safe. This has an impact on overall trade levels. Inefficiency and out-of-date procedures not only prevent effective revenue collection and pose a risk to security: they also discourage foreign trade. In a competitive international business environment, the international private sector is discouraged from conducting business or investing in a country where goods cannot move safely and quickly across borders. Effective controls, clearance and transit can link national industries to the global supply chain and constitute an attractive feature for direct foreign investment.

4.2.1.6 Risk Management and Selectivity:

- a) Risk Management approach is a deviant from the traditional transaction per-transaction document checks and physical inspection techniques and, instead, adopting a risk-based management approach. Risk management is a tool for distinguishing compliant and legitimate businesses from potentially non-compliant traders. It allows Customs and border agencies to focus their resources on the latter and on transactions that possibly pose a risk. It examines the nature of Customs risk, describes the risk management process, and finally looks at methods for developing and implementing risk management.

4.2.1.7 Options for the Design of Border Crossing Points:

- a) Border crossing point (BCP) should provide for efficient processing of lawful traffic, have facilities for detecting violations, but at the same time offer a good image of the State it is representing. While there is admittedly no universally applicable best-practice design for BCPs, the design varies from the layout, construction, renovation, repair and maintenance practices followed in various countries, and also offers design layout options for BCPs both large and small.

4.2.1.8 Information and Communication Technology and Non-Intrusive Inspection:

- a) Role of ICT (information and communications technology) in border management considers focuses to look at national challenges and specificities, before considering software packages and describing some of the hardware and software available. It introduces the *WCO Data Model, the Single Window, and other data technologies available* today. It also devoted to detection equipment, scanning and non-intrusive inspection, and a strategy for automating border management. People are an organization’s greatest asset” is an assertion constantly heard in all areas of life today.

4.2.1.9 Human Resource Management:

- a) In the backdrop of outdated HRM management (work of Customs and border agencies consisted primarily of manually inspecting vehicles, cargo and vessels), the hand book shows how it can be put into practice new technology and skills, the focusing more on information management. The process is structured around the first five of a six-step process for developing an HRM strategy. Within each step are

shown examples of issues to be addressed and, where possible, best practices and case studies from the Customs/ border agencies field. The sixth step, “Assessing and sustaining organizational competence and performance” is dealt with on performance measurement and benchmarking.

4.2.1.10 Measuring Border Agencies’ Performance: Possibilities for Benchmarking:

- a) It asks the question: “How are you doing at your border crossing points?” If you as a border authority were asked this question, would you be able to answer it? The question implies that you have a level of knowledge about your border operations that goes beyond a simple awareness of the processes being carried out. Both performance management and benchmarking processes must be in place if the question is to be answered effectively.

4.2.2 Border Management -Sweden and Norway:

4.2.2.1 Legal Framework:

- a) As a member of the European Economic Area (EEA) and the Schengen Agreement, Norway participates in the four EU freedoms, but is not a member of the EU Customs Union. As such, Sweden’s border with Norway is the EU’s external customs border with requirements for customs controls at the border. This means that Norway’s standards for most goods mirror those of the EU, allowing the *movement of goods with minimum compliance controls*. As the EEA agreement excludes the EU Common Agricultural Policy and Common Fisheries Policy, Norway applies quotas, tariffs and other controls for some agricultural and fisheries imports from the EU . Formal cooperation on customs matters between Norway and Sweden dates from the Helsinki Treaty of 1962. An earlier convention established the right of Nordic citizens, including those of Sweden and Norway, to travel between Nordic countries without a passport. As both Sweden and Norway are parties to the Schengen Agreement, non-EU and Norwegian citizens are not normally required to present for passport control, although identity controls have been stepped up from time-to-time, including for EU and Norwegian citizens. On Sweden’s accession to the EU in 1995, an agreement was signed between the European Community and the Kingdom of Norway on customs cooperation. This agreement allowed Sweden and Norway to reach administrative arrangements on customs cooperation.

4.2.2.2 Border trade and cross border traffic:

- a) The border between Norway and Sweden is approximately 1,600 kilometers long with more than 80 crossings. Only fourteen of these crossings have customs offices. The value of trade exports between Sweden and Norway is considerably higher than between Ireland and Northern Ireland (see Table).

Table-4.1: (2016) Exports in goods between Sweden and Norway

Export	Value In Million Euros
Sweden to Norway	59 13,013
Norway to Sweden	5,521
Monthly Number of Heavy Goods Vehicle crossing at five major border	1,18,000 (average daily traffic 3,890)
Estimated monthly car crossing a busiest border crossing points	4,25,000 (average daily 14,000 vehicle)

Source: European Central Bank, Euro foreign exchange reference rates, average for 2016 Statistics Sweden foreign trade and Norway External Trade in Goods 2017

- b) Car traffic is driven mainly by cross-border shopping from Norway to Sweden and day visits with an estimated 9.5 million individual visits from Norway to Sweden being made in 2015(only 7,069 trips for the same reason were made in the opposite direction). Approximately 27,000 Swedes commuted to Norway for work in 2016 and 864 Norwegians commuted to Sweden for work in the same year.

4.2.2.3 Border Operations:

- a) The Sweden Norway Customs model is considered the most advanced customs solutions in the world, as it is the only model that uses all the basic modern components of the international standards from the World Customs Organization. *It is also fully compatible with the World Trade Organization Trade Facilitation Agreement.* In addition, it has been operationally tested for several years and it is, from a technical customs perspective, already working on an EU border. *The legal framework for border operations is given expression in the Swedish and Norwegian customs regulations.* The regulations mirror each other in respect of the border crossings between Norway and Sweden.
- 1) The regulations allow for:
 - 2) The creation of a 15 kilometer control zone on either side of the border where customs controls can take place;
 - 3) That controls can be carried out by the customs authorities of either country on in accordance with their own customs regulations (this includes EU customs regulations for Sweden);
 - 4) That customs controls can be undertaken on the other country's behalf
 - 5) The goods to be declared must pass through a customs location;
 - 6) The sharing of information between Norwegian and Swedish customs.
- b) Both Norway and Sweden *have Authorized Economic Operator (AEO) programs* with Sweden's AEO programs having 289 companies under the three EU classifications. Norway has only 27 participating companies in its AEO programme. The EU and Sweden have Mutual Recognition Agreements (*MRA*). In addition, transport permits issued by Swedish and Norwegian customs allow goods to be transported over unmanned border crossings based on a number of conditions, including the submission of electronic-only declarations. With only fourteen manned customs posts along the border, regulation on shared controls allows border posts to be manned by only one country's custom authority.
- c) Both Sweden and Norway allow for customs to represent most other relevant agencies at the border (e.g. food health and agriculture agencies) and *operate national single windows for submission of customs and other agency information requirements (e.g. permits).*
- d) Norway and Sweden require the *provision of a summary declaration (i.e. pre-arrival information) at least one hour prior to arrival at the border.* Most goods traffic travelling across the border are **cleared, on average, within 3-9 minutes**, with longer waiting times at peak periods. These regimes release prior to clearance.
- e) In both Norway and Sweden businesses *can apply to participate in deferred duty payment regimes and the payment of VAT can also be incorporated into a company's VAT account for later payment.* To facilitate this process a full declaration must be made within a defined period of time after the goods have been released (in Norway this is ten days).
- f) *A small percentage of goods are selected for documentary control or physical control* by customs. The approach to controls taken by Swedish and Norwegian customs is heavily risk-based, relying on risk-management technology to identify those vehicles to undergo documentary or physical checks.
- g) In order to facilitate this fast movement when physical controls (i.e. checking of the goods) does take place, vehicles selected for physical controls pass through a scanner first and only undergo further physical controls if necessary.
- h) Heavy investments have been made in technology to facilitate the shared operations. *Pre-arrival information and declarations are submitted electronically (with no*

supporting documents) and are then visible to both customs agencies to facilitate clearance by the country's operating a particular border crossing.

- i) In 2011, Norway commenced the *use of automatic number plate recognition (ANPR) cameras along border crossings* that do not have either Norwegian or Swedish customs posts. These are used to identify suspicious vehicles and have been used to detect customs violations. The ANPR system is linked to a national motor registry database enabling checks on vehicles and Norwegian customs are reported as stating that they plan to integrate ANPR technology into customs systems allowing goods vehicles to pass through the border without stopping if they have submitted a declaration and been cleared. In 2016, 4% of total import declarations into Norway and 13% of total declarations into Sweden were subject to documentary or documentary and physical controls.

4.3 Comparison Between Bangladesh And Other Regional Countries Such as India, Nepal And Bhutan In Implementation Of Different International Rules, Regulations, Laws, Conventions, Agreements And Better Practice For Cross Border Management

4.3.1 South Asia Sub-Regional Economic Cooperation (SASEC):

- a) One key feature of international trade in recent years has been the rise of multistage production networks-across regions and across the globe-in which firms fragment manufacturing processes by locating individual production stages in the countries where they can be performed at least cost. Trade facilitation will have an important role to play in the movement of goods all the way from the factory or warehouse gate to the end user. Trade facilitation can be defined in multiple ways, including focusing exclusively on *border procedures, establishing standards and conformance requirements, and improving logistics and strengthening infrastructure to move goods domestically and across borders*. A "new generation" definition of trade facilitation emphasizes reducing the time, cost, and uncertainty involved with international trade. In an era of global supply chains, it is important to look at trade facilitation from the perspective of what happens at the border as well as what happens beyond the border.
- b) Recognizing the importance of trade facilitation, the South Asia Sub regional Economic cooperation (SASEC) Program has made it an operational priority, with the goal of increasing participation in regional and global markets through improvements in trade processes in accordance with international standards and best practices. However, the successful implementation of trade facilitation initiatives requires overcoming significant challenges. Establishing transparent and streamlined trade processes and procedures that are on par with international standards and best practices under the World Trade Organization's Trade Facilitation Agreement (WTO TFA) will be essential for the sub region to integrate further with global production networks.
- c) Through the SASEC Program, the Asian Development Bank (ADB) is working to address constraints and roadblocks to trade facilitation. Examples of ADB support include among others, policy-based loans in Bangladesh, Bhutan, and Nepal anchored on the Revised Kyoto Convention and the WTO TFA; a national single window project in Maldives; the pilot *testing of an electronic cargo tracking system in Bhutan, Nepal, and India*; and capacity building for customs authorities across the sub region.

4.3.2 South Asia Sub regional Economic Cooperation Program

- a) The SASEC program, which was launched in 2001, provides a vision of boosting intraregional trade and cooperation in South Asia, developing Borders without Barriers: Facilitating Trade in SASEC Countries connectivity, and increasing trade with Southeast Asia (through Myanmar) and global markets, individual SASEC

countries have pursued diverse paths toward that vision and the promotion of trade facilitation.

- b) As a subset of the South Asian Association for Regional Cooperation, the South Asian Growth Quadrangle—which consists of Bangladesh, Bhutan, India, and Nepal—was formed in April 1997 with the need to accelerate sustainable economic development through regional cooperation with regard to the environment, energy and power, trade and investment, transport, and tourism. At the request of the South Asian Growth Quadrangle, ADB initiated the SASEC program to further expand opportunities and enhance economic linkages. ADB has served as the Secretariat for the SASEC program since its inception. ADB's support for the SASEC sub region is well aligned with Strategy 2030 and its previous corporate strategies.
- c) Under the ongoing operational plan guiding SASEC activities, trade facilitation takes a two-track approach. One is to identify issues of common interest at the sub regional level and identify the necessary interventions to address these issues. The second is to identify challenges that are unique to the environment of each country in SASEC. As such, the following operational priorities have been identified:
 - 1) simplify trade documentation, increase automation, and expedite border clearance procedures to facilitate the movement of goods and vehicles;
 - 2) promote automation in border agencies and facilitate the development of national single windows (NSWs) by maximizing their links with all border agencies and the trading community;
 - 3) strengthen all national conformance bodies and the development of infrastructure and facilities (e.g., sanitary-and Phyto-sanitary related and other border agencies) to help standardize testing and certification, enable the establishment of NSWs, and explore mutual recognition agreements;
 - 4) develop and implement through-transport motor vehicles agreements to reduce border transshipments;
 - 5) develop trade-related infrastructure in SASEC ports, at land border crossings (including last-mile approaches and inland container depots and bonded logistics facilities adjacent to land borders), and in major centers of trade; and
 - 6) build capacity to support the use of modern techniques and international best practices, and enhance regional cooperation and coordination mechanisms among stakeholders involved in trade facilitation.

4.3.3 Bangladesh:

- a) Bangladesh has focused on creating a more favorable environment for trade over the last few decades with a growing realization that trade facilitation and promotion is instrumental for economic development. While initial trade reforms focused mostly on trade liberalization, the reduction of import duties, the rationalization of tariffs, the promotion of exports, and removal of visible trade barriers, it became clear that Bangladesh would have to take significant strides to carve a more pronounced place for itself in the global trade community. Bangladesh became a member of the World Trade Organization (WTO) on 1 January 1995. Prior to joining the WTO, Bangladesh had become a member of the General Agreement on Tariffs and Trade in 1972 and the World Customs Organization (WCO) in 1978.
- b) Bangladesh adopted a range of measures to facilitate trade, including (i) abolishing its import licensing system under the Ministry of Commerce in 1984, (ii) becoming a contracting party to the WCO's International Convention on the Harmonized Commodity Description and Coding System in 1987, and (iii) introducing the **Automated System for Customs Data (ASYCUDA)** at the National Board of Revenue (NBR) in 1994. In 2010, Bangladesh signed the letter of intent to implement the WCO's Framework of Standards to Secure and Facilitate Global Trade (SAFE Framework). On 28 September 2012, Bangladesh acceded to the

WCO's Revised Kyoto Convention on the Simplification and Harmonization of Customs Procedures (RKC). Both events marked instrumental milestones toward improving trade facilitation.

- c) Bangladesh ratified the WTO's Trade Facilitation Agreement (TFA) on 27 September 2016. Since then, the Ministry of Commerce has played a key role in mobilizing various government agencies to determine the path forward for the implementation of Bangladesh's TFA commitments. To coordinate all trade- and transport-related policies and activities in Bangladesh and to manage all activities and initiatives related to the TFA, the National Trade and Transport Facilitation Committee (NTTFC) was established in January 2018 under the chairmanship of the Minister of Commerce. The NTTFC-which is comprised of 31 members, including high-level officials and representatives of relevant ministries, departments, and trade bodies The Ministry of Commerce and its subsidiary offices-the Tariff Commission, Export Promotion Bureau, Chief Controller of Import and Export, and WTO Cell-along with the NBR, trade bodies, research organizations, academia, and relevant agencies contributed to designing the framework to tackle the challenges regarding trade facilitation. One of the major building blocks for Bangladesh has been increased participation of these agencies in various bilateral and multilateral trade negotiations, which enhanced access to and knowledge of key trade issues and international trade practices. Initiatives undertaken by development partners-including the Asian Development Bank (ADB); International Finance Corporation (IFC); United Nations Conference on Trade and Development (UNCTAD); United Nations Economic and Social Commission for Asia and the Pacific; United States Agency for International Development (USAID), and the World Bank-have buttressed major activities aimed at advancing trade facilitation in Bangladesh.
- d) Bangladesh borders with India on three sides; Bangladesh's imports and exports with SASEC countries take place largely through LCSs by road, and the rest by rail and by waterways. The NBR oversees the LCSs and their operations. Only one LCS is involved in trading with Myanmar-Teknaf LCS, which is in the southern part of Bangladesh. Trade with India, Nepal, and Bhutan takes place at 181 LCSs; however, as the infrastructure is lacking at most of these posts, only 20 out of 181 LCSs are in fact functional. There is, thus, vast untapped potential for the development of the remaining LCSs as trade channels to fulfill the country's objectives of trade facilitation vis-à-vis increased regional connectivity, particularly with SASEC partners. The NBR has launched an initiative to develop the infrastructure of these LCSs. ADB, in consultation with the NBR, has conducted a study on infrastructure development for selected LCSs in conjunction with SASEC trading partners. The LCSs included in the study are Burimari, Banglabandha, Tamabil, Nakugaon, Gobra-kura-Karaitali, and Akhaura. The first phase of the study, which focused on the infrastructure needs of all these LCSs except Nakugaon, has been completed. ADB in consultation with the NBR has launched an initiative to conduct a study on 11 LCSs for the same purpose.

4.3.3.1 Bangladesh Land Port Authority.

- a) Bangladesh Land Port Authority (BLPA) has been actively involved on the improvement of land routes in Bangladesh. Specifically, the BLPA is involved in the development of infrastructure, enhancement of efficiency of cargo handling, improvement of storage facilities, and fostering public-private partnerships for effective and responsive service delivery to effectively engage in regional connectivity. *A total of 23 LCSs have been designated as land ports.* These ports are managed by the BLPA as well as private port operators under Build-Operate-Transfer basis. The BLPA has been also active in the SASEC Customs Subgroup.

4.3.3.2 The Bangladesh Standard and Testing Institute (BSTI)

- a) BSTI has been actively engaged in concluding Agreement with the neighboring countries for mutual recognition of the certification issued by the concerned

Agencies. The Ministry of Commerce has also been considering the issue of Borders without Barriers for facilitating Trade in SASEC Countries. BSTI, with the access to ASYCUDA World, has been issuing certificates in favor of importers to Bangladesh Customs electronically, allowing efficient processing of import declarations.

4.3.3.3 Plant Quarantine Department:

- a) Plant Quarantine Department manages the legal enforcement and regulation of the movement of plant and plant products and conducts testing and issue certification of imported products for entry into Bangladesh. This department has offices at major LCSs such as Burimari, Tamabil, Banglabandha, and Hilli. Plant quarantine certificates for imported products need to be obtained from the Plant Quarantine Department prior to the clearance of goods from customs officials at the border.
- b) As a part of the achievement of the specific component of TFA, NTTFC has been established by the Ministry of Commerce, launched Customs Portal by NBR and NTP by Ministry of Commerce. The enactment of the new Customs Act will be another milestone. Other efforts, such as implementation of the NSW, are in progress. The NTTFC can frame policies, provide directives, recommend changes in the terms of references of the agencies, set their roles and responsibilities, and establish a mechanism for monitoring and supervising activities. With the NTTFC being spearheaded by the Minister of Commerce and with decision making taking place at the apex level, the NTTFC is expected to lead the entire process as well as bring all relevant agencies on board in implementing the committee's decisions.

4.3.4 Bhutan

- a) Bhutan is a landlocked country in the Eastern Himalayas with a population of 735,553 and an area of 38,394 square kilometers (National Statistics Bureau 2018a). The country shares borders with the People's Republic of China and India. Along with Nepal, Bhutan is the other landlocked country in the South Asia Sub regional Economic Cooperation (SASEC) region. The lack of territorial access and distance from the sea-with the nearest seaport 700 kilometers away in India are fundamental constraints on Bhutan's development and its ability to move goods across borders quickly and more cost-effectively.
- b) In its development policies and strategies, the Government of Bhutan recognizes trade and trade facilitation measures as integral components of the country's path toward economic growth and employment generation. This includes trade and trade facilitation plans and programs being implemented through Bhutan's Five-Year Plans (Gross National Happiness Commission 2018).
- c) In the World Bank's Doing Business 2019, Bhutan ranked 81st out of 190 countries for overall ease of doing business and 28th in trading across borders (World Bank 2018). In the latter respect, it is not only the highest ranked among SASEC countries, but it is also at par with many high-income and upper-middle-income economies. On other hand, the World Bank's 2018 Logistics Performance Index shows that Bhutan ranked 149th out of 160 countries (World Bank 2018). This is not surprising given its geographic challenges which severely constrains trading with other countries.
- d) In order to facilitate the movement of trucks across SASEC borders, the Bangladesh-Bhutan-India-Nepal Motor Vehicles Agreement (BBIN) was signed in 2015. Bhutan has yet to ratify the Agreement, while all other signatories have already done so. The delay in ratification is mainly due to concerns about environmental degradation and the inability of existing road infrastructure to cope with traffic.

4.3.4.1 Bilateral Trade Agreements:

- a) Trade between Bhutan and India is governed by the Agreement on Trade, Commerce, and Transit. The agreement was signed in 1972 and has since then

renewed periodically. The latest renewal was signed in November 2016; it came into force on 29 July 2017 and will remain in force for 10 years unless the two countries agree to amend this period on the basis of mutual consent. Under the agreement, the two countries enjoy free trade and mutual cooperation in matters pertaining to finance and investment. Bhutan's other trading partners in the region include Bangladesh and Nepal. Bhutan first extended a preferential trading arrangement to Bangladesh in 1980. While no import duties have been imposed by Bhutan on goods from Bangladesh since then, Bangladesh only reciprocated in 2010 across 90 tariff lines. Today, Bhutan's trade with Bangladesh is governed by the Agreement on Trade, which was signed by the two countries in December 2014. Under the agreement, each country provides preferential tariff treatment for specific commodities.

4.3.4.2 Multilateral Initiatives:

- a) At the multilateral level, Bhutan became a member of the World Customs Organization on 12 February 2002. Bhutan was also granted observer status to the WTO in April 1998. Subsequently, the Government of Bhutan decided to accede to the WTO as a full member and was accepted by the WTO General Council. In 2014 and became the 94th contracting party through ratification of the Revised Kyoto Convention on the Simplification and Harmonization of Customs Procedures (RKC), which aims to simplify and harmonize customs procedures.

4.3.4.3 Policy and Regulatory Framework:

- a) Bhutan's trade issues are well documented in the government's (i) Economic Development Policy, 2016 (MOEA 2016); (ii) 12th Five-Year Plan; and (iii) Annual Performance Agreement. In order to promote trade and strengthen economic linkages, the MOEA and the Ministry of Finance, in consultation with relevant stakeholders, are implementing the following programs under the 12th Five-Year Plan:
 1. Developing trade infrastructure including dry ports at Paksakha, Gelephu, and Ngalam, and constructing warehousing and cold storage facilities and supporting export promotion through trade fairs and exhibitions, implementing "Brand Bhutan" for establishing national standards;
 2. Supporting the private sector by providing an enabling environment for the establishment and growth of Bhutanese firms;
 3. Establishing an export fund facility to provide concessional lending and a credit facility to exporters, and facilitating timely settlement of export-related transactions; and
 4. Strengthening of trade facilitation and automated systems, including developing a national single window, simplifying administrative procedures and regulatory activities, negotiating Mutual Recognition Agreements (MRA) and conformity assessments, improving border trade infrastructure and securing transit rights for the movement of goods;
- b) On the legislative front, Bhutan enacted the Customs Act in 2017 and embarked on an intensive process of revising relevant legal and regulatory rules and regulations in accordance with the RKC and other international best practices. As part of the *legislative policy reform process*, various measures are being examined which include (i) provision of transit rights to facilitate international trade and transport agreements; (ii) harmonization of customs documentation, procedures, and formalities through bilateral and regional initiatives; (iii) integration of cross-border trade facilities such as dry ports, pre-shipment

customs clearance facilities, computerized security checks, and quarantine facilities; and (iv) participation in a framework agreement for paperless trading.

4.3.4.4 Facilitating transit traffic:

- a) For landlocked countries, the easy movement of trucks through transit countries is critical to move goods efficiently. An ADB and UNESCAP (2017) study reviewed the movement of goods along four corridors and identified the following areas to facilitate the movement of goods through transit countries:
 - 1) Elimination of repetitive and unnecessary inspections while some inspections, such as checking travel documents and (in some cases) inspecting goods, along corridors may be necessary; (ii) Improvements in transport infrastructure are needed. (iii) Promoting the use of containerized vehicles to reduce travel time. For Bhutan, once containers are sealed in Kolkata, the cargo inside the containers should not be inspected during the journey till it reaches to only in Phuentsholing. (iv) Transport and logistics service providers should be encouraged to introduce best practices related to road safety, deployment of drivers for long drives maintaining discipline and professionalism among drivers.

4.3.4.5 Short-term interventions.

- a) These interventions are designed mainly to avoid repetitive processes, reduce costs, and harmonize documentary requirements:
 - 1) Implement online application and approval, issuance, and renewal of licenses, certificates, and permits for a number of similar processes among government organizations, and between government organizations and stakeholders. (ii) Establish the electronic exchange of documents (between customs departments in Bangladesh, Bhutan, and India) for transit clearance in India. (iii) Rearrange the internal workflows of the regional revenue and customs offices. (iv) Strengthening of professional relationships among all parties involved in the trade process.

4.3.4.6 Long-term interventions:

- a) These interventions aim to promote the seamless exchange of information and use of modern tools to facilitate trade:
 - 1) Introduce the National Single Window (NSW). (ii) Ensure legal consistency for the introduction of national single window and electronic procedures. (iii) Ensure transparency in legal, policy, and procedural requirements. (iv) Establish Authorized Economic Operator (AEO) and trusted trader programs. (v) Upgrade the skills of frontline officials, including in information and communication technology, to support implementation of modern tools. (vi) Improve transport and border crossing infrastructure.

4.3.5 India

4.3.5.1 Introduction:

Since the opening up of its economy in 1991, India has made significant efforts in trade policy reform, which have led to a major reduction in average tariffs, simplified tariff and quota regimes, and the removal of several import restrictions. As a member of the United Nations, World Customs Organization (WCO) and World Trade Organization (WTO), India has been benefitted from the tools and best practices developed by these organizations which have served as the basis for introducing trade facilitation initiatives. The Central Board of Indirect Taxes and Customs (CBIC), as the agency responsible for customs administration in India, is a signatory to several international standards and other arrangements such as the following:

- a) International Convention on the Harmonized Commodity Description and Coding System (HS Convention) and the WTO Agreement on Customs Valuation, which have enabled India to adopt globally, harmonized standards to facilitate international trade;
- b) Revised Kyoto Convention on the Simplification and Harmonization of Customs Procedures (RKC) and a letter of intent for the Framework of Standards to Secure and Facilitate Global Trade (SAFE Framework), which provide blueprints for modernizing customs administrations by simplifying documentation and procedures through the adoption of a risk-based approach that reduces intrusive inspections, improves compliance by targeting high-risk shipments, and leads to the more efficient utilization of customs resources;
- c) Customs Convention on the ATA Carnet for the Temporary Admission of Goods;
- d) Customs Convention on the International Transport of Goods under Cover of Transports International Router (TIR) Carnets (TIR Convention) and the Customs Convention on the Temporary Importation of Private Road Vehicles to enable the temporary importation of (i) goods for display in exhibitions and professional equipment for temporary use, (ii) cargo in transit and road vehicles, and (iii) personal vehicles; under these conventions, the above types of cargo can enter and exit India based on an internationally valid document (ATA Carnet) that serves as the customs declaration and also as a guarantee in case the cargo is not exported, which obviates the need for the cargo to follow national formalities; and
- e) International Convention on Mutual Administrative Assistance for the Prevention, Investigation, and Repression of Customs Offences (Nairobi Convention), which helps customs administrations cooperate in conducting investigations to prevent violations of customs laws.
- f) The Government of India has sought to improve India's ranking in the World Bank's Ease of Doing Business Index, with the objective of positioning India as an attractive destination for investment. As a result, the government has embarked on additional reforms to facilitate the movement of goods across borders. These measures are aimed at
 - 1) reducing cargo release times;
 - 2) enhancing process efficiency by implementing modernized procedures;
 - 3) integrating digital initiatives;
 - 4) achieving better coordination among various stakeholders in the border clearance ecosystem;

4.3.5.2 Indian Customs Electronic Data Interchange System (ICES).

- a) The first of these reforms was the automated Indian **Customs Electronic Data Interchange System (ICES)** that was introduced in 2005 to bring efficiency to cargo clearance processes. ICES are an initiative designed for the exchange and transaction of customs clearance information using electronic data interchange. ICES is currently operational at over 134 customs locations and is responsible for the management of approximately 98% of India's international trade. ICES automates business processes by acting as a real-time nodal electronic interface with different agencies to facilitate customs clearance for imported and exported cargo through the **Indian Customs Electronic Commerce and Electronic Data Interchange Gateway (ICEGATE) portal**. ICEGATE offers e-filing services to various stakeholders involved in the customs clearance process by linking CBIC with 15 agencies using electronic data interchange. This includes the secure exchange of messages through the e-filing of bills of entry, shipping bills, and other related information between CBIC and other agencies involved in trade. Various regulatory and licensing agencies, including the Directorate General of Foreign Trade (DGFT)

and the Reserve Bank of India, are also able to exchange data with CBIC through ICEGATE.

