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Border Crossing Points' Benchmarking – Main Report

(Annex III to the 6th Interim Report)

June 2016



This project is implemented by TRT Trasporti e Territorio
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REPORT COVER PAGE

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EXECUTIVE SUMMARY

Border Crossing Points benchmarking

The Border Crossing Benchmarking Index is proposed by the IDEA II project as an interactive barometer tool for TRACECA countries to help them identify the performance challenges and bottlenecks of their respective border crossing points as seen by the transport industry.

Development of a border crossing points benchmarking activity was completely new to the beneficiaries. TRACECA stakeholders were involved in the formulation of the approach, development of surveys, communication, political endorsement, and provided support to organization of physical examinations. The Border Crossing Benchmarking was prepared for EaP countries and for the Caspian Ports. The survey and analysis, however, could be applied to all TRACECA countries over time, and extended to other modes.

The methodology provides a unified calculation approach, a benchmarking tool for the comparison of border crossing points' friendliness and attractiveness for users. The methodology proposes a survey for the identification of problems at border crossings. The indicators and sub-indicators were selected based on the review as follows:

- **Release Time** - taken to pass the border crossing point with all its processes, one of the major indicators for a logistics supply chain. This indicator is a composite of the following sub-indicators: time for clearance customs documents; 'inward' registration / demurrage time (for ports only); passing control time.
- **Cost** is associated with passing a BCP and aligned both with the official published / expected costs for custom duties and "informal" payments to be covered (with the range of predictability of occurrence).
- **Customs procedures** are referred to in terms of their implementation, i.e. transparency and predictability of the process. The sub-indicators comprised information on primary physical inspection (percentage of shipments), possibility to submit online declaration and organize online processing of the document, possibility to appeal, pre-arrival processing, release of guarantee, pending final clearance, duplication of functions by different bodies in cargo execution.
- **Clearance Process efficiency** is based on the perception of the respondents in terms of key physical limitations of BCPs, efficiency of customs employees and their competence, quality standards at inspection agencies, quality of access infrastructure.
- **Risk** is considered as a qualitative criterion, which reflects safety and security of cargo throughout the border crossing process, as well as reliability and transparency of control processes.



Project activities

The work has been organized in the following major steps:

- Identifying and communicating with stakeholders in the pilot phase;
- Desk review of similar experience (e.g. LPI Study of the WB) and selection of specific indicators and border crossing points for benchmarking;
- Stakeholder interactions in developing the questionnaire for data collecting;
- Development of the methodology for the assessment of border crossing performance;
- Testing the methodology (pilot) on four Ukrainian border crossings;
- Preparation and holding a work group meeting in Moldova, discussion of the methodology at the expert group meeting in Moldova, and fine-tuning the methodology after the discussion;
- Cooperation with transport and logistics associations in the organization of surveys;
- Developing an Excel-based model for index calculation, weighing of indicators and online surveys;
- Conducting surveys;
- Index and sub-index calculation for BCPs in Ukraine, Belarus, Moldova, Georgia, Azerbaijan, Armenia and Caspian ports;
- Aggregating and weighting the results of index and sub-index calculation and preparing border crossing results for every country and for "bottlenecks" at the border crossing points.

The ownership of the process by the TRACECA national experts group remains unquestionable. The methodology was discussed in detail at a workshop, and only the indicators endorsed were taken into further consideration. The selection of border crossings, as well as the one for the methodology of online surveys, was carried out by the experts.

The methodology adopted for the development of a TRACECA Border Crossing Performance Index aims to assess the performance level of border crossings along TRACECA routes. The methodology can be used both within one country, and for comparing the level of performance between different TRACECA countries. The entire methodology is built on the first-hand information collected from freight forwarders, haulage and cargo owners and other stakeholders, and reflects their real experience. For the avoidance of a potential conflict of interest, no data were collected from the public sector.

Analyzed data helps identify the bottlenecks at border crossing points, strengths and weaknesses of each point, which are displayed graphically and presented in this report. The border crossing points were ranked both within countries and between countries. The best ranked BCP was used



as a benchmark. Ranking shows the position of BCPs on a scale illustrating the advantages of the best scored BCP over other similar BCPs within this study.

Summary of the results

The growing fragmentation of production across borders implies the need for countries to have an open, predictable and transparent trade and investment regime since tariffs, non-tariff barriers, inefficient border procedures and other restrictive measures affect both foreign suppliers and domestic producers. In this context, improvement of border procedures and tariff policies are important trade facilitation aspects helping reduce trade costs and successfully participate in global and regional value chains. While tariff barriers to trade have lowered over the past decades, the cost of complex and non-transparent trade procedures has risen. Trade facilitation measures aimed to remove non-tariff barriers and accelerate the flow of goods and services across borders are at the forefront of policy debate.

This report provides an overview of border crossing data and indicators, and highlights gaps in data on time and costs, and offers recommendations on new data that might be collected in the future. The indicators of Border Crossing Performance addressed in this report may have multiple purposes and target audiences. They may serve as:

- (1) basis for elaboration of further indicators to analyze the impact of BCPs efficiency on development;
- (2) guide for task managers in project preparation, supervision, and evaluating project performance;
- (3) benchmark for regional comparisons;
- (4) tool for assessing the effectiveness of domestic reform processes related to trade facilitation;
- (5) additional source in policy-oriented empirical research in sectors with data gaps.

The immediate goal of this paper is to identify gaps and bottlenecks at BCPs, and explore the utility of new measurement tools that can be readily used for cross-country analysis. The scoring of the BCPs, based on the corridor clients' responses, demonstrates which areas need more attention. In this sense, countries are recommended to cross-reference the results of the benchmarking scores, and revisit and fine-tune their existing policies and priority action plans.

That being said, the BCPI is intended to assist policy makers in the identification of existing challenges, articulation of priority measures, introducing effective monitoring mechanisms, and ultimately, in improving the efficiency of BCPs. In order to exploit the full potential of BCPI, countries' public sector stakeholders should take ownership of the proposed tools and results of the study. Improvement action plans and SWOT analysis should also be considered as possible tools helping to improve the BCP performance.



Table of Contents

EXECUTIVE SUMMARY	3
1. INTRODUCTION.....	11
2. PURPOSE OF THE STUDY.....	12
2.1 Border Crossings Index in the project context	12
2.2 Rationale, scope and limitation of the study.....	13
3. BENCHMARKING OF ROAD BCPS IN EAP COUNTRIES AND TRACECA CASPIAN SEA PORTS.....	14
3.1 Benchmarking within this study: approach and application	14
3.2 Performance indicators and criteria	15
Release Time.....	16
Cost.....	16
Custom procedures.....	17
Clearance Process efficiency	17
Risk	18
3.3 Criteria weights.....	18
3.4 Questionnaires	20
Initial survey design	20
Review of the questionnaire with logistics operators	21
Test interview with selected companies	21
Survey of roads BCPs.....	21
Survey of Caspian ports.....	23
3.5 Data collection process	23
The target group	23
Selection of relevant BCPs	24
3.6 Calculation of the Index	25
3.7 Benchmarking monitoring approach	28
4. RESULTS AND AREAS FOR IMPROVEMENT.....	29
4.1 Armenia: Road BCP Indexes Values	29
Time Indicator	30
Cost Indicator.....	32
Customs Procedure Indicator.....	33
Clearance Process Efficiency Indicator	35
Risk Indicator	38
4.2 Azerbaijan: Road BCP Indexes Values	40
Time Indicator	41
Cost Indicator.....	43
Customs Procedure Indicator.....	44
Clearance Process Efficiency Indicator	45
Risk Indicator	48



4.3 Belarus: Road BCP Indexes Values	49
Time Indicator	50
Cost Indicator.....	52
Customs Procedure Indicator.....	54
Clearance Process Efficiency Indicator.....	56
Risk Indicator	60
4.4 Georgia: Road BCP Indexes Values.....	63
Time Indicator	64
Cost Indicator.....	66
Customs Procedure Indicator.....	67
Clearance Process Efficiency Indicator.....	69
Risk Indicator	74
4.5 Moldova: Road BCP Index Values.....	76
Time Indicator	77
Cost Indicator.....	78
Customs Procedures Indicator.....	80
Clearance Process Efficiency Indicator.....	81
Risk Indicator	84
4.6 Ukraine: Road BCP Indexes Values	86
Time Indicator	87
Cost Indicator.....	90
Customs Procedures Indicator.....	93
Clearance Process Efficiency Indicator.....	97
Risk Indicator.....	104
4.7 Aggregated index: road BCPs country comparisons.....	108
Time	108
Cost.....	111
Customs Procedures	115
Clearance Process Efficiency	116
Risk	120
Summary of Ranks	122
4.8 Caspian ports indexes values.....	122
Aggregated index: ports comparisons.....	125
Time	126
Cost.....	129
Clearance process efficiency	130
Customs Procedures	136
Risks.....	138
4.9 Major areas for improvement in the surveyed countries.....	140
4.10 Priority areas for improvement of road BCPs' performance.....	146
4.11 Priority areas for improvement of port BCPs' performance	148



List of Tables

Table 1: Indicators of the BCPI.....	16
Table 2: Setting the relative importance for the indicators	19
Table 3: Criteria Weights	20
Table 4: List of Surveys BCPs	24
Table 5: Summary of responses collected both via an online form and in direct communication.....	25
Table 6: BCP Index results by indicator and country	125
Table 7: Major changes in terms of customs procedures introduced by the countries in 2011- 2015.....	141
Table 8: Data on documents needed to trade internationally (export)	144
Table 9: Data documents needed to trade internationally (import)	145

List of Figures

Figure 1: BCPs' Benchmarking Application Cycle.....	15
Figure 2: Links to TRACECA IDEA II BCP questionnaire ASMAP.....	22
Figure 3: Links to TRACECA IDEA II BCP questionnaire BAMAP.....	22
Figure 4: Links to TRACECA IDEA II BCP questionnaire ABADA	23
Figure 5: Map of considered BCPs in Armenia.	29
Figure 6: Border Crossing Performance Index (aggregated): Armenian BCPs	30
Figure 7: Time Indicator Scores at Armenian BCPs.....	30
Figure 8: Cost Indicator Scores at Armenian BCPs	32
Figure 9: Customs Procedure Indicator Scores at Armenian BCPs.....	33
Figure 10: Clearance Process Efficiency Indicator Scores at Armenian BCPs.....	35
Figure 11: Risk Indicator Scores at Armenia BCPs.....	38
Figure 12: Map of considered BCPs in Azerbaijan.....	40
Figure 13: Border Crossing Performance Index (Aggregated) – Azerbaijani BCPs	41
Figure 14: Time Indicator Scores at BCPs in Azerbaijan	41
Figure 15: Cost Indicator Scores at Azerbaijani BCPs.....	43
Figure 16: Customs Procedure Indicator Scores at Azerbaijani BCPs	44
Figure 17: Clearance Process Efficiency Indicator Scores at Azerbaijani BCPs	45
Figure 18: Risk Indicator Scores at Azerbaijani BCPs	48
Figure 19: Map of considered BCPs in Belarus	49
Figure 20: Border Crossing Performance Index (Aggregated) – Belorussian BCPs	50
Figure 21: Time Indicator Scores at Belorussian BCPs	50
Figure 22: Cost Indicator Scores at Belorussian BCPs.....	52
Figure 23: Customs Procedure Indicator Scores at Belorussian BCPs	54
Figure 24: Clearance Process Efficiency Indicator Scores at Belorussian BCPs	56
Figure 25: Risk Indicator Scores at Belorussian BCPs	60
Figure 26: Map of considered BCPs of Georgia.....	63
Figure 27: Border Crossing Performance Index (Aggregated) – Georgian BCPs	63
Figure 28: Time Indicator Scores at Georgian BCPs	64
Figure 29: Cost Indicator Scores at Georgian BCPs.....	66
Figure 30: Customs Procedure Indicator Scores at Georgian BCPs	67
Figure 31: Clearance Process Efficiency Indicator Scores at Georgian BCPs	69
Figure 32: Risk Indicator Scores at Georgian BCPs	74
Figure 33: Map of considered BCPs in Moldova.	76



Figure 34: Border Crossing Performance Index (Aggregated) – Moldovan BCPs..... 77

Figure 35: Time Indicator Scores at Moldovan BCPs 77

Figure 36: Cost Indicator Scores at Moldovan BCPs 78

Figure 37: Customs Procedure Indicator Scores at Moldovan BCPs 80

Figure 38: Clearance Process Efficiency Indicator Scores at Moldovan BCPs 81

Figure 39: Risk Indicator Scores at Moldovan BCPs 84

Figure 40: Map of considered BCPs of Ukraine 86

Figure 41: Border Crossing Performance Index (Aggregated) – Ukrainian BCPs 87

Figure 42: Time Indicator Scores at Ukrainian BCPs 87

Figure 43: Cost Indicator Scores at Ukrainian BCPs 90

Figure 44: Customs Procedure Indicator Scores at Ukrainian BCPs 93

Figure 45: Clearance Process Efficiency Indicator Scores at Ukrainian BCPs 97

Figure 46: Risk Indicator Scores at Ukrainian BCPs 104

Figure 47: Time Indicator Scores - comparison between countries 108

Figure 48: Time spent preparing documents - comparison between countries. 109

Figure 49: Time between arrival to the border and beginning of passing control 110

Figure 50: Time needed from submission until completion of the control 110

Figure 51: Cost Indicator Scores - comparison between countries 111

Figure 52: Formal payments: comparison between countries..... 112

Figure 53: Informal payments - comparison between countries..... 112

Figure 54: Systematic Informal payments - comparison between countries. 114

Figure 55: Customs procedures - comparison between countries. 115

Figure 56: Clearance Process Efficiency Indicator - comparison between countries. 116

Figure 57: Risk Indicator Scores- comparison between countries. 120

Figure 58: Ranks the countries by main indicators of BCPs. 122

Figure 59: Map of considered BCPs of Caspian Ports. 123

Figure 60: Aggregated BCP index for the Caspian ports 125

Figure 61: Time Indicator Scores - comparison between ports..... 127

Figure 62: Time spent preparing documents: comparison between ports. 127

Figure 63: Time between arrival to the port and beginning of passing control..... 128

Figure 64: Time needed from submission until completion of the control 128

Figure 65: Cost Indicator Scores: comparison between countries 129

Figure 66: Formal payments: comparison between ports. 129

Figure 67: Informal payments: comparison between countries..... 130

Figure 68: Customs procedures - comparison between ports..... 132

Figure 69: Clearance Process Efficiency Indicator: comparison between ports. 133

Figure 70: Risk Indicator Scores: comparison between ports. 138



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List of Annexes

Annex 1: Survey Questionnaire for Road BCPs

Annex 2: Survey Questionnaire for TRACECA Caspian Ports as BCPs

Annex 3: Road Border Crossing Scorecards



1. Introduction

The current document has been prepared within the framework of the EU-funded IDEA II - Transport Dialogue and Network Interoperability Project. The report presents the findings of the road border crossing survey in EaP countries and TRACECA Caspian ports analysis carried out in 2015. The Border Crossing Points (BCP) were studied from the viewpoint of the corridor users. The survey was intended to evaluate the responsiveness of BCP to user needs and demands in terms of time, cost, complexity of border crossing procedures, and efficiency of customs clearance process.

The collected results are presented in the form of an aggregated Border Crossing Performance Index (BCPI) calculated for the selected border crossings along TRACECA routes in EaP countries, and in TRACECA Caspian Ports. The index consists of sub-indices corresponding to the parameters of corridor users' demands. The BCPI allows for ranking border crossing points within each country, as well as among countries. Such ranking helps determine a top performer, which is considered a BCP benchmark, and assess the potential for improvement for other BCPs. If applied over time, the indicator helps establish a border crossing performance monitoring process, and update priority improvement actions.

This report comprises three thematically interlinked sections as described below:

Section 2:
Purpose of the Study: Emphasizes the importance of smooth and efficient border crossing procedures along the TRACECA corridor. Furthermore, the chapter outlines the main purpose and application of the study, and makes a strong case for continuous monitoring of the border crossing performance in TRACECA countries. Performance monitoring based on the BCPI will help improve responsiveness to user demands and increase corridor attractiveness.

Section 3:
Benchmarking of the BCPS in EaP countries and TRACECA Caspian Sea Ports Starts with explaining the benchmarking methodology for this study adopted in coordination with relevant experts from TRACECA countries. The chapter also describes the performance indicators / criteria (i.e., release time; cost; customs procedures; clearance process efficiency; and risk) aggregated into the Border Crossing Points Performance Indicators. This section also provides an overview of the data collection process, outlines the approach to the calculation of the index and benchmarking monitoring, and presents the list of the selected border crossings points.

Section 4: Results and Areas for Improvement Presents the findings and indicates the areas for improvement on the country level by depicting characteristics of the surveyed border crossing points (score cards for each analyzed border crossing are presented in Annex 3). The findings also cover the TRACECA Caspian Ports. Finally, recommendations for improvement conclude this section.

Three annexes are attached to the paper: Annex 1: Survey Questionnaire for Road BCPs; Annex 2: Survey Questionnaire for TRACECA Caspian Ports as BCPs and Annex 3: Road Border Crossing Score Cards.



2. Purpose of the study

2.1 *Border Crossings Index in the project context*

Border Crossing Points (BCPs) are important elements of transport corridors. The performance of BCPs affects users' choice of a particular transport route, and hassle-free border procedures, undoubtedly, make a supply chain route more attractive for users.

The multimodal TRACECA corridor stretches across many national borders including land and maritime legs. One of the objectives of the IDEA II project is to support TRACECA beneficiaries in the identification of existing obstacles to efficient border procedures, and propose measures for improvement. On the one hand, a better understanding of the benefits of improved connectivity along the corridor will increase the ownership by the governments of TRACECA countries, and encourage them to put more efforts into the development of more responsive and transparent agencies and procedures. On the other hand, responsiveness to business requirements and client-oriented services will improve industry's trust and attract more traffic flows.

The project activity on border crossing benchmarking intertwines with:

- Component 1 (legal harmonization / network dialogue) of the ToR. That said, the activities related to soft measures (assessment of their applicability / needs / format, etc.) have been addressed within the legal training concept aimed at legal harmonization and approximation; and
- Component 2 (network planning) of the ToR. The results of the border crossing ranking for each of the BCPs and benchmarking study contribute to the advancement of the TRACECA Attractiveness Index (TRAX). These results are included into the TRACECA freight model to show the impediments to international trade or openness and attractiveness of a nodal point.

The approach to TRACECA border crossing index and improvement monitoring is built upon the following three principles:

- Collection of reliable first-hand data from corridor users;
- Identification of obstacles and potential for improvement;
- Introduction of an applicable performance monitoring to be utilized by the countries in future.

The methodology can be used both within one country and for comparing the level of performance between TRACECA countries. Longitudinal approach and repeated data collection over years would allow for monitoring the improvement of border crossing performance throughout time.



2.2 Rationale, scope and limitation of the study

TRACECA monitoring index of the corridor attractiveness (TRAX) has confirmed that inefficient procedures at BCPs are among major hindrances influencing freight forwarders' choice in favor of other routes instead of TRACECA. This not only affects the transit potential of the corridor as a whole, but also impedes export / import potential of each individual country, which ultimately has a negative impact on countries' economic development.

Although TRACECA EaP countries work towards improvement of their border procedures, border crossing points still create bottlenecks and discourage traders and foreign investors. Therefore, it is important to identify factors which cause major impediments to smooth border procedures, and develop measurement indicators from corridor users' perspective. BCP performance indicators will encompass methods of measuring the quality of work of border control agencies with the ultimate intention to use these indicators as a tool or improving operations. In the context of TRACECA, ranking and benchmarking will provide countries with mechanisms for comparative examinations, and will help shape new agendas and articulate cases for reform towards improved transport and logistics.

The tool developed in this study measures the attractiveness of road BCPs and the TRACECA Caspian ports of Alyat, Aktau and Turkmenbashi, and benchmarks BCPs within one country and between countries. On the country level, the best scored road BCPs are proposed as a reference for benchmarking, while the Caspian ports are compared between one another. For these purposes, the project team has developed a Border Crossing Performance Index (BCPI), identified relevant key performance indicators and set forth an approach for data collection and analysis. In selecting the bottleneck indicators, the project team capitalized on the TRACECA TRAX quantitative indicators (e.g. - time, cost) and other qualitative indicators. Similar methodology may be applied in monitoring and evaluation over time, i.e. longitudinal monitoring of improvements of the same indicators.

Furthermore, the BCPI and its indicators also aim at contributing to the current work within EU Programs on integrated border management, UNECE trade facilitation activities, as well as related initiatives of other international organization, such as the World Customs Organization (WCO). That is, BCPI is meant to support policy makers in increasing the efficiency of BCPs through identification of existing problems, development of improvement measures, and continuous performance monitoring.



3. Benchmarking of road BCPS in EAP Countries and Traceca Caspian Sea Ports

3.1 Benchmarking within this study: approach and application

Benchmarking is a business improvement process. Companies or organizations may use benchmarking to compare their procedures and performance with others who are involved in the same or different industries. Subsequently, they may adapt and implement key practices that make other organizations better off in doing their business.

Comparisons are usually made to determine best practices in particular areas. In order to make a valid comparison between the performance of various companies or organizations, benchmarking relies on a systematic methodology of research and analysis. Benchmarking as a tool has been widely accepted in the private sector for some time; however, also customs administrations, for instance, have increasingly shown interest as a means of improving their services and policies. Also, many international organizations use benchmarking as their basic strategy.

For the purpose of this study, benchmarks are defined at three levels:

- Top performer among all studied countries (for road BCPs);
- Top performer within a country (for road BCPs);
- Top performer among the Caspian Ports.

This approach has been chosen because capitalizing on success stories and experiences of TRACECA countries is more realistic in terms of their applicability in the regional context. Moreover, TRACECA countries are more likely to adopt best practices of similar countries than world best practice, when it comes to quick changes. During the stakeholder consultation, beneficiaries have also accentuated the relevance of the TRACECA best practice examples. In this respect, they emphasized the importance of obtaining a clear picture of the current border crossing performance within their respective countries and the corridor level, as seen by the corridor users.

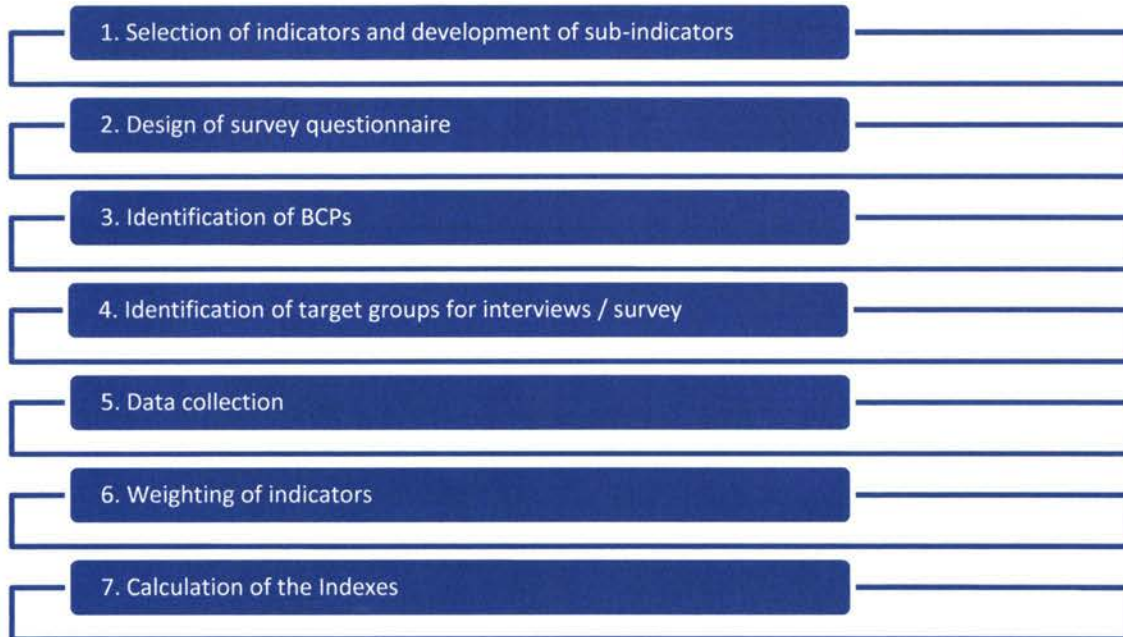
Benchmarking can be a useful mechanism to help relevant agencies meet sector challenges, and become more efficient and effective, since it allows for the continuous improvement of procedures and working methods. Benchmarking studies entail:

- Identification of best practice;
- Identification of performance gaps and strengths;
- Providing data and information for the creating of improvement strategies.

With that in mind, the BCPI, which reflects the performance of a single border crossing point on an aggregated level, is used for ranking border crossing points. The index has also sub-indices that outline individual areas of performance. Through a unified calculation approach, it offers a benchmarking tool for the comparison of BCPs within one country and among different countries.



The Index is calculated in the following steps:



The indicators help analyze the processes both at a BCP and country level. The best ranked areas are shown along with the gaps and potential for improvement. The benchmarking methodology is designed in such a fashion that proposed performance indicators may be used by countries, also in future, for attuning their border crossing related processes to actual customer needs and demands. The surveys may be replicated to monitor the progress made throughout time.



Figure 1: BCPs' Benchmarking Application Cycle

3.2 Performance indicators and criteria

The indicators were selected based on the review of the recent empirical research by the IDEA project (TRAX index). Furthermore, the project team capitalized on key tenets of the World Bank



Logistics Performance Index, i.e. assessment of processes from the viewpoint of the transport industry. A series of meetings with freight forwarders, exporters and haulage companies were held to obtain insights into the factors affecting their choice of a route, and particularly, of BCPs. That is, the project team collected first-hand practical experience of logistics professionals involved in international freight forwarding. For port BCPs, the methodology was adjusted in such a way that ports were surveyed in terms of their BCP functions.

The project team held discussions with the International Freight Forwarders Association of Turkey (UTIKAD) and the International Freight Forwarder Association of Georgia, and with other representatives of shipping industry actively using TRACECA Caspian Ports. The consultations proved the relevance of the selected approach. Moreover, respondents confirmed that identified indicators correspond to the factors impacting their decision to use or not TRACECA maritime border crossings. The following indicators were agreed with the stakeholders as components of the index and the surveys.

Table 1: Indicators of the BCPI

1. Release Time	The time taken to complete the border crossing process
2. Cost	Costs associated with passing through a border crossing point
3. Customs procedures	Efficiency and availability of customs procedures
4. Clearance process efficiency	Efficiency of clearance processes by customs and other border agencies
5. Risk	Risk factor associated with passing BCPs

Release Time

Release time is a quantitative indicator. The time taken to pass the border crossing point with all its processes is a useful outcome measure of border crossing performance. Time can be different for import and export processes. The Border Crossing Performance Survey captures the time for import, export, and even more importantly, a time range as a measure of predictability. Delays tend to increase with lower overall performance, but also high standard deviation of time spent shows inconsistency and unpredictability in the logistic processes. The time sub-indicators are:

Sub-indicator	Description
Time for clearance of customs documents	Time spent preparing documents before starting the route to the border (in hr:min)
'inward' registration	Queuing time to BCP is the time between arrival to the border and beginning of passing control time (in hr:min)
Demurrage time	Applicable for port services only
Passing control time	Time needed from submission of the documents for control until the completion of control (in hr:min)

Cost

Costs play an important role in users' choice of a particular supply chain. In this respect, it is also important to distinguish costs comprised of only official payments (e.g. customs duties, processing fees, etc.) or if informal payments are involved as well. The amount and the level of predictability of



such payments are also considerable factors affecting the user choice. The following costs are taken into account in the survey:

Sub-indicator	Description
Formal payments	For example: transport parking fee
Informal payments	Elements of corruption at BCPs
Informal payments	Systematic or random / unpredictable

Custom procedures

Transparency of customs procedures is a significant qualitative criterion for measuring the BCP performance in the freight processing. Transparency and predictability of customs procedures can be measured through the following indicators.

