



Coordinated Border Management at Land Ports in BBIN Countries



**Land Ports
Authority of India**
Systematic Seamless Secure



Coordinated Border Management at Land Ports in BBIN Countries

Land Ports Authority of India

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Coordinated Border Management

Concept and Significance for BBIN Countries

Coordinated Border Management

According to the World Customs Organization, Coordinated Border Management (CBM) involves cross-border regulatory agencies within the same country as well as coherent regulatory bodies across borders, striving to attain streamlined and effective regulatory processes through establishing official measures, mechanisms and communication channels. Such efforts ensure value maximization and prevent unnecessary consumption of resources through avoiding duplication of efforts by the trading countries¹.

CBM holds great significance in the Bangladesh Bhutan India Nepal (BBIN) context given that Bhutan, Bangladesh and Nepal are India's immediate neighbours and form an important part in India's 'Neighbourhood First' and 'Act East' policy. Although the share of trade through land ports in India's overall trade is relatively low, it has a significant impact on diplomatic relations with the neighbours. At the bilateral level, trade through land ports acts as a major confidence building measure as it aids in reducing trust deficits, encourages constructive engagements and stabilizes the borders by reducing friction. At the local level, border trade helps in economic growth and holistic development of the region. Moreover, landlocked countries such as Nepal and Bhutan are completely dependent on India for their third country trade. Such constraints further develop a strong case for coordinated border management approach by border control agencies, both domestic and international, in the context of seeking greater efficiencies over managing trade and travel flows, while maintaining balance with the compliance requirements.

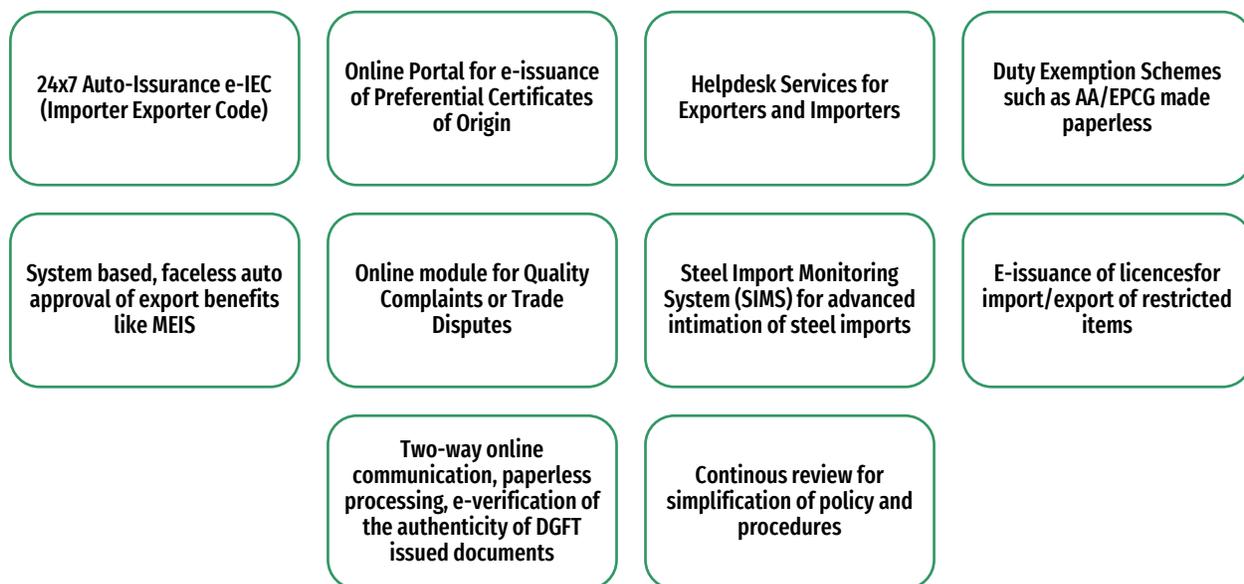
India has taken several steps over the years to promote cross-border trade with the neighbouring countries, as listed in Figure 1. With the intent to facilitate the process of immigration, customs, security quarantine etc., the Land Ports Authority of India (LPAI) has established Integrated Check Posts (ICPs) over border crossings that provides modern amenities such as single-window infrastructural facilities including warehouses, examination sheds, parking bays, weighbridges, etc. for smooth cross-border movement of passengers and goods at designated locations². For example, the Raxaul (India) - Birgunj (Nepal) border crossing is one of the major points for trade between India and Nepal. Nearly, 40 percent of Nepal's imports come through this border crossing, accounting for

¹ <http://www.wcoomd.org/-/media/wco/public/global/pdf/topics/facilitation/instruments-and-tools/tools/safe-package/cbm-compendium.PDF?db=web>

² Smart Border Management. FICCI. <https://ficci.in/spdocument/23158/smart-Border-Management.pdf>;

over USD 4 billion of its imports from India and over USD 3 billion from other parts, hence putting immense pressure on the infrastructural capacity. However, the stress at the overburdened border crossing has been relaxed significantly after the development of Integrated Check-Post (ICP) at the Raxaul - Birgunj border in 2018. The change is visible on Nepal's side also, as the traffic has reduced to 400-500 trucks from 800 trucks per day as majority of the trucks take a bypass to reach the ICP.

Figure 1- Measures taken by the India to facilitate trade³.



Stretching over West Bengal, Assam, Meghalaya, Mizoram and Tripura for 4096 km⁴, India shares the longest land border with Bangladesh. Bangladesh is also India's largest trading partner in South Asia, whereas India is Bangladesh's second largest trading partner. Bilateral commerce between India and Bangladesh has consistently increased over the last decade, with Bangladesh's exports tripling to USD 1 billion in 2018-19. In the fiscal year 2019-20, India's exports to Bangladesh totalled USD 8.2 billion, while imports totalled USD 1.26 billion⁵.

India and Nepal share an open border of 1,751 km and the India-Bhutan border spans 699 km⁶, with multiple border points adjoining Indian states of Bihar, West Bengal, and Assam among others. Through these border points, annual bilateral trade of over USD 7 billion occurs between India and Nepal and over USD 1 billion between India and

³ <https://commerce.gov.in/wp-content/uploads/2021/03/Electronic-Governance-and-Trade-Facilitation-Reforms.pdf>

⁴ https://www.mea.gov.in/Portal/ForeignRelation/India_Bangladesh_MAR2021.pdf

⁵ IBID

⁶ Ministry of Home Affairs, Government of India. <https://www.mha.gov.in/sites/default/files/BMIntro-1011.pdf>

Bhutan, accounting for a significant share of their overall trade (65 percent for Nepal and 85 percent for Bhutan)⁷. Moreover, being landlocked countries, streamlining of operations and faster clearance of goods at the land ports is crucial for both Nepal and Bhutan.

By means of regional connectivity platforms such as the BIMSTEC (Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation) and the BBIN (Bangladesh, Bhutan, India, Nepal), India is persistently striving to promote regional cooperation in the South Asian region. One such initiative is the BBIN-Motor Vehicle Agreement (MVA) that has come into force from March 2022 allowing seamless movement of cargo from member nations within the BBIN region through specified trade routes, including cross-border routes which further necessitates the construction of border checkpoint infrastructure on land borders.

However, there is still a considerable scope to reduce gaps and improve cross-border management. Delays in trade as a consequence of physical and non-physical barriers constitute a major bottleneck to the smooth movement of goods in the region. There is scope for more digitization, mirror infrastructural facilities, adequate screening capabilities, and more mechanization at the ICPs, resulting in enhanced cross-border coordination and management.

A coordinated border having shared hard and soft infrastructure with the neighbouring countries therefore becomes quintessential to mitigate the policy, regulatory, operational and infrastructural gaps that have persisted along the land borders and obstructed trade. Although, continuous efforts to streamline trade have been undertaken by both sides, a few infrastructural and regulatory bottlenecks remain such as unpaved approach road at ICP Birgunj, lack of adequate warehouse space, manual issuance of car pass, low level of digitization, lack of testing facilities which lead to increased logistic time and cost as well as duplication of efforts.

In light of the above challenges, Coordinated Border Management is crucial for streamlining the cross-border trade and faster clearance of goods. This also aligns with the vision of the Government of India as part of the NTFAP (National Trade Facilitation Action Plan) Action Point 10 (Reference TFA provision: 8.2) and towards achieving the NTFAP target of bringing down the average import release time to 48 hours and average export time to 24 hours for land ports⁸.

⁷ Ministry of Commerce and Trade, Government of India; ITC Trademap, <https://www.intracen.org/itc/market-info-tools/trade-statistics/>

⁸ Implementation of Trade Facilitation Agreement. National Trade Facilitation Action Plan. 2020-2023. <https://www.cbic.gov.in/resources//htdocs-cbec/implmntin-trade-facilitation/NTFAP2020-23jk.pdf>

As Is Status and Situational Gap Assessment

To streamline cross-border trade amongst BBIN countries at select ICPS – Agartala-Akhaura, Raxaul-Birgunj, Jogbani-Biratnagar and Jaigaon-Phentsholing, by means of coordinated border management, it is imperative to understand the ‘As-is Status’ in terms of cross-border mirror infrastructure, common standards, standard operating procedures (SOPs) and alignment of regulatory practices of Bhutan, Bangladesh and Nepal with India at the aforementioned ICPS.

For this purpose, literature review has been conducted from the secondary sources of information (such as National Time Release Study 2021 by CBIC⁹, DGCI&S, Presentation on Integrated Check Posts¹⁰, Working Paper on India Bhutan Economic Relations¹¹, Bridging the East: Trade and Transport Connectivity in the Bay of Bengal Region¹², Coordinated Border Management: An inclusive approach for connecting stakeholders¹³ to name a few) to build an in-depth understanding of the current status of the border management at the land ports of Agartala-Akhaura (India-Bangladesh border), Raxaul-Birgunj and Jogbani-Biratnagar (India-Nepal border) and Jaigaon-Phuentsholing (India-Bhutan border).

Context of CBM

There have been multiple attempts by various agencies to define Coordinated Border Management in a precise and comprehensive manner. CBM stands as a building block within the WCO’s “Customs in the 21st Century: Enhancing Growth and Development through Trade Facilitation and Border Security” document. The inclusion of CBM in the current and upcoming trade initiatives will further bolster the achievement of trade objectives in the BBIN sub-region. Additionally, the landlocked countries of Nepal and Bhutan which rely on India and Bangladesh will be able to decrease trade cost significantly.

It has been frequently reiterated that one of the most important non-physical barriers affecting the region’s integration through land transport is the excessive delays at border crossings. These delays can be a result of many reasons but in most cases are aggravated by a lack of coordination and cooperation among different border

⁹ <https://www.cbic.gov.in/resources//htdocs-cbec/implmntin-trade-facilitation/National%20Time%20Release%20Study%202021.pdf>;jsessionid=6BDEC826A13109346FE7C62B6E05FDE0

¹⁰ https://www.unescap.org/sites/default/files/Country%20Presentation%20-%20India_0.pdf

¹¹ https://icrier.org/pdf/Working_Paper_384.pdf

¹² <http://www.cuts->

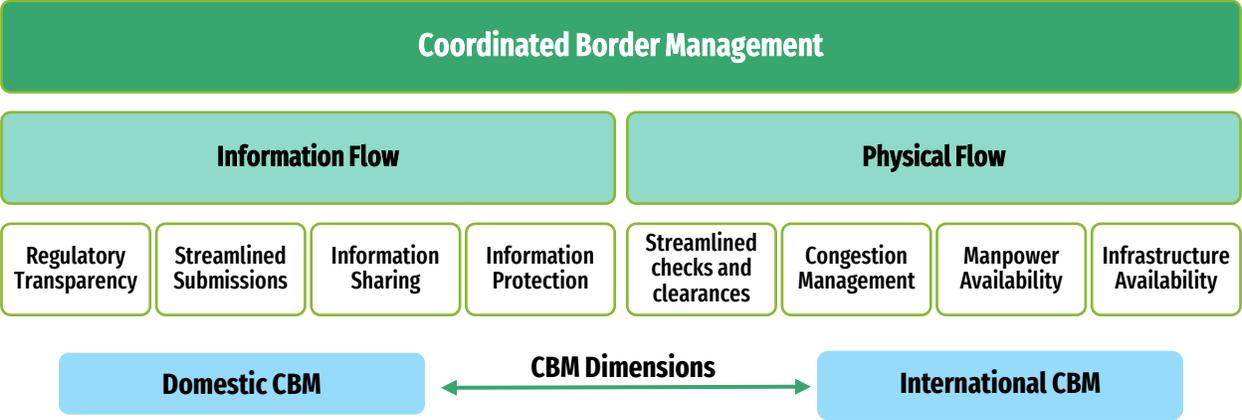
[international.org/bbinmva/pdf/Project_Report_on_Bridging_the_EastTrade_and_Transport_Connectivity_in_the_Bay_of_Bengal_Region.pdf](http://www.cuts-international.org/bbinmva/pdf/Project_Report_on_Bridging_the_EastTrade_and_Transport_Connectivity_in_the_Bay_of_Bengal_Region.pdf)

¹³ <http://www.wcoomd.org/-/media/wco/public/global/pdf/topics/facilitation/instruments-and-tools/tools/safe-package/cbm-compendium.PDF?la=en>

agencies. This lack of coordination and cooperation has two dimensions- one is among different agencies behind the border and the second dimension involves border agencies across borders.

Reduced border delays and expedited movement of goods as a consequence of deliberate efforts towards a Common Border Management have attracted international efforts to promote the same such as the International Convention on Harmonization of Frontier Control of Goods¹⁴ and Revised Kyoto Convention¹⁵.

According to the World Customs Organization (WCO) the physical movement of goods and people, and the flow of information, are two intrinsically linked elements that make up an ecosystem for coordinated border management. Each of the above-mentioned factors is guided by key principles that outline the measures for streamlined clearance of goods and passengers across the border. The principles governing the flow of information include standardized submission process, information protection and transparency in information sharing and regulatory processes. The coordinated movement of goods and people is based on streamlined checks and clearances, congestion management, manpower availability and infrastructure availability as its guiding principles. The smooth flow of information enables cross-border regulatory agencies to make timely decisions without hampering the supply chain and results in effective risk management so that physical movement of goods and passengers is streamlined¹⁶.



Further, the SAFE Framework of Standards (FoS) to Secure and Facilitate Global Trade (SAFE) provides guidelines for Customs for working together with foreign counterparts, private sector and other government agencies. In the SAFE FoS, CBM has been included as a third pillar in addition to the two pillars of the Customs to Customs network and Customs to Business partnership in order to maximize the harmonization of border procedures.

¹⁴ https://treaties.un.org/pages/ViewDetails.aspx?src=TREATY&mtdsg_no=XI-A-17&chapter=11&clang=_en
¹⁵ http://www.wcoomd.org/en/topics/facilitation/instrument-and-tools/conventions/pf_revised_kyoto_conv.aspx#:~:text=The%20revised%20Kyoto%20Convention%20promotes,Parties%20must%20accept%20without%20reservation.
¹⁶ <http://www.wcoomd.org/-/media/wco/public/global/pdf/topics/facilitation/instruments-and-tools/tools/safe-package/cbm-compendium.PDF?db=web>

Implementation of CBM

Cross border agency cooperation relies on a robust legal framework between two or more countries and can be launched through a policy declaration, a Memorandum of Understanding (MoU)¹⁷, or a bilateral agreement. Coordinated Border Management has also been promoted by means of sub-regional cross border transport agreements such as Association of Southeast Asian Nations (ASEAN) Framework Agreement on Facilitation of Goods in Transit and Greater Mekong Sub-Region Cross Border Transport Agreement (GMS CBTA).

The impetus for the partner countries to implement CBM can be internal or external¹⁸.

Implementation of CBM	
External Motivation	Intrinsic Motivation
<i>External motivation can include the intent to implement a bilateral or multilateral agreement that may further include – Mutual Recognition Agreements, Free Trade Agreements, Regional Integration Agreements, and Multilateral Trade Agreements etc.</i>	<i>Intrinsic motivation can include enhancing one's own competitiveness, infrastructure creation (border ports, seaports etc.), enhancing the quality of service or addressing security or regulatory bottlenecks.</i>

Either of the aforementioned internal and external motivations or both working in tandem can provide the required momentum to pursue coordinated border management. However, it must be noted that both of them can only be established on the common ground of political will of higher institutional authorities, which can catalyse the Customs and other regulatory agencies to facilitate efficient border management.

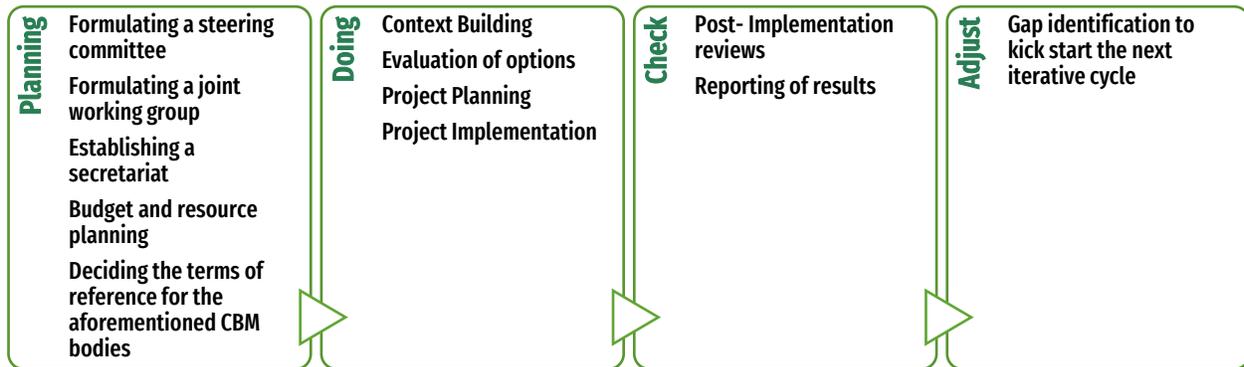
The 4 step 'PDCA' management cycle has been applied by the WCO in the context of effective CBM implementation by the respective agencies¹⁹.

¹⁷ <http://www.wcoomd.org/-/media/wco/public/global/pdf/topics/research/research-paper-series/cbm.pdf?db=web>

¹⁸ <http://www.wcoomd.org/-/media/wco/public/global/pdf/topics/facilitation/instruments-and-tools/tools/safe-package/cbm-compendium.pdf?db=web>

¹⁹ IBID

PDCA' Based Model for Implementation of CBM



1. The 'Planning' phase

The planning phase involves:

- **Formulating a steering committee for CBM-** In order to streamline the planning and decision-making process, a formalized structure like a steering committee can be formulated which can facilitate coordination and decision making amongst the authorities. The chair of the steering committee can be a senior official or a regulatory agency responsible for its implementation and members can include representation from all the stakeholders involved such as the line ministries, traders, business groups and associations, border guards, etc. for effective communication and consultation.

Further, the chair of the respective steering committees for all the countries can be involved to form a Supra-National Coordinating Committee which shall be tasked to accomplish coordination amongst the cross-border agencies at the leadership level.

- **Formulating a working group for CBM-** The inception of the working group intends to assist the steering committee that involves coordination at leadership levels, with technical and subject-matter experts. Some of the priority fields for which technical expertise can be required to identify bottlenecks and expedite the CBM process may include – Infrastructure Working Group, Legal Working Group, IT Working Group, Process Working Group, HR & Training Working Group.
- **Establishing a secretariat-** In order to assist the steering committee and the working group with the administrative tasks such as documentation, planning of meeting dates, deciding on meeting venues, preparation of meeting agendas and required documentation, formulation of a secretariat is recommended.

- **Budget and resource planning**- Once the steering committee, working group and the secretariat are established, it is essential to chart out the budget and resource planning required to undertake CBM.
- **Deciding the terms of reference for the aforementioned CBM bodies**- Terms of reference are essential to ensure transparency and good governance and prevent conflict of interests among the members. This makes it essential for the CBM bodies to establish terms of reference for effective implementation of the designated roles and responsibilities. In case of overlapping topics, the working groups should delineate respective roles through engagement and consensus.

2. The 'Doing' or 'Execution' Phase

Based on the scope and the budgetary allowance phased out in the planning phase, the execution phase can involve the following steps –

- **Context Building** – The designated working groups can undertake fact-finding studies to identify the areas of intervention for coordinated border management. This can involve undertaking activities such as process mapping, time-release studies, environmental scans etc. Such comprehensive processes can assist in identification of structural and systemic gaps, identification of stakeholders involved, time required, regulatory procedures involved to undertake the necessary action while moving forward.
- **Evaluation of options**- Once the actionable interventions have been identified through context setting exercise mentioned above, it becomes pertinent to evaluate and prioritize the interventions owing to budget, time and other resource availability. Based on this identification, the joint working groups can make recommendations to the steering committee. The approval of the course of action for the identified priority areas ensures the consensus on the identified issues and the proposed action plan by the public and private sector stakeholders.
- **Project Planning and Implementation**- The prioritized identified interventions need to be planned to depend on the complexity of the project. Basic interventions that require readjustment of existing procedures require minimal planning whereas complex projects such as IT systems and work procedures require comprehensive planning to execute. The joint working groups should communicate the actionable gaps identified for execution to Customs and regulatory bodies for effective execution on the ground.

The approved steps should be communicated to the responsible stakeholders for execution. This stage will further involve the allocation of budget and required resources for streamlined and smooth implementation.

3. The 'Checking' phase

- In the context of the CBM process, the checking phase involves the inspection of the implementation against the desired outcome. At this stage, the outcomes are assessed through post-implementation reviews and reporting to determine if the management was effective, the planned project was implemented and whether the implemented outcomes align with the intended outcomes. This phase can become a major confidence building measure for the stakeholders involved if the outcomes are positive, and a critical learning exercise otherwise.

4. The 'Act or Adjust' Phase

- Once the intended CBM measures have been accomplished and analyzed for desired outcomes, the next stage should involve the necessary steps needed to fill in the gap between the desired outcomes and actual outcomes. This allows the agencies to enter into the next iterative phase where additional stakeholders can be identified and engaged, terms of reference can be re-defined and corrective actions can be undertaken, as needed.

Infrastructure Financing Models for CBM

Any CBM project can be broadly categorized into two categories based on its objective:

- 1 Coordinated border management in terms of regulatory and operational procedures.
- 2 Coordinated border management for infrastructure connectivity.

The latter is capital-intensive and therefore requires adequate financing sources for implementation, which can be government, bilateral/multilateral development banks and institutions, private investors, etc. Moreover, infrastructure financing for CBM initiatives have to compete against national projects that can make access to finance for CBM difficult. Hence, it is imperative to understand the type of financing models²⁰ that are considered by countries across the globe for pursuing CBM.

- **Funding via Government Sources-** Government funding is usually preferred for projects having little Return on Investment (ROI) in the short-term and is the biggest source of funding for cross-border infrastructure projects. The government usually engages State Owned Enterprises or private sector for the project execution.
- **Concessional lending via Official Development Assistance and Multilateral Development Banks-** Multilateral Development Banks such as the World Bank, the Asian Development Bank etc. and bilateral

²⁰ https://www.unescap.org/sites/default/d8files/2021-01/Presentation-Cross-border%20Infrastructure%20Financing_0.pdf

ODA agencies provide concessional lending and advisory services to enable better execution of projects. Such financing can be strategically utilized to further mobilize additional commercial finance.

- **Export Credit Financing Model** – Such model is generally applicable in a developing country for critical infrastructure projects against the traditional models of sovereign funding and provides concessionary loan structured with ‘Export Element’ to promote their exports. This implies that the debtor ought to allocate a certain share of funds for the procurement of engineering and construction services from the exporting country. Export Credit Agency (ECA) under this model of financing requires sovereign guarantee in various forms, and therefore constitutes a form of sovereign borrowing too.
- **Funding via Private Sources** – Funding via private sources can be further categorized into different categories-
 - **Viability Gap Funding Model** - Viability Gap Funding is provided when the revenue from an acceptable level of user fees is less than what would be needed to achieve commercial viability; funding is often supplied by the government to ensure the financial return to private sector investment.
 - **User Free Model**- Such model is used for those projects that are commercially viable without any government subsidy.
 - **Government Payment Model**- In some circumstances, the project company's revenue over the term of the contract comes exclusively from government payments. Common applications include social infrastructure.

Best Practices for Cross-Border Infrastructure Financing

In order to access long-term sustainable finance throughout the pursuance of cross-border management project, it is essential to adhere to the global best practices²¹ as described below-

- **Political consensus among all the stakeholders involved**- Political acknowledgement and harmonized objectives of all the primary stakeholders involved in the project is essential for a cross-border infrastructure project. Political differences between the stakeholders can arise as a result of various factors such as differences in political priorities/agendas, deterring inter-country relations, short-term power imbalances within the countries etc.
- **Outlining clear rationale of the project**- It becomes crucial to thoroughly outline the social, economic and environmental impacts of large infrastructure projects. There are high chances of externalities for large

²¹ https://www.unescap.org/sites/default/d8files/2021-01/Presentation-Cross-border%20Infrastructure%20Financing_0.pdf

infrastructure projects. There can be projects having good socio-economic impact but the Return on Investment (ROI) for the same might be economically unviable.

- **Detailed distribution analysis to ensure viable cost-benefit for each country** – While implementing a cross-border project it can become challenging to find an agreement on the sharing of cost and benefits among the participating countries. Therefore, it is essential to conduct a detailed distribution analysis of the project in order to ensure its long-term sustenance.
- **Ensuring flexibility throughout the project** – Most of the successful cross-border projects ensure regulatory harmonization and greater flexibility through an efficient government coordination committee. Moreover, investments should also take place under a clear and defined regulatory framework.

Case Studies Depicting Relevant Financial Models

1

Coordinated Border Management for Results in Central Asia Regional Economic Cooperation²²	
Project Details	The project was initiated to provide Technical Assistance (TA) that will support TRS analyses at Border Check Posts (BCP) to establish the causes of cross-border delays related to border control and clearance procedures. It will also help expand JCC pilots and support the efforts of CAREC ²³ countries to improve coordination between their border control agencies and move toward CBM.
Financing Model	Financing sustainability was ensured through ODA by Asian Development Bank (ADB) and Japan Fund for Prosperous and Resilient Asia and the Pacific through a financing of USD 1.25 million.

2

Cinkanse One Country One Stop Border Post between Burkina Faso and Togo	
Project Details	A single shared border facility constructed in one of the countries to house officers from both countries to carry out border control.
Financing Model	The Cinkanse OSBP was set up with a public-private partnership agreement in West Africa. It was constructed under a Build-Operate-Transfer concession from Union Economique et Monétaire Ouestafricaine (UEMOA, West African Economic and Monetary Union). Scanning Systems SA, an Ivoirian company, approached UEMOA with a proposal for a BOT arrangement to complete and operate the JBP and a 20-year BOT arrangement for the JBP was signed with Scanning Systems in September 2009.

