

The Kingdom of Cambodia

Data Collection Survey for Improvement of Customs Procedure at the Main Borders in Cambodia

Final Report Executive Summary

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**Data Collection Survey for Improvement of Customs Procedure
at the Main Borders in Cambodia
Final Report: Executive Summary**

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Abbreviation

ACTS	ASEAN Customs Transit System
ADB	Asian Development Bank
AEO	Authorized Economic Operator
AFAFGIT	ASEAN Framework Agreement on Facilitation of Goods in Transit
ASEAN	Association of South-East Asian Nations
ASW	ASEAN Single Window
ATIGA	ASEAN Trade in Goods Agreement
CBTA	Cross-Border Transport Agreement
CBWG	Cross-Border Working Group
CCA	Common Control Area
CDC	Council for Development of Cambodia
CNSW	Cambodia National Single Window
CVDS	Customs Valuation Database System
EAD	Encoded Archival Description
EDI	Electric Data Interchange
EHI	Early Harvest Implementation
EU	European Union
GDCE	General Department of Customs and Exercise
GMS	Greater Mekong Subregion
JICA	Japan International Cooperation Agency
MAFF	Ministry of Agriculture Forestry and Fishers
MEF	Ministry of Economy and Finance
MISTI	Ministry of Industry Sciences, Technology and Innovation
MOC	Ministry of Commerce
MOH	Ministry of Health
MOI	Ministry of Interior
MPWT	Ministry of Public Works and Transport
NCTF	National Committee on Trade Facilitation
NSW	National Single Window
NTTCC	National Transit Transport Coordinating Committee
OGA	Other Government Agency
OSBP	One Stop Border Post
QIP	Qualified Investment Project
SAD	Single Administrative Document
SEZ	Special Economic Zone
SSI	Single Stop Inspection
TRS	Time Release Study
UNCTAD	United Nations Conference on Trade and Development
WCO	World Customs Organization
WTO	World Trade Organization

1. INTRODUCTION

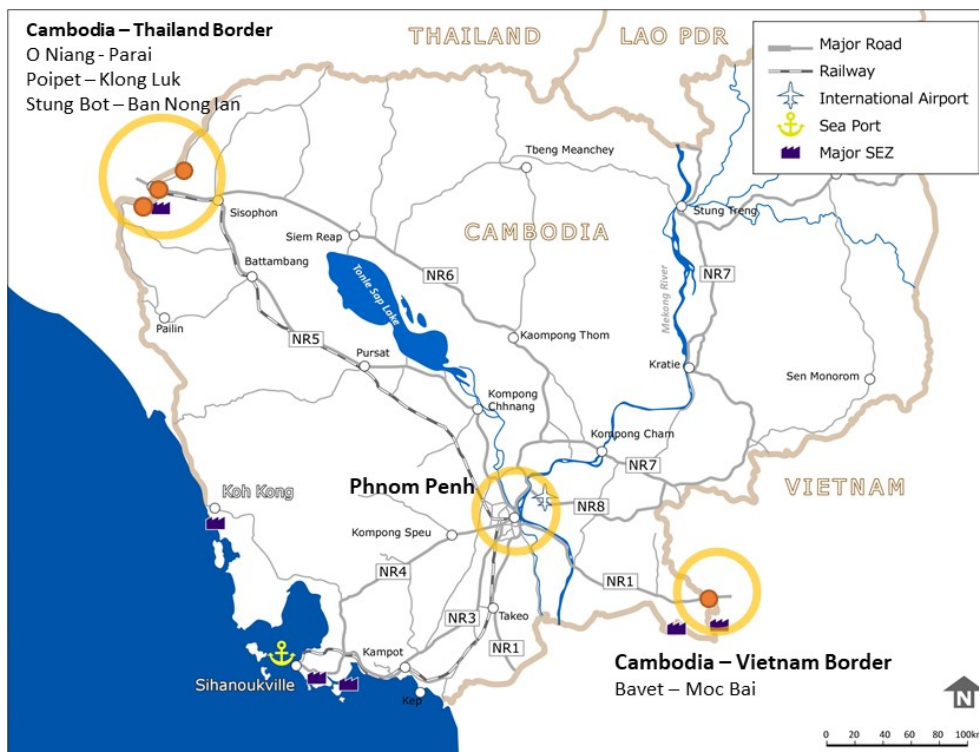
1.1 Background and Objective

Cambodia is located on the Southern Economic Corridor of the Mekong Region between Thailand and Vietnam, and from the perspective of strengthening connectivity in the region, smooth and prompt cross-border crossings between Cambodia, Thailand and Vietnam are required. In order to facilitate and expedite the passage of borders, it is necessary to reduce the traffic congestions waiting for the customs clearance procedures at each border. Furthermore, the potential measures for speeding up the border crossing procedures and customs procedures, are required.

This survey, namely “Data Collection Survey for Improvement of Customs Procedure at the Main Borders in Cambodia”, provides an overview of import/export and customs clearance procedures for Cambodia, and analyzes the issues of customs clearance procedures at the border between Cambodia, Thailand, and Vietnam. Conclusively, the survey would contribute to develop supporting projects/programs by JICA and international donor in future including introduction of Single Stop Inspection (SSI) and Common Control Area (CCA) in Cambodia.

1.2 Methodology

The Survey covered whole country of Cambodia and focus on Phnom Penh, Cambodia – Thailand and Cambodia – Vietnam borders. To be more precise, four land borders including Bavet, Stung Bot, Poipet and O Niang were mainly studied. The following figure illustrates the location of these borders.



Source: JICA Survey Team

Figure 1.1 Study Area Map

For taking account of the expansion and infection of the Coronavirus Disease 2019 (Covid-19), the meeting and opinion exchange with the counterpart and stakeholders were conducted by online for collecting the data and information. In addition, a field survey was carried in Cambodia. The survey period was approximately one year from February 2021 to February 2022.

2. PROCEDURES OF CUSTOMS CLEARANCE AND IMPORT/EXPORT IN CAMBODIA

2.1 Detailed Customs Clearance Procedures and status

2.1.1 General

Introduction of International Standards

Cambodia has been working to meet the world standards for customs and trade procedures, joining the World Customs Organization (WCO) on April 3, 2001 and the World Trade Organization (WTO) on October 13, 2004. Since then, it has ratified the Revised Kyoto Convention (facilitating the simplification and harmonization of customs procedures) and the WTO Trade Facilitation Agreement (TFA) as well.

Computerization of Customs Clearance Procedures

ACYCUDA has introduced in 2007 for computerized the customs clearance in Cambodia. In addition to ACYCUDA, e-Customs provides the many services for customs clearance in digital format. Accordingly, most of the procedure is now computerized and used in the customs offices. Besides since e-Valuation and origin verification certificate are uploaded to Customs Valuation Database System (CVDS) since January 2022, local customs offices of GDCE are smoothly confirm data of ASYCUDA declaration, original documents are not necessary these days. As a result, the advance procedure and customs clearances are improved.

Introduction of the Best Trader Incentive Mechanism (BTIM)

“Best Trader” is an incentive scheme for high compliant companies who meet the requirement in terms of appropriate declaration and tax payment. The incentive includes omission of prior document examination at the customs office and simplification of customs clearance. As of June 2020, there are 40 certified companies. The Best Trader system is considered as a pre-stage system for introducing Authorized Economic Operator (AEO)¹ system.

Notice of Import and Export of Goods

The importer and exporter are required to notify by submission of the document² to the customs office and border police at the border.

¹ AEO aims to strengthen supply chain security such as trade facilitation measures and counterterrorism measures. In addition, WCO has set this standard for promoting the partnerships between the customs and private sector and strengthening of cooperation between the customs and relevant ministries based on certification between the customs in each country.