4.2.5.3 Single Window Interface for Facilitating Trade:

a) On 1 April 2017, India launched its national single window project: the Single Window Interface for Facilitating Trade (SWIFT). As part of the government's agenda to improve the ease of doing business, SWIFT enables importers and exporters to file a single electronic declaration online via the ICEGATE portal. The following features of SWIFT have the potential to make a significant impact on trade facilitation:

1. **Integrated declaration:** Information required for import clearance by government agencies is electronically submitted by importers through an integrated declaration at a single-entry point: ICEGATE. Nine separate forms required by different agencies have been merged into a single form, eliminating duplication and reducing the compliance burden on traders. The integrated declaration comprises the requirements of the six import regulatory agencies, which account for the vast number of cases where no objection certificates are required for customs clearance related to live consignments. By alleviating the burden related to these six agencies, SWIFT targets the largest sources of bottlenecks in the clearance process. SWIFT will help strengthen coordination between the various CBRAs, which was lacking in the past. In addition to alleviating the compliance burden on traders through the reduction of physical visitation with each agency, SWIFT also reduces manual labor required by border and customs agents (CBEC 2016).
- c) **Automated routing:** SWIFT automatically identifies goods that require clearance by participating government agencies and routes them online to the relevant agencies for regulatory clearance.
- d) **Integrated risk assessment:** The implementation of SWIFT is being accompanied by the use of risk-based selective examination and testing, significantly reducing the number of consignments that need mandatory testing or certification.
- e) **Online release:** The trader files a single declaration in SWIFT and the system routes this information to the relevant CBRAs based on HS code, country of origin, and value, among other factors. Based on the declaration filed (i.e., commodity, HS code, benefits claimed), the system decides whether a sample must be drawn by a sanitary and phytosanitary (SPS) agency, whether it must be visually inspected and released, or whether customs can decide without referring to the SPS agency. SWIFT then conveys the decision of the regulatory agencies on the release of goods as a single decision, including the results of inspection and testing. Additional initiatives have been planned, but not yet implemented, as part of the SWIFT program. These include the development of a compliance information portal, an automatic license verification system, an event notification system, and a coordinated inspection online payment facility for fees and charges.

4.3.5.4 Authorized Economic Operator Program:

- a) In India's AEO program, there are multiple tiers of certification with differing levels of compliance requirements and facilitation. To qualify as an AEO, a set of stringent criteria has to be met, including criteria that pertain to legal compliance, quality of accounts maintenance, financial solvency, process security, premise security, cargo security, conveyance security, personnel security, and business partner security. There are three different tiers in India's AEO program, with Tier 1 being the lowest and Tier 3 being for those that meets the highest level of compliance.

- b) **Tier-3:** Traders under Tier-3 shall be accorded the highest level of facilitation in the import and/or export of their consignments, which are in addition to the benefits give
- c) **Tier 2 beneficiaries:** Their containers will not be selected for scanning except on the basis of specific intelligence. Further, when any container is selected for scanning, the highest priority will be given. (ii) The assessing or examining customs officer will rely on the self-certified copies of documents that have been submitted without insisting upon original documents. (iii) They are not required to furnish a bank guarantee. However, this exemption from bank guarantees is not applicable in cases where the competent authority orders furnishing a bank guarantee for the provisional release of seized goods. (iv) An approach based on risk-based interventions, in cases when requirements originate from acts administered by other government agencies or departments, will be adopted to provide better facilitation in the import and/or export of their consignments. (v) On request, they will be provided onsite inspection or examination. (vi) The refund or rebate of customs, central excise duty, and service tax will be granted within 30 days of the submission of complete documents.

4.3.5.5 Direct Port Delivery:

- a) Satellite facilities, known as *container freight stations (CFSs)*, were set up and assigned to their respective ports to address increased congestion at ports and a lack of space for physical expansion while freight containers undergo customs clearance. The containers that are off-loaded at a port can be stored in any of the CFSs linked to that port. While the customs documentation is handled at the main port, the physical inspection, where required, would be done by the customs staff posted in the respective CFS. Once the cargo has passed inspection, it is to be released from the CFS. Some of the CFSs have specialized in certain commodities by equipping themselves to serve their storage and handling needs. The CFSs also serve the important purpose of the consolidation of cargo. Exporters who wish to export less-than-container load can bring their cargo to a CFS and have it consolidated with other less-than container load cargo into a single container.

4.3.5.6 Deferred Duty Payment:

- a) Typically, payment of customs duties is a prerequisite for cargo clearance. Deferred duty payment is a mechanism to separate customs clearance from duty payment. It is meant to enable the release of cargo without payment of duty to improve the speed of clearance. Deferred duty payment benefits are currently extended to importers holding Tier 2 or Tier 3 AEO status.

4.3.5.7 Convention on International Transport of Goods Under Cover of TIR Carnets”

- a) India ratified the TIR Convention on 15 June 2017. The convention further facilitates the seamless movement of goods across one or more borders based on an international guarantee and mutual recognition of customs controls. As no other country in SASEC is a signatory to this convention, there is currently little scope for its use in the sub-region. However, it may be used for the carriage of goods to the Russian Federation, other Central Asian countries, and Afghanistan (as these countries are signatories to the TIR Convention). On 13 March 2019, the first shipment under the TIR Convention arrived in India from Afghanistan through Iran (Federation of Indian Chambers of Commerce and Industry 2019).

4.3.5.8 Land borders

- a) LCSs play a vital role in facilitating economic and social exchanges by acting as gateways for the movement of goods and people between economies. The efficiency of these gateways affects the degree to which trade and economic

integration between economies can take place. LCSs that lack vital trade facilities can adversely affect the ease of goods' clearance and make it difficult for regulatory agencies to exercise effective controls. Unlike seaports and airports, LCSs belonging to neighboring economies generally operate as a pair; that is, the cargo cleared for export by the LCS of an economy is cleared for import by the corresponding LCS of the partner economy. The LCS pair is often located at a short distance from each other on either side of the border, and they handle the same commodities.

- b) A coordinated approach enables development of complementary facilities catering to trade needs; ensuring quality infrastructure; and making cross-border trade cheaper, faster, and better regulated. Well-equipped LCSs that have been developed in a coordinated manner on both sides of the border are critical to improving the movement of goods across land borders.
- c) To improve the infrastructure that supports border trade, the Government of India is developing *integrated check posts (ICPs)* along the land borders. Five ICPs-Attari, Raxaul, Jogbani, Agartala, and Petrapole-have been operationalized. ICPs that are under construction at other locations include Dawki and Moreh. The Government of India is developing the Indian side of the border at all five ICPs, and in the case of Raxaul and Jogbani on the India-Nepal border; it is supporting the development of facilities on both sides of the border at Raxaul-Birgunj and Jogbani-Biratnagar. *The ICPs house all regulatory agencies-customs, immigration, border security, quarantine, and food safety, among others-together with support facilities like warehouses, parking lots, banks, and hotels under one roof.* The Land Ports Authority of India was established as the single agency responsible for the coordinated functioning of various government agencies and service providers at the ICPs, as well as for developing and maintaining the ICPs.

4.3.6 Nepal

- a) A landlocked country located between the People's Republic of China (PRC) and India, Nepal is home to more than 29 million people. A least-developed country, Nepal had a per capita gross domestic product of \$1,026 in 2018.¹ Nepal's Human Development Index score of 0.574 in 2017 was the lowest among all members of South Asia Sub-regional Economic Cooperation (SASEC), and it ranked 149th out of 189 economies worldwide. These figures are not surprising as roughly one-fifth of the Nepalese population lives below the National Planning Commission's (NPC) poverty line (NPC 2016).
- b) Until the 1980s, Nepal pursued an import substitution industrialization strategy. When liberalization was accelerated in 1990, import substitution was replaced with an export-led growth strategy. Nepalese exports are concentrated in a few markets and select products. Textiles and garments; knotted carpets; metals; foodstuff, flavored water, and juice; and nutmeg, tea, and other vegetable products account for nearly 78% of Nepal's total exports. Major imports include petroleum products, machinery (including telecommunication equipment and electronics), metals, transport equipment, and chemical products (including pharmaceuticals), which together account for nearly 70% of Nepal's total imports. India is by far Nepal's largest trading partner in terms of both exports and imports.
- c) In 1971, India and Nepal signed a trade and transit treaty, which was subsequently split into two separate treaties-a trade treaty and a transit treaty-in 1978. The trade treaty has been renewed several times since then. In 2009, both countries signed a new trade treaty that included a provision for automatic renewal every 7 years. Some of the key features of the landmark trade treaty signed in 2009 include (i) exemption from basic customs duties and quantitative restrictions on imports of primary products on a reciprocal basis; and (ii) duty-free access for Nepalese manufactured goods exported to India without quantitative restrictions on a non-reciprocal basis, except for (a) four products (vegetables

fats, copper products, acrylic yarn, and zinc oxide) which are entitled entry free of customs duties on a fixed-quota basis, and (b) three most-favored nation lists of articles (alcoholic liquors and beverages, except Nepalese beer, and their concentrates, except industrial spirits, perfumes and cosmetics with non-Nepalese or non-Indian brand names and cigarettes and tobacco) for which preferential access for exports from Nepal to India is not granted. India is not only a direct market for Nepalese exports and also a source of imports for Nepal. It also serves as a transit route for Nepal's trade outside the region. Given the close trade ties between the two economies, Nepal is exposed to changes in India's economic performance and shifts in Indian policies. At the same time, Nepalese exports to Bangladesh and Bhutan have steadily increased in recent years and its relations with other economies have grown as well. Though this is a recent trend, the strengthening of ties and emergence of these two SASEC countries as export destinations for Nepal is a necessary step toward diversification.

- d) Nepal has been unable to fully benefit from the various preferential schemes to which it is a signatory. Sanitary and phyto-sanitary (SPS) measures, technical barriers to trade (TBT), and para-tariffs in export markets constrain market access (Ministry of Commerce [MOC] 2016).

4.3.6.1 Nepal Trade Integration Strategy 2016:

- a) The Nepal Trade Integration Strategy 2016 emphasizes the country's aim to address trade and competitiveness challenges in the export sector. Specifically, the strategy underscores the following priority areas: (i) strengthen the trade- and export enabling environment; (ii) focus on product development and strengthen the supply capacity of priority products; (iii) strengthen institutional capacity, trade negotiations, and interagency coordination; and (iv) build and enhance trade-related infrastructure. The strategy highlighted 19 different strategic outcome levels, comprising 7 outcomes under "cross-cutting issues" and 12 outcomes in the "potential export sector" (MOC 2016). Trade and transport facilitation is a cross-cutting issue with the objective of improving Nepal's export competitiveness. The trade and transport facilitation strategic outcome comprises 16 policy actions as short term (2016-2017) and 5 as medium term (2018-2020). These policy actions to improve trade and transport facilitation encompass a range of reforms related to trade facilitation; infrastructure improvements (e.g., integrated intermodal transport system, airports, domestic connectivity, and road networks); compliance with the Revised Kyoto Convention on the Simplification and Harmonization of Customs Procedures (RKC) and TFA; the introduction of modern customs tools such as post-clearance audit (PCA) and an Authorized Economic Operator (AEO) program; the introduction of national single window (NSW) and electronic data interchange systems; and transport facilitation. Nepal has thus taken a broad approach to addressing the remaining barriers to trade (MOC 2016).

4.3.6.2 Customs Reform and Modernization Strategies and Action Plan, 2017-2021:

The CRMSAP has been the guiding document for the DOC since it was first introduced in 2003. The latest and the fifth iteration of CRMSAP for the period 2017-2021 were approved by the Ministry of Finance (MOF) in January 2017 (DOC 2017). The CRMSAP aims to reduce transaction costs, facilitate trade, develop human resources, and improve revenue collection and border security to support Nepal's economic prosperity. To achieve its objectives, the CRMSAP includes 11 strategies, 92 activities, and 340 tasks for the period 2017-2021. The 11 strategies comprise the following:

- a) Expedite legitimate trade facilitation. (ii) Promote integrity and good governance. (iii) Enhance customs automation and data management. (iv) Strengthen human resources management capacity. (v) Develop infrastructure and physical facilities.

- (vi) Enhance passenger clearance services. (vii) Ensure fair and accurate revenue collection. (viii) Strengthen compliance management. (ix) Implement an advanced risk management system. (x) Protect the safety and security of society. (xi) Streamline coordinated border management.
- b) The CRMSAP identifies the legislative, legal, and administrative measures that the DOC will need to enact for Nepal to be compliant with international standards as identified in the TFA, the RKC, and other relevant international conventions and standards. Activities to achieve this outcome include, among others, a review of documents required for importing and exporting; introduction of a trusted traders program; design, planning, and implementation of an AEO program; development and implementation of advance ruling; improvement and updating of the DOC website; and the conduct of time release studies. The CRMSAP aims to improve Nepal's overall Trade Facilitation Indicator score-which is calculated by the Organization for Economic Co-operation and Development-from 0.8 in 2015 to 1.3 by 2021. International Conventions and Multilateral and Regional Trading Arrangements Nepal acceded to the Revised Kyoto Convention on the Simplification and Harmonization of Customs Procedures (RKC) on 3 February 2017. A gap analysis carried out by the DOC in 2019 identified 29 areas in Nepal's customs legislation that do not comply with the General Annex of the RKC. The DOC has drafted legal text for proposed revisions to the Customs Act to address 28 of the 29 gaps. The key changes being proposed to the Customs Act pertain to provisions on customs declaration, single bank guarantee, perishable goods, trusted traders, administrative review within the DOC, and point of time and responsibility for duty payment of a declaration. To attain compliance with the RKC for the one remaining gap, which covers coordinating inspections by the DOC and other relevant agencies, an administrative circular is proposed.

4.3.6.3 Department of Customs:

- a) The DOC is responsible for the clearance of cargo at the border. The DOC has a total of 34 main land customs offices plus a single PCA office and an office at Tribhuvan International Airport. Customs offices located at Birgunj, Sirsiya (ICD), Bhairahawa, and Biratnagar oversee more than 90% of the volume of trade in the country.

4.3.7.1 Borders without Barriers:

4.3.7.2 Facilitating Trade in SASEC Countries

- a) Legal framework. The legal framework to regulate and facilitate trade is governed by the Export Import (Control) Act, 1957 and the associated Gazette Notification. In addition, the Customs Act, 2007 and its associated rules (2007) provide the legal framework for customs operations in Nepal. The MOICS and the DOC, respectively, are entrusted to enforce the Export Import (Control) Act, 1957 and the Customs Act, 2007 and its associated rules and regulations. Automation. Customs automation in Nepal started in 1996 with the introduction of the *Automated System for Customs Data (ASYCUDA)* with support from the Asian Development Bank. This was rolled out further across different customs offices with additional functionalities. ASYCUDA World has now been implemented in 24 main customs offices, which account for more than 99% of Nepal's trade volume. ASYCUDA World allows customs agents to lodge a declaration through the web, print it out from the system, and submit the declaration with supporting documents to the customs office.
- b) The ASYCUDA World system then triggers the selectivity module and segregates the declaration either for physical verification, document checking, or clearance without checking by using a risk management system. Import and export document requirements. DOC rules specify the required documents for import from and export to India, as well as for Nepal's other trading partners. The number of documents required for trade activities with India is lower than those required by other trading

partners. For imports from other trading partners, eight documents are to be submitted with the import declaration, along with any additional documents that are required as per the prevailing law regarding the recommendation, license, or certificate from any institution. For exports to other trading partners, five documents are to be submitted with the export declaration in addition to any document that is required as per the prevailing law regarding the recommendation, license, or certificate from any institution. However, a certificate of origin is not mandatory for exports under the Generalized System of Preferences scheme. Inland container depots and integrated check post. Nepal has constructed the Kakarbhitta, Biratnagar, Sirsiya, and Bhairahawa ICDs to cater to the import and export of cargo.

4.4 The measures that are taken by the Bangladesh in implementing the internationally agreed rules and regulations regarding better border management

- a) Bangladesh has focused on creating a more favorable environment for trade over the last few decades with a growing realization that trade facilitation and promotion is instrumental for economic development. While initial trade reforms focused mostly on trade liberalization, the reduction of import duties, the rationalization of tariffs, the promotion of exports, and removal of visible trade barriers, it became clear that Bangladesh would have to take significant strides to carve a more pronounced place for itself in the global trade community. Bangladesh became a member of the World Trade Organization (WTO) on 1 January 1995. Prior to joining the WTO, Bangladesh had become a member of the General Agreement on Tariffs and Trade in 1972 and the World Customs Organization (WCO) in 1978.
- b) Bangladesh adopted a range of measures to facilitate trade, including (i) abolishing its import licensing system under the Ministry of Commerce in 1984, (ii) becoming a contracting party to the WCO's International Convention on the Harmonized Commodity Description and Coding System in 1987, and (iii) introducing the **Automated System for Customs Data (ASYCUDA)** at the National Board of Revenue (NBR) in 1994. In 2010, Bangladesh signed the letter of intent to implement the WCO's Framework of Standards to Secure and Facilitate Global Trade (SAFE Framework). On 28 September 2012, Bangladesh acceded to the WCO's Revised Kyoto Convention on the Simplification and Harmonization of Customs Procedures (RKC). Both events marked instrumental milestones toward improving trade facilitation.
- c) Bangladesh ratified the WTO's Trade Facilitation Agreement (TFA) on 27 September 2016. Since then, the Ministry of Commerce has played a key role in mobilizing various government agencies to determine the path forward for the implementation of Bangladesh's TFA commitments. To coordinate all trade- and transport-related policies and activities in Bangladesh and to manage all activities and initiatives related to the TFA, the National Trade and Transport Facilitation Committee (NTTFC) was established in January 2018 under the chairmanship of the Minister of Commerce. The NTTFC which is comprised of 31 members, including high-level officials and representatives of relevant ministries, departments, and trade bodies. The Ministry of Commerce and its subsidiary offices the Tariff Commission, Export Promotion Bureau, Chief Controller of Import and Export, and WTO Cell along with the NBR, trade bodies, research organizations, academia, and relevant agencies contributed to designing the framework to tackle the challenges regarding trade facilitation. One of the major building blocks for Bangladesh has been increased participation of these agencies in various bilateral and multilateral trade negotiations, which enhanced access to and knowledge of key trade issues and international trade practices. Initiatives undertaken by development partners-including the Asian Development Bank (ADB); International Finance Corporation (IFC); United Nations Conference on Trade and Development (UNCTAD); United Nations Economic and Social Commission for Asia and the Pacific; United States Agency for International Development (USAID), and the World Bank have buttressed major activities aimed at advancing trade facilitation in Bangladesh.

- d) Bangladesh borders with India on three sides; Bangladesh's imports and exports with SASEC countries take place largely through LCSs by road, and the rest by rail and by waterways. The NBR oversees the LCSs and their operations. Only one LCS is involved in trading with Myanmar-Teknaf LCS, which is in the southern part of Bangladesh. Trade with India, Nepal, and Bhutan takes place at 181 LCSs; however, as the infrastructure is lacking at most of these posts, only 20 out of 181 LCSs are in fact functional. There is, thus, vast untapped potential for the development of the remaining LCSs as trade channels to fulfill the country's objectives of trade facilitation vis-à-vis increased regional connectivity, particularly with SASEC partners. The NBR has launched an initiative to develop the infrastructure of these LCSs. ADB, in consultation with the NBR, has conducted a study on infrastructure development for selected LCSs in conjunction with SASEC trading partners. The LCSs included in the study are Burimari, Banglabandha, Tamabil, Nakugaon, Gobrakura-Karaitali, and Akhaura. The first phase of the study, which focused on the infrastructure needs of all these LCSs except Nakugaon, has been completed. ADB in consultation with the NBR has launched an initiative to conduct a study on 11 LCSs for the same purpose.

4.4.1 Bangladesh Land Port Authority.

Bangladesh Land Port Authority (BLPA) has been actively involved on the improvement of land routes in Bangladesh. Specifically, the BLPA is involved in the development of infrastructure, enhancement of efficiency of cargo handling, improvement of storage facilities, and fostering public-private partnerships for effective and responsive service delivery to effectively engage in regional connectivity. A total of 23 LCSs have been designated as land ports. These ports are managed by the BLPA as well as private port operators under Build-Operate-Transfer basis. The BLPA has been also active in the SASEC Customs Subgroup.

4.4.2 The Bangladesh Standard and Testing Institute (BSTI)

BSTI has been actively engaged in concluding Agreement with the neighbouring countries for mutual recognition of the certification issued by the concerned Agencies. The Ministry of Commerce has also been considering the issue of Borders without Barriers for facilitating Trade in SASEC Countries. BSTI, with the access to ASYCUDA World, has been issuing certificates in favor of importers to Bangladesh Customs electronically, allowing efficient processing of import declarations.

4.4.3 Plant Quarantine Department.

- a) Plant Quarantine Department manages the legal enforcement and regulation of the movement of plant and plant products and conducts testing and issue certification of imported products for entry into Bangladesh. This department has offices at major LCSs such as Burimari, Tamabil, Banglabandha, and Hilli. Plant quarantine certificates for imported products need to be obtained from the Plant Quarantine Department prior to the clearance of goods from customs officials at the border.
- b) As a part of the achievement of the specific component of TFA, NTTFC has been established by the Ministry of Commerce, launched Customs Portal by NBR and NTP by Ministry of Commerce. The enactment of the new Customs Act will be another milestone. Other efforts, such as implementation of the NSW, are in progress. The NTTFC can frame policies, provide directives, recommend changes in the terms of references of the agencies, set their roles and responsibilities, and establish a mechanism for monitoring and supervising activities. With the NTTFC being spearheaded by the Minister of Commerce and with decision making taking place at the apex level, the NTTFC is expected to lead the entire process as well as bring all relevant agencies on board in implementing the committee's decisions.

CHAPTER 5

IMPLEMENTATION CHALLENGES OF THE RULES, REGULATIONS, LAWS ETC. FOR BETTER BORDER MANAGEMENT IN BANGLADESH

- a. Trade Facilitation measures involve customs and other border/government agencies (OGAs) that are involved in trade. Though customs remains the key player, implementation of better border management requires modernizations of procedures, rules, regulations, laws for both customs and OGAs are necessary. Major responsibilities of Other Government Agencies are:
- 1) Immigration
 - 2) Land Port Authority
 - 3) Bangladesh Standard and Testing Institute
 - 4) Security Agencies
 - 5) Sanitary and Phyto-Sanitary Agency
 - 6) Chief Controller of Imports and Exports
 - 7) Atomic Energy Commission
 - 8) Drug Administration Directorate
 - 9) Bangladesh export Processing Zones Authority
 - 10) Transport
 - 11) Trader association
 - 12) Bangladesh Bank
- b) Border agencies (Customs & OGAs) have different mandates with regards to goods and people crossing borders, such mandates vary from revenue assurance, migration, phyto-sanitary, radiological, transport, ecological, food safety controls etc. The tendency of working independently by these agencies leads to repetitive submission of papers and documents by the traders causing considerable hindrances to them. A number of short, medium and long-term policies, rules, regulations, acts and orders are in operation in Bangladesh to regulate the country's external/international trade (export and import). In general, different trade related activities have been carried out under the common understanding between different ministries and departments as per each other's rules and regulations and Ministry of Commerce plays as a coordinator. But the difficulties arise during the implementation of the relevant policies, rules and regulations of the different agencies as their non-binding nature (custom act, export policy, Industrial policy /Law). Lack of awareness, knowledge, expertise, coordination and inter-linkage between relevant policies, rule, and regulations of the different departments with respect to trading across the border poses various kind of challenges. Harmonization of export, import and customs related laws, rules and regulations within the countries as well as of the regional trade partners are essential. A comprehensive Trade Policy and Regulation is required in order to specifically address issues related to land port trading.
- c) Trade-related policies, rules and regulations in Bangladesh are formulated and implemented by different ministries and departments of the government. Ministry of Commerce and its various departments (such as EPB, CCI & E, Tariff Commission, WTO Cell, and RJSC) play a key role in the implementation of this trade policy and regulation. Ministry of Finance along with its various departments (such as NBR and Customs) also plays a significant role in dealing with trade issues. Since a number of different organizations under various ministries are directly involved in this process, inter-ministerial coordination is considered critically important for a better and more efficient land port management.

5.1 INSTITUTIONAL WEEKNESS AND PROCEDURAL HINDRANCES

5.1.1 Customs Clearance & Border Control Problems in Bangladesh

- Despite modernization and automation, time taken for Customs clearance is still beyond acceptable limit for businesses
- At Chittagong-(TRS study conducted in early 2014) Total time from arrival of vessel to release of goods (Import) : 11 days 9 hours 45 minutes
- Total time from arrival of vessel to release of goods (Export): 4 days 22 hours 38 minutes. This data is outdated (4 years old). The NBR needs to conduct a new TRS, which will reveal reduction in time stated above.
- Absence of an elaborate policy, a detailed procedural guideline and a strategic management plan on Risk Management (RM), Customs tends to examine a large number of consignments
- Problem is more acute in land ports, where in practice 100% consignments are subject to some form of physical inspection
- Less emphasis is given on post-clearance audit, though it is trade friendly.
- Authorized Economic Operator systems, that enables faster clearance for trusted traders, is absent
- Need for creation of integrated supply chain in trade

5.1.2. Transparency & Accountability in Trade & Customs

- Customs & trade laws/regulations/procedures/processes SROs/regulations, forms/procedures, etc. were not generally available until recently
- Establishment of Bangladesh Trade Portal and Bangladesh Customs Website resolved this problem
- Weak and nontransparent Consultative mechanism relevant Traders are not properly consulted in making tariff and tax structure changes
- Paying attention to one-sided arguments often cause tariff escalation, Customs valuation
- Tendency of not accepting the declared value as the transaction value, Not properly following valuation methods (Prevalence of Minimum values), Tariff classification
- Arbitrary decisions on tariff classification; Differing classification opinion in different customs stations
- Introduction of Advance Ruling Program last year has lessened this problem.