Sub-indicator	Description
Primary physical inspection (percent of shipments) <i>Multiple / redundant physical inspections</i>	Showing frequency quintiles 0/20/40/60/80/100%
Online processing of supporting documentation	YES / No
Online submission of customs declaration	YES / No
Availability of review/appeal on line	Yes / No
Pre-arrival processing	Yes / No
Release with guarantee pending final clearance	Yes / No
Duplication of functions by different bodies at cargo execution	No / Yes

Clearance Process efficiency

This qualitative criterion is measured by the level of satisfaction based on the perception of respondents on a scale from 1 to 5.

Key Physical Limitations (for road BCO):

- Adequate number of operated lanes
- Adequacy of processing and examination areas
- Adequacy of physical vehicle control facilities

Custom:

- Efficiency of employees
- Competence of employees



Quality/standards inspection agencies:

- Transport agencies
- Insurance agencies
- Sanitary and phyto-sanitary agencies
- Environmental and radiological agencies

The quality of access infrastructure to the BCPs

- Road
- Railways
- Navigations channel (for ports)

Risk

Risk is a qualitative criterion which is measured by the level of freight safety and security at BCPs based on the perception of respondents on a scale from 1 to 5.

Cargo security risks (cargo loss / stealing; cargo damage; Customs clearance failure risks and return of cargo)	5 = low risk 1 = high risk
Reliability (measured by the predictability of the clearance process and the timely delivery of shipments)	5 = high reliability 1 = low reliability
Transparency of border processes (visible procedures made accessible to the public, responsible and efficient personnel)	5 = high Transparency 1 = low Transparency

3.3 Criteria weights

For the TRACECA-wide assessment, the weighing of criteria is carried out through a paired comparison analysis. To this end, pairs of indicators are represented and evaluated. Paired comparison analysis helps to weigh up the relative importance of different options, where priorities are not clear, or are competing in importance. This tool helps to establish the importance of a number of options relative to each other. It is particularly useful when there is no objective data to rest upon, or when priorities should be set with regard to completely different options. The weighing of indicators was carried out through a questionnaire targeting a selected group of stakeholders, and via surveys.

Table 2 shows the pair comparison and the judgment on a scale of 0 to 4, which allows for assigning either of 5 options from 0 to 4. In order to weigh up each individual indicator, the results of this inquiry are processed in a spread sheet. The following calculation approach is pursued.

- Five criteria compared to each other makes up 10 pair comparisons (see above).



- The following formula is used:

$$2 P = (N \times N) - N$$

where **P** is the number of Paired comparison and **N** is the number of criteria.

- The total number of points is obtained by multiplying the **P** by the scores of the judgment scale (0-4). The P in the BCPI case is 40.

Table 2: Setting the relative importance for the indicators

Indicator pair no.1	Cost	is	4=Much More Important 3=More Important 2=Equally Important 1=Less Important 0=Much Less Important	compared to	Time
Indicator pair no. 2	Customs procedures				Time
Indicator pair no.3	Customs procedures				Cost
Indicator pair no.4	Efficiency of the clearance process				Time
Indicator pair no. 5	Efficiency of the clearance process				Cost
Indicator pair no.6	Efficiency of the clearance process				Customs procedures
Indicator pair no.7	Risk				Time
Indicator pair no.8	Risk				Cost
Indicator pair no.9	Risk				Customs procedures
Indicator pair no.10	Risk				Efficiency of the clearance process

That said, each pair has a weight of 0.1 (or 10.0 %) showing how relevant criteria are. At the same time, the result of each comparison is expressed on a rating scale (4=Much More Important; 3=More Important; 2=Equally Important; 1=Less Important; 0=Much Less Important). Taking this into account, the total weight of each pair has been split between the two criteria as follows:

- When one criterion is rated as “more important” (rate 4), it gets the whole weight (4/40 = 0.1), while its counterpart gets 0;
- When one criterion is rated as “slightly more important” (rate 3), it gets a weight of 0.075, while its counterpart gets 0.025;



- When one criterion is rated as “equally important” (rate 2), it gets a weight of 0.05 and its counterpart gets 0.05 as well;
- When one criterion is rated as “slightly less important” (rate 1) it gets a weight of 0.025 while its counterpart gets 0.075;
- When one criterion is rated as “less important” (rate 0), it gets 0, while its counterpart gets the whole weight 0.1.

The final score for each question is calculated through the average of all the answers given by different respondent companies. The results of weighing as follows:

Table 3: Criteria Weights

Indicator	Roads BCPs, weight (%)	Ports BCPs, weight (%)
Time	20	22
Cost	18	21
Customs procedures	13	19
Clearance process efficiency	23	15
Risk	26	23

3.4 Questionnaires

For road BCPs, questionnaires were developed along with the following two activities:

- Initial survey design
- Review of the questionnaire with logistics operators
- Test interview with the selected companies

Initial survey design

A comparative analysis of TRACECA countries was conducted to extract the most relevant criteria that affect the logistics performance related to BCPs. In this respect, results of the TRAX and the LPI index were taken into account. The project team has organized a working group with logistics specialists to discuss the results, and incorporate all comments and remarks.

The Questionnaire consisted of three main components: General questions; Indicators with sub-indicators; weight of each indicator. For each component: type of BCP (Port, Road), type of freight / commodity, type of process (Export/ Import/Transit) and contact information (non-mandatory input).



Review of the questionnaire with logistics operators

Several discussion rounds were organized with logistics operators, which allowed to get insights into the current situation at relevant BCPs, and to identify major bottlenecks.

Test interview with selected companies

In order to test and further improve the questionnaire, a number of initial interviews with selected companies were held. The questionnaire was adjusted based on the experience gained in the pilot survey and selected BCPs in EaP countries.

The decision to add the Caspian ports was taken once the road survey had been completed. For the sake of consistency, the questionnaire was developed on the basis of the road questionnaires. The port questionnaire was discussed with unbiased users of the Caspian ports (i.e. transport entities located outside Azerbaijan, Kazakhstan, and Turkmenistan) in their daily logistics setup. The International Logistics Associations of Georgia and Turkey were approached. After the completion of the test interviews with representatives of logistics associations, the questionnaire was distributed among respondents.

Survey of roads BCPs

The survey was conducted through direct interviews, mailing and online versions. Online versions offer the advantage of reasonably quick responses from the large number of respondents. The questionnaire was published on server in English and Russian languages.

The questionnaire is attached as Annex 1. The link to the survey (http://trt.it/idea_questionnaire) was also published on the websites of the associations:

- Association of International Road Carriers of Ukraine (AIRCU)
- BELARUS International Road Carriers Association «BAMAP»
- Azerbaijan International Road Carriers Association (ABADA).



This project is funded by the European Union

IDEA II Transport Dialogue and Networks Interoperability

TRT Trasporti e Territorio in association with:
Dornier Consulting, Panteia Group and Lutsk University



Figure 2: Links to TRACECA IDEA II BCP questionnaire ASMAP

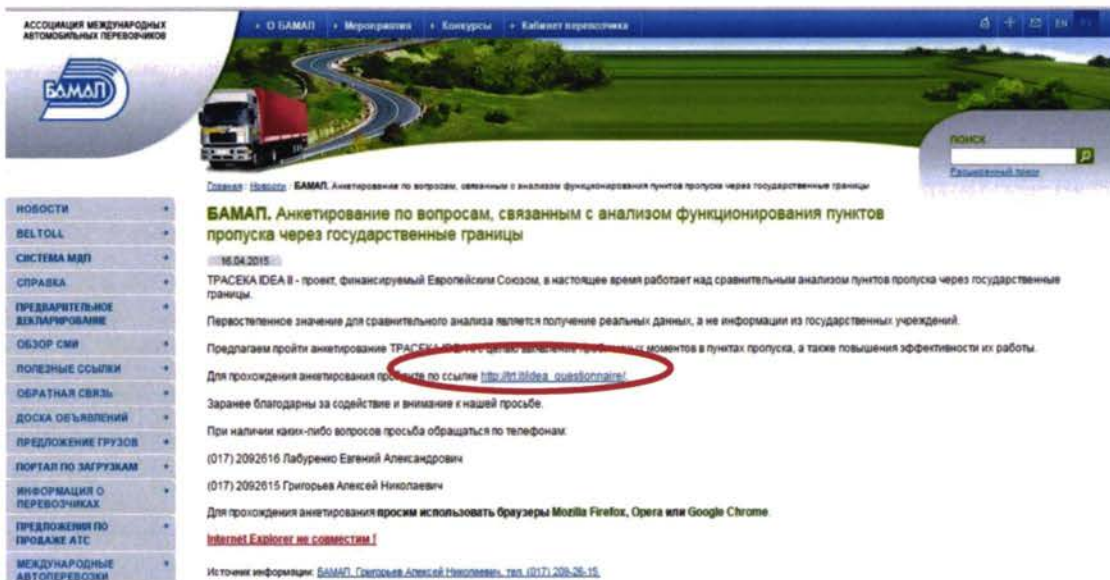


Figure 3: Links to TRACECA IDEA II BCP questionnaire BAMAП



Figure 4: Links to TRACECA IDEA II BCP questionnaire ABADA

Survey of Caspian ports

The questionnaire was published on the server in English and Russian languages, and also disseminated among the members of the International Logistics Associations of Georgia and Turkey. The questionnaire is attached as Annex 2.

3.5 Data collection process

The target group

In order to collect the most realistic and reliable data, the survey targeted direct users of the corridor, i.e. the transport industry. Due to the potential conflict of interest, no data were gathered from state agencies.

In the first place, the project team identified relevant stakeholders at border crossing points. The following stakeholder groups have been selected:

- Haulage companies (for road BCPs)
- Freight forwarders (both for road and port BCPs)

The selected stakeholders manage door-to-door operations including all transit stages, and have a revealed preference to particular BCPs based on the BCP performance. The TRACECA expert group confirmed the relevance of these two stakeholder groups. Export companies and enterprises



were not included in the survey since they do not show a real preference for any particular BCP or a specific route.

The project team contacted freight forwarders associations for posting links to the questionnaire on their respective websites, and sending emails to their members. This was particularly successful in Azerbaijan, Ukraine and Belarus. Associations in Georgia, Moldova and Armenia (for road BCPs) provided email addresses of their members. The same approach was applied in the port survey. The UTIKAD and Georgian International Freight Forwarder Association provided their support.

Selection of relevant BCPs

In order to test the approach and methodology in general and the questionnaire, the project team carried out a pilot survey with the pilot data collection. The following BCPs were selected at the Ukraine / Polish border: Shegini, Rava-Russka, and Yagodin. These BCPs are relevant for TRACECA corridor and were significantly upgraded prior to the 2012 European football championship.

The surveyed BCPs presented in the table below were selected by national experts. All BCPs have an international status. The assessment was made only for the freight transport border crossing. Passenger related border crossing procedures were not considered within this analysis.

Table 4: List of Surveys BCPs

Country	BCPs	BCPs
ARMENIA	1. Bavra 2. Gogovan	3. Bagratashen 4. Aharak
AZERBAIJAN	1. Krasnij Most 2. Tsodna	3. Bilasuvarski
BELARUS	1. Kozlovichi 2. Bruzgi 3. Privalka 4. Benjakoni	5. Kamennij Log 6. Gryhorovschyna 7. Nova Huta
GEORGIA	1. Sarpi (Batumi) 2. Vale 3. Ninotsminda 4. Guguti	5. Sadakhlo 6. Krasnij Most 7. Tsodna
MOLDOVA	1. Goyanul Nou 2. Krivaya	3. Giurgiulesti 4. Leusheni
UKRAINE	1. Novie Yarilovichi 2. Bachevsk 3. Goptovka 4. Dolzhansky 5. Novoazovsk 6. Reni 7. Platonovoe	8. Mamaliga 9. Porubnoe 10. Dyakovoe 11. Chop (Tisa) 12. Uzhgorod 13. Shegini 14. Rava-Russka 15. Yagodin
CASPIAN PORTS	1. Aktau	2. Baku Alyat 3. Turkmenbashi



Table 5: Summary of responses collected both via an online form and in direct communication

No	Country	Promoter of Communication	Stakeholders approached	Responses received	No of BCPs
1	Armenia	Association of International Road Carriers of Armenia (AIRCA)	35	19	4
2	Azerbaijan	Azerbaijan International Road Carriers Association (ABADA)	50	14	3
3	Belarus	BELARUS International Road Carriers Association "BAMAP"	250	53	7
4	Georgia	Georgian International Road Carriers Association (GIRCA)	192	41	7
5	Ukraine	Association of International Road Carriers of Ukraine (AIRCUI)	300	80	15
6	Moldova	International Association of Road Carriers of Moldova (AITA)	85	21	4
7	Caspian ports	International Freight Forwarders Association of Georgia UTIKAD	70	51	3
Total			982	279	43

3.6 Calculation of the Index

The BCP index was calculated in the following steps:

a) The data are captured in a statistical evaluation database to form the input data matrix:

$$X = \begin{pmatrix} x_{11} & \dots & x_{1j} & \dots & x_{1n} \\ x_{21} & \dots & x_{2j} & \dots & x_{2n} \\ \dots & & & & \\ x_{i1} & \dots & x_{ij} & \dots & x_{in} \\ \dots & & & & \\ x_{m1} & \dots & x_{mj} & \dots & x_{mn} \end{pmatrix}, j = \overline{1, n}, i = \overline{1, m}$$

where

n - number of criteria of the efficiency of BCP;

m - the number of BCPs;

x_{ij} - value of j (the criterion) that characterizes i(the BCP).



b) The five indicators are measured for each BCP.

Release Time index (Ti):

The time index is calculated as an average release time through an individual arithmetic mean value for each border crossing process accumulated into the reliability value. The index reflects the weight respondents assign to the time required for border crossing. The reliability value is a difference between the maximum and minimum release time.

$$Ti = (T1 + T2 + T3) \cdot \alpha_t$$

Where $T_n(1,2,3) = T_{av} + T_r$

$T_{av} = \text{Average } T_n$

$T_r = T_{\max} - T_{\min}$ (reliability)

α_t - weight of time.

Costs index(Ci):

The cost index is calculated as an average cost through an individual arithmetic mean value for each border crossing process accumulated into the reliability value. The index reflects the weight respondents assign to border crossing costs. The reliability value is a difference between the maximum and minimum cost.

$$Ci = (C1 + C2 + C3) \cdot \alpha_c$$

Where $C_n(1,2) = C_{av} + C_r$

$C_{av} = \text{Average } C_n$

$C_r = C_{\max} - C_{\min}$ (reliability)

$$C3 = (C_{\text{inf}}) \cdot S_{\text{inf}}$$

Where C_{inf} - average sum of informal payments;

S_{inf} - % of systematic informal payments.

α_c - weight of Cost

Customs procedures index (C.Pi):

The customs procedures index is calculated as the average of a percentage of customs procedures multiplied by the average of a percentage of the duplication of functions. This index reflects the weight respondents assign to customs procedures.

$$C.Pi = ((C.P1 + C.P2 + C.P3) \cdot CP4) \cdot \alpha_{c.p}$$



Where $C.Pn(1,3) = C.P$ av (average)

$C.P$ 4 = average % of duplication of functions.

$\alpha_{c.p.}$ weight of customs procedures.

Clearance process Efficiency Index (Ei):

The clearance process efficiency index is calculated as a sum of the average value of sub-indicators reflecting the clearance process. This index reflects the weight respondents assign to the clearance process.

$$Ei = (E1 + E2 + E3 + E4 + E5 + E6 + E7 + E8 + E9 + E10) \bullet ae$$

Where $En(1...10) = En$ av (average)

α_e - weight of clearance process efficiency.

Risk index (Ri);

The risk index is calculated as a sum of the average value of difference types of risk divided by the sum of the average value of reliability and transparency at a BCP. The index reflects the weight respondents assign to risk.

$$Ri = \left(\frac{R1 + R2 + R3}{R4 + R5} \right) \bullet ar$$

Where $Rn(1...5) = R$ av (average)

α_r - weight of risk.

c) The BCPI is calculated for each BCP through the following function:

$$BCPI = (C.Pi * \alpha_{c,r} + Ei * ae + Ri * ar) / (Tix * at + Ci * ac) * 100$$

Whereas

Ti	Release Time index
Ci	Costs
C.Pi	Customs procedures
Ei	Efficiency of the clearance process by customs and other border agencies
Ri	Risk
$\alpha_{t,c,p,e,r}$	Respective weight of time, costs, customs procedures, clearance process, efficiency, risk



3.7 Benchmarking monitoring approach

From a methodological point of view, benchmarking might also be applied to monitor the progress throughout time. For these purposes, similar to the LPI progress monitoring methodology, not only the mere value of the annual index will be considered, but a mathematical formula will be utilized demonstrating a fading importance of earlier years and the increasing relevance of recent years.

The following figures illustrate how to calculate the progress on a yearly basis for the next 4 intervals (years).

- **Two successive intervals**

Weighted aggregate results of BCPI for 2015-2016 years

2016	66,7 %	} 100 %
2015	33,3 %	

- **Three successive intervals**

Weighted aggregate results of International BCPI for 2015-2017 years

2017	57,1 %	} 100 %
2016	28,6 %	
2015	14,3 %	

Four successive intervals

Weighted aggregate results of BCPI for 2015-2018 years

2018	53,3 %	} 100 %
2017	26,7 %	
2016	13,3 %	
2015	6,7 %	



4. Results and areas for improvement

The results and recommendations of the survey are presented in the border crossing improvements matrix, which allows for easy monitoring by the countries in the future. Single actions can be reviewed on a country level.

The results enable to compare different BCPs within a country. Integrated indexes enable the comparison between countries according to the following indicators:

- 1) BCPI benchmark;
- 2) Time benchmark;
- 3) Cost benchmark;
- 4) Customs procedures benchmark;
- 5) Clearance process efficiency benchmark;
- 6) Risk benchmark.

The detailed scores of each BCP are presented in the Annex 3 in terms of of “score cards”.

4.1 Armenia: Road BCP Indexes Values



1. Bavra
2. Gogovan
3. Bagratashen
4. Aharak

Figure 5: Map of considered BCPs in Armenia.



The «Gogovan» BCP in Armenia was ranked best and is considered as a benchmark on the aggregated level. This border crossing point is also a benchmark for the cost and clearance process efficiency domains. The BCP «Barva» was ranked second, having a very similar value of the aggregated indicator and being close to the benchmark performance. The BCP «Bagratashen» was ranked worst with very high cost. The results for the Armenian border crossings on a sub-indicator level are illustrated in the following.

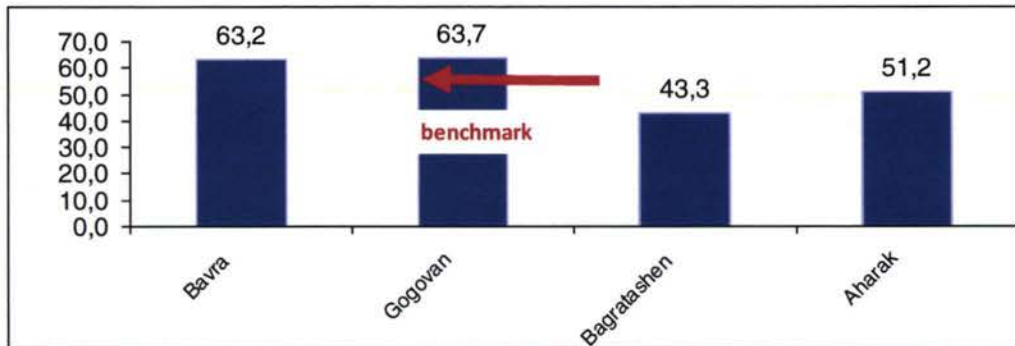


Figure 6: Border Crossing Performance Index (aggregated): Armenian BCPs

Time Indicator

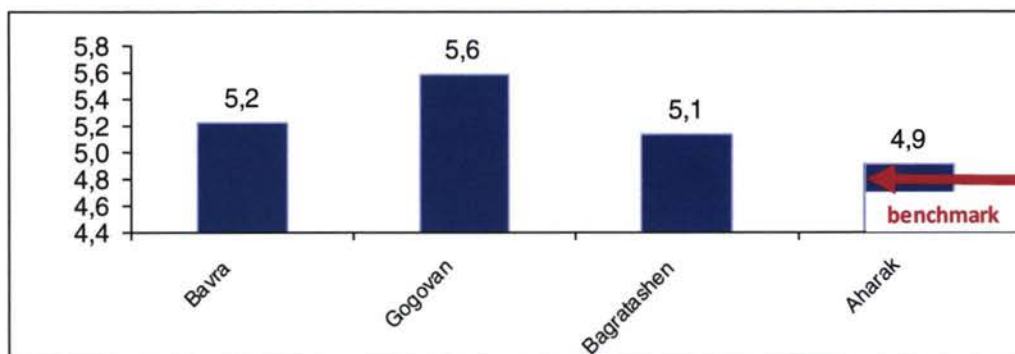


Figure 7: Time Indicator Scores at Armenian BCPs

According to the survey, the BCP Aharak at the Iranian border is a benchmark in terms of time. The minimum time required for whole document preparation process is 30 minutes, and the maximum time is for that is 9 hours. The border crossings of Barva, Godovan and Bagratashen at Georgian reportedly demonstrate similar minimum release time, but the maximum time could be almost 50 per cent higher than a benchmark. The values for these border crossing points vary from:

- 30 min to 9 hours at BCP «Bavra»
- 30 min to 8 hours BCP «Gogovan»
- 30 min to 8 hours BCP «Bagratashen»



- 1 to 5 hours BCP « Aharak»

The «Gogovan» BCP was ranked best in terms of the time-effectiveness with the overall document preparation time of 2,8 hours. The average time for document processing in Barva is 3.3 hours, in Bagratashen 3.5 hours, and in Aharak 2.9 hours.

The waiting time before the border control reported by the users is 20 minutes as a minimum, and 10 hours maximum. The values vary for:

- BCP «Bavra» - from 1 to 8 hours;
- BCP «Gogovan» - from 20 min to 9 hours;
- BCP «Bagratashen» - from 30 min to 8 hours;
- BCP « Aharak» - from 1 hour to 10 hours.

This depends on the traffic situation at the point of arrival, and organization of the traffic management and control within the border area. The range of variation for the waiting time is significant, and it impacts the level predictability of travel time. Some border crossing points are better off in terms of the minimum control time, but there is also a potential for reducing the maximum waiting time. This applied to all surveyed BCPs.

The «Bagratashen» BCP was ranked best in terms of the average waiting time prior to the border control with 3.4 hours. The average waiting time in Barva is 4.5 hours, Gogovan – 3.5 hours and Aharak – 4.6 hours.

The Aharak BCP needs to expand the inspection area to make inspections easier, and to improve truck circulation. Time spent on the control procedures at Armenian BCPs range from 24 min to 4 hours. Users report the following time spent on control:

- BCP «Bavra» - from 30 min to 2 hours;
- BCP «Gogovan» - from 10 min to 4 hours;
- BCP «Bagratashen» - from 24 min to 3 hours;
- BCP « Aharak» - from 20 min to 3 hours.

The Bagratashen BCP was ranked best in terms of the time needed for control procedures with the average time of 1,2 hours. The average time for that in Barva is 1.3 hours, Gogovan – 1.7 hours and Aharak – 1.4 hours.

Taking into account the ranking results, all border crossing points need to optimize border control times in order to reduce discrepancies between the minimum and maximum time.



Cost Indicator

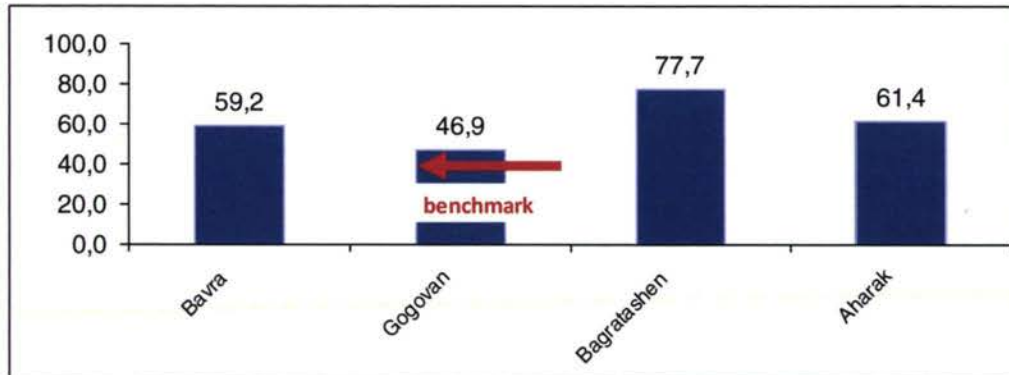


Figure 8: Cost Indicator Scores at Armenian BCPs

The costs index is calculated based on formal and informal payments. Formal payments in Armenia BCPs vary from EUR 5 to EUR 100 per trip. This variation results from the type of cargo, duties applied to a specific types of cargo, parking etc. The traffic fines charged at the border are not considered as official payments in this survey.

- BCP «Bavra» - EUR 5,0 to EUR 80,0;
- BCP «Gogovan» - EUR 5 to EUR 80;
- BCP «Bagratashen» - EUR 5 to EUR 100;
- BCP «Aharak» - EUR 10 to EUR 80.

The Gogovan BCP was rank best with the average formal payments of EUR 20.1 per trip. The average costs in Barva makes up EUR 30.6, Bagratashen – EUR 25.0, Aharak – EUR 31.7 per trip. Barva and Aharak BCPs need to reduce formal payments.

Informal payments reportedly occurring at Armenian BCPs vary from EUR 2 to EUR 150 euro per trip. The survey results for informal payments are as follows:

- BCP «Bavra» - from EUR 10 to EUR 100;
- BCP «Gogovan» - from EUR 2 to EUR 100;
- BCP «Bagratashen» - from EUR 10 to EUR 150;
- BCP «Aharak» - from EUR 10 to EUR 100.

The best performing BCP in terms of informal payments is Gogovan with reportedly EUR 20.2 per trip. Average informal costs in Barva are claimed to be EUR 37.5, in Bagratashen – EUR 82.5, in Aharak – EUR 46.7 per trip.



Respondents report systematical occurrence of informal payments (in 57.5% of all trips). Informal payments occur with the following frequency:

- BCP «Bavra» - 75%;
- BCP «Gogovan» - 40%;
- BCP «Bagratashen» - 40%;
- BCP «Aharak» - 75%.

Bavra and Aharak BCPs need to put in place additional anti-corruption practices.

Customs Procedure Indicator

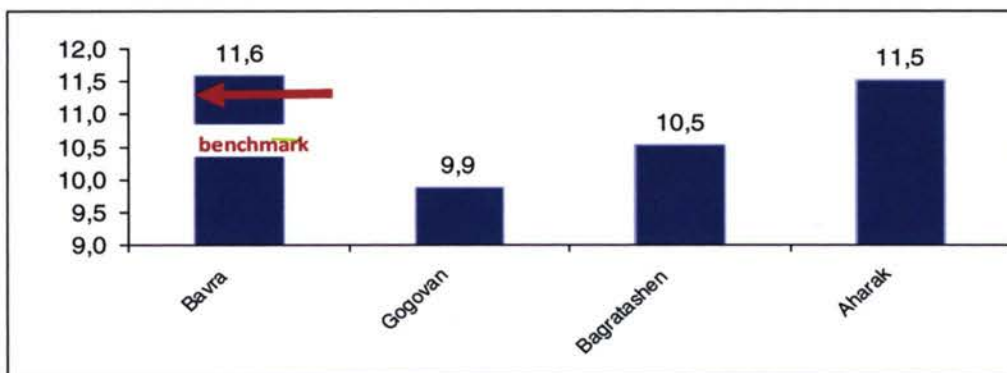


Figure 9: Customs Procedure Indicator Scores at Armenian BCPs

According to the respondents, on average about 27.1% of trips were physically controlled at the studied BCPs in Armenia. The comparison among the BCPs reveals the following:

- BCP «Bavra» - 28.3 %;
- BCP «Gogovan» - 30.0 %;
- BCP «Bagratashen» - 22.5 %;
- BCP «Aharak» - 27.5%.

Although online processing of documents is possible in Armenia, the procedure is reportedly only partially implemented and applied. Online processing of the support documentation was reportedly applied in 62.5 % of trips on average. On individual BCP level these were as follows:

- BCP «Bavra» - 75 %;
- BCP «Gogovan» - 60 %;
- BCP «Bagratashen» - 40 %;



- BCP «Aharak» - 75%.