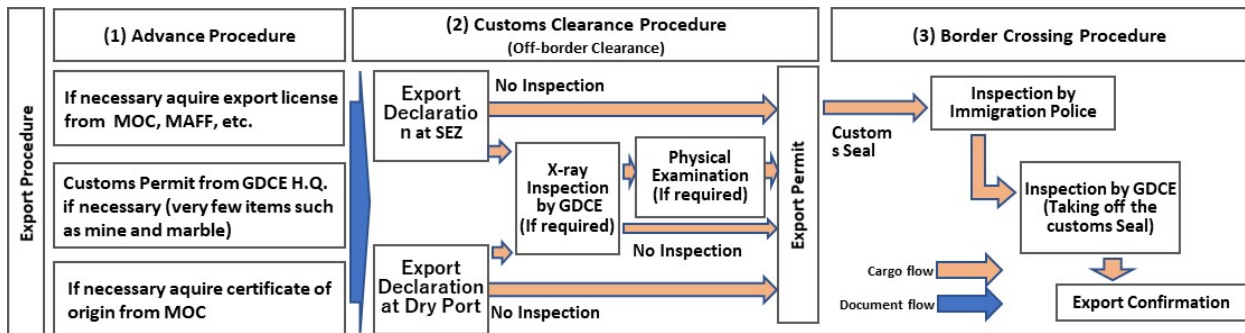
² At Bavet border, the document is Cross-Border Request Letter, while at Poipet border the document is TruckList

Dry Port and Special Economic Zone (SEZ)

In Cambodia, the custom clearance is carried out in Dry Port and Special Economic Zone (SEZ) as off-border clearance. A Dry Port is a private facility that has a customs office, cargo transshipment facilities, and warehouse, same as a seaport. On the other hand, Special Economic Zone (SEZ) is a special area approved by Cambodia Development Council (CDC) and the tenant could receive the investment incentives by obtaining the approval as Qualified Investment Project (QIP). Tax exemption for import of primary materials is one of the incentives. As for the SEZ, there are not only the customs office but also the office of Ministry of Commerce (MOC) for issuing the certificate of origin. There are several Dry Ports and SEZs near the border and surrounding of Phnom Penh in Cambodia. However not all the Dry Ports and SEZs have the customs office and clearance functions.

Overview of Export Customs Clearance Procedures

The outline of export customs clearance procedures at major land borders is as shown in Figure 2.1 below, and there are three stages of advance procedures, the export customs clearance procedures, and border crossing procedures. The export customs clearance facilities are roughly divided into SEZ and Dry Ports, however the export customs clearance procedures are almost the same. Besides the customs clearance conducts at the warehouses of exporters as well.



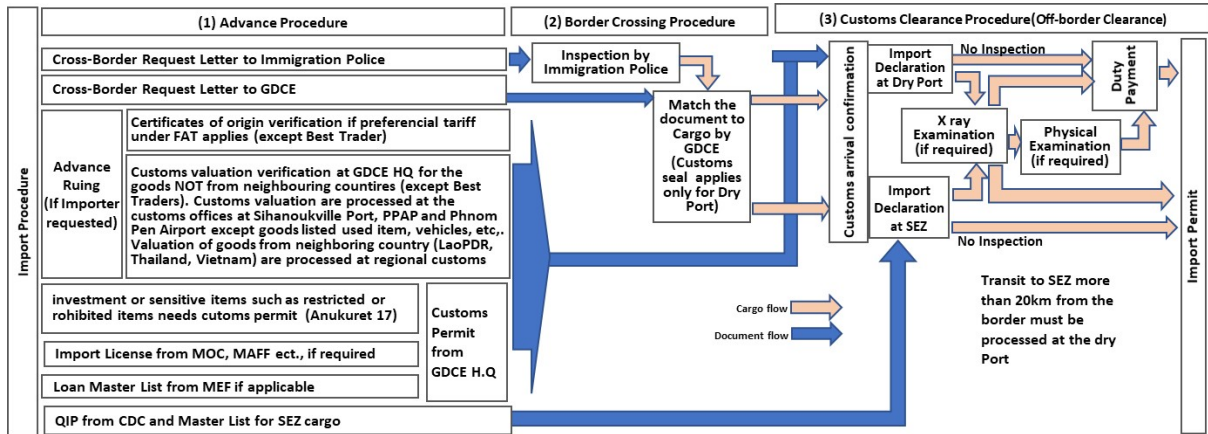
Source: JICA Survey Team

Figure 2.1 Flow of Export Customs Clearance Procedures from Cambodia

Overview of Import Customs Clearance Procedures

Import customs clearance procedures in Cambodia are based solely on cargo confirmation for border crossing procedures, and import declarations are made after cargo is stored in Dry Ports and SEZ near the border (Off-border Clearance). Since import declarations after Dry Port storage are processed at the Customs Office at the border, customs brokers need to make several round trips between the Dry Port and the customs for the customs clearance.

The procedure for moving cargo from the border to Dry Port or SEZ has been processed by the submission of "Cross-border Request Letter". For the remote facilities such as Phnom Penh SEZ the procedure is processed by e-Customs from 2020. The outline of the import customs clearance procedures at major land borders is as shown in Figure 2.2.



Source: JICA Survey Team

Figure 2.2 Flow of Import Customs Clearance Procedures to Cambodia

2.1.2 Pre-Import/Export Procedures

Pre-Procedure of customs clearance includes the acquisition of the import/export licenses. In Cambodia, the following procedures are necessary in advance for the customs clearance.

- Valuation Procedure
- Preliminary examination of Certificate of Origin
- Customs Permit
- Advance Ruling (If Importer considered necessary)

2.1.3 Cross Border Procedures

The cross-border procedure at Bavet-Moc Bai and Poipet-Klong Luk borders are almost same and requires following steps.

1. Confirmation of which truck is coming into Cambodia. At Bavet “Cross-Border Request Letter” is submitted to the border police and customs office at the border in prior. At Poipet it is a “Truck List” instead.
2. Immigration Police checks the vehicle by the Immigration Police
3. The driver submits his/her ID including passport to the customs office for the process for entry/exist of Cambodia
4. Customs broker present cargo related documents to customs for confirmation

In case of import, after the confirmation of cargo related documents, import declaration shall be carried out at Dry Port/SEZ.

In case of export, the customs seal shall be removed after confirmation of the cargo arrival by the customs office at the border and the export procedure shall be completed. The procedure of border-crossing is slightly different from others depending on the neighboring country.

Bavet - Moc Bai Borders

Vietnam trucks carry the cargo to Dry Ports and SEZ, which are within 5km from the border, and return to Vietnam. This method has been applied before Covid-19. Before December 2021 during affected by COVID-19, cargos are delivered in three ways: 1) trucks from both countries exchange track heads in the border area, 2) transshipment of cargo in the border area, and 3) replacement of

drivers in the border area. Accordingly, the confusion and congestion have occurred frequently in the border roads. From January 2022, the normal method of border-crossing has come back except passenger.

Poipet - Klong Luk border

Relevant documents of Thai truck and truck driver (passport copies, driver's licenses, truck registration certificates, road tax certificates in Thailand, etc.) are submitted to Cambodian immigration police at the border, and then "temporary letter for the truck driver from Thailand" is issued to the driver. Thai trucks used to stay in Cambodia for one week, and cargo could be transported to Phnom Penh. However, under the COVID-19 situation, the truck can stay only 24 hours in Cambodia and the cargo needs to be transhipped at a Dry Port in Poipet.

Stung Bot - Ban Nong Ian Border

The construction of Stung Bot – Ban Nong Ian border has been delayed due to the expansion of COVID-19. From the strong requests from private sector, it is under preparation for soft opening soon. As of November 2021, the side roads for soft opening operation have been completed. The drainage in the area connected to the border bridge was poor but the measures were taken to improve the situation. For the full operation, the construction is expected to complete in 2023.

Although the official operation plan of the facility has not yet been announced, if you look at the layout of the facility, six lanes of cross-border procedures have been secured on one side, and cargo inspection facilities for both import and export are secured. Since the layout plan indicates SSI/CCA facility, it is expected to become a modern facility.