3

Addis Ababa- Djibouti Railway²⁴	
Project Details	A single shared border facility constructed in one of the countries to house officers from both countries to carry out border control.
Financing Model	The Cinkanse OSBP was set up with a public-private partnership agreement in West Africa. It was constructed under a Build-Operate-Transfer concession from

²² <https://www.adb.org/projects/47082-001/main>

²³ Central Asia Regional Economic Cooperation Program

²⁴ https://www.unescap.org/sites/default/d8files/2021-01/Presentation-Cross-border%20Infrastructure%20Financing_0.pdf

	Union Economique et Monétaire Ouestafricaine (UEMOA, West African Economic and Monetary Union). Scanning Systems SA, an Ivoirian company, approached UEMOA with a proposal for a BOT arrangement to complete and operate the JBP and a 20-year BOT arrangement for the JBP was signed with Scanning Systems in September 2009.
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International Conventions on CBM

With a view to facilitate cross-border trade, there are multiple international conventions the antecedents of which can be traced back in key WCO instruments such as the International Convention on the Simplification and Harmonization of Customs Procedures (as amended) (the revised Kyoto Convention), and the SAFE Framework of Standards to Secure and Facilitate Global Trade (the SAFE Framework).

Revised Kyoto Convention - The Kyoto Convention came into force in 1974 and was revised in 1999 with the intent to standardize customs procedures. Some of the specific standards in the Revised Kyoto Convention (1999) pertaining to coordinated border management have been described below²⁵.

Coordinated Border Management: related Revised Kyoto Convention Standards.

Standard	Legal Text
Standard 3.3	Where Customs offices are located at a common border crossing, the Customs administrations concerned shall correlate the business hours and the competence of those offices.
Transitional Standard 3.4	At common border crossings, the Customs administrations concerned shall, whenever possible, operate joint controls.
Transitional Standard 3.5	Where the Customs intend to establish a new Customs office or to convert an existing one at a common border crossing, they shall, wherever possible, co-operate with the neighboring Customs to establish a juxtaposed Customs office to facilitate joint controls.
Transitional Standard 3.35	If the goods must be inspected by other competent authorities and Customs also schedules an examination, Customs shall ensure that the inspections are coordinated and, if possible, carried out at the same time.
Standard 6.3	In the application of Customs control, the Customs shall use risk management.
Standard 6.7	The Customs shall seek to co-operate with other Customs administrations and seek to conclude mutual administrative assistance agreements to enhance Customs control.
Standard 7.3	The introduction of information technology shall be carried out in consultation with all relevant parties directly affected, to the greatest extent possible.

²⁵ http://www.wcoomd.org/-/media/wco/public/global/pdf/topics/research/research-paper-series/19_cbm_polner_en.pdf

Standard 7.4	New or revised national legislation shall provide for: electronic commerce methods as an alternative to paper-based documentary requirements; electronic as well as paper-based authentication methods; the right of the Customs to retain information for their use and, as appropriate, to exchange such information with other Customs administrations and all other legally approved parties utilizing electronic commerce techniques.
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SAFE Framework - The SAFE Framework was implemented in 2007 and has been signed by 164 countries²⁶, that defines standards pertaining to Customs-to-Customs network arrangements (Pillar 1) and Customs-to-Business partnerships (Pillar 2). Some of the standards dealing with CBM have been described in the table below.

Coordinated Border Management: related SAFE Framework of Standards (2005)²⁷

Specifications	Content
1.1. Scope	The implementation of the integrated Customs control procedures requires appropriate legal authority that will allow Customs administrations to request the advance electronic submission to Customs of data from the exporter (see 1.3.1) and by the carrier (see 1.3.2) for security risk-assessment purposes. In addition, the integrated Customs control procedures involve cross-border cooperation between Customs administrations on risk assessment and Customs controls, to enhance the overall security and the release process, which requires a legal basis. Both of these requirements are supported by WCO-developed instruments: Guidelines for the Development of National Laws for the Collection and Transmission of Customs Information; the Model Bilateral Agreement; and the International Convention on Mutual Administrative Assistance in Customs Matters (Johannesburg Convention). As part of this co-operation, Customs administrations should agree on mutual recognition of control/ inspection results and authorized economic operator programs
1.3.8. Single Window	Governments should develop cooperative arrangements between Customs and other Government agencies involved in international trade to facilitate the seamless transfer of international trade data (Single Window concept) and to exchange risk intelligence at both national and international levels.

²⁶ Ibid.

²⁷ Ibid.

<p>1.3.9. Integrated Border Management</p>	<p>Similarly, governments should develop cooperative arrangements among their government agencies that are involved in international trade. Governments should also work with the border agencies of neighboring foreign governments to maximize the harmonization of border control functions. Integrated border management should lead to the facilitation of trade through a secure supply chain.</p>
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Trade Facilitation Agreement (TFA) - The TFA, which came into effect in 2017 includes rules for efficient coordination between customs and other relevant authorities, such as participating government agencies (PGAs), which are responsible for controlling the flow of commodities at the border. To monitor and implement the Trade Facilitation Agreement, the Government of India has introduced the National Trade Facilitation Action Plan (NTFAP). In this context Action Point 10 (Reference TFA provision: 8.2) of the NTFAP that aims to facilitate CBM is worth mentioning.

<p>Action Point 10 (Reference TFA provision: 8.2)</p>	<p>Explore feasibility to establish mechanism to enhance customs cooperation for cross border trade at land ports. Proposed framework to explore uniform application by both parties on:</p> <ul style="list-style-type: none"> • Alignment of working days and hours • Mutual Recognition of inspection, testing and certification • Harmonization of standards and SPS • Development and sharing of common facilities, joint controls. • Establishment of one stop border control
<p>Stakeholder</p>	<p>CBIC and MHA</p>
<p>Time Schedule</p>	<p>Long Term</p>
<p>Performance Indicator</p>	<ul style="list-style-type: none"> • Conducting meeting with other customs for fulfilment of cross border trade facilitation objectives • Undertake joint publication of working procedures and service level specifications at enquiry points

Benefits of CBM

According to the World Bank, when implemented efficiently, CBM while facilitating legitimate trade and maintaining a balance with compliance requirements, can lead to quicker release, shorter delays, predictability, legal security and lower costs²⁸.

²⁸ <https://blogs.worldbank.org/trade/coordination-collaboration-and-connectivity-better-border-management>

Key Benefits to border agencies	Key benefits for trading community
<ul style="list-style-type: none"> • Reduction in administration and reinforcement costs • Process reengineering to streamline and harmonize procedures. • Empowering staff across agencies for shared duties • Coordinated risk management. • Sharing of infrastructure 	<ul style="list-style-type: none"> • Reduced compliance costs • Faster release and increased efficiency in inspection • Improved quality of service by border agencies • Harmonized physical inspections. • Expedited border crossings. • Improved flow management

CBM Initiatives for BBIN Countries

Of late, numerous steps have been introduced for the regional integration of the BBIN group of countries. There have been numerous initiatives to promote South Asian integration at the regional and sub-regional levels, which are also being assisted by Multilateral Banks, United Nations (UN), and other international organizations through various modalities that involve financial assistance, technical cooperation and inter-governmental facilitation. Consequentially, they have led to development of trade and transport corridors, people-to-people connectivity, digital connectivity, power grids and energy corridors leading to greater integration of the BBIN region.

The table below provides a snapshot of BBIN connectivity initiatives for surface transport in the context of the four ICPs covered under the purview of the study.

BBIN Connectivity Initiatives at or relating to the 4 select ICPs

BBIN Connectivity Initiatives for Surface Transport ²⁹			
From/To	Bangladesh	Bhutan	Nepal
India	Widening of Ashuganj-Akhaura Road in Bangladesh (will provide connectivity to Tripura) Status -Delayed and Under Development	Upgrading the East West Highway Status - Completed	Jayanagar-Bijalpur-Bardibas Rail Link Project Status - Under Development
	Akhaura-Agartala Rail Link Status - Delayed due to Covid restrictions, expected to be complete by December 2022		Jogbani-Biratnagar Rail Link Status - Under Development
	Development of ICP at Akhaura (near Agartala), Tripura Status - Complete		Bhairawaha-Nautanwa Rail Link Status - To be found from field survey

²⁹ http://www.cuts-international.org/bbinmva/pdf/Project_Report_on_Bridging_the_EastTrade_and_Transport_Connectivity_in_the_Bay_of_Bengal_Region.pdf

Risk Management in CBM

Cross-border movement of goods is subject to a wide set of regulations that go beyond tariffs. Additionally, goods need to comply with regulations that involve safeguards against import of goods with poor quality or goods that are harmful for human or animal consumption/health, or the environment. It therefore becomes essential to formulate a risk management system with the intent of faster clearance of goods.

The World Trade Organization (WTO) and the Trade Facilitation Agreement (TFA) not only address the multi-disciplinary rules and regulations pertaining to Customs but also delve into the regulation of quality, health, plants and environment in cross-border trade.

As mentioned in Trade Facilitation Agreement (TFA) and Revised Kyoto Convention (RKC), the standards pertaining to CBM involve three key areas which are³⁰

- a) Coordination of procedures and formalities
- b) Coordination of enforcement and controls
- c) Coordination in information technology developments

With regard to the above-mentioned standards, WCO has identified tools and instruments pertaining to each of the above defined standards. Risk management compendium forms an integral part to ensure coordination of enforcement and controls among the border nations. With increased complexity and volume of international trade, the onus to strike a balance between trade facilitation and ensure control over movement of goods, persons and cargo lies with the Customs. This has led to a significant evolution of the administrative and regulatory practices of Customs. From traditional methods, the customs procedures have gradually shifted to identifying the greatest exposure to risk and subsequently allocating limited resources to mitigate the same.

Therefore, the process of risk management involves identification of 'risk-factors', and analysis of their degree of impact with the aim to reduce such factors to "as low as reasonably possible".

Risk factor is the source of the risk. For example, certain products might be considered riskier than others. Research³¹ shows that there are different kinds of risk factors – common and stakeholder specific. Some of the common risk factors include:

³⁰ <http://www.wcoomd.org/-/media/wco/public/global/pdf/topics/facilitation/instruments-and-tools/tools/safe-package/cbm-compendium.pdf?db=web>

³¹ <https://www.adb.org/sites/default/files/publication/754781/sawp-084-india-policy-lessons-trade-facilitation-design.pdf>

<p>Product: The nature of the product can pose a risk to the health and safety of humans, environment, wildlife, flora, and fauna.</p>	<p>Country of Origin: A country could be considered a less credible or safe source for particular goods for a variety of reasons. It could be prone to certain diseases or viruses, or have less robust quality control systems, or suffer from seasonal pest infestations.</p>
<p>Importer: The historical record of an importer in terms of compliance with rules, regulations, and applicable laws is one of the defining elements of risk management globally. Many countries, including India, have adopted some form of a “trusted trader program” where importers who meet certain criteria are categorized as posing minimum risk.</p>	<p>Broker: Since customs brokers deal on behalf of importers, they are an important element in any import risk assessment framework. Moreover, a CHA could transact on behalf of several importers at a time. Hence, it is even more important to capture the wider canvas of risks posed by a CHA willing to bend the rules or bypass regulations and laws. Therefore, a CHA’s record of compliance and violations is an important risk factor.</p>
<p>Quantum of Imports: A single large import consignment (in volume or value) represents a higher degree of risk. Thus, relatively large shipments could be subject to greater scrutiny. Sudden increase in quantum of imports could also be considered a risk factor.</p>	<p>Assurance: An assurance is a guarantee that risks from the import of products have been mitigated or that there is absence of risk from imports.</p>
<p>End Use: Imports can be categorized into those intended for consumption, for use as inputs for manufacturing, as samples for testing, or for use in research and development. An item for human consumption or an ingredient for an item to be used for human consumption requires far more stringent care to manage risk.</p>	

This practice of identifying and managing risks would ensure effective balance between trade facilitation and customs control, better compliance to regulatory procedures, reduced release time, lower costs, improved cooperation among various stakeholders, improved revenue collection etc. among others. Hence, incorporating risk management as a tool for CBM will ensure greater objectivity in the procedures, and would reduce arbitrariness and randomness throughout the process.

Risk Management through Digitization³²

Risk Management through Digitization

The digitization of manual operations and the resulting removal of a paper trail are some of the most significant initiatives resulting in simplicity and procedural efficiency. Most nations' customs administrations have switched from manual, paper-trail-based systems to computerised platforms. Digital platforms such as Risk Management Systems (RMS) use algorithms that analyse trends and trace past behaviour that can be applied to digital data to identify threats. This process of identifying risks forms the foundation of RMS.

Additionally, an RMS aids in the efficient and effective deployment of workers. It is evident that expanding trade volumes would make it impossible for regulatory agencies to inspect each and every shipment. Only consignments that pose considerable hazards are marked for closer inspection when an RMS is in place. Because there is adequate staff available to concentrate on consignments, concentrated examination guarantees that the vast majority of consignments are cleared without delay, and even those that are designated as risky are processed faster. In order to maintain a balance between prompt clearance of products and efficient regulatory enforcement of trade, it is crucial to make sure that an RMS is deployed.

Trade Analytics and Infrastructure Assessment at Select ICPs

To further comprehend the current status of selected ICPs, trade data has been analysed for each of these ports to understand the traffic flow through the port vis-à-vis the capacity of the port as well as the bilateral trade between India and the neighbouring country. The BRIEF team also organised visits in order to assess and comprehend the present status of the land ports and further chalk out the scope of coordinated border management at the land ports under the purview of this study.

ICP Raxaul (India) - ICP Birgunj (Nepal)

As-Is Assessment of ICP Raxaul

ICP Raxaul operationalized in 2016 has helped in realizing mutually beneficial, people-to-people and economic trade ties between India and Nepal. With total area spanning over 235 acres it is located at a distance of about 230 kms from the city of Patna. ICP Raxaul also facilitates the movement of import and export goods between India and Nepal and third country trade. It has helped Nepal overcome the challenges of being a land-locked country through efficient movement of trade and creation of advanced cross-border logistics and infrastructure facilities. With a share of more than 40 percent of the overall trade, Raxaul-Birgunj is the most important trade route between India and Nepal. India has also recently accelerated its efforts to make the Raxaul airport functional³³. Raxaul

³² <https://www.adb.org/sites/default/files/publication/754781/sawp-084-india-policy-lessons-trade-facilitation-design.pdf>

³³ <https://timesofindia.indiatimes.com/city/patna/bihar-move-to-make-raxaul-airport-functional/articleshow/91885475.cms>

airport was established by Airports Authority of India (AAI) after the Sino-Indian war of 1962. It will play a major role in facilitating trade through air cargo.

India and Nepal signed the Treaty of Peace and Friendship in 1950 to establish close strategic relations between them. The treaty allows for free movement of goods and passengers between two countries. Therefore, under this treaty cargo does not need to undergo trans-shipment at the ICP.

The infrastructure capabilities at ICP Raxaul are summarized in the table below:

Facility	Capability
Customs bonded area (in sq. m.)	874121
Warehouse Area - Exports (in sq. m.)	200
Warehouse Area - Imports (in sq. m.)	600
Number of entry gates (Indian side/ loaded side in)	1
Number of exit gates (Indian side/ empty vehicle out)	1
Number of entry gates (Indian side from Nepal)	2
Number of exit gates (Indian side from Nepal)	1
<i>Source: LPAI</i>	



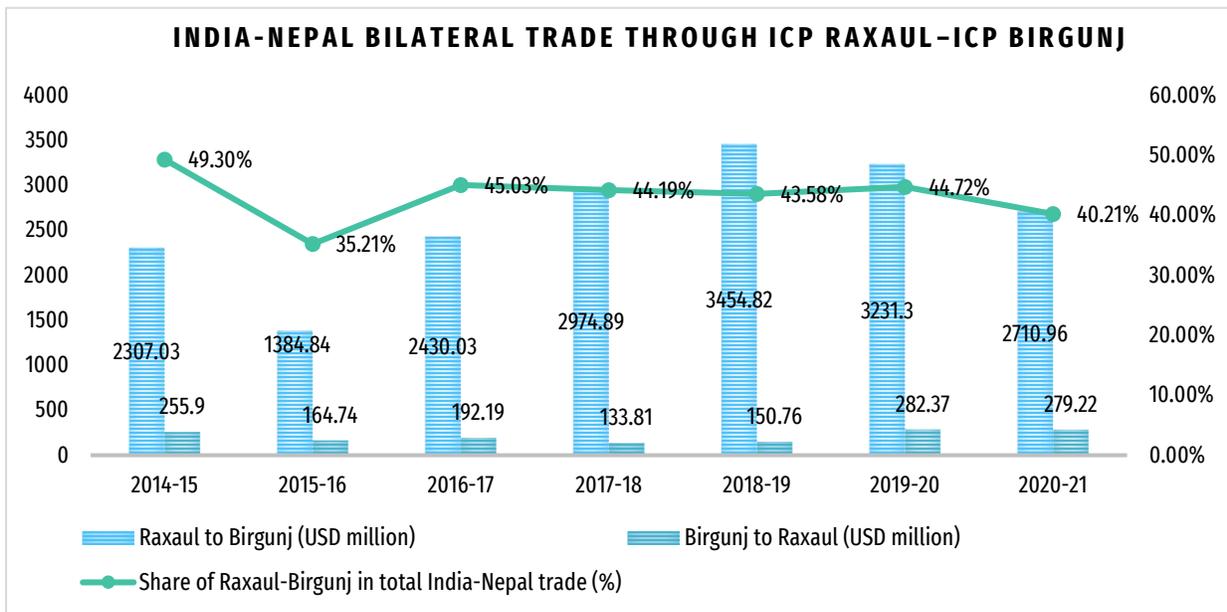
Source: LPAI

At this juncture it is also imperative to understand the infrastructural capabilities of the cross border ICP at Birgunj which have been summarized in the table below.

Facility	Capability
Total Area (in hectares)	29
Warehouse with refrigeration facility - Import side (in sq. m.)	1374
Warehouse - Export side (in sq. m.)	692
Inspection Shed - Import side (in sq. m.)	402

Inspection Shed - Export side (in sq. m.)	234
Confiscated Shed - Import and Export Side (in sq. m.)	100
Animal Sheds - Import side (in sq. m.)	100
16 Processing Sheds, one each at Road No. 5,6,7,8 (in sq. m.)	1250 each
Processing Cabins, Frisking Cabins, Police Posts	16, 4, 14
Number of entry gates (Nepal side/ loaded side in)	1
Number of exit gates (Nepal side/ empty vehicle out)	1
Number of entry gates (Nepal side from India)	1
Number of exit gates (Nepal side from India)	1
Source: https://dlca.logcluster.org/display/public/DLCA/2.1.2+Nepal+Birgunj+Dry+Port	

With average import release time of 8 hours 21 minutes and average export release time of 10 hours 15 minutes, trade through ICP Raxaul-Birgunj occupies a major share of more than 40 percent of the bilateral trade between India and Nepal. However, with India-Nepal trade blockade, this share dipped in the FY 2015-16 to 35 percent of the total trade. The overall trade between India and Nepal through ICP Raxaul-Birgunj has been depicted in the figure below.



Source: DGCI&S

Major commodities of export from India to Nepal through Raxaul for FY 2020-21 include Mineral Fuels (HS Code 27), Iron and Steel Products (HS Code 72), Road vehicles and Parts (HS Code 87), Nuclear reactors, boilers, Machinery and Mechanical appliances (HS Code 84) and Pharmaceutical Products (HS Code 30). And major commodities of import from Nepal to India through ICP Raxaul include Animal or vegetable fats and oils (HS Code 15), Beverages, spirits and Vinegar (HS Code 22), Pharmaceutical Products (HS Code 30), Plastics and articles (HS Code 39), Essentials oils resinoids, Cosmetics and other similar preparation (HS Code 33).

The total cargo movement through ICP Raxaul-Birgunj stood at 1,62,577 and total passenger movement stood at 24,229 for FY 2020-21. The total cargo and passenger movement from 2015-16 up to 2021-22 has been depicted in the table below.

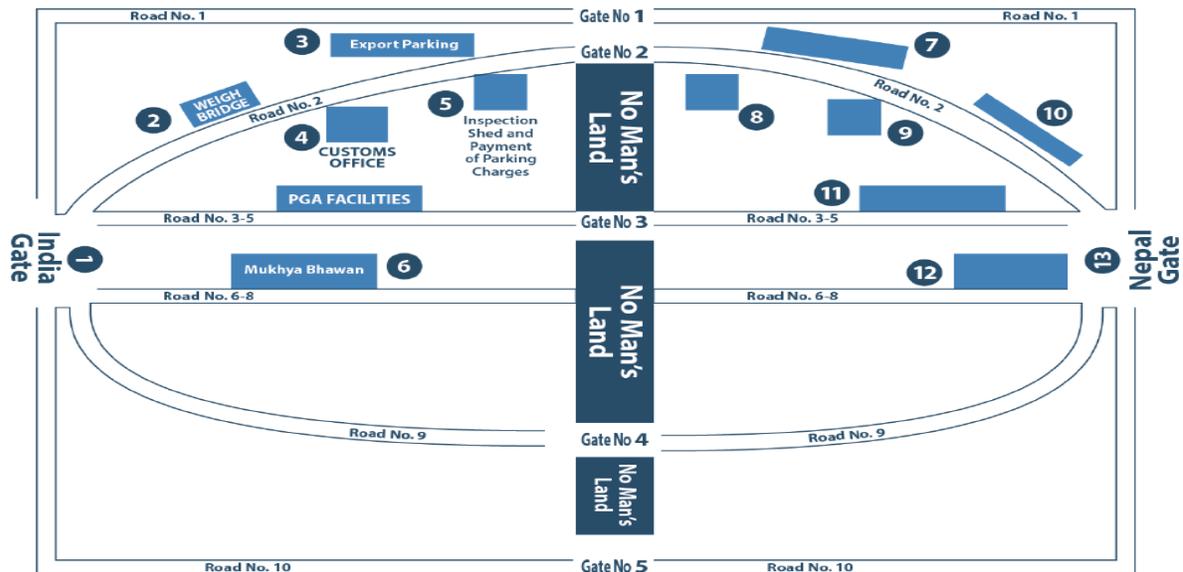
Year	Total Cargo Movement (Nos)	Total Passenger Movement (Nos)
2015-16	1,68,384	1,871
2016-17	1,05,165	2,321
2017-18	1,26,631	1468*
2018-19	1,26,912	3,930
2019-20	1,48,630	N/A
2020-21	1,62,577	24,229
2021-22 (upto Sept-2021)	1,06,620	0

Source: LPAI

Process Maps

A rough layout of ICP Raxaul- ICP Birgunj has been drawn below, for reader's convenience, in order to provide a comprehensive understanding of the import/export process and the movement of empty vehicles through the ICPs.

Figure: Layout of India and Nepal Gates



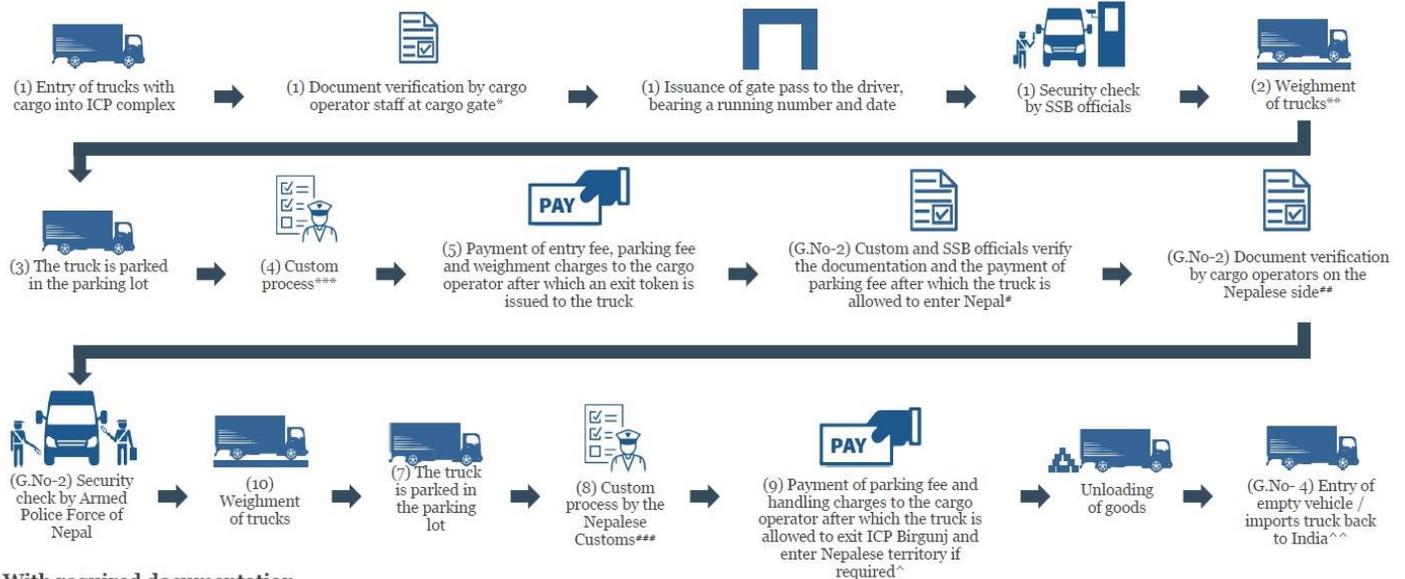
There are 10 roads connecting ICP Raxaul and the Nepal Gate with a defined traffic movement from each road as described below.

- **Road 1-** Oil Tanker Movement
- **Road 2-** Export that require weightment
- **Road 3-** Import with weightment requirement
- **Road 4-** Movement of new vehicles/chassis
- **Road 5-** Passenger movement

- **Road 6-** Passenger movement
- **Road 7-** Movement of empty vehicles
- **Road 8-** Proposed processing shed and full body truck scanner but currently not in use
- **Road 9-** Exports containing containers and imports
- **Road 10-** Emergency Road/ which is currently being planned for movement of railway cargo

The export process at ICP Raxaul begins with “gate-in” of trucks moving from the Indian side. After weighing of vehicles, the trucks are parked in the parking area for inspection and appraisal by Customs posted at ICP. Upon issuance of Let Export Order (LEO), billing and payment (for weighing and parking) is done after which the vehicle is cleared for exit towards Nepal. The process is similar for import vehicles entering from Nepal side and exiting ICP to the Indian side.

Movement of Export and Import Cargo

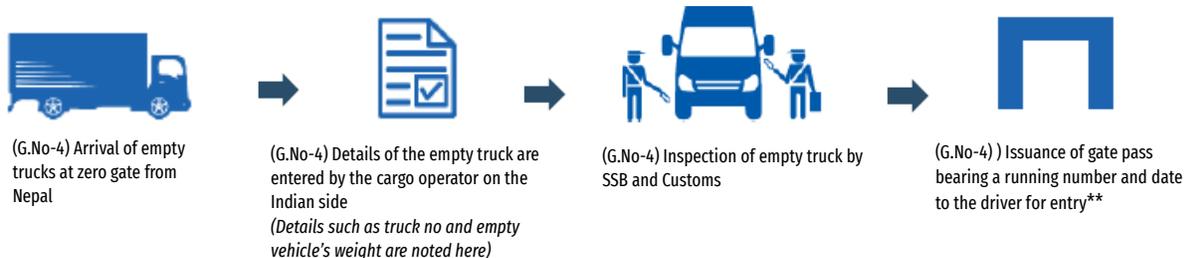


With required documentation

- * The cargo operator manually enters the truck's number, its contents and the shipping bill no at this stage into the portal
- ** Road no 2 if the truck is meant for exports to Nepal and road no 3 if the truck is meant from imports from Nepal
- *** Examination of goods if flagged by the RMS portal and LEO generation happens at this stage
- ^ Under the treaty of peace and friendship, Indian trucks are allowed to move within the Nepalese territory and vice versa for 72 hours, after which penalty is charged on per hour basis

- ** Documents include truck details, LEO issued by the Indian side
- *** Nepalese customs is called 'Bhansar'. The valuation of custom duties is different on the Nepalese side as compared to the Indian duty levied on the same commodities
- ^ The truck can either unload the goods at ICP Birgunj or it can exit ICP Birgunj to enter the Nepalese territory and unload at the required destination
- ^^ Post unloading the truck can enter back to India as an empty vehicle or it can pick another commodity for import to India

Movement of Empty Truck into ICP Complex



- ** A. If the empty truck had crossed through the ICP zero gate during exports to Nepal then it can run free exit to India
- B. If the returning empty vehicles comes after 72 hours w.r.t. the exit time at India exit gate, the driver has to pay only the entry charges.
- C. If a truck has not crossed through the ICP Raxaul at the time of Export, it can also cross the ICP by paying the entry fees w.r.t the weight of the empty vehicle

Challenges

Post understanding the movement of export/import cargoes it becomes essential to highlight the existing infrastructural, operational and regulatory bottlenecks and best practices at ICP Raxaul-ICP Birgunj in order to gauge the prospect of CBM at the ICP. A detailed thematic assessment of existing bottlenecks in the above-mentioned categories and best practices, at ICP Raxaul and ICP Birgunj is elaborated below.