Customs declarations could be submitted electronically only in 55 % of cases of shipping implemented by surveyed companies. Most of the respondents - 80 % - used the electronic option while crossing the border at «Bagratashen» BCP. For the rest of the border crossing points, the electronic declaration option was used only in 40%-50 % of the cases:

- BCP «Bavra» - 50,0 %;
- BCP «Gogovan» - 40,0 %;
- BCP «Aharak» - 50,0%.

There is a potential for improvement of the border crossing procedures at Armenian BCPs.

The users' responses suggest that only in 42.5% of the cases there is a possibility for an appeal. The results of the comparison among border crossing points are as follows:

- BCP «Bavra» - 25 %;
- BCP «Gogovan» - 60 %;
- BCP «Bagratashen» - 60 %;
- BCP «Aharak» - 25%.

Bavra and Aharak, in particular, need to improve the relevant processes to meet the requirements of the transport industry.

Respondents also report a high degree of duplication of functions between border agencies in the execution of freight control. Transport companies experienced such duplications in 55 % of the cases on average. On the BCPs level the responses regarding facing duplication of functions were as follows:

- BCP «Bavra» - 50%;
- BCP «Gogovan» - 60%;
- BCP «Bagratashen» - 60%;
- BCP «Aharak» - 50%.



Clearance Process Efficiency Indicator

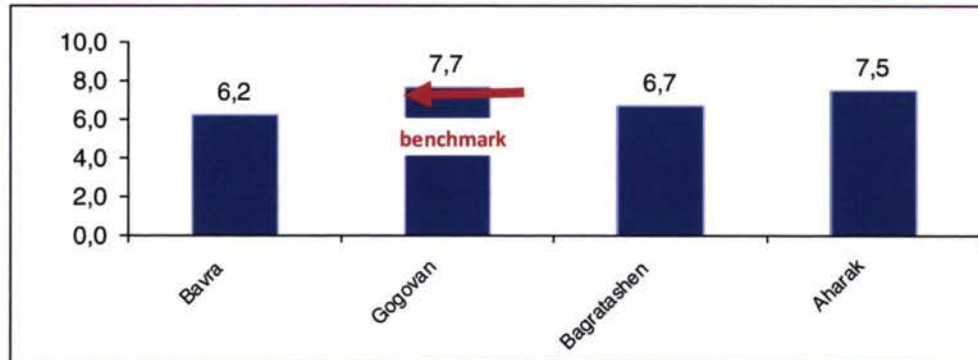


Figure 10: Clearance Process Efficiency Indicator Scores at Armenian BCPs

The respondents consider that number of lanes at Armenian BCPs is suitable for the current demand at the following scale:

- BCP «Bavra» - 75%;
- BCP «Gogovan» - 70%;
- BCP «Bagratashen» - 45%;
- BCP «Aharak» - 60%.

Users consider the number of operated lanes at the «Bagratashen» as a serious limitation, and depict the need for expansion. The efficiency of current organization of control needs to be improved as well to maximize the utilization of available lanes.

On average, according to users, processing and examination areas at Armenian BCPs is adequate to 62.1 % only. This splits among the BCPs as outlined below:

- BCP «Bavra» - 45 %;
- BCP «Gogovan» - 85 %;
- BCP «Bagratashen» - 65 %;
- BCP «Aharak» - 53 %.

The «Bavra» needs to expand the inspection area to make controls easier to meet the users demand.

Average efficiency of physical vehicle control facilities in Armenian BCPs is reportedly 61.7% in corridor clients' option. The efficiency results on the BCP level are presented below:

- BCP «Bavra» - 55 %;



- BCP «Gogovan» - 65 %;
- BCP «Bagratashen» - 60 %;
- BCP «Aharak» - 67 %.

At «Bavra» and «Bagratashen», the physical vehicle control facilities have to be improved as a matter of urgency.

Users claim that employee's efficiency at Armenian BCPs at the level of 53.7% of their expectations on the scale from 1 to 5:

- BCP «Bavra» - 40 %;
- BCP «Gogovan» - 52 %;
- BCP «Bagratashen» - 56 %;
- BCP «Aharak» - 67%.

Respondents emphasize the low efficiency of the employees at the «Bavra» BCP. That being said, it is recommended to carry out capacity building and bespoke training for employees in order to increase the overall efficiency. Moreover, it is advisable to develop a human resource management system including motivational and employee satisfaction measures, as well as behavioral training.

Average employee competence at Armenian BCPs is judged at the level of 62.9%:

- BCP «Bavra» - 65 %;
- BCP «Gogovan» - 64 %;
- BCP «Bagratashen» - 56 %;
- BCP «Aharak» - 67%.

This area needs to be tackled most at «Bagratashen».

On average the quality/standards of the transport agencies in Armenian BCPs are adequate for users at the level of 64,3%:

- BCP «Bavra» - 60,0 %;
- BCP «Gogovan» - 64,0 %;
- BCP «Bagratashen» - 60,0 %;
- BCP «Aharak» - 73,0%.



The level of services offered by transport agencies has to be improved at «Bavra» and «Bagratashen» BCPs in order to ensure responsiveness, better monitoring, and employee competence.

The quality/standards of the insurance agencies services at Armenian BCPs are adequate on average at 65,6%:

- BCP «Bavra» - 45,0 %;
- BCP «Gogovan» - 72,0 %;
- BCP «Bagratashen» - 72,0 %;
- BCP «Aharak» - 73,0%.

The situation needs to be improved at the «Bavra» as the matter of urgency.

The quality/standards of the sanitary and phyto-sanitary agencies at Armenian BCPs are adequate at 53.8%:

- BCP «Bavra» - 35 %;
- BCP «Gogovan» - 64 %;
- BCP «Bagratashen» - 56 %;
- BCP «Aharak» - 60%.

Again at «Bavra» these standards need to be improved as soon as possible to meet the market requirements; better practices have to be put in place.

Users are satisfied with the work of environmental and radiological agencies at Armenian BCPs to 65%:

- BCP «Bavra» - 60 %;
- BCP «Gogovan» - 75 %;
- BCP «Bagratashen» - 56 %;
- BCP «Aharak» - 60%.

Environmental and radiological agencies at the «Bagratashen» BCP need to improve their services, and particularly, revisit their respective inspection systems.

Quality of the roads access to Armenian BCPs is adequate for the users only at the level of 62.3% on average among all studied BCPs:

- BCP «Bavra» - 60 %;



- BCP «Gogovan» - 60 %;
- BCP «Bagratashen» - 56 %;
- BCP «Aharak» - 73 %.

The quality of access roads needs to be improved at all BCPs, but as a matter of urgency at BCP «Bagratashen».

Risk Indicator

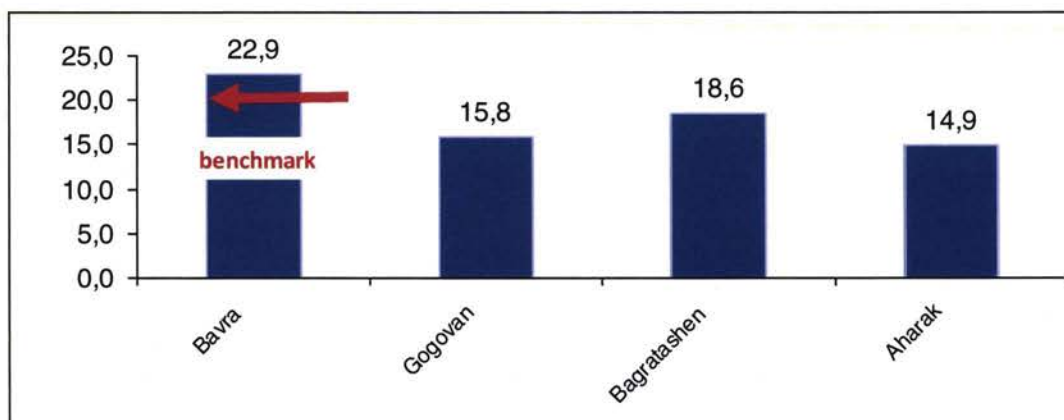


Figure 11: Risk Indicator Scores at Armenia BCPs

Average % of cargo loss risk at Armenian BCPs is almost 60%:

- BCP «Bavra» - 45,0 %;
- BCP «Gogovan» - 72,0 %;
- BCP «Bagratashen» - 56,0 %;
- BCP «Aharak» - 67,0 %.

Measures aimed to prevent cargo loss should be taken at the BCP «Gogovan» and «Aharak» with risk value above average.

Average % of cargo damage risk at Armenian BCPs is 54.2:

- BCP «Bavra» - 50%;
- BCP «Gogovan» - 48%;
- BCP «Bagratashen» - 52 %;
- BCP «Aharak» - 67%.



The «Aharak» BCP needs to pay a special attention to cargo damage risks, and carry out measures aimed at reducing such risks.

Average % of customs clearance failure risks at Armenian BCPs is 49.3:

- BCP «Bavra» - 30 %;
- BCP «Gogovan» - 64 %;
- BCP «Bagratashen» - 50 %;
- BCP «Aharak» - 53 %.

Customs clearance failure risks have to be reduced at the BCP «Gogovan».

Average % of predictability of the clearance process and timely delivery of shipments through Armenia BCPs is 60.3:

- BCP «Bavra» - 60 %;
- BCP «Gogovan» - 60 %;
- BCP «Bagratashen» - 68 %;
- BCP «Aharak» - 53 %.

The level of predictability of the clearance process and timely delivery of shipments is lowest at the «Aharak» BCP. That said, it is recommended to elaborate and implement a capacity building program covering these domains.

Average % of transparency of processes at BCPs in Armenia is 50.1:

- BCP «Bavra» - 50 %;
- BCP «Gogovan» - 52 %;
- BCP «Bagratashen» - 45 %;
- BCP «Aharak» - 53 %.

Transparency issues should be at all border crossing points. The BCP authorities should take measures aimed to increase the commitment of employees and their adherence to transparency principles according to international best practices.



4.2 Azerbaijan: Road BCP Indexes Values

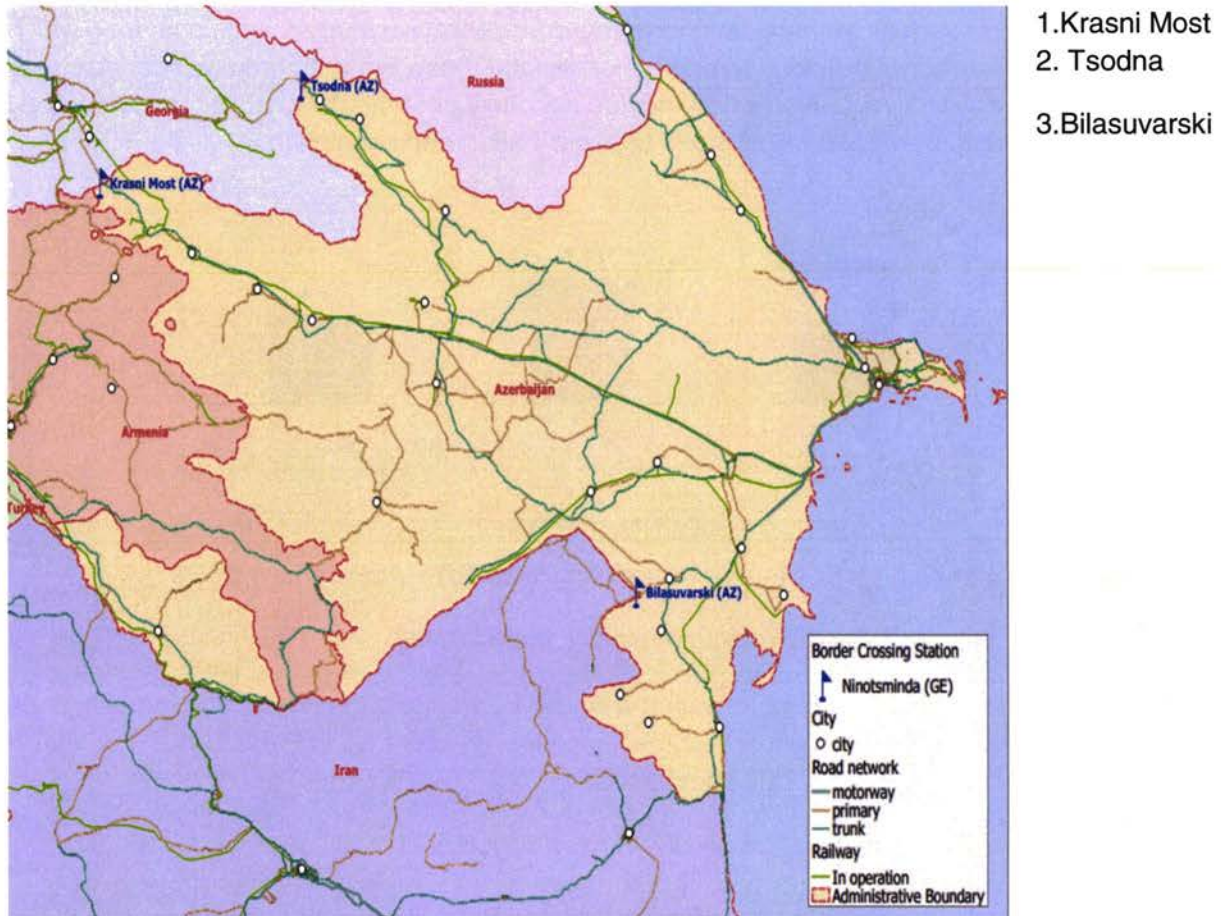


Figure 12: Map of considered BCPs in Azerbaijan.

The best performing BCP in Azerbaijan is reportedly «Krasnij Most», considered as a benchmark on the aggregated level. This border crossing point is also a benchmark in terms of time, customs procedures and risks. The «Bilasuvarski» BCP is the worst performing BCP with very high costs and the least efficient customs procedures.

In March 2014, Georgia and Azerbaijan signed an agreement on an information exchange system for imports and exports at the BCP «Krasnij Most». A pilot project on the single customs post has been launched. Yet, despite its best ranks among studied BCPs in Azerbaijan, visible bottlenecks at the border were reported by the users, e.g. delays, dignity issues, etc.

Several sub-committees have been established to tackle the existing problems through the improvement of a normative basis for border procedures. However, drafting, adopting and the implementation of by-laws aimed to introduce new work practices (e.g. e-customs, etc.) is a



lengthy and cumbersome process since it entails drastic changes in the existing administrative system.

This may explain why customs authorities tend to regard e-procedures as an additional tool, which co-exists with other traditional methods but does not replace them. Put it differently, agencies may feel they lose control over the situation when they do not carry out physical checks, and when they have to deal with e-documents instead of a pile of paper-based documentation.

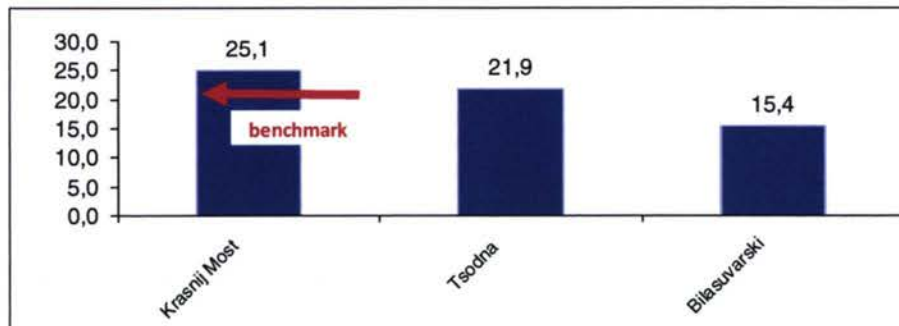


Figure 13: Border Crossing Performance Index (Aggregated) – Azerbaijani BCPs

Regarding customs clearance issues, users emphasize the following:

- Freight forwarders and logistics service providers are not able to carry out all formalities on their own. Rather, they outsource some functions to licensed brokers, which results in higher costs (reportedly 215 AZN / declaration);
- The process is rather lengthy, especially, in case of goods of dual usage;
- Guarantees can be provided for only one single import activity, and cannot be extended, replenished, etc., for multiple import operations and other dues, such as fines and fees for non-standard services (vet checks, etc.). Accordingly, all customs clearance formalities have to be performed for each single transaction even if it concerns the same type of goods that have already been processed.

Time Indicator

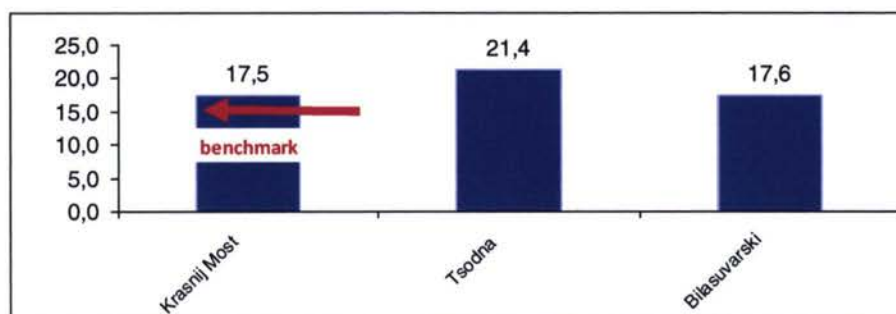


Figure 14: Time Indicator Scores at BCPs in Azerbaijan



According to the survey, the BCP Krasnij Most at the Georgian border is a time benchmark too. The time sub-indicator reflecting the time for the document preparation reveals that the minimum document preparation time is 3 hours, and the maximum time reaches 48 hours.

The TRACECA border crossings of «Krasnij Most», «Tsodna» and «Bilasuvanski», Bagratashen reportedly demonstrate similar border crossing release time as a minimum, but the maximum time could be almost 60 per cent higher than a benchmark. The values for these border crossings points are varying from:

- 5 hours to 30 hours at BCP «Krasnij Most»
- 3 hours to 48 hours at BCP «Tsodna»
- 5 hours to 34 hours at BCP «Bilasuvanski».

Average document preparation time is almost similar. The best performing BCP is «Tsodna» with the average document preparation time of 13.9 hours, while the average time for BCP «Krasnij Most» is 14.8 hours, and that for «Bilasuvanski» 16.1 hours.

The waiting time prior to control at the border reported by users is at least 2 hours and maximum 32 hours. The values vary for:

- BCP «Krasnij Most» - from 2 to 32 hours;
- BCP «Tsodna» - from 2 to 32 hours;
- BCP «Bilasuvanski» - from 2 to 28 hours;

The average waiting time prior control at the border is almost similar. «Bilasuvanski» crossing last on average 11.2 hours, while average time at «Krasnij Most» is 12,4 hours, and at «Tsodna» 12.3 hours. There is a potential for reducing the maximum waiting time. This applies to all surveyed border crossing points in the country.

Time spent on control procedures at BCPs in Azerbaijan range from 12 min to 4 hours. The users report the following time spent for control:

- BCP «Krasnij Most» - from 30 min to 4 hours;
- BCP «Tsodna» - from 12 min to 4 hours;
- BCP «Bilasuvanski» - from 30 min to 4 hours;

All border crossing points need to optimize their control procedures, and reduce the discrepancies between the minimum and maximum time.



Cost Indicator

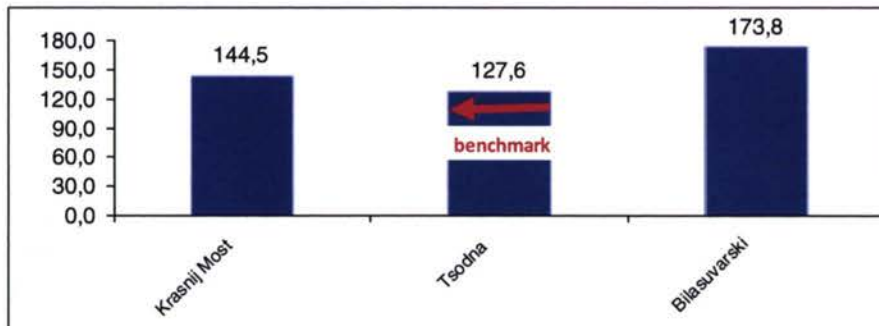


Figure 15: Cost Indicator Scores at Azerbaijani BCPs

The costs index is calculated based on the data on formal and informal payments. Formal payments in at BCPs in Azerbaijan vary from EUR 10 to EUR 300 per trip. This variation results from the type of cargo, duties applied to a specific types of cargo, parking etc., but they are reportedly equal at all BCPs. The traffic fines charged at the border are not considered as official payments in this survey.

Informal payments reportedly occurring at BCPs in Azerbaijan vary from EUR 5 to EUR 250 per trip. The survey results outline the following distribution of these payments among the studied BCPs:

- BCP «Krasnij Most» - EUR 10,0 to EUR 200,0;
- BCP «Tsodna» - EUR 5,0 to EUR 200,0;
- BCP «Bilasuvarski» - EUR 10,0 to EUR 250.

The best performing BCP is Tsodna with EUR 33.1 per trip, while average cost at Krasnij Most is EUR 68.8, and Bilasuvarski – EUR 76.3 per trip. Respondents report systematic occurrence of informal payment at the level of 65% of all trips:

- BCP «Krasnij Most» - 75 %;
- BCP «Tsodna» - 40 %;
- BCP «Bilasuvarski» - 80 %.

The “Bilasuvarski” and «Krasnij Most» need to carry out additional anti-corruption measures.



Customs Procedure Indicator

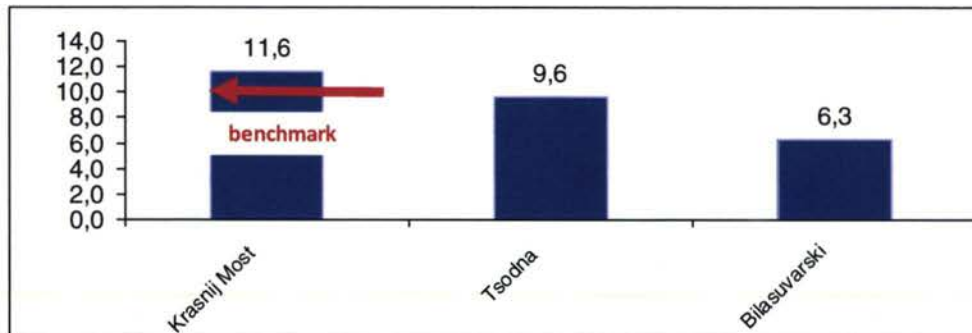


Figure 16: Customs Procedure Indicator Scores at Azerbaijani BCPs

On average, 24.4% of trips are physically controlled. The comparison among the BCPs suggests almost similar results at all border crossing points varying as follows:

- BCP «Krasnij Most» - 28,3 %;
- BCP «Tsodna» - 25,0 %;
- BCP «Bilasuvarski» - 20,0 %.

Although online processing of documents is possible in Azerbaijan, the procedure is reportedly only partially applied. On average, 61 % of trips reported in the survey involved online processing of supporting documents.

- BCP «Krasnij Most» - 75 %;
- BCP «Tsodna» - 60 %;
- BCP «Bilasuvarski» - 50 %.

The electronic submission of customs declaration was applied only in 55% of cases. Most of the respondents, i.e. 75 %, used the online form to cross the border at the Bilasuvarski BCP. For the rest of the border crossing points, the electronic declaration was applied only in 40-50 % of all trips:

- BCP «Krasnij Most» - 50 %;
- BCP «Tsodna» - 40 %.

There is a potential for improvement of the on establishment / empowerment / appeal line at BCPs in Azerbaijan. The survey suggests that only in 45% of all cases there is a possibility for an appeal:

- BCP «Krasnij Most» - 25 %;
- BCP «Tsodna» - 60 %;



- BCP «Bilasuvarski» - 50 %.

The Krasnij Most BCP needs to pay special attention to this issue.

The corridor users also report a high level of duplication between border agencies in freight control. In 61.7 % of all cases, users experienced duplications during the control procedures. The results below suggest that the problem of duplication needs to be addressed:

- BCP «Krasnij Most» - 50 %;
- BCP «Tsodna» - 60 %;
- BCP «Bilasuvarski» - 75 %.

Clearance Process Efficiency Indicator

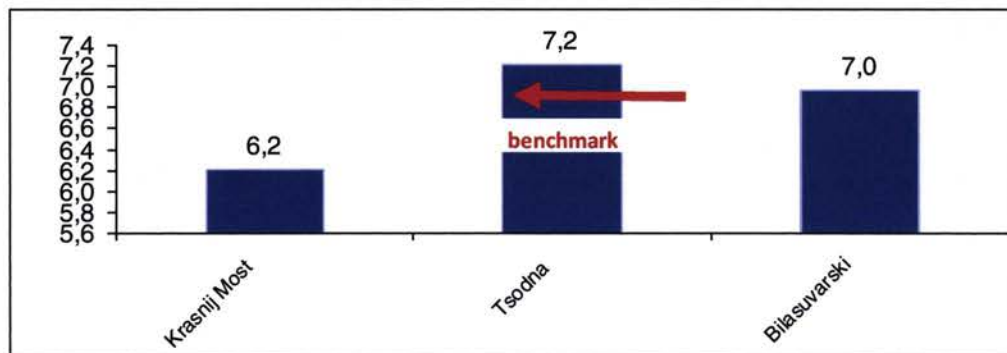


Figure 17: Clearance Process Efficiency Indicator Scores at Azerbaijani BCPs

Average for adequate number of operated lanes in Azerbaijani BCPs is 66.1%:

- BCP «Krasnij Most» - 75 %;
- BCP «Tsodna» - 70 %;
- BCP «Bilasuvarski» - 53 %;

At the BCP «Bilasuvarski», the number of operated lanes, according to respondents, is not sufficient and needs to be expanded.

Average for adequacy of processing and examination areas in BCPs in Azerbaijan is 70%:

- BCP «Krasnij Most» - 45 %;
- BCP «Tsodna» - 85 %;
- BCP «Bilasuvarski» - 80 %.



The «Krasnij Most» BCP has to improve the utilization of its inspection areas and to extend them to meet the market demand.

Satisfaction with physical vehicle control facilities at Azerbaijani BCPs is met at 55 %:

- BCP «Krasnij Most» - 55 %;
- BCP «Tsodna» - 50 %;
- BCP «Bilasuvarski» - 60 %.

All BCP demonstrate almost similar results on this area, and their physical vehicle control facilities have to be improved.

Employee efficiency at BCPs in Azerbaijan is judged at the level of 48.4 %:

- BCP «Krasnij Most» - 40 %;
- BCP «Tsodna» - 52 %;
- BCP «Bilasuvarski» - 53 %.

Respondents emphasize the lower efficiency of the employees at the «Krasnij Most» BCP. Therefore, capacity building and bespoke training for the BCP staff are required in order to increase the overall efficiency. Moreover, it is highly recommended to develop a human resource management system including motivational and employee satisfaction measures, as well as behavioral training for all border crossing points.

Employee's competence in Azerbaijani BCPs is judged at the level of 60.8 %:

- BCP «Krasnij Most» - 65 %;
- BCP «Tsodna» - 64 %;
- BCP «Bilasuvarski» - 53 %;

The «Bilasuvarski» BCP received the lowest scores for the employee competence. With that in mind, a comprehensive training program needs to be elaborated for this BCP. Furthermore, new recruitment practices may be required in order to improve the overall employee efficiency.

Quality / standards of the transport agencies in BCPs at Azerbaijan are reported at the level of 63.8 %:

- BCP «Krasnij Most» - 60 %;
- BCP «Tsodna» - 64 %;
- BCP «Bilasuvarski» - 67 %.



The level of services of relevant transport agencies has to be improved at the «Krasnij Most» BCP in order to ensure responsiveness, better monitoring and cost-effectiveness.

Quality/standards of the insurance agencies at BCPs in Azerbaijan satisfy users' expectations at 55.9 %:

- BCP «Krasnij Most» - 45 %;
- BCP «Tsodna» - 56 %;
- BCP «Bilasuvarski» - 67 %.

At the «Krasnij Most» BCP, the quality and standards of the insurance agencies need to be improved, in particular.