O Niang – Parai Border

The construction of a border facility was underway in Parai on the Thai side, and there is a plan to build SEZ in the O Niang region on the Cambodian side around 2008. It seems that the tenant contract was signed with the two companies, however further progress could not be confirmed. There was no plan to build a border facility on the Cambodian side, and the usage plan at the time of the study could not be confirmed.

2.1.4 Import and Export Customs Clearance Procedures

Customs clearance procedures for import and export cargo in Cambodia are basically the same at any customs office, with advance customs clearances procedures and import/export customs clearance that takes place after the cargo has been delivered to a Dry Port or SEZ.

In import and export declarations, customs information can be input by using the customs clearance system called ASYCUDA and sending it to the Single Administrative Document (SAD) in the customs, together with the necessary documents such as import and export licenses, invoices, packing lists, and B/L. ASYCUDA can be connected online by registering with GDCE and obtaining the registration ID in advance. In addition, since each customs office has an ASYCUDA data center, customs brokers can access to enter the data into the ASYCUDA system at the local office.

2.2 Border Management

2.2.1 Opening Time of the Border

There are three “openings” at the land borders described as following table.

Table 2.1 Border Operation Hours

Type	Bavet Border	Poipet Border
Border Opening Hours	06:00 - 22:00	06:00 - 22:00
Office Opening Hours	06:00 - 22:00	07:30 - 1:30 13:30 - 17:30 Upon the request, customs work can conduct outside the office hour
Border Office Opening Hours	06:00 - 22:00	06:00 - 22:00
System (No. of officer, shift working)	Customs: 50 officers Immigration: 158 officers Shift system: 24/7 (immigration)	Customs: 51 officers Immigration: 152 officers Shift system: 24/7 (immigration)

Source: JICA Survey Team

2.2.2 Border Management

The border facility will be built by the Ministry of Public Works and Transport (MPWT) and will be handed over to the Ministry of Interior (MOI) after completion. MOI transfers control of facility to the provincial government where the border is located, and the province manages the border facilities, but in effect, the MOI Immigration Department's border office is in charge for management. A border control committee will be established at each border, and the relevant government offices will discuss and solve the border-related issues.

2.3 Legal System related to Customs Clearance and Import/Export Procedures

The customs clearance procedures are stipulated in the Cambodian Customs Law, and necessary measures are stipulated for import and export clearance, such as import and export procedures in chapter 2, Articles 10 to 15 for imports, Articles 16, 17 for exports, Article 18 to 24 for tariff classification, rules of origin and customs valuation, and Articles 25 to 28 for exemption, reduction and refund of customs duties and domestic taxes.

As for tariff rates, the Customs Tariffs of Cambodia table is published, and the tariffs rates are updated on the customs website.

2.4 Progress of National Single Window (NSW)

2.4.1 Background of NSW in Cambodia

Ministry of Economy and Finance (MEF) and GDCE has been gradually developing Cambodia National Single window (CNSW) in response to increase cross-border trade. CNSW aimed at providing the efficiency and transparency for the cross-border procedure contributes to enhance the trade facilitation. CNSW allows those involved in the international trade to obtain required documents such as import/export license, permits, and certifications. The system has been developing in line with “National Single Window Blueprint” prepared by World Bank (WB). The plan consists of four

phases and is currently implementing Phase 2. CNSW has been able to connect ASYCUDA and the automated system for certificate of origin as well ASEAN Single Window (ASW) in Phase 1. Currently, the system has been improving to connect five relevant ministries and agencies to CNSW including Ministry of Health (MOH), Ministry of Commerce (MOC), Ministry of Agriculture Forestry and Fishers (MAFF), Ministry of Industry Sciences, Technology and Innovation (MISTI), and Council for Development of Cambodia (CDC). Most of the system has been completed however online users are limited due to lack of training and dissemination. After completion of Phase 2, the relevant permits and certificates will be obtained electronically in Phase 3.

2.4.2 Challenges for Phase 3

ASYCUDA, e-Customs, and CVDS used for customs clearance have been linked with each other since January 2022. However, the users need to re-enter similar data and information in each system for the customs clearance. As mentioned above, the “Cross-Border Request Letter” employs manual system and does not compatible with the digital system above. Furthermore, dissemination and enlightenment of the information for the private sector need to be enhanced in order to increase the number of system users.

2.5 ASEAN Customs Transit System (ACTS)

ASEAN Customs Transit System (ACTS) has been developed and introduced by ARISE Plus (ASEAN Regional Integration Support by the European Union) with a basis of “Protocol 7: Customs Transit Systems” in ASEAN Framework Agreement on Facilitation of Goods in Transit (AFAFGIT). The ACTS is a computerized system for transit in cross-border land transportation in three or more countries in ASEAN for the customs transit management.

Using ACTS is dependent on a decision of the trader and not compulsory. Besides, ACTS is only applicable for the transportation through three countries. Therefore, ACTS is limited to utilize among ASEAN countries. For example, the packages shipped from outside ASEAN countries such as Japan could not apply ACTS. As a result, users of ACTS are very limited.

2.6 CBTA

Cross Border Transportation Agreement (CBTA) is a multilateral agreement aimed at facilitating cross-border transport in the Mekong region, including five Mekong countries (Vietnam, Cambodia, Lao PDR, Thailand, and Myanmar) and two southern China provinces (Yunnan Province and Guangxi Zhuang Autonomous Region). As early implementation of CBTA, “Temporary Admission Document (TAD)” has introduced which allows the freight and commercial vehicles to temporary enter the opposite country. Cambodia issued 500 quotas of TAD for Vietnam and 150 quotas for Thailand. Currently, with the support of ADB and the Australian Aid (AusAID), a comprehensive review of the Agreement, Annex and Protocol (preparation of CBTA 2.0) is underway, however the revised version has not yet been published as of January 2022.

2.7 Support of International Donors

ARISE Plus

“ASEAN Regional Integration Support from the European Union (ARISE)” has been conducted by European Union (EU) for trade facilitation in ASEAN countries from 2013 to 2016. In ARISE, several programs including capacity development have carried out. At this moment, ARISE Plus, the successor to ARISE, are conducting from 2017 to 2022 aiming at implementation of “ASEAN Economic Community Blueprint 2025 (AECB)” and capacity building of the implementation body.

ARISE Plus mainly assists on evaluation of NSW and import/export licensing. Second is training on risk management systems based on the WTO including reviews of the current risk management system and an improvement in the risk profile including analyze of Best Trader Incentive Mechanism (BTIM). Besides improvement of the system to enable pre-arrival/departure procedures for sea transport by ASYCUDA using the Application Programming Interface (API) has been planned to work with UNCTAD.

Swisscontact

Swisscontact has conducting projects from 2020 to 2022 for trade facilitation in Cambodia, Uganda and Bangladesh. In Cambodia, two following projects has been implementing: one is Institutional Capacity Support for EAD³ Implementation, and the other is e-Trade Portal Development and Promotion. Furthermore, Swisscontact planned to start a system improvement project for Pre-Arrival Processing in late 2021.

2.8 Relevant Committee in Cambodia

NCTF

"Trade Facilitation Agreement" issued by WTO in February 2017, requires the establishment of a "National Committee on Trade Facilitation" for the member countries in Section 3, Article 23. In response to this, the National Committee on Trade Facilitation (NCTF) was established in Cambodia in February 2020 with GDCE as the secretariat.

NTTCC

The AFAFGIT issued in 1998 requires the establishment of a National Transit Transport Coordinating Committee (NTTCC) in each ASEAN country in Section 7, Article 29. NTTCC in Cambodia was established in November 2001 with MPWT as the secretariat, aims at facilitation of trade and transport, and coordination with domestic agencies. In addition, NTTCC has jurisdiction over the registration and licensing of transit transportation companies and issuing TAD.

CBWG

The Cross Border Working Group (CBWG) was established in May 2020 with MPWT as the secretariat. The CBWG aims at sharing information and ideas across line ministries and agencies in Cambodia and the neighboring countries, Thailand and Vietnam, in order to improve the cross-border

³ EAD = Encoded Archival Description

procedures at main borders, including Poipet (and Sung Bot) and Bavet. CBWG plays a role of development of action plans for effective measures of border improvement and coordinate with international donors including JICA.