5.1.3. Coordinated Border Management

- A large number of border/regulatory agencies are involved in trade processes. Such agencies include - Customs, CCI&E, Plant Quarantine, Land Port/Sea Port/Civil Aviation Authority, Border Guard, BSTI, Atomic Energy Commission, Drug Administration, Bangladesh Bank
- They have different mandates with regard to goods & people crossing borders. Such mandates vary from revenue assurance, migration, phytosanitary, radiological, transport, ecological & food safety controls. These agencies tend to work independently, which means, they do not have a clear understanding & knowledge of what others are doing, often leads to multiple inspections of the same goods & considerable harassment for traders
- There is no single window system at present. Because, difficulties in getting on board all stakeholders
- Absence of legal provisions enabling single window, which in turn reflects lack of urgency
- The GoB Project for introduction of NSW is now at the inception phase

5.1.4. Streamlining formalities and documentation requirements

- Existence of unnecessary formalities
 - Requirements for submission of a lot of documents for which no explanation is available
 - All border agencies demand original documents, and often reject copy documents
 - Though Customs has legal provisions on Pre-Arrival Processing (PAP), detailed rules & procedures are absent
 - PAP is not in practice at the moment to expedite Shipments
 - Legal provision for expedited shipments (especially for courier cargoes) have recently been developed
 - De Minimis provision is absent.
 - Courier cargo clearance should be more simplified and be based on international standards
 - Legal provisions & procedures allowing faster release of perishable goods are absent
 - Very few facilities available for storage of perishable goods pending release.
- a) There exists a mixed status of play in the port efficiency and management system among the South Asian countries. Sri Lanka has made commendable progress in managing container ports. Bangladesh, India and Pakistan are still lagging behind with sluggish, inefficient and expensive mechanism. Estimates show, if Bangladesh and India had ports as good as those of Sri Lanka, the shipping cost could have reduced by almost 9% (WB, 2017). A 20' container takes at least 30 days to move between New Delhi and Dhaka via indirect routes (Colombo, Singapore); and if proper land transport facilities were there, it would have taken only 5-6 days with one-fourth of the cost. Lack of adequate infrastructure costs almost twice the amount of money to import a container in South Asia, compared with the same in the East Asian Region. Land ports like Banglabandha in Bangladesh (opposite Phulbari) and Panitanki/ Naxalbari in India (opposite Kakkarbhita in Nepal) are of particular interest to the Sub-region. They lack the basic infrastructure like adequate roads, testing facilities, parking space, quarantine office, proper Customs offices, basic amenities, etc.; and that the present status of connectivity in South Asia is not satisfactory, and cost and time taken to do cross-border trade is excessively high. Land connectivity in the sub-region is very poor even though it has the highest importance for intra-regional trade. Land transport cost due to obstacles at land crossing stations between Bangladesh and India is as high as US\$ 8 to US\$10 per tonne of freight. The land borders in the sub-region, where functional, are congested and require special consideration.
- b) It is seen that 86.3% of the NTMs and NTBs applied in the region is related to SPS, TBT, standards and certification. The agreement on Establishment of SARSO in 2008 was one step towards the political commitment of harmonizing standards. the SAARC Agreement on Multilateral Arrangement on Recognition of Conformity Assessment, and the Agreement on Implementation of Regional Standards was also signed in 2011. the operationalization of the agreements does not seem to have progressed much over the years. The sub-region should, as soon as possible, reach a similar agreement among its member-countries, and most of the NTB complaints are against India, which is the highest exporting country of the region.
- c) Bangladeshi exporters are frequently facing non-acceptance by the Indian Customs of test certificates issued by Bangladeshi institutions. The process of sample testing after reaching the border is also cumbersome. The international rules on risk management are often not followed by the Indian Customs and exporters face

difficulties. A deal was signed between Bangladesh and India in June, 2015, which ensures acceptability of certificates issued by BSTI and BIS. Nepal's standard institution NBSM has also signed a MoU with BSTI and is in the process of signing a MoU with BIS; and Bhutan has also signed a MoU with BIS. Dissimilarities in Customs procedures across countries cause delays in the movement of goods, creates uncertainty and increases procedural costs of trade. Around 11-12 Customs documents are necessary for trade between India and Nepal, while the number is 7-9 between India and Bangladesh; Can it not be further reduced for the countries? Manual procedures in some cases are also creating barriers to trade. Nepalese trucks have to obtain transit papers separately for each state of India for exporting to India. The cost for issuing the transit paper varies from state to state which increases the cost of transport for Nepal. Mismatch in office hours of Customs offices of the different countries makes trading activities suffer; and It takes a much longer period of time for the sub-regional countries to complete the same Customs clearance procedures than in other Asian countries. Exchange of data and information is essential to make the cumbersome Customs and other procedures easy and to have less-costly trade. To facilitate trade, data exchange among customs authorities of the countries is also crucial and all the issues related to procedural obstacles could be reduced through implementation of digital mechanism.

5.2 MODERNIZATION OF BORDER MANAGEMENT PROCEDURE

- a) Smart borders apply international standards, best practices and technologies to allow borders to operate as smoothly as possible. Smart borders are also heavily reliant on cross-border cooperation by border agencies including data exchange as well as cooperation between agencies within a country. By using technology, advanced information and other measures, smart borders also keep borders open by shifting traditional compliance processes to either before or after the border. Smart borders involve utilizing modern technology, risk management, domestic and international cooperation as well as international standards to create secure and low –friction borders. Smart borders recognize that people and goods carry different risks and so separate these flows so they can be managed differently.
- b) The concept of smart borders was first used in December 2001 in an agreement between the governments of the United States and Canada and identified areas for development including biometric identifiers for passengers and harmonized clearance, joint facilities and customs data sharing for goods. The EU announced its own smart borders program in 2013 focusing on the use of technology and biometric data to facilitate the movement of persons across the external Schengen borders, and included elements such as a registered traveller program. The European Parliament adopted a legislative resolution on the Commission proposal for a regulation on 25 October 2017.

5.2.1 International standards and best practices

- a) There is a range of international standards and best practices governing the operation of secure and smooth borders for people and goods, many of which are relevant for the border between Ireland and Northern Ireland. Other standards and best practices also form part of the United Nations Economic Commission for Europe's (UNECE) Trade facilitation Guide. At borders as a matter of course, the processing of goods (and vehicles and their drivers) and people should be separated to reduce congestion and ensure that the right measures are being applied to facilitate fast movement across the border.

5.2.2 Trusted Traders

- a) Authorized Economic Operator (AEO) programmes (also known as trusted trader program) are based upon the World Custom Organization's Framework of Standards to Secure and Facilitate Global Trade (SAFE). Trusted trader programmes work on the principle that companies that are able to meet specific compliance and/or security

standards in their day-to-day operations will receive benefits in their trade across borders, both for imports and exports. The types of benefits generally include expedited clearance, including reduced documentary and physical checks, and benefits under Mutual Recognition Agreements (MRA) with other customs jurisdictions. Through MRAs with other customs jurisdictions, companies authorized as compliant in one customs jurisdiction can be recognized as AEO in a second customs jurisdiction with reciprocal

- b) benefits for AEO companies. The EU currently has MRAs with Norway, Switzerland, Japan,
- c) Andorra, the US and China.

5.2.3 Integrated border management

- a) Integrated border management encompasses cooperation between border management agencies within a customs jurisdiction and between one customs jurisdiction and another, generally along a shared border. In its 2010 Guidelines for Integrated Border Management in EC External Cooperation, the European Commission noted that “ IBM (Integrated Border Management) works towards achieving the goal of having open, but controlled and secure borders, by enhancing the coordination and cooperation among all the relevant border authorities at national and international levels”.
- b) Within a customs jurisdiction, integrated border management requires bringing together the range of agencies that are often represented at a border, including health, biosecurity, customs, immigration and other agencies. As in Finland, this can include having one or two agencies responsible for all or most of the border functions. This domestic coordination also includes data exchange between different agencies that supports integrated activities. A fully integrated border between customs jurisdictions requires a legal and regulatory framework, harmonized procedures, exchange of data and information as well as joint infrastructure. At the EU's external border, integrated border management is in place at the Sweden-Norway border.

5.2.4 Keeping the border open

- a) In order to free up the border, a number of measures can be taken to ensure that as much government agency activity as possible is moved away from the border. These measures can form part of, for example, trusted trader programs, or be applied to most imports and exports. A key step is allowing the release of goods prior to clearance by customs and other agencies. Based on pre-arrival information (or a pre-declaration with the minimum information required) goods can be released and a full declaration made within a defined time period after release. Based on an account system, duties can be paid on a periodic basis and controlled based on audits. This system of deferred duty payments (which can also apply to VAT) eliminates the need to determine the correct amount of duties at the border. A system of monetary guarantees or security underpins deferred duty payments. If inspections or controls are required, these can be conducted away from the border. This can be done either at a specified location (e.g. a customs warehouse away from the border) or at the importers place of business. For exports, any controls can be undertaken at the exporter's place of business.

5.2.5 Single Window

- a) The World Customs Organization defines a single window as “ A Single Window Environment is a cross border, ‘Intelligent’, facility that allows parties involved in trade and transport to lodge standardized information, mainly electronic, with a single entry point to fulfill all import, export and transit related regulatory requirements”. A single window allows businesses to electronically submit most or all of the standardized information required for importing and exporting through one portal. This greatly simplifies the process for importers and exporters who have often been

required to communicate separately with different government agencies on imports and exports. The most advanced single windows allow businesses to submit applications for those certificates, licenses and permits required for import and export as well as the submission of customs declarations. Single windows can also provide facilities for bank payment of duties and other fees.

5.2.6 Gateway solution

- a) The Gateway solution is a solution using existing infrastructure, like mobile networks, for Customs and Government related information messages to and from businesses involved in import and/or export. It was first tested by Swedish Customs for Authorized Economic Operators at the Sweden-Norway border in 2003 2005. It can also be used to follow vehicles In real time through GPS positioning.

5.2.7 Green Corridor

- a) The Green Corridor is a solution to speed up supply chains through a fast track approach for AEOs and which re-uses export data as the basis for border processing and imports throughout the supply chain. It was tested between Sweden, Finland and Russia for a number of years.

5.2.8 Technology Solutions

- a) There are a wide range of technology solutions that support modern smart borders. These can facilitate secure and fast movement across borders by supporting better risk management and reducing the amount of paperwork required: **A fully electronic environment:** requiring the electronic submission and receipt of documents and payments. This creates a more secure environment by reducing the amount of paper as well as the faster processing of goods and passengers at a border. **e-Passports:** The use of ePassports with biometric capabilities can facilitate the faster movement of persons across borders. The international standard for ePassports is governed by the International Civil Aviation Organization. **Automatic Number Plate Recognition (ANPR):** ANPR allows the reading of number plates and the use of this information to link to customs pre-arrival information or a declaration for a truck arriving at a border, which can allow faster or even no processing at a border. It can also facilitate the movement of passenger vehicles through risk assessment if it is possible to access data on vehicles in other government databases. **Enhanced Driver's License:** with biometric or other personal identification cards with biometric or other identifying data. This facilitates fast identification of people at the border through quick scanning and can be used instead of a passport. **Smartphone apps:** Information for goods and passengers can be exchanged through smartphone apps. This can include the provision of minimum information from driver's approaching a border and the receipt of information (e.g. a barcode) by drivers to facilitate passing the border. **Barcode scanning:** To facilitate the movement of goods across a border, the Provision of a barcode by customs or other border agencies can allow documentation to be scanned and released quickly on arrival. **Smart Gates:** The use of smart gates or fast-scanning or machine reading technologies to facilitate the fast movement of persons through the border and to support risk management. **Non-intrusive inspection technologies:** Where controls on goods or vehicles are required, the use of scanners and other non-intrusive technologies for inspections

5.2.9 The ratification by Bangladesh of the Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific

- a) This note aims at providing information for the ratification by Bangladesh of the Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific. Bangladesh signed the Treaty in 2017 and its implementation of the Framework Agreement is expected to bring significant economic benefits, in particular through a reduction of trade costs. Early ratification of the Framework Agreement by Bangladesh will signal the readiness of the country to further modernize its trade processes. It will also provide the country with direct access to

the latest knowledge and solutions on cross-border paperless trade, as well as additional opportunities for capacity building and technical assistance. Ratification to the treaty should be seen as part of a broader effort towards improving the competitiveness of Bangladesh through digitalization and improving the business environment.

- b) The Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific (“Framework Agreement”) was adopted by the United Nations Economic and Social Commission for Asia and the Pacific on 19 May 2016. It is a multilateral treaty deposited with the Secretary General of the United Nations.⁴ A group of more than 25 countries participated in the development and negotiation of the Agreement between 2012 and 2016.⁵ It is designed as an inclusive and enabling platform that will benefit all participating economies regardless of where they stand in terms of trade facilitation or single window/paperless trade implementation. Achieving cross-border paperless trade in Asia and the Pacific is expected to cut trade costs of economies in the region by 25% on average, greatly enhancing the trade competitiveness of collaborating countries.

Potential contribution and expected benefits to Bangladesh development

- a) Trade is commonly considered as an engine of economic growth and highlighted as a key *Means of Implementation* of the 2030 Agenda for Sustainable Development.⁶ Commercial exchanges across borders may significantly contribute to sustainable economic development but may also pose challenges in terms of border control and trade facilitation.
- b) Bangladesh is particularly concerned by trade and trade facilitation. According to the World Bank 2019 Doing Business Report, Bangladesh overall ranks 176 in “Ease of doing business”, and 176 in the “Trading across Borders” category. This indicates that significant opportunities exist to improve trade facilitation mechanisms.⁷
- c) Paperless trade makes international trade more efficient and transparent while improving regulatory compliance, particularly if trade-related data and documents in electronic form are exchanged across borders. Paperless trade may therefore be the solution of choice to address Bangladesh’s trade facilitation needs, in particular in the context of a rapidly digitalizing global economy.
- d) Potential benefits from achieving cross-border paperless trade in Asia and the Pacific have been quantified in terms of trade costs reductions and trade gains. A study by Shepherd et al. estimated that if Bangladesh achieves at least partial implementation of cross-border paperless trade, it would reduce its cost and time of export/import by 33%/ 36%, and help it boost its exports by 13%.⁸ The export gains would be approximately about USD 0.6 billion per year. A more recent study finds that, if Bangladesh implements WTO TFA together with cross-border paperless trade measures, it could achieve trade cost reductions of 33%, instead of only about 11% if it aims at basic compliance with the TFA.⁹ This amounts to potential trade transaction cost savings of more than USD 0.7 billion per year.

Benefits of acceding to the Framework Agreement include the following:

- Accelerated progress towards a digital and paperless trade environment.
- Opportunity to integrate emerging cross-border paperless trade considerations and best practices early in the development of national single window and other paperless trade systems.

- Easier access to information, knowledge and resources to achieve full digital implementation of the WTO Trade Facilitation Agreement.
- Reduction in overall investment costs and maximization of return from investments in paperless trade systems.
- Increased opportunities for capacity building through trainings, workshops and knowledge-sharing platforms.
- Compliance with commitments the party may have made through in its bilateral and plurilateral trade agreements to collaborate on exchanging electronic of data and documents.
- Ready access to potential counterpart countries interested to negotiate and achieve cross border data exchange.
- Direct participation in the development of pragmatic solutions for the cross-border exchange of trade documents.

Objective of the Framework Agreement

- a) The objective of the Framework Agreement is to “*promote cross-border paperless trade by enabling the exchange and mutual recognition of trade-related data and documents in electronic form and facilitating interoperability among national and sub regional single windows and/or other paperless trade systems, for the purpose of making international trade transactions more efficient and transparent while improving regulatory compliance*”.
- b) Article 1 makes it clear that the Framework Agreement aims to promote and facilitate development of paperless trade but does not bind States that adopt it to exchange data and documents with any other State. Rather, it provides the framework that enables those exchanges, if concerned States wish so. In this sense, the Agreement is an enabling treaty rather than a prescriptive one.

Key Provisions and Features of the Framework Agreement

- a) Article 5 lists general principles that should inspire the activities undertaken by the Parties under the Framework Agreement. These are (a) Functional equivalence; (b) Non-discrimination of the use of electronic communications; (c) Technological neutrality; (d) Promotion of interoperability; (e) Improved trade facilitation and regulatory compliance; (f) Cooperation between the public and private sectors; and (g) Improving trans-boundary trust environment.
- b) Article 8, one of the most far reaching articles in the Framework Agreement, sets the goal of achieving mutual recognition of trade-related data and documents in electronic form in. States interested in exchanging data and documents among themselves need to agree on a “substantially equivalent level of reliability” for the data or documents to be exchanged (Article 8). The article recognizes that operationalization of the mutual recognition and exchange will likely require additional bilateral agreements, whose models and guidelines are being developed.
- c) In line with Article 12, each State party is expected to set its implementation timeline based on its own readiness assessment and national priorities as well as resource availability. Hence, no specific timeline is provided for actions and tasks to be performed by individual parties.
- d) One prominent feature of the Framework Agreement is the mechanism for capacity building and technical assistance. That mechanism aims to support the deployment of pilot and other projects on cross-border paperless trade on the basis of the technical and legal reference documents and guidelines developed under the Framework Agreement (Article 13). It also supports technical assistance and cooperation arrangements, with special consideration for least developed and landlocked developing countries (Article 14).

Relation to domestic laws

- a) No changes in law and regulations relating to paperless trade are necessary prior to ratification to the Framework Agreement.

- b) After the adoption of the Framework Agreement, Bangladesh may enact new law(s) or revise existing relevant law(s) to enable electronic exchange of electronic data and documents based on its own priorities and resource availability (as per Article 12).

Relation to other global, (sub) regional and bilateral initiatives

- a) The Framework Agreement is complementary to the WTO Agreement on Trade Facilitation (TFA). It supports the full implementation of the WTO TFA in an electronic environment.¹⁰ Participating in the Framework Agreement can help meet the requirements of many provisions of the WTO TFA, inter alia, those relating to “Formalities connected with importation and exportation and transit” (Article 10), “Release and clearance of goods” (Art. 7), and “Border agency cooperation” (Art. 8).
- b) The Framework Agreement builds upon and supports bilateral and regional initiatives. It provides a platform for members to promote the solutions they have developed bilaterally and (sub)-regionally for adoption by other trade partners; and/or to develop better solutions they can use to implement related bilateral or (sub) regional commitments.

Accession/Ratification and Entry into Force

- a) The Framework Agreement is open for ratification or accession to all ESCAP member States. As of March 2019, five countries have signed the treaty, namely, Armenia, Bangladesh, Cambodia, China and Islamic Republic of Iran, and one, Azerbaijan, has acceded.
- b) The Framework Agreement will enter into force ninety days after the date on which the Governments of at least five ESCAP member States have deposited their instruments of ratification, acceptance, approval or accession to the Framework Agreement (Article 19).
- c) About 30 States are at various stages of the treaty adoption and participate annually in the interim Intergovernmental Steering Group on Cross-Border Paperless Trade Facilitation, a body that spearheaded the negotiation of the treaty and is now supporting its implementation.

Administrative and Financial Requirements

- a) Becoming party to the Framework Agreement has no direct financial cost implications for Bangladesh, except for supporting participation of national representatives in the meetings of the Paperless Trade Council and the Standing Committee, which will convene at least once a year, once the Treaty enters into force.
- b) The Paperless Trade Council and Standing Committee will start meeting once the Framework Agreement has entered into force, thus replacing the Interim Intergovernmental Steering Group on Cross-Border Paperless Trade Facilitation to which Bangladesh is already participating.
- c) Its administration at the domestic level requires establishing or nominating a national committee on paperless trade. The designated committee could be an existing body such as the national trade facilitation committee or a single window committee/working group. Furthermore, no mandatory reporting requirements arise from the adoption of this treaty.
- d) The ESCAP Secretariat is ready to assist Bangladesh in ensuring the application and implementation of the Framework Agreement. For instance, explanatory materials may be made available and seminars or workshops to familiarize government officials with the Framework Agreement may be jointly organized.
- e) Due to its economic features, Bangladesh has much to benefit from paperless trade facilitation and engagement through a multilateral platform. Early ratification of the Framework Agreement would send a clear signal of the high-level commitment and vision of the country’s leadership in harnessing the benefits from trade digitalization

and to engage in the fast growing digital economy. This would increase the possibility of securing support from development partners in developing hard and soft infrastructure for trade digitalization and e-commerce, but also provide Bangladesh the opportunity to shape the activities and priorities of the Framework, ensuring it fully align with national objectives.

5.3 COORDINATION OF INTER AND INTRA BORDER AUTHORITIES AND HARMONIZATION OF THE BORDER MANAGEMENT ACTIVITIES

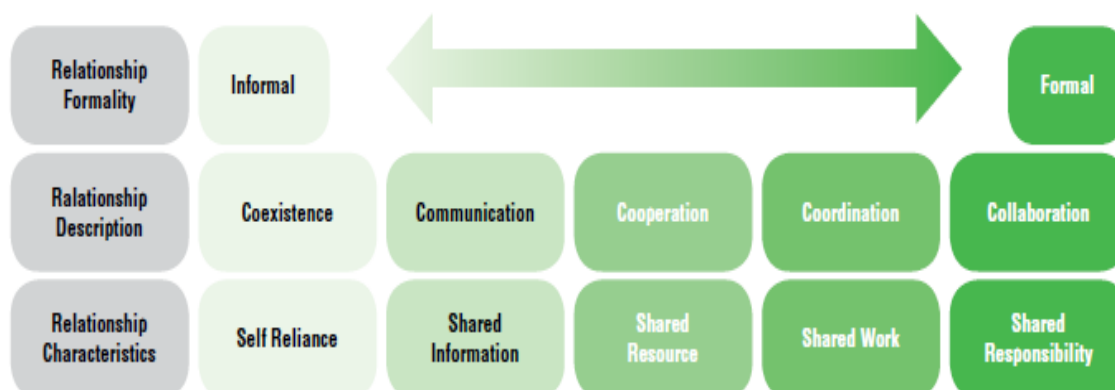
- a) Coordinated Border Management (CBM) refers to a coordinated approach by border control agencies, both domestic and international, in the context of seeking greater efficiencies over managing trade and travel flows, while maintaining a balance with compliance requirements.
- b) The CBM concept is not a new one. The WCO had published the Customs Compendium for Integrated Border Management in 2006 that outlines the key elements of an Integrated Border Management System, as well as planning and implementation issues. Many of these elements addressed in the Compendium published in 2006 are still relevant today. Over the years, variations of the term had surfaced across various forums. It is known as “Integrated Border Management” by the European Union, “Collaborative Border Management” by the World Bank
- c) And “Comprehensive Border Management” by the OSCE. These terms all refer to very similar things, which is essentially the holistic approach involving all cross-border regulatory agencies so that their regulatory functions are discharged in a coordinated manner. In this compendium, the term “Coordinated Border Management” was adopted in favor of the former name “Integrated Border Management” due to the fact that “Integrated” seemed to pre-suppose structural and institutional integration, which potentially narrows the scope of the concept – the WCO believes that CBM is much broader in the sense that resources, functions, processes and legislations have to be mobilized around a shared vision of effective and efficient border management and there are several solutions to achieve that where an integration of services is just one of the option.

Figure-5.1. Comprehensive Border Management

5.3.1 Level of Formality in Collaborative Interactions

- a) It is likely that all Cross-Border regulatory agencies engage with each other to varying degrees – interactions can take place between individuals at a personal level, or they could be encapsulate Into work instructions, operational arrangements, or in more formal settings, defined through laws, regulations and agreements. Coordinated Border Management is more focused with the latter. Figure -- aims to illustrate the gradual elevation in terms of the formality that defines inter-governmental collaboration and the differing nature of such relations, as the level of formality increases. It is posited that while ad-hoc and informal arrangements exists, and can do some good in improving the situation at the border, they are unsustainable and will very quickly reach a point of diminishing returns. Informal arrangements that are not structured and backed by official arrangements also gives rise to unpredictability and irregularities that can detract from good organizational governance and accountability.
- b) Coordinated Border Management is ultimately about cross-border regulatory agencies within the same country, as well as like-minded cross-border regulatory agencies across borders, putting in place official measures, mechanisms and communication channels to ensure that regulatory processes are streamlined and effective. As Figure shows, as the level of formality elevates from a lower, to a higher level, the nature of the corresponding level of collaboration increases in sophistication and confidence. Working relationships between counterparts grow from a level of relatively isolated “self-reliance”, to a level of “shared responsibility”, where agencies undertake

- c) Shared ownership to achieve effective and efficient border regulatory outcomes. This does not imply a “one-sized fits all” solution however. While Customs and Cross Border Regulatory Authority (CBRAs) should aspire to a level of formal collaboration anchored by a common sense of responsibility and ownership over border outcomes, it may not be feasible to bring every agency to the same level at the same time, or agency partners only be able achieve a lower level due to operational and policy constraints. This does not imply a failure of Cross Border Management (CBM), but adaptation and flexible implementation, based on the distinct context of different agencies and countries.



5.3.2 Multiplicity of Agencies at the Border

- a) The multiplicity of agencies at the border is a fact in the contemporary regulatory environment, and it is rare for a single agency to be able to take responsibility for upholding the regulatory requirements for all manner of goods, acquire all of the functional and material competencies required to effectively discharge this responsibility and make all of the decisions necessary relating to regulatory control at the border. Specialization of competencies and specific allocation of responsibilities remains an important factor in many border crossings and this, in itself is not a bad thing. What is essential for any cross-border regulatory system to work well is for cross-border regulatory agencies to compare their missions, locate redundancies and identify aspects that contain little added value in terms of border procedures. The outcome of this effort can and will vary. In some situations, it had led to the creation of a single border agency that is mandated to carry out all border related functions; in other situations, it has resulted in the cross training of inspectors so that one inspector can carry out the primary functions of several agencies and only has to refer to the other agency in cases of doubt or special circumstances, or for inspectors to conduct the necessary checks all at the same time, so that goods do not have to be checked more than once. Such developments are ultimately shaped by the unique situation facing each agency, or even within different border crossings within the same country.

5.3.3 Coordinated Border Management as a Response to Resource Scarcity

- a) All cross-border regulatory agencies must find ways to use their limited resources in the most effective manner possible. Coordinated Border Management enables cross-border regulatory agencies to leverage on the strengths and resources of different agencies to overcome resource scarcity. Resource scarcity refers to:
- 1) The scarcity of time to ensure value preservation for legitimate trade, and effective control on high-risk cargo
 - 2) The scarcity of manpower and competencies to conduct the necessary border control functions
 - 3) The scarcity of information to determine the risk-status of cargo

- 4) The scarcity of land and other fixed assets necessary for effective border control
 - 5) The scarcity of equipment and other movable assets necessary for effective border control
- b) The first three factors-time, manpower and information are typically consequences of process design and can be addressed through process re-engineering. The fundamental approach is for cross-border regulatory agencies to identify synergies and maximize the use of the limited resources available at their disposal, and through this synergy, achieve a holistic approach that performs at a level significantly higher than the mere sum of its individual parts. Tangible actions to address such scarcities includes process reengineering, so that procedures can take place concurrently instead of consecutively, cross-training and empowering manpower, so that personnel from one agency can perform the checks of other agencies, and sharing of information, so that agencies can engage in shared-decision making to identify high-risk cargo for control.
- c) The last two factors, fixed assets and equipment are more intractable issues and it is clearly not possible to rebuild physical infrastructures that fulfill all the requirements of all cross-border regulatory agencies. It is also intrinsically linked to the three factors mentioned above: it is posited that if processes are streamlined and resources shared, maximum effectiveness can be derived from facilities and equipment. Tangible actions to address such scarcities includes the sharing of non-intrusive inspection equipment and inspection bays, since a coordinated risk management approach would already reduce the number of unnecessary checks and less space will need to be catered for inspections. This results in a smoother flow of goods through the border facility that will reduce congestion and waiting time. If congestions can be mitigated, fewer personnel need to be present in the first place and the surplus manpower can be re-deployed to other priority areas. Where new construction is envisaged, one method which has been used to address the large cost of constructing border control points is for the neighboring countries to build a common facility where both Customs and other border agencies work side by side. In this manner, the legal and policy issues of officers working in another country are avoided and the cost of constructing border facilities is reduced. Some administrations have also found it practical to provide the legal basis for their neighboring country's Customs officials to perform certain activities on their behalf. In practice, this has resulted in one Customs official performing the export checks to satisfy his country's requirements and then performing the import checks of the importing country. The goods are released for export and import in one series of checks. The WCO Framework of Standards to Secure and Facilitate Global Trade (also referred to as the SAFE Framework of Standards) is partially based on a Customs-to Customs Pillar and has an Annex containing standards that deal with Customs-to-Customs Network Arrangements. Non-intrusive examination equipment is extremely expensive. Administrations should consider sharing the use of this equipment with their neighboring country to help reduce this large capital outlay. The use of detector dogs could also be shared amongst adjoining countries. The pre-clearance of passengers and goods has proven to be an effective system to reduce the release time for goods and travellers. Pre-clearance involves the stationing of a Customs official in the departing country and this official performs the Customs and Immigration functions for his country in the foreign country. When the passengers arrive at the destination country, they are treated as domestic passengers and are able to leave the premises in a timely fashion. Less congestion at airports permits the construction of smaller terminals. Similarly, goods can be pre-cleared resulting in less congestion in terminals. Other areas that are not specifically within the purview of Customs but affect Customs operations could be reviewed to reduce the costs for administrations. As an example, in many administrations, Customs is required to hold goods until various internal certification processes have been completed.