Average % of quality/standards of the sanitary and phyto-sanitary agencies at BCPs in Azerbaijan is 49.0%:

- BCP «Krasnij Most» - 35 %;
- BCP «Tsodna» - 52 %;
- BCP «Bilasuvarski» - 60 %.

The quality and standards of the sanitary and phyto-sanitary agencies need to be improved at the «Krasnij Most» BCP, and better quality control mechanisms and practices have to be put in place.

Quality and standards of the environmental and radiological agencies at BCPs in Azerbaijan are adequate for the users at the level of 65%:

- BCP «Krasnij Most» - 60 %;
- BCP «Tsodna» - 75 %;
- BCP «Bilasuvarski» - 60 %.

Environmental and radiological agencies of the BCPs «Krasnij Most» and «Bilasuvarski» need to improve their services, and particularly, revisit their respective inspection systems

Quality of roads access to BCPs in Azerbaijan satisfies user demand at the level of 57.8 %:

- BCP «Krasnij Most» - 60 %;
- BCP «Tsodna» - 60 %;
- BCP «Bilasuvarski» - 53 %.

The quality of roads access needs to be improved at all BCPs.



Risk Indicator

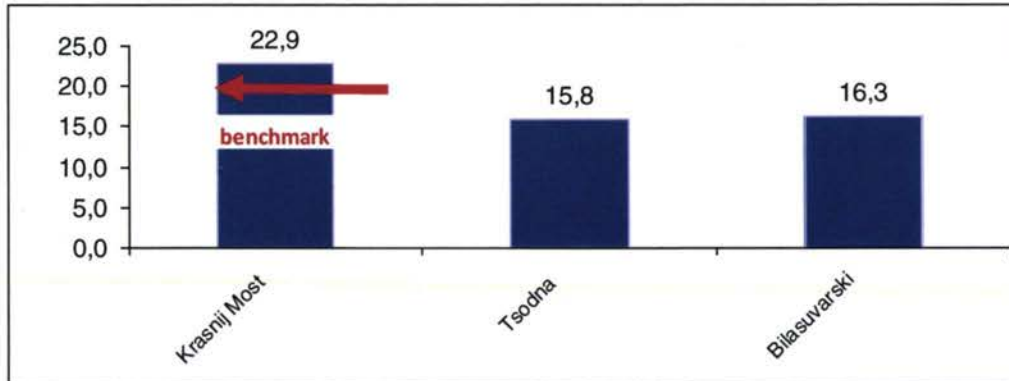


Figure 18: Risk Indicator Scores at Azerbaijani BCPs

Average % of cargo loss risk at BCPs in Azerbaijan is 61.2:

- BCP «Krasnij Most» - 45 %;
- BCP «Tsodna» - 72 %;
- BCP «Bilasuvarski» - 66.7 %.

Measures aimed at the prevention of cargo loss should be taken at the BCP «Tsodna».

Average % of cargo damage risk at BCPs in Azerbaijan is 48.2:

- BCP «Krasnij Most» - 50 %;
- BCP «Tsodna» - 48 %;
- BCP «Bilasuvarski» - 46.7 %.

The BCP «Krasnij Most» needs to pay a special attention to the problem of cargo damage risks.

Average % of the customs clearance failure risks at BCPs in Azerbaijan is 46.9:

- BCP «Krasnij Most» - 30 %;
- BCP «Tsodna» - 64 %;
- BCP «Bilasuvarski» - 46.7 %.

In order to reduce customs clearance failure risks, a system of prior control should be established at the BCP «Tsodna».

Average % of the predictability of the clearance process and the timely delivery of shipments at BCPs in Azerbaijan is 60,0 at all BCPs. Improvements should focus on capacity building of the respective staff members.

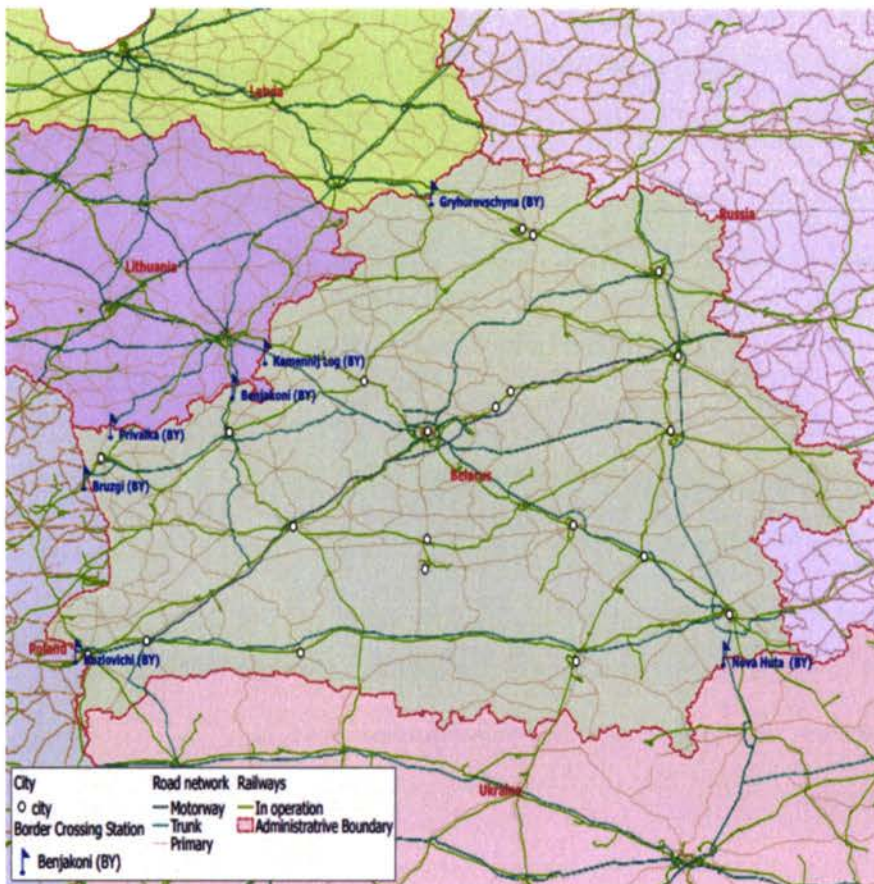


Average % of transparency of processes at BCPs in Azerbaijan is 47.3:

- BCP «Krasnij Most» - 50 %;
- BCP «Tsodna» - 52 %;
- BCP «Bilasuvarski» - 40 %.

The transparency issues should be addressed at the BCP « Bilasuvarski». The BCP authorities should take measures aimed to increase the commitment of employees and their adherence to transparency principles according to international best practices.

4.3 Belarus: Road BCP Indexes Values



1. Kozlovichi
2. Bruzgi
3. Privalka
4. Benjakoni
5. Kamennij Log
6. Gryhorovschyna
7. Nova Huta

Figure 19: Map of considered BCPs in Belarus

The BCP «Nova Huta» ranked best in Belarus, and is considered as a benchmark on the aggregated level. This border crossing point is also a benchmark in terms of risks. The BCP



«Kamennij Log» was ranked as worst associated with very high costs occurred for transport via this point.

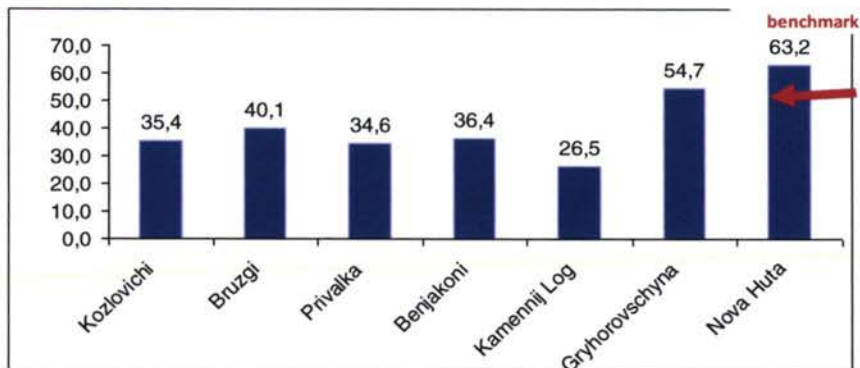


Figure 20: Border Crossing Performance Index (Aggregated) – Belorussian BCPs

Time Indicator

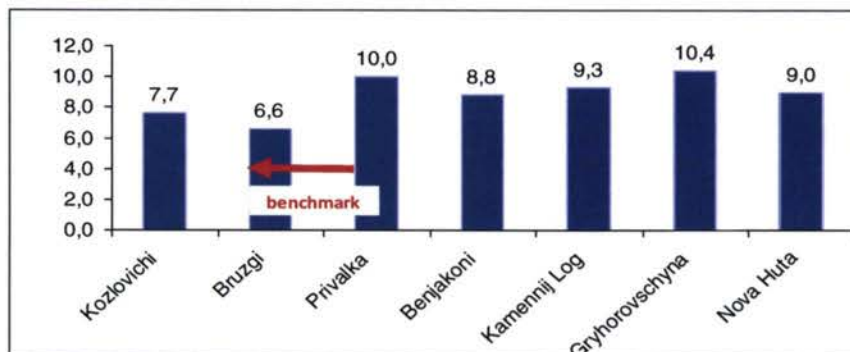


Figure 21: Time Indicator Scores at Belorussian BCPs

The BCP Bruzgi at the Polish border is a time benchmark. The document preparation time sub-indicator reveals that the minimum time for document preparation is 20 minutes, but it may reach a maximum of 24 hours. The minimum time for preparing documents varies from 20 minutes to 2 hours, and the maximum time varies from 13 to 24 hours. The values for these border crossings points are varying from:

- 1 to 15 hours at BCP «Kozlovichi»
- 2 to 13 hours BCP «Bruzgi»
- 30 min to 24 hours BCP «Privalka»
- 1 to 24 hours BCP «Benjakoni»
- 20 min to 20 hours BCP «Kamennij Log»



- 2 to 22 hours BCP «Gryhorovschyna»
- 30 min to 16 hours BCP «Nova Huta»

The best performing BCP in terms of the average time spent on the document preparation is Bruzgi with 5.7 hours, while the average time at Kozlovichi is 5.9 hours, at Privalka – 6.6 hours, at Benjakoni – 8.0 hours, at Kamennij Log – 6.7 hours, at Gryhorovschyna – 10.3 hours and at Nova Huta – 5.9 hours.

The waiting prior to control at the border reported by users is at least 18 minutes, and maximum 14 hours. The values vary for:

- BCP «Kozlovichi» - from 30 min to 12 hours;
- BCP «Bruzgi» - from 18 min to 10 hours;
- BCP «Privalka» - from 30 min to 12 hours;
- BCP «Benjakoni» - from 1 hour to 7 hours.
- BCP «Kamennij Log»- from 30 min to 12 hours.
- BCP «Gryhorovschyna» - from 1 hour to 13 hours.
- BCP «Nova Huta» - from 30 min to 14 hours.

The best performing BCP in terms of the average waiting time prior to control at the border is Bruzgi with 2.8 hours, while the average time at Kozlovichi – 4.0 hours, at Privalka – 4.6 hours, at Benjakoni – 3.7 hours, at Kamennij Log – 4.4 hours, at Gryhorovschyna – 4.8 hours and at Nova Huta – 5.2 hours.

This depends on the traffic situation at the point of arrival, and the organization of the traffic management and control within the border area. The range of variation for the waiting time is significant, and it affects the predictability of the travel time. Some border crossing points are better off with regard to the minimum time spent on control, but there is also a potential for reducing the maximum waiting time. This holds true for most of the surveyed BCPs.

Time required for the implementation of control procedures at BCPs in Belarus varies from 12 minutes to 4 hours. Users report the following time spent on control:

- BCP «Kozlovichi» - from 12 min to 2 hours;
- BCP «Bruzgi» - from 12 min to 3 hours;
- BCP «Privalka» - from 30 min to 3 hours;
- BCP «Benjakoni» - from 30 min to 2.5 hours.
- BCP «Kamennij Log»- from 20 min to 3 hours.



- BCP «Gryhorovschyna» - from 1 hour to 4 hours.
- BCP «Nova Huta» - from 30 min to 3.5 hours.

The best performing BCPs in terms of the average time required for the implementation of control are Kozlovichi and Bruzgi with 1.1 hours, while the average time at Privalka is 1.4 hours, Benjakoni – 1.2 hours, Kamennij Log – 1.6 hours, Gryhorovschyna – 2 hours and at Nova Huta – 2 hours.

First of all, the Gryhorovschyna BCP needs to optimize the time for control, and reduce the gap between the minimum and maximum time.

Cost Indicator

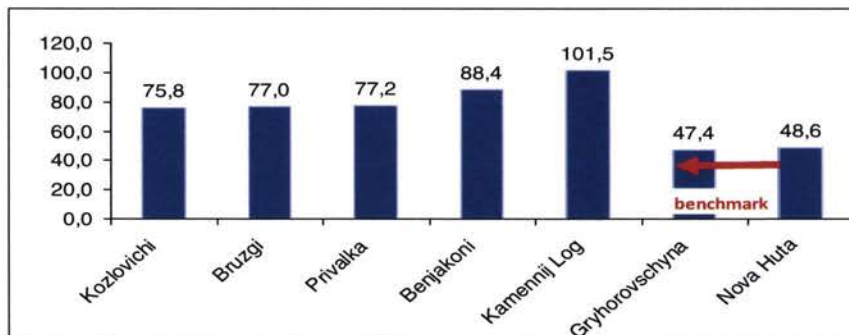


Figure 22: Cost Indicator Scores at Belorussian BCPs

The costs index is calculated based on the basis of data on formal and informal payments. Formal payments at BCPs in Belarus vary from EUR 3 to EUR 70 per trip. This variation stems from the type of cargo, duties applied to specific types of cargo, parking etc. The traffic fines charged at the border are not considered as official payments in this survey.

- BCP «Kozlovichi» - EUR 5 to EUR 50;
- BCP «Bruzgi» - EUR 5 to EUR 66;
- BCP «Privalka» - EUR 5 to EUR 50;
- BCP «Benjakoni» - EUR 3 to EUR 65;
- BCP «Kamennij Log»- EUR 3 to EUR 70;
- BCP «Gryhorovschyna» - EUR 2 to EUR 60;
- BCP «Nova Huta» - EUR 2 to EUR 48.

The best performing BCP in terms of the average formal payments is Gryhorovschyna with EUR 11.3 per trip, while the average cost at Kozlovichi is EUR 16.4, Bruzgi – EUR 20.9, Privalka – EUR 18.6, Benjakoni – EUR 17.6, Kamennij Log – EUR 17.2 and at Nova Huta – EUR 13.8 per trip.



Informal payments reportedly occurring at BCPs in Belarus vary from EUR 0 to EUR 220 euro per trip:

- BCP «Kozlovichi» - EUR 0,0 to EUR 160,0;
- BCP «Bruzgi» - EUR 0,0 to EUR 200,0;
- BCP «Privalka» - EUR 2,0 to EUR 180,0;
- BCP «Benjakoni» - EUR 2,0 to EUR 200,0;
- BCP «Kamennij Log»- EUR 7,0 to EUR 220,0;
- BCP «Gryhorovschyna» - EUR 2,0 to EUR 100,0;
- BCP «Nova Huta» - EUR 2,0 to EUR 100,0.

The best performing BCP in terms of average informal payments is Gryhorovschyna with EUR 18.5 per trip, while the average cost at Kozlovichi is EUR 45.6, Bruzgi – EUR 30.7 , Privalka – EUR 30.6, Benjakoni – EUR 42.1, Kamennij Log – EUR 64.5 and at Nova Huta – EUR 33.4 per trip.

Respondents report systematical occurrence of informal payments (67.3%). On the level of a border crossing, these sub-indicators are depicted as follows:

- BCP «Kozlovichi» - 75.0 %;
- BCP «Bruzgi» - 50.0 %;
- BCP «Privalka» - 75.0 %;
- BCP «Benjakoni» - 71.4 %;
- BCP «Kamennij Log»- 72.7 %;
- BCP «Gryhorovschyna» - 66.7 %;
- BCP «Nova Huta» - 60.0 %.

The BCPs Kozlovichi, Privalka, Kamennij Log should carry out additional anti-corruption measures.



Customs Procedure Indicator

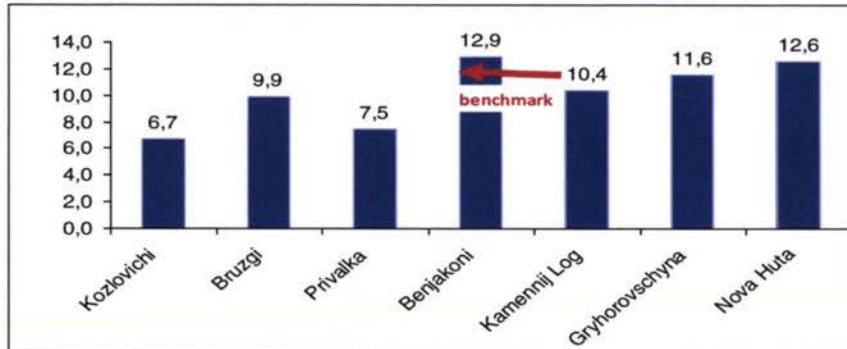


Figure 23: Customs Procedure Indicator Scores at Belorussian BCPs

According to the survey results, on average, 49,7 % of trips were physically controlled. The comparison among the BCPs suggests almost similar results for border crossing points.

Average % of physical control in Belorussian BCPs is:

- BCP «Kozlovichi» - 38.8 %;
- BCP «Bruzgi» - 40.0 %;
- BCP «Privalka» - 55.0 %;
- BCP «Benjakoni» - 48.6 %;
- BCP «Kamennij Log» - 40.5 %;
- BCP «Gryhorovschyna» - 62.5 %;
- BCP «Nova Huta» - 62.5 %.

Although online processing of documents is possible in Belarus, the procedure is reportedly only partially applied. On average, the online processing of supporting documentation was applied only in 64.5 % of all trips.

- BCP «Kozlovichi» - 71.4 %;
- BCP «Bruzgi» - 50.0 %;
- BCP «Privalka» - 75.0 %;
- BCP «Benjakoni» - 75.0 %;
- BCP «Kamennij Log» - 60.0 %;
- BCP «Gryhorovschyna» - 60.0 %;



- BCP «Nova Huta» - 60.0 %.

The electronic submission of the customs declaration was used only in 57.4 % of cases. Most of the respondents applied the online form while crossing the border at Nova Huta (80 %) and at Privalka (75 %). For the rest of the border crossing points, the electronic declaration was submitted only in 40-60 % of the cases:

- BCP «Kozlovichi» - 57.1 %;
- BCP «Bruzgi» - 40.0 %;
- BCP «Benjakoni» - 50.0 %;
- BCP «Kamennij Log» - 40.0 %;
- BCP «Gryhorovschyna» - 60.0 %

There is a potential for improvement for establishment / empowerment / appeal line processes at BCPs in Belarus. Users report that appeal was possible only 37.8 % of the cases on average:

- BCP «Kozlovichi» - 14.3 %;
- BCP «Bruzgi» - 60 %;
- BCP «Privalka» - 25 %;
- BCP «Benjakoni» - 25 %;
- BCP «Kamennij Log» - 60 %;
- BCP «Gryhorovschyna» - 40 %;
- BCP «Nova Huta» - 40 %.

The BCPs at Kozlovichi, Privalka, and Benjakoni need to address this issue in order to meet the requirements of the transport industry.

Users also report a high level of duplication between the border agencies in freight control; on average, in 62.3 % of the cases respondents experienced duplications in the control. The results presented in the figure below suggest that the problem of duplication needs to be addressed:

- BCP «Kozlovichi» - 71.4 %;
- BCP «Bruzgi» - 60 %;
- BCP «Privalka» - 75 %;
- BCP «Benjakoni» - 50%;
- BCP «Kamennij Log» - 60 %;



- BCP «Gryhorovschyna» - 60 %;
- BCP «Nova Huta» - 60 %.

Clearance Process Efficiency Indicator

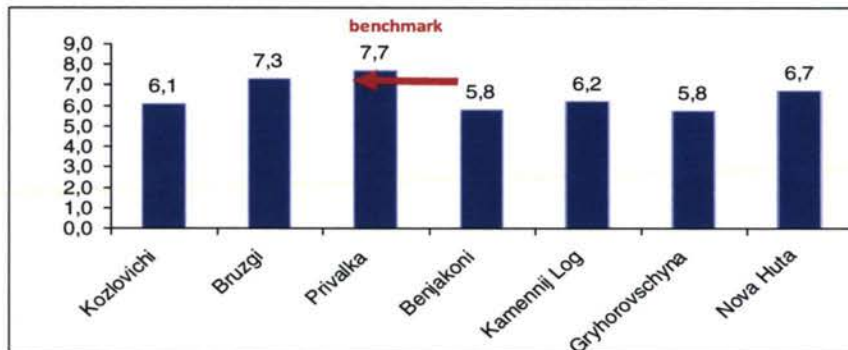


Figure 24: Clearance Process Efficiency Indicator Scores at Belorussian BCPs

Average % of the adequate number of operated lanes in Belorussian BCPs is 57.7 %:

- BCP «Kozlovichi» - 69 %;
- BCP «Bruzgi» - 70 %;
- BCP «Privalka» - 52 %;
- BCP «Benjakoni» - 43 %;
- BCP «Kamennij Log» - 53 %;
- BCP «Gryhorovschyna» - 52 %;
- BCP «Nova Huta» - 64 %.

At the BCPs «Benjakoni», «Privalka», «Gryhorovschyna», «Kamennij Log» the number of operated lanes, according to respondents, does not suffice, and it needs to be expanded.

Average % of the adequacy of processing and examination areas in Belorussian BCPs is 57.8:

- BCP «Kozlovichi» - 47 %;
- BCP «Bruzgi» - 73 %;
- BCP «Privalka» - 72 %;
- BCP «Benjakoni» - 37 %;
- BCP «Kamennij Log» - 60 %;



- BCP «Gryhorovschyna» - 52 %;
- BCP «Nova Huta» - 64%.

The BCPs «Benjakoni» and «Kozlovichi» need to expand the inspection area in order to make inspections easier, and improve truck throughput.

Average % of adequacy of physical vehicle control facilities at Belorussian BCPs are 60.3 %:

- BCP «Kozlovichi» - 58 %;
- BCP «Bruzgi» - 57 %;
- BCP «Privalka» - 80 %;
- BCP «Benjakoni» - 54 %;
- BCP «Kamennij Log» - 51 %;
- BCP «Gryhorovschyna» - 50 %;
- BCP «Nova Huta» - 72 %.

At the BCPs «Gryhorovschyna» and «Kamennij Log», physical vehicle control facilities have to be improved more urgently than at other BCPs.

The employee efficiency at BCPs in Belarus is perceived at the level of 57.6 %:

- BCP «Kozlovichi» - 44 %;
- BCP «Bruzgi» - 57 %;
- BCP «Privalka» - 68 %;
- BCP «Benjakoni» - 43 %;
- BCP «Kamennij Log» - 58 %;
- BCP «Gryhorovschyna» - 64 %;
- BCP «Nova Huta» - 68 %.

Respondents point to the low employee efficiency at all BCPs. It is particularly appealing at the BCPs «Benjakoni» and «Kozlovichi». That said, capacity building and training for BCP staff are required in order to increase the overall efficiency. Moreover, it is highly recommended to develop a human resource management system including motivational and employee satisfaction measures, as well as behavioral training.

Employees' competence at BCPs in Belarus is judged at the level of 53.7 %:



- BCP «Kozlovichi» - 56 %;
- BCP «Bruzgi» - 63 %;
- BCP «Privalka» - 72 %;
- BCP «Benjakoni» - 53 %;
- BCP «Kamennij Log» - 44 %;
- BCP «Gryhorovschyna» - 40 %;
- BCP «Nova Huta» - 48 %.

The BCPs «Gryhorovschyna» and «Kamennij Log» received the lowest values for the employee competence perception. A comprehensive training program needs to be elaborated. Furthermore, new recruitment practices may be required in order to improve the overall employee efficiency.

Quality and standards of transport agencies at BCPs in Belarus is perceived at the level of 59 %:

- BCP «Kozlovichi» - 56 %;
- BCP «Bruzgi» - 60 %;
- BCP «Privalka» - 64 %;
- BCP «Benjakoni» - 71 %;
- BCP «Kamennij Log» - 53 %;
- BCP «Gryhorovschyna» - 57 %;
- BCP «Nova Huta» - 52 %.

The level of services of transport agencies has to be addressed at the BCPs «Nova Huta» and «Kamennij Log» as the matter of urgency.

Quality/standards of the insurance agencies at BCPs in Belarus seen at the level of 61.8 %:

- BCP «Kozlovichi» - 58 %;
- BCP «Bruzgi» - 71 %;
- BCP «Privalka» - 84 %;
- BCP «Benjakoni» - 53 %;
- BCP «Kamennij Log» - 70 %;
- BCP «Gryhorovschyna» - 52 %;



- BCP «Nova Huta» - 44 %.

At the BCPs «Nova Huta», «Gryhorovschyna» and «Benjakoni» the quality and standards of the insurance agencies have to be improved, particularly, in terms of reducing transportation risks.

Average % of the quality and standards of the sanitary and phyto-sanitary agencies at BCPs is 51.3 %:

- BCP «Kozlovichi» - 38.0 %;
- BCP «Bruzgi» - 60.0 %;
- BCP «Privalka» - 60.0 %;
- BCP «Benjakoni» - 53.0 %;
- BCP «Kamennij Log» - 48.0 %;
- BCP «Gryhorovschyna» - 48.0 %;
- BCP «Nova Huta» - 52.0 %.

The quality and standards of the sanitary and phyto-sanitary agencies have to be improved at the BCPs «Kozlovichi», «Kamennij Log» and «Gryhorovschyna», and better quality control mechanisms and practices have to be put in place.

Quality and standards of environmental and radiological agencies at BCPs in Belarus is seen at the level of 55.4%:

- BCP «Kozlovichi» - 49%;
- BCP «Bruzgi» - 67%;
- BCP «Privalka» - 60%;
- BCP «Benjakoni» - 50%;
- BCP «Kamennij Log» - 46%;
- BCP «Gryhorovschyna» - 52%;
- BCP «Nova Huta» - 64%.

The BCPs «Kamennij Log» and «Kozlovichi» need to increase the level of services of environmental and radiological agencies and particularly, revisit their respective inspection systems.

Average satisfaction with of the quality of roads access at BCPs in Belarus is at the level of 52.9 %:



- BCP «Kozlovichi» - 58 %;
- BCP «Bruzgi» - 60 %;
- BCP «Privalka» - 60 %;
- BCP «Benjakoni» - 46 %;
- BCP «Kamennij Log» - 58 %;
- BCP «Gryhorovschyna» - 33 %;
- BCP «Nova Huta» - 56 %.

The quality of access roads needs to be improved at the BCPs «Gryhorovschyna» and «Benjakoni».

Risk Indicator

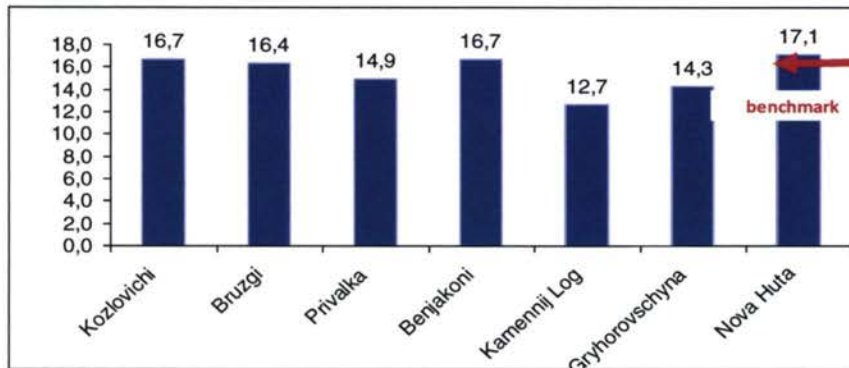


Figure 25: Risk Indicator Scores at Belorussian BCPs

Average % of cargo loss risk at BCPs in Belarus is 55.1:

- BCP «Kozlovichi» - 52 %;
- BCP «Bruzgi» - 68.6 %;
- BCP «Privalka» - 76 %;
- BCP «Benjakoni» - 46.7 %;
- BCP «Kamennij Log» - 45 %;
- BCP «Gryhorovschyna» - 53.3 %;
- BCP «Nova Huta» - 44 %.