Joint Task Force Team (JFT) between Cambodia and Vietnam was established under the CBWG for the purpose of dialogue with the Vietnamese side, and discuss all transportation modes including roads, railroads, waterways except air transport. In December 2021, JFT meeting has been conducted to discuss for the border improvement including widening road inside the border.

A dialogue between Cambodia and Thailand has been held in December 2021 for discussing the schedule of opening Stung Bot Border.

2.9 Border Improvement Project under the “Cambodia Logistics Improvement Project Phase-2” by JICA

In Phase 2 of the JICA Logistics System Improvement Project (CLIP-2) working with MPWT, they are working to improve the congestion of truck logistics at the border, as well as support for the formulation of logistics policies in Cambodia.

As findings from the project, many casinos and entertainment facilities are built adjacent to Bavet and Poipet on the Cambodian side of the border, and policies are being made to attract tourists from neighboring countries, and it is difficult to expand the customs clearance and logistics facilities near the border due to rising land prices.

2.10 Private Sector

There are mainly two types of private business related to the customs clearance in Cambodia, one is a transporter, and the other is a forwarder. In addition to this, there are a small number of companies that carry out transportation and the customs clearance by themselves. In terms of the company scale tends to be wide in Cambodia, from large-sized company with foreign capital to small- and medium-sized company run by family. The former, large-sized companies are likely to register at Cambodia Logistics Association (CLA) and/or Cambodia Truck Association (CAMTA). On the other hand, small-sized company tends to not register at such associations. Therefore, total number of logistics-related businesses in Cambodia has been unknown. As of June 2021, there are 489 brokers who carry out the customs clearance procedures, some of which belong to companies, however there are also many individual brokers. As a result, the private sector involved in the customs clearance at the borders are diverse and numerous in Cambodia.

In this survey, detailed interviews with domestic and foreign invested companies were conducted. As a result, it was found that although private companies have expectations for speeding up border crossing, they recognize that predictability of border-crossing in terms of time and cost is prioritized. The most important is "transport cargo without delay" and the problem is irregularly change of the procedure and time for private companies. Currently, import/export and the customs clearance procedures may differ from the border to the border. In addition, unexpected traffic congestion often occurs, and the cross-border time cannot be predicted. Under such situation freight transportation services is likely to decline which cause disadvantage for private companies. Therefore, it was confirmed that the relevant ministries and agencies are required to clarify and standardize the

import/export and the customs clearance procedures, and to ensure that the cross-border time does not fluctuate much.

In addition, under the influence of COVID-19 expanded from 2020, the import/export and customs clearance procedures are becoming online to avoid the direct contact and simpler. Private companies are willing to accept such positive changes. One issue for digitizing the procedures is recognized. Although e-Customs and ACYCUDA are different system with different purpose, input the similar information into the data terminals twice has a room to improve such as connecting the systems.

3. CUSTOMS CLEARANCE PROCEDURES IN NEIGHBORING COUNTRIES

3.1 Thailand

Customs clearance system in Thailand is relatively advanced in terms of computerization and construction of NSW compared to other GMS countries. Thailand also develops system by themselves, and there are no problems on O&M as well.

From the viewpoint of speeding up the border crossings between Thailand and Cambodia, the traffic congestion and insufficient border facilities will be solved when the new Stung Bot – Ban Nong Ian border will be opened. As mentioned above, Stung Bot border shall include the facility for SSI/CCA, however the operational measures have not been started between two countries. In addition, there is room for improvement in convenience of cross-border.

3.2 Vietnam

Customs clearance system in Vietnam is also advanced in terms of computerization and the construction of NSW compared to other GMS countries. In addition, the certificates of origin and quarantine are also computerized. In the on-line application, all documents required for the customs procedure are permitted to submit by electronic file, and the customs procedure can be handled on-line 24 hours a day. It can be said the system is completed.

As future challenges to be addressed, there is room for improvement in border management and operation rather than improvement of the customs clearance system in Vietnam. Especially from the viewpoint of speed-up of border crossing between Vietnam and Cambodia, the current Bavet - Moc Bai border need to improve the traffic capacity, considering the future increase of cargo volume and human flow. Considering the industrial location around Bavet border, the need of new border development in Bavet - Moc Bai might be significantly large.

In this regard, in the short term, Moc Bai border could improve the capacity for cross-border traffic, then in the medium to long term, development of a new Bavet - Moc Bai border will be conduct in consultation with Cambodia including introduction of SSI/CCA there. It is required collaborative work between Vietnam and Cambodia using the draft plan of Tay Ninh Province Economic Zone Authority as a starting point.

4. ISSUES

The issues raised in previous chapters are considered in terms of the following three aspects

- Advance procedures
- Border-crossing procedure
- Customs clearance procedure

The details are described in Table 4.1.

Table 4.1 Issues at the Borders

Type of Issue	Organization	Advance Procedure	Border-Crossing Procedure	Customs Clearance Procedure
Procedures and System	GDCE	<p>[All Land Borders]</p> <ul style="list-style-type: none"> Procedure before the customs clearance at GDCE is necessary. Although the pre-examination of import/export documents (e-Customs) is carried out at GDCE H.Q., customs clearance by ASYCUDA at the border is required. This cause duplicate works for users. 	<p>[All Land Borders]</p> <ul style="list-style-type: none"> "Cross-border Request Letter" has not been computerized (handwriting format) 	<p>[All Land Borders]</p> <ul style="list-style-type: none"> There is a long waiting time for customs clearance at SEZ/Dry Port. Sometime the procedure is carried out next day. This is due to concentration of freight trucks in the afternoon Data input duplication to ASYCUDA is required even though the prior procedure by e-Customs at GDCE H.Q. has carried out
	OGA	<p>[OGA]/[All Land Borders]</p> <ul style="list-style-type: none"> Although the online system has been developing, connecting to NSW is still not full. IT literacy is limited for the staff Digital procedure may take time due to the IT environment including number of PCs, power supply, internet connection, and system errors. 	<p>[Immigration Police]</p> <ul style="list-style-type: none"> The "cross-border request letter" is handwriting format, not digitalized 	
	Private Sector	<p>[All Land Borders]</p> <ul style="list-style-type: none"> Newly introduced online system for import/export has not well used by private sector due to lack of equipment and human resources 	<p>[All Land Borders]</p> <ul style="list-style-type: none"> In case the documents for cargo or/and vehicle are incomplete, correction takes certain times. It also causes traffic congestions because the trucks tend to wait the roadside near the border 	

Type of Issue	Organization	Advance Procedure	Border-Crossing Procedure	Customs Clearance Procedure
Operation	GDCE, Immigration Police		<p>[Common: Bavet and Poipet]</p> <ul style="list-style-type: none"> The fresh food truck border crossing and general cargo border crossing have no distinction and processed first come first serve bases. <p>[Bavet]</p> <ul style="list-style-type: none"> The customs clearance at SEZ/Dry Port cannot be done in the same day of arrival due to late arrival of cargo trucks to the border (congestion at the border) 	
			<p>[Bavet]</p> <ul style="list-style-type: none"> Convoy trucks for outbound tend to wait at roadside near the border which cause traffic congestions and waste of time. However, it becomes better because of development of a private parking Concentration of truck cause the traffic congestion. Inbound peak hour starts around 10:00, while outbound is after 15:00. Road width and number of lanes of border road is not enough <p>[Poipet]</p> <ul style="list-style-type: none"> Road width and number of lanes of border road is not enough 	<p>[Bavet]</p> <ul style="list-style-type: none"> Since the distance between the Customs Center and SEZ/Dry Port is long, the customs agents take time to move around <p>[Poipet]</p> <ul style="list-style-type: none"> There is no major issue because Stung Bot Border opening is expected.

