



**Asia-Pacific  
Economic Cooperation**

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**2022/SOM2/CTI/IS04**

**Summary Report - APEC Workshop Border Agency  
Cooperation (WTO Trade Facilitation Agreement  
Article 8) (CTI 05 2020A) (Endorsed Intersessionally,  
13 April 2022)**

Purpose: Information  
Submitted by: United States



**Second Committee on Trade and Investment  
Meeting  
Bangkok, Thailand  
15-16 May 2022**

## **APEC Workshop Border Agency Cooperation (WTO Trade Facilitation Agreement Article 8)**

August 10, 2021 10pm EDT/August 11, 2021 2pm NZT

### **BACKGROUND & OBJECTIVES**

Article 8 (Border Agency Cooperation) of the WTO Agreement on Trade Facilitation Agreement (WTO TFA) requires domestic authorities and agencies responsible for the border clearance of goods. (e.g., customs; public health officials; agricultural inspection officers) to coordinate their activities to facilitate trade. Article 8 also requires WTO members that share common borders to coordinate procedures at border crossings. Border agency cooperation benefits both the public and private sectors; governments can better allocate resources by eliminating duplicative inspections and corresponding risk management, and industry saves time and money. Border agency cooperation has become essential in the fight against COVID-19. Economies must streamline clearance for life-saving products such as pharmaceuticals, medical devices, and personal protective equipment. Border agency cooperation is critical between the trade and public health institutions that both regulate these products at the border.

The APEC Border Agency Cooperation Workshop, held during the 2021 Senior Official's Meeting (SOM3) – raised awareness of border agency cooperation best practices to improve APEC efficiency, predictability, and transparency of trade. The workshop addressed best practices for domestic as well as international border agency cooperation. The workshop featured speakers and moderators from a range of APEC economies and international organizations. such as the Global Alliance for Trade Facilitation (GATF). Participants also learned how specific APEC economies engage with Article 8 capacity building to address specific trade facilitation chokepoints and about other border agency cooperation resources and tools, including a guidebook recently developed by the U.S. Agency for International Development (USAID).

### **IMPORTANCE OF WTO TFA ARTICLE 8**

The opening session, led by the United States Agency for International Development (USAID), provided an overview of Article 8, which ensures that agencies responsible for border controls and procedures coordinate their activities to facilitate trade and ensures that WTO members, to the greatest extent possible, cooperate on mutually agreed terms with other members with whom they share a common border to coordinate procedures at border crossings to facilitate cross-border trade. This session highlighted the significance of practical border agency cooperation measures in successfully fulfilling many trade facilitation initiatives for efficient customs operations.

When border agencies cooperate and coordinate their work, they can use limited resources effectively. This cooperation can lead to: (1) faster processing of imports and exports, (2) improved revenue collection, (3) more efficient law enforcement, (4) efficient use of domestic resources, and (5) facilitation of cross-border trade. There are multiple mechanisms for coordinated border management; this includes digitalization, utilizing a single-window platform, integrating border agencies, coordinating border management, and establishing domestic trade facilitation committees.

## **BEST PRACTICES: DOMESTIC BORDER AGENCY COOPERATION**

The second session featured a panel discussion on economy-level best practices of customs authorities cooperating and communicating with agricultural and public health departments. This session discussed how economies were able to access and clear personal protective equipment, receive and facilitate the shipment of critical health supplies, use electronic phytosanitary certificates, and increase the efficiency of administrative procedures.

The first panelist of this session, the New Zealand Customs Service (NZCS), discussed how border clearance procedures drastically changed during the COVID-19 pandemic to ensure critical supply chains could still operate. New Zealand Customs set up a centralized committee to ensure seamless coordination across all relevant agencies to help streamline the clearance of goods. The initial focus was on supplying personal protective equipment (PPE), which prompted the agency to set up a rules-based system between NZCS advisors and New Zealand's health agencies. Unapproved shipments on route to New Zealand were flagged in advance. The system helped them get routed for transit quickly before they expired.

The second panelist of the session, the Chilean Agricultural and Forest Protection Division, focused on agricultural goods and its work with Customs to begin accepting and issuing electronic phytosanitary certificates. Due to various lock-downs in different economies at different times to reduce the spread of COVID-19, many exporting economies have been unable to physically send phytosanitary certificates to ports of entry. Without phytosanitary certificates, many agricultural products cannot be cleared for entry. So, Chile's Aduanas and Chile's Agriculture and Livestock Service were able to cooperate to begin issuing and accepting electronic SPS and e-Phyto Certificates. This made a huge difference in maintaining Chile's agricultural exports during the pandemic. Chile plans to keep issuing electronic certificates for its agricultural exports because they not only increase efficiency, but also increase security. Chile's certificates contain a QR code that, when scanned, shows the digital document's content and is electronically stamped by the oversight agency. This implementation has led to maintaining fluidity in the commercial exchange of agricultural and forestry products, minimizing the possibilities of fraudulent documentation, and reducing the cost of foreign trade operations.