Measures aimed at the prevention of cargo loss should be taken at the BCPs «Privalka» and «Bruzgi».

Average % of cargo damage risk at BCPs is 60.9:

- BCP «Kozlovichi» - 57.5 %;
- BCP «Bruzgi» - 48.6 %;
- BCP «Privalka» - 80 %;
- BCP «Benjakoni» - 80%;
- BCP «Kamennij Log» - 68.6 %;
- BCP «Gryhorovschyna» - 40 %;
- BCP «Nova Huta» - 52 %.

The BCPs «Privalka» and «Benjakoni» need to pay a special attention to cargo damage risks, and carry out measures aimed at reducing such risks.

Average % of customs clearance failure risks at BCPs in Belarus is 55:

- BCP «Kozlovichi» - 40%;
- BCP «Bruzgi» - 60 %;
- BCP «Privalka» - 60 %;
- BCP «Benjakoni» - 60 %;
- BCP «Kamennij Log» - 56.7 %;
- BCP «Gryhorovschyna» - 64 %;
- BCP «Nova Huta» - 44 %.

A system of prior control should be established at the BCPs «Gryhorovschyna», «Bruzgi», «Privalka» and «Benjakoni» with the aim of reducing customs clearance failure risks.

Average % of predictability of the clearance process and timely delivery of shipments at BCPs is 59.8:

- BCP «Kozlovichi» - 62 %;
- BCP «Bruzgi» - 57.1 %;
- BCP «Privalka» - 80 %;



- BCP «Benjakoni» - 73.3 %;
- BCP «Kamennij Log» - 57.5 %;
- BCP «Gryhorovschyna» - 36.7 %;
- BCP «Nova Huta» - 52 %.

The BCPs «Gryhorovschyna» and «Nova Huta» received the lowest scores for predictability of the clearance process and timely delivery of shipments. This problem needs to be addressed through capacity building of relevant employees.

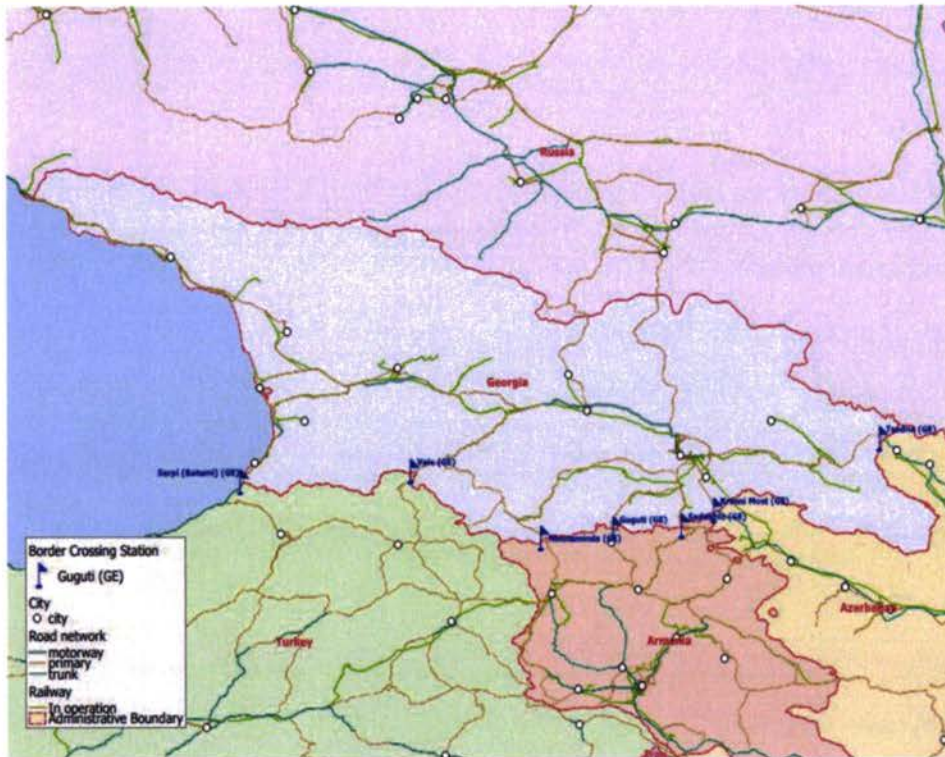
Average % of transparency of processes at BCPs is 42.1:

- BCP «Kozlovichi» - 34.0 %;
- BCP «Bruzgi» - 54.3 %;
- BCP «Privalka» - 44.0 %;
- BCP «Benjakoni» - 46.7 %;
- BCP «Kamennij Log» - 25.7 %;
- BCP «Gryhorovschyna» - 50.0 %;
- BCP «Nova Huta» - 40.0 %.

In particular, transparency issues should be addressed at the BCPs «Kamennij Log» and «Kozlovichi». The authorities should take measures aimed to increase the commitment of employees and their adherence to transparency principles according to international best practices.



4.4 Georgia: Road BCP Indexes Values



1. Sarpi (Batumi)
2. Vale
3. Ninotsminda
4. Guguti
5. Sadakhlo
6. Krasnij Most
7. Tsodna

Figure 26: Map of considered BCPs of Georgia

The top performer in Georgia is the BCP «Krasnij Most», which is considered a benchmark on the aggregated level. The second best rank is assigned to the BCP Sarpi (Batumi), which has very similar value of the aggregated indicator, and is close to the benchmark performance. The worst rank is assigned to the BCP «Ninotsminda», with very high cost compared to other BCPs in the country.

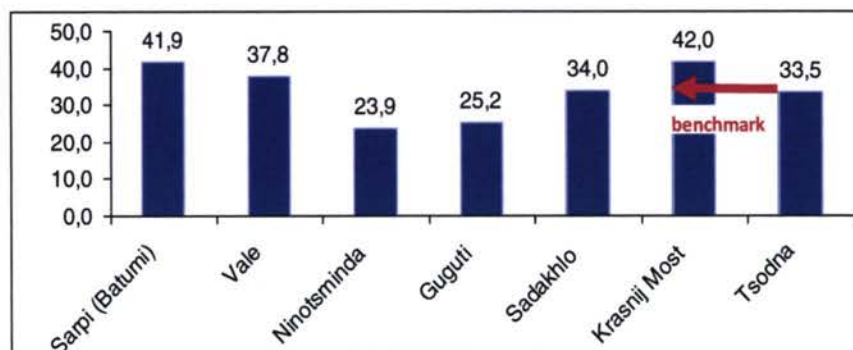


Figure 27: Border Crossing Performance Index (Aggregated) – Georgian BCPs



Time Indicator

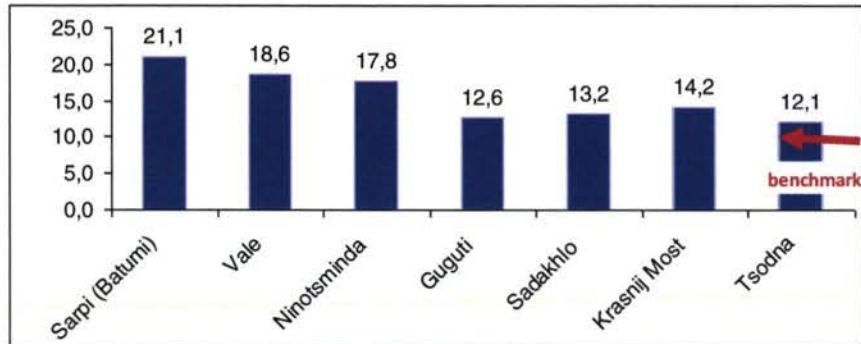


Figure 28: Time Indicator Scores at Georgian BCPs

The BCP Tsodna at the border with Azerbaijan is a time benchmark. The document preparation time sub-indicator reveals that the minimum time for document preparation is 30 minutes, and the maximum time makes up 50 hours.

The minimum time for preparing documents varies from 30 minutes to 5 hours, and maximum varies from 25 to 50 hours. The values for these border crossings points are varying from:

- 30 min to 48 hours at BCP «Sarpi (Batumi)»
- 30 min to 50 hours BCP «Vale»
- 2 to 50 hours BCP «Ninotsminda»
- 3 to 25 hours BCP «Guguti»
- 5 to 25 hours BCP «Sadakhlo»
- 30 min to 30 hours BCP «Krasnij Most»
- 2 to 25 hours BCP «Tsodna»

The best performing BCP in terms of the average time spent on the documents preparation is Krasnij Most with 8.1 hours, while average time at Sarpi (Batumi) is 11.9 hours, Vale – 8.8 hours, Ninotsminda – 16.7 hours, Guguti – 13.0 hours, Sadakhlo – 16.4 hours and at Tsodna – 12.0 hours.

The waiting time prior control at the border reported by users is minimum 30 minutes and maximum 32 hours. The values vary for:

- BCP «Sarpi (Batumi)» » - from 6 min to 32 hours;
- BCP «Vale» - from 6 min to 24 hours;
- BCP «Ninotsminda» - from 1 to 14 hours;



- BCP «Guguti» - from 2 hour to 15 hours.
- BCP «Sadakhlo»- from 1 to 20 hours.
- BCP «Krasnij Most» - from 30 min to 24 hours.
- BCP «Tsodna» - from 2 to 16 hours.

The best performing BCP in terms of the average waiting time prior to control at the border is Krasnij Most with 5.6 hours, while average time at Sarpi (Batumi) is 6.5 hours, Vale – 5.7 hours, Ninotsminda – 6.0 hours, Guguti – 7.4 hours, Sadakhlo – 7.3 hours and at Tsodna – 7.5 hours.

This depends on the traffic situation at the point of arrival, and organization of the traffic management and control within the border area. The range of variation for the waiting time is significant, and it impacts the predictability of the travel time. Some border crossing points are better off with regard to the minimum time needed for control, but there is also a potential for reducing the maximum waiting time. This holds true for most of surveyed border crossing points

Time spent on control procedures at BCPs range from 12 minutes to 6 hours. Users report the following time spent on control:

- BCP «Sarpi (Batumi)» - from 12 min to 6 hours;
- BCP «Vale» - from 12 min to 4 hours;
- BCP «Ninotsminda» - from 30 min to 4 hours;
- BCP «Guguti» - from 30 min to 6 hours.
- BCP «Sadakhlo»- from 1 to 2.5 hours.
- BCP «Krasnij Most» - from 12 min to 3 hours.
- BCP «Tsodna» - from 30 min to 3 hours.

The best performing BCP in terms of the average time needed for the implementation of control is Krasnij Most with 1.5 hours, while average time at Sarpi (Batumi) is 1.9 hours, Vale – 1.6 hours, Ninotsminda – 1.9 hours, Guguti – 2.2 hours, Sadakhlo – 1.8 hours and at Tsodna – 1.4 hours.

The BCPs Sarpi (Batumi) and Guguti need to optimize the control implementation time, and reduce the gap between the minimum and maximum time.



Cost Indicator

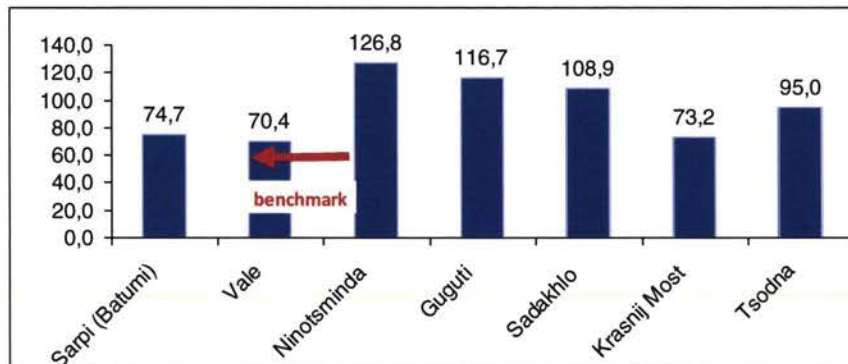


Figure 29: Cost Indicator Scores at Georgian BCPs

The costs index is calculated based on the data on formal and informal payments. Formal payments at Georgian BCPs vary from EUR 0 to EUR 400 per trip. This variation results from the type of cargo, duties applied to specific types of cargo, parking etc. The traffic fines charged at the border are not considered in this survey.

- BCP «Sarpi (Batumi)» - EUR 0 to EUR 40;
- BCP «Vale» - EUR 0 to EUR 20;
- BCP «Ninotsminda» - EUR 50 to EUR 400;
- BCP «Guguti» - EUR 10 to EUR 280;
- BCP «Sadakhlo» - EUR 20 to EUR 250;
- BCP «Krasnij Most» - EUR 0 to EUR 100;
- BCP «Tsodna» - EUR 20 to EUR 220.

The best performing BCP in terms of the average formal payments is Vale with EUR 9.7 per trip, while the average cost at Sarpi (Batumi) is EUR 14, Ninotsminda – EUR 155, Guguti – EUR 155, Sadakhlo – EUR 130, Krasnij Most – EUR 31 and at Tsodna – EUR 90 per trip.

Informal payments reportedly occurring at Georgian BCPs vary from EUR 0 to EUR 200 euro per trip:

- BCP «Sarpi (Batumi)» - EUR 10 to EUR 200;
- BCP «Vale» - EUR 5 to EUR 200;
- BCP «Ninotsminda» - EUR 10 to EUR 110;
- BCP «Guguti» - EUR 10 to EUR 120;



- BCP «Sadakhlo»- EUR 40 to EUR 130;
- BCP «Krasnij Most» - EUR 0 to EUR 100;
- BCP «Tsodna» - EUR 10 to EUR 180.

The “best” situation is observed Vale with EUR 46 per trip on average, while cost at Sarpi (Batumi) is EUR 50.8, Ninotsminda – EUR 49.4, Guguti – EUR 57.5, Sadakhlo – EUR 155, Krasnij Most – EUR 57.5 and at Tsodna – EUR 67.5 per trip.

Respondents report systematical occurrence of informal payments in 34.5% of all cases. On the level of a border crossing, these sub-indicators are scored as follows:

- BCP «Sarpi (Batumi)» - 50%;
- BCP «Vale» - 50%;
- BCP «Ninotsminda» - 33.3 %;
- BCP «Guguti» - 33.3 %;
- BCP «Sadakhlo»- no response;
- BCP «Krasnij Most» - 75 %;
- BCP «Tsodna» - no response.

The BCPs Krasnij Most, Sarpi (Batumi) and Vale need to carry out additional anti-corruption measures.

Customs Procedure Indicator

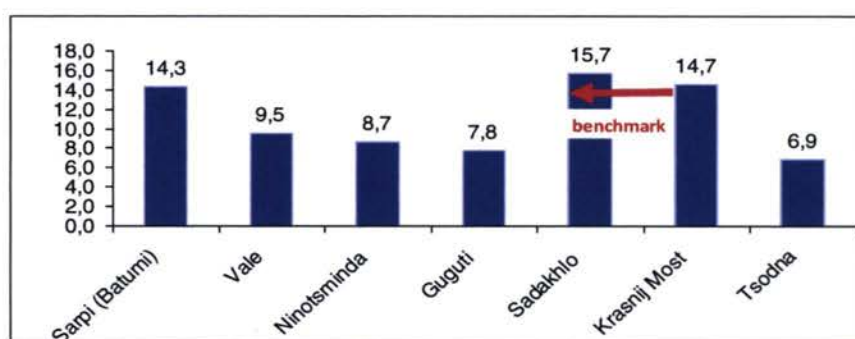


Figure 30: Customs Procedure Indicator Scores at Georgian BCPs

On average, 19.2 % of trips were physically controlled. The comparison among the BCPs shows almost similar results for border crossing points.

Average % of physical control at individual BCPs is:



- BCP «Sarpi (Batumi)» - 20 %;
- BCP «Vale» - 23.3 %;
- BCP «Ninotsminda» - 25 %;
- BCP «Guguti» - 10 %;
- BCP «Sadakhlo»- 16.7 %;
- BCP «Krasnij Most» - 28 %;
- BCP «Tsodna» - 11.7 %.

Although online processing of documents is possible in Georgia, the procedure is reportedly only partially applied. On average, online processing was applied only in 68.1 % of all trips.

- BCP «Sarpi (Batumi)» - 100 %;
- BCP «Vale» - 60 %;
- BCP «Ninotsminda» - 66.7 %;
- BCP «Guguti» - 60 %;
- BCP «Sadakhlo»- 75 %;
- BCP «Krasnij Most» - 40 %;
- BCP «Tsodna» - 75 %.

The electronic submission of customs declaration occurred in 62.9 % of cases. 100 % respondents crossing the border at Ninotsminda and Sadakhlo used the online form. For the rest of the border crossing points, the electronic declaration was submitted only in 40-60 % of the cases:

- BCP «Sarpi (Batumi)» - 50 %;
- BCP «Vale» - 40 %;
- BCP «Guguti» - 40 %;
- BCP «Krasnij Most» - 60 %;
- BCP «Tsodna» - 50 %.

There is a potential for improvement of the on establishment / empowerment / appeal line processes. Users report that only in 58.6 % of the cases there is a possibility for an appeal:

- BCP «Sarpi (Batumi)» - 50 %;



- BCP «Vale» - 60 %;
- BCP «Ninotsminda» - 75 %;
- BCP «Guguti» - 40 %;
- BCP «Sadakhlo» - 50 %;
- BCP «Krasnij Most» - 60 %;
- BCP «Tsodna» - 75 %.

The BCPs at Guguti, Sarpi and Sadakhlo need to address this problem in order to meet the requirements of the transport industry.

Users also report a high level of duplication of functions between the border agencies in freight control. On average, in 58.6 % of all cases transport companies experienced duplications in the control procedures. The results presented in the list below suggest that the problem of duplication needs to be addressed:

- BCP «Sarpi (Batumi)» - 50 %;
- BCP «Vale» - 60 %;
- BCP «Ninotsminda» - 75 %;
- BCP «Guguti» - 60 %;
- BCP «Sadakhlo»- 50 %;
- BCP «Krasnij Most» - 40 %;
- BCP «Tsodna» - 75 %.

Clearance Process Efficiency Indicator

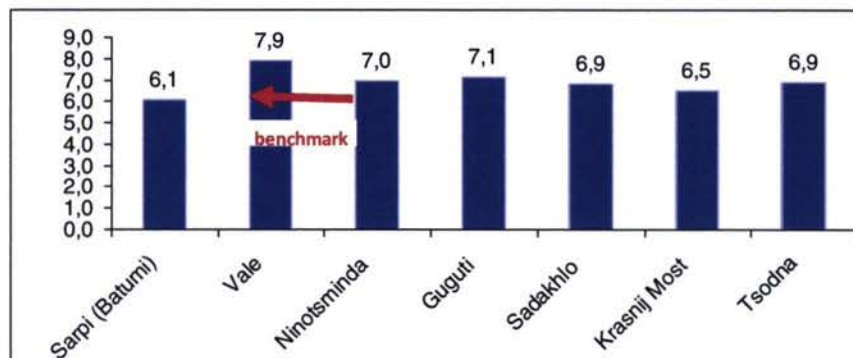


Figure 31: Clearance Process Efficiency Indicator Scores at Georgian BCPs



Average % of the adequate number of operated lanes at Georgian BCPs is 56.8 %:

- BCP «Sarpi (Batumi)» - 64 %;
- BCP «Vale» - 64 %;
- BCP «Ninotsminda» - 60 %;
- BCP «Guguti» - 55 %;
- BCP «Sadakhlo»- 40 %;
- BCP «Krasnij Most» - 64 %;
- BCP «Tsodna» - 50 %.

At the BCPs «Sadakhlo», «Tsodna» and «Guguti», the number of operated lanes, according to respondents, are not sufficient, and needs to be expanded.

Average % of the adequacy of processing and examination areas in Georgian BCPs is 55.7:

- BCP «Sarpi (Batumi)» - 40%;
- BCP «Vale» - 72%;
- BCP «Ninotsminda» - 64 %;
- BCP «Guguti» - 60%;
- BCP «Sadakhlo»- 40 %;
- BCP «Krasnij Most» - 64 %;
- BCP «Tsodna» - 50 %.

The BCPs «Sarpi (Batumi)» and «Sadakhlo need to expand the inspection area to simplify inspections and throughput.

Average % of satisfaction with adequacy of physical vehicle control facilities in Georgian BCPs is 61.9:

- BCP «Sarpi (Batumi)» - 70%;
- BCP «Vale» - 60 %;
- BCP «Ninotsminda» - 64 %;
- BCP «Guguti» - 55 %;
- BCP «Sadakhlo»- 50 %;



- BCP «Krasnij Most» - 64 %;
- BCP «Tsodna» - 70%.

Physical vehicle control facilities at the BCPs «Sadakhlo» and «Guguti» have to be improved.

Average % of the employee efficiency at Georgian BCPs is perceived at the level of 59 %:

- BCP «Sarpi (Batumi)» - 58 %;
- BCP «Vale» - 60 %;
- BCP «Ninotsminda» - 60 %;
- BCP «Guguti» - 60 %;
- BCP «Sadakhlo»- 73 %;
- BCP «Krasnij Most» - 52 %;
- BCP «Tsodna» - 50 %.

Respondents emphasize the lower employee efficiency at the BCPs «Tsodna» and «Krasnij Most». That said, capacity building and bespoke training for staff are required in order to increase the overall efficiency. Moreover, it is recommended to develop a human resource management system including motivational and employee satisfaction measures, as well as behavioral training.

Average % of the employee competence at Georgian BCPs is seen at the level of 60.9 %:

- BCP «Sarpi (Batumi)» - 51%;
- BCP «Vale» - 70%;
- BCP «Ninotsminda» - 64%;
- BCP «Guguti» - 64%;
- BCP «Sadakhlo»- 53%;
- BCP «Krasnij Most» - 44%;
- BCP «Tsodna» - 80%.

The BCPs «Krasnij Most» and «Sarpi (Batumi)» reportedly demonstrated the lowest level of the employee competence. With that in mind, a comprehensive training program needs to be elaborated for these BCPs. Furthermore, new recruitment practices may be required in order to improve the overall employee efficiency.

Average % of satisfaction with the quality and standards of the transport agencies at Georgian BCPs is 59.9:



- BCP «Sarpi (Batumi)» - 53%;
- BCP «Vale» - 70%;
- BCP «Ninotsminda» - 60%;
- BCP «Guguti» - 60%;
- BCP «Sadakhlo»- 60%;
- BCP «Krasnij Most» - 56%;
- BCP «Tsodna» - 60%.

The level of services at the BCPs «Sarpi (Batumi)» and «Krasnij Most» has to be significantly improved to ensure responsiveness, better monitoring and cost-effectiveness.

Average % of satisfaction with the quality and standards of the insurance agencies at Georgian BCPs is 69.9:

- BCP «Sarpi (Batumi)» - 53%;
- BCP «Vale» - 77%;
- BCP «Ninotsminda» - 64%;
- BCP «Guguti» - 80%;
- BCP «Sadakhlo»- 73%;
- BCP «Krasnij Most» - 52%;
- BCP «Tsodna» - 90%.

The quality and standards of the insurance agencies at the BCPs «Krasnij Most» and «Sarpi (Batumi)» have to be improved, in particular, in terms of reducing transportation risks.

Average % of the quality and standards of the sanitary and phyto-sanitary agencies in Georgian BCPs is 55%:

- BCP «Sarpi (Batumi)» - 36%;
- BCP «Vale» - 70%;
- BCP «Ninotsminda» - 60%;
- BCP «Guguti» - 64%;
- BCP «Sadakhlo»- 73%;



- BCP «Krasnij Most» - 52%;
- BCP «Tsodna» - 30.%.

The quality and standards of the sanitary and phyto-sanitary agencies at the BCPs «Tsodna» and «Sarpi (Batumi)», and better quality control mechanisms and practices have to be put in place.

Average % user satisfaction with of the quality and standards of environmental and radiological agencies in Georgian BCPs is 62.5:

- BCP «Sarpi (Batumi)» - 40%;
- BCP «Vale» - 80%;
- BCP «Ninotsminda» - 64%;
- BCP «Guguti» - 68%;
- BCP «Sadakhlo»- 73%;
- BCP «Krasnij Most» - 52%;
- BCP «Tsodna» - 60%.

Environmental and radiological agencies at the BCPs «Sarpi (Batumi)» and «Krasnij Most» need to improve their services, and particularly, revisit their respective inspection systems.

Average % of the quality of roads access in Georgian BCPs is 60.2 %:

- BCP «Sarpi (Batumi)» - 62.0 %;
- BCP «Vale» - 68.0 %;
- BCP «Ninotsminda» - 48.0 %;
- BCP «Guguti» - 55.0 %;
- BCP «Sadakhlo» - 60.0 %;
- BCP «Krasnij Most» - 68.0 %;
- BCP «Tsodna» - 60.0 %.

The quality of access roads at the BCPs «Ninotsminda» and «Guguti» need to be improved.



Risk Indicator

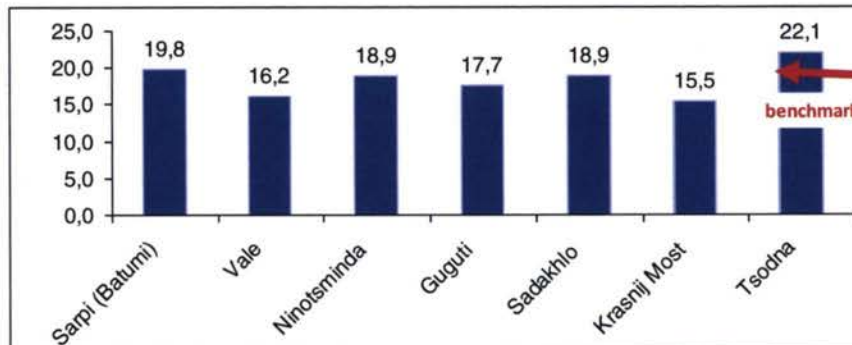


Figure 32: Risk Indicator Scores at Georgian BCPs

Average % of cargo loss risk at Georgian BCPs is 55.5:

- BCP «Sarpi (Batumi)» - 42.5 %;
- BCP «Vale» - 76.7 %;
- BCP «Ninotsminda» - 68%;
- BCP «Guguti» - 55%;
- BCP «Sadakhlo» - 40 %;
- BCP «Krasnij Most» - 56 %;
- BCP «Tsodna» - 50%.

Measures aimed at the prevention of cargo loss should be taken at the BCPs «Vale» and «Ninotsminda» as the matter of urgency.

Average % of the cargo damage risk at Georgian BCPs is 59.7:

- BCP «Sarpi (Batumi)» - 71.1 %;
- BCP «Vale» - 56.7 %;
- BCP «Ninotsminda» - 52%;
- BCP «Guguti» - 65%;
- BCP «Sadakhlo» - 60%;
- BCP «Krasnij Most» - 60%;
- BCP «Tsodna» - 53.3 %.



The BCPs «Sarpi (Batumi)» and «Guguti» need to pay a special attention to cargo damage risks, and carry out measures aimed at reducing such risks.

Average % of customs clearance failure risks at Georgian BCPs are 53.8:

- BCP «Sarpi (Batumi)» - 37.5 %;
- BCP «Vale» - 70 %;
- BCP «Ninotsminda» - 52%;
- BCP «Guguti» - 65 %;
- BCP «Sadakhlo» - 46.7 %;
- BCP «Krasnij Most» - 52 %;
- BCP «Tsodna» - 53.3 %.

A system of prior control should be established with the aim of reducing customs clearance failure risks at the BCPs «Vale» and «Guguti».

Average % of predictability of the clearance process and the timely delivery of shipments at Georgian BCPs is 67.6:

- BCP «Sarpi (Batumi)» - 67.5 %;
- BCP «Vale» - 66.7 %;
- BCP «Ninotsminda» - 70%;
- BCP «Guguti» - 76 %;
- BCP «Sadakhlo» - 73.3 %;
- BCP «Krasnij Most» - 60 %;
- BCP «Tsodna» - 60 %.

The BCPs «Krasnij Most» and «Tsodna» reportedly have the lowest level of predictability of the clearance process and timely delivery of shipments. That said, it is advisable to elaborate and implement a capacity building program covering these domains.