Type of Issue	Organization	Advance Procedure	Border-Crossing Procedure	Customs Clearance Procedure
Operation	Neighboring Country Thailand and Vietnam		<p>[Bavet]</p> <ul style="list-style-type: none"> In case one import/export permit in multiple trucks, all trucks must cross the border together. However, there is no waiting place until the trucks are lined up. (Recently the private parking has opened and contribute to reduce such congestion) <p>[Poipet]</p> <ul style="list-style-type: none"> Concentration of truck cause the traffic congestion. Inbound peak hour is from 10:00, to 15:00 however there is only one lane in Thai side. 	<p>[Bavet]</p> <ul style="list-style-type: none"> Small capacity for customs clearance at Vietnam side in terms of facility and human resources. In Cambodia, there are two contact booths with several team, while in Vietnam, there are one contact booth and one lane for quarantine. The different procedure between Cambodia and Vietnam, in Cambodia, off-border clearance has introduced, while in Vietnam on-border clearance. The congestions are likely to occur at the border area. At this moment, since the private parking has developed at the buffer zone, the congestions tend to be mitigated. Customs clearance is likely to take time due to their detailed examination <p>[Poipet]</p> <ul style="list-style-type: none"> There is no major issue by Thai side Since land import/export is insignificant, the momentum for border improvement is not high

Note: OGA means Other Government Agencies

Source: JICA Survey Team

5. EXAMPLES OF LAND BORDERS IN OTHER COUNTRY

To solve Cambodia's border-clearance speeding issues, the following examples were studied and summarized as below.

Table 5.1 Examples in Other Country

Name	Feature	Country/Region
Lao Bao – Dansavanh border	<ul style="list-style-type: none"> • SSI/CCA began in 2015 • Arrangement of actions based on the MOU, support for language training of local staff, and friendly relations between the two countries are necessary 	Lao PDR, Vietnam
Sadao – Bukit Kayu Hitam border	<ul style="list-style-type: none"> • Short-term pilot project of 24 hr operation has been conducted in order to mitigate the congestion of border crossing. • Since the traffic demand of cargo between 23:00 and 5:00 was small, 24 hr operation could not improve the congestion. The pilot project has ended without econtinuation. 	Thailand, Malaysia
OSBP in Africa	<ul style="list-style-type: none"> • 76 facilities have constructed as of 2017 • A One Stop Border Post (OSBP) is a border facility that allows importers to perform border crossing procedures by a single stop at importing coutry facility • The concept of OSBP is the same as SSI, SWI/CCA • In order to introduce and operate the OSPB system, it is necessary for the two adjacent countries of the target border to agree, promize the necessary laws and regulations, and operate it appropriately 	African Region
Private Operated Borders in Turkey	<ul style="list-style-type: none"> • The facilities are built by BOT • Although SSI/ SWI / CCA have not been introduced, import and export customs clearance is realized by a transit customs system that is interconnected with EU countries • modern equipment has established a system that allows truck drivers process customs procedures 	Turkey

Source: JICA Survey Team

6. CONSIDERATION OF INTRODUCING SSI/CCA

6.1 Introducing SSI/CCA at the Land Border

The customs clearance and transit clearance procedures are almost the same at any land borders. SSI/CCA and OSBP have same basic theory that export procedures are carried out in importing country. Regarding OSBP, the two neighboring countries could establish the reasonable OSBP in accordance with the conditions.

The Off-Border Clearance System operated in Cambodia seems to be appropriate for taking account of insufficient land for development of customs facilities. However, this system might be difficult to adapt in future for increasing trade volume due that many Dry Ports are scattered near the border.

6.2 Introducing SSI/CCA in Cambodia

For the Bavet - Moc Bai border, the Royal Government of Cambodia has arrived at an agreement for introducing SSI/CCA with Vietnam Government and prepared MOU on March 6, 2006. For the Poipet - Aranyaprathet border, they also have prepared MOU with Thai Government on July 4, 2005. However so far SSI/CCA has not been developed. Opening Stung Bot border could stimulate to introduce SSI/CCA.

Bringing in SSI/CCA at the land border needs to introduce pre-arrival import declaration in order to reduce the dwell time of trucks at the border. Conversely introduction of SSI/CCA without pre-arrival import declaration end up with longer dwell time of trucks at the border, because input the data in ASYCUDA after arriving the cargo at the border takes time. It is necessary to prepare the parking space for taking account of the traffic volume otherwise the border will be congested.

7. CONSIDERATION OF PRE-ARRIVAL IMPORT DECLARATION

Pre-arrival import declaration is a system which allows import declaration before the cargo arrives in the importing country. This system also requires the document or data which provides the departure of cargo from the exporting country in advance. In case of air or sea cargo, the cargo manifest has already been prepared and can submitted to the importing customs office when the cargo has departed from the exporting country. Therefore, the pre-arrival import declaration for air and sea cargos has been operated.

Pre-arrival import declaration for land cargo could be possible in Cambodia. However, "Single Declaration" which can declare all of the customs clearance at once is essential in consideration with the current system namely "Pre-Clearance Procedure by e-Customs. In order to implement the single declaration, this system is required to be integrated into ASYCUDA.

8. ACTIONS AND ROADMAP

8.1 Direction

For the private companies involved in import and export businesses in Cambodia, the time and cost of import/export are the most important concerns. However, the transport time and costs for border crossing tend to be different in each time. It causes inconvenience for the manufacturing industries because they are difficult to anticipate transport time and schedule of product shipment.

Accordingly, the goal of accelerating the border-crossing procedures at land borders should aim at speed up and improving predictability. "Speed up" means that shorten the clearance time by simplifying the procedures and solving traffic congestions near the border area. "Improving Predictability" means time and cost for import/export could be estimated approximately in advance. For this, formulation of a stable environment for border crossing in terms of time and cost by providing quick, easy, and constant procedures is necessary.

GOAL: Improvement of Border Clearance and Predictability

Formulate a stable environment for border-crossing in terms of time and cost by introducing quick, easy, and constant procedure

In order to achieve the goal, the actions need to be considered with a basis of following two directions.

Direction 1 : Improving the System and Procedure	Introducing pre-arrival import declaration, speed up of border crossing and the customs clearance by improvement of each system for the advance procedure, the border crossing procedure and the customs clearance procedure
Direction 2 : Promoting Efficiency of the Border Operation	Speed up of border crossing by upgrading the border facilities and infrastructure and improvement of the border management

In order to speed up border crossing and improve predictability as described above, it is essential to improve the procedures and systems related to the customs clearance and cross-border, and to upgrade physical constraints such as the facilities and infrastructure at the border. Basic ideas for cross-border improvement can be consequently concluded the following three points

- Complete NSW by utilizing ASYCUDA as a main system
- Introduce the "Pre-Arrival Declaration System" to facilitate border crossing
- Expand border facilities and introduce SSI, SWI/CCA to increase the effectiveness of customs inspections.

8.2 Actions for the Border Crossing Improvement

In order to improve cross-border procedure, the current issues need to be solved in terms of the advance procedure, the border crossing procedure and the customs clearance procedures as follows.

- To simplify and improve the efficiency of the advance procedures
- To speed up the border crossing procedure for cargo and cargo vehicles
- To improve the customs clearance procedures and predictability

8.3 Potential Actions

The potential actions are listed below as Table 8.1.