A. Infrastructural

Hard Infrastructure- Although the infrastructure at ICP Raxaul and ICP Birgunj was found exemplary and mirrored each other, addressing a few gaps can further aid in improving trade efficiency. In terms of hard infrastructure, there is a need to accommodate 2-3 more personnel at the India gate. Currently, only one personnel were registering the vehicle to issue gate pass leading to long queue at the gate.

Further PGA infrastructure such as FSSAI facility and animal quarantine that accounts for 70-75% of total imports³⁴, is not present at ICP Raxaul. Consequently, samples such as Dabur products, leather, rice and food grains beverages etc. have to be sent to Kolkata to get the NOC. This causes a major delay of consignments that contain food items.

There are about 18-19 Custom House Agents (CHAs) registered for trade with Nepal at ICP Raxaul who have not been accommodated within the ICP premises which leads to delays in trade and increased traffic. To further expedite the documentation process there is a need to accommodate CHAs in the ICP premises along with the required infrastructure such as internet connectivity, electricity etc. Facilities such as the canteen, washrooms and toilets meant for truck drivers were also found to be unhygienic and not in good condition.

There is still considerable movement of goods such as fuel, maize etc. that happens through the older LCS (Maitri Pul Bridge) and ICD Raxaul. This has led to multiple bottlenecks in ease of conducting trade between India and Nepal. Firstly, the infrastructure at Maitri Pul is dilapidated and congested leading to delays. Secondly, the road that connects the railway yard with the LCS is in poor shape which makes it very cumbersome for trucks to load and unload goods via road. The connectivity becomes more difficult during the rainy season making it impossible for trucks to arrive at ICD Raxaul. Thirdly, as a consequence of partial movement from LCS Raxaul, the customs office is situated at Maitri Pul which is approximately 4 kms away from ICP Raxaul. The distant accommodation of customs from the ICP premises there is a lack of coordination among the stakeholders on the Indian side.

³⁴ Based on Stakeholder discussion

Soft Infrastructure- Further processes such as weighment entry from the weighment bridge is manual, truck scanners are absent, internet connectivity is disrupted at times and the 11kV electricity line that is operationalized solely for the ICP, is used by the local villagers which leads to frequent disruption. Additionally, CHAs also highlighted banking issues frequently encountered while completing the documentation process. Except State Bank of India all other banking services are either frequently disrupted or are delayed. For example, ICEGATE reflects duty payment after 4-5 hours for any other bank other than the SBI. Moreover, Indian mobile network services do not work in Nepal and vice versa which makes it difficult for drivers and traders to communicate with each other once a truck crosses the border. Currently there is BSNL on the Indian side and Siti cable on the Nepalese side. As per the feedback received from stakeholders, both networks also face frequent disruptions and loss of connectivity.

Figure: Zero Gate at ICP Raxaul



Source: Pictures taken by BRIEF team during the field visit

B. Operational

Cross-border- One of the operational bottlenecks identified during the visit is the difference in working days of ICP Raxaul and ICP Birgunj. While the manpower at Indian side is mostly unavailable during Sundays, it is Saturday for the Nepali side. Hence a truck arriving with goods post working hours on a Friday will have to wait until Monday to get its documents cleared from both the ICPs leading to delays. Further, for coordination on movement of trucks between ICP Nepal and ICP Birgunj an information sharing platform was found missing. The stakeholders rely on social media platforms such as WhatsApp for coordination which is prone to data breaches and cyber-attacks.

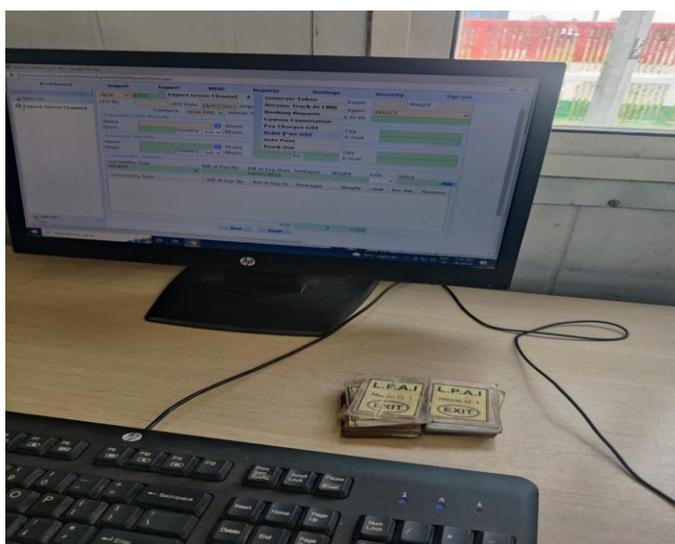
Indian Side- Difference in operational hours was also identified between the stakeholders on the Indian side. While the operational timings for the ICP were from 6 A.M. to 11 P.M, Custom officers were not present until 11 AM. This results in inefficient coordination among different stakeholders thereby hampering trade movement. Unlike SSB, customs are not present 24*7 at land ports due to various factors such as lack of manpower among others.

While interviewing the CHAs on the Indian side it was identified that the Bill of Entry (BoE) for almost all the export goods were filed by the Comprehensive Annual Maintenance Contract (CAMC) vendor on behalf of the CHAs. CHAs lack appropriate knowledge about the software and hence CAMC vendors enters the EXIM process as a middleman. CHAs further highlighted that Softlink global and HANS software is only intended to cater vessel and air cargo movement as the option to trade through land is not present in the above-mentioned software.

During the visit it was also identified that the trucks were allowed entry inside the ICP premises on a first come first serve basis and no priority was given to early documentation. Thus, a truck having the required documentation has to wait until the queue ahead of him is cleared that leads to significant delays in conducting trade.

Despite being digitized through the HANS portal, the truck drivers were required to produce a token at the zero gate, issued by the cargo operating personnel after the required verification. Moreover, the payment of entry fee, parking and weighment charges had no provision for online mode of payment. There was also no receipt issued by the cargo operator to the drivers, which makes it impossible for the drivers to reclaim the parking and weighment fee from their respective exporter/transporter. It was also identified that there is no module for duty free products and relief items on the HANS portal.

Figure 4: Token issued after submitting the parking fee and generation of LEO



Hence exporting commodities under these categories to Nepal becomes a cumbersome process.

There is also no provision for information sharing between the customs and the border security forces. The HANS portal utilized by the custodian is developed on the Internet (global access network) whereas the EDI portal for customs is developed over Intranet (local rea network). This has been one of the primary concerns to integrate the systems that can lead to security issues such as cyber-attacks and data breach.

C. Regulatory

India and Nepal signed the India-Nepal Treaty of Peace and Friendship in 1950, which was revised in 2009 to accommodate recent developments in trade between both countries. Post 2009 both nations have modified and

adjusted different regulations pertaining to trade and transit which have not been adjusted in the India-Nepal Agreement. One such example is the Goods and Service Tax (GST). Section 2(5) of the IGST act lays out certain parameters for 'export of services' that mandates receipt of payment in 'convertible foreign exchange'. This has posed a major challenge while conducting trade with Nepal/Bhutan as the transport services for import/export is provided by Indian transport companies. If the payment of the same is not received in freely convertible currency, then such services are not treated as exports and in such situations the service provider has to discharge its tax liability. However as per the agreement in treaty of peace and friendship such payment can be made in Indian Rupee³⁵.

Further, India has imposed stringent Sanitary and Phytosanitary (SPS) measures and Technical Barriers to Trade (TBT) especially pertaining to agricultural and food products as well as clothing and textiles. There are many parameters specified in the Indian food standards that are absent in Nepalese food standards. One such example is the frozen meat of swine (HS 020329) where Indian safety standards limit levels of melamine (2.5 mg/kg), aldrin, dieldrin etc. that are absent in Nepalese food standards³⁶. Another bottleneck that can be quoted for regulatory difference between the two countries is the ban of single-use plastic under Plastic Waste Management Act, by India from July 2022. Post the implementation of this regulation it will not be feasible for Nepal to export commodities such as Dabur products and others that contain single use plastic such as straws, beverage containers, stirrers etc. to India.

Best practices

- 1) **Mirror Infrastructure**- ICPs at Raxaul and Birgunj are exact mirror infrastructure of each other in terms of infrastructure. This enables enhanced coordination between India and Nepal and seamless movement of goods for trade.
- 2) **Designated roads for movement of specific goods** – As mentioned above there are 10 roads connecting the entry gate to the zero gate on the Indian as well as the Nepalese side. Each road is demarcated for the movement of a specific category of good, thus making the overall EXIM process more organized and streamlined within the ICP and also across the ICP
- 3) **Coordination across the border**- Contrary to LCS Jaigaon, the coordination amongst the stakeholders across the border was not inhibited as a result of COVID related protocols. Officials on the Indian side can physically enter ICP Birgunj and vice versa resulting in enhanced coordination between the two countries.

³⁵ <https://mea.gov.in/bilateral-documents.htm?dtl/6295/Treaty+of+Peace+and+Friendship>

³⁶ <https://www.adb.org/sites/default/files/publication/507016/nepal-exports-nontariff-barriers-trade-study.pdf>

Further, officials at ICP Raxaul-Birgunj have also provisioned monthly meetings to deliberate on issues pertaining to trade through 'Vyapar Sajhakaran'.

- 4) **Donor Assistance by India for the development of ICP Birgunj** – India has provided donor assistance to Nepal while developing ICP Birgunj. Moreover, the construction company RITES Limited is a Government of India Enterprise that highlights the scale of mutual trust and coordination between India and Nepal.
- 5) **Free movement of trucks beyond the ICP premises**- Under the Treaty of Peace and Friendship between India and Nepal signed in 1950, Indian trucks are allowed free movement in the Nepalese territory beyond the ICP premises and vice versa for maximum 72 hours. This allows the transporter/exporter to load/unload the goods directly at the source/destination thus significantly reducing logistical cost and time.

Action Points Based on Stakeholder Discussions and Research

Based on the bottlenecks identified above the following action points are recommended for stakeholders in order to implement Coordinated Border Management at ICP Raxaul-ICP Birgunj and further facilitate trade and streamline clearance procedures.

A. Infrastructural

- During the visit, the customs personnel at India Gate did not have access to the computer system which compelled the operator to maintain the entries manually. Ensuring the availability of hard and soft infrastructure such as computer systems, truck scanners, weighment bridge, increased space for export parking, 24*7 internet and electricity supply within the ICP premises is essential to facilitate trade between India and Nepal. This would help in eradicating the delay in the dwell time as a result of limited availability/absence of parking space, and documentation discrepancies. For instance, export parking space for Raxaul ICP is not enough to accommodate the traffic. As a result, import parking space is being utilized for the parking of export trucks.

Since 2001 Turkey has taken major steps to modernize its border posts. Turkey has successfully engaged the private sector under the Build Operate Transfer (BOT) model in renovating the border gates. Turkish Customs was assigned as the lead agency to oversee the modernization. This initiative has led to faster custom clearances, increased tax revenues, control on smuggling, less burden on public finances and better management as a result of private sector engagement. The BOT model for modernization of border posts by Turkey can be replicated by other countries to minimize delays due to infrastructural challenges at the border posts.

Source: <https://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.738.3102&rep=rep1&type=pdf>

Additionally, increasing manpower at India gate to issue gate pass is also required, in order to expedite the movement of trucks and decrease traffic on the approach road.

- The absence of FSSAI lab and Animal Quarantine delays the process of acquiring an NOC for items containing food and animal products respectively as discussed above. Thus, it is recommended to either install a functional infrastructure with FSSAI and AQ personnel within the ICP premises or recognize Nepalese test standards through Mutual Recognition Agreements (MRAs) in order to further trade between India and Nepal.

Food testing laboratories of Bhutan i.e., National Food Testing Laboratory (NFTL) and Bhutan Agriculture and Food Regulatory Authority (BAFRA) have been accredited by FSSAI and recognized by the Indian Government for food testing of certain products. Thus, certain categories of goods having NFTL or BAFRA certificate do not require additional FSSAI certificate for cross border trade.

- Ensuring mobile network connectivity beyond borders to facilitate communication among different stakeholders can also prove to be beneficial. Personnel at zero gate should also be provided with a computer system that automatically updates the truck details post payment of parking fee and generation of LEO. This will do away with the redundant process of issuing tokens.
- Additionally, there is a scope of sharing and developing infrastructural facilities such as truck scanners, weighment bridges etc. that can be shared between the countries. The development plan, however, has to accommodate operational procedures such as financial models, revenue sharing etc. amongst the stakeholders involved.
- To further cut down upon the trade time it is required to provide accommodation for the CHAs within the ICP premises along with the required soft infrastructure such as electricity, telecommunication, internet and banking facilities. This would considerably aid in reducing trade time at ICP Raxaul, as the CHAs will not have to commute back and forth from the ICP to their offices (usually situated in a nearby town) for the purpose of documentation. CHAs are also issued a gate pass each time they enter the gate which will become redundant once they are accommodated within the ICP premises.

CHAs at ICP Biratnagar have been accommodated in small cabin sheds with ensured supply of electricity and internet. This has significantly assisted in faster and streamlined clearance of goods as any documentation discrepancy is resolved quickly within the ICP premises itself.

- The older LCS is still operational but there is no custodian presence there. Movement of railway cargo and the export of petroleum, diesel, ATF etc. from the IOCL depot happens through the older LCS. Moreover, the customs office is located at the LCS that results in poor coordination between the customs and the custodian. It is therefore recommended to gradually shift the operations and cargo movement from the LCS to the ICP and subsequently relocate custom officials within the ICP for effective and efficient coordination between the stakeholders.

- Further, telecom providers of India and Nepal should be mandated to provide telephone and internet connectivity, over a specified range and area, beyond the border to facilitate connectivity between the traders and the drivers.

*Rwanda a landlocked country in Africa has demonstrated that ensured international internet connectivity for trade facilitation can be efficiently achieved. They were several enabling factors behind ensuring 24*7 internet connectivity in Rwanda. Firstly, Rwanda received a grant from the World Bank that ensured scalability and consequently smaller international bandwidth costs.*

Secondly, the country secured a 10-year contract with the Tanzania Telecommunications Company limited to ensure international bandwidth at an attractive price. Thirdly, the fiber optics infrastructure was under government's control to ensure that the operators could get their traffic to border crossings in a cost-efficient manner.

Source: <https://www.internetsociety.org/resources/doc/2017/llcreport/>

B. Operational

- **Harmonizing working hours between SSB and Indian customs-** to streamline movement of trucks on the Indian side. While the working hours of SSB are mandated for 24 hours throughout the week, the operational hours of the import and export process can be considered in this regard which can be aligned with the working hours of Indian customs. Currently, the India gate is operational from 6 AM to 11 PM. Custom personnel can be accommodated in double shifts to prevent exhaustion.
- **Harmonizing import and export time amongst cross border agencies-** Apart from the lack of coordination in terms of working hours between the Indian customs and operational timings as discussed above, there is also considerable operational difference in terms of working days between the cross-border agencies. ICP Raxaul has available manpower from Monday to Saturday whereas ICP Birgunj has available manpower from Sunday to Friday. Harmonizing working days with cross-border agencies can prevent delays in trade and movement of trucks.

ASEAN Framework Agreement on the Facilitation of Goods in Transit

The agreement between ASEAN countries aims to facilitate transit trade. Article 7 of the ASEAN agreement urges the participating nations to coordinate their working hours of the adjacent border posts. The agreement expects the contracting parties to be guided by the International Convention on the Harmonization of Frontier Control of Goods (1982), to harmonize border facilities wherever possible.

Source: <https://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.738.3102&rep=rep1&type=pdf>

- Capacity building of CHAs to utilize the ICEGATE platform- It is recommended to develop a comprehensive training module for CHAs in order to make them accustomed to the interface of the ICEGATE platform that

is currently being utilized for documentation. This will not only reduce the time required for the documentation process but will also assist in doing away with the CAMC vendors that have currently

Brihanmumbai Custom Brokers Association (BCBA)

Brihanmumbai Custom Brokers Association (BCBA) is an association of Custom House Agents (CHAs) under the provisions of Indian Customs Act, 1962. It is involved in skill development, capacity building and training process for its members. For this purpose, it has tied up with several reputed law firms and consulting firms to provide the necessary guidance. Indian Customs can engage with BCBA to impart the required skill development and training about the ICEGATE platform to the CHAs..

replaced CHAs as middlemen in the export process.

- Introduction of common information sharing platform- There is a scope of having common information sharing platform between the two countries that incorporates features lacking in the current platforms such as provisions or duty-free items, relief goods etc., used by different stakeholders. The ICEGATE portal of Indian customs should be integrated for information sharing with ASYCUDA portal of Nepalese customs that is developed by World Bank. Additionally, allowing information sharing through 'view only mode' integration of HANS (used by custodians) and EDI (used by customs) for better and effective coordination between the customs and custodian is also needed.

The information sharing can further be explored into introduction of fast track clearing system for the trusted traders for speed clearance such as in the US-Canada Smart Border Action Plan. This would reduce the time and cost significantly for traders and enable decongestion near the border areas.

According to the WCO, the smooth flow of information enables cross-border regulatory agencies to make timely decisions without hampering the supply chain and results in effective risk management so that physical movement of goods and passengers is streamlined.

C. Regulatory

- Formulating a committee- Given Raxaul-Birgunj is the most important trade route in the India-Nepal trade, it is of importance to put it in the "Planning phase" of CBM. Formulation of a Joint Working Group (JWG) or a steering committee involving stakeholders from both the sides in order to expedite the process of harmonizing regulations pertaining to trade. The JWG shall be tasked to understand and deliberate upon the nuances of tariff and non-tariff barriers that are existent between the India and Nepal as highlighted above.

World Bank has introduced Joint Border Committees in Sub-Saharan Africa that have played a pivotal role in coordinating stakeholders across the borders to organize seminars, joint sessions, disseminating key information as well as deliberating on different tariff and non-tariff barriers between the countries. Apart from this the JBC have also provided a platform to report abuse to traders and travelers, particularly women and small-scale traders. For this reason, it is essential to include women representation in the JBC/JWG in order to ensure inclusivity.

Standardizing custom laws and regulations such as GST and others with the India-Nepal Treaty of Peace and Friendship.2.2.2 ICP Agartala (India) - ICP Akhaura (Bangladesh)



Source: LPAI

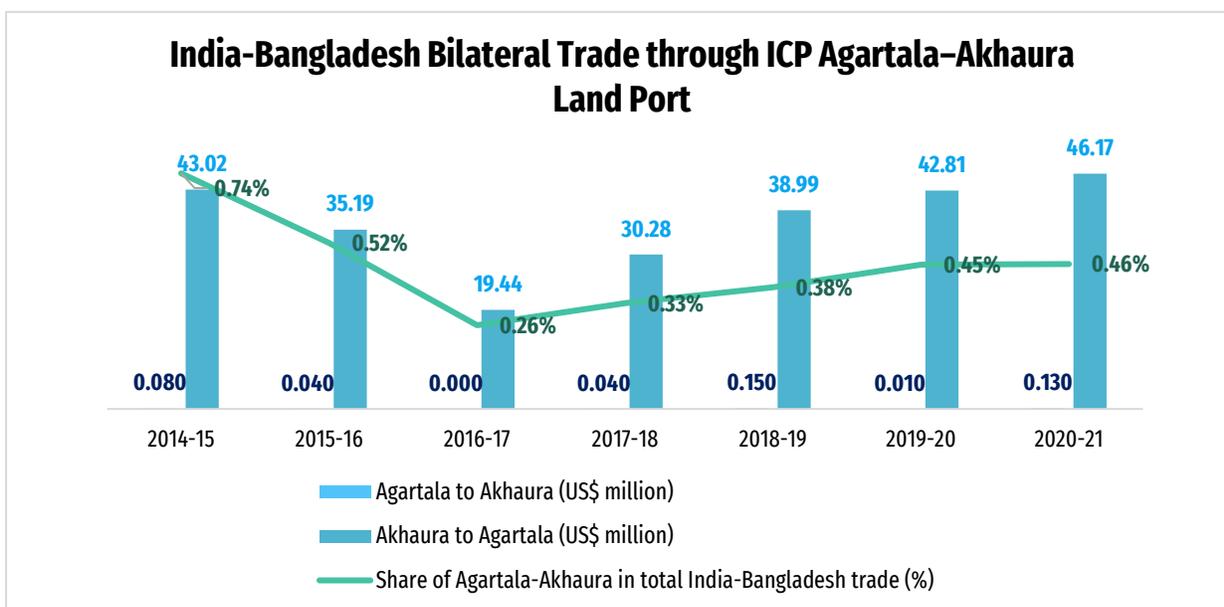
ICP Agartala (India) - Akhaura (Bangladesh) is situated along the international border of India and Bangladesh. Spread over an area of 11.72 acres, it is located in the vicinity of the capital city of the state of Tripura within the Municipal area. ICP Agartala has the potential to be the gateway of India's corridor with South-East Asia and play a significant role in strengthening India-Bangladesh relationship.

The infrastructure facilities available to facilitate trade between the ICPs have been summarized below-

ICP Agartala	Akhaura Land Port
Passenger Terminal	Warehouse (1)
Warehouses	Open stack yard (1)
Inspection Head	Transshipment yard (1)
Health	Weighbridge (1 – 100 MT)

Loose Cargo Area	Administrative building (semi-pucca)
100 Kw Solar Plant	Security posts
BSF Lodging	Trade gate (2)
Cargo building	
Plant Quarantine	
Parking Facility	
Watch tower	
<i>Source: LPAI & BLPA</i>	

Trade through ICP Agartala constitutes less than 1 percent for the overall trade between India and Bangladesh. Moreover, imports from Bangladesh form a major share out of the total share through ICP Agartala with exports from India being minimal. The overall trade between India and Bangladesh through ICP Agartala stood at USD 46.3 million (46.17 million imports and 0.13 million exports) which was 0.46 percent of the total trade between India and Bangladesh. The figure below depicts the overall trade between India and Bangladesh through ICP Agartala from FY 2014-15 to 2020-21.



Source: DGCI&S

Major commodities of export from India to Bangladesh through ICP Agartala include Fish and crustaceans, molluscs and other aquatic (HS Code 03), Ginger, Saffron, Turmeric (Curcuma) (HS Code 09). And major Commodities import from Bangladesh to India include Animal and vegetable fats and oils (HS Code 15), Salt; Sulphur; Oils & Products (HS Code 27), Iron and Steel Products (HS Code 72), Plastic and articles thereof (HS Code 39).

The total cargo movement at ICP Agartala for November 2021 stood at 1708 and total passenger movement for November 2021 stood at 8239. The details of incoming and outgoing passenger and cargo movement have been provided in the tables below.

Cargo Vehicle (No.) Movement at ICP Agartala (April -November 2021)			
Month	Export	Import	Total
April	6	767	773
May	0	698	698
June	0	612	612
July	1	498	499
August	555	850	1405
September	767	916	1683
October	633	839	1472
November	643	1065	1708

Source: LPAI

Passenger (No.) Movement at ICP Agartala (April-November 2021)			
Month	Outgoing	Incoming	Total
April	573	1007	1580
May	210	271	481
June	787	387	1174
July	467	627	1094
August	954	1331	2285
September	2449	2316	4765
October	3598	3763	7361
November	3995	4244	8239

Source: LPAI

ICP Jogbani (India) - ICP Biratnagar (Nepal)



Source: BRIEF

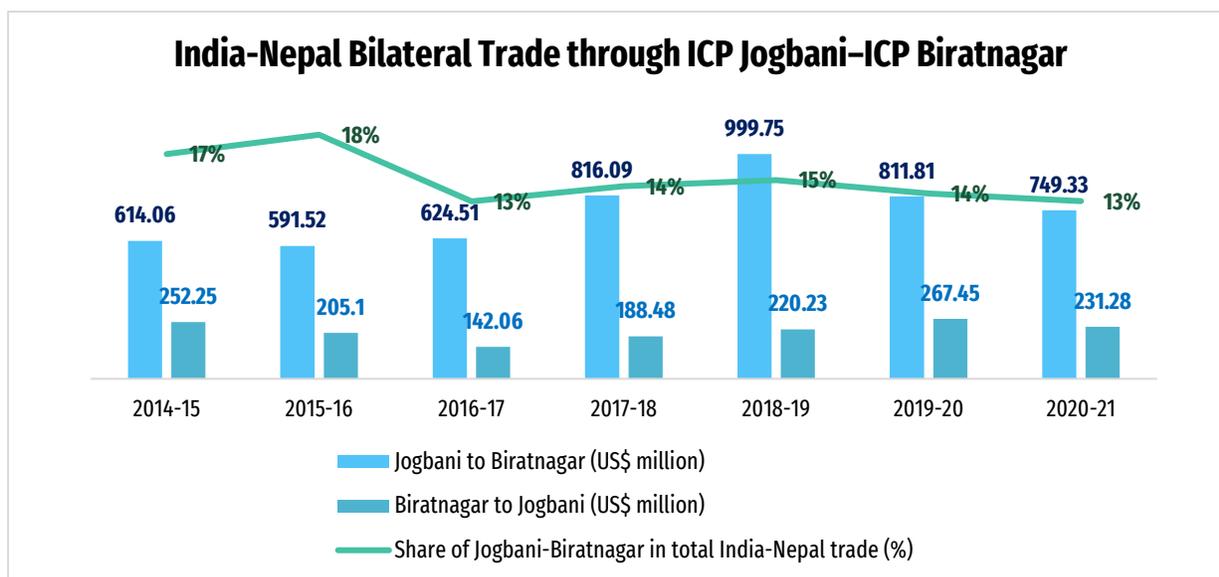
Jogbani (India)-Biratnagar (Nepal) is an important trade route for bilateral and third country trade between India and Nepal. With total area spanning over 186 acres, it is located at a distance of about 325 kms from the city of Patna.