Average % of transparency of processes at Georgian BCPs is 51.3:

- BCP «Sarpi (Batumi)» - 47.5 %;
- BCP «Vale» - 60.0 %;
- BCP «Ninotsminda» - 55.0 %;
- BCP «Guguti» - 50.0 %;
- BCP «Sadakhlo» - 33.3 %;
- BCP «Krasnij Most» - 40.0 %;



- BCP «Tsozna» - 73.3 %.

In particular, transparency issues should be addressed at the BCP «Sadakhlo». The authorities should take measures aimed to increase the commitment of employees and their adherence to transparency principles according to international best practices.

4.5 Moldova: Road BCP Index Values

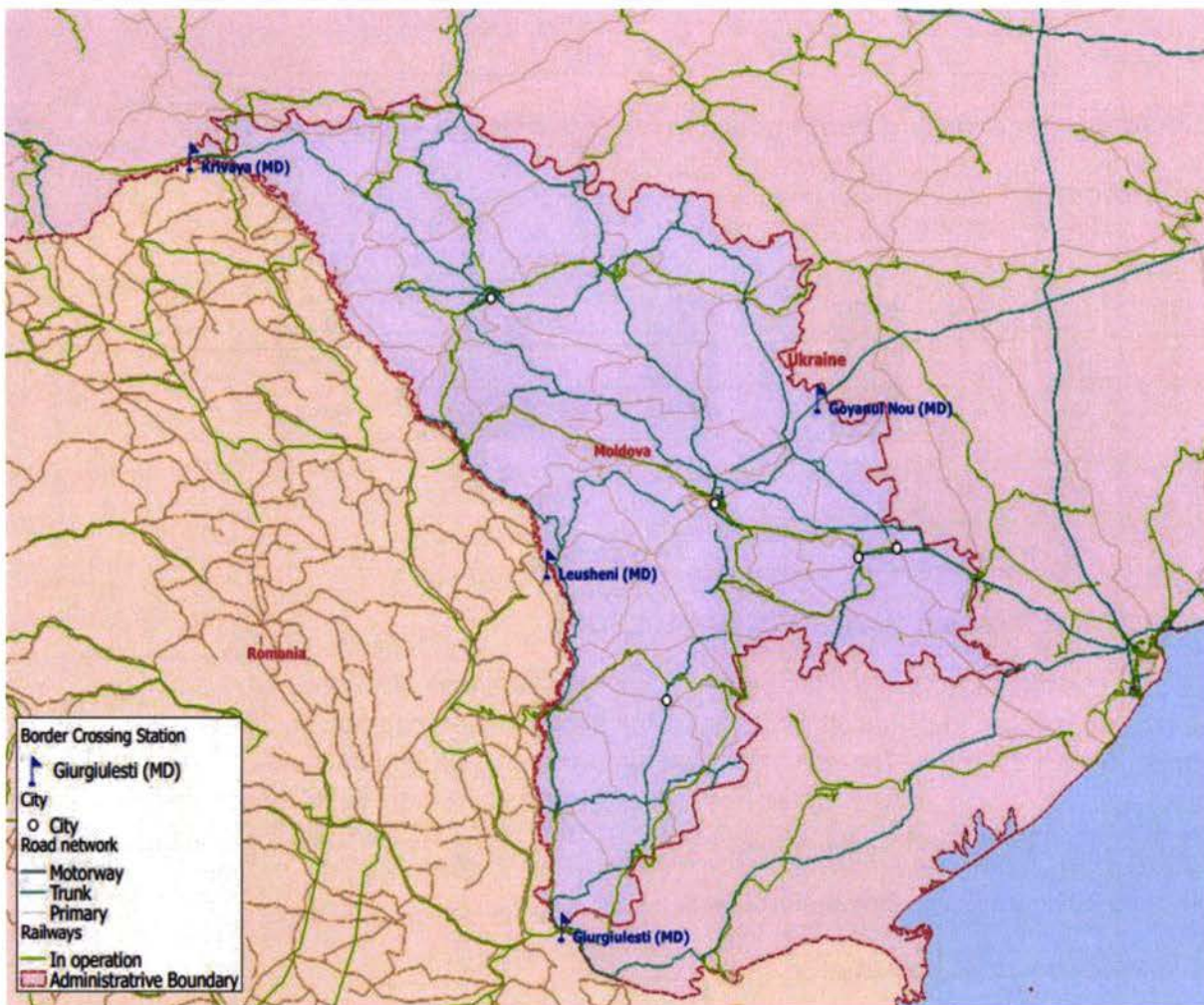


Figure 33: Map of considered BCPs in Moldova.

- | | |
|----------------|-----------------|
| 1. Goyanul Nou | 3. Giurgiulesti |
| 2. Krivaya | 4. Leusheni |

The «Leusheni» BCP is ranked as the best performing BCP in Moldova, and is considered a benchmark on the aggregated level. The BCP «Giurgiulesti» is ranked worst with very high costs and the lowest scores for the efficiency of the clearance process compared to other BCPs in the country.

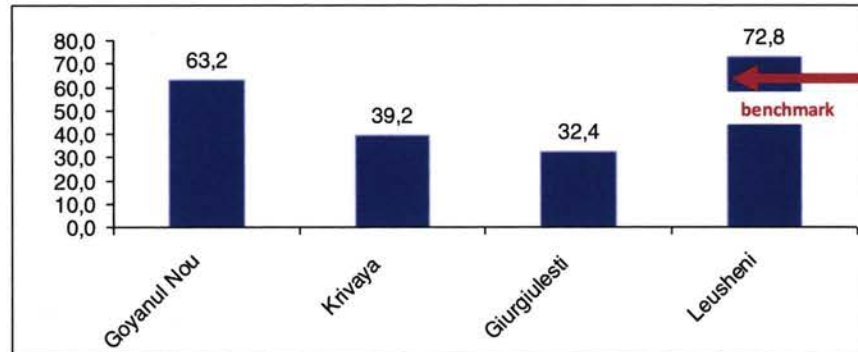


Figure 34: Border Crossing Performance Index (Aggregated) – Moldovan BCPs

Time Indicator

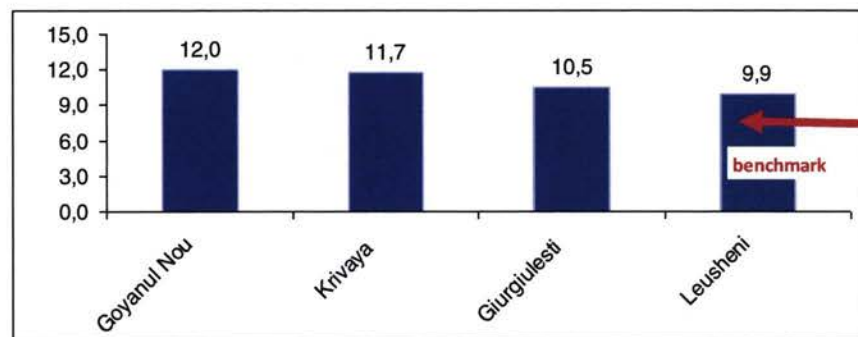


Figure 35: Time Indicator Scores at Moldovan BCPs

The BCP Leusheni at the Romanian border is a time benchmark. The document preparation time sub-indicator reveals that the minimum time for document preparation is 30 minutes, and the maximum time is 24 hours. The minimum time for document preparation varies from 30 minutes to 5 hours, and the maximum time varies from 24 to 30 hours. The values for these border crossings points are varying from:

- 1 to 30 hours BCP «Goyanul Nou»
- 2 to 24 hours BCP «Krivaya»
- 30 min to 24 hours BCP «Giurgiulesti»
- 5 to 24 hours BCP «Leusheni»

The best performing BCP in terms of the average time spent on the document preparation is Giurgiulesti with 6.8 hours, while the average time at Goyanul Nou is 10.4 hours, Krivaya – 9.3 hours, and at Leusheni – 8.3 hours. The waiting time prior to control at the border is at least 20 minutes, and maximum 30 hours. The values vary for:

- BCP «Goyanul Nou» - from 30 min to 13 hours;



- BCP «Krivaya» - from 20 min to 18 hours;
- BCP «Giurgiulesti» - from 30 min to 15 hours;
- BCP «Leusheni» - from 30 min to 12 hours.

The best performing BCP in terms of the average waiting time prior control at the border is Leusheni with 2.8 hours, while the average time at Goyanul Nou 5.2 hours, Krivaya – 5.6 hours, and at Giurgiulesti – 4 hours.

This depends on the traffic situation at the point of arrival, and organization of the traffic management and control within the border area. The range of variation for the waiting time is significant, and it affects the predictability of the travel time. Some border crossing points are better off in terms of the minimum control time, but there is also a potential for reducing the maximum waiting time. This applied to all surveyed BCPs.

Time spent on the implementation of control procedures at Moldovan BCPs ranges from 12 minutes to 3 hours. The users report the following time spent for control:

- BCP «Goyanul Nou» - from 30 min to 2 hours;
- BCP «Krivaya» - from 12 min to 3 hours;
- BCP «Giurgiulesti» - from 12 min to 2.5 hours;
- BCP «Leusheni» - from 30 min to 3.0 hours.

The best performing BCP in terms of the average time spent on the implementation of control is Goyanul Nou with 1.3 hours, while average time at Krivaya – 1.4 hours, Giurgiulesti» – 1.4 hours, Leusheni – 1.6 hours.

The BCP Leusheni needs to optimize the control implementation time, and reduce the gap between the minimum and maximum time.

Cost Indicator

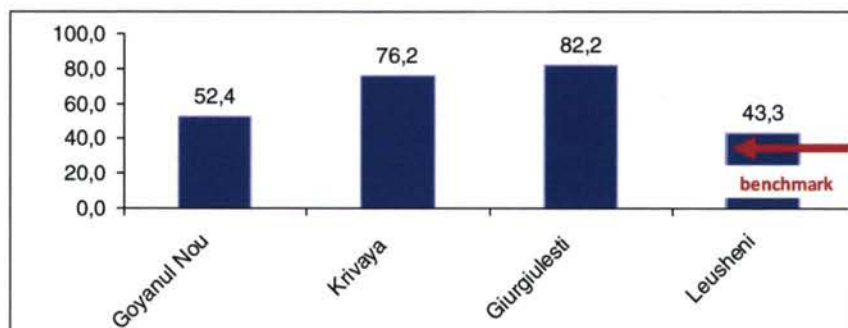


Figure 36: Cost Indicator Scores at Moldovan BCPs



The costs index is calculated based on the data on formal and informal payments. Formal payments in Moldovan BCPs vary from EUR 5 to EUR 80 per trip. This variation results from the type of cargo, duties applied to a specific types of cargo, parking etc. The traffic fines charged at the border are not considered as official payments in this survey.

- BCP «Goyanul Nou» - EUR 5 to EUR 50;
- BCP «Krivaya» - EUR 5 to EUR 60;
- BCP «Giurgiulesti» - EUR 5 to EUR 80;
- BCP «Leusheni» - EUR 12 to EUR 65.

The best performing BCP in terms of the average formal payments is Goyanul Nou with EUR 11.3 per trip, while average cost at Krivaya – EUR 18.1, Giurgiulesti – EUR 21.1, Leusheni – EUR 27.6 per trip.

Informal payments reportedly occurring at Moldovan BCPs vary from EUR 5 to EUR 200 per trip:

- BCP «Goyanul Nou» - EUR 10 to EUR 100;
- BCP «Krivaya» - EUR 5 to EUR 200;
- BCP «Giurgiulesti» - EUR 10 to EUR 180;
- BCP «Leusheni» - EUR 14 to EUR 80.

The best performing BCP in terms of the average formal payments is Goyanul Nou with EUR 37.5 per trip, while the average cost at Krivaya EUR 38.5, Giurgiulesti – EUR 70.4, Leusheni – EUR 40.5 per trip.

56.3 % of respondents report systematical occurrence of informal payments. On the level of a border crossing, these sub-indicators are depicted as follows:

- BCP «Goyanul Nou» - 75 %;
- BCP «Krivaya» - 50 %;
- BCP «Giurgiulesti» - 50 %;
- BCP «Leusheni» - 50 %.

The BCP Goyanul Nou needs to carry out additional anti-corruption measures.



Customs Procedures Indicator

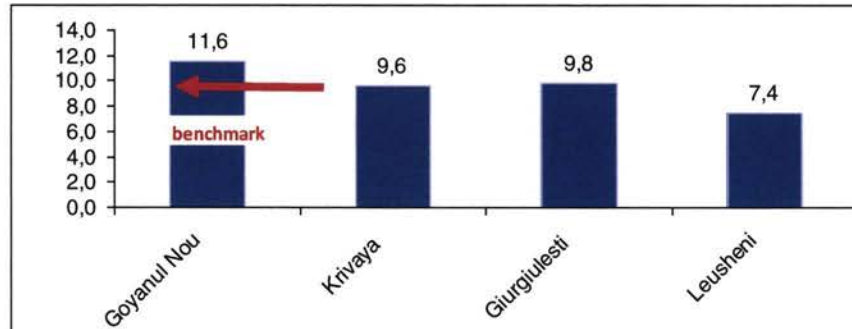


Figure 37: Customs Procedure Indicator Scores at Moldovan BCPs

On average, 28.3 % of trips were physically controlled according to the survey results. The comparison among the BCPs suggests almost similar results for border crossing points.

Average % of the physical control in Moldovan BCPs is:

- BCP «Goyanul Nou» - 28.3 %;
- BCP «Krivaya» - 25 %;
- BCP «Giurgiulesti» - 28.8 %;
- BCP «Leusheni» - 31.3 %.

Although online document processing is possible in Moldova, the procedure is reportedly only partially applied. On average, online processing of supporting documents occurred only in only 55 % of trips.

- BCP «Goyanul Nou» - 75 %;
- BCP «Krivaya» - 60 %;
- BCP «Giurgiulesti» - 60 %;
- BCP «Leusheni» - 25 %.

The electronic submission of the customs declaration occurred only in 38.8 % of cases. 50 % of the respondents crossing the border at Goyanul Nou used the online form. For the rest of the border crossing points, electronic declaration was applied only in 25-40 % of the cases:

- BCP «Krivaya» - 40 %;
- BCP «Giurgiulesti» - 40 %;
- BCP «Leusheni» - 25 %.



There is a potential for improvement of the on the establishment / empowerment / appeal line processes at Moldovan BCPs. User responses suggest that only in 55 % of the cases there is a possibility for an appeal:

- BCP «Goyanul Nou» - 25 %;
- BCP «Krivaya» - 60 %;
- BCP «Giurgiulesti» - 60 %;
- BCP «Leusheni» - 33.3 %.

The BCP Goyanul Nou needs to pay a special attention to this issue in order to meet the requirements of the transport industry.

Users also report a high degree of duplication of functions between the border agencies in freight control. On average, in 55 % of the cases transport companies experienced duplications in the control processes:

- BCP «Goyanul Nou» - 50 %;
- BCP «Krivaya» - 60 %;
- BCP «Giurgiulesti» - 60 %;
- BCP «Leusheni» - 50 %.

Clearance Process Efficiency Indicator

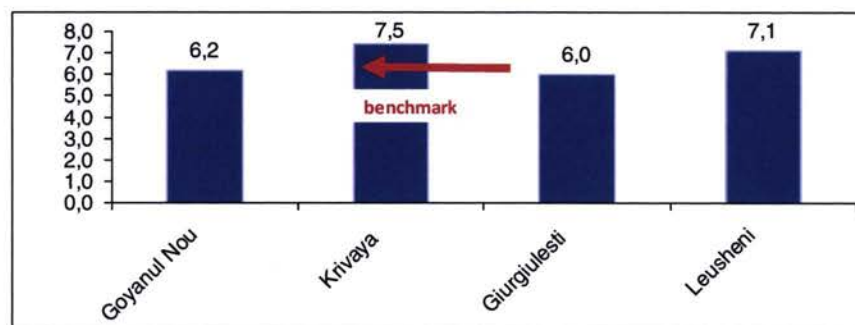


Figure 38: Clearance Process Efficiency Indicator Scores at Moldovan BCPs

On average number of operated lanes in Moldovan BCPs satisfies user expectations to 63 %:

- BCP «Goyanul Nou» - 75%;
- BCP «Krivaya» - 70 %;
- BCP «Giurgiulesti» - 52%;



- BCP «Leusheni» - 55%.

The number of operated lanes at the BCPs «Giurgiulesti» and «Leusheni», according to respondents, is not sufficient, and needs to be expanded.

Processing and examination areas at Moldovan BCPs are considered at 61.5 % adequate to market requirements:

- BCP «Goyanul Nou» - 45 %;
- BCP «Krivaya» - 85 %;
- BCP «Giurgiulesti» - 56 %;
- BCP «Leusheni» - 50 %.

The BCPs «Goyanul Nou» and «Leusheni» need to improve utilization/expand their inspection area to make inspections easier, and improve throughput.

Physical vehicle control facilities in Moldovan BCPs satisfy user expectations at 55.5 %:

- BCP «Goyanul Nou» - 55 %;
- BCP «Krivaya» - 65 %;
- BCP «Giurgiulesti» - 52 %;
- BCP «Leusheni» - 50 %.

Physical vehicle control facilities at the BCP «Leusheni» have to be improved.

Average % of the employees' efficiency in Moldovan BCPs is 52.8:

- BCP «Goyanul Nou» - 40%;
- BCP «Krivaya» - 53%;
- BCP «Giurgiulesti» - 48%;
- BCP «Leusheni» - 70%.

Respondents emphasized the low employee efficiency at the BCP «Goyanul Nou». Capacity building and bespoke training for relevant staff are required in order to increase the overall efficiency. Moreover, it is highly recommended to develop a human resource management system including motivational and employee satisfaction measures, as well as behavioral training.

Average % of the employee competence at Moldovan BCPs is seen at the level of 60.3 %:

- BCP «Goyanul Nou» - 65%;



- BCP «Krivaya» - 63%;
- BCP «Giurgiulesti» - 48%;
- BCP «Leusheni» - 65%.

The survey revealed that the employee competence is lowest at the BCP «Giurgiulesti». With that in mind, a comprehensive training programme needs to be elaborated for this BCP. Furthermore, new recruitment practices may be required in order to improve the overall employee efficiency.

Average % for perception of the quality and standards of the transport agencies in Moldovan BCPs is 62.1 %:

- BCP «Goyanul Nou» - 60%;
- BCP «Krivaya» - 63 %;
- BCP «Giurgiulesti» - 60%;
- BCP «Leusheni» - 65%.

All border crossing points need to improve that area of performance.

Quality and standards of the insurance agencies at Moldovan BCPs are seen at the level of 60.4 %:

- BCP «Goyanul Nou» - 45 %;
- BCP «Krivaya» - 77 %;
- BCP «Giurgiulesti» - 60 %;
- BCP «Leusheni» - 60 %.

The quality and standards of the insurance agencies at the BCP «Goyanul Nou» need to be improved, particularly, in terms of reducing transportation risks generation.

Quality and standards of the sanitary and phyto-sanitary agencies in Moldovan BCPs is perceived at the level of 51.2 %:

- BCP «Goyanul Nou» - 35%;
- BCP «Krivaya» - 57%;
- BCP «Giurgiulesti» - 48%;
- BCP «Leusheni» - 65.0 %.



Especially, better quality control mechanisms and practices have to be put in place at the BCP «Goyanul Nou» in order to improve the quality and standards of sanitary and phyto-sanitary agencies.

Quality and standards of environmental and radiological agencies in Moldovan BCPs is seen at the level of 61.5:

- BCP «Goyanul Nou» - 60%;
- BCP «Krivaya» - 64%;
- BCP «Giurgiulesti» - 52%;
- BCP «Leusheni» - 70%.

Environmental and radiological agencies at the BCP «Giurgiulesti» need to improve their services, and particularly, revisit their respective inspection systems.

The users are satisfied with the quality of roads access in Moldovan BCPs at the level of 55.0 %:

- BCP «Goyanul Nou» - 60 %;
- BCP «Krivaya» - 52 %;
- BCP «Giurgiulesti» - 48 %;
- BCP «Leusheni» - 60 %.

The quality of access roads at the BCP «Giurgiulesti» needs to be improved.

Risk Indicator

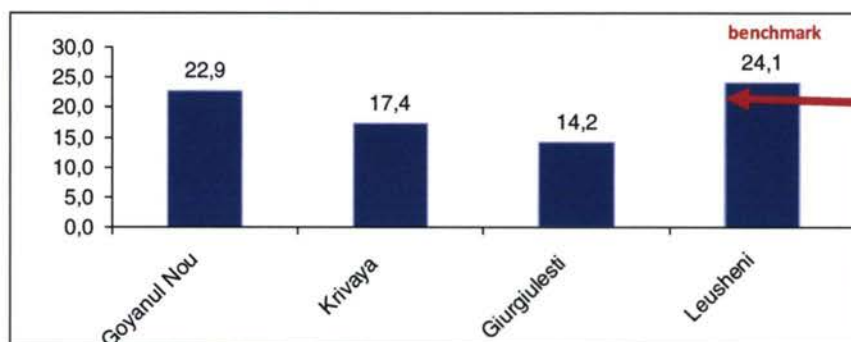


Figure 39: Risk Indicator Scores at Moldovan BCPs

Average % of cargo loss risk at Moldovan BCPs is 55.6:

- BCP «Goyanul Nou» - 45.0 %;
- BCP «Krivaya» - 63.3 %;



- BCP «Giurgiulesti» - 64.0 %;
- BCP «Leusheni» - 50.0 %.

Measures aimed at the prevention of cargo loss should be taken in the line at the BCPs «Giurgiulesti» and «Krivaya».

Average % of cargo damage risk at Moldovan BCPs is 49.3:

- BCP «Goyanul Nou» - 50 %;
- BCP «Krivaya» - 50%;
- BCP «Giurgiulesti» - 52 %;
- BCP «Leusheni» - 45 %.

All BCPs need to pay special attention to reduce cargo damage risk.

Average % of the customs clearance failure risks at Moldovan BCPs is 47.8:

- BCP «Goyanul Nou» - 30%;
- BCP «Krivaya» - 64 %;
- BCP «Giurgiulesti» - 52 %;
- BCP «Leusheni» - 45 %.

A system of prior control should be established at the BCP «Krivaya» with the aim of reducing customs clearance failure risks as a matter of urgency.

Average % of predictability of the clearance process and the timely delivery of shipments at Moldovan BCPs is 60.9:

- BCP «Goyanul Nou» - 60 %;
- BCP «Krivaya» - 66.7 %;
- BCP «Giurgiulesti» - 52 %;
- BCP «Leusheni» - 65 %.

The BCP «Giurgiulesti» has the lowest % of predictability of the clearance process and the timely delivery of shipments. That said, it is advisable to elaborate and implement a capacity building programme covering these domains.

Average % of the transparency of processes at Moldovan BCPs is 51.8:

- BCP «Goyanul Nou» - 50 %;



- BCP «Krivaya» - 52 %;
- BCP «Giurgiulesti» - 40 %;
- BCP «Leusheni» - 65 %.

In particular, transparency issues should be addressed at the BCP «Giurgiulesti». The authorities should take measures aimed to increase the commitment of employees and their adherence to transparency principles according to international best practices.

4.6 Ukraine: Road BCP Indexes Values

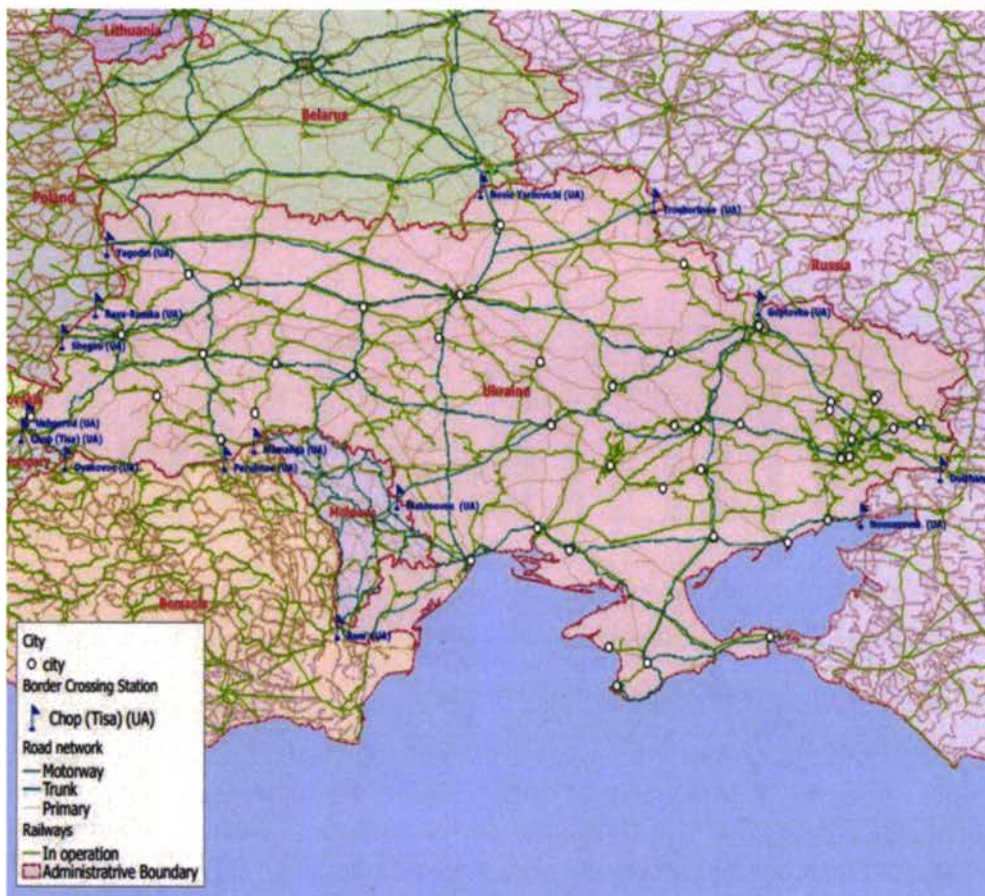


Figure 40: Map of considered BCPs of Ukraine

- | | |
|----------------------|-----------------|
| 1. Novie Yarilovichi | 8. Mamaliga |
| 2. Bachevsk | 9. Porubnoe |
| 3. Goptovka | 10. Dyakovoe |
| 4. Dolzhansky | 11. Chop (Tisa) |
| 5. Novoazovsk | 12. Uzhgorod |
| 6. Reni | 13. Shegini |
| 7. Platonovoe | 14. Rava-Ruska |
| | 15. Yagodin |

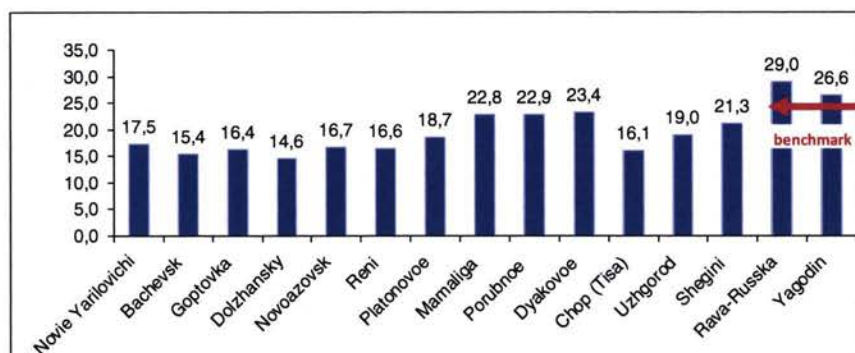


Figure 41: Border Crossing Performance Index (Aggregated) – Ukrainian BCPs

The «Rava-Ruska» is ranked as the best performing BCP in Ukraine, and is considered a benchmark on the aggregated level. The second best BCP is «Yagodin», which has very similar value of the aggregated indicator and is close to the benchmark performance. The worst rank is assigned to the BCP «Dolzhansky», with high costs and risks compared to other BCPs in the country.