Table 8.1 List of Proposed Actions

No	Action	Background and Issues	Objective	Scope	Schedule	I.B.
Direction 1: Improving the System and Procedure						
1.1 1	Development of an integrated system for import/export procedures by ASYCUDA (A: Electronic system of cross border request letter)	<ul style="list-style-type: none"> • Cross-Border Request Letter needs to submit GDCE and Immigration Police respectively. Since the request letter is still handwriting format, the document error tends to occur at the border. • Cross-border Permission for Immigration Police requires only vehicle registration and container number, while for GDCE requires the application together with invoice, packing list, and truck bill. Immigration Police and GDCE could simplify by computerizing the Cross-border Request Letter procedure. Also, it could reduce the documentation error. 	<ul style="list-style-type: none"> • Cross-border Permission is necessary for Immigration Police and GDCE for control the border-crossing. If customs broker could make the documents at once, the cross-border procedure will speed up and documentation error will be reduced. • Development of a system that could be used by both agencies would simplify the procedure and promote the computerizing • This will be a part of NSW 	<ol style="list-style-type: none"> (1) Cross-border Permission by Immigration Police and GDCE will transform into digital format. The applications for both permissions will be done by single input. The system will be developed to generate the letter for customs and immigration police respectively. (2) The system will be developed to connect with NSW in future (3) Based on the spec above, e-Crossborder will be developed (4) Test operation will be conduct for checking the problems and conditions (5) Full-scale operation 	Short Term 2022-24	GDCE, Immigration Police
1.1 2	Development of an integrated system for import/export procedures by ASYCUDA (B: Construction of a system that can consistently handle everything from cargo border crossing to customs	<ul style="list-style-type: none"> • Since e-Customs does not connect to ASYCUDA, the users must input the same data in different two system. 	<ul style="list-style-type: none"> • The following procedures will be integrated in one system which covers from pre-arrival declaration to customs clearance <ul style="list-style-type: none"> - Pre-arrival declaration - e-Valuation - e-Transit - ASYCUDA - e-Permit - e-Payment 	<ol style="list-style-type: none"> (1) Review a series of import procedure, from transport from the origin country to import release permit. (2) Integrate the modules by e-Customs into ASYCUDA for taking procedure along the flow of customs clearance <p>* The ideal processing flow is as follows.</p> <ul style="list-style-type: none"> - Submission of manifest - Pre-arrival declaration (valuation (price/nomenclature) 	Mid term 2025-2027	GDCE

No	Action	Background and Issues	Objective	Scope	Schedule	I.B.
	clearance at dry port and SEZ (unification of pre-arrival import declarations such as valuation declarations, origin certificate verifications)).			<ul style="list-style-type: none"> - Verification of origin, and License declaration by other regulations and duty payment - Pre-arrival confirmation at the border - Cargo inspection - Additional fee payment if required for inspection, etc. - Import release permission 		
1.2	Pre-arrival import declaration system implementation	<ul style="list-style-type: none"> • Customs clearance for import tends to take certain time because it is carried out at SEZ/Dry Port. Lack of pre-arrival import declaration system may disturb the efficiency of off-border clearance. 	<ul style="list-style-type: none"> • Prior data registration to ASYCUDA is allowed but submission of declaration to GDCE is not allowed and can be done after arrival of cargo at dry port or SEZ. Pre-arrival import declaration allow such declaration submission and declaration verification can be done in advance of the cargo arrival. • The pre-arrival import declaration can contribute to reduce the time of customs clearance. 	<ol style="list-style-type: none"> (1) Prepare legalization of the pre-arrival declaration procedure for imported cargo as a formal procedure (2) Develop scheme: The time is very short from obtaining the export license of cargo to arrival at the border in case of export from neighboring country, compared to air and sea cargo. Therefore, it is necessary to confirm the cargo has been departed from the origin country in short time. (3) In case of the export from neighboring countries, the confirmation could be carried out by the Truck Bill, B/L, and Invoice submitted by the transport operator instead of the export license. In case of the export from other countries, Manifest and B/L prepared at the departure could be the documents for confirmation (4) Develop the pre-arrival import declaration system and conduct test operation at selected border such as Poipet and Bavet for checking the problems and condition, then rollout to other borders 	Short term 2022-2024	GDCE

No	Action	Background and Issues	Objective	Scope	Schedule	I.B.
1.3	Standardization and dissemination of NSW	<p>GDCE has been developing the online system based on “NSW Blueprint”. However, these digital systems are fully utilized by private sector. The following issues are considered.</p> <ul style="list-style-type: none"> • The users do not fully understand the most efficient procedure by online. • The relevant ministries who issue import/export licenses do not fully understand the system 	<ul style="list-style-type: none"> • Standard customs clearance procedure is widely understood among the stakeholders, relevant ministries and private sector in order to promote the usage of digital system. • Strengthening the understand of customs clearance, the procedure will be improved 	<ol style="list-style-type: none"> (1) Prepare “System manual” which describes the standard customs clearance procedure. (2) Disseminate “System manual” by GDCE to private sector and relevant ministries (3) Collect opinions and requests through the public-private dialogue and revise as necessary 	Short and mid term 2022 – 2027	GDCE
1.4	Expansion of ACTS	<p>ACTS allows to simplify the international transit procedure at the border because the transit data will be shared with transit and destination countries once declaration submitted. The customs seals also valid to the destination.</p> <p>However, ACTS is limited to utilize in case that origin and destination countries must be ASEAN countries and land transit among more than 3 countries. Hence transit between two countries such as Cambodia-Thailand and Cambodia-Vietnam is not allowed.</p>	<ul style="list-style-type: none"> • Since import/export cargos come from/to third countries via Thailand and Vietnam, expansion of ACTS will bring the benefits for Cambodia • From long term perspective, expansion of ACTS including air and sea cargos will improve the procedures at the border. Introducing the priority lane for ACTS could contribute to avoid the congestions. 	<ol style="list-style-type: none"> (1) Review of ACTS such as operational performance, issues, and demand. (2) Analyze the cargos from third countries via Thailand and Vietnam (3) Discuss with Thailand and Vietnam about expansion of ACTS (4) Seek the support from international donors about expansion of ACTS (5) Obtain the approval from Thailand and Vietnam (6) Conduct test operation for checking the problems and condition (7) Full-scale operation 	Long term 2028-2030	GDCE
1.5	Digitization of Customs Seal by ACTS (with GPS)	<ul style="list-style-type: none"> • Currently the customs seal for ACTS does not use GPS. Introducing the customs seal with GPS could check the exact 	<ul style="list-style-type: none"> • The custom seal with GPS can help the appropriate operation for transit by ACTS 	<ol style="list-style-type: none"> (1) Establish the discussion channels among Cambodia, Thailand, and Vietnam about introducing digital customs seal 	Short term 2022-2024	GECE

No	Action	Background and Issues	Objective	Scope	Schedule	I.B.
		<ul style="list-style-type: none"> location of truck and contribute smooth border-crossing Install the priority lane at the border for ACTS as it is important to understand the truck location 	<ul style="list-style-type: none"> Installation of GPS function on trucks can prevent the smuggling Priority lane at the border for ACTS can contribute to transit smoothly 	<ul style="list-style-type: none"> (2) Develop the digital customs seal which three countries can use (3) Conduct test operation for checking the problems and condition (4) Full-scale operation 		
1.6	Integrity Improvement of GDCE	GDCE needs to improve the transparency and efficiency of the operations, and increase the credibility of private companies related to import/export business	<ul style="list-style-type: none"> Increase credibility from private sector by improvement of the operation Keep implementing the measure to increase transparency based on "Strategy for Customs Reform and Modernization" 	<ul style="list-style-type: none"> (1) Conduct the training for GDCE to improve integrity (2) Monitor the efficiency of operation (3) Revise the evaluation system on staff of GDCE and check the management (4) Open a consultation desk by a third-party organization 	Short and mid term 2022-2027	GDCE
1.7	Strengthen NSW Implementation and Expansion	<ul style="list-style-type: none"> NSW can improve convenience, transparency, and speed-up of import/export procedures. Currently, in Phase 2, five ministries connect NSW, and this covers 90% of OGA licenses that require. ASYCUDA and e-Customs work independently 	<ul style="list-style-type: none"> Expansion of NSW by connecting other relevant ministries in Phase 3 in line with update ASYCUDA Improvement of NSW function 	<ul style="list-style-type: none"> (1) Discuss among the stakeholders including GDCE and OGA related to import/export license (2) Further digitalize the system for import/export license (3) Connect between the system used by OGA and ASYCUDA (4) Prepare the manual for OGA (5) Conduct the training for the staff of OGA about the system connecting with ASYCUDA and NSW 	Short and mid term 2022-2027	OGA
1.8	Improvement of IT Environment in OGA related to Import/Export License	<ul style="list-style-type: none"> Although improvement of digital system for import/export license and connecting to NSW has been conducting, the IT environment tends to be left behind in OGA 	<ul style="list-style-type: none"> System digitalization in OGA can improve the efficiency of import/export license procedure 	<ul style="list-style-type: none"> (1) Establish the working group and discuss about the current issues of digital system (2) Procure the necessary equipment such as PC, network, server and emergency power supply (3) Conduct the IT training to the staff (4) Promote the users of digital system 	Short and mid term 2022-2027	OGA