The infrastructure capabilities at ICP Jogbani-Biratnagar have been described in the table below-

ICP Jogbani	ICP Biratnagar
Passenger and Cargo Terminal	Immigration building
Warehouses	Parking (150 trucks)
Inspection cum warehouse	Weighbridge (100 ton digital)
Dormitory building	Appraisal shed (inspection + warehouse)
Customs building	Cargo handling equipment (pick-and-carry cranes, forklift, pallet trolley)
Port health unit	Trade gate (2)
Quarantine building	
Port Area	
CCTV Surveillance	
Public utility block	
Parking area	
Weighbridges	
Trade gates (2)	
Public and driver utilities	
<i>Source: https://ipai.gov.in/sites/default/files/2022-02/ICPs%20-Gateway-to-India-%20Magazine%20.pdf</i>	

The bilateral trade through ICP Jogbani stood at USD 980.61 million which was 13 percent of the overall trade between India and Nepal in FY 2020-21.

Major commodities of export from India to Nepal through Jogbani for FY 2020-21 include Iron and Steel Products (HS Code 72), Cereals (HS Code 11), Mineral Fuels, Mineral Oils & Products (HS Code 27), Nuclear Reactors, boilers, Machinery and Mechanical appliances (HS Code 84), Plastic and articles thereof (HS Code 39) whereas major commodities of import from Nepal to India through ICP Jogbani are Animals or vegetable fats and oils (HS Code 15), Other Vegetables textile Fibers (HS Code 53), Man Made Staple Fibers (HS Code 55), Plastics and articles thereof (HS Code 39), other made up textile articles thereof (HS Code 63). The overall trade between India and Nepal through ICP Jogbani-Biratnagar has been depicted in the figure below.



Source: DGCI&S

The total cargo movement through ICP Jogbani-Biratnagar stood at 8736 in November 2021. The total cargo movement for April-November 2021 has been depicted in the table below.

Cargo Vehicle (No.) Movement at ICP Jogbani (April - November 2021)			
Month	Export	Import	Total
April	8288	1261	9549
May	7555	1033	8588
June	6912	1333	8245
July	6976	1658	8634
August	7367	1861	9228
September	7750	1791	9541
October	7571	1786	9357
November	7327	1409	8736

Source: LPAI

ICP Jaigaon (India) - ICP Phuentsholing (Bhutan)

As-Is Assessment of ICP Jaigaon

India and Bhutan established formal diplomatic relations by signing the Treaty of Friendship and Cooperation in 1949 that was revised in 2007³⁷. The traditional diplomatic relationship has evolved over the years and is characterised by mutual trust and understanding. The diplomatic channels of engagement between the two countries have diversified into different areas of cooperation such as security, border management, hydro-power,

³⁷ https://www.mea.gov.in/Portal/ForeignRelation/Country_brief_Bhutan_December_2018.pdf

development cooperation, water resources among others. With the intent to further facilitate the trade process, India and Bhutan have agreed to open 7 additional entry and exit points for trade as part of measures to increase trade connectivity³⁸. Further, India, Bangladesh and Nepal held their first in person meeting post- COVID in March 2022, on passenger and cargo protocols that are essential to operationalise the BBIN MVA. Though Bhutan had opted out of the MVA in 2017 over domestic concerns on sustainability and environmental impact concerns, it participated in the meeting as an observer.

India is Bhutan’s largest trading partner, in 2020, India accounted for 82 percent of Bhutan’s total external trade including electricity³⁹. Jaigaon (India)-Phuentsholing (Bhutan) is an important trade route for bilateral and third country trade between India and Bhutan. Located in Alipurduar district of West Bengal, it will be the first ICP between India and Bhutan once developed.

Proposed Master Plan of ICP Jaigaon

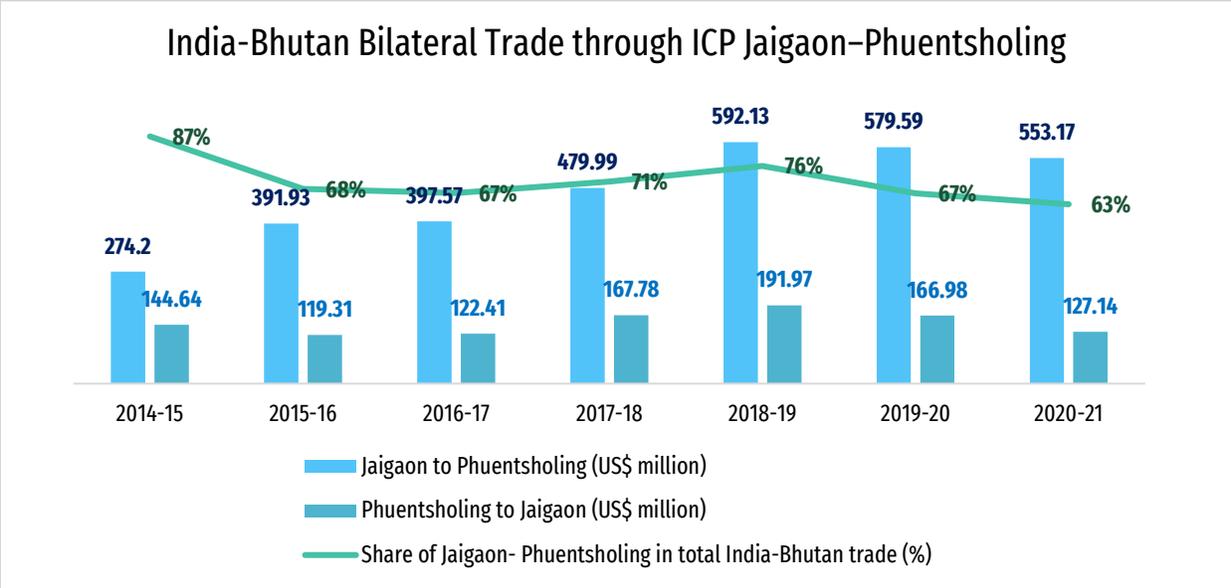


Source: LPAI

The figure below depicts the overall trade between India and Bhutan through ICP Jaigaon from FY 2014-15 to 2020-21. Total trade through ICP Jaigaon in FY 2020-21 stood at USD 681.31 million which constitutes 63 percent of the total trade between India and Bhutan.

³⁸ <https://pib.gov.in/PressReleaseframePage.aspx?PRID=1769254>

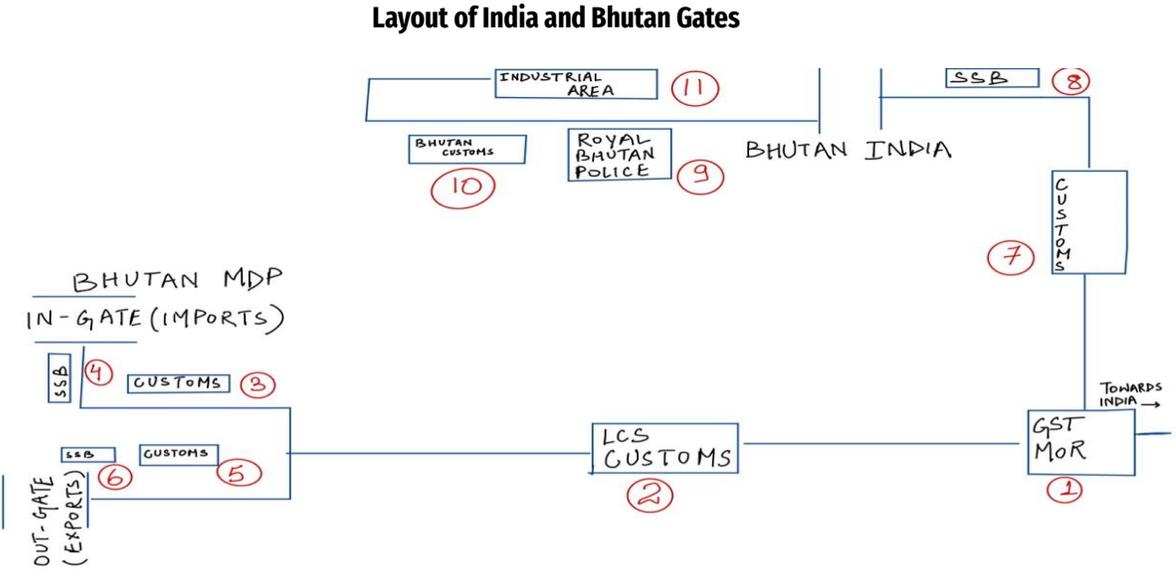
³⁹ <https://www.mfa.gov.bt/rbedelhi/bhutan-india-relations/bhutan-india-trade-relations/>



Source: DGCI&S

Process Map

The figures below provide detailed process maps for trade of industrial goods and essential goods (via Mini Dry Port (MDP)) between India and Bhutan.



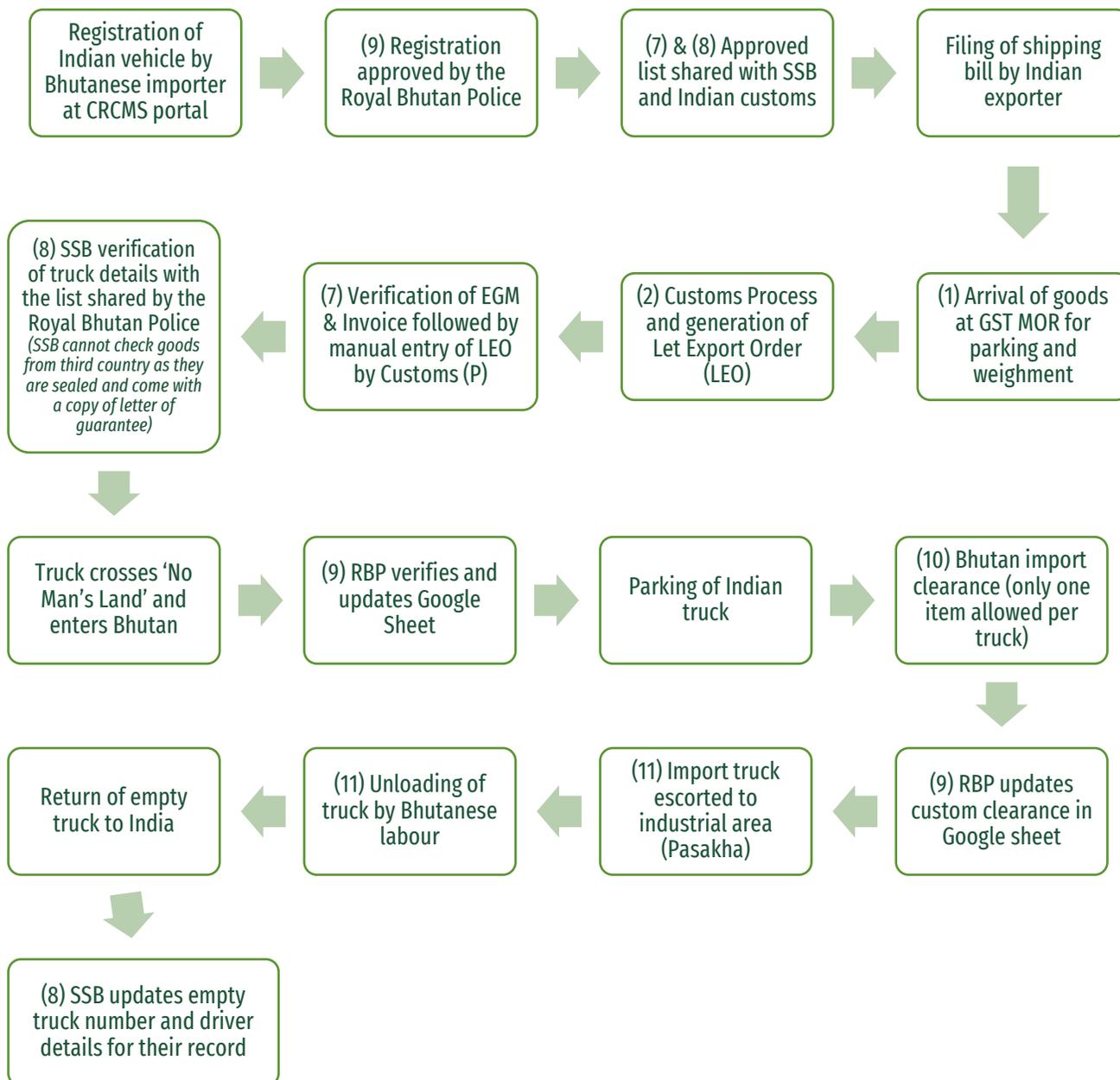
Export trucks going from India to Bhutan arrive at GST Mor (1) where they are parked until the documentation process takes place at LCS Customs (2). After completing the documentation process, if the consignment contains

industrial goods, they proceed towards the Pasakha Gate (7 and 8) for export. All other essential and non-essential goods proceed towards the out-gate in Jaigaon (5 and 6).

Import and Export of Industrial Goods from Pasakha

Number in parenthesis denotes the location as per the layout explained above

India to Bhutan (Pasakha)⁴⁰



⁴⁰ Industrial Goods Only

Bhutan to India (Pasakha)⁴¹

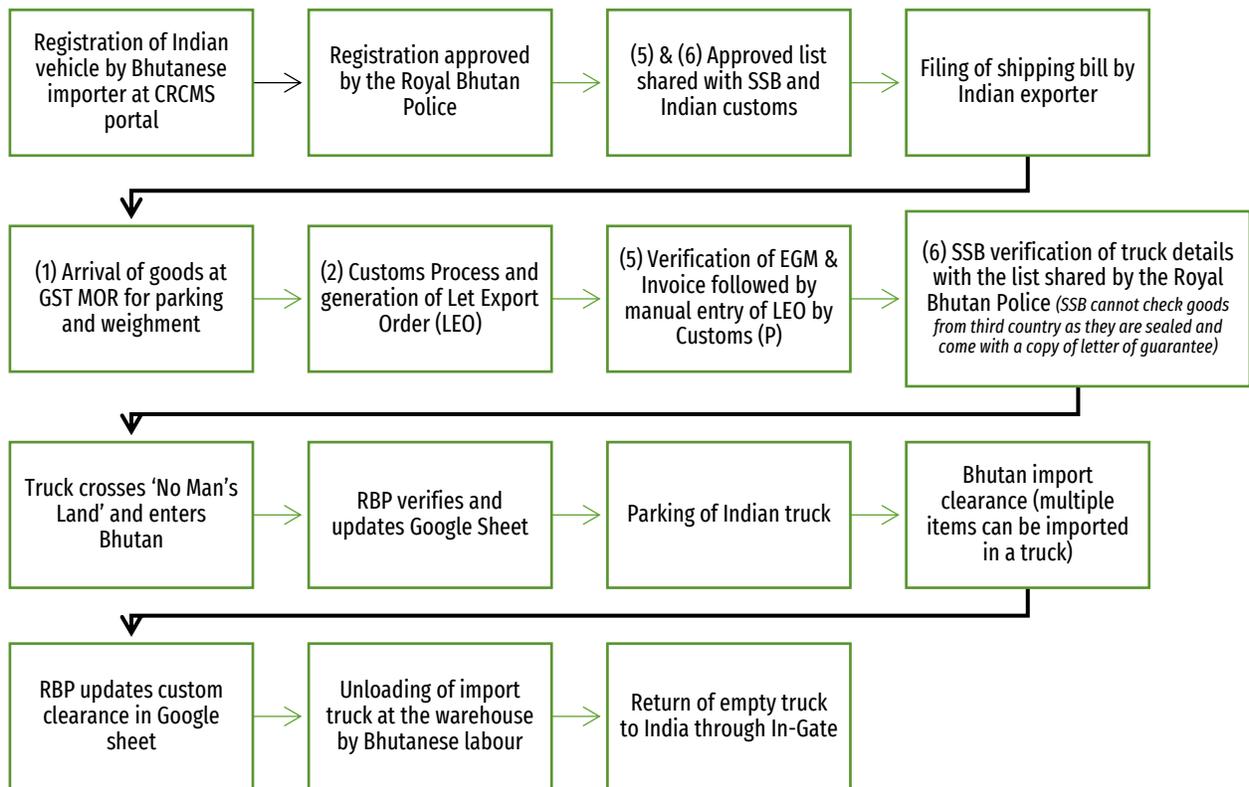


Import and Export of Essential goods from Mini Dry Port (MDP)

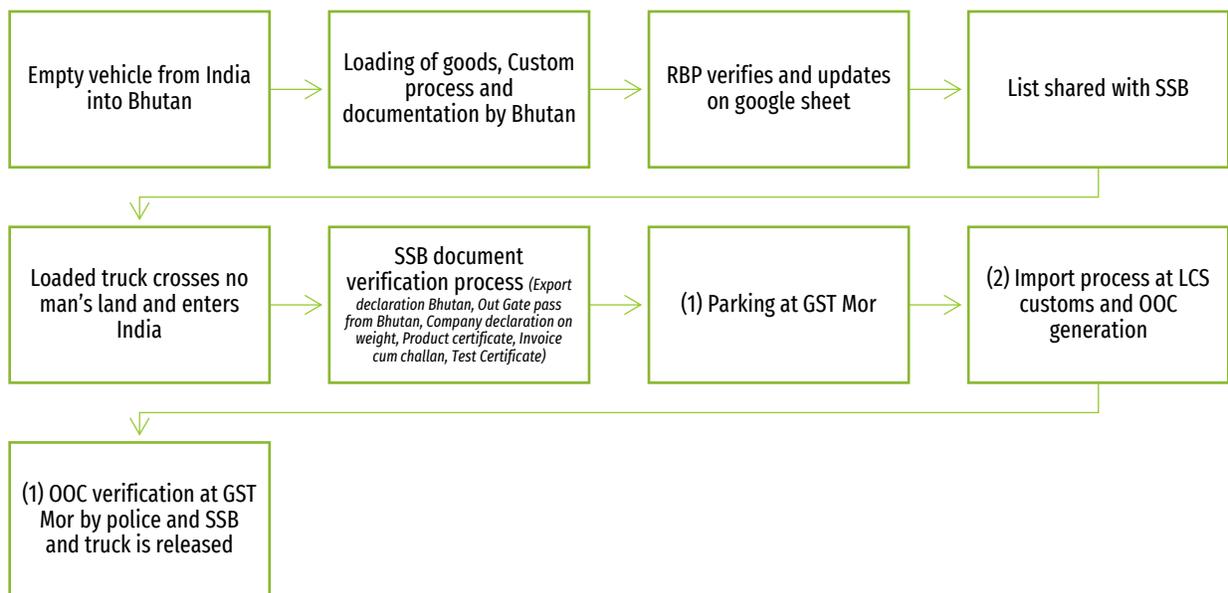
India (Jaigaon) to Bhutan (Phuentsholing)⁴²

⁴¹ Industrial Goods Only

⁴² Essential Goods



Bhutan (Phuentsholing) to India (Jaigaon)⁴³



⁴³ Essential goods

Challenges

A. Infrastructural Challenges

Hard Infrastructure- Lack of adequate and mirror infrastructure on the Indian side has become a major hurdle for the movement of goods at Jaigaon. Because of the absence of ICP (in planning phase currently) at Jaigaon the stakeholders are situated at considerable distance from the three border crossings (In gate, Out gate and Pasakha gate). The customs LCS office is situated at a distance of about 1.5 kms from the in-gate and out gate, 6-7 kms from GST Mor (parking spot) and around 10-11 kms from



the Pasakha gate. Customs at the Pasakha gate are accommodated in a makeshift arrangement inside a container as shown below. The road towards LCS customs and import and export gate from GST Mor is in poor condition that gets clogged during rains leading to congestion. Drivers and CHA have to commute regularly to LCS customs office for their documentation process.

The accommodation for security personnel is minimal at all the three gates. At Pasakha gate and the export gate, the SSB (Sashastra Seema Bal) has been accommodated at 'No man's land'. Additionally, senior officers have been accommodated 50 kms away from GST Mor, at Falakata which takes two hours from Jaigaon.

Apart from the distant accommodation of custodian and customs, other infrastructure such as import and export parking space, weigh bridge, inspection sheds for transloading, warehouse, PGA facilities etc. are also either too far apart from each other or absent. The parking of import and export trucks moving through all three gates happens at GST Mor. Parking infrastructure at GST Mor is absent and hence trucks are left stranded on the road (as shown below) leading to congestion and delay in trade.



Further, driver accommodation and other facilities are also absent. For RMS red channel goods, the inspection takes place at GST Mor as there is no facility of inspection shed and results in delays and blockade.

As per stakeholder's feedback Bhutan has already initiated infrastructure development on 12 acres of land provisioned for ICP development. However, there is unauthorized encroachment at the Pasakha road, developed primarily for ICP connectivity which has posed a hurdle for the local administration and the security personnel.

The ICP gate at Pasakha is prone to disasters such as flash floods, rainstorms etc. However, provisions for coordinated efforts in disaster management, disaster preparedness and disaster rehabilitation seemed lacking. During the visit, the Bhutanese customs and cafeteria were closed and relocated as it was damaged by a flash flood which had hit Pasakha a few days prior to the field visit.

Soft Infrastructure- Although majority of customs procedures are streamlined through the ICEGATE portal, digitised infrastructure is absent for Custodians. SSB accommodated at all the three gates, enter the required details in pen and paper mode which makes the process taxing and inaccessible. Further, the information sharing between Bhutanese and Indian customs on import and export vehicles generally happens through social media channels such as WhatsApp that involves concerns of data breach and cybersecurity.

Out-Gate (Exports) at Jaigaon



Pasakha Gate at Jaigaon



In-Gate (Imports) at Jaigaon



LCS Customs office at Jaigaon



Source: Pictures taken by BRIEF team during the field visit

LCS Customs office at Jaigaon

B. Operational Challenges

Inter-ICP- One of the major operational bottlenecks identified during the visit is the difference in working hours of the Indian customs and Bhutanese customs. While Bhutanese customs have operational timings from 6 AM to 6 PM, Indian customs begin their operation not before 11 AM⁴⁴. Therefore, a truck at Jaigaon has to wait at GST Mor until their documents have been cleared by the Indian side. This results in longer wait time and trade delays.

Intra-ICP- Difference in operational hours was also identified between the individual border crossing points on the Indian side. Export through the Out-gate and the Pasakha gate happens between 6 AM to 8:30 PM whereas imports from the In-gate and the Pasakha gate takes place until 11 PM⁴⁵. This results in inefficient coordination among different stakeholders thereby hampering trade movement. Further, inter-agency operational timings differ as well. Unlike SSB, customs are not present 24*7 at land ports, primarily because of lack of manpower, as mentioned by customs officials and other stakeholders.

C. COVID Related Challenges

As a consequence of the pandemic, Bhutan has imposed strict guidelines and protocols for bilateral trade with India. These challenges not only disrupt trade but also results in increased cost and time for trade between the two countries. Firstly, the Bhutanese government has mandated one day prior registration of import vehicles in order to enter Bhutan. This mandate does not account for the uncertainties of hinterland connectivity as a consequence of which the transporter/CHA has to re-register the truck for next day, if it is delayed beyond the 24-hour threshold.

Secondly, the erstwhile sharing of EXIM data between customs of India and Bhutan for cross-validation, faces delays because of COVID. Similarly, cross-border meetings between different stakeholders that were scheduled quarterly erstwhile, to deliberate upon important issues such as new notifications, change in clearance processes etc. are either cancelled or delayed due to COVID norms and protocols. The last such meeting was held on 22nd May 2022.

D. Regulatory Challenges

⁴⁴ As informed by the stakeholders during the field visit

⁴⁵ As informed by the stakeholders during the field visit

India and Bhutan signed the India-Bhutan Agreement on Trade Commerce and Transit in 1972 which was revised for the fifth time in 2016 to accommodate recent developments in trade between both countries⁴⁶. Post 2016 both nations have modified and adjusted different regulations pertaining to trade and transit which have not been adjusted in the India-Bhutan Agreement. One such example is the Goods and Service Tax (GST). Section 2(5) of the IGST act lays out certain parameters for 'export of services' that mandates receipt of payment in 'convertible foreign exchange'. This has posed a major challenge while conducting trade with Nepal/Bhutan as the transport services for import/export is provided by Indian transport companies. If the payment of the same is not received in freely convertible currency, then such services are not treated as exports and in such situations the service provider has to discharge its tax liability. However as per the Agreement on Trade and Transit such payment can be made in Indian Rupee⁴⁷.

Best Practices

- **Cross-border coordination and communication**- There were existing practices of coordinated efforts to facilitate trade such as data sharing between Indian and Bhutanese customs, inter departmental cross-border meetings and prior sharing of information on import and export vehicles by Bhutanese customs which can be replicated at other ICPs to streamline trade.
- **Recognition of PGA facilities of Bhutan by Indian Customs**- Food testing laboratories of Bhutan i.e., National Food Testing Laboratory (NFTL) and Bhutan Agriculture and Food Regulatory Authority (BAFRA) have been accredited by FSSAI and recognised by the Indian Government for food testing of certain products. Thus, certain categories of goods having NFTL or BAFRA certificate do not require additional FSSAI certificate for cross border trade.
- **Cross-Border Training of Bhutanese Revenue Officers**- Bhutan and India have agreed to train Bhutan revenue officers at the National Academy of Customs, Indirect taxes and Narcotics located in Faridabad. This ensures identical training schedules in crucial areas for border management such as risk management and others for the revenue officers of India as well as Bhutan.
- **Presence of women officers at LCS gate-in**- During the visit it was noted that there was a significant presence of women workforce on the Indian as well as the Bhutanese side. Besides, it was also observed that basic amenities such as toilets and other infrastructure required by women were also present.

⁴⁶ <https://www.indembthimphu.gov.in/pages.php?id=42#:~:text=The%20India%2DBhutan%20Agreement%20on,B>

⁴⁷ https://commerce.gov.in/wp-content/uploads/2020/05/MOC_636404697883366996_Agreement_between_India_Bhutan_12th_Nov_2016.pdf

Action Points Based on Stakeholder Discussions and Research

With the intent to coordinate border management to facilitate trade and streamline clearance procedures, the following steps can be implemented-

Infrastructural

Developing an Integrated Check Post with mirror infrastructure across the border and ensuring accommodation of all the stakeholders such as customs, border security forces, custom house agents etc. involved in the ICP premises. There should be active engagement between the two sides on development plans. The development plan of ICP Raxaul can be adopted in this regard. One Stop Border Post (OSBP), that will facilitate trade and improve security through joint control to minimize routine activities and redundancies, can be considered in this regard. Out of the three models for OSBP implemented globally, it is recommended to prefer the juxtaposed model that operates through shared border facilities in the country of entry in each direction.

In 2009, Chirundu Juxtaposed Border Post was opened as a pilot between Zambia and Zimbabwe, which was the first fully functional OSBP in Africa. Apart from the two Governments, there were multiple donors to provide the necessary funding such as Department for International Development (DFID), Common Market for Eastern and South Africa (COMESA) and Japan International Cooperation Agency (JICA) etc.

In order to implement the OSBP, the Governments of Zambia and Zimbabwe got into a bilateral agreement that incorporated the following key points among others to successfully implement the OSBP.*

- Extension of the application of national laws relating to border controls of each party in the other State thereby enabling border control officers of each party to perform statutory functions outside their national territory.*
- Allow for the hosting of border control officers in each other's territory with authority to execute border controls functions using their own national laws.*
- Share each other's existing border controls infrastructure and facilities thereby enabling border controls officers of each party to perform statutory border controls functions outside their territory.*
- Simplify border controls documents and procedures to allow for expeditious processing of border controls.*

**Source: https://www.wto.org/english/tratop_e/tradfa_e/case_studies_e/bac_zmb_e.doc*

Further, the governments can also negotiate to develop a single window clearance system through a joint venture between the public and the private sector which electronically integrates all relevant government offices that partake in the import/export process. This will allow for a web-based information portal that will be much efficient in terms of cost, time and security. Apart from the information portal an integrated system that allows parties to lodge the necessary documentation required for imports/exports along with the relevant duties and taxes via unified payments interface (UPI), since it has been accepted in Bhutan.