Time Indicator

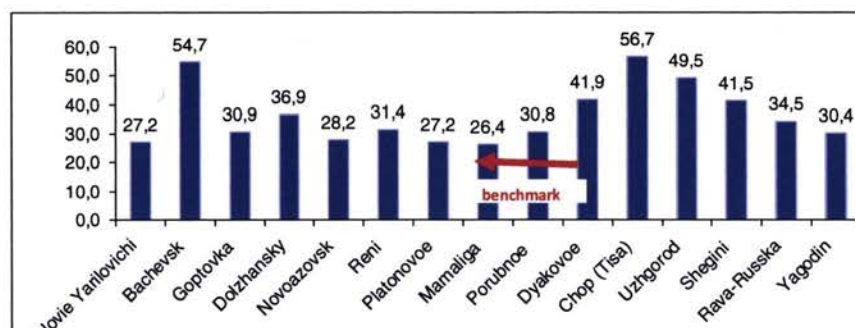


Figure 42: Time Indicator Scores at Ukrainian BCPs

The BCP Mamaliga at the Moldovan border is a time benchmark. The document preparation time for the BCP rests between 1 (min) and 64 (max) hours. On average, the minimum time for preparing documents varies from 1 to 21 hours, and the maximum time varies from 64 to 180 hours. The values for these border crossings points vary as follows:

- 2 to 72 hours at BCP «Novie Yarilovichi»
- 2 to 180 hours BCP «Bachevsk»
- 3 to 96 hours BCP «Goptovka»
- 2 to 120 hours BCP «Dolzhansky»
- 2 to 80 hours BCP «Novoazovsk»



- 3 to 100 hours BCP «Reni»
- 2 to 72 hours BCP «Platonovoe»
- 1 to 64 hours BCP «Mamaliga»
- 2 to 100 hours BCP «Porubnoe»
- 2 to 140 hours BCP «Dyakovoe»
- 2 to 140 hours BCP «Chop (Tisa)»
- 21 to 140 hours BCP «Uzhgorod»
- 2 to 140 hours BCP «Shegini»
- 5 to 94 hours BCP «Rava-Ruska»
- 2 to 90 hours BCP «Yagodin»

The best performing BCP in terms of the average time spent on the document preparation is Yagodin with 15.6 hours, while the average time at Novie Yarilovichi is 19.2 hours, Bachevsk – 34 hours, Goptovka - 14.9 hours, Dolzhansky – 28.0 hours, Novoazovsk – 24.5 hours, Reni – 21.6 hours, Platonovoe – 22.3 hours, Mamaliga – 18.6 hours, Porubnoe – 17.8 hours, Dyakovoe – 27.0 hours, Chop (Tisa) – 42.0 hours, Uzhgorod – 26.9 hours, Shegini – 29.2 hours, Rava-Ruska - 34.6 hours.

The waiting time prior to control at the border reported by users is at least 20 minutes, and maximum 80 hours. The values vary for:

- BCP «Novie Yarilovichi» - from 30 min to 32 hours;
- BCP «Bachevsk» - from 20 min to 48 hours;
- BCP «Goptovka» - from 1 to 30 hours;
- BCP «Dolzhansky» - from 1 hour to 24 hours.
- BCP «Novoazovsk» - from 2 to 24 hours.
- BCP «Reni» - from 1 to 24 hours.
- BCP «Platonovoe» - from 1 to 27 hours.
- BCP «Mamaliga» - from 1 to 34 hours.
- BCP «Porubnoe» - from 30 min to 24 hours.
- BCP «Dyakovoe» - from 1 to 27 hours.



- BCP «Chop (Tisa)» - from 30 min to 80 hours.
- BCP «Uzhgorod» - from 1 to 80 hours.
- BCP «Shegini» - from 1 to 24 hours.
- BCP «Rava-Russka» - from 1 to 32 hours.
- BCP «Yagodin» - from 2 to 30 hours.

The best performing BCP in terms of the average waiting time prior to control at the border was Novoazovsk with 6.9 hours, while the average time at Novie Yarilovichi – 10.2 hours, Bachevsk – 8.4 hours, Goptovka – 11.0 hours, Dolzhansky – 9.8 hours, Reni – 8.7 hours Platonovoe – 10.9 hours, Mamaliga – 11.5 hours, Porubnoe – 9.3 hours, Dyakovoe – 11.0 hours, Chop (Tisa) – 15.6 hours, Uzhgorod – 15.7 hours, Shegini – 10.3 hours, Rava-Russka» - 11.1 hours, Yagodin – 13.5 hours.

This depends on the traffic situation at the point of arrival and organization of the traffic management and control within the border area. The range of variation for the waiting time is significant, and it impacts the predictability of the travel time. Some border crossing points are better off with regard to the minimum time spent on control, but there is also a potential for reducing the maximum waiting time. This holds true for most of the surveyed BCPs.

Time needed for the implementation of control procedures at Ukrainian BCPs varies from 12 min to 8 hours. Users report the following time spent on control:

- BCP «Novie Yarilovichi» - from 30 min to 4 hours;
- BCP «Bachevsk» - from 12 min to 4 hours;
- BCP «Goptovka» - from 3 to 7 hours;
- BCP «Dolzhansky» - from 1 to 4 hours.
- BCP «Novoazovsk» - from 1 to 8 hours.
- BCP «Reni» - from 2 to 6 hours.
- BCP «Platonovoe» - from 1 to 5 hours.
- BCP «Mamaliga» - from 1 to 4 hours.
- BCP «Porubnoe» - from 2 to 5 hours.
- BCP «Dyakovoe» - from 12 min to 5 hours.
- BCP «Chop (Tisa)» - from 30 min to 6 hours.
- BCP «Uzhgorod» - from 3 to 7 hours.



- BCP «Shegini» - from 30 min to 5 hours.
- BCP «Rava-Russka» - from 25 min to 5 hours.
- BCP «Yagodin» - from 1 to 5 hours.

The best performing BCP in terms of the average time needed for the implementation of control is Novie Yarilovichi with 1.6 hours, followed by Bachevsk with 1.8 hours, while following average time are hold for Goptovka - 2.8 hours, Dolzhansky – 2.5 hours, Novoazovsk – 2.6 hours, Reni – 2.8 hours, Platonovoe – 2.6 hours, Mamaliga – 2.6 hours, Porubnoe – 2.5 hours, Dyakovoe – 1.9 hours, Chop (Tisa) – 3.0 hours, Uzhgorod – 3.0 hours, Shegini – 2.3 hours, Rava-Russka - 2.1 hours, Yagodin – 2.6 hours.

The Novoazovsk, Goptovka and Uzhgorod BCPs need to optimize the control implementation time and reduce the gap between the minimum and maximum time.

Cost Indicator

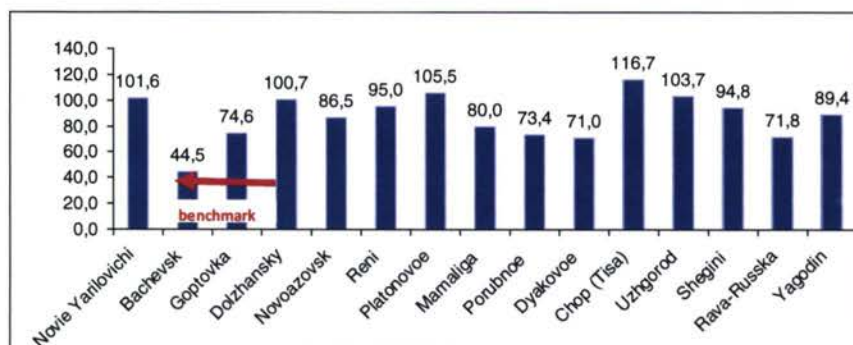


Figure 43: Cost Indicator Scores at Ukrainian BCPs

The costs index is calculated on the data on formal and informal payments. Formal payments at Ukrainian BCPs vary from EUR 2 to EUR 90 per trip. This variation results from the type of cargo, duties applied to a specific types of cargo, parking etc. The traffic fines charged at the border are not considered in this survey.

- BCP «Novie Yarilovichi» - EUR 5,0 to EUR 67,0;
- BCP «Bachevsk» - EUR 2,0 to EUR 70,0;
- BCP «Goptovka» - EUR 10,0 to EUR 100,0;
- BCP «Dolzhansky» - EUR 8,0 to EUR 80,0;
- BCP «Novoazovsk» - EUR 2,0 to EUR 70,0;
- BCP «Reni» - EUR 20,0 to EUR 75,0;
- BCP «Platonovoe» - EUR 12,0 to EUR 57,0;



- BCP «Mamaliga» - EUR 5,0 to EUR 70,0;
- BCP «Porubnoe» - EUR 20,0 to EUR 80,0;
- BCP «Dyakovoe» - EUR 5,0 to EUR 58,0;
- BCP «Chop (Tisa)» - EUR 3,0 to EUR 76,0;
- BCP «Uzhgorod» - EUR 20,0 to EUR 90,0;
- BCP «Shegini» - EUR 5,0 to EUR 75,0;
- BCP «Rava-Russka» - EUR 5,0 to EUR 75,0;
- BCP «Yagodin» - EUR 5,0 to EUR 90,0.

The best performing BCP in terms of the average formal payments is Novoazovsk with EUR 16.2 per trip, while average cost at Novie Yarilovichi – EUR 21,7, Bachevsk – EUR 19.1, Goptovka – 20.6, Dolzhansky – 26.9, Reni – 24.9, Platonovoe – 25.9, Mamaliga – 25.9, Porubnoe – 23.9, Dyakovoe – 20.0, Chop (Tisa) – 24.3, Uzhgorod – 23.6, Shegini – 27.6, Rava-Russka – 29.0, and Yagodin – 21.9.

Informal payments reportedly occurring at Ukrainian BCPs vary from zero to EUR 300 per trip:

- BCP «Novie Yarilovichi» - EUR 10 to EUR 220;
- BCP «Bachevsk» - EUR 1 to EUR 300;
- BCP «Goptovka» - EUR 20 to EUR 200;
- BCP «Dolzhansky» - EUR 10 to EUR 200;
- BCP «Novoazovsk» - EUR 5 to EUR 180;
- BCP «Reni» - EUR 20 to EUR 250;
- BCP «Platonovoe» - EUR 10 to EUR 250;
- BCP «Mamaliga» - EUR 5 to EUR 200;
- BCP «Porubnoe» - EUR 25 to EUR 200;
- BCP «Dyakovoe» - EUR 5 to EUR 130;
- BCP «Chop (Tisa)» - EUR 0 to EUR 300;
- BCP «Uzhgorod» - EUR 80 to EUR 300;
- BCP «Shegini» - EUR 3 to EUR 180;



- BCP «Rava-Russka» - EUR 5 to EUR 150;
- BCP «Yagodin» - EUR 5 to EUR 150.

The best performing BCP in terms of the average informal payments is Mamaliga with EUR 40.6 per trip, while average cost at Novie Yarilovichi – EUR 50.7, Bachevsk – EUR 60.1, Goptovka – 62.0, Dolzhansky – 73.1, Novoazovsk – 45.2, Reni – 49.8, Platonovoe – 54.4, Porubnoe – 56.5, Dyakovoe – 58.8, Chop (Tisa) – 67.5, Uzhgorod – 76.9, Shegini – 61.3, Rava-Russka – 55.0, Yagodin 71.7.

Respondents report systematical occurrence of informal payments (63.2 % of all the cases). On the level of a border crossing, these sub-indicators ranked as follows:

- BCP «Novie Yarilovichi» - 80%;
- BCP «Bachevsk» - 50%;
- BCP «Goptovka» - 40%;
- BCP «Dolzhansky» - 75%;
- BCP «Novoazovsk» - 80%;
- BCP «Reni» - 60%;
- BCP «Platonovoe» - 75%;
- BCP «Mamaliga» - 50%;
- BCP «Porubnoe» - 40%;
- BCP «Dyakovoe» - 75%;
- BCP «Chop (Tisa)» - 50%;
- BCP «Uzhgorod» - 62.5 %;
- BCP «Shegini» - 80%;
- BCP «Rava-Russka» - 50%;
- BCP «Yagodin» - 80%.

BCPs Novie Yarilovichi, Novoazovsk, Shegini and Yagodin need to introduce additional anti-corruption measures.



Customs Procedures Indicator

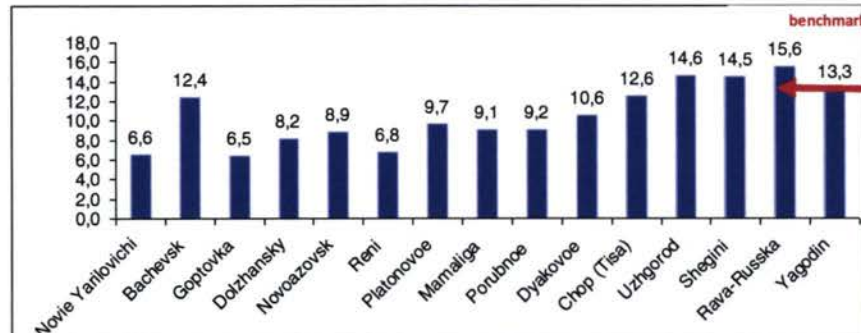


Figure 44: Customs Procedure Indicator Scores at Ukrainian BCPs

Ukraine-Poland BCPs (Shegini, Rava-Russka, and Yagodin) have the best index. Poland, to a great extent, applies computerized data on its cross-border movements. Every lorry entering a Polish border station receives an electronic card, which is machine-read at all steps of the clearance process, and also at other agencies' control positions. It provides comprehensive statistical data, and is also used as a control slip/gate pass. The only limitation of the Polish system is that it seems to capture queuing times prior to the entry into the border facility. Data on border delays are published on websites of various customs houses and updated several times a day.

On average, 22.6 % of trips were physically controlled according to the survey results. The comparison among the BCPs suggests almost similar results for the border crossing points.

Average % of physical control in Ukrainian BCPs is:

- BCP «Novie Yarilovichi» - 26.3 %;
- BCP «Bachevsk» - 21.3 %;
- BCP «Goptovka» - 25%;
- BCP «Dolzhansky» - 23.8 %;
- BCP «Novoazovsk» - 27.5 %;
- BCP «Reni» - 18%;
- BCP «Platonovoe» - 27.5 %;
- BCP «Mamaliga» - 18.8 %;
- BCP «Porubnoe» - 18.3 %;
- BCP «Dyakovoe» - 25%;
- BCP «Chop (Tisa)» - 18.3 %;



- BCP «Uzhgorod» - 18.6 %;
- BCP «Shegini» - 21%;
- BCP «Rava-Ruska» - 25%;
- BCP «Yagodin» - 25%.

Although online document processing is possible in Ukraine, the procedure is reportedly only partially applied. Reportedly, online processing of supporting documentation occurred only in 77% of trips.

- BCP «Novie Yarilovichi» - 80%;
- BCP «Bachevsk» - 60 %;
- BCP «Goptovka» - 75%;
- BCP «Dolzhansky» - 75 %;
- BCP «Novoazovsk» - 75 %;
- BCP «Reni» - 60 %;
- BCP «Platonovoe» - 100 %;
- BCP «Mamaliga» - 75%;
- BCP «Porubnoe» - 75%;
- BCP «Dyakovoe» - 100%;
- BCP «Chop (Tisa)» - 60 %;
- BCP «Uzhgorod» - 80%;
- BCP «Shegini» - 60%;
- BCP «Rava-Ruska» - 100%;
- BCP «Yagodin» - 80%.

The electronic submission of the customs declaration occurred in 63.3 % of cases. Respondents crossing the border at Shegini used the online form in 80% of the cases. For the rest of the border crossing points, electronic declaration was applied only in 40-75 % of all trips made:

- BCP «Novie Yarilovichi» - 60%;
- BCP «Bachevsk» - 40 %;



- BCP «Goptovka» - 50 %;
- BCP «Dolzhansky» - 50%;
- BCP «Novoazovsk» - 75%;
- BCP «Reni» - 60%;
- BCP «Platonovoe» - 75%;
- BCP «Mamaliga» - 75%;
- BCP «Porubnoe» - 75%;
- BCP «Dyakovoe» - 75%;
- BCP «Chop (Tisa)» - 40%;
- BCP «Uzhgorod» - 60%;
- BCP «Rava-Russka» - 75%;
- BCP «Yagodin» - 60%.

There is a potential for improvement in establishment / empowerment / appeal line processes at Ukrainian BCPs. User responses suggest that only in 53.7 % of the cases there is a possibility for an appeal:

- BCP «Novie Yarilovichi» - 40%;
- BCP «Bachevsk» - 60%;
- BCP «Goptovka» - 50%;
- BCP «Dolzhansky» - 50%;
- BCP «Novoazovsk» - 50%;
- BCP «Reni» - 60%;
- BCP «Platonovoe» - 50%;
- BCP «Mamaliga» - 50%;
- BCP «Porubnoe» - 50%;
- BCP «Dyakovoe» - 75%;
- BCP «Chop (Tisa)» - 60%;



- BCP «Uzhgorod» - 60%;
- BCP «Shegini» - 60%;
- BCP «Rava-Ruska» - 50%;
- BCP «Yagodin» - 40%.

BCP Yagodin needs to pay a special attention to this issue to meet the requirements of the transport industry. Users also report a high degree of duplication of functions between the border agencies in freight control. On average, transport companies experienced duplications in the control procedures in 70% of all cases:

- BCP «Novie Yarilovichi» - 80%;
- BCP «Bachevsk» - 60%;
- BCP «Goptovka» - 80%;
- BCP «Dolzhansky» - 75%;
- BCP «Novoazovsk» - 75%;
- BCP «Reni» - 80%;
- BCP «Platonovoe» - 75%;
- BCP «Mamaliga» - 75%;
- BCP «Porubnoe» - 75%;
- BCP «Dyakovoe» - 75%;
- BCP «Chop (Tisa)» - 60%;
- BCP «Uzhgorod» - 60%;
- BCP «Shegini» - 60%;
- BCP «Rava-Ruska» - 60%;
- BCP «Yagodin» - 60%;



Clearance Process Efficiency Indicator

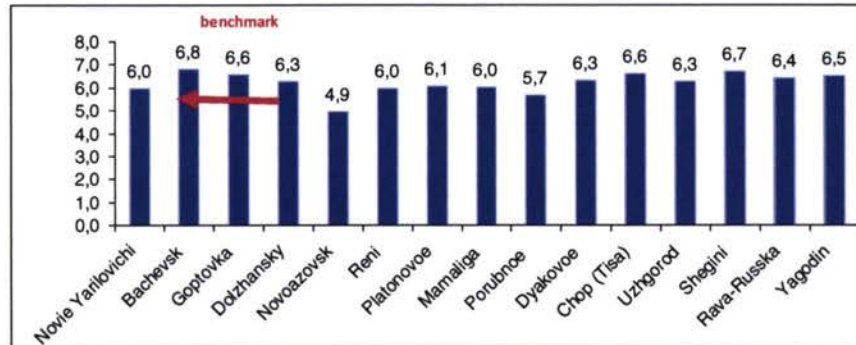


Figure 45: Clearance Process Efficiency Indicator Scores at Ukrainian BCPs

Average % of adequate number of operated lanes in Ukrainian BCPs is 54.7.:

- BCP «Novie Yarilovichi» - 68%;
- BCP «Bachevsk» - 58%;
- BCP «Goptovka» - 56%;
- BCP «Dolzhanaky» - 45%;
- BCP «Novoazovsk» - 36%;
- BCP «Reni» - 60%;
- BCP «Platonovoe» - 45%;
- BCP «Mamaliga» - 55%;
- BCP «Porubnoe» - 48%;
- BCP «Dyakovoe» - 45%;
- BCP «Chop (Tisa)» - 60%;
- BCP «Uzhgorod» - 63%;
- BCP «Shegini» - 64%;
- BCP «Rava-Russka» - 55%;
- BCP «Yagodin» - 64%.

According to the respondents, the number of operated lanes, At the BCPs «Novoazovsk», «Dolzhanaky», «Platonovoe», «Dyakovoe» is well below insufficient level.



Average % of the adequacy of processing and examination areas in Ukrainian BCPs is 63.1:

- BCP «Novie Yarilovichi» - 40%;
- BCP «Bachevsk» - 66%;
- BCP «Goptovka» - 64%;
- BCP «Dolzhansky» - 55%;
- BCP «Novoazovsk» - 50%;
- BCP «Reni» - 60%;
- BCP «Platonovoe» - 65%;
- BCP «Mamaliga» - 50%;
- BCP «Porubnoe» - 52%;
- BCP «Dyakovoe» - 80%;
- BCP «Chop (Tisa)» - 68%;
- BCP «Uzhgorod» - 65%;
- BCP «Shegini» - 72%;
- BCP «Rava-Ruska» - 85%;
- BCP «Yagodin» - 76%.

BCPs «Novie Yarilovichi», «Novoazovsk», «Mamaliga», «Porubnoe» and «Dolzhansky» need to expand their inspection in order to make inspections easier, and improve truck circulation.

Average % of the adequacy of physical vehicle control facilities in Ukrainian BCPs is 62.5 %:

- BCP «Novie Yarilovichi» - 52%;
- BCP «Bachevsk» - 77%;
- BCP «Goptovka» - 65%;
- BCP «Dolzhansky» - 65%;
- BCP «Novoazovsk» - 70%;
- BCP «Reni» - 56%;
- BCP «Platonovoe» - 55%;



- BCP «Mamaliga» - 65%;
- BCP «Porubnoe» - 56%;
- BCP «Dyakovoe» - 55%;
- BCP «Chop (Tisa)» - 66%;
- BCP «Uzhgorod» - 71%;
- BCP «Shegini» - 60%;
- BCP «Rava-Russka» - 60%;
- BCP «Yagodin» - 64%.

Physical vehicle control facilities and their respective utilization at the BCP «Novie Yarilovichi», «Platonovoe», «Dyakovoe», «Reni», «Porubnoe» have to be improved as the matter of urgency.

Users assess the employee efficiency in Ukrainian BCPs at the level of 45.3 %:

- BCP «Novie Yarilovichi» - 40%;
- BCP «Bachevsk» - 55%;
- BCP «Goptovka» - 64%;
- BCP «Dolzhansky» - 40%;
- BCP «Novoazovsk» - 33%;
- BCP «Reni» - 48%;
- BCP «Platonovoe» - 40%;
- BCP «Mamaliga» - 40%;
- BCP «Porubnoe» - 36%;
- BCP «Dyakovoe» - 35%;
- BCP «Chop (Tisa)» - 65%;
- BCP «Uzhgorod» - 55%;
- BCP «Shegini» - 44%;
- BCP «Rava-Russka» - 40%;
- BCP «Yagodin» - 44%.



Efficiency of the employees is particularly low at Novoazovsk, Dyakovoe, and Porubnoe. Capacity building and bespoke training for the relevant staff are required in order to increase the overall efficiency. Moreover, it is highly recommended to develop a human resource management system including motivational and employee satisfaction measures, as well as behavioral training.

Average employee competence in Ukrainian BCPs is assessed at the level 57.9 %:

- BCP «Novie Yarilovichi» - 64%;
- BCP «Bachevsk» - 58%;
- BCP «Goptovka» - 48%;
- BCP «Dolzhansky» - 65%;
- BCP «Novoazovsk» - 47%;
- BCP «Reni» - 60%;
- BCP «Platonovoe» - 70%;
- BCP «Mamaliga» - 65%;
- BCP «Porubnoe» - 52%;
- BCP «Dyakovoe» - 50%;
- BCP «Chop (Tisa)» - 58%;
- BCP «Uzhgorod» - 50%;
- BCP «Shegini» - 64%;
- BCP «Rava-Ruska» - 55%;
- BCP «Yagodin» - 64%.

The survey revealed that the employee competence is perceived lowest at the Novoazovsk, Goptovka, Dyakovoe, and Uzhgorod BCPs. With that in mind, a comprehensive staff training programme needs to be elaborated for these BCPs. Furthermore, new recruitment practices may be required in order to improve the overall employee efficiency.

Quality and standards of the transport agencies in Ukrainian BCPs are seen at the level of 55.3 %:

- BCP «Novie Yarilovichi» - 56%;
- BCP «Bachevsk» - 63%;
- BCP «Goptovka» - 60%;



- BCP «Dolzhansky» - 60%;
- BCP «Novoazovsk» - 37%;
- BCP «Reni» - 48%;
- BCP «Platonovoe» - 60%;
- BCP «Mamaliga» - 60%;
- BCP «Porubnoe» - 52%;
- BCP «Dyakovoe» - 55%;
- BCP «Chop (Tisa)» - 53%;
- BCP «Uzhgorod» - 53%;
- BCP «Shegini» - 60%;
- BCP «Rava-Ruska» - 55%;
- BCP «Yagodin» - 60%.

Novoazovsk, Reni and Porubnoe need to improve the level of their services as a matter of urgency.

Quality and standards of the insurance agencies at Ukrainian BCPs is also assessed at the similarly low level - 53% on average:

- BCP «Novie Yarilovichi» - 52%;
- BCP «Bachevsk» - 73%;
- BCP «Goptovka» - 75%;
- BCP «Dolzhansky» - 55%;
- BCP «Novoazovsk» - 37%;
- BCP «Reni» - 40%;
- BCP «Platonovoe» - 45%;
- BCP «Mamaliga» - 45%;
- BCP «Porubnoe» - 48%;
- BCP «Dyakovoe» - 65%;



- BCP «Chop (Tisa)» - 68%;
- BCP «Uzhgorod» - 58%;
- BCP «Shegini» - 56%;
- BCP «Rava-Ruska» - 40%;
- BCP «Yagodin» - 40%.

The quality and standards of the insurance agencies at Novoazovsk, Reni, Rava-Ruska and Yagodin have to be improved, particularly, in terms of reducing transportation risks.

Quality and standards of the sanitary and phyto-sanitary agencies in Ukrainian BCPs are perceived at the level of 44.6 %:

- BCP «Novie Yarilovichi» - 36%;
- BCP «Bachevsk» - 48%;
- BCP «Goptovka» - 56%;
- BCP «Dolzhansky» - 60%;
- BCP «Novoazovsk» - 33%;
- BCP «Reni» - 44%;
- BCP «Platonovoe» - 40%;
- BCP «Mamaliga» - 45%;
- BCP «Porubnoe» - 35%;
- BCP «Dyakovoe» - 50%;
- BCP «Chop (Tisa)» - 40%;
- BCP «Uzhgorod» - 38%;
- BCP «Shegini» - 44%;
- BCP «Rava-Ruska» - 60%;
- BCP «Yagodin» - 40%.

The quality and standards of the sanitary and phyto-sanitary agencies at the BCPs Novoazovsk, Porubnoe, Novie Yarilovichi and Uzhgorod have to be addressed urgently, and better quality control mechanisms and practices are to be implemented.



Quality and standards of environmental and radiological agencies at Ukrainian BCPs is assessed at the level of 50.2%:

- BCP «Novie Yarilovichi» - 56%;
- BCP «Bachevsk» - 51%;
- BCP «Goptovka» - 45%;
- BCP «Dolzhansky» - 50%;
- BCP «Novoazovsk» - 43%;
- BCP «Reni» - 52%;
- BCP «Platonovoe» - 55%;
- BCP «Mamaliga» - 40%;
- BCP «Porubnoe» - 50%;
- BCP «Dyakovoe» - 60%;
- BCP «Chop (Tisa)» - 43%;
- BCP «Uzhgorod» - 38%;
- BCP «Shegini» - 64%;
- BCP «Rava-Russka» - 50%;
- BCP «Yagodin» - 56%.

Environmental and radiological agencies at Uzhgorod, Mamaliga, Novoazovsk and Chop (Tisa) need to urgently improve offered level of services, and particularly, revisit their respective inspection systems.

Access roads at Ukrainian BCPs satisfy user expectation at the level of 54.4 %:

- BCP «Novie Yarilovichi» - 56%;
- BCP «Bachevsk» - 49%;
- BCP «Goptovka» - 40%;
- BCP «Dolzhansky» - 50%;
- BCP «Novoazovsk» - 43%;
- BCP «Reni» - 52%;



- BCP «Platonovoe» - 55%;
- BCP «Mamaliga» - 60%;
- BCP «Porubnoe» - 65%;
- BCP «Dyakovoe» - 55%;
- BCP «Chop (Tisa)» - 58%;
- BCP «Uzhgorod» - 58%;
- BCP «Shegini» - 56%;
- BCP «Rava-Ruska» - 60%;
- BCP «Yagodin» - 60%.