Administrations could give consideration to granting equivalence to the exporting country's certifying body and then Customs would be able to release the goods after having checked the accompanying certificates.

5.3.4 The 2 Dimensions of Coordinated Border Management

- a) Coordinated Border Management consists of 2 intrinsically linked areas, namely, the flow of information and the physical movement of goods and people. Each dimension is governed through a series of general principles. These principles shape the specific measures that are applicable for the clearance of goods, and the clearance of people at the border.

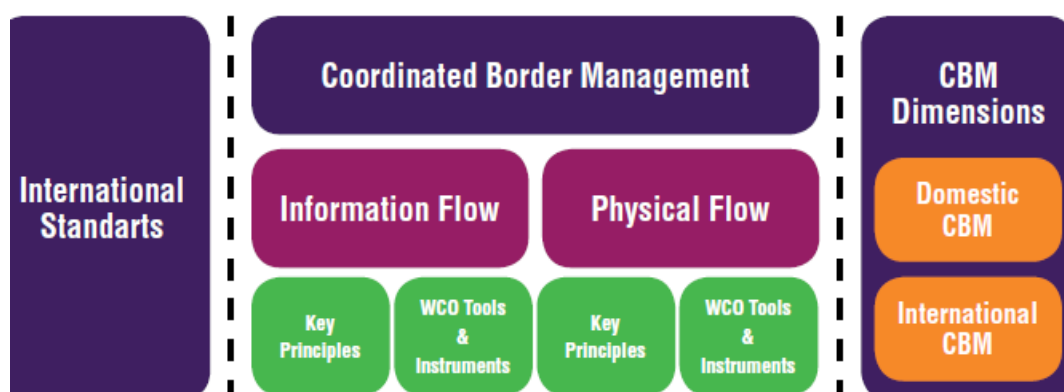


Figure 5.2: Coordinated Border Management Dimensions

- b) The 2 dimensions of CBM are the foundational underpinning of a CBM system—ultimately, information, whether in paper or digital form, is required for cross-border regulatory agencies to make the necessary decision to control the flow of goods and people. The smooth flow and integrated access to high-quality information enables cross-border regulatory agencies to make the necessary decisions, in a timely fashion and without undue inconvenience to the public. This enables effective risk-management to be performed so that the physical movement of goods can be streamlined and facilitated—high-risk goods that need to be controlled will be accorded the required scrutiny and low-risk goods that can be released will not be unnecessarily hindered.

5.3.5 Key Principles for the Coordinated Flow of Information

The key principles for the coordinated flow of information within a CBM system is premised on the hypothesis that the availability of good information from the trade, enabled through clear requirements and efficient submission procedures, leads to improved decision making by cross-border regulatory agencies. In order for this to happen, the following principles apply:

- a) **Regulatory Transparency:** Requirements must be transparent, so that the trading community is clear on who is providing what information, and when and how it needs to be submitted. This ensures that the regulatory authorities have the key information that it needs to process the shipment and reduces scenarios where additional information are required due to unclear requirements. The need to wait for additional information to be furnished in order for clearance decisions to be made results in inefficiencies and bottlenecks that should be avoided.
- b) **Streamlined Submission:** The means for submitting information, whether through paper forms or electronic systems, should be streamlined. Duplications in information requirements should be eliminated as far as possible (i.e. the same information should only be submitted once) and only information essential for ensuring regulatory integrity should be required. Information also does not have to be submitted all at

once-this should be streamlined with the process undertaken by different agencies so that information that is essential for security and key regulatory requirements can be evaluated first, while other less critical information can be submitted within a stipulated timeframe.

- c) Information Sharing: To the greatest extent possible, relevant information submitted by the trading community relating to shipments crossing the border should be shared between cross-border regulatory agencies concerned so that risk management and collective decision making can take place to either control high-risk shipments, or facilitate low-risk ones.
- d) Information Protection: To maintain confidence between the trading community and between cross-border regulatory agencies, the confidentiality of information received and disseminated to authorized parties must be maintained. The sharing of information between cross-border regulatory agencies must be governed by clear rules and where appropriate, legal requirements, to protect the interests of the trading community and provide a legal basis for the actions of cross-border regulatory agencies.

5.3.6 Key Principles for the Coordinated Movement of Goods

- 1) The key principles for the coordinated movement of goods within a CBM system is premised on the hypothesis that the smooth movement of low-risk cargo across borders is essential to the key value proposition of regulatory agencies: value preservation and the effective handling of high-risk cargo leads to greater value preservation by not hindering the movement of low-risk cargo. In order for this to happen, the following principles apply:
 - a) Streamlined checks and clearance: Cross-border regulatory agencies should coordinate efforts to execute control on high-risk cargo. The procedures for conducting the checks should be clear to the trader and if a shipment needs to be inspected by multiple agencies, it should be done at the same time by all parties involved or by a lead agency (e.g. Customs) authorized to conduct the check on behalf of another agency. The similarities and distinctiveness of the different types of controls utilized by different CBRAs should be holistically examined to ensure effective outcomes for all, and where feasible, the inspection of the goods could also be conducted at designated inland locations, instead of at the borders. (ii) Congestions Management: Physical infrastructures should be organized to facilitate smooth movement of goods carrying vehicles and efforts must be undertaken to identify potential sources of bottlenecks (i.e. through a Time Release Study). Cross-Border Regulatory Agencies and the trading community should work together constantly to remedy such bottlenecks. (iii) Manpower Availability: Cross-border regulatory agencies need to work with each other to ensure that manpower is available to conduct the necessary controls on targeted high-risk cargo so that waiting time is reduced. In order to make the best use of limited manpower, agencies could examine cross-training and empowering personnel from other agencies so that an agency can be tasked to undertake checks on behalf of other agencies under certain conditions, and taking steps to co-ordinate working hours, rest time and shift change timings so that there is minimal disruption. (iv) Infrastructural Availability: Cross-border regulatory agencies should be equipped with the necessary equipment and facilities to execute control and seek positive synergies by sharing such resources with each other. In this way, Office space, parking lots, inspection bays and inspection equipment could be better utilized. Non-intrusive methods of inspection should be favored whenever possible.

5.3.7. Organization and Structure in Coordinated Border Management

- a) Coordinated Border Management does not come naturally-it is an engineered process, put in place by like-minded cross-border regulatory agencies both within

and across borders to achieve the desired outcome of effective and efficient border control. The motivation behind CBM can be internally or externally motivated.

b) External motivations include:

c) Implementing bilateral or multilateral agreements including:

- Mutual Assistance Agreements
- Mutual Recognition of AEO
- Free Trade Agreements
- Regional Integration Agreements
- Multilateral Trade Agreements

d) Internal motivations include:

- Enhancing national competitiveness
- Construction of new infrastructures like border posts, sea ports or airports
- Addressing security threats and regulatory challenges
- Improving service quality

e) Both internal and external motivations are valid reasons for undertaking CBM and many situations may result due to a combination of both internal and external motivations. The need to implement legal agreements often provides some legal basis and obligations on the part of signing countries and may even provide the specific scope of the type of CBM required.

f) At the more basic level, Customs Mutual Assistance Agreements and AEO Mutual Recognition would primarily involve the Customs administrations of both countries but more complex arrangements such as Free Trade Agreements, for example, would typically oblige parties to offer facilitated procedures and preferential tariff rates to each other on the basis of specific origin rules. This requires harmonization in the recognition of goods from preferential partners through certificates of origin, databases of registered manufacturers as well as validation and communication mechanisms in case of doubt. It may also oblige trading partners to exchange data for statistical or trade compliance purposes, and provide assistance to each other to investigate suspicious shipments relating to the free trade agreement. More far ranging agreements that involve both Customs controls and CBRA regulations would necessitate the formation of formal working mechanisms both domestically, as well as bilaterally or multilaterally to ensure that such provisions could be implemented. The situation is further complicated when addressing Regional Integration Agreements and Multilateral Trade Agreements (such as the WTO Trade Facilitation Agreement), where the provisions are far reaching and cross-cutting to the extent that it is not possible for any 1 party or agency to implement all provisions without collaboration from others. Internal motivations can provide a similarly compelling impetus. The need to enhance national competitiveness through greater harmonization, simplification and facilitation for trade is, in itself, a compelling motivation. The construction of new infrastructures would typically bring together Customs, CBRAs and other parties as well, so that the requirements of the respective parties could be deliberated and coordinated. Addressing multi-faceted security threats and regulatory challenges that requires collaboration between Customs and CBRA is similarly compelling. The intrinsic similarity between these motivations lies with the fact that in both cases, Customs and CBRAs are mobilized through the exercise of political will by higher institutional authorities such as ministries, as well as the personal motivation of ministers and state executives. Political will provides the essential enabler for Customs and CBRAs to act on the internal and external motivations, and translate them into improvements in border management.

5.4 POLICY / LEGAL FRAMEWORK

- a) A number of short, medium and long-term policies, rules, regulations, acts and orders are in operation in Bangladesh to regulate the country's external/international trade (export and import). In general, different trade related activities have been carried out under the common understanding between different ministries and departments as per rules and regulations. An effective trade policy ensures that relevant government departments and agencies work in a coordinated manner.

5.4.1 Existing Laws/Rules Governing Exports and Imports in Bangladesh:

- Export Promotion Bureau Ordinance, 1977
- Bangladesh Tariff Commission Act, 1992
- Foreign Private Investment Promotion & Protection Act, 1980
- The Competition Act, 2012
- The Patent and design Act, 1911, amended in 2016 by CC
- Copyright Act 2005, Rules 2006, Trade Mark Act, 2009
- New Custom Act, 2018 and Old 1969 Act
- BSTI amendment Act, 2018
- Quarantine Regulation Act, 2018
- Food safety Act, 2018
- Land Port Authority Act, 2001
- Bangladesh Land Port Authority Employee Service Regulation, 2004
- C&F Agent Licensing Rules, 2016
- The Baggage Rules, 2018
- SRO of AEO
- Public Procurement Act, 2006 & Rules 2008
- Company Act, 2018
- Imports and Exports (Control) Act, 1950.
- The Importers, Exporters and Indenters' (Registration) order, 1981.
- Review, Appeal and Revision (Order), 1977.
- Import Policy Order (presently 2015-2018).
- Export Policy 2018-21
- The Bangladesh Economic Zones Act, 2010
- Bangladesh Export Processing Zones Authority Act, 1980
- Bangladesh EPZ Labour Ordinance, 2019
- EPZ Workers' Welfare Association and Industrial Relations Act, 2010

5.4.2 Other Relevant Acts, Rules, Orders and Circulars:

- One Stop Service Act, 2018
- One Stop Service Rules, 2018
- Customs (Economic Zones) Procedures, 2017 (No. 42/2017/Customs/199)
- The Customs (Economic Zones) Procedures, 2017 (Standing Order No. 42/2017/Customs/199)
- Amended Bangladesh Economic Zones Act, 2015
- Income Tax Exemption on Dividend, Share Transfer, Royalties-SRO No. 299-Law-IT-2015
- Declaration of Mongla EZ as warehousing station-SRO No 263-Law-2015-53-Customs

- Bangladesh Economic Zones Act, 2010
- SRO No: 264-Law/2016 Declaration of Meghna Economic Zone
- Private Economic Zone Policy 2015
- Exemption of Declared EZ from Exercising BOI Act
- VAT on Electricity-SRO No. 168-Law-2015-735-VAT
- Tax Holiday for EZ Industrial unit-SRO No 226. Law- IT-2015
- Tax Holiday for EZ Developer-SRO No. 227-Law-IT-2015
- Remission of Land Dev. Tax SRO No 05-Law-2016
- Income Tax Exemption on Dividend, Share Transfer, Royalty-SRO No. 299-Law-IT- 2015
- Income Tax-Individual-SRO No. 298/Law-IT/2015
- Exemption of Union Parishad Tax-SRO No. 333/Law/2015
- Exemption of Land Development Tax-SRO No. 05/Law/2016
- Declaration of Mongla EZ as warehousing station-SRO No 263/ Law/ 2015/ 53/ Customs
- Guidelines for Foreign Exchange Transactions (Bangladesh Bank)
- VAT on Electricity SRO

5.4.3 Law/ Policy Review/Policy Paper preparation

- a) The Government of Bangladesh under the WB financed The Regional Connectivity Project 1 has been initiating Law/ Policy Review/Policy Paper Preparation activities that are proposed to provide policy feedback to the government for advancing the concept of cooperation in trade, transport and transit facilitation. These will also promote policy advocacy for issues related to women traders, and facilitate policy coherence between national development priorities and international obligations on trade facilitation. The scope of this review has been prepared in consultation with the Ministry of Commerce and other relevant stakeholders. The scope of policy review on different agendas are as follows:

Export Promotion Bureau Ordinance, 1977:

- a) Export Promotion Bureau Ordinance, 1977 was passed to establish the Bureau, set up a Board of Management and determines, elaborates the roles and functions of the Vice Chairman as the Chief Executive of the Bureau, functions of the Bureau, budget and financial management of the organization. Within the passages of time, global trade scenario has changed significantly which demands for revisit the functions of the Bureau and also the composition of the Board of Management. The review will examine the role of the Bureau in the context of present global trade scenario and come up with possible recommendations for making the organization more effective. This review will also explore the inclusion of potential provisions for promoting exports of women entrepreneurs through the activities of EPB.

Bangladesh Tariff Commission Act, 1992:

- a) Bangladesh Tariff Commission Act was adopted by the Parliament to set up the Commission with the mandate to protect the domestic industry, encourage competition among the industries, effective use of industrial resources, export promotion of domestic products, anti-dumping measures etc. In discharging these responsibilities, the Commission shall consider market economic situation, economic environment, bilateral and multilateral trade and tariff agreements and public opinions. It is however, worth noting that the mandates did not explicitly mention its roles in determining the custom tariffs. It is also assigned with some overlapping roles and responsibilities with Export Promotion Bureau and the Ministry of Industries. This review has therefore aimed to analyze the

Commission's roles and mandates in the current global context and also considers function at the present domestic organizational set up to avoid delicacy and redundancy. This study will also examine the inclusion of potential provisions for promoting exports of women entrepreneurs through the activities of Bangladesh Tariff Commission.

Foreign Private Investment Promotion and Protection Act, 1980:

- a) The Act was passed with the intention to attract foreign investment, particularly for the development of capital, technical and managerial resources, discovery, mobilization or better utilization of the natural resources, strengthening balance of payment, increasing employment opportunities and economic development. It ensures fair and equitable treatment to foreign investment which ensures full protection and security of FDIs. It clearly spells out that the terms and conditions shall not be changed unilaterally and guaranteed National Treatment for the foreign investment. Beside this, foreign investment shall not be expropriated or nationalized and the transfer of capital and returns are guaranteed. The Act will therefore be revisited for ensuring similar treatment and protection for the local investors. Beside this, the analysis will consider whether the Act is consistent with the WTO rules and procedures or not. This review will also examine the inclusion of potential provisions for promoting joint venture investment by the women entrepreneurs under this Act.

The Competition Act 2012:

- a) The Act was formulated to prevent anti-competitive market behavior. It sets up Commission, determines the composition and duties and functions of the Commission, prohibited any anti-competitive agreement & abuse of dominant position and also elaborated complain, inquiry, order, review, penalty and appeal procedures. Although the Act is passed only eight years back, it has already received criticisms about the complaint procedures, appeal and review provisions which needs to be examined carefully. This policy review will analyze these issues in consultation with stakeholders and experience of other countries. The study will also examine the inclusion of potential provisions for facilitation of promoting SHE Trades through this Act.

The Patent and Design Act, 1911:

- a) The Act was formulated more than a century ago to protect industrial innovation and design. It describes the patent application procedures, terms of patent to be granted, maintaining the register of patents, compulsory licenses and revocation, petition of revocation of patent, registration of designs and new classes, copyright in registered designs and penal provisions for violations of the law. This Act is inconsistent with the WTO TRIPS Agreement which allows at least 20 years period for patent protection while the law allows only 16 year protection. It only covers product patents where is TRIPS allows both product and process patents. Beside this, recent amendment of Article 31(f) of the TRIPS Agreement related to granting compulsory licenses predominantly for domestic uses as well as for export under certain circumstances are also not covered by the Agreement. The Act will therefore be reviewed thoroughly before the expiry of TRIPS Exemption until 01 July 2021 to make it consistent with the WTO provisions. This review will examine whether two separate acts are to be formulated for protecting patent and designs. This review will explore inclusion of potential provisions for facilitation of business of women entrepreneurs through this Act.

Export Policy 2018-21:

- a) Export Policy is formulated in every three years. It generally contains eight chapters and two annexes. These include title, goals, application; definitions, general principles of exports, export diversifications, export incentives, services sector and strategies. There are hardly any differences of these policies formulated in every three years. It often does not properly consider WTO rules

and procedures particularly in determining export banned items or export control items. Some of the incentives provisions are also to be examined in the WTO context. There is even no action plan to be followed for implementation of the policy. So the policy often remains as wish list of the government. This review will therefore examine the updating of this policy in the context of domestic priority and WTO rules/regulations. This review will also examine the inclusion of potential provisions for promoting SHE Trades through this policy.

Import Policy 2015-2018:

- a) Ministry of Commerce formulates Import Policy Order of Bangladesh in consultation with the stakeholders. The Import Policy is based on the Section 3(1) of the Imports and Exports Act, 1950 (Act XXXIX of 1950) and has a legal basis for enforcement. Like the Export Policy, it is generally adopted for three years. It however, remains in force until a new Import Policy Order is issued. The existing Import Policy Order, 2015-18 is still valid and the Ministry expects to publish the new Import Policy Order shortly. The Policy defines the various terms, qualifies the general provisions for imports, determines fees for import and explains rules related to industrial imports, public sector imports and commercial imports. It also listed import prohibited items and the products to be imported under certain terms and conditions. The Policy elaborated procedures for imports by a group of importers and enlisted the names of registered trade associations. It is now important to review this policy, particularly to analyze the relevancy of the control and prohibited products under the present domestic and global conditions. Moreover, other provisions of the Order also need to be examined in ensuring ease of imports of essential and industrial goods. This study will have focus on these issues along with review of addressing gaps for promoting SHE Trades through this policy.

National Digital Commerce Policy, 2018:

- a) The National Digital Commerce Policy 2018 has been placed by the ICT Ministry and approved by the cabinet in July 2018. The existing policy guidelines consist of 14 objectives and 61 targets. To make the policy guidelines user friendly a 24 member national committee has been established under the chairmanship of the Hon'ble Commerce Minister in August 2018. UNCTAD has recently carried out "Bangladesh Rapid e-Trade Readiness Assessment and identified the Key findings on i) E-commerce strategies, ii) ICT Infrastructure and services iii) Trade Logistics and Trade Facilitation iv) Payment Solution V) Legal and regulatory Framework vi) e-Commerce Skills Development. The terms of reference of the BRCP 1 project includes provisions to make liaison with the technical committee and other stakeholders and identify the reforms needed in the existing guidelines. The analysis will be based on these findings and incorporate the reforms or changes that can be made in the existing policies. This study will examine the inclusion of potential provisions for promoting SHE Trades through this policy.

Leather and Leather Goods Development Policy 2019:

- a) The Ministry of Industries has drafted the Bengali version of the Leather and Leather Goods Development Policy 2019 which is expected to be published soon. The Policy includes a detail preamble and explains the goals and objectives, compliance for sustainable development of the sector, workers health and safety issue, infrastructural development, market promotion and development of backward industries, human resource development, measures to attract foreign direct investment (FDI) and public-private partnership measures. The leather sector is the second largest export earning sector. Unfortunately, export of this sector is declining. This review has therefore been planned to examine the policy constraint for increasing exports of leather and leather goods and identify barriers for export which should be addressed on priority basis. It will also examine the inclusion of some provisions for promoting SHE Trades through this policy.

National API (Active Pharmaceutical Ingredients) and Reagents Production and Export Policy:

- a) This is the first sectoral export policy published by the Ministry of Commerce with the objectives of promoting domestic production of API and export of pharmaceutical products. The policy was adopted to utilize benefits granted under the TRIPS exemption for the LDCs. It has specific goals and objectives, incentive mechanism, implementation strategies and an action plan. The policy will be examined in the context of WTO rules and procedures, LDC graduation and domestic Drug Law 2006 and Drug Ordinance 1982 so that Bangladesh could enjoy benefits from the TRIPS exemption for the LDCs and also prepare itself to cope up with the post-graduation era. This review will also suggest measures for promoting SHE Trades through this policy.

Free Trade Agreements Policy Guidelines, 2010:

- a) Policy Guidelines on Free Trade Agreement, 2010 was finalized on 31 August 2010. The objectives, coverage and procedure mentioned in the Guidelines do not fit with the present international standard, therefore need to be reviewed. The guidelines only cover the trade in goods. Considering the global trade context, the service sector and the intellectual property rights issues are to be incorporated in the guidelines. Bangladesh is now seriously considering initiating FTA negotiations with China, Srilanka, Malaysia, Turkey, Indonesia etc. for expansion of its export markets and coping up with post-LDC graduation environment. This study has therefore been aimed at revising the present FTA Policy Guidelines on priority basis. The study will also examine the ways to provide incentives to women entrepreneurs so that they are prepared to explore benefits from this policy.

Comparative Analysis of trade policies of Bangladesh and its competing countries

- a) This comparative analysis of trade policies of Bangladesh and its competing trading partners will include review of export and import policies of Bangladesh and other selected countries and preparation of a comparison in the present global trade context. This review will particularly include 2 to 3 competing countries in consultation with the Ministry of Commerce. More countries will also be included under review in the next phase of this review.
- b) This review will examine various dimensions of Bangladesh's trade with special reference to exports and imports and compare with selected competing countries. This study will suggest strategies and policy reforms to address the policy deficits in Bangladesh. The study will also include review of strategies of competing countries in respect to SHE Trades for accelerating exports by the Bangladesh women traders.

Identification of potential countries for signing free trade agreements:

- a) Given that Bangladesh is set to graduate from Least Developed Country (LDC) status by 2024, it will face a number of challenges and difficulties in the trade sector. A major challenge will be to address the elimination of preferential market access to different countries. In this context, Bangladesh considers redesigning its trade strategies considering the post-graduation reality by diversifying export basket of goods and services, expanding existing markets and exploring new ones and taking initiatives to promote trade through Free Trade Agreements (FTAs). The policymakers have identified Bilateral Free Trade Agreements (BFTA) as a crucial instrument to deal with the post-LDC challenges.
- b) The country has been negotiating with some of its trading partners to sign BFTA for the last couple of years. More than a dozen of BFTAs are now under consideration and negotiation. But there is little progress in the negotiations. The reasons behind slow negotiation may be as follows:

- Tariff reduction or elimination of the country's high and less-predictable tariff regime;
 - Changing pattern of FTAs globally;
 - Partial focus on non-tariff measures (NTMs);and
 - Heavy reliance on ready-made garment (RMG) industry.
- a) The Ministry of Commerce has therefore decided to examine the potential for signing FTAs with some selected countries. This review will be done in phases. This phase will include examining the potential for signing FTAs with 3-4 countries, such as Indonesia, Malaysia, Brazil and China. This review will also examine whether the FTAs will bring any benefit for Bangladeshi women entrepreneurs.
- b) While addressing these key challenges, a revised Legal & Policy Vision needs to focus on integrating and mainstreaming these issues in each of the policy and Regulatory Framework. Harmonizing export, import, customs related Laws, rules and regulations with regional trade partners are essential. A number of short, medium and long-term policies, rules, regulations, acts and orders are in operation in Bangladesh to regulate international trade. Bangladesh external trade is regulated by a number of laws, policies, orders and acts which are structured under a broader liberalisation framework. In general, different trade related activities have been carried out under the common understanding between different ministries and departments as per rules and regulations. An effective trade law/ policy will ensure that relevant government departments and agencies work in a coordinated manner.

5.6. CAPACITY DEVELOPMENT OF THROUGH TRAINING

- a) While Bangladesh still needs a significant amount of technical support with regard to trade facilitation, improvements in at-the-border procedures alone will not be sufficient. For example, congestion at ports and traffic on roads can deter the smooth operation of importing and exporting. Therefore, infrastructure development is critical and such development encompasses all sectors that contribute to trade facilitation, including land transport, port development (land ports and seaports), customs houses, and LCSs. Adequate Borders without Barriers: Facilitating Trade in SASEC Countries infrastructure is essential to ensuring that trade-related services will be efficient and the process of importing and exporting will not be hampered. For Bangladesh, the implementation of the NSW will be challenging since it requires automation of the border agencies, many of which are not computerized yet. In addition, targeted training will need to be undertaken for customs officials and ICT professionals for the operation and management of an integrated system. The training of private stakeholders will be another major task. At the borders, establishing connectivity through the internet, managing business processes through automation, and establishing a coordination mechanism through integrated ICT systems are some of the challenges that are likely to arise. At the same time, some reforms and policy changes will be warranted for other border agencies, which may take even longer. The recruitment of additional officials and ICT specialists and the procurement of goods and services will also take time. The overall supervision, monitoring of operations and evaluation of performances will be key to the successful implementation of the NSW. Maintaining these standards, however, will not be easy.
- b) Another difficult measure will be the implementation of the AEO program because the concept is relatively new to the border organizations and customs officials, despite having already been imparted with some training. In the past, limited audits on the internal control systems of traders were conducted to better understand such systems and learn whether they are compliant with the rules and regulations of the relevant agencies. Since security is one of the components of AEO implementation, customs officials need to be fully equipped to handle this aspect. To some extent,

the scope of activities that fall under AEO in terms of magnitude, supervision, and monitoring is vast and capacity development among customs officials may be needed. Systems based audit is a component of AEO, and there is lack of familiarity with this kind of audit. Interagency coordination will be another challenge in realizing the full benefits of the AEO program. Bangladesh Customs will need to work with other border agencies to develop a common understanding of the AEO concept and its features, individual roles and responsibilities, and the scope of interventions to achieve successful implementation.