Mauritian single window system TradeNet is a collaboration of the public and private sector that allows clients to electronically submit declarations and certificates and import/export permits to selected government agencies. It is also linked with banks to allow payments through electronic means. The software was implemented in phases that allowed for efficient manageability and flexibility in the execution of services.

Another best practices that can be cited here is the implementation of the customs automation system, including the National Single Window, ASEAN Single Window, and tracking systems for procedural requirements at checkpoints that have been used in Thailand. Information and communication technology were introduced for administrative tasks and customs services.*

**Source: Thai Customs. <https://www.customs.go.th>*

- Segregating cargo and passenger movement: Utilizing only the planned ICP premises at Pasakha for movement of goods across the borders whereas the in-gate and out-gate at Jaigaon can be utilised for seamless passenger movement.
- Formation of a committee involving customs, security forces, district administration, forest department and other relevant stakeholders to rehabilitate land encroachment in and around the demarcated ICP premise.
- Chalking out relevant disaster management, disaster preparedness and disaster rehabilitation plans that should be adhered while developing the ICP Jaigaon.

The Adani Port at Dhamra, Odisha has successfully implemented a disaster management plan that accounts for disasters such as Tsunami, cyclones, earthquake etc. which the Dhamra port is prone to. Some of the key objectives of the plan are as follows-

- *Developed a framework for an integrated multi-agency crisis response to a disaster incident.*
- *Clarify roles and responsibilities of different stakeholders involved.*
- *Community preparedness.*
- *Continued education, review and training to the stakeholders about disaster preparedness, disaster mitigation, disaster response and disaster rehabilitation*

Similar disaster management plans can be developed for ICP Jaigaon as well, post assessing the contextual framework and geographical location of the ICP.

- Implementing an automated digital system for the custodian at ICP Jaigaon. The platform can be similar to HANS portal that is implemented at ICP Raxaul and acts as a single window clearance system for document verification as well as providing the custodian with relevant data and figures pertaining to trade. Further providing the required training to the security forces about the portal is also recommended.
- One of the basic challenges in the trade environment includes each individual agency developing its own costly platform that suits its own needs. This leads to compartmentalization and duplicative reporting of relevant information. Thus, developing an integrated IT software for seamless information sharing

between different agencies within the border and across the border is necessary for customs as well as traders. Initial phases of CBM include collation of import and export related data at one central location, analysing it and subsequently disseminating the relevant data to stakeholders involved in border related functions. This data must account for information such as agriculture testing, taxation, foreign exchange rates, product safety compliance, intellectual property rights and drug interdiction. Apart from assisting the stakeholders such information will also improve the accessibility of the Central government with regards to trade-related information.

ITDS (International Trade Data System), an integrated trading platform created by the United States, had to overcome coordination challenges by winning over stakeholders in the private and public sectors along with high levels of leadership support. Making key players understand the system's advantages via working groups and training sessions, as well as securing enough funding, assisted with its deployment. The amount of involvement and the pace of the system's implementation have significantly increased owing to legislations such as Federal Seed Act, Food Quality Protection Act, Food Security Act among others which was implemented many years after the construction of ITDS.*

**Source: <https://www.ams.usda.gov/content/international-trade-data-system-itds-helping-boost-trade>*

Operational

- **Harmonising working hours between SSB and Indian customs-** to streamline movement of trucks on the Indian side. While the working hours of SSB are mandated for 24 hours throughout the week, the operational hours of the import and export process can be considered in this regard which can be aligned with the working hours of Indian customs. Currently, the gate is operational from 6 AM to 8:30 PM. Custom personnel can be accommodated in double shifts.
- **Harmonising import and export time amongst cross border agencies-** Apart from the lack of coordination in terms of working hours between the Indian customs and operational timings as discussed above, there is also little coordination between the cross-border agencies. The customs process on the Bhutanese side happens from 6 AM to 6 PM whereas customs process on the Indian side begins not before 11 AM. Synchronizing border opening hours between the two sides can prevent delays in trade and movement of trucks.

The duration of physical inspections can be greatly shortened by risk management and the use of non-intrusive technologies. Multiple agency interventions lead to needless waiting. The best way to prevent this is for agencies to coordinate their activities. Therefore, through integrating procedures and coordinating operations on commodities, they must coordinate in order to reduce wait times at border crossings. To coordinate office hours or to share facilities and equipment, collaboration between agencies should ideally also include administrations on the other side of the border. Pre-arrival processing, the use of electronic payments for duties and taxes, the availability of delayed payment options, and authorised traders programmes that grant benefits to reputable traders (such as clearance at traders' premises), are other measures that have an impact on the release time at border crossings*.*

**Source: Border crossing delays... TRADE FACILITATION IMPLEMENTATION GUIDE.
<https://tfig.unece.org/contents/borde-crossing-delays.htm>*

Covid Related

- The mandated one-day prior registration of vehicles by Bhutanese government should be either done away with or should be made lenient to accommodate for hinterland uncertainties. At present, as a consequence of unforeseen circumstances if a consignment fails to enter the Bhutanese side on the registered day, the process of registration has to be repeated again. This has an impact on the overall trade process because of the high paper-trail in the whole process.
- Ramping up cross-border meetings which have been delayed lately and are meant for deliberation over changes in regulations and custom notifications. This will not only fast track the clearance of goods rather it will also aid in better coordination amongst the cross-border agencies.

Regulatory

- Formulation of a Joint Working Group (JWG) or a steering committee involving stakeholders from both the sides in order to expedite the process of harmonising regulations pertaining to trade. The JWG shall be tasked to understand and deliberate upon the nuances of Indo-Bhutan Treaty on Trade, Commerce and Transit and other tariff and non-tariff barriers that are existent between the India and Bhutan.
- Standardising custom laws and regulations such as GST⁴⁸ and others with the Indo- Bhutan Treaty on Trade Commerce and Transit.

⁴⁸ Post 2016 both India and Bhutan have modified and adjusted different regulations pertaining to trade and transit which have not been adjusted in the India-Bhutan Agreement. One such example is the Goods and Service Tax (GST). Section 2(5) of the IGST act lays out certain parameters for 'export of services' that mandates receipt of payment in 'convertible foreign exchange'. This has posed a major challenge while conducting trade with Nepal/Bhutan as the transport services for import/export is provided by Indian transport companies. If the payment of the same is not received in freely convertible currency, then such services are not treated as exports and in such situations the service provider has to discharge its tax liability. However as per the Agreement on Trade and Transit such payment can be made in Indian Rupee

Regulatory Functions and Mandate, by Agency

For the purpose of this research, it is important to gain insight on the regulatory functions of different agencies and understand their mandate.

Trade facilitation through CBM involves multiple stakeholders at the regional, national and international level and from the public and private sector. In this regard, the Trade Facilitation and Implementation Guide developed by the United Nations segregates the relevant stakeholders according to their roles i.e., Customer, Supplier, Intermediary and Authority⁴⁹. The generalized subcategories of the aforementioned stakeholder classification are mentioned in the table below-

Customer	Supplier	Intermediary	Authority
Buyer	Seller	Transport Service Supplier	Customs
Importer	Exporter	Freight Forwarder	Environment
Consignee	Consignor	Bank	Agriculture
Ship to	Ship from	Insurance Provider	Standards
Payor	Payee	Customs Agent	Consular
		Broker	Health
		Commission Agent	Port
			Intervention Board (EU)
			Chamber of Commerce

Stakeholder Mapping of Authorities at Indian ICPs

It is also necessary to map the relevant 'Authorities' of the BBIN countries for the purpose of the study. A detailed list of stakeholders and their functions has been provided in the table below-

Stakeholders	Functions
Customs (Central Board of Indirect Taxes)	Clearance of cargo/goods carried by vehicles, valuable personal items of passengers, and currency by monitoring mechanism and installed equipment.
Immigration officials (Bureau of Immigration)	Checking of passport, visas and passenger identification.
Border Security Force	Maintaining security, preventing the flow of illegal arms and other lethal weapons, and providing backup support to customs and immigration. (Sashastra Seema Bal)

⁴⁹ <https://tfig.unecce.org/contents/stakeholders.htm>

Food safety departments	<ul style="list-style-type: none"> • Framing of Regulations to lay down the standards and guidelines of food safety. • Granting FSSAI food safety license and certification for food businesses. • Laying down procedures and guidelines for laboratories in food businesses. • To provide suggestions to the government in framing the policies.
Banks	To facilitate banking transactions and also ease the movement of goods and passengers.
Warehousing authorities	The Warehouse Officer/Inventory Controller/Quality Control Officer/Warehouse Facilities Management Officer is responsible for planning and implementing warehouse processes, operations and technology and also responsible for developing plans to monitor storage utilisation levels, managing warehouse facilities, and reviewing operational quality and efficiency of warehouse storage and layout plans.
CHAs	A Customs House Agent shall keep and maintain on file a copy of each of the documents, such as bill of entry, shipping bill, transshipment application, etc. and copies of all his correspondence and other papers relating to his business as Customs House Agent. All records and accounts that are required to be maintained under these regulations shall be preserved for at least five years and shall be made available at any time for inspection of officers authorised to inspect such records and accounts.
Custodians	A custodian has three primary responsibilities: <ul style="list-style-type: none"> • Safekeeping of Assets: maintaining proper indicia of ownership, valuation, accounting, and reporting of assets owned by a plan/fund sponsor or an institutional investor • Trade Processing: tracking, settling, and reconciling assets that are acquired and disposed of by the investor—either directly or indirectly—through delegated authority with an asset manager • Asset Servicing: maintaining all economic benefits of ownership such as income collection, corporate actions, and proxy issues
Participating Government Authorities (PGAs)	
Port Health Department, Ministry of Health and Family Welfare	Seven Integrated Check Post Health units at the Land border of Amritsar, Agartala, Raxaul, Jogbani, Petrapole, Moreh, and Dawki. Responsible for coordinating additional health measures at the port as decided by the Central Government in the event of PHEIC like passenger screening, isolation & quarantine, contact listing, transportation, arranging logistics for various public health measures etc.
Animal Quarantine and Certification Services, Ministry of Fisheries, Animal Husbandry and Dairying	<ul style="list-style-type: none"> • To prevent the ingress of any Exotic Livestock Diseases into India through the importation of livestock & livestock products as per the provisions of the Livestock Importation Act. • To act as a Defence force against the ingress of exotic diseases of Veterinary importance by implementing the policies about import

	<p>regulation, restriction, prohibition of the livestock and livestock Products, Biological and Micro-Organisms.</p> <ul style="list-style-type: none"> • To provide an internationally accepted certification service for augmenting export and to increase National income. • To inspect and register the plants/mills exporting the animal by-products
Plant Quarantine, Ministry of Agriculture & Farmers Welfare	<p>To prevent the entry, establishment and spread of exotic pests in India as per the provisions of The Destructive Insects & Pests Act, 1914 and the notifications issued there.</p> <ul style="list-style-type: none"> • To protect our plant life from the ravages of destructive pests by preventing their entry, establishment and spread and thereby increasing agriculture productivity to improve the economy of our country. • To facilitate export certification of plants and plant products for safe global trade in agricultural commodities and thereby fulfilling our legal obligations under the international agreements. • To adopt safe quarantine practices to protect our environment.

Stakeholder Mapping of Cross-Border Authorities

- Department of Customs (Nepal)- The Department of Customs (Nepal) comes under the Ministry of Finance, Nepal and is responsible for collecting customs duty, value Added Tax, excise and other taxes at the border points and international airport.
- Armed Police Force (Nepal)- Armed Police Force is the paramilitary force of Nepal which ensures customs, revenue and industrial security as well as other military and law enforcement functions.
- Nepal Intermodal Transport Development Board (NITDB)- NITDB was formed in 1997 with the objective to oversee efficient management of ICPs and Inland Clearance Depots (ICDs) for facilitation of Nepal’s foreign trade.
- Royal Bhutan Police- Royal Bhutan Police acts as the custodian at land ports. Its mission is to maintain law and order to prevent crimes, thereby protecting life and property.
- Bhutanese Customs- Bhutanese Customs is responsible for clearance of goods at land ports of Bhutan. Its mission includes efficient collection of taxes and facilitation of legitimate trade and commerce.

Models of CBM and Global Case Studies

The demand of Coordinated Border Management is not new in the globalized world and can be traced back to 1990s. It is time and again replaced by different terminologies by institutions such as Integrated Border Management by the European Union, Collaborative Border Management by the World Bank, etc.

In practice, One Stop Border Posts, a classic example of Coordinated Border Management were introduced in the 1960s. For instance, as per the Bilateral Convention of 1961 and the Agreement between Germany and Switzerland, the one country facility was established in 1980 wherein both customs administration share all the facilities. Various innovative initiatives have been introduced bilaterally and regionally among countries which have reduced the travel time and documentation redundancies enabling smooth border crossings.

Analysis of a few successful case studies is undertaken to understand coordinated and collaborative border management measures undertaken by countries across the world to assess the scope of adopting learnings from these at land ports along the India-Nepal, India-Bhutan and India-Bangladesh borders.

Model 1: One-Stop Border Posts (OSBP) – Juxtaposed, Straddling and Single Country

According to the One-Stop Border Posts Sourcebook, the OSBP concept promotes a coordinated and integrated approach to facilitate trade, and movement of people, and improves security by applying joint controls to minimize routine activities and redundancies. It eliminates the need for travellers and goods to stop twice to undertake border crossing formalities. A “whole of government” approach reduces the journey time for transporters and travellers and shortens the clearance time at border crossing points⁵⁰.

Broadly, there are three kinds of OSBP models.

A. Juxtaposed Model	B. Straddling Model	C. Single Country Model
• Shared border facilities are operated in the country of entry in each direction.	• A single facility is constructed across the border line.	• A single shared border facility is constructed in one of the countries to house officers from both countries to carry out border control.

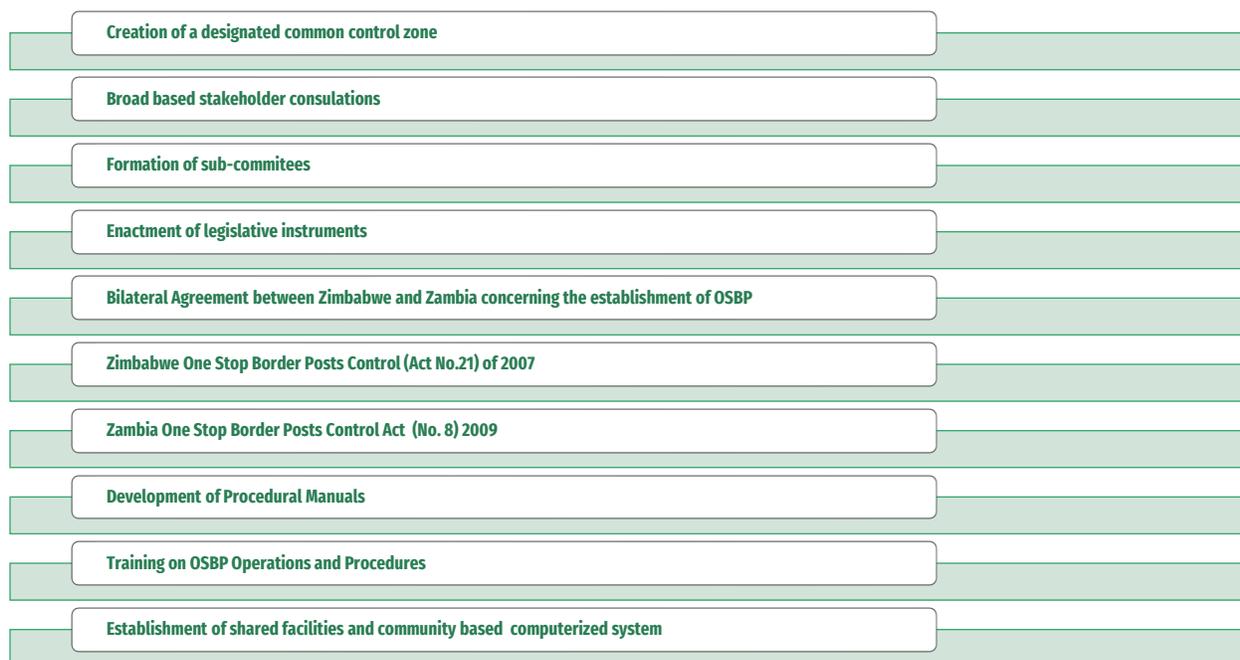
⁵⁰ One Stop Border Posts Sourcebook, 2nd Edition, 2016

Case Study: Chirundu Juxtaposed Border Post between Zimbabwe and Zambia

In 2009, Chirundu Juxtaposed Border Post was opened as a pilot between Zambia and Zimbabwe, which was the first fully functional OSBP in Africa. The border post was part of the North-South Corridor (NSC) upgrade which is one of the main trading routes in Africa, transiting Tanzania, the Democratic Republic of Congo, Zambia, Malawi, Botswana, Zimbabwe, Mozambique, and South Africa.

According to a baseline study conducted in 2008, on an average 321 vehicles (268 commercial vehicles, 45 private vehicles, and 8 passenger coaches with a significant number of pedestrians) crossed the border per day. It used to take up to five days for a commercial truck, one hour for private vehicles, and about two hours for passenger coaches to cross the border. The long procedures involved in crossing two sets of identical controls on both side of the borders were the major cause of the long transit time. After the institutionalization of the Chirundu OSBP, there has been a significant reduction in processing times as the clearance time for buses and private vehicles reduced by half. Commercial trucks were cleared within the same or the following day. It has also played a critical role in reducing transport costs resulting in improved competitiveness of the regional producers and, helping to improve the business and investment climate⁵¹.

Broadly, the following steps were undertaken in the establishment of the Chirundu OSBP and were refined over time.



⁵¹ One Stop Border Posts Sourcebook, 2nd Edition, 2016

The massive transformation was achieved by overcoming several hurdles such as delayed disbursement of funds and procurement procedures and compatibility challenges between Zimbabwe's and Zambia's hard and soft infrastructure. But, the solid support and commitment of the border agencies, private stakeholders, government, COMESA, SADC, and developing partners such as FCDO, JICA, and World Bank made the OSBP a reality. Another major contributing factor to the success of the Chirunda OSBP was making the public and private sectors of both countries agree at national levels before bringing the two countries to a bilateral level⁵².

Due to the successful impact brought onto the ground by the Chirundu OSBP, later on, several such infrastructures have been institutionalized in Africa as depicted in the figure. So far, there are more than 80 sites that have been identified by the country's REC and PIDA. A plan to implement another OSBP has also been touted as a solution to address the challenges at the Beit Bridge port of entry from South Africa to Zimbabwe⁵³.

The BBIN region can learn from the pioneer example of the Chirundu OSBP, particularly regarding the need for high-level political commitment, well-structured committees, and a legal framework. The construction of OSBPs in the BBIN region would result in a reduction in transit time for traders, transporters, and travelers which will, in turn, improve the competitiveness of the region. The streamlined and harmonized border procedures will lead to optimum utilization of available resources and simultaneously improve the revenue collection at the border through a faster turnaround time.

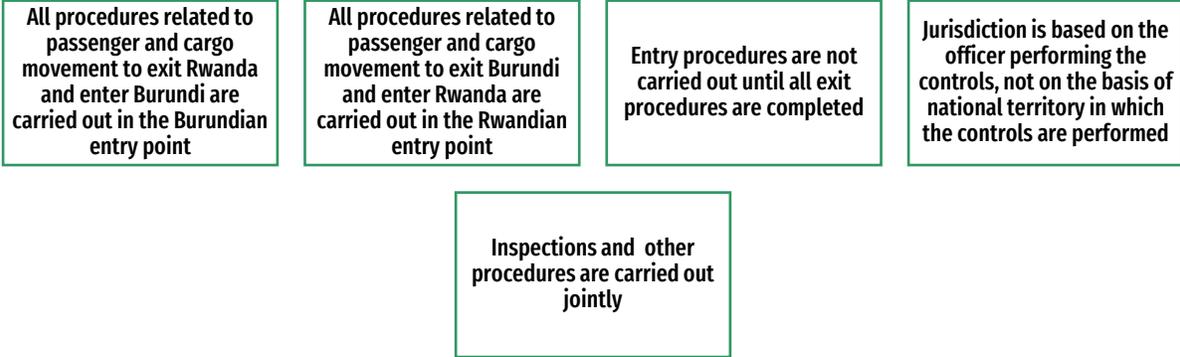
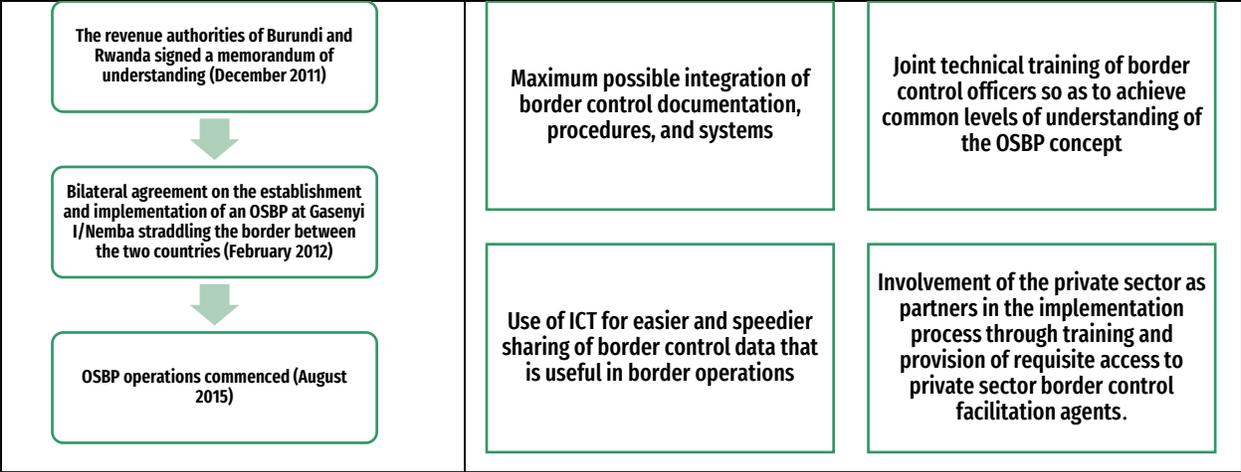
Case Study: Gasenyi I/Nemba One-Stop Border Post between Burundi and Rwanda

The Gasenyi I/Nemba OSBP is the only straddling OSBP in Africa established in the Burundian and Rwandan territories. It was developed as part of an African Development Bank road project linking the two countries⁵⁴.

⁵² <https://www.oecd.org/aidfortrade/47750237.pdf>

⁵³ <https://www.au-pida.org/one-stop-boarder-posts-osbp/>

⁵⁴ <https://www.parliament.gov.za/news/one-stop-border-post-touted-solution-challenges-beit-bridge>



Acts of the respective parliaments give border control officers the authority to carry out their national controls throughout the Common Control Zone (CCZ). There is only one check-in point at the border managed by officials from both countries, instead of the usual two different offices. This implies that the Rwandan officers are allowed to carry out controls on the Burundian side of the CCZ and vice versa. The acts also allow hosting arrangements for these foreign officers⁵⁵.

There has been immense improvement ever since the facility started operating with the time taken being currently **reduced to less than 40 minutes since every agency is housed under one facility**⁵⁶. However, it is also important to note that there is a relatively low volume of commercial freight vehicles.

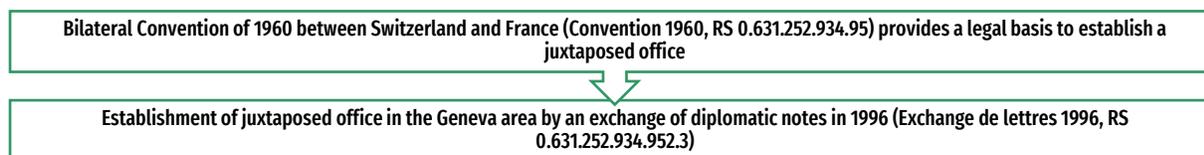
The most important lesson which can be learned from this case study is constructing a single facility across the border can be effective, given the geography permits. This can be constructed in the emerging BBIN land ports where there is no natural barrier between the two countries. It has the potential to increase effectiveness and save

⁵⁵ <https://nepad.org/sites/default/files/resourcefiles/English%20Version%20of%20OSBP%20Sourcebook%20%28Final%20Version%203rd%20edition%29.pdf>
⁵⁶ <https://www.newtimes.co.rw/section/read/184873>

time for the movement of passengers and cargo. This model provides a higher scope for encouraging inter-agency cooperation due to proximity, streamlined operations, increased possibility of shared information, and decreased cost due to common facilities.

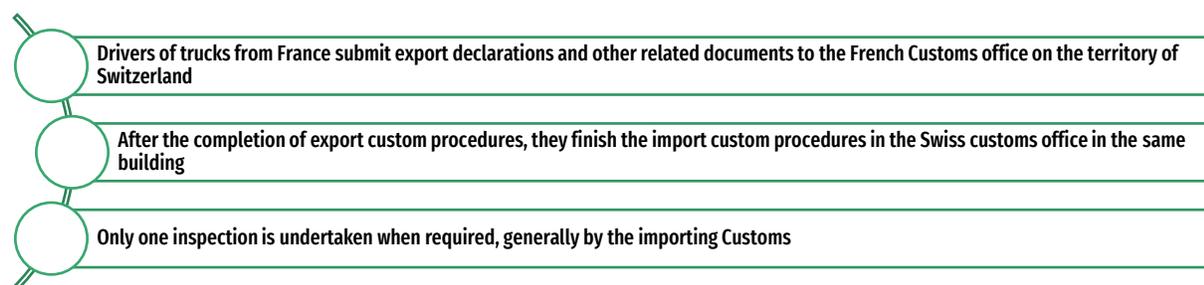
Case Study: Juxtaposed office along Swiss-French border

The bilateral convention of 1960 between Switzerland and France provides a legal basis to create a juxtaposed national control office on the French territory. Swiss and French entry and exit controls related to passengers and cargo movement are carried out at this office⁵⁷. It authorizes Federal Customs Administration (FCA) officers to perform their duties on the French territory and French Custom Officers on the Swiss territory reciprocally.



Cargo is processed at the juxtaposed office in the country of entry, where the Customs officers of both countries are located side by side.

The procedure can be understood from the diagram below for say, imports in Switzerland.



The procedure has been made simpler for the economic agents involved due to the presence of both country officers in the same building. The countries of the BBIN region can also learn from the landlocked Switzerland which has established various one stop border posts through bilateral intergovernmental conventions and

⁵⁷ https://www.fedlex.admin.ch/eli/cc/1967/1101_1141_1136/fr#fn-d2170e56

bilateral agreements with neighbouring countries to provide its officers to work to their fullest capacity at the juxtaposed office of the other country.

Case Study: One Country Office along the German and Swiss border

The bilateral convention of 1961 between Switzerland and Germany provides a legal basis to create a juxtaposed national control office in Germany. Custom administration from both countries shares all the facilities.