No	Action	Background and Issues	Objective	Scope	Schedule	I.B.
				<ul style="list-style-type: none"> - Prepare and distribute the guideline and manual - Update the systems - Conduct the seminar to private sector 		
1.9	Capacity building of Private Sector for Applying Import/Export Procedure by Online	<ul style="list-style-type: none"> · Although improvement of digital system for import/export license and connecting to NSW has been conducting, the user of such digital system is limited due to lack of information 	<ul style="list-style-type: none"> · Increase the users of digital system that can improve the efficiency of import/export license procedure 	<ol style="list-style-type: none"> (1) Establish a discussion group among OGA related to import/export license and private sector including CLA and CC (2) Support the private sector <ul style="list-style-type: none"> - Prepare the guideline and manual, and distribute by means of portal site establishment and website of OGA - Update the systems based on the requests and opinion from private sector - Conduct the training and seminar coordinating with institutes such as CLA and Japan Center - Check the current situation of IT environment in private sector and consider the support measure to introduce IT system 	Short and mid term 2022-2027	GDCE, Private Sector (CLA,CCC, etc.)
Direction 2 : Promoting Efficiency of the Border Operation						
2.1	Improvement of Border Operation	<ul style="list-style-type: none"> · Before the Covid 19 pandemic, after the opening of the border, people and vehicles with fresh foods for the local markets are given priority to cross the border. Accordingly, cargo trucks tend to pass late. · Now it is equally treated for perishable goods and general cargo. 	<ul style="list-style-type: none"> · General cargo will be able to cross the border early in the morning to improve the efficiency of logistics. 	<ol style="list-style-type: none"> (1) Establish a discussion group among GDCE, province and Immigration Police for the border operation (2) Check the demand from 6 am to 10 am and consider the appropriate measure Plan 1: people and fresh food for the local market can pass the border until 8 am. The trucks can pass from 8 am. Plan 2: The truck which needs to pass before 10 am can request to GDCE and Immigration Police by online 	Short term 2022 - 2024	Thai side: GDCE, Bantheay Meanchey Province, Thai Customs Office, Sakeo Province, Local Private Sector Vietnam side: GDCE, Svay Rieng

No	Action	Background and Issues	Objective	Scope	Schedule	I.B.
		<ul style="list-style-type: none"> • There are room to improve earlier operation for trucks • Under COVID-19 situation, passengers are prohibited to cross the border. • However, when border crossing is normalized, the congestion might come back. 		<ul style="list-style-type: none"> (3) Coordinate with Vietnam and Thailand to introduce the measures (4) Check the issues from practical viewpoints (5) Start the operation after solving the issues 		Province, Vietnam Customs, Local Private Sector
2.2 1	Infrastructure Improvement at Bavet Border	<ul style="list-style-type: none"> • At Bavet border, the congestions are often occurred due to the limited number of lanes and counters for customs procedure in Vietnam side 	Vietnam: <ul style="list-style-type: none"> • Widening the road in the border area • Increasing the number of counters and quarantine • Improvement of operation 	<ul style="list-style-type: none"> (1) Increase the lane from two to four in the buffer zone between Bavet and Moc Bai (2) Discuss about the improvement in Joint Task Force Working Group (3) Make a consensus for improvement of facilities and land from Vietnam (4) Construct the road lane (5) Increase the counters for Immigration Police and GDCE border office 	Short term 2022 - 2024	MPWT
2.2 2	Infrastructure Improvement at Bavet Border	Repaving NR-1 for 1.5km from Bavet border entrance	<ul style="list-style-type: none"> • Road surface is inappropriate condition for smooth traffic 	<ul style="list-style-type: none"> • Repave NR-1 (1.5km) 	Short term 2022 - 2024	MPWT
2.2 3	Infrastructure Improvement at Bavet Border	NR-1 from Bavet to Svay Rieng (30km) is likely to make traffic congestion due to one lane of each side	<ul style="list-style-type: none"> • Widening to two lanes on each side for improvement of smooth traffic to/from Bavet border 	<ul style="list-style-type: none"> • Widening NR-1 from Bavet to Svay Rieng 	Short term 2022 - 2024	MPWT
2.3	Development of New Bavet Border	The current capacity of the border is not enough to increase traffic volume between Bavet and Moc Bai	<ul style="list-style-type: none"> • New border for cargo transport along with improved traffic volume 	<ul style="list-style-type: none"> (1) Discuss about the new border development in Joint Task Force Working Group (2) Design the new border facility plan <ul style="list-style-type: none"> - Location - Facilities - Access (connection to the new highway from Phnom Penh to Ho Chi Minh) 	Mid and long term 2025-2030	MPWT, GDCE, Svay Rieng Province, MOT Vietnam, Vietnam Customs Office, Tay Ninh Province

No	Action	Background and Issues	Objective	Scope	Schedule	I.B.
				(3) Consider an efficacy customs system at border <ul style="list-style-type: none"> - Develop the scenario for development of SSI/CCA - Prepare the implementation plan (4) Construct the new border including facilities (5) Introduce SSI/CCA step by step, clarify the issues, and operation (details described at Chapter 7)		
2.4	Development of Stung Bot Border (Phase 2)	<ul style="list-style-type: none"> • Since the facility plan of the border has developed in 10years ago, the capacity seems to be small (parking space has for 60 only) and have concerns for becoming issues of customs clearance • No practical design although the plan included rail freight 	• Supports for the operation at Stung Bot border	(1) Establish the committee between Cambodia and Thailand for operation at Stung Bot border (2) Propose a facility expansion plan <ul style="list-style-type: none"> - Parking space - Facility for rail freight (3) Introduce SSI/CCA <ul style="list-style-type: none"> - Develop a scenario to improve the border facilities including introduction of SSI/CCA - Develop an implementation plan based on the scenario - Conduct test operation for checking the problems and condition - Full-scale operation 	Mid term 2025-2027	GDCE, Banteay Meanchey Province, Thai Customs Office, Sakeo Province
2.5	Establishment of Joint Committee for Border Improvement	NCTF, NTTCC and JTFT have already established as discussion board in national level in order to enhance the international trade and improve the traffic. However, these committees and working group does not discuss local and	• Border operation can improve based on discussion at practical level such as local government and GDCE border office	(1) Establish the management committee under NCTF, NTTCC or CBWG <u>Cambodia-Thailand Border:</u> GDCE, Banteay Meanchey Province, Thai Customs Office, Sakeo Province <u>Cambodia-Vietnam Border:</u> GDCE,	Mid and long term 2025-2030	GDCE, Banteay Meanchey Province, Thai Customs Office, Sakeo Province

No	Action	Background and Issues	Objective	Scope	Schedule	I.B.
		practical issues. Therefore, solving these issues is likely to take time		<p>Svay Rieng Province, Vietnam Customs Office, Tay Ninh Province</p> <p>(2) Develop an implementation outline for the committee for smooth operation</p> <ul style="list-style-type: none"> - Member of committee - Secretariat and its role - Authority <p>(3) Prepare "Standard Operating Procedure (SOP)" to improve the transparency of the cross-border procedure</p> <p>(4) Conduct trial discussion based on the implementation outline and make the necessary improvement of outline</p> <p>(5) Start the discussion</p>		<p>Svay Rieng Province, Vietnam Customs Office, Tay Ninh Province, Private Sectors (CCC, transport operators, etc.)</p>