- c) The NBR has endeavoured to introduce systems-based PCA with support from ADB on technical, training, and awareness-raising workshops. But more training may be needed, and other stakeholders will need to participate in the awareness-raising workshops. With support from ADB, manuals, implementation guidelines, and standard operating procedures have been prepared but have yet to be implemented. Given the current lack of familiarity with systems-based PCA, it is essential that a critical mass of well-trained officials be developed. At a minimum, auditors should be retained for a period of at least 2 years so that they can enhance their skills through experience. However, the NBR is unable to retain officials in the same position for this amount of time. As a result, the necessary human capital is not built up and a new batch of officials must be trained regularly. This imposes resource challenges. Frequent employee transfers are a binding constraint. Awareness-raising in the private sector is also needed as these stakeholders may not fully understand why their internal control systems need to be checked by customs officials, which is a process they may find intrusive. The NBR needs to create a central audit cell to supervise, monitor, and guide audit activities across the country.
- d) Another challenging area is institutional coordination. This covers cooperation among border agencies for domestic procedures as envisaged under Article 8 of the TFA. It also encompasses cooperation with border agencies from other countries as per Article 12 of the TFA. Interagency cooperation relating to trade facilitation activities, as defined in Article 8 of the TFA to encompass a wide range of activities across multiple agencies, needs to be addressed effectively. Cross-border agency cooperation will be even more difficult to attain given the differences across jurisdictions in working processes and rules and regulations. Establishing a platform to address issues with all the relevant agencies of a trade partner will be challenging. Also related to cross-border cooperation under the TFA is the movement of goods in transit. Full implementation of TFA provisions in this regard will require external support.
- e) There have been some remarkable initiatives to improve trade facilitation in Bangladesh and achieve specific components of the TFA such as the establishment of the NTTFC, implementation of advance ruling, and launch of the NBR's Customs Portal and Ministry of Commerce's NTP. The enactment of the new Customs Act will be another milestone. Other efforts, such as implementation of the NSW, are in progress. Broadly, it can be said that Bangladesh Customs has taken initiatives to facilitate trade by adopting modernization activities. Other departments have been endeavouring to do the same. The importance of trade facilitation is now well recognized among officials and within the relevant government agencies. As discussed earlier, the NTTFC can frame policies, provide directives, recommend changes in the terms of references of the agencies, set their roles and responsibilities, and establish a mechanism for monitoring and supervising activities. With the NTTFC being spearheaded by the Minister of Commerce and with decision making taking place at the apex level, the NTTFC is expected to lead the entire process as well as bring all relevant agencies on board in implementing the committee's decisions. There is a need for sustained dialogue and comprehensive discussions with private stakeholders in the impacted sectors. A master plan should be prepared for implementation with short-, medium-, and long-term targets. The progress of such discussions and the resultant recommendations should be shared

with all relevant agencies to keep them apprised of the current situation. Due to constraints such as a lack of funds, human resources, dedicated time, and the required skills support should be sought from development partners, private research organizations, and international institutions (e.g., the WCO and WTO) for conducting studies and preparing plans for trade and transport facilitation. A concerted effort is needed to steer Bangladesh toward its desired goal.

5.7. EQUIPMENT AND INFRASTRUCTURE

- a) The trained survey enumerators and supervisors gathered information and data in each of the survey locations of Benapole, Banglabandha, Burimari and Akhaura rigorously using structured questionnaires, guidelines, checklists and provide daily progress reports. The supervisors also be responsible for conducting focus group discussions and large gathering. The consultants (specialists) including the Team Leader made random visits to ensure quality control of data collection and also to encourage the beneficiaries/respondents` and supervisors.
- b) The filled-in questionnaires also be checked and verified properly. In addition to data collection, the consultant conducted visit in the project area to evaluate the group formation, project activities, infrastructure performance and effectiveness of major project components and its strengths and weakness. The following are the data analysis :

CHAPTER-6

Analysis of Data and Findings

- a) The objectives of the studies are to review of collaborative border management-institutional mechanisms for efficient coordination across sectors/ministries and across countries. Survey work comprises of numerous field visits, interview with custom officials, land port authority, immigration officer, entrepreneurs including women, truck owners and drivers at their catchment areas; discussion with the officials of the project, Ministry and relevant officials from government and private sectors.
- b) Information has been gathered through survey to provide complete picture on the benchmark situation of the project about the current status of coordination and collaboration among border agencies in Bangladesh, intra-agency coordination mechanism in and among different border management agencies, status of cross-border agency cooperation, and level of local cooperation between officials of both sides of the border, bilateral cooperation between neighboring states and regional and multinational cooperation. Besides, pertinent information that will be essential for future impact assessment of the project intervention also been collected. The information generated has been used to design project activities for the successful implementation of the programs including monitoring and evaluation activities of the project. The output of the survey has been presented in tabular form with analysis of the information received from the field survey.
- c) Direct personal interview approach has been adopted for collection of primary data. This method is effectively related to the collection of data directly from the target respondents. The field enumerators personally contacted the respondents and obtained desired information by explaining the objectives of the survey to the respondents.
- d) There is certain information that is difficult to fully capture by structured interviews within the limited time. Focus Group Discussion (FGD) method was held to get insight into this information. Focus Group Discussion (FGD) was conducted with the participation of the respondents who are involved with project interventions in the project areas.
- e) Interview of number of key Informants (KIs) had been carried out from the respondents at different catchment areas. Information was collected from the NTTFC members, MOC, NBR, and BLPA and cross border officers.
- f) Public Consultations in selected location had been conducted to know the border management, operation, TFA implementation, women entrepreneurs, women friendly facilities at port, cross border and international best practices, rules and laws, challenges and remedial measures etc.
- g) It is observed from the study conducted through field survey, FGD, KI and field visit that border agencies (Customs & OGAs) have different mandates with regards to goods and people crossing borders, such mandates vary from revenue assurance, migration, phyto-sanitary, radiological, transport, ecological, food safety controls etc. It is found that the field officials have the tendency of working independently leading to repetitive submission of papers and documents by the traders causing considerable hindrances to the traders. Study indicates that a number of short, medium and long-term policies, rules, regulations, acts and orders are in operation in Bangladesh to regulate the country's external/international trade (export and import) but the difficulties arise during the implementation of the relevant policies, rules and regulations of the different agencies as their non-binding nature (custom act, export policy, Industrial policy/Law). It has observed that the field staff suffers from lack of awareness,

knowledge, expertise, coordination and inter-linkage between relevant policies, rule, and regulations of the different departments with respect to trading across the border which poses various kind of challenges. Harmonization of export, import and customs related laws, rules and regulations within the countries as well as of the regional trade partners are essential. A comprehensive Trade Policy and Regulation is required in order to specifically address issues related to land port trading.

- h) From the study it appears that despite modernization and automation, time taken for Customs clearance is still beyond acceptable limit for businesses. Problem has become in land ports, where in practice 100% consignments are subject to some form of physical inspection. Less emphasis is given on post-clearance audit, though it is trade friendly. Authorized Economic Operator systems, that enables faster clearance for trusted traders, has not been introduced.
- i) Introduction of NSW is now at the inception phase. Moreover, there is no legal provision introduced enabling NSW system functional fully.
- j) During field study it was observed the existence of unnecessary formalities, requirements for submission of a lot of documents for which no explanation is available, demanding of original documents, and often rejection of photo copy documents etc. causes delay of clearance of goods at the border. Moreover, though Customs has legal provisions on Pre-Arrival Processing (PAP), detailed rules & procedures are not in place which hinders expedited export of goods. It has also been observed that Legal provisions & procedures allowing faster release of perishable goods are absent a very few facilities are available for storage of perishable goods.
- k) It is gathered from different study report that land ports like Banglabandha in Bangladesh (opposite Phulbari) and Panitanki/Naxalbari in India (opposite Kakkarbhita in Nepal) are of particular interest to the Sub-region. They lack the basic infrastructure like adequate roads, testing facilities, parking space, quarantine office, proper Customs offices, basic amenities, etc.; and that the present status of connectivity in South Asia is not satisfactory, and cost and time taken to do cross-border trade is excessively high. Land connectivity in the sub-region is very poor even though it has the highest importance for intra-regional trade.

Table-6.1.: Cargo Handling by Land Port Authority for the Last 5 Years (In MT)

Fiscal Year	Benapole	Bora	Burimari	Nakugaon	Tamabil	Sunhat
2014-15	2151972	1794701	1175884	-	-	-
2015-16	2182754	1804557	2629507	50000	-	-
2016-17	2450625	2239073	4363387	56030	-	-
2017-18	2614726	2628795	6978379	7065	781093	
2018-19	2912343	2286982	9000594	65436	1853944	482767

Table-6.2: Total Export-Import Information for the Last 5 Years (MT/Truck)

Sr. No	Land Port Name		2014-15	2015-16	2016-17	2017-18	2018-19
1	Benapole	Export	13,79,350	12,88,938	13,93,329	19,88,357	21,81,123
		Import	2,95,977	4,75,739	3,25,381	3,52,963	4,01,177
2	Burimari	Export	12,12,523	5,97,301	43,92,907	7048,838	82,23,800
		Import	-	-	8704 Truck	11333 Truck	13,806 Truck
3	Bora	Export	18,09,226	18,16,930	22,58,764	4656,415	2201557
		Import	58,076	91,109	1,27,430	119510	311771
4	Sunhat	Export	-	-	-	-	135537
		Import	-	-	-	-	163
5	Tamabil	Export	-	-	-	782464	1856397
		Import	-	-	-	1699	1163
6	Nakugaon	Export	1,635	42,841	1,23,282	9369	65528
		Import	-	-	33 Truck	735	1340
7	Akhaura	Export	60	11	02	60	99
		Import	6,35,547	5,68,480	2,14,755	201580	209962
8	Banglabandha	Export	6,71,463	9,35,486	6,00,656	12,07,323	1796869
		Import	58,858	31,128	7,051	69,205	42,632
9	BibirBazar	Export	28	231	455	317	479
		Import	1,13,768	1,08,915	1,35,320	1,58, 381	1,70,458
10	Sonamsjid	Export	16,72,178	16,88,572	27,63,408	26,72,519	2377603
		Import	7190	-	15248	12219	154278
11	Hili	Export	9,10,916	8,41,877	28,36,585	16,44,149	13,78,806
		Import	9,104	6,135	4,537	16,415	37422
12	Teknaf	Export	70,425	70,697	72,177	159853	103683
		Import	7,228	5,367	3,182	2725	5568
Total		Export	7727804	7282884	14037565	20169664	20327077
		Import	1181748	1287873	832904	935882	1335930

Table-6.3: Customs

Name of the Port	Average number of beneficiaries including women used border/custom services per day?				Freight volume per day/per month at the land ports. (In TEUs)		Average number of cargo vehicles cleared at the land port per day.			Average number of cargo vehicles cleared at the land port per hour		
	Male	Female	Children	Traders	Per day	Per month	Truck-in	Truck-out	Total	Truck-in	Truck-out	Total
Benapole	5050	2740	26	60	6050	176500	369 (68.7%)	168 (31.3%)	537	47 (68.12%)	22 (31.88%)	69
Burimari	352	220	20	40	245	11000	365 (89.9%)	41 (9.1%)	406	25 (80.65%)	6 (19.35%)	31
Banglabandha	483	233	33	30	8000	215000	264 (85.16%)	46 (14.84%)	310	30 (85.72%)	5 (14.28%)	35
Akhaura	466	256	170	25	370	10436	43 (50.58%)	42 (49.42%)	85	15 (75.00%)	5 (25.00%)	20

From the above table it appears that the average number of beneficiaries including women and children and traders used border/custom services is highest at Banapole border followed by Burimari, Banglabandha and Akhura. On the other hand, freight volume per day and per month is highest at Banglabandha port followed by Benapole port. It shows from the table that at Benapole border Trucks-in per day is 68.7% and Trucks-out is 31.3%; at Burimari Truck-in is 89.9% per day and Trucks-out is 9.1%. Similar situation is observed in other land ports. From the above table it indicates that International trade through Bangladesh borders is quite skewed and is unfavorable for the Bangladesh side. It shows from the above table that average number of cargo vehicles cleared per hour for truck-in is much higher than the Truck-out in different land ports of Bangladesh. It shows that clearance time for truck-in is much less than the clearance time of truck-out. This higher time of truck-out enhances the cost of doing business of the Bangladeshi exporters leading to furtherance of trade gap with India particularly. This requires policy decision of the Government of Bangladesh for reduction of trade gap through increasing the volume of trade with India and other neighbouring countries. It may also be suggested that the border trade with India could also be increased if the non-trade barriers (NTBs) and the Para trade barriers (PTBs) faced by the Bangladesh traders could be resolved.

Table-6.4: Customs

Name of the Port	Average time taken to meet regulatory/Documentation clearance requirements associated with import and exports activities (Hours).							The cost of import and export per container		Public agencies associated to the National Single Window (NSW) system				Private agencies associated to the National Single Window (NSW) system			
	1=Less than one hour	2=1-2 hours	3=3-4 hours	4=5-6 hours	5=More than six hours	6=Less than 1 day	7=More than 1 day	Import cost (TK)	Export (Tk)	1=Only one	2=2-3	3=4-5	4=More than 5	1=Only one	2=2-3	3=4-5	4=More than 5
Benapole		2	8					1610	2080		1	4	5	8	2		
Burimari						2	4	1583	1816		4	2		5	1		
Banglabandha		5		1				1350	1600		6			6			
Akhaura	2	1						1300	1766			3		3			

It shows from the above table that average time taken to meet regulatory and documentation clearance is 3-4 hours for most of the cases at Benapole border. For Burimari port it takes more than a day for most of cases; for Banglabandha port it takes between 1-2 hours and for Akhaura it takes less than an hour. Higher time of clearance for export and import activities contribute to the enhancement of the cost of doing business. Measures are required to be taken for reduction of the clearance time in different ports.

It is also evident from the table that in all the ports under study, cost of exports per container is much higher than the cost of imports per container which leads to the enhancement of the

export items making market competitiveness vulnerable. This issue should be viewed with seriousness and appropriate measures to be taken in the interest of the export oriented industries of Bangladesh.

It is relevant to mention that lot of public and private agencies are involved in the National Single Window System. NWS has been introduced in many countries and yielded positive impact in the port management process. It appears from the above table that engagement of public agencies is more compared to the private agencies in different ports. The above table shows that more than 5 public agencies are involved only at Benapole port along with 2-3 private agencies. There is no alternative but to make the NSW fully operational in all the land ports involving all the concerned public agencies with maximum number of private agencies to enhance the management efficiency of the port. This will lead to aggrandizement of more cross-border trade and increase in revenue of the government.

Table-6.5 Land port A (LPAs managed by GOB or Private Sector)

Sl. No	Name of the Land Port	Bangladesh Part	India/ Myanmar Part	Management
1	Benapole	Benapole, Sarsha, Jessore	Petrapole, Bongao, India	GOB
2	Burimari	Patgram, Lalmonirhat	Chengrabandha, West Bengal, India	GOB
3	Akhaura	Akhaura, Brahmanbaria	Ramnagar, Agartala, Tripura, India	GOB
4	Bhomra	Bhomra, Satkhira	Gojadanga, 24 Porgana, West Bengal, India	GOB
5	Nokugoa	Nalitabari, Sherpur	Dalu, Meghalaya, India	GOB
6	Tamabil	Goainghat, Sylhet	Daukhi, shilong, Meghalaya, India	GOB
7	Sonahat	Bhurunghamari, Kurigram	Sonahat, dhubri, Assam, India	GOB
8	Sonamasjhid	Shibgonj, Chapainawabganj	Maldha, West Bengal, India	BOT
9	Hili	Hakimpur, Dinajpur	Dakshin Dinajpur, West Bengal, India	BOT
10	Banglabandha	Tetulia, Panchagar	Fulbari, Jalpaiguri, West Bengal, India	BOT
11	Teknaf	Teknaf, Cox's Bazar	Mongdhu, Cituway, Myanmar	BOT
12	Bibirbazar	Bibirbazar, Cumilla	Sonamura, Tripura, India	BOT

B (Beneficiaries & Cargo handling)

Name of the Port	The average number of beneficiaries including women used border/custom services per day.				Freight volume per day/per month at the land ports. (In TEUS)		Average number of cargo vehicles cleared at the land port per day	
	Male	Female	Children	Traders	Per day	Per month	Truck- in	Truck- out
Benapole	5396	2953	35		6233	169293	423	133
Burimari	312	122	2		3012	27500	335	82
Banglabandha	325	190	18		920	7250	290	145
Akhaura	200	150	20		640	7000	10	40

Land port is an inland terminal equipped with various facilities such as container yard, warehouses, railway sidings, cargo handling equipment, testing laboratories, quarantine facilities along with administrative services for import and export clearances and immigration facilities for traders and other persons. The above table shows that about 1, 69,293 TEUs have been handled by port authorities per month at Benapole port which is the highest among the four ports surveyed. Lowest number of TEUs have been handled the Akhaura port. The table also shows average number of cargo vehicles cleared per day and per hour in different land ports. It shows that highest number of trucks-in to Bangladesh through Benapole per day followed by Burimari and Banglabandha. Lowest number of trucks enters in to Bangladesh through Akhaura port. Truck in to these ports per day is much higher than the trucks-out per day. But per hour trucks-out is more than trucks in at Benapole compared to other ports. This indicates higher volume of import of cargoes to Bangladesh from India and other neighboring countries leading to continuous trade imbalance on Bangladesh side. The policy makers should take appropriate steps for removing all kinds of barrier towards enhancement of trade with India through land borders. On the contrary, export oriented manufacturing industries as well as economy of Bangladesh might face serious setback.

It is evident from the above table that average time of handling per trucks is also much higher at all the ports. This may be caused due to poor cargo handling system, lack of better infrastructural facilities and lack of coordination among different port operation agencies, manual documentation processes etc. For efficient and effective port management and to reduce the time and cost of doing business, automated cargo locking system, vehicle scanning system, fork lever crane container services may be introduced in all the land ports. Moreover, private sector participation in land port management may be encouraged to increase the competitiveness and competition. Co-location of the offices of different agencies under one roof, automated documentation process, rationalization of fees, tariff and charges may be ensured to increase the trade volume. Moreover, Custom Sub-group and Land sub-group across the border should be more active about overlapping of checking by Customs, BGB, BSF and other agencies to save time and cost.

Table-6.6 Land Port

Name of the Port	Average time taken to meet regulatory/Documentation clearance requirements associated with import and exports activities (Hours).							Cost of import and export per container.		Public agencies associated to the National single Window (NSW) system.				Public agencies associated to the National single Window (NSW) system.			
	1=Less than one hour	2=1-2 hours	3=3-4 hours	4=5-6 hours	5=More than six hours	6=Less than 1 day	7=More than 1 day	Import cost (Tk)	Export (Tk)	1=Only one	2=2-3	3=4-5	4=More than 5	1=Only one	2=2-3	3=4-5	4=More than 5
Benapole			3					1666	1866	3				3			
Burimari				2				1850	2100		2				2		
Banglabandha	2							1650	1947		2				2		
Akhaura	1							1000	450		1			1			

According to the Land Port Authority it shows that for Benapole port, average time taken for regulatory/documentation clearance of all imports and exports is 5-6 hours whereas for Burimari it is 5-6 hours. But for Banglabandha and Burimari it takes less than an hour. This higher time of clearance of goods may be ascribed due to lack of coordination between different agencies, duplicity of documents, and lack of digital and poor infrastructural facilities.

It appears from the above table that export cost involved per container at the border is much higher than the import cost in all the above land ports except at Akhaura port. Higher export cost is always a disincentive to the exporters and act as a retarding factor for exporting of goods to India and other neighbouring countries contributing to further widening the trade-gap between Bangladesh and India particularly. Steps are required to be taken to keep the export cost at minimal level to enhance the competitiveness of exportable items from Bangladesh.

It appears from the above table that at the different ports a few numbers of public and private agencies are involved in the National Single Window System (NSW). Involvement of more public and private agencies in NSW would have contributed in lowering the time to meet the regulatory/documentation clearance required for import and export as well reducing the cost of import and export. It may be suggested to fully implement the NSW at all level of the port management at the earliest. National Board of revenue (NBR) is implementing the National Single Window under the Bangladesh Regional Connectivity Project-1 and it is expected the whole process will be effective after the full operation of NSW. It is suggested that Institutional reforms, setting up of digital corridor to make paperless trade at the borders point and facilitation of cross-border Electronic data Exchange will make the border management for fast, effective and efficient. Programme taken by the Bangladesh Land Port Authority, Government of Bangladesh in the Eighth Five Year Plan for the infrastructural development of different land ports of Bangladesh are shown in the following table.

Eight Five Year Plan (FY 2021-2015) of Bangladesh Land port Authority

8 FYP Target to Attain	Input Indicators (Program/ Project/ action/ resources)	Output Indicators (SMART)	Impact Indicators (If Any)
Development of Land ports with the neighboring countries to promote trade through land ports	Constructions of Parking yard. Open stack yard, heavy stack yard & Office building including other necessary infrastructure at Benapole land port	Improvement & Expansion of Physical infrastructure at Benapole land port by 2025 with a cost Tk. 155,000 Lakh	
	Extension & Modernization of Bhomra land port	Expansion & Modernization of Bhomra land port by 2025 with a cost Tk. 20,000 Lakh	
	Extension & Modernization of Burimari & Tamabil land ports	Extension & Modernization of Burimari & Tamabil land port with a cost of Tk. 15,000 Lakh by 2024	
	Development of e-Port Management system at different Land ports	Introduction of e-Port Management Automation system at all land ports by 2023 with a cost Tk. 5,000 Lakh	
	Improvement of passengers facilities in all land ports	Development of passengers facilities in terminal at selected land ports with a cost of Tk. 5,0000 Lakh	
	Introduction & Up gradation of security & safety system of land ports	Introducing & development of security & Safety system of land ports by 2025 with a cost of Tk. 10,000 Lakh	

Infrastructure Development and Expansion program by BLPA

- SASEC Road Connectivity Project: improvement of Benapole & Burimari Land Ports
- Tamabil Land port Development Project
- Bangladesh Regional Connectivity Project 1: Development of Sheola, Bhomra, Ramgarh Land ports and Up gradation of Security system of Benapole Land port Project

Table 6.7 Traders

Name of the Port	Average number of beneficiaries including women used border/custom services per day.				Average number of cargo vehicles cleared at the land port per day.		Average number of cargo vehicles cleared at the land port per hour	
	Male	Female	Children	Traders	Truck- in	Truck- out	Truck- in	Truck- out
Benapole	5050	2740	26	200	500	168	47	22
Burimari	350	150	30		365	60	18	3
Banglabandha	483	160	33		250	20	14	5
Akhaura	150	100	12	25	25	42	5	5

According to the traders, trucks-in are much higher than the trucks-out per day and per hour in different land ports are much higher except Akhaura port, where trucks-in is lower than trucks out. This indicates that the volume of import from India and other neighbouring countries are much higher than the volume of export which leads to unfavorable trade imbalance to Bangladesh. This may be ascribed due to various NTBs, PTBs and other policy issues which are essential to be addressed. It appears that passage of trucks-in and trucks-out is quite slow. This may be ascribed due to poor infrastructural facilities and management in the port areas, inefficiency in port management, lack of modern material handling equipment, duplicity of usages of documents etc. The poor infrastructural facilities warrant early construction and reparation of roads adjacent to borders for transportation of goods, transshipment of goods, and facilitation of yards and shades required for short term storage of goods and loaded trucks etc. Adequate Yard, Warehouse with sufficient land spaces and Close Circuit Camera may be installed for better management and operational efficiency of the land port.

Table 6.8 Phyto Sanitary

Name of the Port	Number of beneficiaries including women used border/immigration services per day.			Time taken to meet regulatory requirements associated with import and exports activities (Hours)				
	Male	Female	Children	1=Less than one hour	2=1-2 hours	3=3-4 hours	4=5-6 hours	5=More than six hours)
Benapole	5024	2015	33		1	1		1
Burimari	317	144	40			1	1	1
Banglabandha	300	140	15	1	1			
Akhaura	200	120	10					2

The above table shows that from Phyto Sanitary aspects point of view time taken for regulatory requirements associated with import and export activities vary from port to port and ranges from less than one hour to more than 6 hours. Delay in conducting testing and

procuring of certification escalates the cost of doing business and losing the competitiveness of the business. It is suggested to have need based Testing laboratories for conformity assessment of the standard of the product installed at the ports. A full-fledged office of Bangladesh Testing Institute (BSTI), Export Promotion Bureau should be set up at the port. However, digitization of the system and availability of testing facilities and standard process of certification could reduce this time of clearance.

Table 6.9 Woman Traders

Name of the Port	Facilities available for female traders in the land port.		Non-tariff barrier reporting mechanism, harmonization of standards and testing laboratories available at the border.		
	Yes	No	More time for laboratory Examination	High cost	Lack of Machineries/ equipment
Benapole	2 (50%)	2 (50%)	2 (50%)	1 (25%)	1 (25%)
Burimari	-	4 (100%)	3 (75%)	1 (25%)	
Banglabandha	-	2 (100%)	2 (50%)	2 (50%)	
Akhaura	-	2 (100%)	2 (50%)	2 (50%)	

The above table it shows that there are hardly any facilities for the women traders. Other than Benapole border, there exists no facility exclusively for the women trader which is a very disappointing. As regards time of testing, cost and availability of machineries and equipment, 50%-75% women trading through different border expressed the lengthy time for laboratory examination and 25%-50% of the women referred to the high cost of examination. Lack of machineries and equipment has also been ascribed as a barrier to export and higher cost of doing business.

6.2 From the study it appears that there exists number of Non-Tariff and Para tariff barriers (NTB/PTB) between Bangladesh and India which are follows:

1) Non-recognition of certificates issued by BSTI:

- a) For number of agreed products accredited by Bangladesh Accreditation Board (BAB) are not being accredited by NABL of India although they are supposed to accept each other's recognition/certificates, as both are the common members of the Asia Pacific Laboratory Accreditation Cooperation (APAC). Non recognition of the certificates of BAB on different exportable goods causes a barrier to the export of Bangladeshi products to India.

2) Anti-dumping investigation on Bangladesh jute goods:

- a) India has imposed anti-dumping duty on jute goods (yarn, hessian and bags) exported from Bangladesh on 5 January 2015 ranging from USD 6.30 to USD 351.72 per metric ton. Until then, Bangladesh jute and jute goods enjoyed zero-duty benefit to the Indian market under SAFTA (South Asian Free Trade Agreement). India has also initiated investigation to impose anti-dumping duty on fishing net and hydrogen peroxide. India's imposition of anti-dumping duty on Bangladesh's jute products has started to adversely impact on exports to the neighboring country.

3) Inadequate LCS) Infrastructure:

- a) Infrastructure facilities at LCS at Burimari, Banglabandh, Akhaura, are inadequate. Moreover, no officer is posted at Agartala LCS to issue SPS certificate despite huge volume of trade carried through this station. India needs

to accelerate the development of infrastructure of their LCSs and post adequate officers at the LCS. Warehouse facilities, parking facilities, cold storage, availability of stationary items, goods scanner, weighbridges etc. are some of the infrastructural issues need to be resolved.

4) Port restriction:

- a) There are port restrictions on export of motor bikes to India along the Meghalaya/ West Bengal/Assam/Tripura-Bangladesh border. Moreover, the quality certification issued by Bangladesh Road Transport Authority (BRTA) is not being accepted by the Indian authorities. There is also port restriction on export of soap to India.