The procedure is similar to that of Juxtaposed office in the Swiss-French border. For example, drivers of export cargo from Germany visit the facility to complete the export procedures with the German customs office and then import customs procedures with the Swiss customs office and then move on the exit lane to receive a final stamp to leave the territory after fulfilling all the requirements and payments. Passenger vehicle traffic also moves through the same facility where it can be inspected by any of the two officers- German Police or Swiss Border Guard Corps in case of suspicion.

Case Study: Cinkanse One Country One Stop Border Post between Burkina Faso and Togo

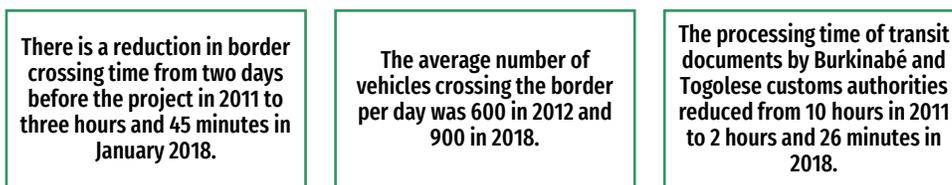
The Cinkanse OSBP was set up with a public-private partnership agreement in West Africa. It was constructed under a Build-Operate-Transfer concession from Union Economique et Monétaire Ouestafricaine (UEMOA, West African Economic and Monetary Union). This was done because the construction costs were more than anticipated and the facility stood empty for a while. Scanning Systems SA, an Ivoirian company, approached UEMOA with a proposal for a BOT arrangement to complete and operate the JBP and a 20-year BOT arrangement for the JBP was signed with Scanning Systems in September 2009.

The concessionaire has been responsible for			
The construction of buildings, parking areas, and warehouses	Development of a cargo tracking system	Installation of an electronic document management system	The provision of scanners and a satellite telephone system

However, the clearance process remained slow. According to a July 2014 report supported by JICA, four days were required to cross the border for trucks from Togo to Burkina Faso.

UEMOA and Economic Community of West African States (ECOWAS) have been constantly working to reduce the crossing time by modernizing the custom procedures. In 2013 a project to interconnect the IT systems of the customs administrations was initiated under the EU-funded Trade and Regional Integration Support Program (PACIR), and the customs administrations of Burkina Faso and Togo made efforts to interconnect their IT systems and implement a common single transit bond. Additionally, under a project supported by UEMOA and UNCTAD with JICA, exchange modules were installed and a transit module between Lomé and Ouagadougou started operations in May 2018.

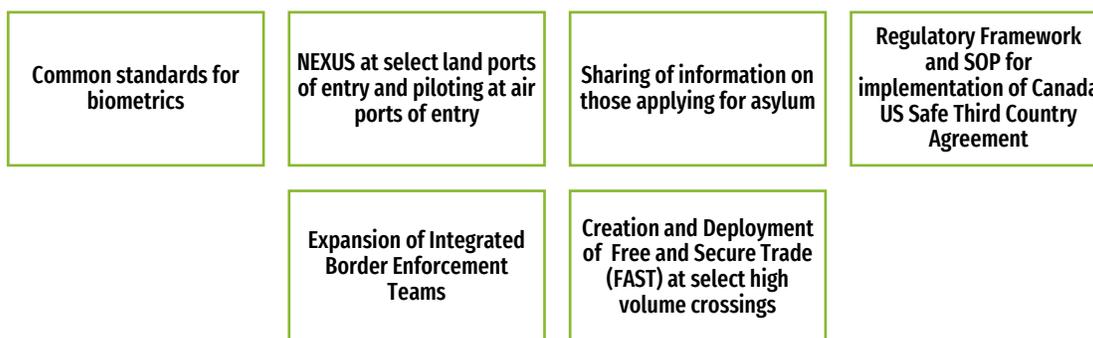
Consequently, the border crossing time reduced and transit traffic flow at the border improved significantly⁵⁸.



The BBIN group of countries can also use regional instruments to develop the OSBP. It is also important to set up an institutional mechanism for border control agencies to agree on more coordinated and streamlined procedures for JBP operationalization and conduct training and sensitization in JBP concepts to generate awareness among the economic agents involved. Through constant efforts and proactive decisions for the mutual benefit of the countries involved, successful OSBPs can be set up in the region with private stakeholder involvement.

Model 2: Smart Border Declaration and Action Plan (US-Canada)

Canada and the U.S have been working together on key issues of border management, foreign policy, security cooperation, and bilateral trade. The two countries share deep trade and investment ties which has made the efficient flow of commodities and people across the border vital for both countries. Cooperation on the border between the two countries can be traced back to the 2001 Smart Border Declaration which aimed at improving border security, information sharing, and law enforcement cooperation. It implemented several mechanisms to



⁵⁸ According to the data provided by the Scanning Systems and study by UEMOA and AfDB

expedite the crossing process and enhanced information sharing between Canada Border Service Agency (CBSA) and U.S. Customer and Border Protection (CBP). The outcomes of the plan are:

The Declaration was put into practice through the implementation of a 30-point Smart Border Action Plan, which later served as a model for successful border cooperation and management⁵⁹.

The initiatives undertaken under the four pillars of the initiatives have drawn impeccable results. For instance, to secure the flow of people, NEXUS was established to separate low-risk traveller movement from that of high-risk and facilitated the former. Similarly, several other programs were introduced such as the Trusted Trader Program which aimed at facilitating the cross-border flow of goods by providing streamlined and efficient border processes for pre-approved, low-risk traders. It enabled CBSA to form partnerships with the industry and encourage cargo security, business integrity, and customs compliance throughout the supply chain⁶⁰.

The action points have been enumerated below:

Four pillars:

Biometric identifiers	Permanent Resident Cards	Single Alternative Inspection System	Refugee/Asylum Processing	Managing of Refugee/Asylum Claims	Secure the flow of people	
Visa Policy Coordination	Air preclearance	Advance Passenger Information/Passenger Name Record	Joint Passenger Analysis Unit	Ferry Terminals		
Compatible Immigration Data	Immigration Officers Overseas	International Cooperation	Harmonized Commercial Processing	Clearance away from the border		Secure the flow of goods
Joint facilities	Customs data	Container targeting at sea ports	Infrastructure improvements	Intelligent Transportation Systems		Investing in Secure Infrastructure
Critical Infrastructure Protection	Aviation Security	Integrated Border and Marine Enforcement Teams	Joint Enforcement Coordination	Integrated Intelligence		Coordination and information sharing in the enforcement of these objectives
Fingerprints	Removal of Deportees	Counter-terrorism legislation	Freezing of Terrorist Assets	Joint Training and Exercises		

FAST lanes can be accessible for speed clearance in highway mode at selected border crossings and are jointly administered by Canada and the U.S. where trusted entities i.e. importer, carrier, and driver exist throughout the supply chain.

⁵⁹ <https://georgewbush-whitehouse.archives.gov/news/releases/2002/09/20020909.html>

⁶⁰ <https://www.cbsa-asfc.gc.ca/agency-agence/reports-rapports/ae-ve/2014/ettp-epnf-eng.html#:~:text=Background,chain%20through%20partnerships%20with%20businesses.>

The BBIN region can derive several lessons from the key initiatives taken at the Canada - U.S border. It is imperative to understand that security and economic prosperity can be achieved simultaneously. For this, there needs to be effective and regular bilateral and multilateral talks where the evolution of the relationship of cross-border agencies takes place. On the other hand, there needs to be a development of understanding between the security forces of the contracting parties involved with the introduction of innovative ideas to expedite the border-crossing process such as NEXUS and FAST. This would reduce the time and cost significantly for traders and enable decongestion near the border areas. Agreements and initiatives like these can change the degree of intra-trade among the BBIN countries, which at present is at a low of around 5 percent for South Asia as a whole.



Model 3: Customs to Customs Cooperation (Norway, Sweden, and Finland)

“Norwegian customs authorities shall be authorized to perform, for and on behalf of the Finnish or Swedish customs authorities, all customs checks and formalities for goods under the Community customs rules applicable to import, export, transit and the placing under any customs procedure of goods between the Community and Norway”.

Article 3, Agreement on Customs Cooperation between the Kingdom of Norway and the European Communities⁶¹.

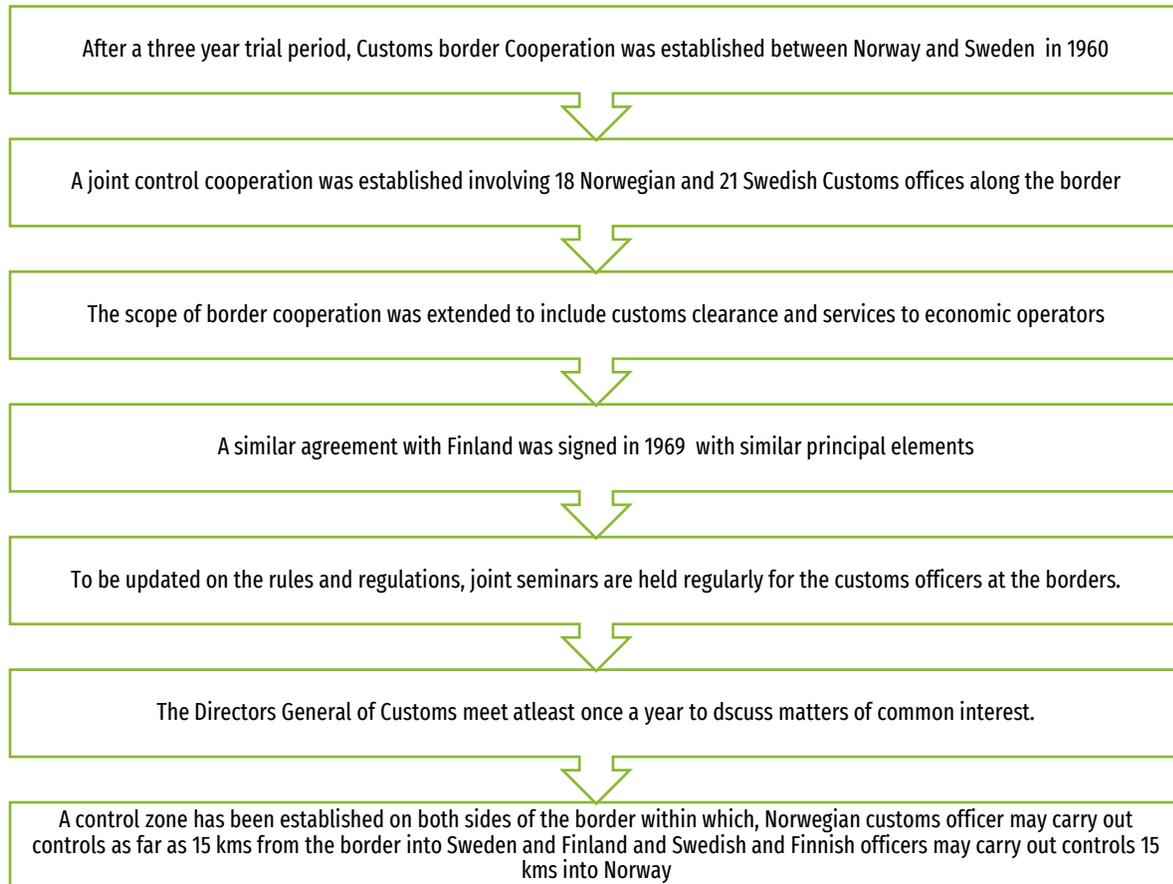
It states that Customs authorities of one of the Contracting Parties may control the implementation of import and export provisions, custom provisions, and any other trade-related provisions on behalf of the Customs Authorities

Border inspections and formalities shall be carried out with the minimum possible delay and be centralized at one place only	Use of simplified procedures and data processing and transmission techniques	Organized departments so as to reduce waiting time	The relevant authorities shall immediately inform the authorities of the other Parties if a disruption occurs with respect to the crossing of frontiers
Plant health inspections are to be limited to random checks and sample testing only, unless duly justified circumstances require otherwise	Uninterrupted period of at least ten hours from Monday to Friday, and at least six hours on Saturdays	Goods placed under a customs transit procedure can normally cross the frontier posts twenty-four hours a day without unloading.	Parties are encouraged to establish express lanes where technically possible.

⁶¹ [https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:21997A0423\(02\)&from=EN](https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:21997A0423(02)&from=EN)

of the other Contracting party involved⁶². It is based on the principle that formalities and checks should be carried out at a single spot. For instance, if goods are to be exported from Norway, the customs offices from either of the countries may undertake all the necessary paperwork related to exports from Norway and importation into the said countries and similar is the case for imports into Norway.

Every country issues a set of domestic legislation to implement the agreement. Sweden created a solid legal framework for the operation of the agreement. For example, the Regulation in 2002 and the Instruction of the



Swedish Customs describe the duties of the Swedish customs officers in areas such as clearance, enforcement, legal powers, etc. when acting on behalf of the Norwegian Customs on the Swedish territory or the Norwegian territory⁶³.

⁶² The border cooperation agreements between Norway and Sweden and between Norway and Finland were not affected by the fact that Sweden and Finland joined the EU in 1995. An additional agreement with the EU allowing supervision and audits by the Commission was signed in 1997

⁶³ http://www.wcoomd.org/-/media/wco/public/global/pdf/topics/research/research-paper-series/19_cbm_polner_en.pdf

Based on a calculation made in 1995, the following would have been the consequences for Norway if the agreements had not been approved and were providing the same level of service⁶⁴.

1. 10 new customs offices would need to be opened on the Norwegian side of the border with 100 new customs officers new
2. Around 16 million USD additional costs for custom buildings, salaries, etc. (half one-time investment and half annual costs)
3. Around 39 million USD additional costs for economic operators would have been incurred due to longer waiting time and double-checking at the border (annual cost)

The number of agreements has resulted in optimum utilization of resources and smooth exchange of information at the border. The characteristics of the region which make it stand out and have enabled the effective establishment of the border agreement are that both the countries are members of the Schengen area, the region



is marked by economic parity, no significant cultural barrier of historical grievance, and share a common industrial history and identity⁶⁵.

The BBIN region can adopt a similar arrangement. The arrangement has the potential to become a cornerstone for coordinated border management in the region. It will save public and private resources significantly and facilitate smoother and transparent trade. For all this to be implemented effectively on the ground, this kind of arrangement requires a high degree of harmonization and trust between all parties.

Key Takeaways for BBIN Countries

Based on global case studies discussed above, it is imperative to adopt and mimic best practices that suit to BBIN context. The table below summarizes the unique features and key takeaways for BBIN countries from the detailed case studies mentioned above.

Name of the Initiative	Countries Involved	Unique Features	Lessons for BBIN Countries
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⁶⁴ <https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=Q:/TN/TF/W48.pdf&Open=True>

⁶⁵ <https://nordregio.org/nordregio-magazine/issues/cross-border-co-operation/the-swedish-norwegian-cross-border-region/>

<p>One Stop Border Post</p>	<ul style="list-style-type: none"> • Zambia (Land-locked) and Zimbabwe (Land-locked) • Switzerland (Land-locked) and France • Burundi (Land-locked) and Rwanda (Land-locked) • Switzerland (Land-locked) and Germany • Burkina Faso (Land-locked) and Togo 	<ul style="list-style-type: none"> • Shared border facilities • Applies joint control and removes redundancies • Inspections and other procedures are carried out jointly • Scope for encouraging inter-agency cooperation • Streamlined operations, increased possibility of shared information, and decreased cost due to common facilities 	<ul style="list-style-type: none"> • High-level political commitment • Importance of well-structured committees • Importance of intergovernmental conventions and bilateral agreements • Establishment of Legal Framework and instruments • Making the public and private sectors of both countries agree at national levels • Scope of setting up Public Private Partnership • Training and sensitization of economic agents
<p>Smart Border Declaration and Action Plan</p>	<p>Canada and the U.S.</p>	<ul style="list-style-type: none"> • Improved border security • Information Sharing • Law enforcement cooperation 	<ul style="list-style-type: none"> • Security and economic prosperity can be achieved simultaneously • Innovative ideas such as NEXUS and FAST to expedite the clearance process without hampering security • Need of bilateral talks and introduction of new collaborative techniques
<p>Customs Cooperation between the Kingdom of Norway and the European Countries</p>	<p>Norway, Sweden and Finland</p>	<ul style="list-style-type: none"> • One of the Contracting Parties can control the implementation of trade-related provisions on behalf of the Customs Authorities of the other contracting party involved • Formalities and checks should be carried out at a single spot 	<ul style="list-style-type: none"> • High degree of harmonization and trust between all parties. • Uninterrupted period of at least ten hours from Monday to Friday, and at least six hours on Saturdays • Resilient and Solid legal framework for the operation of the agreement

Bangladesh, Bhutan, India and Nepal Motor Vehicles Agreement (BBIN MVA)

In a bid to further strengthen the sub-regional cooperation in the South-Asian region, four permanent members of SAARC- Bangladesh, Bhutan, Nepal and India signed the Motor Vehicles Agreement (BBIN-MVA) in 2015. The agreement intends to provide seamless people-to-people contact and enhance bilateral trade through facilitating cross border movement of passengers and goods. The agreement acts as an incentive to reciprocate trade and economic relations for India's neighbors given their perception of pertinent tariff barriers in their trade with India.

With the BBIN-MVA, vehicle movement between the four nations would be unhindered for both passenger and cargo vehicles. The customary practice of changing cargo vehicles at the border is no longer required. In accordance with the agreement, member nations would permit the entry of automobiles registered in other nations under certain terms and conditions. The individual nations will decide on the customs and tariffs, and these would be finalized at bilateral and trilateral forums.

Key features of BBIN MVA

The BBIN MVA consists of 17 articles and 63 sub articles that include the permits for passenger and goods movement along with regulations, directions, restrictions and limitations. The agreement allows the contracting parties for movement of their registered vehicles for bilateral and third-country trade, into the territories of the member countries. These vehicles can include cargo (trucks, trailers and containers) as well as passenger vehicles (hired, public or personal)⁶⁶. The agreement allows only authorized operators to regulate the movement of cargo/passenger vehicles.

The agreement further describes the requirement of permits, that shall be issued after appropriate document verification (registration certificate, fitness certificate, insurance policy, pollution under control certificate etc.) by all the member countries in order to enter the territory of the member country. (Article III). The permits have been delineated into four categories viz. i) Permit for regular passengers ii) Permit for regular cargo iii) Permit for personal vehicles iv) Permit for non-regular passenger vehicles.

Article VI of the agreement lays down specific routes for the movement of passenger and cargo goods and restricts the traffic to land ports/dry ports and LCSs as listed in the agreement. Another salient feature of the agreement

⁶⁶ BBIN MVA, 2015

includes the proposal to formulate a custom subgroup amongst the member countries that is required to formulate common customs and other relevant procedures and safeguards for the movement of vehicles.

BBIN MVA and Coordinated Border Management

The objective of the BBIN MVA Agreement can be traced back to the elements and principles of coordinated border management as discussed above in the literature review.

Guiding Principles of CBM	BBIN MVA Features and Probable Outcomes Aligning with CBM Principles
Standardized Submission Process	<ul style="list-style-type: none"> • Formation of Customs subgroup to standardize custom and other regulatory procedures (Article VII) • Only authorized operator(s) to regulate all regular/cargo inspection (Article II) • Provision of standard fees and charges to be levied on issuance of permit at the entry point (Article VII) • Provision of international road signs and signals on the prescribed routes (Article VIII) • Compulsory insurance for regular and non-regular passenger and cargo vehicles (Article XI)
Information Protection	<ul style="list-style-type: none"> • Only authorized operator(s) to regulate all regular/cargo inspection (Article II)
Streamlined Checks and Clearances	<ul style="list-style-type: none"> • Right to inspect and search (Article X) • Formation of Customs subgroup to standardize custom and other regulatory procedures (Article VII) • Requirement of permit to ply through the territory of other country after verification of necessary documents (Article III) • Detailed list of required documents to get the permit (Article IV)
Congestion Management	<ul style="list-style-type: none"> • Development of necessary infrastructure as a consequence of BBIN MVA will result in reduced congestion apart from standardization of trade
Infrastructure Availability	<ul style="list-style-type: none"> • Areas in Nepal, Bhutan and Northeast India are likely to have infrastructure development as a consequence of the BBIN MVA

Case Study from Greater Mekong Sub-region

Greater Mekong Sub-region Cross-Border Transport Facilitation Agreement (GMS-CBTA)

With the intent to further facilitate trade and transport Lao People's Democratic Republic (Lao PDR), Thailand and Vietnam signed the Cross-Border Transport Facilitation Agreement (CBTA) in 1999, that was later joined by Cambodia, China and Myanmar. The CBTA is essential for improving cross-border transportation, trade, investment, tourism, and improved access to essential services in the subregion as a fundamental element of the GMS Economic Cooperation Program. The three Cs of the GMS program—improved connection, increased competitiveness, and the sense of community—are clearly illustrated by the agreement. Since its inception, the CBTA has gradually gained recognition as a key tenet supporting the development of a seamlessly connected subregion.

Best Practices of GMS-CBTA*

BBIN countries can draw multiple lessons from the multi-modal connectivity initiatives in the Greater Mekong Subregion (GMS) viz:

- **Multi-Modal Connectivity** – Ensuring seamless trade in the BBIN sub region can further be ensured through efficient transport corridors, linking dormant land routes with existing/new routes as well as developing integrated multimodal and intermodal transport routes. Partner countries of BBIN MVA can implement pilot schemes for multi-modal connectivity through road and rail network to analyze the cost-benefit ratio of developing such infrastructure.
- **Regional/Subregional flexible formal agreements**- To institutionalize subregional/regional economic cooperation flexible bilateral, trilateral and multilateral transport and logistics agreement that can evolve with changing needs, should be incorporated.
- **Nodal Institution for efficient coordination** – BBIN countries can establish an agency as done by the GMS countries that have established GMSRA where a representative from each country is appointed as a nodal person to provide an effective communication channel between the countries and represent their case.
- **Involve academia to prepare a comprehensive BBIN Transport Plan** – Governments of BBIN countries must engage with academia, think tanks and international organizations working on logistics, transport and trade facilitation to prepare a comprehensive plan to facilitate regional transport and trade through geographic stimulations and country-specific studies.

*Source: <https://cuts-citee.org/pdf/working-note-multi-modal-transport-connectivity-in-greater-mekong-sub-region-through-railways-network.pdf>

Nevertheless, despite the BBIN MVA program's tremendous accomplishment, more work has to be done to address the existing bottlenecks (infrastructure availability, non-tariff barriers etc.) as well as new challenges that may arise. Bhutan's concerns on environmental issues should be discussed and negotiated for a consensus among the partner nations. Additionally, BBIN countries must be led by the three "I"s of innovation, implementation, and impact in order to produce tangible outcomes. Continuous innovation is required to develop novel techniques for addressing operational obstacles and to significantly boost the effectiveness of project implementation delivery mechanisms in order to produce the desired effects in the field and across the entire region.

CBM Roadmap

As per the CBM Compendium by World Customs Organisation (WCO), the implementation of CBM can be thematically categorized into 4 sub-categories⁶⁷ which are:

1. **Processes and Infrastructure**- To identify and chalk out existing border processes and practices so that bottlenecks and challenges can be identified and resolved.
2. **Information Technology**- Through Information Technology, both countries can identify where data harmonization can lead to streamlined trade and faster clearance of goods. The process of data harmonization can happen within the border among different stakeholders as well as across the border with the trading country.
3. **Laws and Regulations**- The process involves identification of various legal good practices that catalyse CBM or identifying regulatory bottlenecks that obstruct implementation of CBM.
4. **Human Resources**- To assess the current state of competencies among different stakeholders and to identify capacity gaps and new skills required.

Methodology

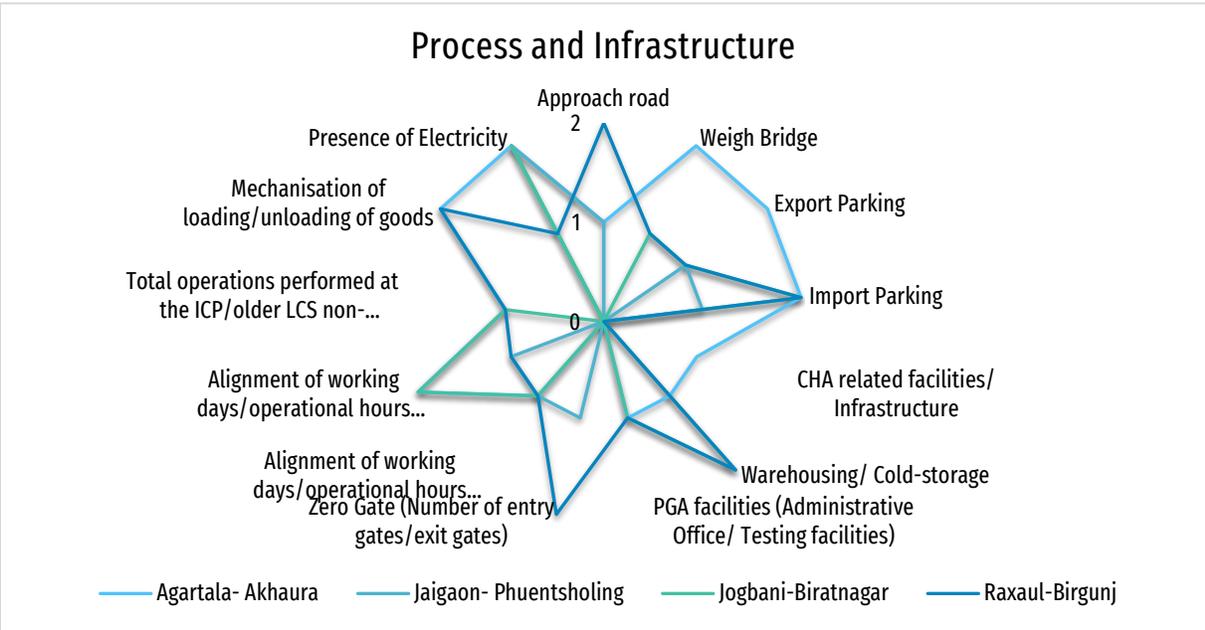
To evaluate the above-mentioned thematic interventions of coordinated border management, interventions under each category have been outlined below segregated on the basis of the country. Further, the presence and absence of the described interventions/good practices have been tracked through indexing in the table below, where '0' stands for 'Not Present' and '1' for 'Present but scope for Improvement' and '2' stands for 'Optimally Present'. The action points under each thematic area have been categorized on the basis of the degree of priority of each intervention into Long-Term and Short-Term.