The final panelist of the session, the Ministry of Finance of Japan, discussed methods of increasing the efficiency of administrative procedures. This increase of efficiency is done by implementing an electronic process through the single window called Nippon Automated Cargo and Port Consolidated System (NACCS). By utilizing the NACCS, traders can submit electronic copies of supporting documents in PDF format and can be accessed by all relevant border agencies. Using the Pre-Arrival Examination System, importers can submit documents to Customs prior to the arrival of the cargos as well as the confirmation of the import, which can further accelerate procedures during the import process. Regarding critical medical supply imports, the relevant information is shared with other authorities such as Ministry of Health, Labor and Welfare through NACCS. This streamlines the submission of customs declarations and screening/examination because these procedures occur before arrival, which makes possible to give an import permission immediately upon its arrival. This process depends on collaboration between government agencies and the voluntary engagement of private sector traders.

## **BEST PRACTICES: INTERNATIONAL BORDER AGENCY COOPERATION**

The third session featured a panel that focused on best practices of cross-border agency cooperation at the regional level. This panel elaborated on the many ways customs authorities find efficiencies when they cooperate across borders, either in a customs-to-customs exchange or in conjunction with other regulatory agencies operating at the border.

The first panelist from the APEC Policy Support Unit (PSU) discussed a PSU survey on customs cooperation. This survey measured APEC's current progress in implementing WTO TFA Article 12 on customs cooperation. The results of this survey revealed that there is a wide disparity between APEC economies in creating cooperation agreements. These agreements provide mutual assistance in information exchange and further facilitate effective coordination between partner economies' administrations and develop and improve training programs. The PSU remarked that cross-border agency cooperation best practices are: trust among customs agencies, confidentiality of information, improving understanding of procedures for exchanging information, strengthening regional cooperation, and supporting e-commerce--all of which will be streamlined through greater cooperation between economies.

The second panelist from the Global Alliance for Trade Facilitation (GATF) further expanded on the aspects of cooperation by discussing how digitalization can enable extensive cooperation transformations; for example, with e-Phyto, there are huge benefits for agricultural trade that come from the ability to exchange certificates between agencies of the exporting party and the agencies at the importing party's border. GATF reported that electronic automation of the exchange of certificates was saving traders about \$US100 per container. GATF further discussed its ongoing joint initiative with the US-ASEAN Business Council (US-ABC) to facilitate the trade of health supplies through cross-border cooperation. This initiative includes identifying challenges to health-related logistics and testing possible solutions.

## **WTO ARTICLE 8 TECHNICAL ASSISTANCE**

The final session was a discussion led by Peru's Ministry of Trade and Tourism (MINCETUR). This session focused on a review of the US-Support for Economic Growth in Asia project to provide assistance-eligible economies with technical assistance on implementing TFA Article 8. Peru described its project under the US-SEGA program to explore greater cooperation between SUNAT and DIGEMID (General Directorate of Medicines, Supplies and Drugs), sanitary control management and its impact on trade facilitation. Border agency cooperation on sanitary control management resulted in harmonized procedures and operations between all competent authorities on border control. Currently, this project is ongoing, and a best practices/technical and regulation diagnosis has been completed. A proposal on the development of a cooperation model has been drafted and presented to the competent authorities. There are challenges to this project, such as different processes within every agency and a lack of an electronic system of integrated databases. However, once this project is complete, these challenges should be overcome. This project will result in the establishment of mechanisms for coordinated controls and the creation of a single sanitary inspector program. Due to this revamped coordination between border agencies and creating a single sanitary inspector program, the customs process at the border should be streamlined, facilitating trade

and increasing efficiency. This session also served to highlight the availability of resources to provide technical assistance and training under the APEC SCFAP II Sub-Fund.

## **CONCLUSION**

Closing remarks from the Director for Customs and Trade Affairs of the Office of the U.S. Trade Representative (USTR) reflected on themes from these workshop sessions. The workshop found that 1) internal and external improvements in border agency cooperation can fuel each other; 2) both big and small improvements in border agency cooperation can have significant benefits for traders; 3) consulting with the private sector is essential to ensuring changes in coordination will be useful; and 4) border agency cooperation investments made before the pandemic are reaping enormous returns now. The Director included a parting suggestion to “think more expansively about border agency cooperation to create more opportunities for trade facilitative solutions to emerge. This will help not only keep trade flowing during this pandemic, but will help with resiliency in the face of future shocks.”