5) Inadequate physical facilities at land customs stations of India

- a) Many of the Land Customs Stations on the Indian side such as Gojadanga, Chengrabandha, and Fulbari etc. have got no warehouse facilities and in such cases goods exported from Bangladesh are kept in the open place till customs formalities for clearance are completed. This results in huge damage and inconsistent supply of goods to the Indian market.

CHAPTER -7

RECOMMENDATIONS TO FACILITATE BETTER BORDER MANAGEMENT

International Border Agency Cooperation (IBAC) is a key element of the modern trade facilitation objective of which is to make cross-border trade and logistics faster, cheaper and more predictable while ensuring adequate compliance and regulatory control over the traffic. Coordinated border management ensures smooth flow of information, streamlined control, clarity in requirements and cross functional collaboration etc.

To promote coordination between the public and the private sectors in order to improve tax collection procedures, control, border security and facilitation of transit of goods and people, the Bangladesh and India border Agency Cooperation (BAC) model may be designed based on the following issues that need to be achieved in the short, medium and long term: The following recommendations are made based on the best practices adopted by different countries of the world and on-the-ground-situation existent in the cross border trade between Bangladesh, India, Nepal, Bhutan and Myanmar.

Short-term interventions

- b) These interventions are designed mainly to avoid repetitive processes, reduce costs, and harmonize documentary requirements:
 - 1) (i) implement online application and approval, issuance, and renewal of licenses, certificates, and permits for a number of similar processes among government organizations, and between government organizations and stakeholders. (ii) Establish the electronic exchange of documents (between customs departments in Bangladesh, India and other countries) for transit clearance in India for Bhutan and Nepal. (iii) Rearrange the internal workflows of the regional revenue and customs offices. (iv) Strengthen professional relationships among all parties involved in the trade process.

Long-term interventions:

- a. These interventions aim to promote the seamless exchange of information and use of modern tools to facilitate trade:
 - 1) Introduce the National Single Window (NSW). (ii) Ensure legal consistency for the introduction of national single window and electronic procedures. (iii) Ensure transparency in legal, policy, and procedural requirements. (iv) Establish Authorized Economic Operator (AEO) and trusted trader programs. (v) Upgrade the skills of frontline officials, including in information and communication technology, to support implementation of modern tools. (vi) Improve transport and border crossing infrastructure.

Bangladesh Government may undertake the following measures for better management land ports with India and other neighbouring countries.

- a) **Adoption of international standards** that aim to improve information exchange between the authorities by implementing international standards.
- b) **Information interoperability**, where the objective is to improve control, institutional coordination and reduction of trade procedures by exchanging information between the corresponding authorities.
- c) **Comprehensive risk management** that aims to reduce physical intervention by improving and using risk analysis involving the participation and cooperation of all the customs control institutions and the private sector.
- d) **Reliable operators** have the objective of reducing the fiscal risk and increasing supply chain security by certifying reliable operators and mutually recognizing their AEOs.
- e) **Quarantine control** that reduces time and cost at borders and increases commercial flow through the region.

- f) **Integration procedures** and control aim to implement a border control process that defines the sequence and mode of action and compulsory intervention of control institutions of both countries, following a management based on risk profiles, advance electronic information and joint inspection at the border.
- g) **Infrastructure and equipment** that respond to the operational demands of each border post.
- h) **Border community and security**, which would ensure that the areas surrounding border crossings have an economic and social environment that facilitate proper functioning and sustainability.

One Stop Border Post (OSBP) (being used by number of best practicing countries):

- a) One stop Border Post (OSBP) may be established in the cross border posts between Bangladesh and India which would accrue benefits such as (i) improve Clearance time, (ii) reduced cost of doing business, (iii) information sharing among border agencies and (iv) drastic reduction of fraud, among several other benefits.
- b) The main objectives of the OSBP is to improve efficiency in border management and operations, thus reducing the time and cost of crossing the border. Its specific objectives are the following:
 - 1) To combine the activities of Bangladesh and Indian border agencies at a single location by redesigning the border infrastructure and establishing a Common Management Zone (CMZ);
 - 2) To reduce the number of stops and period of stopping in cross-border trade and transit transactions;
 - 3) To streamline procedures and systems and establish a framework for joint processing, thereby enhancing trade facilitation and reducing the waiting time and cost of passing through the borders; and
 - 4) To simplify traffic flow and facilitate easy movement of both commercial and passenger traffic, thereby preventing traffic jams
 - 5) To make the cross border trade and travel faster, more reliable and cost-effective.
 - 6) It will reduce the complexity of cross-border trade and logistics by harmonizing regulations concerning food and agricultural products, simplifying certificates of origin and by establishing a trade helpdesk.

Working principles and practices: To realize the cooperation between the Bangladeshi and Indian Customs as well as with other authorities in the two countries, multiple approaches to organize the work may be introduced and implemented:

- a) **Placing officers from all authorities** physically together to handle the work. Each party will establish an **Inter-Agency Management Station (IAMS)** and a **Common Management Area (CMA)** for conducting documentary and physical inspections of goods, passengers and vehicles crossing the shared border. Personnel from the two countries assigned to work at CMA include personnel from (i) Customs, Plant Guarantee and Animal Guarantee (ii) Customs, Immigration Police and Quarantine Officers (CIQ). For the goods and vehicles inbound to Bangladesh, joint inspections are conducted by the Customs, border guard officers, immigration police officers of both the countries.
- 1) **Joint examinations and accepting each other's work.** Documentation and certificates marked by one of them after examinations are accepted by the other authority. Submission, lodgment of customs declaration form and other supporting documents and conducting of customs clearance procedures of customs administrations are to be done at the **Inter-Agency Management Station (IAMS)** in the country of entry, instead of the IAMS in the country of exit. If goods and vehicles are subjected to physical inspection by customs

administration of one party, the customs administration of the other party will conduct the joint physical inspection simultaneously or almost simultaneously at the Common Management Area (CMA). This is enabled by the harmonized legislation among the countries.

- 2) **Towards regional e-clearance systems: *Automated Customs Electronic Data Interchange System (ACEDIS)* may be** introduced in all the land ports in Bangladesh to bring efficiency to cargo clearance processes. **ACEDIS** may be designed for the exchange and transaction of customs clearance information using electronic data interchange for the management of international trade. ACEDIS automates business processes by acting as a real-time nodal electronic interface with different agencies to facilitate customs clearance for imported and exported cargo through the ***Automated Customs Electronic Data Interchange System Gateway (ACEDISG) portal***. **ACEDISG** offers e-filing services to various stakeholders involved in the customs clearance process by linking NBR with different agencies using electronic data interchange. This includes the secure exchange of messages through the e-filing of bills of entry, shipping bills, and other related information between NBR and other agencies involved in trade. Various regulatory and licensing agencies; including the EPB and Bangladesh Bank may also be able to exchange data with NBR through ACEDISG.
- 3) **Technology Solutions:** There are a wide range of technology solutions that support modern smart borders. These can facilitate secure and fast movement across borders by supporting better risk management and reducing the amount of paperwork required: ***A fully electronic environment***: requiring the electronic submission and receipt of documents and payments. This creates a more secure environment by reducing the amount of paper as well as the faster processing of goods and passengers at a border. ***e-Passports***: The use of ePassports with biometric capabilities can facilitate the faster movement of persons across borders. The international standard for ePassports is governed by the International Civil Aviation Organization. ***Automatic Number Plate Recognition (ANPR)***: ANPR allows the reading of number plates and the use of this information to link to customs pre-arrival information or a declaration for a truck arriving at a border, which can allow faster or even no processing at a border. It can also facilitate the movement of passenger vehicles through risk assessment if it is possible to access data on vehicles in other government databases. ***Enhanced Driver's License***: with biometric or other personal identification cards with biometric or other identifying data. This facilitates fast identification of people at the border through quick scanning and can be used instead of a passport. ***Smartphone apps***: Information for goods and passengers can be exchanged through Smartphone apps. This can include the provision of minimum information from driver's approaching a border and the receipt of information (e.g. a barcode) by drivers to facilitate passing the border. ***Barcode scanning***: To facilitate the movement of goods across a border, the Provision of a barcode by customs or other border agencies can allow documentation to be scanned and released quickly on arrival. ***Smart Gates***: The use of smart gates or fast-scanning or machine reading technologies to facilitate the fast movement of persons through the border and to support risk management. ***Non-intrusive inspection technologies***: Where controls on goods or vehicles are required, the use of scanners and other non-intrusive technologies for inspections
- 4) **National Single Window System (NSW) Interface for Facilitating Trade:**
As part of the government's agenda to improve the ease of doing business, the ***National Single Window Interface*** for Facilitating Trade (NSWI) should be operational at all the LPs within a specific time frame. Necessary digital and physical facilities along with all equipment and machinery should be in

place in all the land ports. Moreover, sufficient capacity building training should also be imparted to the concerned officials to be acquainted with the NSW system for effective and efficient service delivery.

The following features of NSWI have the potential to make a significant impact on trade facilitation and may be considered for inclusion in the Bangladesh NSW system (Best practicing countries have included these):

- **Integrated declaration:** Information required for import clearance by government agencies is electronically submitted by importers through an integrated declaration at a single-entry point-ACEDISG. Various forms required by different agencies may be merged into a single form, eliminating duplication and reducing the compliance burden on traders. In addition to alleviating the compliance burden on traders through the reduction of physical visitation with each agency, NSWI may also reduce manual labor required by border and customs agents.
- **Automated routing:** NSWI automatically identifies goods that require clearance by participating government agencies and routes them online to the relevant agencies for regulatory clearance.
- **Integrated risk assessment:** The implementation of NSWI may be accompanied by the use of risk-based selective examination and testing, significantly reducing the number of consignments that need mandatory testing or certification.
- **Online release:** The trader will file a single declaration in NSWI and the system routes this information to the relevant agencies based on HS code, country of origin, and value, among other factors. Based on the declaration filed (i.e., commodity, HS code, benefits claimed), the system will decide whether a sample must be drawn by a sanitary and Phyto-Sanitary (SPS) agency, whether it must be visually inspected and released, or whether customs can decide without referring to the SPS agency. NSWI then may convey the decision of the regulatory agencies on the release of goods as a single decision, including the results of inspection and testing. Additional initiatives may have been planned, as part of the NSWI program which include the development of a compliance information portal, an automatic license verification system, an event notification system, and a coordinated inspection online payment

5) **Infrastructure development**

- a) Equipment and tools such as : (i) scanners, X-ray machines and other non-intrusive inspection equipment that will enhance the government's ability to detect illicit goods such as narcotics, weapons, explosives, ammunition, currency at internal checkpoints and ports of entry.

6) **Agricultural products and food safety**

- a) Mutually compatible electronic certification systems for plants and animals may be developed and put in place by both the countries to provide increased compliance for the import and export of agricultural products and enhance food safety and bilateral trade.

7) **Risk management and information sharing**

- a) Joint Declaration may be established in several areas for collaboration and coordination in risk management: (i) joint assessments of threats, development of a common understanding of the operating environment, and joint identification of geographical areas of focus for law enforcement operations; and (ii) the development of complementary risk management strategies aimed at separating high-risk and low-risk shipments and individuals.

Authorized Economic Operators(AEO):

For specified cargo from Bangladesh to India or to other regional AEOs crossing the border, there should be a non-stop procedure in place. For national AEOs importing goods to Bangladesh, there will not be physical examinations at the border; instead, all checks will be done as Post Clearance Audit (PCA). These benefits are based on the risk analysis done in the validation process for getting the status of AEO. Bangladesh Customs may use a list of sensitive goods for this purpose while exporting and importing goods from other countries. There may be an electronic cargo tracking system, and electronic seals together with GPS technology which may be used for monitoring purposes. This system may be extended across the regional countries having regional trade Agreements in future. This may be done in the following manners:

- A national ID is accepted as a sufficient document for cross-border travel,
- A simplified certificate of origin for goods below a specified value may be in use,
- A simplified declaration can be produced, entered in the ASYCUDA system by the Customs officers and
- Meeting space may be offered at the Customs building/ space in the OSBP Buildings when developed;
- Extend support providing information that will be needed by traders; and
- Delivering training on how to complete customs declarations.

Mutual recognition (MRAs) of Authorized Economic Operator (AEO) programs:

The Bangladesh Government Customs may try to run a fully Operational Authorized Economic Operator (AEO) programme consisting of exporters, importers and manufacturers. Initially these AEOs may focus exclusively on customs matters and gradually on security which are existent in many countries of the World. In future, Bangladesh Government may go for mutual recognition (MRA) cooperation programme with India and other countries having AEO programme.

Formation of Special Task Force:

Bangladesh Government may form a powerful national government-industry body, Special Task Force to Facilitate Business and to promote trade facilitation. The body provides an open forum for interactive discussion and a platform for pilot projects.

- Government may strengthen collaboration across different border control agencies to step up the fight against cross-border drug trafficking and people smuggling etc.
- Government may accrue benefit from a broader international recognition establishing its national AEO program and air cargo security regime.

At the policymaking level, the Ministry of Commerce (Mock) may set general directions for achieving goals of International Trade and Industries. Mock may also co-manage many important working groups on trade facilitation, including the Focus Group on Trading across Borders (FGTAB) and the National Logistics Task Force (NLTF) with Customs. Focus Group may focus areas that need improvement: (1) reduce the number of documents and clearance times, (2) reduce the cost of international trade, and (3) computerize all processes related to trade. (4) design new Standard Operating Procedures to help customs inspection systems and to expedite the import-export, (a) establish the Bangladesh Authorized Economic Operator (AEO) program, (b) launch the Customer-Centric Service Delivery initiative that seeks to reduce the administrative burden of customs clearance

and to improve quality of the overall customs service, (c) set up of program for identifying reliable customs brokers and forwarding agents.

Expeditious measures required to be taken:

- India should remove all Para–tariff and Non-tariff barriers from the Bangladeshi exportable products to India
- India being a common member of Asia Pacific Accreditation Cooperation (APAC) should accept the certification issued by Bangladesh Accreditation Board (BAB) and allow the Bangladeshi goods to enter to India;
- India should remove all anti dumping restrictions from the Bangladeshi products;
- Develop infrastructural facilities of all the LCS in the Indian side for smooth functioning of cross border trade;
- Remove all port restrictions for the export of various Bangladeshi products;
- Arrange adequate infrastructural facilities at LCS of India to curve huge loss incurred by the Bangladeshi exporters.
- Facilities such independent waiting room, fresh room, children’s corner, restaurant etc., should be made available for the women traders and tourists in all the LPS and LCS in Bangladesh.
- Modern warehouses equipped with all modern loading and unloading facilities containers and other goods, providing sufficient testing facilities, constructing spacious connected roads and introducing of automated system should be built in the LPs and LCS.
- Multimodal Transit/Transshipment and linkages with land port, road, rail, sea and air connectivity is necessary. In this regard adequate policy /regulation may be formulated.

CHAPTER-8

CONCLUSION

- a) Bangladesh is strategically located to play an important role in regional trade and logistics networks and can act as potential transit country in South Asia. It can facilitate movements of goods between several surrounding countries especially between mainland India and the Northeast Region states, and landlocked Nepal and Bhutan as well as overland trade flows between South Asia and Myanmar and the rest of East Asian countries. Trade facilitation not only increases the competitiveness of a country's exports, it also lowers import costs, which have a direct impact on the economy of the country.
- b) Bangladesh is connected with neighbouring countries India, Nepal, involving all modes of surface transport (road, rail, inland waterway). Some of the connections corridors are West Bengal and Southwest Bangladesh, Northeast Bangladesh and Northeast India and Northward the Shiliguri Corridor then Bhutan and Nepal. Some of the key bottlenecks along these corridors include *congested land ports and border crossings arising from inadequate infrastructure, lengthy clearance times and the need to trans- load cargo from vehicles of one nationality to the other*. Increases in bilateral and transit trade volumes are only likely to make the situation worse unless these hindrances are removed.
- c) For better cooperation, coordination and management among the relevant public and private sector agencies, the whole activities of the land ports could be brought under a single authority, particularly under the *Bangladesh Land Port Authority (BLPA)*. Building of modern warehouses equipped with all modern loading and unloading facilities containers and other goods, providing sufficient testing facilities, constructing spacious connecting roads and introducing of automated system would contribute facilitating and augmenting the capacity of the land ports thereby enhancing the cross-border trade between Bangladesh and India and other regional countries. Efficiency of the performance of the ports would also elevate with the engagement of adequate trained manpower on port operation and management in the land ports (LPs) , land Customs Stations (LCS) particularly at the sanitary and phyto-sanitary and , immigration offices etc. Simplification and integration of various documentation related to import and exports and making these compatible for electronic transaction is essential to save time, cost and burden of the traders as well as the officials of all concerned. In order to facilitate the exporters in collecting clearance certificates from the Bangladesh Standards and Testing Institution (BSTI), Sanitary and Phyto-sanitary (SPS) authority, establishment of offices of BSTI and SPS at all the four land ports are essential. Receipt of these certificates electronically by the beneficiaries and the concerned agencies to be ensured to save time and cost. Establishment of modern warehouse by the private sectors in the land ports premises may also be considered for better export and import performances through land ports. Establishment of a well planned spacious truck terminal along with all physical facilities such as food, lodging and recreational facilities for the drivers are needed to be set up at the Bhomra and Banglabandh ports urgently to avoid its increasing traffic. Similar steps may also be taken for other LPs. ASYCUDA and NSW program to be made fully operational at LPs and LCS for ensuring the establishment of digital corridor with a view to save time and cost. These programme may be interfaced with India and other countries for faster clearance of goods through the LPs.
- d) Initiatives for faster implementation and formation of a strong monitoring mechanism are needed for the implementation of regional corridors, such as Asian Highway, BBIN, SASEC Road Corridor, BIMSTEC and BCIM Route. This will increase the regional road connectivity and reduce the transit time and

transportation cost. Concrete steps from Government along with the private sector are required for expanding the national freight transportation fleet which are expected to reduce time and cargo handling cost. Automation and implementation of paperless trade agreement, easy and simplified access to finance for the traders, simplified regulations and procedures, better enforcement of regulations, bringing all the border trade related agencies under a Single Umbrella for better coordination, collaboration and cooperation are of fundamental importance for ensuring trade facilitation between Bangladesh and other neighbouring countries.

Bibliography

- MIRDHA RAFAYET ULLAH and HASAN RASHIDUL, 'Too Costly for Business', The Daily Star, November, 30, 2019
- Bangladesh Trade Policy Review By The Secretariat, World Trade Organization (WTO), WT/TPR/s/385, February 6, 2019, Geneva
- A Study on "Identification of Non-Tariff Barrier Faced by Bangladesh in Exporting Exportable Products to Major Export Markets", BFTI Publication, May 2019, Ministry of Commerce, Government of the People's Republic of Bangladesh
- Joint Communiqué, Bilateral Meeting of Commerce Ministers of Bangladesh and India, 26 September, 2018, Dhaka
- Smart Border 2.0, "Avoiding a Hard Border on the Island of Ireland for Customs Control and the Free Movement of Persons, European Parliament, PE 596.828, November 2017
- Agreed Minutes of the 11th Meeting of the Joint Group of Customs (JGC), Dhaka, 23-24, August, 2017, India
- Bangladesh – India Commerce Secretary Level Meeting, 07-08, February 2018, Dhaka
- Border Without Barriers, "Facilitating Trade in SASEC Countries", Edited by ABDOL MARWA, BUTIONG ROLAND, KUMAR UTSAN and SHEPLIERD BEN, December 2019
- Guideline for Integrated Border Management in European Commission External Co-operation, European Commission, 2010
- Improving Border Management to Facilitate Trade in SPECA: Challenges and Prospects, United Nations Economic and Social Commission for Asia and Pacific, ESCAP, ST/ESCAP/2574, United Nations, 2010.
- A Joint Study of the Asian Development Bank and the Asian Development Bank Institute, "Connecting South Asia and Southeast Asia", ISBN 978-4-89974-047-6, 2015, Printed in Japan
- Standing Committee for Economic and Commercial Co-operation of the Organization of Islamic Co-operation (COMCEC), "Improving the Border Agency Cooperation Among the OIC Member States for Facilitating Trade, COMCEC Co-ordination Office, Ankara, Turkey, September 2016
- 11th Meeting of Bangladesh-India Joint Working Group on Trade, 13-14, September, 2017, Dhaka
- CUTS (Consumer Unity and Trust Society), "Connectivity and Trade Facilitation in Bangladesh, Bhutan, India, Nepal (BBIN) Sub-Region of Indo- Pacific", September 4, 2019, Dhaka
- Trade Facilitation and Development, "Driving trade Competitiveness, Border Agency Effectiveness and Strengthened Governance, UNCTAD/DTL/TLB/2016/1, United Nation, 2016
- Improving Transit Co-operation, Trade and Trade Facilitation for the Benefit of the Landlock Developing Countries, October, 09-12, 2018, WTO, Geneva
- Dr, Corina Cojocar, Country Delegates of the WTO, "Best Practices and Lesson Learned in Transit", Geneva, October 11, 2018

- Abdurakhmonov Aburakhmon, Head WTO Affairs Department, Ministry of Economic Development and Trade, “Republic of Tajikistan: Co-ordination Committee on Trade facilitation”, Geneva, October 2018
- Best Practice and Lesson Learned in Transit Experience from East Africa Region, WTO Committee on Trade Facilitation Meeting, October 09-12, 2018, Geneva, Switzerland
- Roy Jayanta and Bagai Shweta, “Key Issue in trade Facilitation”, Summary of the World Bank/ EU Workshop in Dhaka and Shanghai, Confederation of Indian Industry, 2004.
- Edited by Mc Linden Gerard, Fanta Enrique, Wildowson David and Doyle Thomas, “Border Management Modernization: A Practical Guide for Reformers”, WB, Washington Office, USA
- Notification Category Commitments Under the Agreements on Trade Facilitation Communication from Bangladesh, G/TFA/N/BGD/1/ADD.1, WTO, Geneva, January 25, 2019
- Co-ordinated Border Management Compendium, World Custom organization (WCO), D/2015/0448/18, Brussels, Belgium, 2015
- Handbook of Best Practices at Border Crossing “A Trade and Transport Facilitation Perspective”, Organization of Secretary and Co-operation of Europe (OSCE), UNESE, ISBN 978-3-9502218-8-6, 2012
- Draft Report: Readiness Assessment for cross border Paperless Trade for Bangladesh, 2019
- Department of Public Administration, University of Dhaka, “Assessment on International Trade: Barriers and Facilitation”, May 15, 2016
- Implementation Status of Bangladesh Towards Paperless Trade Facilitation: National Challenges and Issues, Bangladesh Foreign Trade Institute, BFTI, 2018
- Hossain Akbar Mohammad, “Bangladesh Customs initiatives on Implementation of WTO Trade Facilitation Agreement”, Custom Modernization and International Trade, National Board of Revenue, Dhaka, Bangladesh, May, 2018
- Introductory Trade Policy Course for LDCs, “The Trade Facilitation Agreement”, Geneva, April 13, 2018
- Khan Rahman Hamidur, “WTO Trade Facilitation Agreement: Bangladesh Preparation”, Ministry of Commerce, Government of The People’s Republic of Bangladesh
- Minutes of the Fourth Meeting of Nepal-Bangladesh Technical meeting on Trade, 22-23, October, 2019, Kathmandu, Nepal
- Government of Bangladesh (GoB), 2015, 7th Five Year Plan FY-2016 FY-2020: Accelerating Growth, Empowering Citizens, General Economics Division, Planning Commission, Dhaka: Bangladesh.
- Government of Bangladesh (GoB), 2016, The Bangladesh Economic Review, 2016, Finance Division, Ministry of Finance, Dhaka: Bangladesh.
- Rahmatullah, M., 2009, “Regional Connectivity: Opportunities for Bangladesh to be a Transport Hub”, Journal of Bangladesh Institute of Planners, Vol. 2, December.