CBM Thematic categories	Sub-Thematic Areas	ICP Agartala-Akhaura	ICP Jaigaon-Phuentsholing	ICP Jogbani-Biratnagar	ICP Raxaul-Birgunj
'0'- 'Not Present', '1'- 'Present but scope for Improvement', '2'- 'Optimally Present'					
Processes and Infrastructure	Approach road	1	1	0	2
	Weigh Bridge	2	0	1	1
	Export Parking	2	1	1	1
	Import Parking	2	1	2	2
	CHA related facilities/ Infrastructure	1	0	0	0
	Warehousing/ Cold-storage	1	0	2	2

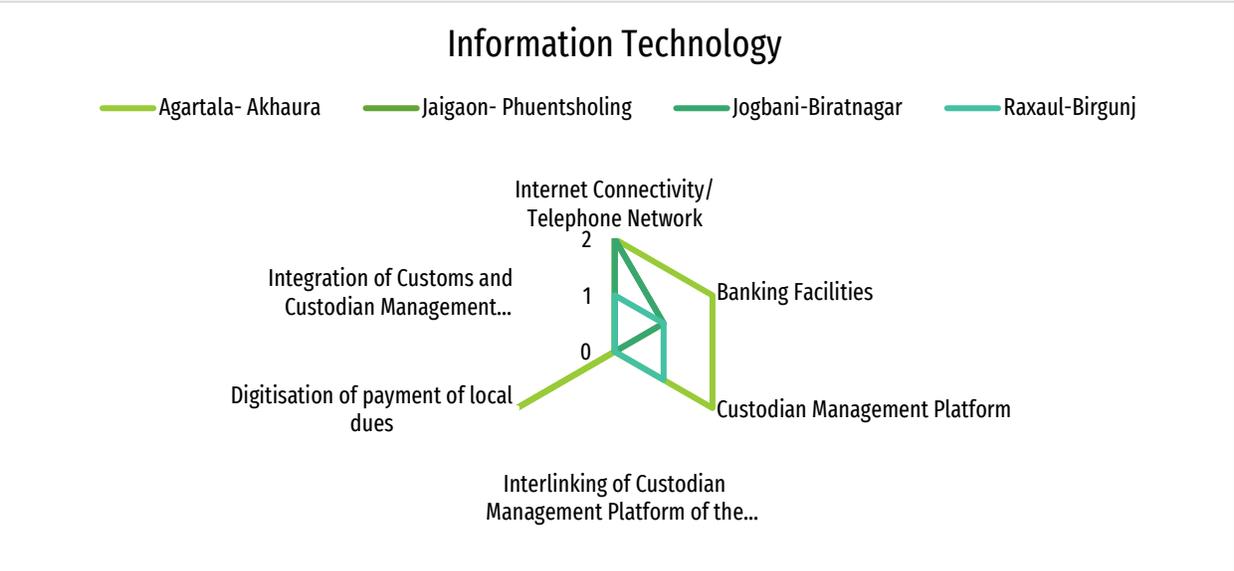
⁶⁷ chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://unctad.org/system/files/non-official-document/HermieGeorge_WCO_NTFCForum_Jan2017_2.pdf

	PGA facilities (Administrative Office/ Testing facilities)	1	0	1	1
	Zero Gate (Number of entry gates/exit gates)	0	1	0	2
	Alignment of working days/operational hours within the ICP	1	1	1	1
	Alignment of working days/operational hours across the ICP	2	1	2	1
	Total operations performed at the ICP/older LCS non-functional	1	0	1	1
	Mechanisation of loading/ unloading of goods	2	0	0	2
	Presence of Electricity	2	2	2	1
Total Score		18/26	8/26	13/26	17/26
Information Technology	Internet Connectivity/ Telephone Network	2	2	2	1
	Banking Facilities	2	1	1	1
	Custodian Management Platform	2	0	0	1
	Interlinking of Custodian Management Platform of the two countries	0	0	0	0
	Digitisation of payment of local dues	2	0	0	0
	Integration of Customs and Custodian Management Platform within the border	0	0	0	0
Total Score		8/12	3/12	3/12	3/12
Laws and Regulations	Absence of SPS/TBT barriers	1	1	1	1
	Regular updating of bilateral treaty	1	2	1	1
	No restriction on commodities for import-export	0	2	2	2
Total Score		2/6	5/6	4/6	4/6
Human Resources	Optimum presence of manpower	2	1	1	1
	Presence of Women workforce	2	2	0	0
	Training and capacity building of the manpower present	2	1	2	1
Total Score		6/6	4/6	3/6	2/6

In terms of Processes and Infrastructure, ICP Agartala-Akhaura had the best score 18/26 primarily due to streamlined processes and alignment of working hours across the border. ICP Raxaul ranked second with a score of 17/26 owing to superior infrastructure when compared to other ICPs. ICP Jogbani scored 13/26 whereas Jaigaon scored the least 8/26 as a result of an absence of ICP infrastructure.

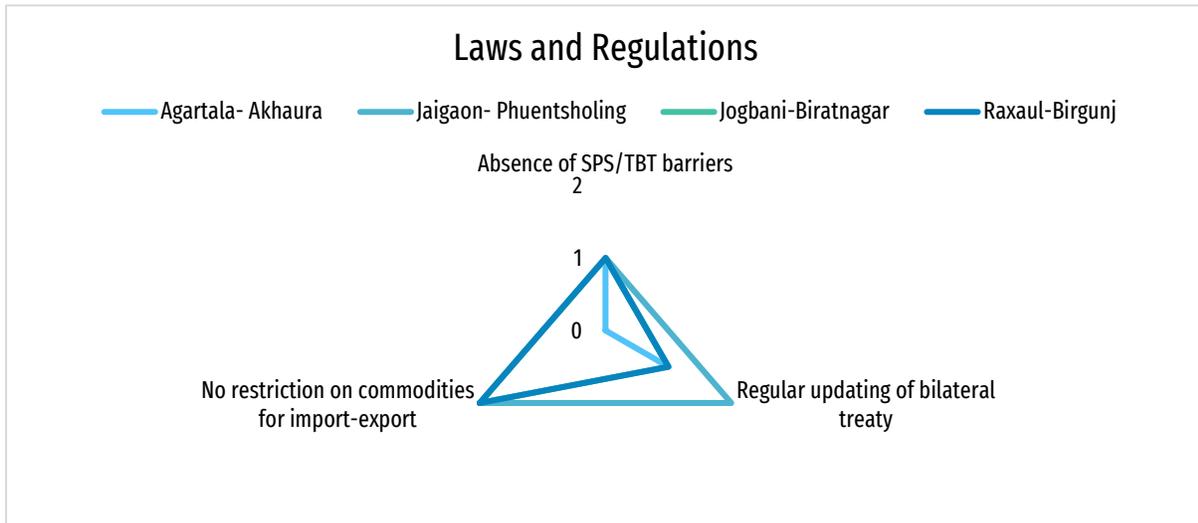


In IT and Infrastructure, ICP Agartala scored the highest 8/12 due to implementation of a custodian management platform and digitisation of payment of local dues. Apart from Agartala, the other three ICPs had the same score, i.e. 3/12 thereby reflecting a greater scope of digitisation at the land ports.

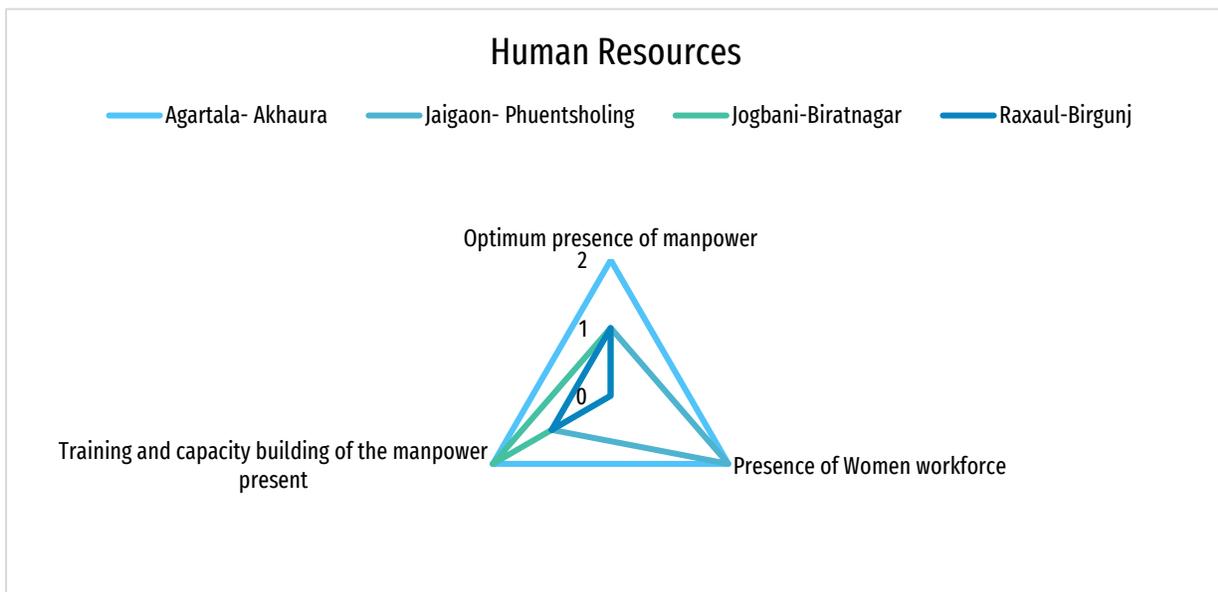


India-Bhutan (ICP Jaigaon) scored the highest in laws and regulations 5/6, owing to regular updating of the bilateral treaty and minimal restrictions on commodities to trade, whereas, ICP Agartala had the least score in laws and

regulations as a consequence of enforcing a positive list of 42 items allowed for trade from ICP Agartala. Raxaul and Jogbani had the same score (4/6).



In terms of Human Resources, ICP Agartala had the highest score (6/6), primarily due to the presence of women workforce and optimal & efficient workforce. Jaigaon and Jogbani scored 4/6 and 3/6 respectively, whereas Raxaul had the minimum score (2/6) as a result of absence of women workforce and the presence of CAMC vendors as middlemen in the documentation process.



India-Bangladesh

Processes and Infrastructure

- Warehouse capacity and charges (setting up a new warehouse on Agartala side and standardization of detention charges at Akhaura)
- Mirror Infrastructure and single-window clearance system at Akhaura
- Addressing infrastructural bottlenecks on the Indian side (permanent shed for BSF officials at the zero gate, approach road to ICP Agartala, separate gates for cargo and passenger movement & PGA facilities)
- Alignment of working days/working hours between India and Bangladesh
- Mechanisation of loading/unloading of goods on Akhaura side, as practiced in Agartala.

Laws and Regulations

- Replacing the positive list of 42 items with a negative list
- Reducing excise duty on commodities like tea and lifting ban on the export of rubber from Agartala

Information Technology

- Installation of RFID scanner at the entry and zero gate.
- Provision of computer systems/IT connectivity for stakeholders at zero gate (BSF officials and customs preventive unit on the Indian side)
- Custodian access to customs ICEGATE- commodity details and status of final customs clearance through 'view only mode'
- Cross-border integration between the Custodian management platforms (for sharing of truck details, commodity details and documents such as SAFTA Agreement, PGA NOCs, transport agency details, commercial invoice, bill of entry, country of origin certificate, car pass etc.)
- Full utilization of Customs Risk Management System
- Acceptance of digital payments in Akhaura as practiced in Agartala.
- Presence of uninterrupted internet connectivity and digital accessibility

Human Resources

- Need for government approved chartered engineers for customs approval of garments.

ICP Agartala-Akhaura

Processes and Infrastructure

1. **Warehouse capacity and charges (setting up a new warehouse on Agartala side and standardization of detention charges at Akhaura):**

Action Owners: Land Ports Authority of India (LPAI), Bangladesh Land Ports Authority (BLPA)

Priority: Short-Term

New warehouse: ICP Agartala currently has 3 warehouses which is not enough to accommodate for Bangladeshi imports/exports. As a result, loading/unloading of Bangladeshi import/export trucks is done in the inspection shed or in open space in the parking lot which is not suitable especially for perishable goods. It is recommended

to increase the warehouse capacity by one more warehouse of the same size as the current inspection shed at ICP Agartala to accommodate exports/imports from Bangladesh.

Standardization of detention charges: The detention charges at Akhaura are minimal (180 Bangladeshi Taka/day) and not standardized with ICP Agartala 500 Indian Rupees/day (equivalent to 620 Bangladeshi Taka/day). This makes it more affordable for Bangladeshi importers to utilize Indian trucks for storage and stocking of goods until it is dispatched from Akhaura to other parts of Bangladesh. BLPA and LPPI should come together to standardize the detention charges at 500 INR/day on Indian side and 500 Bangladeshi taka/day on the Bangladeshi side. The standardized rates should also entail incremental penalty for each extra day the truck is withheld on either side.

2. Mirror Infrastructure and single-window clearance system at Akhaura-

Action Owners: Land ports Authority of India (LPPI), Bangladesh Land Ports Authority (BLPA), CBIC Ministry of Finance, India, NBR Bangladesh

Priority: Short-Term

Specification 1.3.8. of the SAFE Framework of Standards talks about seamless transfer of international trade data (Single Window Concept)⁶⁸, which has not been implemented at the Akhaura border yet. The Bangladesh side of the border i.e., Akhaura is yet to be developed as an ICP in order to implement a single-window clearance system. The development of ICP Akhaura can be developed as a mirror of ICP Agartala to smoothen the trade process. The financing of the ICP can be provided by the Multilateral Development Banks and India can assist with the technical know-hows of developing an ICP at Akhaura.

As per WCO the definition of a single window environment is a cross border, 'intelligent' facility that allows the stakeholders involved in trade and transport to submit standardized information pertaining to import, export and transport at a single point⁶⁹. The development of single window clearance will expedite and simplify information flow between trade and government and will bring meaningful gains to all parties involved in cross-border trade. For instance, India's exports to Nepal increased by 76% once the ICP at Raxaul was operational in 2016.

3. Addressing infrastructural bottlenecks on the Indian side (permanent shed for BSF officials at the zero gate, approach road to ICP Agartala, separate gates for cargo and passenger movement & PGA facilities)-

Action Owners: Land ports Authority of India (LPPI), Bangladesh Land Ports Authority (BLPA), Ministry of Road, Transport and Highways (MoRTH) India, Ministry of Housing and Urban Affairs (MoHUA) India

Priority: Short-Term

⁶⁸ chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://unctad.org/system/files/non-official-document/HermieGeorge_WCO_NTFCForum_Jan2017_2.pdf

⁶⁹ chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://nacin.gov.in/resources/file/downloads/56977646e542a.pdf

The following infrastructural interventions are required at ICP Agartala to enhance CBM-

a) BSF personnel at zero gate are currently accommodated in a temporary shed which exposes them to natural events such as thunderstorms and rains. It is recommended to install permanent accommodation for BSF personnel at zero gate.



b) The development of approach road to ICP Agartala under the smart-city project should be addressed on priority basis to further smoothen the trade flow. The drainage covering at approach road to ICP Agartala is

currently in the planning phase under Smart Cities Mission Agartala (redevelopment of 32 acres in Akhaura-Gol Chakkar area).

c) The process of cargo and passenger movement happens through a single zero gate currently. The cargo movement through ICP Agartala is expected to increase as a result of recent initiatives by the Indian Government for improving infrastructure in the North-East. The passenger movement is expected to reach pre-pandemic levels again (3.28 lakh for 2019-20). It is therefore advised that the proposed 16.94-acre expansion of ICP Agartala should be developed with the intent of cargo movement with at least four gates at zero point. The older infrastructure developed over 12 acres should be used solely for the purpose of passenger movement.

d) Need for PGA facilities - FSSAI Lab and Animal Quarantine. At present, there is only one plant quarantine officer accommodated at ICP Akhaura. Other PGA facilities i.e., animal quarantine and FSSAI lab is not present at ICP Agartala. Thus, samples of import commodities such as fish (which is amongst the topmost commodity imported from Bangladesh) have to be sent to Kolkata for testing that results in inadvertent delays. It is recommended therefore to accommodate an FSSAI officer and AQ officer along with the testing facility at ICP Agartala to smoothen the trade process.

4. Alignment of working days/working hours between India and Bangladesh-

Action Owners: Land ports Authority of India (LPAI), Bangladesh Land Ports Authority (BLPA)

Priority: Short-Term

Manpower planning for alignment in working days (Friday vs. Sunday): For standardization of working hours between India and Bangladesh, both countries have agreed to consider Friday as the weekly holiday at ICP Agartala-Akhaura. However, officials at ICP Agartala mentioned that while trade doesn't happen on Friday, they still have to be present because of other official commitments with different stakeholders on the Indian side, and also

be present on Sunday because of trade. As a result, the manpower at ICP Agartala remain overworked. This can be resolved either through the implementation of rotational shifts or through increasing the manpower at the ICP.

Alignment in working hours: ICP Agartala is operational from 6 AM to 6 PM, but the operational hours are not the same at Akhaura. For example, perishable items such as fish that is one of the major commodities imported from Bangladesh should be released at the earliest to ensure that they are fresh when they enter the Indian market on the same day. However, during the field visit it was found that the cargo movement of fish faced major delays as a result of differences in operational hours between India and Bangladesh. Therefore, it is suggested that both the Indian and Bangladeshi sides strictly adhere to the 6 AM start, keeping in mind the perishable nature of fish.

5. Mechanisation of loading/unloading of goods on Akhaura side, as practiced in Agartala-

Action Owners: Land ports Authority of India (LPAI), Bangladesh Land Ports Authority (BLPA)

Priority: Short-Term

ICP Agartala currently has 1 crane and 1 JCB for loading/unloading of trucks. As per the stakeholder's feedback the current mechanisation capacity at ICP Agartala is sufficient to handle the cargo traffic. However, loading/unloading of goods at Akhaura happens manually with the help of labour. On the basis of the import/export volume at ICP Agartala-Akhaura it is evident that there is a need of 1 JCB and 1 crane at ICP Akhaura as present in Agartala.

Information Technology

1. Installation of RFID scanner at the entry and zero gate –

Action Owners: Land ports Authority of India (LPAI), Bangladesh Land Ports Authority (BLPA)

Priority: Short-Term

A computer system along with Cargo Management System (CMS) platform are present at ICP Agartala across all nodes except zero gate and entry gate; truck details such as its weight, driver details etc. are still entered manually in the CMS platform. To do away with manual entry, RFID scanners can be installed at the entry gate and zero gate that will automatically detect the truck details while it is passing through the scanner. This will help in doing away with the process of manual entry at all border points, wherever present.

2. Provision of computer systems/IT connectivity for stakeholders at zero gate (BSF officials and customs preventive unit on the Indian side)

Action Owners: Land ports Authority of India (LPAI), Bangladesh Land Ports Authority (BLPA)

Priority: Short-Term

Standard 7.4 of the Kyoto Convention expects the national legislation to introduce electronic commerce methods as opposed to paper-based requirements⁷⁰. The e-commerce intervention or the utilization of Information and Communication Technology (ICT) can be implemented across five fields of trade clearance according to WCO⁷¹ which includes- (i) Trade facilitation (ii) Risk Management (iii) Data Exchange/cooperation with e-commerce operators (iv) Control and Enforcement (v) Revenue Collection. However, there is limited access to data and information at multiple points in ICP Agartala and Akhaura, especially at the entry gate and the zero gate. The manpower at entry gate should have access to the CMS portal to enter the necessary information on truck details such as truck no, driver details, commodity imported/exported, gate-in time, etc. The manpower at zero gate should have digitized access to information about the truck and the driver beforehand and should be responsible for verification of payment of parking, weighment fee etc. through the CMS portal.

3. Custodian access to customs ICEGATE- commodity details and status of final customs clearance through 'view only mode'-

Action Owners: CBIC, Ministry of Finance, India, Land ports Authority of India (LPAI)

Priority: Short-Term

The Customs platform for India is developed on Intranet for security purposes. Although this prevents security breaches and information leakage, it also leads to restricted access of the necessary information to other stakeholders on the Indian side. The custom platform should share commodity details, and status of final customs clearance through 'view-only' mode to the custodians to facilitate joint inspections when needed and ensure transparency.

4. Cross-border integration between the Custodian management platforms (for sharing of truck details, commodity details and documents such as SAFTA Agreement, PGA NOCs, transport agency details, commercial invoice, bill of entry, country of origin certificate, car pass etc.)-

Action Owners: Land ports Authority of India (LPAI), Bangladesh Land Ports Authority (BLPA)

Priority: Long-Term

Both India and Bangladesh have developed their individual Custodian management platforms named Land Port Management System and e-port management system respectively. However, neither of them has been implemented at ICP Agartala-Akhaura. India and Bangladesh should deploy their online management platform as early as possible in order to digitize the trade process. Further, both the digital platforms need to be interlinked to

⁷⁰ http://www.wcoomd.org/-/media/wco/public/global/pdf/topics/research/research-paper-series/19_cbm_polner_en.pdf

⁷¹ chrome-

extension://efaidnbmnnnibpcajpcgiclfefndmkaj/http://www.wcoomd.org/-/media/wco/public/global/pdf/topics/facilitation/activities-and-programmes/ecommerce/wco-study-report-on-e_commerce.pdf?la=en

ease information sharing amongst the countries. Details of cargo movement such as truck details, driver details and other documents such as SAFTA Agreement, PGA NOC certificate, transport agency details, commercial invoice, bill of entry, country of origin certificate, car pass etc. should be available on both platforms on real-time basis for better management and streamlined cargo movement.

5. Full utilisation of Customs Risk Management System-

Action Owners: CBIC India, NBR Bangladesh

Priority: Short-Term

A Committee on Central Risk Management and a Risk Management Team have been established by the NBR, Bangladesh, but more time is required to ensure that they are fully operational at all customs stations including Akhaura. The Risk Management Team must coordinate with the relevant offices on the same. On implementation, the NBR has been collaborating with development partners, and it is suggested that a risk management directorate be established. The NBR places a high focus on risk management, hence it might be considered a short-term priority.

On the Indian side, although RMS is deployed by the CBIC, it is underutilized by PGA agencies. CBIC should develop a clear SoP to outline the use and requirement of RMS system while conducting trade with Bangladesh.

6. Acceptance of digital payments in Akhaura as practiced in Agartala-

Action Owners: Ministry of Information Communication and Technology (MeitY) India, Ministry of Finance India, Ministry of Posts, Telecommunication and information Technology, Bangladesh, Ministry of Finance Bangladesh

Priority: Short-Term

While it was found that the digital payments are accepted at ICP Agartala, the present method of payment is via cash at Akhaura. Facilitating digital payments through the adoption of interoperable real-time payment interface can be developed/adopted by Bangladesh. India's Unified Payment Interface (UPI) is one of the best payment platforms across the world. India can provide the technical know-how with regard to development of an equivalent platform to Bangladesh.

7. Presence of uninterrupted internet connectivity and digital accessibility-

Action Owners: Internet Governance Department (Ministry of Information Communication and Technology) India, Ministry of Posts, Telecommunication and Information Technology Bangladesh

Priority: Long-Term

Laws, regulations and orders in Bangladesh are circulated through official gazette, that should be made available for digital accessibility. Further, both countries should come together to provide access to telecommunication and internet connectivity across the border, limited to a specific geographical area within the ICP, to improve digital connectivity across the border.

Laws and Regulations

1. Replacing the positive list of 42 items with a negative list –

Action Owners: CBIC India, NBR Bangladesh

Priority: Short-Term

Despite the Indo-Bangla Treaty of Friendship, Cooperation and Peace 1972, both countries still have some tariff and non-tariff barriers in place that hamper the trade between India and Bangladesh. Such bottlenecks need to be addressed on a priority basis. Firstly, the positive list of 42 items that are allowed to be traded should be removed. In its place both countries can deliberate together to instill a negative list of items that shouldn't be allowed for trade with the intent to protect their domestic industries.

LIST OF ITEMS ALLOWED TO BE IMPORTED AT AKHAURA BORDER

Livestock, Fish fry, Fresh fruits, herbs, seeds, rice, wheat, stones, (stones and boulders), coal, chemical fertilizer, china clay, wood, timber, limestone, onion, chili, garlic, ginger, ball clay, quartz, dry fish, satkora, incense sticks, maize, cumin, rubber (raw), stone boulder, Soybean seeds, Bamboo products, Arjun flower, betel leaf, CNG spare parts, cashew nut, paper, sugar, generator, broken glass, chocolate, baby wiper, confectionary items and bitumens.

2. Reducing excise duty on commodities like tea and lifting ban on the export of rubber from Agartala-

Action Owners: CBIC India, NBR Bangladesh

Priority: Short-Term

High excise duties on commodities such as tea (as much as 80%) should be reduced in order to diversify trade between the two countries. Further, commodities such as rubber that is a major produce in the North-East region is currently not allowed to be imported through ICP Akhaura. Lifting the restriction on commodities such as rubber and reducing the excise duty on tea will further assist in the overall development of the North Eastern Region.

Human Resources

1. Need for government approved chartered engineers for customs approval of garments at ICP Agartala

Action Owners: CBIC, India

Priority: Short-Term

It was found during stakeholder interviews that currently garments are not traded between India and Bangladesh from ICP Agartala -Akhaura. The categorisation of garments according to the quality of the fabric requires a domain expert i.e., chartered engineer, which is unavailable at ICP Agartala thereby impeding the trade in garments. It is recommended therefore, to accommodate a government approved chartered engineer in order to import garments from Bangladesh.

India-Nepal

Processes and Infrastructure

- Construction of bridge to approach road at ICP Jogbani
- Segregate zero gates for movement of passenger and goods at ICP Jogbani
- Alignment of working days/working hours between the ICP stakeholders
- Shifting operations of LCS Raxaul and ICD Raxaul to ICP Raxaul, LCS Jogbani to ICP Jogbani thereby enabling single point of trading for the traders and accommodation of customs personnel within the ICP premises
- Infrastructure development of PGA testing facilities at ICP Jogbani
- Accommodation of CHAs within the ICP premises at Raxaul and Jogbani
- Installation of scanning equipment – multiple handheld and two doorframe metal detectors at ICP Jogbani
- Ensuring continuous electricity supply at ICP Raxaul

Information Technology

- Implementation of custodian management platform at ICP Jogbani
- Digitizing the payment process for local dues (parking fee, weighment fee, issuance of payment receipt) at ICP Raxaul and ICP Jogbani
- Updating the HANS portal to include relief items
- Presence of uninterrupted Siti internet network at ICP Raxaul and BSNL internet network at ICP Birgunj
- Integration of Customs and Custodian management platform- commodity details and status of final customs clearance through 'view only mode' at Raxaul and Jogbani
- Updating ICEGATE portal for faster clearances for payments from banks other than SBI at Raxaul
- Full utilization of RMS platform
- Developing banking facilities at ICP Jogbani

Laws and Regulations

- Incorporating legislative changes after 2009 in the India-Nepal Treaty
- Standardising SPS measures for frozen meat with Nepal
- Addressing SPS legislative and operational issues in Nepal

Human Resources

- Increase in personnel with computer access at entry gate of ICP Raxaul
- Presence of women workforce at the ICP Raxaul and ICP Jogbani
- Prohibiting Comprehensive Annual Maintenance Contract vendors and training and capacity building of the CHAs at ICP Raxaul about the ICEGATE portal

Processes and Infrastructure

1. Construction of bridge to approach road at ICP Jogbani-

Action Owner: National Highways Authority of India (Ministry of Road, Transport and Highways), Land Ports Authority of India

Priority: Short-Term

The development of bridge to approach road at ICP Jogbani has been a major bottleneck obstructing trade through ICP Jogbani-ICP Biratnagar. The construction of bridge has been delayed and as a result cargo traffic has shifted to nearby stations such as Bhimnagar-Bhattavadi route. Further, trucks are forced to re-enter Nepal after getting LEO from the Nepalese side in order to take an alternate route from Bhimnagar thereby increasing the overall trade time and costs.

It is hence recommended to expedite the construction of bridge to ICP Jogbani by the local administration in order to initiate the cargo movement from ICP Jogbani.

2. Segregate zero gates for movement of passenger and goods at ICP Jogbani-

Action Owner: Land Ports Authority of India, Nepal Intermodal Transport Development Board

Priority: Short-Term

There is currently a single narrow gate for the movement of passenger, import-export vehicles and empty trucks at ICP Jogbani-ICP Biratnagar. This is not adequate with respect to the expected traffic movement. Further, if the zero gate is under repair and maintenance there is no alternate route to shift the cargo traffic.