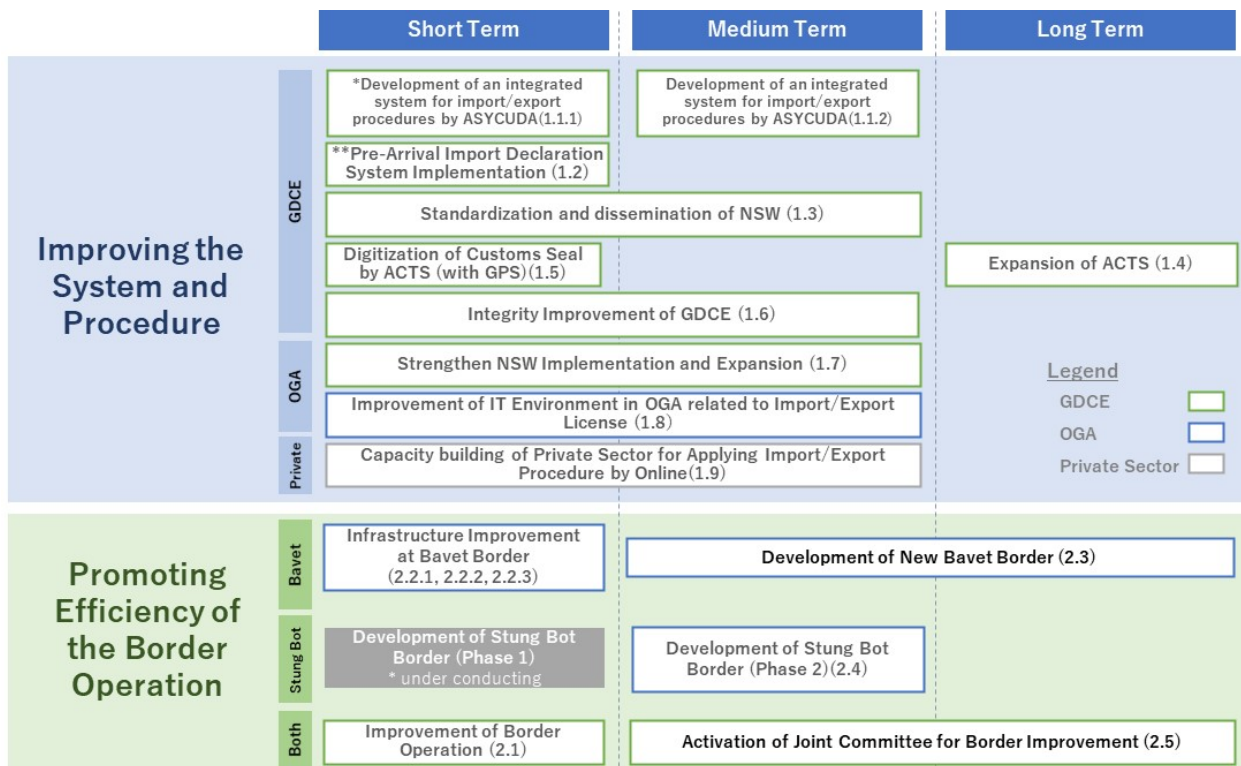
Note: I.B. means Implementation Body, OGA means Other Organization Agency

Source: JICA Survey Team

8.4 Roadmap

In the short term, in order to accelerate improvement of cross-border, it is necessary to focus on "early harvest" actions that will solve and mitigate the issues and problems of border crossings by hard and soft measures for the main land borders in Cambodia. The short term actions may also include actions that are scheduled projects for border improvement. After that, in the medium to long term, the actions shift to improve the customs clearance procedure and systems. In addition, the development of hardware and border operations that need to be implemented in cooperation with Thailand and Vietnam will be considered.

Figure 8.1 illustrates the proposed actions in short, medium, and long term as a roadmap based on the above considerations.



Note: *Development of an integrated system for import/export procedures by ASYCUDA (1.1.1) has been supported by Business Engineering, ** Pre-Arrival Import Declaration System Implementation (1.2) is only applied for sea and air cargo, not land transport cargo.

Source: JICA Survey Team

Figure 8.1 Proposed Roadmap

9. PRIORITY PROJECTS

Priority projects are selected as two following projects for taking account of the potential for Japanese cooperation and introduction of SSI/CCA in Cambodia.

New Bavet Border Development Project

Purpose	<ul style="list-style-type: none"> Develop new international border point in responding to increased cargo volume at Bavet in the medium and long-term Consider the customs clearance system to introduce SSI/CCA with utilizing the existing off-border customs clearance system
Scope	<ul style="list-style-type: none"> Selection of new border locations Facility planning Examination of the mechanism of the customs clearance (details of the examination are described in 7.3) Phased development of existing facilities (e.g., relocation of the customs clearance office) Access to expressways and national highways No.1 Management and operation plan
Implementation organization (tentative)	<ul style="list-style-type: none"> MPWT GDCE (Svay Rieng Province will cooperate and participate)
Type of cooperation	Data collection survey, development survey
Issues and Items to be considered	<ul style="list-style-type: none"> Necessary bilateral consultations between Cambodia and Vietnam Regarding SSI/CCA, it is proposed an effective and step-by-step mechanism based on the securing large-scale space at the border and the current status of the establishment of the off-border customs clearance system at SEZ / Dry Port. Phnom Penh - Ho Chi Minh City Expressway is planned to be constructed, and in relation to it, maintenance schedule, gradual service, location and access should be considered.

Border Management Capacity Improvement Project

Purpose	<ul style="list-style-type: none"> Organization and system development to increase communication among parties involved in border management of Bavet and Poipet (Stung Bot) borders and coordination of policies and projects Strengthen of secretariat functions for coordination with counterpart countries to border management organizations. The development of coordination channels for both borders (long-term)
Scope	<ul style="list-style-type: none"> Vitalization of the existing Border Management Committee and consideration of operational method based on the examples of the Border Management Committee implemented in the African OSBP Define the relationship with existing organizations, such as NCTF, NTTCC or CBWG Support and facilitate for start-up the committee Regularization of the committee meeting
Implementing Agency	<ul style="list-style-type: none"> Province (Svay Rieng, Banteay Meanchey) GDCE, immigration police
Type of cooperation	Technical assistant project
Issues and Items to be considered	<ul style="list-style-type: none"> Advanced commitment is essential for the establishment of the Border Management Committee for the improvement of border operations.

10. CONCLUSION

For further development of Cambodia, it is necessary to play an important role in the supply chain in GMS countries such as Thailand and Vietnam. In particular, the volume of international trade is expected to escalate because of increasing purchasing power along with the population and economic growth in Cambodia. On the other hand, the connectivity to neighboring countries has been strengthening by improvement of the infrastructure including road and railway, and implementation of CBTA. Therefore, the improvement of these procedures is a challenge to promote the international logistics and economy in Cambodia.

In order to enhance the procedure of border crossing, simplification and predictability are important for the private sector related to logistics business. For achieving this, three points are considered to be important: 1) simplification and efficiency of the procedure before the arrival of the cargo at the border, 2) speeding-up the procedure of border crossing for freight vehicles at the border, and 3) expedited and predictability of the cargo customs clearance.

For taking account of these three viewpoints, the following two directions are proposed

Direction 1 : Improving the system and procedure

Direction 2 : Promoting efficiency of the border operation

Direction 1 aims to speed up the border crossing by improving the procedure and system in terms of pre-arrival import declaration, border crossing, and the customs clearance. Meanwhile, Direction 2 intends to enhance the border crossing by updating the border facilities and infrastructure, and operation structure. In order to implement them, 10 actions for Direction 1 and 7 actions for Direction 2 are proposed as a result of this survey.

For the implementation of these actions, the two phases are considered. In the short term, the actions to solve current issues by implementing hard and soft measures in Cambodia. Meanwhile, in the mid and long term, the actions to update the systems and regulations shall be carried out. In addition, it is necessary to enhance the border operation working with neighboring countries, Thailand and Vietnam.

Some actions have already plan to implement with support from the Royal Government of Cambodia and other international donors. Since Japan has supported border improvement in other countries, the action which needs such experiences should be implemented by JICA in the future. From this point of view, the development of Bavet new border and strengthening the border operation seem to be meaningful by the support of Japanese Government.