- Sarker, M. and M. Rahman (2018). "Analysis Of Port Management In Bangladesh: Challenges And Potentials", retrieved from <http://miurs.manarat.ac.bd/download/Issue-04/04.pdf>. □ Saha. R.C., 2016, "Prospectus of Bangladesh in Developing Intermodal Freight Transportation Network in South Asia", *Journal of Economics and Sustainable Development*, 7(1).
- A general introduction to the WTO Trade Facilitation Agreement Xiaobing Tang Senior Counselor Market Access Division, WTO, Geneva
- Minutes Of The Commerce Secretary Level Meeting between The Royal Government of Bhutan and The Government of the People's Republic of Bangladesh 12-13 February 2019 Thimphu, Bhutan
- Enhancing Trade and Regional Economic Integration between India and Bangladesh - Phase I, Report Prepared by CUTS International 3, Suren Tagore Road Kolkata – 700019
- Mozumder Khairuzzaman, Joint secretary, Finance Division, Bangladesh, "An Overview on the WTO Trade facilitation Agreement", April 16, 2018
- Trade and Transport Facilitation Monitoring Mechanism in Bangladesh, A Base Survey, ESCAP, ADB, Manila, 2017
- Ministry of Shipping, Bangladesh Land Port Authority, Eight Five year plan (FY 2021-2025), Implementation, Progress monitoring Indicators to be used in Development results Framework.
- DPP of the Bangladesh Regional Connectivity Project 1, 2016
- Annual report 2018-19 of the Bangladesh land port authority, ministry of Shipping
- Annual report, 2018 of the Benapole Customs clearing and forwarding Agents Association
- Andreosso-O'Callaghan, B., J. Jaussaud, J. & B. Zolin, B. (Eds.) (2014). *Economic Integration in Asia: Towards the Delineation of a Sustainable Path*, Palgrave McMillan.
- Chemonics International. (2017). *The Non-Tariff Barriers to Trade in Bangladesh: National Action Plan*, prepared for the USAID AMEG project.
- Quoreshi, A.S. (2017). *Identification of Potential Export Items Facing SPS and TBT Measures in the SASEC Sub-region: The Bangladesh Country Study*, a study conducted for the Asian Development Bank.
- Next Steps to South Asian Economic Union, "A Study on Regional Economic Integration (Phase 11)" Commissioned by SAARC Secretariat, November 10, 2014

Photo Gallery



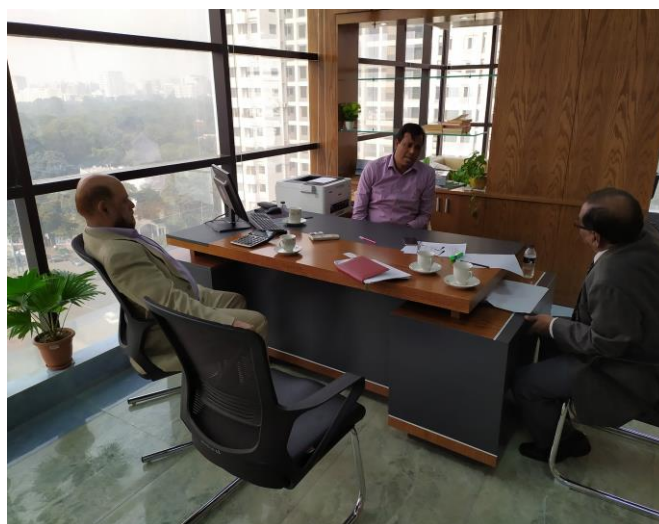
Meeting with Benapaloe Port Authority



Meeting with Land Port Authority



KII with High Officials of Ministry of Commerce



KII with NSW of NBR



KII with different stalk holder at Akhaura Land Port Area



KII with different stalk holder, Burimari Land Port

KII with Officials Banglabandha Land Port



Validation Workshop at BRCP-1 Project Office

Appendix 1: Direct Interviews with Question

Government of the People's Republic of Bangladesh
WTO Cell, Ministry of Commerce
Bangladesh Regional Connectivity Project-1
3 Nos. of Studies Suggested by NTTFC under BRCP-1

“Agenda 1: Review of Collaborative border management- intuitional mechanism for coordinating across Sectors/ministries and across countries”

1.0.	RESPONDENT CATEGORY:	
	(Code:1=Security (BGB), 2=Immigration, 3=Custom, 4=Land Port, 5=Transport, 6=Trader or Association, 7=Passenger, 8=Sanitary and Phyto-Sanitary agency, 9=Women Entrepreneur)	
2.0.	PART A: GENERAL INFORMATION	
2.1.	Name of the respondent:.....	
2.2.	Name of the Organization:.....	
2.2.	Address: a) Present:.....	
	b) Permanent:.....	
2.3.	Contact No:.....	E-mail ID:.....
2.4.	Parent Ministry/Department:.....	
2.5.	Location/Work Place:.....	
2.6.	Major destination of the Land Port: (Code:1=Benapole, 2=Banglabandha, 3=Burimari4=Akhaura)	
3.0.	PART B : TECHNICAL INFORMATION	
A	For only Security (BGB) respondent	
1	What are the principal activities/types of services you are providing?	
2.	Period of providing service? (Code: 1=Less than one year, 2=1 to 5 years, 3= 6 to 10 years, 4=11 to 15 years, 5=16 to 20 years, 6=21 to 25 years, 7=more than 25 years)	
3.	Please mention the average number of beneficiaries including women used border services per day? a) Male:....., b) Female:.....,c) Children:.....	
4.	Do you/your member have any involvement/role or coordination in providing services to the Border points or Land custom Stations? (Code: 1=Yes, 2=No)	
5.	If yes, then explain your role/involvement in providing services to the border points or land custom stations	
6.	Do your members are capable to provide quality services or time taken is favorable for the ease of doing business? (Code: 1=Yes, 2=No)	
7.	Do you think that number of staffs is adequate to handle the border management issues? (Code: 1=Yes, 2=No)	
8.	If no, then how many staffs are needed to handle the border management issues? (Code: 1=1-3, 2=4-6, 3=7-9, 4=More than 9)	
9.	How is the Intra-agency coordination mechanism in different border management agencies? (Code: 1=Not good, 2=fairly, 3=good, 4=excellent)	
10.	How is the inter-agency coordination mechanism among different border management agencies? (Code: 1=Not good, 2=fairly, 3=good, 4=excellent)	
11.	What is the status of cross-border agency cooperation? (Code: 1=Not good, 2=fairly, 3=good, 4=excellent)	
12.	What is the level of local cooperation between security officials of both sides of the border? (Code: 1=High, 2=medium, 3=Low)	

Appendix 1: Direct Interviews with Question

13.	Do you think that current transport (Roads and Highway) facilities are adequate to provide efficient operation in the border security or cross border trade? (Code: 1=Yes, 2=No)	
14.	Do you/your company undertake any capacity building training for border security Management? (Code: 1=Yes, 2=No)	
15.	Do you think that neighboring country security cooperation is better or favorable? (Code: 1=Yes, 2=No)	
16.	If yes, Please explain	
17.	Is there any policies/laws currently taken by the government regarding security Co-ordination at the border	
18.	If yes, is the policy properly implemented	
19.	What are some of your policy recommendations regarding this issue?	
20.	Do you follow any handbook or international best practice at border crossing security issues (Code: 1=Yes, 2=No)	
21.	If yes, Please mention	
B. For only Immigration Respondent		
1.	What are the principal activities/types of services you are providing? (1=Passenger,2=Cargo,3=Other	
2.	Period of providing service? (Code: 1=Less than one year, 2=1 to 5 years, 3= 6 to 10 years, 4=11 to 15 years, 5=16 to 20 years, 6=21 to 25 years, 7=more than 25 years)	
3.	Please mention the average number of beneficiaries including women used border/immigration service per day? a) Male:....., b) Female:.....,c) Children:.....d)Trader.....	
4.	Please mention average time taken to meet regulatory requirements associated with immigration and cargo clearance(Hours)per person and per consignment (Code: 1=Less than one hour, 2=1-2 hours, 3=3-4 hours, 4=5-6 hours, 5=More than six hours)	
5.	Do you/your member have any involvement/role or coordination in providing services to the Border points or Land custom Stations? (Code: 1=Yes, 2=No)	
6.	If yes, then explain your role/involvement in providing services to the border points or land custom stations	
7.	Do your members have adequate facilities (equipment) to provide quality services for the case of doing business? (Code: 1=Yes, 2=No)	
8.	Do you think that numbers of staffs are adequate to handle the border immigration management issues? (Code: 1=Yes, 2=No)	
9.	If no, then how many staffs are needed to handle the border management issues? (Code: 1=1-3, 2=4-6, 3=7-9, 4=More than 9)	
10.	How is the Intra-agency (Among different service providing agencies) coordination mechanism in different border management agencies of neighboring courtiers? (Code: 1=Not good, 2=fairly, 3=good, 4=excellent)	
11.	How is the inter-agency (Different agencies within the country) coordination mechanism among different border management agencies? (Code: 1=Not good, 2=fairly, 3=good, 4=excellent)	
12.	What is the status of cross-border agency cooperation? (Code: 1=Not good, 2=fairly, 3=good, 4=excellent)	
13.	What is the level of local cooperation between officials of both sides of the border? (Code: 1=High, 2=medium, 3=Low)	
14.	Do you face any infrastructure difficulties/constraints during transportation of goods/ Cargos/Passengers in the border? (Code: 1=Yes, 2=No)	
15.	If yes, then what types of infrastructure difficulties/constraints do you face in transportation of goods/Cargos/Passengers in the border?	

Appendix 1: Direct Interviews with Question

	
16.	Is the visa issuance procedure is efficient for the both business passenger and cargo people at the immigration point? (Code: 1=Yes, 2=No)	
17.	Is the custom, land port and other border agencies need technological up gradation with a view to eliminate port restriction of certain goods and services? (Code: 1=Yes, 2=No)	
18.	If yes, then what types of technological up-gradation is needed?	
19.	Have the border agencies started functioning with cross border paperless trade procedure or developing digital corridor?(Code: 1=Yes, 2=No)	
20.	Do you/your organization undertake any capacity building training for border immigration Management agencies? (Code: 1=Yes, 2=No)	
21.	Please list and identify the major problems, congestions points, safety problems and other impediments on the cross border region's that cause delay in goods clearance procedure	
22.	Do you have any separate windows for the tourism patient /Tourist/Cargo related facilities at the immigration point	
23.	Are there any quality facilities (such as food and lodging, wash room and waiting room) for the passengers/cross country tourists/ traders etc. particularly for women? (Code: 1=Yes, 2=No)	
C.	For only Custom	
1	What are the principal activities/types of services you are providing?	
2.	Period of providing service? (Code: 1=Less than one year, 2=1 to 5 years, 3= 6 to 10 years, 4=11 to 15 years, 5=16 to 20 years, 6=21 to 25 years, 7=more than 25 years)	
3.	Please mention the average number of beneficiaries including women used border/custom services per day? a) Male:....., b) Female:.....,c) Children:.....	
4.	Please mention per day/per month freight volume at the land ports a) Per day:....., b) Per month:.....	
5.	Please mention the average number of cargo vehicles cleared at the land port per day a) Truck in:....., b) Truck out:.....	
6.	Please mention the average number of cargo vehicles cleared at the land port per hour a) Truck in:....., b) Truck out:.....	
7.	Please mention average time taken to meet regulatory/Documentation clearance requirements associated with import and exports activities (Hours) (Code: 1=Less than one hour, 2=1-2 hours, 3=3-4 hours, 4=5-6 hours, 5=More than six hours) 6=Less than 1 day,7=More than1 day	
8.	Please mention the cost of import and export a container? a) Import cost:.....Tk. b) Export:.....Tk.	
9.	How many public agencies associated to the National single Window (NSW) system? (Code: 1=Only one, 2=2-3, 3=4-5, 4=More than five)	
10.	How many private agencies associated to the National single Window (NSW) system? (Code: 1=Zero, 2=Only one, 3=2-3, 4=4-5, 5=More than five)	
11.	Do you/your member have any involvement/role or coordination in providing services to the Border points or Land custom Stations? (Code: 1=Yes, 2=No)	
12.	If yes, then explain your role/involvement in providing services to the border points or land custom stations	
13.	Do your members are capable to provide quality services for the case of doing business? (Code: 1=Yes, 2=No)	
14.	Do you think that number of staffs is adequate to handle the border management	

Appendix 1: Direct Interviews with Question

	issues? (Code: 1=Yes, 2=No)	
15.	If no, then how many staffs are needed to handle the border management issues? (Code: 1=1-3, 2=4-6, 3=7-9, 4=More than 9)	
16.	How is the Intra-agency coordination mechanism in different border management agencies? (Code: 1=Not good, 2=fairly, 3=good, 4=excellent)	
17.	How is the inter-agency coordination mechanism among different border management agencies? (Code: 1=Not good, 2=fairly, 3=good, 4=excellent)	
18.	What is the status of cross-border agency cooperation? (Code: 1=Not good, 2=fairly, 3=good, 4=excellent)	
19.	What is the level of local cooperation between officials of both sides of the border? (Code: 1=High, 2=medium, 3=Low)	
20.	What is the status of Bilateral cooperation between neighboring countries? (Code: 1=Not good, 2=fairly, 3=good, 4=excellent)	
21.	What are the multilateral and Regional initiatives regarding border cooperation and coordination?	
22.	Do you face any infrastructure difficulties/constraints during transportation of goods in the border? (Code: 1=Yes, 2=No)	
23.	If yes, then what types of infrastructure difficulties/constraints do you face in transportation of goods in the border?	
24.	What kind of physical facilities at Land custom stations of Neighboring Countries, especially in India?	
25.	What are the Non-tariff barrier reporting mechanism at the border, harmonization of standards and testing laboratories?	
26.	Are there any banking facilities at the border point for ease of doing business? (Code: 1=Yes, 2=No)	
27.	If yes, please describe the types of banking difficulties:	
28.	Is the visa issuance procedure is efficient for the both business passenger and cargo people at the immigration point? (Code: 1=Yes, 2=No)	
29.	Is there in-country harmonization of working hours at the entry points?	
30.	Do the custom, land port and other border agencies need technological up gradation with a view to eliminate port restriction of certain goods and services? (Code: 1=Yes, 2=No)	
31.	If yes, then what types of technological up-gradation is needed?	
32.	Have the border agencies started functioning with cross border paperless trade procedure or developed digital corridor?(Code: 1=Yes, 2=No)	
33.	Do you think that current transportation (Roads and Highways) facilities are adequate to provide efficient operation in the border or cross border trade? (Code: 1=Yes, 2=No)	
34.	Do you think that the Physical infrastructural facilities are sufficient for carrying out border activities? (Code: 1=Yes, 2= No)	
35.	Do you think that due to improper filling of trade documents may cause high time and cost? (Code: 1=Yes, 2=No)	
36.	Do you think that simplification and harmonization custom procedures, formalities, documentation and process are adequate? (Code: 1=Yes, 2=No)	
37.	Do you think that port restriction of some exportable item due to weak infrastructure and less automation in the LCS and Land port? (Code: 1=Yes, 2=No)	
38.	Do you think that inadequate technical facilities and lack of efficient Sanitary and	

Appendix 1: Direct Interviews with Question

	phyto-sanitary staff is the main reasons for not stopping illegal entry of harmful products which is also harmful for plant and animal health? (Code: 1=Yes, 2=No)	
39.	Do you think that time and cost of services related to transportation, cargo handling and examination, warehouse facilities are suitable? (Code: 1=Yes, 2=No)	
40.	Do you/your company undertake any capacity building training for border Management? (Code: 1=Yes, 2=No)	
41.	Please list and identify the major bottlenecks, congestions points, safety problems and other impediments on the cross border region's that cause delay in goods clearance procedure	
42.	Do you have any special/separate/segregate facilities of custom clearance for agricultural, perishable products chemical & fertilizer	
43.	Do you think that avoidance of duplication of different documents used for border clearance could reduce clearance time? (Code: 1=Yes, 2=No)	
44.	What are the challenges of the land locked countries like Nepal, Bhutan at the border trade procedure	
45.	Are there any quality facilities (such as food and lodging, wash room and waiting room) for the passengers/cross country tourists/ traders etc. particularly for women? (Code: 1=Yes, 2=No)	
D.	For only Land Port	
1	What are the principal activities/types of services you are providing?	
2.	Period of providing service? (Code: 1=Less than one year, 2=1 to 5 years, 3= 6 to 10 years, 4=11 to 15 years, 5=16 to 20 years, 6=21 to 25 years, 7=more than 25 years)	
3.	Please mention the average number of beneficiaries including women used border/landportservices per day? a) Male:....., b) Female:.....,c) Children:.....	
4.	Please mention per day/per month freight volume at the land ports a) Per day:....., b) Per month:.....	
5.	Please mention the average number of cargo vehicles cleared at the land port per day a) Track in:....., b) Track out:.....	
6.	Please mention the average number of cargo vehicles cleared at the land port per hour a) Truck in:....., b) Truck out:.....	
7.	Please mention average time taken to meet regulatory requirements associated with import and exports activities (Hours) (Code: 1=Less than one hour, 2=1-2 hours, 3=3-4 hours, 4=5-6 hours, 5=More than six hours)	
8.	Please mention the cost of import and export container? a) Import cost:.....Tk. b) Export:.....Tk.	
9.	Is there are any kind of female trader's facilities in the land port? (Code: 1=Yes, 2=No)	
10.	If yes, then how many programs/activities/facilities have been introduced in the port to facilitate female traders and entrepreneurs? (Code: 1=1 program, 2=2-3 programs, 3=4-5 programs, 4=More than 5 programs)	
11.	If yes, then what kind of facilities available for female trader's in the land port?	
12.	Do you/your member have any involvement/role or coordination in providing services to the Border points or Land custom Stations? (Code: 1=Yes, 2=No)	
13.	If yes, then explain your role/involvement in providing services to the border points or land custom stations	
14.	Do your members are capable to provide quality services for the ease of doing business? (Code: 1=Yes, 2=No)	

Appendix 1: Direct Interviews with Question

15.	Do you think that numbers of staffs are adequate to handle the land port management issues? (Code: 1=Yes, 2=No)	
16.	If no, then how many staffs are needed to handle the border management issues? (Code: 1=1-3, 2=4-6, 3=7-9, 4=More than 9)	
17.	How is the Intra-agency coordination mechanism in different border management agencies? (Code: 1=Not good, 2=fairly, 3=good, 4=excellent)	
18.	How is the inter-agency coordination mechanism among different border management agencies? (Code: 1=Not good, 2=fairly, 3=good, 4=excellent)	
19.	What is the status of cross-border agency cooperation? (Code: 1=Not good, 2=fairly, 3=good, 4=excellent)	
20.	What is the level of local cooperation between officials of both sides of the border? (Code: 1=High, 2=medium, 3=Low)	
21.	What is the status of Bilateral cooperation between neighboring countries? (Code: 1=Not good, 2=fairly, 3=good, 4=excellent)	
22.	What are the multilateral and Regional initiatives regarding border cooperation and coordination?	
23.	What kind of physical facilities at Land custom stations of Neighboring Countries, especially in India?	
24.	What are the Non-tariff barrier reporting mechanism at the border, harmonization of standards and testing laboratories?	
25.	Are there any banking facilities at the border point for ease of doing business? (Code: 1=Yes, 2=No)	
26.	If yes, please describe the types of banking facilities are in place:	
27.	Is the visa issuance procedure is efficient for the both business passenger and cargo people at the immigration point? (Code: 1=Yes, 2=No)	
28.	Is the in-country harmonization of working hours at the entry points?	
29.	Is the custom, land port and other border agencies need technological up gradation with a view to eliminate port restriction of certain goods and services? (Code: 1=Yes, 2=No)	
30.	If yes, then what types of technological up-gradation is needed?	
31.	Have the border agencies started functioning with cross border paperless trade procedure or developed digital corridor?(Code: 1=Yes, 2=No)	
32.	Do you think that current transportation (Roads and Highways) facilities are adequate to provide efficient operation in the border or cross border trade? (Code: 1=Yes, 2=No)	
33.	Do you think that due to improper filling of trade documents may cause high time and cost? (Code: 1=Yes, 2=No)	
34.	Do you think that simplification and harmonization custom procedures, formalities, documentation and process are efficient? (Code: 1=Yes, 2=No)	
35.	Do you think that there is port restriction for some exportable items due to weak infrastructure and less automation in the LCS and Land port? (Code: 1=Yes, 2=No)	
36.	Do you think that inadequate technical facilities and lack of efficient Sanitary and phyto-sanitary staff are the main reasons for not stopping illegal entry of harmful products which is also harmful for plant and animal health? (Code: 1=Yes, 2=No)	
37.	Do you think that time and cost of services related to transportation, cargo handling and examination, warehouse facilities are suitable? (Code: 1=Yes, 2=No)	
38.	Do you/your company undertake any capacity building training for border Management? (Code: 1=Yes, 2=No)	

Appendix 1: Direct Interviews with Question

39.	Please list and identify the major bottlenecks, congestions points, safety problems and other impediments on the cross border region's that cause delay in goods clearance procedure
40	Are there any quality facilities (such as food and lodging, wash room and waiting room) for the passengers/cross country tourists/ traders etc. particularly for women? (Code: 1=Yes, 2=No)
E.	For only Transport
1	What are the principal activities/types of services you are providing?
2.	Period of providing service? (Code: 1=Less than one year, 2=1 to 5 years, 3= 6 to 10 years, 4=11 to 15 years, 5=16 to 20 years, 6=21 to 25 years, 7=more than 25 years)
3.	Please mention the average number of beneficiaries including women used border/immigration service per day? a) Male:....., b) Female:.....,c) Children:.....
4.	Please mention the average number of cargo vehicles cleared at the land port per day a) Truck in:....., b) Truck out:.....
5.	Please mention the average number of cargo vehicles cleared at the land port per hour a) Truck in:....., b) Truck out:.....
6.	Do you/your member have any involvement/role or coordination in providing services to the Border points or Land custom Stations? (Code: 1=Yes, 2=No)
7.	If yes, then explain your role/involvement in providing services to the border points or land custom stations
8.	Are your members are capable to provide quality services for the case of doing business? (Code: 1=Yes, 2=No)
9.	Do you think that number of staffs are adequate to handle the border management issues? (Code: 1=Yes, 2=No)
10.	If no, then how many staffs are needed to handle the border management issues? (Code: 1=1-3, 2=4-6, 3=7-9, 4=More than 9)
11.	How is the Intra-agency coordination mechanism in different border management agencies? (Code: 1=Not good, 2=fairly, 3=good, 4=excellent)
12.	How is the inter-agency coordination mechanism among different border management agencies? (Code: 1=Not good, 2=fairly, 3=good, 4=excellent)
13.	What is the status of cross-border agency cooperation? (Code: 1=Not good, 2=fairly, 3=good, 4=excellent)
14.	What is the level of local cooperation between officials of both sides of the border? (Code: 1=High, 2=medium, 3=Low)
15.	Have you face any infrastructure difficulties/constraints during transportation of goods in the border? (Code: 1=Yes, 2=No)
16.	If yes, then what types of infrastructure difficulties/constraints do you face in transportation of goods in the border?
17.	Is the visa issuance procedure is efficient for the both business passenger and cargo people at the immigration point? (Code: 1=Yes, 2=No)
18.	Is the custom, land port and other border agencies need technological up gradation with a view to eliminate port restriction of certain goods and services? (Code: 1=Yes, 2=No)
19.	If yes, then what types of technological up-gradation is needed?
20.	Do you think that current transport (Roads and Highway) facilities are adequate to provide efficient operation in the border or cross border trade? (Code: 1=Yes, 2=No)

Appendix 1: Direct Interviews with Question

21.	Please list and identify the major problems, congestions points, safety problems and other impediments on the cross border region's that cause delay in goods clearance procedure	
22	Are there any quality facilities (such as food and lodging, wash room and waiting room) for the passengers/cross country tourists/ traders etc. particularly for women? (Code: 1=Yes, 2=No)	
F.	For only Trader or Association	
1	What are the principal activities/types of services you are providing?	
2.	Period of providing service? (Code: 1=Less than one year, 2=1 to 5 years, 3= 6 to 10 years, 4=11 to 15 years, 5=16 to 20 years, 6=21 to 25 years, 7=more than 25 years)	
3.	Please mention the average number of beneficiaries including women used border/immigration services per day? a) Male:....., b) Female:.....,c) Children:.....	
4.	Please mention the average number of cargo vehicles cleared at the land port per day a) Track in:....., b) Track out:.....	
5.	Please mention the average number of cargo vehicles cleared at the land port per hour a) Track in:....., b) Track out:.....	
6.	Do your members are capable to provide quality services for the case of doing business? (Code: 1=Yes, 2=No)	
7.	How is the Intra-agency coordination mechanism in different border management agencies? (Code: 1=Not good, 2=fairly, 3=good, 4=excellent)	
8.	How is the inter-agency coordination mechanism among different border management agencies? (Code: 1=Not good, 2=fairly, 3=good, 4=excellent)	
9.	What is the status of cross-border agency cooperation? (Code: 1=Not good, 2=fairly, 3=good, 4=excellent)	
10.	What is the level of local cooperation between officials of both sides of the border? (Code: 1=High, 2=medium, 3=Low)	
11.	Have you faced any infrastructure difficulties/constraints during transportation of goods in the border? (Code: 1=Yes, 2=No)	
12.	If yes, then what types of infrastructure difficulties/constraints do you face in transportation of goods in the border?	
13.	What are the Non-tariff barrier reporting mechanism at the border, harmonization of standards and testing laboratories? Please mention?	
14.	Are there any banking difficulties at the border point for ease doing business? (Code: 1=Yes, 2=No)	
15.	If yes, please describe the types of banking difficulties:	
16.	Is the visa issuance procedure is efficient for the both business passenger and cargo people at the immigration point? (Code: 1=Yes, 2=No)	
17.	Do you think that current transport (Roads and Highway) facilities are adequate to provide efficient operation in the border or cross border trade? (Code: 1=Yes, 2=No)	
18.	Do you think that due to improper filling of trade documents may cause high time and cost? (Code: 1=Yes, 2=No)	
19.	If yes, please explain	
20.	Do you think that simplification and harmonization custom procedures, formalities, documentation and process are efficient? (Code: 1=Yes, 2=No)	
21.	Do you think that port restriction on some exportable item due to weak infrastructure and less automation in the LCS and Land port? (Code: 1=Yes, 2=No)	

Appendix 1: Direct Interviews with Question

22.	Do you think that inadequate technical facilities and lack of efficient Sanitary and phyto-sanitary staff is the main reasons for not stopping illegal entry of harmful products which is also harmful for plant and animal health? (Code: 1=Yes, 2=No)	
23.	Do you think that time and cost of services related to transportation, cargo handling and examination, warehouse facilities are suitable? (Code: 1=Yes, 2=No)	
	Please list and identify the major bottlenecks, congestions points, safety problems and other impediments on the cross border region's that cause delay in goods clearance procedure	
24	Is there any overlapping(Duplication)of documentation procedure	
25	Please explain, how these can be avoided	
26	Are there any quality facilities (such as food and lodging, wash room and waiting room) for the passengers/cross country tourists/ traders etc. particularly for women? (Code: 1=Yes, 2=No)	
G.	For only Sanitary and Phyto-Sanitary	
1	What are the principal activities/types of services you are providing?	
2.	Period of providing service? (Code: 1=Less than one year, 2=1 to 5 years, 3= 6 to 10 years, 4=11 to 15 years, 5=16 to 20 years, 6=21 to 25 years, 7=more than 25 years)	
3.	Please mention the average number of beneficiaries including women used border/immigration services per day? a) Male:....., b) Female:.....,c) Children:.....	
4.	Please mention average time taken to meet regulatory requirements associated with import and exports activities (Hours) (Code: 1=Less than one hour, 2=1-2 hours, 3=3-4 hours, 4=5-6 hours, 5=More than six hours)	
5.	Do you/your member have any involvement/role or coordination in providing services to the Border points or Land custom Stations? (Code: 1=Yes, 2=No)	
6.	If yes, then explain your role/involvement in providing services to the border points or land custom stations	
7.	Do your members are capable to provide quality services for the case of doing business? (Code: 1=Yes, 2=No)	
8.	Do you think that number of staffs are adequate to handle the border management issues? (Code: 1=Yes, 2=No)	
9.	If no, then how many staffs are needed to handle the border management issues? (Code: 1=1-3, 2=4-6, 3=7-9, 4=More than 9)	
10.	How is the Intra-agency coordination mechanism in different border management agencies? (Code: 1=Not good, 2=fairly, 3=good, 4=excellent)	
11.	How is the inter-agency coordination mechanism among different border management agencies? (Code: 1=Not good, 2=fairly, 3=good, 4=excellent)	
12.	What is the status of cross-border agency cooperation? (Code: 1=Not good, 2=fairly, 3=good, 4=excellent)	
13.	What is the level of local cooperation between officials of both sides of the border? (Code: 1=High, 2=medium, 3=Low)	
14.	What is the status of Bilateral cooperation between neighboring countries? (Code: 1=Not good, 2=fairly, 3=good, 4=excellent)	
15.	What are the multilateral and Regional initiatives regarding border cooperation and coordination?	
16.	Have you face any infrastructure difficulties/constraints during transportation of goods in the border? (Code: 1=Yes, 2=No)	
17.	If yes, then what types of infrastructure difficulties/constraints do you face in transportation	

Appendix 1: Direct Interviews with Question

	of goods in the border?		
18.	What are the Non-tariff barrier reporting mechanism at the border, harmonization of standards and testing laboratories?		
19.	Is the custom, land port and other border agencies need technological up gradation with a view to eliminate port restriction of certain goods and services? (Code: 1=Yes, 2=No)		
20.	If yes, then what types of technological up-gradation is needed?		
21.	Do you think that inadequate technical facilities and lack of efficient Sanitary and phyto-sanitary staff is the main reasons for not stopping illegal entry of harmful products which is also harmful for plant and animal health? (Code: 1=Yes, 2=No)		
22.	Do you/your company undertake any capacity building training for border Management? (Code: 1=Yes, 2=No)		
23.	Are there any quality facilities (such as food and lodging, wash room and waiting room) for the passengers/cross country tourists/ traders particularly for women etc.? (Code: 1=Yes, 2=No)		
24.			
H.	For only Passenger/ Port users		
1	What are the principal activities/types of services you are receiving?		
2.	Have you faced any infrastructure difficulties/constraints during transportation of goods across the border? (Code: 1=Yes, 2=No)		
3.	If yes, then what types of infrastructure difficulties/constraints do you face in transportation of goods in the border?		
4.	Are there any banking difficulties at the border point for ease doing business? (Code: 1=Yes, 2=No)		
5.	If yes, please describe the types of banking facilities		
6.	Is the visa issuance procedure efficient for the both business passenger and cargo carrying persons at the immigration point? (Code: 1=Yes, 2=No)		
7.	Do you think that due to improper filling of trade documents may cause longer time and high cost? (Code: 1=Yes, 2=No)		
8.	Do you think that time and cost of services related to transportation, cargo handling and examination, warehouse facilities are suitable? (Code: 1=Yes, 2=No)		
9.	Are there any quality facilities (such as food and lodging, wash room and waiting room) for the passengers/cross country tourists/ traders, particularly for women etc.? (Code: 1=Yes, 2=No)		
10.	Please list and identify the major bottlenecks, congestions points, safety problems and other impediments on the cross border region's that cause delay in goods clearance procedure		
I.	For only Women Entrepreneur		
1	What are the principal activities/types of services you are providing?		
2.	Are there any facilities for female trader's in the land port? (Code: 1=Yes, 2=No)		
3.	If yes, then how many programs/activities/facilities have been introduced in the port to facilitate female traders and entrepreneurs? (Code: 1=1 program, 2=2-3 programs, 3=4-5 programs, 4=More than 5 programs)		
4.	If yes, then what kind of facilities available for female trader's in the land port?		