It is recommended to increase the number of gates from one currently to four in order to streamline the trade process and remove cargo congestion at the zero gate⁷².

3. Alignment of working days/working hours between the ICP stakeholders-

Action Owner: Land Ports Authority of India, CBIC Indian Customs, Nepal Intermodal Transport Development Board, Department of Customs Nepal

Priority: Short-Term

Alignment of operational hours across the ICP- The working days/working hours are not aligned across the border. While ICP Raxaul has Sunday as their weekly off, ICP Birgunj has Saturday as their weekly off. Thus, trucks entering the ICP premises on Friday usually wait until Monday for their documentation process to take place.

⁷² Out of the 4 gates recommended, one gate can be used for movement of imports, one gate for movement of exports cargo, one for the movement of empty vehicles/chassis and the fourth gate can be used for the movement passengers.

It is suggested to formulate a Joint Working Group having stakeholders from India and Nepal to address the operational issues such as the alignment of the working days at ICP Raxaul and ICP Birgunj for ease of cargo movement. ICP Agartala- Akhaura can be considered in this regard, where working days have been aligned by India and Friday is considered as a weekly holiday by both sides.

Alignment of operational hours within the ICP: Standard 3.3 of the revised Kyoto Convention talks about the correlation of business/operational hours to implement CBM. Difference in operational hours was also evident within the ICP at Raxaul. Although the operational timings of the ICP were 6 A.M. to 11 P.M., customs officers were usually lesser available until 11 AM, that resulted in delays in documentation clearance. Unlike SSB, customs are not present 24*7 at land ports due to various factors such as lack of manpower among others.

It is recommended to standardize the working hours of the custodians and the customs from 6 AM to 11 PM at ICP Raxaul. Further, manpower of customs at Raxaul should be either increased or should be present based on a rotational shift to ensure 24*7 availability of custom personnel for faster clearance.

4. Shifting operations of LCS Raxaul and ICD Raxaul to ICP Raxaul, LCS Jogbani to ICP Jogbani thereby enabling single point of trading for the traders and accommodation of customs personnel within the ICP premises-

Action Owner: Ministry of Home Affairs, Land Ports Authority of India, CBIC Indian Customs

Priority: Short-Term

At Raxaul the older LCS is still operational and connected to the Nepalese side through Maitri Pul Bridge and ICD Raxaul. The dilapidated condition of the Maitri Pul Bridge and the accommodation of custom officers at the older LCS has led to congestion and inadvertent delays.

The proposed new railway line from Gate no. 5 of ICP along with shifting of operations and cargo movement from LCS Raxaul to ICP Raxaul can significantly ameliorate India's trade with Nepal, from ICP Raxaul. This will also significantly improve the efficiency of customs at Raxaul as the presence of customs personnel will not be required at LCS Raxaul/Maitri Pul.

Similarly, at Jogbani, the older LCS that is approximately 4 km away from the ICP is still operational with considerable cargo movement. Hence, customs at Jogbani are also located at LCS Jogbani within the main market making it unapproachable for cargo.

The movement of cargo and passengers from LCS Jogbani should be gradually relocated to ICP Jogbani once the approach bridge is constructed. Relocating cargo movement from LCS to ICP at Jogbani will also consequently lead

to shifting of customs manpower that is currently operating from LCS Jogbani, to ICP Jogbani, thereby reducing the overall clearance time and increased efficiency.

5. Infrastructure development of PGA testing facilities at ICP Jogbani-

Action Owner: Ministry of Agriculture and Farmers Welfare, Ministry of Fisheries, Animal Husbandry and Dairying, India

Priority: Short-Term

Currently, there is no food testing facility at ICP Jogbani. Thus, major food products such as food grains, refined oil etc. imported/exported from Nepal have to be sent to Kolkata for getting NOC. This leads to longer wait time while getting clearances from PGA agencies.

It is recommended to develop a FSSAI facility to expedite PGA clearances at Jogbani.

6. Accommodation of CHAs within the ICP premises at Raxaul and Jogbani:

Action Owner: Land Ports Authority of India

Priority: Short-Term

There are 18-19 CHAs registered with the Indian customs at present for Raxaul as well as Jogbani. However, they have not been accommodated within the ICP premises causing delays in the documentation. It is therefore suggested that CHAs should be accommodated in a 12mx14m room along with basic amenities such as 3-4 table, electricity and, computers and internet connectivity to be made available within the ICP premises. The rent collected from CHAs for the same can also add to LPAI's revenue stream. For Example, CHA cabins at ICP Biratnagar, where CHAs pay for the CHA cabins and internet & electricity at Biratnagar.

7. Installation of scanning equipment – multiple handheld and two doorframe metal detectors at ICP Jogbani-

Action Owner: Land Ports Authority of India

Priority: Short-Term

security of scanning equipment such as handheld and two door frame metal detectors (one for the entry gate and other for passenger movement at zero gate), one luggage checking machine at ICP Jogbani that are important for security clearances by the custodians should be installed as soon as possible.

8. Ensuring continuous electricity supply at ICP Raxaul:

Action Owner: Land Ports Authority of India, North Bihar Power Distribution Company Limited

Priority: Long-Term

The current 11kV electricity line made only for usage at ICP Raxaul is also being utilized by the local villagers, that leads to disruption in electricity. The North Bihar Power Distribution Company Limited should ensure adequate and uninterrupted electricity supply for the local villagers. At the same time, LPAI should ensure that there is no illegal electricity leakage from the 11kV line meant for ICP Raxaul.

Information Technology

1. Implementation of custodian management platform at ICP Jogbani-

Action Owner: Land Ports Authority of India

Priority: Short-Term

ICP Jogbani still performs its operations manually and there is no real-time record with the custodian. It is therefore recommended to implement HANS platform on temporary basis until LPMS is deployed in order to track and record custodian operations and cargo movement.

2. Digitizing the payment process for local dues (parking fee, weighment fee, issuance of payment receipt) at ICP Raxaul and ICP Jogbani-

Action Owner: Land Ports Authority of India

Priority: Short-Term

The online method of payment was absent at ICP Raxaul as well as ICP Jogbani. This leads to higher wait time and congestion during the payment of fees such as parking charge, weighment charge etc. It is recommended that the Indian as well as the Nepalese side should implement UPI payments and cashless mode of payment at all the payment nodes in ICP Raxaul, ICP Jogbani as well as ICP Birgunj and ICP Biratnagar.

At ICP Raxaul it was found that despite being digitized through the HANS portal, the truck drivers were required to produce a token at the zero gate, issued by the cargo operating personnel after the required verification. There was also no receipt issued by the cargo operator to the drivers, which makes it difficult for the drivers to reclaim the parking and weighment fee from their respective exporter/transporter.

Similarly, at ICP Jogbani since there is no digital platform, process such as generation of car pass at entry gate and collection of parking/weighment fee happens manually that prevents prompt coordination and information sharing amongst the stakeholders. Generation of car pass and collection of parking/weighment fee should be digitized and integrated within the HANS/LPMS portal once it is deployed at ICP Jogbani.

It is therefore recommended to do away with the practice of issuing tokens for exit at ICP Raxaul. The computer system of the cargo operator located at the zero gate should provide a receipt of payment of fees to be presented at the zero gate. Further, computer systems of personnel located at zero gate should be consequently updated with

truck number, driver details, commodity HS code, its volume and verification of fees payment as soon as the driver pays the charges to the cargo operator.

On the Nepalese side, it is recommended that the Trade Information Portal that is currently being developed should be implemented as soon as possible. The portal should provide real time update on truck details, driver details, commodity exported/imported, and cargo movement.

3. Updating the HANS portal to include relief items-

Action Owner: Land Ports Authority of India

Priority: Short-Term

There is no module for the movement of relief items⁷³ at the HANS portal. Hence exporting commodities under this category to Nepal becomes a difficult.

LPMS portal which is in the pipeline should therefore incorporate relief items to prevent delays and smoothen the trade flow between India and Nepal through ICP Raxaul.

4. Presence of uninterrupted Siti internet network at ICP Raxaul and BSNL internet network at ICP Birgunj-

Action Owner: Land Ports Authority of India, Internet Proliferation and Governance Department, Ministry of Electronics and Information Technology India, Nepal Information Technology Center, Ministry of Communication and Information Technology Nepal

Priority: Long-Term

India has BSNL network for internet connectivity at ICP Raxaul whereas Nepal has Siti Cable for internet connection at Birgunj. During the visit it was found that both networks face frequent disruption. Further, Indian mobile network services do not work in Nepal and vice versa which makes it difficult for drivers and traders to communicate with each other once a truck crosses the border.

It is therefore recommended that India and Nepal should ensure uninterrupted internet connectivity within the border as well as across the border within the ICP premises of Raxaul- Birgunj. To ensure this, internet service provider of Nepal (Siti cable) and internet service provider of Raxaul (BSNL) should be present on both sides within the geographical area of ICP Raxaul-ICP Birgunj.

5. Integration of Customs and Custodian management platform- commodity details and status of final customs clearance through 'view only mode' at Raxaul and Jogbani-

⁷³ India has engaged in providing relief to Nepal at multiple instances. Aid during the 2015 Nepalese Earthquake and the pandemic being the recent ones.

Action Owner: Land Ports Authority of India, CBIC Indian Customs

Priority: Short-Term

Standard 7.4 of the Revised Kyoto Convention recommends the exchange of information between the customs administration and other legally approved parties using electronic methods. However, the HANS portal utilized by the custodian is developed on Internet (global access network) whereas the EDI portal for customs is developed over Intranet (local rea network), which is one of the primary security concerns for customs to integrate their system.

It is hence recommended that the customs and custodian management platform are integrated on a limited basis, such that information like truck details, car pass, driver details, commodity details, payment slip for duty, parking charges and the status of clearance by customs is universally accessible to all the stakeholders in 'view-only mode' to enhance information sharing among the stakeholders.

6. Updating ICEGATE portal for faster clearances for payments from banks other than SBI at Raxaul-

Action Owner: CBIC Indian Customs, National Informatics Centre (NIC), India

Priority: Short-Term

CHAs highlighted that the banking services are either disrupted or delayed by banks other than SBI. Other banks take a minimum of 4-5 hours to reflect duty payments on the ICEGATE portal. The ICEGATE portal should be updated by the Indian customs to adjust for faster clearances from other scheduled commercial banks operational in India.

7. Full utilization of RMS platform-

Action Owner: CBIC Indian Customs, Department of Customs Nepal

Priority: Short-Term

For its operations and controls, CBIC in India has deployed and is utilising the RMS system. On the Nepalese side, risk profiling backed by the feedback mechanism in the ASYCUDA portal is lacking⁷⁴.

Indian side should promote the use of RMS system for PGA agencies whereas the Nepalese side should incorporate risk profiling through feedback mechanism and AI in the ASYCUDA portal.

8. Developing banking facilities at ICP Jogbani-

Action Owner: Land Ports Authority of India

Priority: Short-Term

⁷⁴ chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://www.adb.org/sites/default/files/publication/541971/borders-without-barriers-facilitating-trade-sasec.pdf

ICP Jogbani currently lacks banking facilities that compels the CHAs/transporters to commute to nearby village for availing banking services. This leads to significant delays in the documentation process thereby impacting the overall trade.

Efficient banking infrastructure (hard and soft) that shall include one ATM machine and one banking personnel along with the required infrastructure (computer system, electricity and internet) should be made available at ICP Jogbani to expedite the clearance process.

Laws and Regulations

1. Incorporating legislative changes after 2009 in the India-Nepal Treaty such as Single Use Plastic ban through Plastic Waste Management Act, 2022 etc. –

Action Owner: Ministry of External Affairs India, Ministry of Foreign Affairs Nepal, Ministry of Finance India, Ministry of Industry Commerce and Supplies Nepal

Priority: Long-Term

A comprehensive trade and transit agreement was signed between India and Nepal in 1971, which was separated into a trade treaty and a transit treaty in 1978. Since then, the trade agreement has been updated multiple times. A new trade agreement between the two nations was inked in 2009, that also includes a provision for automatic renewal after every seven years⁷⁵. However, post the 2009 amendment both countries have revamped and introduced different policy initiatives pertaining to trade and taxation.

For example, single-use plastic under Plastic Waste Management Act, by India from July 2022. Post the implementation of this regulation it will not be feasible for Nepal to export commodities such as Dabur products and others that contain single use plastic such as straws, beverage containers, stirrers etc. to India.

A Joint Working Group having officials from India and Nepal with stakeholders from all the agencies involved in trade through land ports should be formed to address and incorporate all the legislative changes in the Indo-Nepal Treaty after 2009.

2. Standardising SPS measures in certain product categories with Nepal-

Action Owner: Ministry of External affairs India, Ministry of Foreign Affairs Nepal,

Priority: Short-Term

India has imposed stringent SPS measures in some commodity categories such as agricultural and food products as well as clothing and textiles. For example, in the case of frozen meat of swine (HS 020329) Indian safety

⁷⁵ <https://in.nepalembassy.gov.np/trade-and-commerce/>

standards limit levels of melamine (2.5 mg/kg), aldrin, dieldrin etc. This limit is not present in Nepalese food standards⁷⁶, calling for standardisation of SPS measures between India and Nepal.

3. Addressing SPS legislative and operational issues in Nepal-

Action Owner: Ministry of Industry Commerce and Supplies Nepal, Department of Customs Nepal

Priority: Long-Term

On the Nepalese side, although there is a legal framework regarding classification and certificate of origin, procedures and guidelines are not available for the same. Apart from the legal framework the following challenges have been identified in Nepal's current SPS system which can be addressed through⁷⁷ -

- a) Developing a risk based SPS system, along with sustainable investment in laboratories in Nepal.
- b) Capacity building in sectors such as pest surveillance and diagnostics, pesticide control and developing a framework for SPS import inspection in Nepal.
- c) Developing an appropriate framework with respect to classification and origin of goods should by the DOC Nepal.
- d) Developing a provision to allow importers for second testing as well as engaging third party laboratory-testing services in Nepal.

Human Resources

1. Increase in personnel with computer access at entry gate of ICP Raxaul-

Action Owner: Land Ports Authority of India

Priority: Short-Term

Although there is infrastructural availability to accommodate personnel at zero gate yet there were only 2 personnel available to issue car passes at the entry gate. This has led to longer queues and congestion at the approach road. It is recommended to increase the manpower by two persons (one for each entry gate) along with two computer systems to issue car pass at the entry gate to expedite the gate-in process at ICP Raxaul.

2. Presence of women workforce at the ICP Raxaul and ICP Jogbani-

Action Owner: Land Ports Authority of India, CBIC Indian Customs

Priority: Long-Term

⁷⁶ <https://www.adb.org/sites/default/files/publication/507016/nepal-exports-nontariff-barriers-trade-study.pdf>

⁷⁷ chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://documents1.worldbank.org/curated/pt/783671506608802603/pdf/Nepal-Trade-and-SPS-and-Customs-laboratories-VanderMeer-January-2015.pdf

During the field visit at ICP Raxaul and Jogbani it was identified that the women workforce was absent at ICP Raxaul as well as ICP Birgunj and ICP Jogbani as well as ICP Biratnagar. It is hence recommended to ensure women representation at ICP Raxaul and ICP Jogbani. Further, a committee can be formulated with clear mandate on their functions and responsibilities to address grievances of women employed at the land ports.

3. Prohibiting Comprehensive Annual Maintenance Contract vendors and training and capacity building of the CHAs at ICP Raxaul about the ICEGATE portal-

Action Owner: CBIC Indian Customs

Priority: Short-Term

CHAs at ICP Raxaul during the field visit highlighted that they do not have enough information of the ICEGATE portal. Thus, the required documentation is filed by the middlemen namely Comprehensive Annual Maintenance Contract (CAMC) vendor for almost all of the export goods.

The customs on the Indian side should prohibit the role of CAMC vendor and the required documentation should only be filed by the CHAs registered with the customs. Further, a detailed training manual needs to be developed w.r.t. filing of documentation at ICEGATE portal, regulatory requirements and clearly specified roles and responsibilities of CHAs and other stakeholders registered with Indian customs. This will aid in the capacity building of the CHAs in the long term.

India-Bhutan

Processes and Infrastructure

- Development of ICP Jaigaon at the allocated land to LPAI
- Alignment of working days/working hours between the ICP stakeholders
- Developing an inspection shed for customs inspection of red channel goods
- Segregating cargo and passenger movement-LCS for movement of passengers and Pasakha for the movement of goods
- Renovation of dilapidated road to LCS Jaigaon and Customs office
- Permanent accommodation of SSB personnel and custom officials at Pasakha Gate and LCS
- Incorporating disaster preparedness, disaster mitigation and disaster rehabilitation plans while developing ICP near Pasakha

Information Technology

- Equipping the custodian (SSB) on the Indian side with a digital platform (HANS/LPMS), as already present on the Bhutanese side
- Post implementation of a digital system on the Indian side, integration of Indian and Bhutanese custodian management platforms, to replace the current Whatsapp exchange.

Laws and Regulations

- Standardising SPS measures for commodities such as milk and fruit juices

Human Resources

- Training about the HANS portal and Bhutanese management platform to SSB personnel

Processes and Infrastructure

1. Development of ICP Jaigaon at the allocated land to LPAI

Action Owner: Ministry of External Affairs India, Land Ports Authority of India, CBIC Ministry of Finance India, Ministry of Agriculture and Farmers Welfare, Ministry of Fisheries, Animal Husbandry and Dairying, Ministry of Foreign Affairs Bhutan, Department of Trade Ministry of Economic Affairs Bhutan, Department of Livestock Ministry of Development Bhutan, Ministry of Agriculture and Forest Bhutan

Priority: Short-Term

Trade with Bhutan currently happens through the two gates at Jaigaon for essential items and via Pasakha for industrial goods. As a result, stakeholders such as SSB, Customs, PGA agencies are either absent or are located far from each other leading to delays in documentation and overall trade.

It is therefore recommended to develop a single-window clearance system through the development of an ICP at the allocated land to LPAI in Jaigon. The development plan of ICP Raxaul can be adopted in this regard. One Stop Border Post (OSBP), that will facilitate trade and improve security through joint control to minimize routine activities and redundancies, can be considered in this regard. Further out of the three models for OSBP described, it is recommended to prefer the juxtaposed model that operates through shared border facilities in the country of entry in each direction. The required infrastructure facilities at the proposed ICP at Jaigaon should include-

- a. Two entry gates with 3-4 personnel along with computer systems for generating car pass and entering truck details
- b. Two weighment bridges of 80 MT each for import weighment and export weighment.
- c. Import parking space
- d. Export Parking space considerably bigger than import parking space
- e. Two warehouses and one cold storage
- f. One inspection shed
- g. Customs Office
- h. Custodian administration building
- i. Payment Node along with one personnel for payment of parking and weighment fee
- j. Accommodation for customs preventive and SSB personnel at zero gate with computer systems and integration with custodian and customs platform
- k. Accommodation of PGA officers
- l. Uninterrupted internet and electricity connectivity
- m. Other infrastructural facilities such as banking ATM, canteen, driver accommodation, SSB accommodation etc.

2. Alignment of working days/working hours between the ICP stakeholders

Action Owner: Land Ports Authority of India, Ministry of Foreign Affairs Bhutan, CBIC Ministry of Finance India, Department of Trade Ministry of Economic Affairs Bhutan, Royal Bhutan Police

Priority: Short-Term

Alignment of operational hours across the ICP- The operational timings across the border between India and Bhutan differ. While the Bhutanese customs is available from 6 AM to 6 PM, the Indian custom officials at Pasakha

gate are not available till 11 AM. Difference in operational timings has impacted trade as the truck drivers have to wait in queue even after the clearance of their documentation at Pasakha Gate until the customs official manually records the truck and driver details. It is hence recommended to standardize the operational timings of stakeholders across the border.

Alignment of operational hours within the ICP- The difference in operational timings was also evident amongst the custodian and the customs on the Indian side. The SSB personnel are present at the zero gates 24*7 whereas customs officials do not have all-day presence at Jaigaon. It is recommended to standardize the operational timings of the custom officials with the operational timings of the ICP which are 6 AM to 8:30 PM. Customs personnel can be accommodated on the basis of rotational shifts to efficiently utilize the limited manpower.

Further, difference in operational hours between various gates was observed at Jaigaon. Export through the out-gate and the Pasakha gate happens between 6 AM to 8:30 PM whereas imports from the in-gate and the Pasakha gate takes place until 11 PM. The operational hours of all the three gates at Jaigaon should be harmonised from 6 A.M. to 8:30 PM for a smoother trade process and increased efficiency of cargo movement between the two countries.

3. Developing an inspection shed for customs inspection of red channel goods

Action Owner: Land Ports Authority of India

Priority: Short-Term

The inspection of red channel goods currently happens at parking space at GST Mor which is 4-5 kilometres away from the customs office at LCS Jaigaon and 6 kilometres from the import and export gate. Further, there is no inspection shed at GST Mor and the inspection of goods happens in open space which leads to congestion at the GST Mor during the process. It is therefore recommended to develop a permanent inspection shed, which will significantly reduce traffic congestion at the parking space at GST Mor and expedite the movement of cargo between India and Bhutan.

4. Segregating cargo and passenger movement- LCS for movement of passengers and Pasakha for the movement of goods

Action Owner: Ministry of External Affairs India, Land Ports Authority of India, Ministry of Foreign Affairs Bhutan, CBIC Ministry of Finance India, Department of Trade Ministry of Economic Affairs Bhutan, Royal Bhutan Police

Priority: Long-Term

The movement of industrial goods currently happens through the Pasakha gate whereas essential items and passenger movement happens through the in-gate and out-gate at LCS. The approach road to LCS, in-gate and out-gate passes through the main market of Jaigaon that leads to traffic issues and congestion. It is therefore recommended that the cargo movement whether industrial or non-industrial should happen through the provisioned ICP and the movement of passengers needs to happen through the current in-gate. This will not only divert traffic from Jaigaon city center but will also aid in enhancing coordination amongst the different stakeholders.

5. Renovation of dilapidated road to LCS Jaigaon and Customs office

Action Owner: National Highways Authority of India (Ministry of Road, Transport and Highways), Land Ports Authority of India, Jaigaon Development Authority Urban Development and Municipality Affairs Government of West Bengal

Priority: Short-Term

The road connecting GST Mor to LCS is about 6 kilometers long and completely dilapidated as it gets clogged during rain leading to traffic congestion at Jaigaon. The reconstruction of the 6-kilometre connecting road from GST Mor to LCS Jaigaon should be accomplished on a short-term basis in order to expedite cargo movement through the current LCS.

6. Permanent accommodation of SSB personnel and custom officials at Pasakha Gate and LCS

Action Owner: Ministry of External Affairs India, Land Ports Authority of India, CBIC Ministry of Finance India

Priority: Short-Term

SSB personnel and customs officials are currently accommodated in temporary sheds and containers at the import gate, export gate as well as Pasakha gate in LCS Jaigaon. It is recommended to develop permanent sheds for SSB personnel (at least 2-3 personnel at each gate and residential accommodation for at least 5 personnel at the three gates) to ensure their safety and safeguard them from natural calamities.

7. Incorporating disaster preparedness, disaster mitigation and disaster rehabilitation plans while developing ICP near Pasakha

Action Owner: Land Ports Authority of India, Royal Bhutan Police, National Disaster Management Authority India, Department of Disaster Management Bhutan

Priority: Short-Term

It was identified during the visit that the Pasakha gate is prone to natural disasters such as flash floods, landslides and earthquakes. Flash floods from the river stream besides Pasakha had caused serious damage in July 2022, a few days before the field visit. The need for a disaster management plan is therefore quintessential while developing a new ICP on the Indian side at Pasakha. The disaster management plan should- (i) Develop a framework for multi-agency crisis response at the time of disaster (ii) Clearly outline roles and responsibilities of stakeholders involved (iii) Community capacity building for disaster preparedness (iv) Continuous and evolving awareness and training to the stakeholders for disaster preparedness, response, mitigation and rehabilitation.

Information Technology

1. Equipping the custodian (SSB) on the Indian side with a digital platform (HANS/LPMS), as already present on the Bhutanese side

Action Owner: Land Ports Authority of India

Priority: Short-Term

The custodian record keeping at all the three gates at Jaigaon happens manually that leaves a long paper trail and prevents real time information sharing between stakeholders. This leads to operational inefficiency as there is compartmentalization of information at LCS Jaigaon. Therefore, it is recommended to implement the HANS management platform until the provisioned LPMS platform is in development stage. Once the LPMS platform is ready for implementation it can be installed at Jaigaon as well.

2. Post implementation of a digital system on the Indian side, integration of Indian and Bhutanese custodian management platforms, to replace the current Whatsapp exchange

Action Owner: Land Ports Authority of India, Royal Bhutan Police (RBP)

Priority: Short-Term

The information exchange between the SSB officials and the Royal Bhutan Police about the cargo movement currently happens through Whatsapp that is prone to security challenges such as data breach and cybersecurity. It is hence recommended to integrate the custodian management platform with the RBP's management platform for enhanced cooperation and improved trade practices between the two countries. The integrated custodian management platform can share details that can include export declaration from Bhutan, out gate pass, weightment declaration by the company, product certificate, invoice cum challan, test certificate and letter of guarantee for commodities coming from third countries to Bhutan via India.

Laws and Regulations

1. Standardising SPS measures for commodities such as milk and fruit juices

Action Owner: Ministry of External Affairs India, Ministry of Foreign Affairs Bhutan

Priority: Long-Term

Food testing laboratories of Bhutan i.e., National Food Testing Laboratory (NFTL) and Bhutan Agriculture and Food Regulatory Authority (BAFRA) have been accredited by FSSAI and recognised by the Indian Government for food testing of certain commodities. However, for goods such as processed food items, India only accepts test certifications from the FSSAI and does not accept test certificates from BAFRA. There are additional rules (and related delays) for particular products. For instance, quarantine testing for packaged milk is needed for ultra-high temperature milk in India, but because the closest testing facility is in Kolkata, it takes over ten days to complete the laboratory work.

Further, all fruit juice exports to India must be certified for the country of export and packaged to make inspection and sample collection easier. The General Grading and Marking Rules 1998 and the Food Safety and Standards (Food Product Standards and Food Additives) Amendment Regulations, 2016 of the FSSAI must be followed when exporting goods to India. Similarly, before being exported from India, cardamom and pepper must be validated by laboratories in Kolkata for meeting food safety standards.

It is therefore required to standardize the testing standards of the above-mentioned commodities with Bhutan to bring about equivalence of export inspection and certification and improve ease of doing business with Bhutan.

Human Resources

1. Training about the HANS portal and Bhutanese management platform to SSB personnel

Action Owner: Land Ports Authority of India, Royal Bhutan Police

Priority: Short-Term

It was highlighted during the stakeholder interactions that as a consequence of operations being conducted in manually, the manpower at Jaigaon should be trained to use the HANS/LPMS portal before its implementation. Further, since the integration between the Indian and Bhutanese custodian management platform is proposed, SSB personnel should also be acquainted with the Bhutanese management platform.

To impart this training a Joint Working Group (JWG) involving stakeholders from both the countries can be formulated to design the training manuals, training curriculum and fix timelines to impart the necessary training to SSB officials.

Land Ports Authority of India

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