Appendix 1: Direct Interviews with Question

5.	Have you faced any infrastructure difficulties/constraints during transportation of goods in the border? (Code: 1=Yes, 2=No)	
6.	If yes, then what types of infrastructure difficulties/constraints do you face in transportation of goods in the border?	
7.	What are the Non-tariff barrier reporting mechanism at the border, harmonization of standards and testing laboratories?	
8.	Do you thing that overall security scenario at the border trade point is secure? (Code: 1=Yes, 2=No)	
9.	If no, then what are the reasons behind it?	
10.	What is the current status of coordination and collaboration among border agencies in Bangladesh?	
11.	Please mention some of the challenges of the present scenario of the border management with respect to female trade and enterprenuer?	
12.	What infrastructure development should be done by the government to promote/enhance transportation of goods and services?	
13.	Please provide recommendation to established an effective and efficient coordinated border management system	
14	Are there any quality facilities (such as food and lodging, wash room and waiting room) for the passengers/cross country tourists/ traders particularly for women etc.? (Code: 1=Yes, 2=No)	

Name of the Enumerator:

Date:

Signature:

Government of the People's Republic of Bangladesh
WTO Cell, Ministry of Commerce
Bangladesh Regional Connectivity Project-1

“Agenda 1: Review of Collaborative border management- intuitional mechanism for coordinating across Sectors/ministries and across countries”

1.0.	PART A: GENERAL INFORMATION
1.1.	Place of FGD:.....
1.2.	Time:.....
2.0.	PART B : TECHNICAL INFORMATION
2.1.	What is the current status of coordination and collaboration among border agencies of Bangladesh?
2.2.	How is the intra-agency coordination mechanism among different border management agencies?
2.3.	How is the inter-agency coordination mechanism among different border management agencies?
2.4.	What is the status of cross-border agency cooperation and how to improve it?
2.5.	What are the bilateral, multilateral and Regional initiatives regarding border cooperation and coordination?
2.6.	What is the level of local cooperation between officials of both sides of the border and how to improve it?
2.7.	Please mention some of the challenges under the present scenario of the border management in Bangladesh.
2.8.	What are the good practices utilized elsewhere to facilitate better land port management and what are the international Guidelines or Handbooks, Rules, Regulations, Agreements, Conventions followed towards better port management?
2.9.	Please provide some recommendations to establish an effective and efficient coordinated border management system?

Participant list

Sl. No.	Name of the respondent	Designation	Name of the department	Mobile no.	Signature
01.					
02.					
03.					
04.					
05.					
06.					
07.					
08.					
09.					
10.					

Name of the enumerator:

Date:

Signature:

Government of the People's Republic of Bangladesh

WTO Cell, Ministry of Commerce

Bangladesh Regional Connectivity Project-1

3 Nos. of Studies Suggested by NTTFC under BRCP-1

“Agenda 1: Review of Collaborative border management- intuitional mechanism for coordinating across Sectors/ministries and across countries”

Participants KII: MOC, PD NSW, PD Land port, Custom Commissioner NBR, Sanitary and Phytosanitary

1.0. PART A: GENERAL INFORMATION

1.1. Name of the respondent:

1.2. Name of the Organization:

1.3. Designation:

1.4. Address: a) Present:.....
b) Permanent:.....

1.5. Contact No:..... E-mail ID:.....

1.6. Parent Ministry/Department:

1.7. Location/Work Place:

1.8. Major destination of the Land Port: (Code:1=Benapole, 2=Banglabandha, 3=Burimari,4=Akhaura)

2.0. PART B : TECHNICAL INFORMATION

2.1. What are the good practices utilized elsewhere to facilitate better management in borders?

2.2. What is the current status of coordination and collaboration among border agencies of Bangladesh?

2.3. How is the intra-agency coordination mechanism among different border management agencies?

2.4. How is the inter-agency coordination mechanism among different border management agencies?

- 2.5. What is the status of cross-border agency cooperation and how to improve it?
- 2.6. What is the level of local cooperation between officials of both sides of the border and how to improve it?
- 2.7. What are the bilateral, multilateral and Regional initiatives regarding border cooperation and coordination?
- 2.8. Please mention some of the challenges of the present scenario of the border management in Bangladesh?
- 2.9. What are the challenges of the Land locked countries like Bhutan and Nepal on the border trade procedure?
- 2.10. What are the good practices utilized elsewhere to facilitate better land port management and what are the international Guidelines or Handbooks, Rules, Regulations, Agreements, Conventions followed towards better port management?
- 2.11. Please provide some recommendations to establish an effective and efficient coordinated border management system?

Government of the People's Republic of Bangladesh
WTO Cell, Ministry of Commerce
Bangladesh Regional Connectivity Project-1

“Agenda 1: Review of Collaborative border management- intuitional mechanism for coordinating across Sectors/ministries and across countries”

Sl. No.	Average time required during immigration	Average time require for vehicle clearance	No. of vehicle waiting for clearance	No. of passenger waiting	No. of waiting room	No. of chair	No. of toilet	No. of female toilet	No. of immigration booth	No. of officials on duty	No. of female officials on duty

Name of the enumerator:

Date:

Signature:

Terms of Reference

Consultancy/Research firm for conducting 03 studies suggested by NTTFC in FY 2018-19.

Background

The Government of the People's Republic of Bangladesh has received an SDR 150 million Credit from the International Development Association (IDA) - a member of the World Bank Group - for financing the cost of the Bangladesh Regional Connectivity Project I (BRCP-I), being jointly implemented by the Bangladesh Land Port Authority (BLPA), National Board of Revenue (NBR) and Ministry of Commerce. The second component of this umbrella project is being implemented by the Ministry of Commerce as a separate technical assistance project. The overall objective of this technical assistance project is to strengthen trade related institutional capacity in order to ensure active and sustainable cooperation between multiple trade-related stakeholders and economic empowerment of women traders.

This technical assistance project consists of following three (3) components:

- Component A: Develop (pilot) programs to support female traders and entrepreneurs. This component will pilot activities to help address barriers to women becoming more integrated into regional and global supply chains and trading opportunities.
- Component B: Capacity Development Support for the National Trade and Transport Facilitation Committee. The inter-ministerial National Trade and Transport Facilitation Committee (NTTFC) has been set up to coordinate all trade and transport-related policies and activities in Bangladesh, and will also serve as the Advisory Committee for the Project.
- Component C: Improvements to Bangladesh Trade Portal and to set up a National Enquiry Point for Trade. The Bangladesh Trade Portal (BTP) was launched in March 2016. This component will support further upgradation of the BTP to expand its functionality to include information of relevance to potential Bangladesh exporters and to ensure that content is kept up to date. This component will also set up the National Enquiry Point for Trade, which will help Bangladesh to meet a key requirement of WTO Trade Facilitation Agreement.

The Ministry of Commerce intends to apply part of the IDA Credit for procuring consultancy services from qualified research/consultancy firms or institutions/individuals to conduct three studies selected from the list of studies identified under NTTFC activities of the project (Component B). These studies aim to develop in-depth understanding about three relevant areas of trade facilitation and are directly linked with the activities of three implementing agencies of the BRCP-1 umbrella project.

RFP SD 01 NTTFC BRCP1 MOC
Section 7. Terms of Reference 80

2. Scope of Consultancy Services:

The project will conduct the following three studies in 2018-19 fiscal year that are critical for export promotion and trade facilitation:

- Agenda 1: Review of collaborative border management-institutional mechanisms for
- Agenda 2: Analysis of laws and regulations governing border operations;
- Agenda 3: How comparable countries are addressing implementation of TFA.

These studies will be conducted under a single package to explore best output from the study.

The detail scope of the proposed studies is given below:

Agenda 1: Review of collaborative border management-institutional mechanisms for coordinating across Sectors/ministries and across countries

Border clearance processes are among the most important and problematic links in the global supply chain. According to Doing Business data, it takes three times as many days, nearly twice as many documents, and six times as many signatures to import goods in poor countries than it does in rich ones. Delays and high transaction costs at the border undermine a country's competitiveness by increasing the cost of exports and reducing reliability of supply. Therefore, trade facilitation reform that improves border management procedures has become an important development issue, as shown by the increased levels of investment in trade facilitation reform by governments and the development community alike.

Traditionally, the major tasks of border management related to export and import trade of a country includes:

- Protection and prevention of loss of revenue through smuggling and improper filing of trade documents;
- Protection of the health and well-being of the community through preventing illegal entry of harmful medicinal products and other psychotropic substances;
- Protection of flora and fauna and preventing entry of the same which would be detrimental to the agricultural interests of the country; and
- Prevention of illegal entry and exit of arms, explosives and other materials of like nature.

Border management involves many agencies, such as security, immigration, trade, customs, transport, sanitary and phyto-sanitary agencies and port authorities. Given the complexity of the issue, the improvement of border management may entail strong political commitment, active involvement of border agencies, sustainable financial and technical inputs, and maximum use of international instruments.

As a result of the complex nature of the requirement of many agencies at the border, interagency cooperation and coordination is required to ensure a safe and efficient border management. Besides ensuring that border security is not compromised, an effective border management can generate monetary and non-monetary benefits for the business community and result in the furtherance of legitimate trade. The benefits may include but are not limited to the following:

- Saving of compliance costs arising from simplification and harmonization of processes, procedures and formalities (preparation and submission of required documentation);
- Saving of costs for services related to transportation, cargo handling, warehousing and cargo examination;
- Saving of time arising from expeditious border and customs clearance, inspections and other forms of frontier control.

As mentioned earlier, the categories of controlling agencies involved in border management is similar in all the countries concerned. They may differ in the naming of the organization. The services include, the Frontier service, Customs service, Ministry of Shipping and its port authorities, Ministry of Agriculture in the capacity of veterinary and phyto-sanitary control, Ministry of Health (for sanitary and epidemiological control and in some vested responsibility for radiation control), and Ministry of Transport (Standards organizations for the assurance of conformity to national standards may also play a part). In the main, some of the organizations are not required to be physically present and can be well-served by evidence of documentary controls. Coordination and collaboration can take the form of empowering a single authority at the border crossing to function for the agency concerned. Clear guidelines and procedures will, however, have to be established. Adequate and continuous training must also be provided to the empowered agency. Coordination can also take the form of constant and regular meetings and dialogues between agencies to share and exchange information and reduce the over-lapping of responsibilities. An appropriate and clear definition of responsibilities for the border agencies may

lead to efficient border management. Otherwise, it will cause confusion and abuse of authority. Without appropriate and clear definition of responsibilities, one agency may take actions without consulting other relevant agencies, or exercise authority in the areas which should be regulated by other agencies.

Good inter-agency coordination is essential to effective border management. For example, if the frontier and customs services operate at the border crossings on a daily basis (24/7), the other agencies must also do likewise. Lack of such coordination and juxtaposition of working hours will be detrimental and can lead to doling up border clearance and may add substantially to the costs of the importer/exporter. Intra-agency coordination is also equally important. The failure for the same agency with various posts and offices spread around the country, either at border posts or inland offices, failing to harmonize their procedures or failure to receive pertinent information from each other, can lead to incompetency of actions taken. Prompt communications and exchange of information will play a positive role not only for officials of controlling government agencies involved in border management but also for the trading community.

Apart from collaboration among domestic agencies there is also need to have an effective bilateral cross-border cooperation and multinational cooperation on border management issues. Multinational cooperation would also include the cooperation with relevant international organizations in creating, adopting and implementing different international standards and best practices harmonizing and adding effectiveness in coordinated border management.

Given the coordination and collaboration among local border clearing agencies and cooperation between border clearing agencies of neighbouring states are critical for effective trade facilitation this study has the following objectives to understand the current situation of collaboration of border management agencies as well as finding ways to create an enabling and coordinated institutional mechanisms for domestic coordinated border management processes.

1. What are the good practices utilised elsewhere to facilitate better management at the borders (e.g. Norway and Sweden/EU border, Switzerland and France/EU border)? Good practices should reflect applicable handbooks/guidelines for collaborative border management.¹²
2. Against that good practice template,
 - 2.1. what is the current status of coordination and collaboration among border agencies in Bangladesh?
 - 2.2. how is the intra-agency coordination mechanism in different border management agencies?
 - 2.3. how is the inter-agency coordination mechanisms among different border management agencies?
 - 2.4. what is the status of cross-border agency cooperation? What is the level of local cooperation between officials of both sides of the border, bilateral cooperation between neighbouring states and multinational cooperation?
 - 2.5. provide recommendations to establish an effective and efficient coordinated border management system (including identification of leading organization and capacity building needs) in Bangladesh.

Agenda 2: Analysis of laws and regulations governing border operations

Trade facilitation has emerged as a key factor for international trade efficiency and economic development of countries. This is due to its impact on competitiveness and market integration and its increasing importance in attracting direct foreign investments. Over the last few decades, countries have made significant progress in lowering trade tariffs and dismantling quota systems. International trade has increased and manufacturing has become more global, with developing, emerging and transition economies connecting with international supply and value chains in terms of both their exports and imports. The worldwide distribution and sourcing cycles, along with just-in-time and just-in-sequence logistics services and the emergence of e-business, has created pressure on governments to ensure efficient, fast and reliable border crossing and

clearance procedures. Governments started to realize that their export economies heavily depend on efficient import processing, hence the need to have a holistic approach for a more efficient management of end-to-end trade transactions. Lack of transparency about rules and regulations, redundant and lengthy clearance processes, and multiple documents requirements in different formats and with different data elements, increase the costs and time of doing trade. Today these obstacles are seen as posing greater barriers to trade than tariffs and quotas do. Hence, it is more important than ever to achieve trade facilitation to enhance administrative efficiency and effectiveness, reduce costs and time to markets, and increase predictability in global trade.

In order to achieve the goal of trade facilitation there is a need to make trade across borders (imports and exports) faster, and cheaper and more predictable, whilst ensuring its safety and security. In terms of focus, it is about simplifying and harmonizing formalities, procedures, and the related exchange of information and documents between the various partners in the supply chain. There are great potential gains from trade facilitation for both governments and the business community. Public entities will profit in terms of enhanced trade tax collection, better use of resources and increased trader compliance. A more efficient and transparent delivery of public services will allow the administration to maintain high security levels and effective government control, while diminishing opportunities for corruption. Traders will gain in terms of higher predictability and speed of operations and lower transaction costs, resulting in more competitive exports on global markets. For countries as a whole, reducing unnecessary delays and costs attracts investments, and supports growth and job creation.

The fundamental principles of trade facilitation are transparency, simplification, harmonization, and standardization. While the transparency within border operations promotes openness and accountability of a government's and administration's actions, simplification of laws and regulations governing border operations eliminates all unnecessary elements and duplications in trade formalities, processes and procedures. Harmonization promotes the alignment of national procedures, operations and documents with international conventions, standards and practices. It can come from adopting and implementing the same standards as partner countries, either as part of a regional integration process or as a result of business decisions. The principle of standardization facilitates the process of developing formats for practices and procedures, documents and information internationally agreed by various parties of border operations. Standards are then used to align and, eventually, harmonize practices and methods.

In order to facilitate effective border operations, there is a need to have an enabling environment that involves different types of interventions and activities addressing the various dimensions of the government. This includes regulatory reforms aiming at a clear, concise, transparent legal framework. However, it requires an in depth analysis of law and regulations that are critical for border operations. It will include laws and regulations of different agencies that are involved in trade facilitation and border operations. This study has therefore aimed to conduct a study to do an elaborate analysis of regulatory regime that encompasses activities of different organizations. This study will explore the answers and guide the government through preparing recommendations in the following areas of regulatory regime of border operations:

- a. What are the good practice's elsewhere in terms of organizations/laws/rules/regulations to facilitate better management at the borders?
- b. What are the organizations involved in trade facilitation through their border management tasks in Bangladesh and how do they relate to international good practice?
- c. What are the critical laws, rules and regulations in border operations for trade facilitation in Bangladesh and how do they relate to international best practice?
- d. How are these laws aligned with the trade related agreements and conventions and how do they relate to international good practice?
- e. How are these laws facilitating trade for exporters and importers in Bangladesh and how do they relate to international good practice?

- f. What adjustments or modifications are required for making these laws efficient, effective and harmonized for trade facilitation?

Agenda 3: How comparable countries are addressing implementation of TFA

The WTO's Trade Facilitation Agreement (TFA) has a key role to play in helping developing and least developed countries to reduce their trade costs linked to handling imports and exports. Many of the rules in the TFA are designed to be beneficial to businesses, especially SMEs. However, concerns remain in developing and least developed countries about whether they have the resources and expertise to implement many of these rules and procedures, for which they will need technical and financial assistance from the international community.

In order to translate the challenges of TFA implementation into opportunities the Ministry of Commerce needs to know the short term requirements in the categorization and notification of TFA provisions as well as in estimating the financial and technical resources required to implement their category C commitments. It also needs to build the capacity of the institutions in addressing the challenges. The ministry may also need to build strong partnership with the private sector. The ministry will also need to prepare an implementation roadmap for each of the TFA priority measure, for instance: Advance Ruling Systems, Authorized Economic Operators and Post Clearance Audit, National Enquiry Points, among others. Subsequently, the MOC will need to estimate the costs and resources required for implementation of prioritized TFA measures and to approach donors to raise funds to mobilize technical assistance. The MOC has therefore planned to conduct this study with the following objectives:

- a) Identification of current status of Bangladesh in implementation of the TFA;
- b) Identification of gaps between the agreement and present 'situation in implementation of the TFA;
- c) Identification of requirements for complete implementation of TFA;
- d) Identification of status and best practices of regional countries in implementation of TFA and the measures they are taking to advance the implementation process;
- e) Comparison between Bangladesh and other regional countries in implementation of TFA;
- f) Recommendations for addressing the implementation challenges.

3. Timeframe of the Services:

The duration of the assignment is anticipated to run for a period of six months commencing on the date of signing the agreement. The Consulting Firm shall report to the Project Director or his assigned official for any clarification with regard to the assigned responsibilities or any issues that need to be mitigated.

Sl.No.	Report/ Deliverables	Expected date of Delivery
01	Inception Report	Within 02 Week from contract signing
02	Literature review and data collection	From Week 03-20 from contract signing
03	Presentation of the draft findings in a Workshop	Within 21 weeks from contract signing. All cost of the workshop will be borne by the Consultant.
04	Submission of the Final Reports	Within 24 weeks of contract signing

4. Expected deliverables from the firms/institutions:

The consultancy firm will at least submit the following reports for each of the studies to the project authority:

- a) Inception Report
- b) Draft Report
- c) Final Report

The Inception Report (IR) will contain scopes, methodologies and work plan for each of the studies separately and in detail. The IR must have an elaboration of study questions and objectives. This elaboration should follow the detail of research methodologies to be applied for each of the studies. The detail plan of quantitative and qualitative analysis and methods for data analysis will also have to be included in the inception report. The methodologies should include justification for choosing a particular method of data collection, sampling design and indicators, data sources, detail of data collection methods and a set of data collection instruments to be used in each of the studies, detail of field survey or study and limitations in study. The inception report should also contain the detail of key persons engaged in the study and their specific responsibilities. It should also contain the plan for monitoring and evaluation of study progress by the research firm and the client's representatives. The work plan also needs to be detail so that the client understands how the studies will reach to final stage of report writing.

Draft Final Report (DFR) will contain detailed findings, qualitative and quantitative analysis on findings. The structure of DFR should at least contain executive summary of the study, introduction, literature survey, methodology of the study, findings of the study, discussion and analysis, recommendations and conclusions, references and annexures. This study will have three separate DFRs. Report should be delivered in English version.

The Final Report (FR) of the study should be submitted to PIU on agreed formats before the end of the contract period. The report should at least contain executive summary introduction, literature survey, methodology, findings, discussions and analysis, lesson learned,

recommendations/suggestions, conclusions, references and database in the annexure The FR should also have a discussion about the observations of the stakeholders including clients and their answers. This study will have three separate FRs. Report should be delivered in English version.

All reports will be evaluated by the technical committee of the project and fit recommendations of the technical committee will have to be reflected in the reports before finalization of the same.

The consultant will arrange for proof reading, if required to maintain the quality. All field notes and the data set should be submitted as annexure with the final report. Follow up meetings will be held time-to-time between the contracted agency/consultant and BRCP MOC. Ten (10) printed copies of each of the final reports should be submitted along with soft copies. During the implementation, any other information that is important may be added deleted during discussion periods, which may become an integral part of the TOR.

5. Methodology of Study

Sampling: Depending on sub-components and components, the sampling unit will be decided in consultation with the implementing agency(s). A sample frame including number participants in different data collection methods will be developed using standard sampling framework for each study topic according to agreed catchment area(s)/ principles r discussion with the implementing agencies.

Document Review: The studies will have a large number of document reviews to do analysis and comparison among regulatory regimes.

Questionnaire: The survey questions will be developed and agreed with the related implementing agency(ies). Testing of the questions will be required.

Key Informants Interviews:

To verify data collected from beneficiaries, group or individual interviews with informants will need to be organized. Approach to selecting KII and guide is to be elaborated by the firm.

Focus Group Discussion:

The survey team can use the FGDs tool. The FGDs will complement the data generated from the survey questions and through other methods. The FGDs will be carried out in mix separate male/female groups as appropriate and will be carried out based on an elaborated guide approved beforehand by the related implementing agency(ies). Detailed documentation of the proceedings of the FGDs will be maintained.

Public Consultations

These studies will also include public consultations at selected locations with the relevant stakeholders in discussion with the implementing agency (ies).

Data Analysis and reporting

The data will be processed in SPSS or similar data processing software. The qualitative data will be analyzed by using NVIVO or other similar software. Privacy of the survey data will be strictly maintained by the consultant/firm.

6. Consulting Firms qualification and experiences

The interested consulting firm should provide evidence of the following in their applications:
The Consulting firm shall have the legal capacity to enter into the contract;

- The firm should have at least 07 years of general experience in providing consulting services out of which at least 03 years of experience in national and international trade related research or studies for public and private sector;
- The firm should have successfully completed at least one service contract related to national and international trade including border management operations of Bangladesh within last 5 years;
- The firm should have experience in working with development partner's funded projects (IDA financed project experience would be desirable);
- The required average annual turnover of the consulting firm shall be at least Tk. 30 Lac in last three years;
- A capacity statement on available training facilities, IT equipment, logistics support, transport and office space;
- Undertaking that the firm has not been blacklisted or debarred by any Government Organization or by IDA;
- List of key professional staff including proposed core team for the assignment, showing qualification and experience including the projects/assignment on which they have worked, their role in the assignment/project and duration of their engagement with the assignment/project.
- **Required Documents:** The company must submit the following documents:
 - a) Company Registration, Up to date Tax payment certification and VAT registration certificate;
 - b) Audited Financial statement (last 03 Years);
 - c) Company Brochure.

7. Team Composition and their Qualifications

The proposed services under this Terms of Reference shall be carried out by using a firm (Consultant) with adequate experience in designing and delivering the expected output of the study. The firm should propose the structure and composition of its team members. It should list the main disciplines of the assignment, the key experts, technical and support staff. An indicative team structure may be as follows:

- A. A: Team Leader-1.
- B. International Trade Expert-1;
- C. C: Legal Expert-1.

Position	Duration (man months)	Qualification, Experience and Responsibility
Team Leader-01 No.	06	Team Leader (TL) must have a minimum of 15 years of general experience out of which at least 10 years' relevant prior experience. He must have relevant Master's degree from a recognized university preferably in International Trade, Trade Law, Business Administration or other related areas. She/he must have experience in working with trade regulating agencies and familiarity with trade environment and related international agreements. Must have experience of working with complex, multi-system environments in public sector. The Team Leader will take the overall responsibility for the execution of the assignment in accordance with the TOR and also for the coordination of all professional inputs. She/he will be responsible to the Employer and maintain close contact with Project Director (Employer's representative) to ensure

		that the contract is implemented in accordance with the World Bank guidelines. The Team Leader will act as the Consultant's authorized representative for both the design and implementation supervision phase and make decisions on all matters pertaining to the consulting services.
International Trade Expert- 01 No. (National Consultant)	06	The incumbent must have a minimum of 15 years of general experience out of which at least 05 years' relevant experience in international trade areas. She/he must have relevant Master's degree from a recognized university preferably in International Trade, Trade Law, Business Administration, Operations Management, IT Management or other related areas. She/he must have experience in trade facilitation, logistics, infrastructure/connectivity assessment and planning. She/he must have least 8 years customs and border management experience. She/he should have familiarity with trade and transport issues in South Asia with specific exposure to overland trade, and cross border goods movement. She/he should have strong written and verbal skills in English Knowledge and understanding of business practices of trade regulating agencies.
Legal Expert- 01 No.	06	The incumbent must have a minimum of 10 years of general experience out of which at least 05 years' relevant experience in trade related laws. She/he must have relevant Master's degree from a recognized university preferably in Law or Trade Law or International Trade or other related areas. She/he must have experience of working with trade regulating agencies. She/he should have strong analytical skills and understanding of trade regulating rules and regulations of Bangladesh.

The Consulting firm will also propose program support staff as per their work plan.

8. Payment

Payments shall be made in line with agreed-on outputs according to the following schedule:

- Inception Report: Ten (10%) per cent lump-sum of contract price shall be paid upon submission of the Inception Report duly accepted by the Client.
- Draft Final Report: Forty (40%) per cent lump-sum of contract price shall be paid after submission the draft report duly accepted by the Client and
- Final Report: Fifty (50%) per cent lump-sum of contract Price shall be paid after submission the final report duly accepted by the Client.
- All relevant taxes and VAT shall be deducted at source at the applicable rates by the Government of Bangladesh.

9. Miscellaneous

The firm (consultant) will facilitate monitoring of studies by the employer, and World Bank officials. The project will provide to the Consulting firm all key program documents & reports such as:

- Relevant extract of Technical Assistance Project proposal (TAPP), if required;
- Sharing relevant up to date project information for a better understanding of the project;
- Providing timely feedback to the consulting firm on inception report, questionnaire, sampling, training module, draft reports etc.;
- Any logistic support such as transportation as well as office space will not be provided by the client.



Development Technical Consultants Pvt. Ltd. (DTCL)

Plot # 62; Road # 14/1; Block # G; Niketan, Gulshan-1, Dhaka-1212, Bangladesh

Email: info@dtcltd.org; Web site: www.dtcltd.org

ISO 9001:2015