The quality and utilization of access roads at Goptovka, Novoazovsk, Bachevsk and Dolzhansky has to be urgently improved.

Risk Indicator

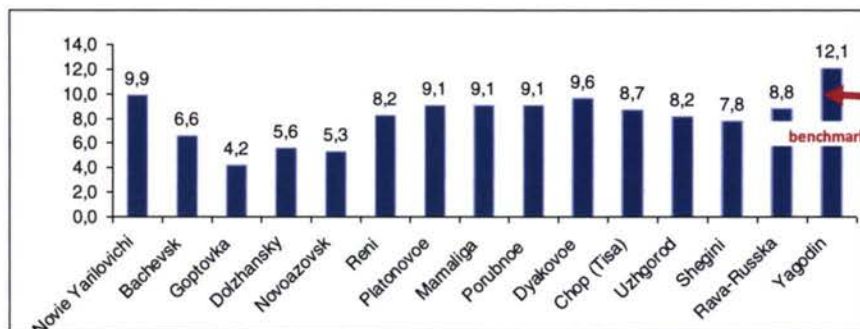


Figure 46: Risk Indicator Scores at Ukrainian BCPs

Average % of cargo loss risk at Ukrainian BCPs is 44.1:

- BCP «Novie Yarilovichi» - 52%;
- BCP «Bachevsk» - 32.5 %;
- BCP «Goptovka» - 20%;
- BCP «Dolzhansky» - 40%;
- BCP «Novoazovsk» - 40%;



- BCP «Reni» - 44%;
- BCP «Platonovoe» - 55%;
- BCP «Mamaliga» - 55%;
- BCP «Porubnoe» - 55%;
- BCP «Dyakovoe» - 55%;
- BCP «Chop (Tisa)» - 42.5 %;
- BCP «Uzhgorod» - 35%;
- BCP «Shegini» - 44%;
- BCP «Rava-Ruska» - 40%;
- BCP «Yagodini» - 52%.

Measures aimed at the prevention of cargo loss should be taken at the BCPs «Platonovoe», «Mamaliga», «Porubnoe» and «Dyakovoe».

Average % of cargo damage risk at Ukrainian BCPs is 49.2:

- BCP «Novie Yarilovichi» - 52%;
- BCP «Bachevsk» - 52.5 %;
- BCP «Goptovka» - 36%;
- BCP «Dolzhansky» - 35%;
- BCP «Novoazovsk» - 40%;
- BCP «Reni» - 52%;
- BCP «Platonovoe» - 50%;
- BCP «Mamaliga» - 50%;
- BCP «Porubnoe» - 50%;
- BCP «Dyakovoe» - 50%;
- BCP «Chop (Tisa)» - 45%;
- BCP «Uzhgorod» - 55%;
- BCP «Shegini» - 52%;



- BCP «Rava-Ruska» - 50%;
- BCP «Yagodin» - 68%.

The BCPs Yagodin, Uzhgorod, and Bachevsk BCPs need to pay a special attention to cargo damage risks, and carry out measures aimed at reducing such risks.

Average % of customs clearance failure risks at Ukrainian BCPs are 43.2:

- BCP «Novie Yarilovichi» - 32%;
- BCP «Bachevsk» - 37.5 %;
- BCP «Goptovka» - 40%;
- BCP «Dolzhansky» - 40%;
- BCP «Novoazovsk» - 28%;
- BCP «Reni» - 48%;
- BCP «Platonovoe» - 50%;
- BCP «Mamaliga» - 50%;
- BCP «Porubnoe» - 50%;
- BCP «Dyakovoe» - 50%;
- BCP «Chop (Tisa)» - 42.5 %;
- BCP «Uzhgorod» - 42.5 %;
- BCP «Shegini» - 40%;
- BCP «Rava-Ruska» - 45%;
- BCP «Yagodin» - 52%.

A system of prior control is recommended for implementation with the aim of reducing customs clearance failure risks.

Average % of predictability of the clearance process and the timely delivery of shipments at Ukrainian BCPs is 51.7:

- BCP «Novie Yarilovichi» - 60%;
- BCP «Bachevsk» - 47.5 %;
- BCP «Goptovka» - 35%;



- BCP «Dolzhansky» - 40%;
- BCP «Novoazovsk» - 36%;
- BCP «Reni» - 48%;
- BCP «Platonovoe» - 55%;
- BCP «Mamaliga» - 55%;
- BCP «Porubnoe» - 50%;
- BCP «Dyakovoe» - 55%;
- BCP «Chop (Tisa)» - 65%;
- BCP «Uzhgorod» - 62.5 %;
- BCP «Shegini» - 48%;
- BCP «Rava-Russka» - 55%;
- BCP «Yagodin» - 64%.

The Goptovka, Novoazovsk and Dolzhansky have the lowest % of predictability of the clearance process and the timely delivery of shipments. Therefore, it is advisable to elaborate and implement a capacity building program covering these domains.

Average % of transparency of processes at Ukrainian BCPs is 38.9:

- BCP «Novie Yarilovichi» - 52%;
- BCP «Bachevsk» - 35%;
- BCP «Goptovka» - 32%;
- BCP «Dolzhansky» - 35%;
- BCP «Novoazovsk» - 40%;
- BCP «Reni» - 40%;
- BCP «Platonovoe» - 35%;
- BCP «Mamaliga» - 35%;
- BCP «Porubnoe» - 40%;
- BCP «Dyakovoe» - 40%;



- BCP «Chop (Tisa)» - 37.5 %;
- BCP «Uzhgorod» - 32.5 %;
- BCP «Shegini» - 40%;
- BCP «Rava-Ruska» - 45%;
- BCP «Yagodin» - 44%.

In particular, transparency issues should be most urgently addressed at Goptovka and Uzhgorod. The responsible authorities should take measures aimed to increase the commitment of employees and their adherence to transparency principles according to international best practices.

4.7 Aggregated index: road BCPs country comparisons

Time

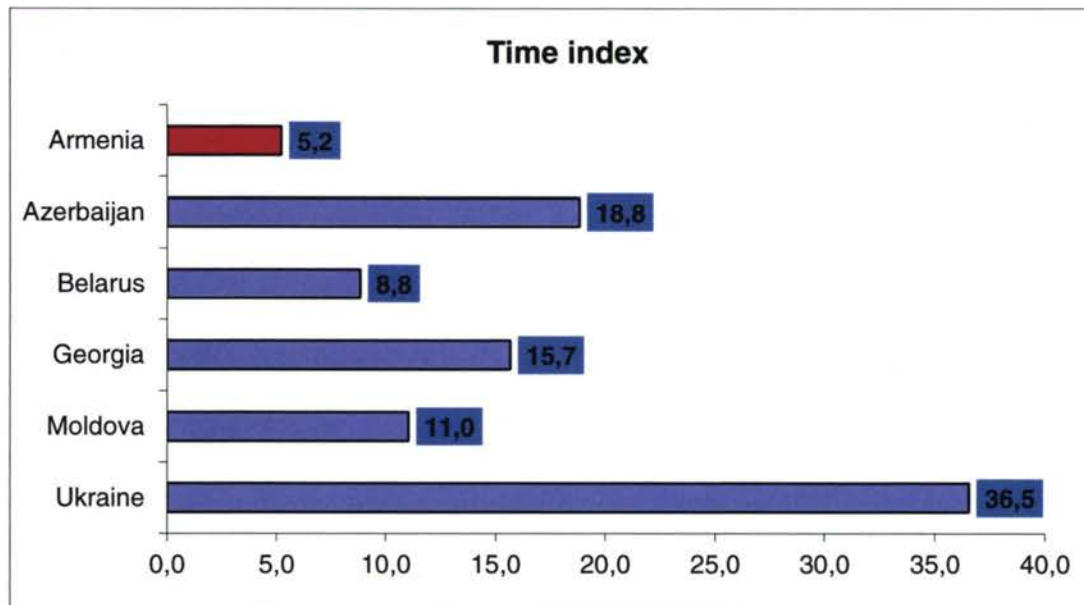


Figure 47: Time Indicator Scores - comparison between countries

Armenia is the top performer in terms of the time indicator. The indicator has been calculated through the following sub-indicator:

- Time spent on the document preparation
- Time between arrival at the border and beginning of passing control
- Time from submission of the documents for control until the completion of the control



The performance of Belarus BCPs is very close that of Armenia. This performance is supported by application of one-stop clearance procedures at Armenian and Belarusian border crossing points. This implies that all control procedures, e.g. customs clearance, border, veterinary, health control, etc. are carried out at one single point. The advantage of this approach is that transport operators have to stop at the checkpoint only once (apart from any stops required by traffic signs).

That is to say, all necessary clearance for people, vehicles they drive and / any goods they transport are carried out in one place, normally with no need for anyone to alight from a vehicle. Officials from various state control authorities make their way to the parked vehicle, and carry out the clearance procedures (questioning of persons, inspection of the vehicle). The necessary paperwork is completed by relevant authority.

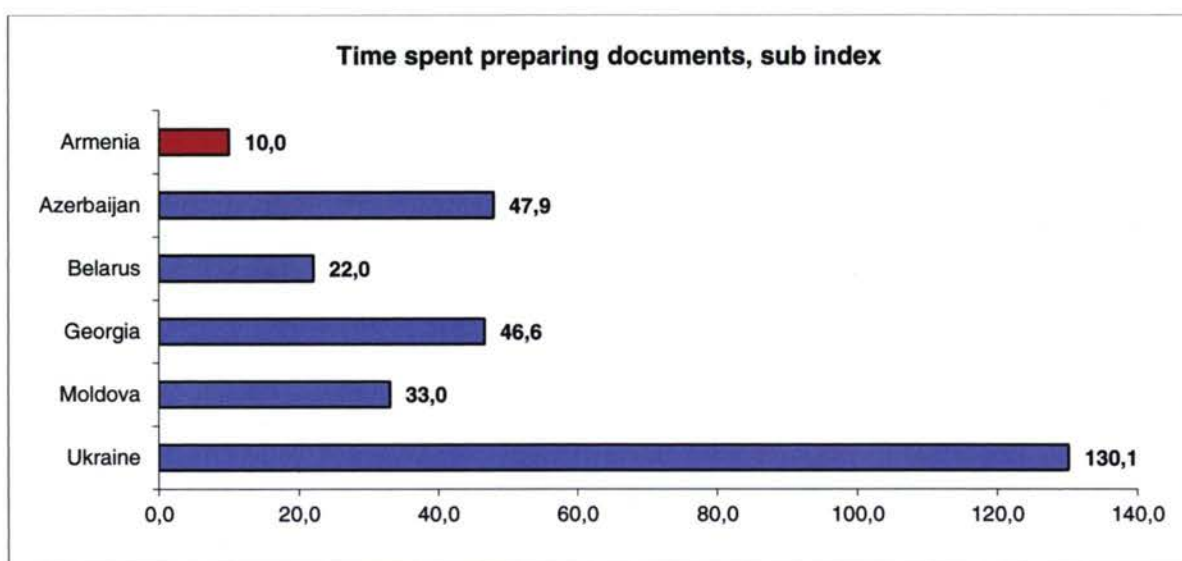


Figure 48: Time spent preparing documents - comparison between countries.

The top performer in terms of the time spent on the document preparation is Armenia (3.1 hours on average). In Ukraine, the whole process takes 25.1 hours. Ukraine has a long way to go in bringing the level of relevant services in line with the European standards, in particular, now that the country has signed the Association Agreement with the European Union.

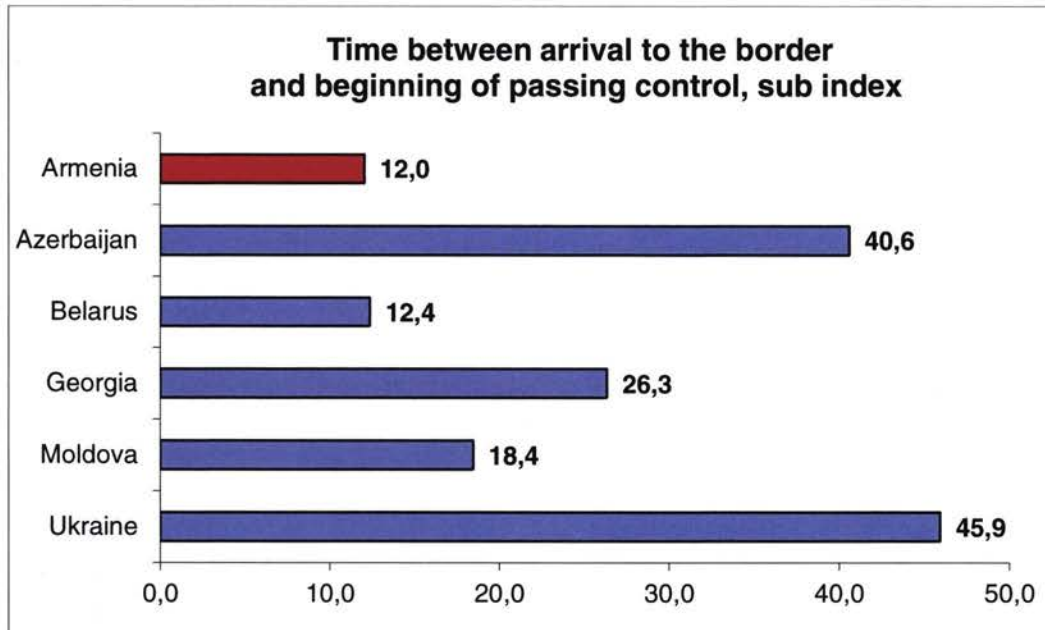


Figure 49: Time between arrival to the border and beginning of passing control

Most time carriers spend in the queue in Ukraine and Azerbaijan.

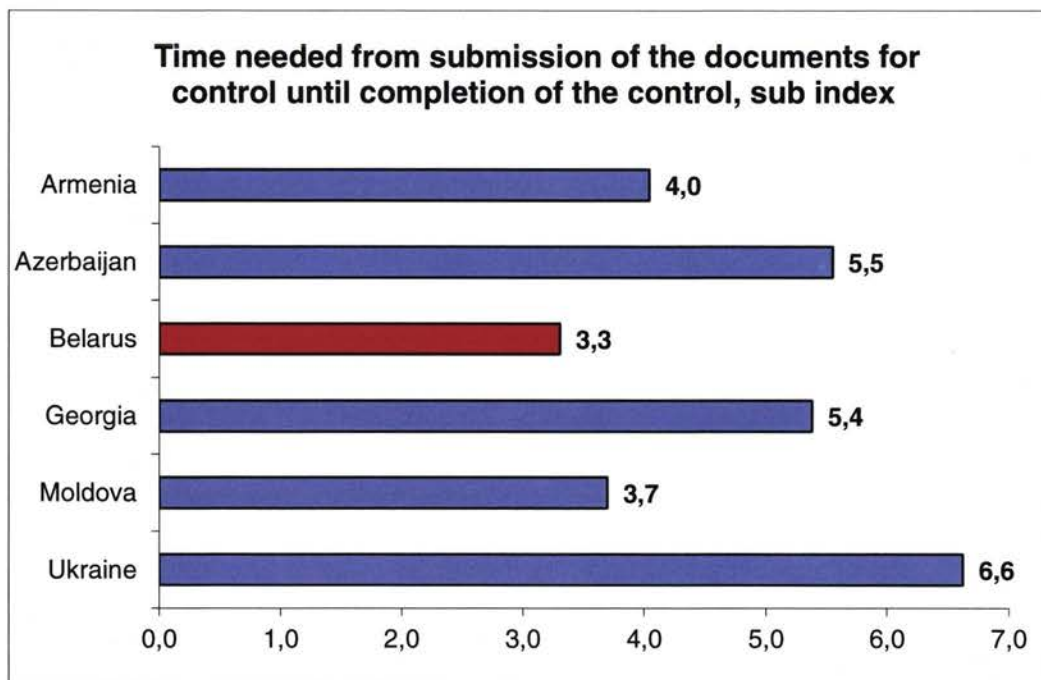


Figure 50: Time needed from submission until completion of the control

The whole process from submission of the documents until the completion of the clearance at Ukrainian BCPs takes twice as long as in Belarus. Azerbaijan and Georgia also need to reduce the



clearance time. These delays are caused not only by complicated procedures and non-tariff barriers, but also by the duplication of functions by numerous agencies involved in the clearance processes.

Cost

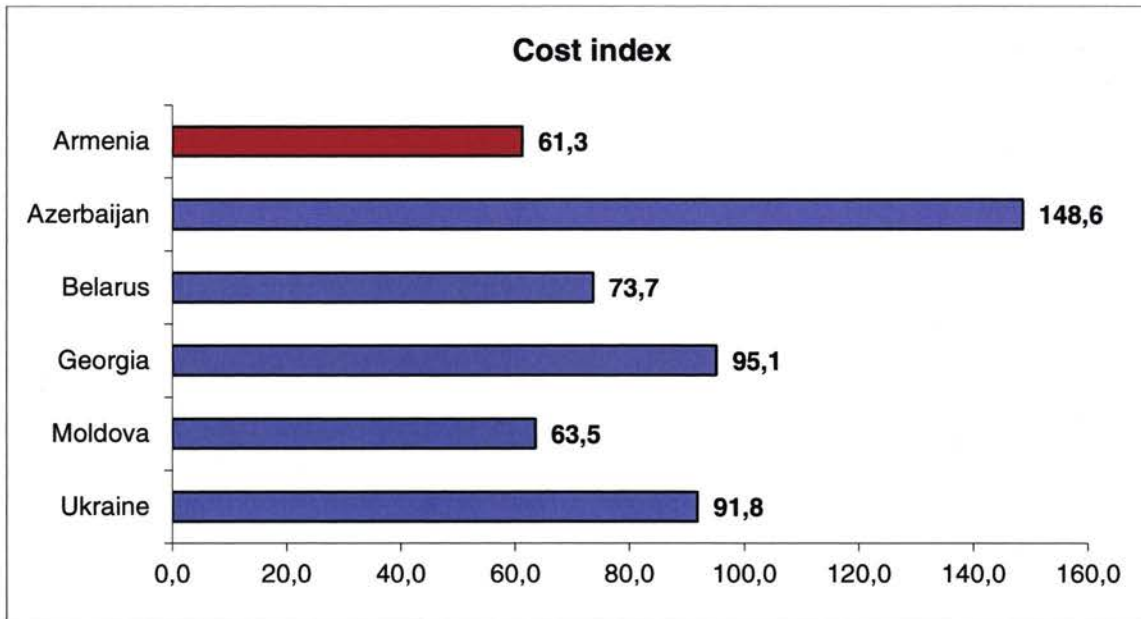


Figure 51: Cost Indicator Scores - comparison between countries

Armenia was scored best for the cost indicator. This indicator was calculated through the following sub-indicators:

- Formal payments
- Informal payments
- Systematic Informal payments (reported)

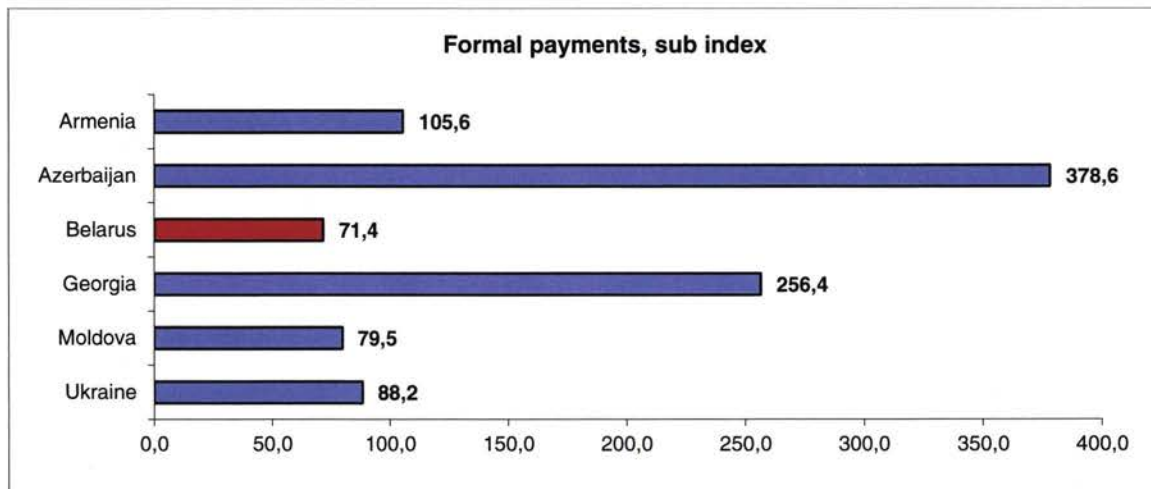


Figure 52: Formal payments: comparison between countries.

Formal payments vary from 14.6 EUR in Belarus to EUR 88.6 per trip in Azerbaijan. This variation results from the type of cargo, duties applied to a specific types of cargo, parking etc. The traffic fines charged at the border are not considered as official payments in this survey.

Armenian BCPs – 26.9 EUR;

Azerbaijani BCPs – 88.6 EUR;

Belorussian BCPs – 14.6 EUR;

Georgian BCPs – 83.5 EUR;

Moldavian BCPs – 22.5 EUR;

Ukrainian BCPs – 23.4 EUR.

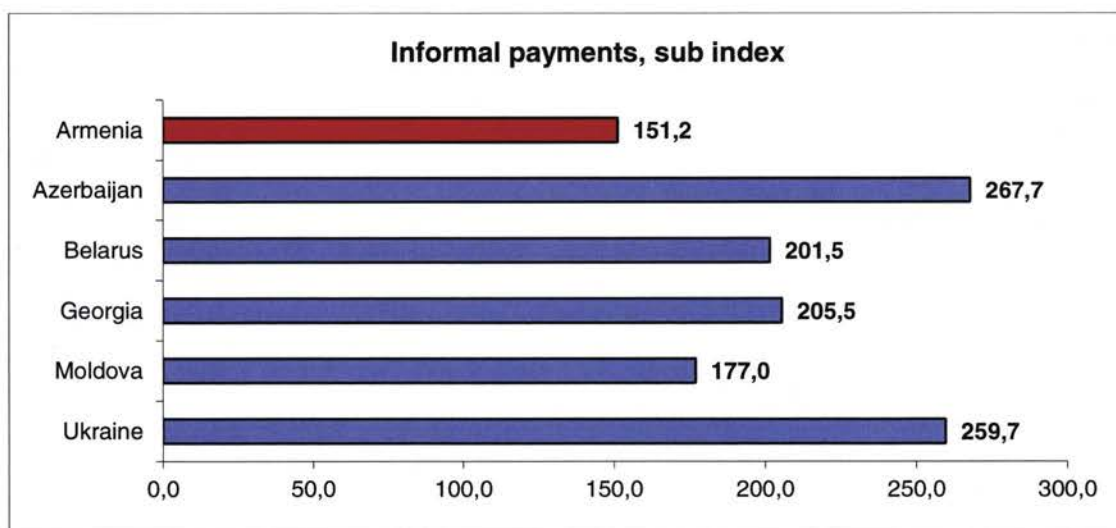


Figure 53: Informal payments - comparison between countries.



The best performing country in terms of the average informal payments occurred is Armenia, while Ukraine has scored last. The average informal payments in the countries are as follows:

Armenian BCPs – 46.7 EUR;

Azerbaijani BCPs – 59.4 EUR;

Belorussian BCPs – 37.9 EUR;

Georgian BCPs – 69.1 EUR;

Moldavian BCPs – 46.7 EUR;

Ukrainian BCPs – 59.3 EUR.

One of the reasons of corruption in the surveyed countries is low income of inspection officers and non-transparent procedures. This cause petty corruption, and create an environment that allows then to engage in serious corruption schemes. Countries need to strengthen anti-corruption measures, which can include:

- Attractive incentive schemes and remuneration structures within responsible agencies;
- Stricter penal policies, e.g. the criminalization of all forms of corruption from bribery to trading in influence; criminalization of both the giver ('corruptor') and the receiver;
- Corruption investigation resources aimed at public officials, such as special prosecution units or investigative agencies that deal with all corruption cases involving high-level public officials, including law-enforcement officers.
- Criminal asset forfeiture/confiscation regimes assisted by Financial Investigation Units to ensure that the proceeds of corrupt schemes are identified and are subject to confiscation;
- Anti-money laundering legislation and regulations that make it more difficult to hide the proceeds of corruption;
- Financial and fiscal controls of public bodies by national audit offices that help identify loss of fiscal revenue;
- Government transparency legislation (public 'access to information' laws);
- Comprehensive 'electronic government' policies that may prevent corruption in certain services provided by law-enforcement (e.g. related to traffic police).

All of the above anti-corruption measures are nowadays part of broader anticorruption policies.

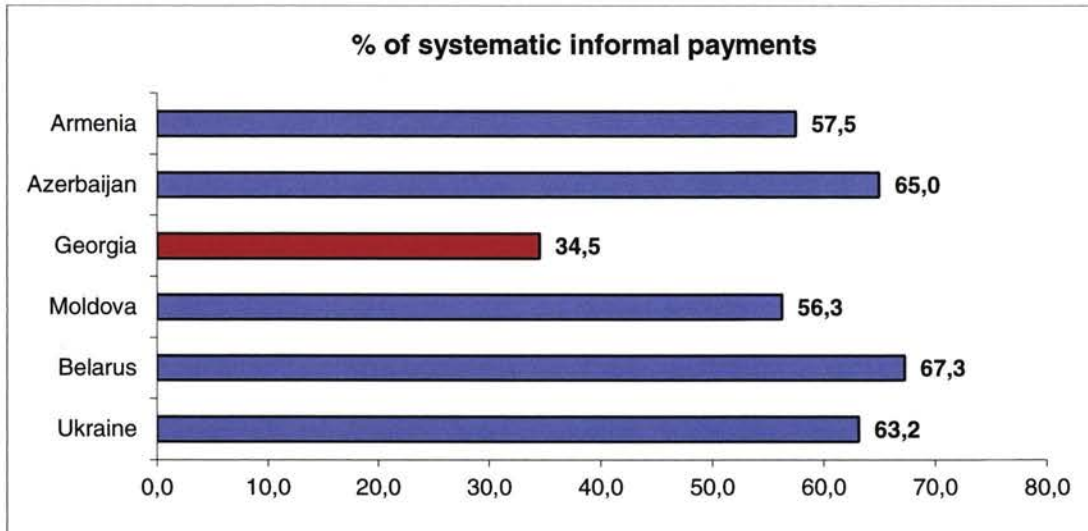


Figure 54: Systematic Informal payments - comparison between countries.

Systematical occurrence of informal payment ranges from 34.5 % of cases in Georgia to 67.3 % of cases in Belarus. In Azerbaijan, Belarus and Ukraine informal payments are systematical making up over 60 %, which is twice more frequent than in Georgia. It is recommended that Azerbaijan, Belarus and Ukraine incorporate their following actions into their sector development strategies and agendas.

1. Raising salaries of the civil servants and employees of border crossing agencies

The appropriate remuneration clearly incentivizes employees, while low wages discourage employees and may put them under the pressure to increase their income through unofficial ways.

2. Cutting red tape

The practices of corruption are correlated with the excessive red tape processes. Informal payment indicators suggest the desirability of eliminating as many needless regulations and simplification of the relevant procedures.

3. Implementation and enforcement of international conventions

In today's globalized economy corruption has increasingly gained a cross-border dimension. Therefore, the international legal framework is a key component of any national anti-corruption initiative. This framework has significantly improved over the past decade. In addition to the OECD's Anti-Bribery Convention, in 2005 the UN Convention Against Corruption (UNCAC) entered into force, and by late 2013 had been ratified by the vast majority of its 140 signatories. Azerbaijan and Belarus ratified the Convention in 2005, Ukraine – in 2009. The UNCAC is a promising instrument because it creates a global framework involving developed and developing nations and covers a broad range of subjects, including domestic and foreign corruption. Since the UN has no enforcement powers, the effectiveness of the Convention as a tool to deter corruption will very much depend on the establishment of adequate national monitoring mechanisms.



4. Deploying smart technology

Just as government-induced distortions provide many opportunities for corruption, direct contact between government officials and citizens can open the way for illicit transactions. One way to address this problem is to use readily available technologies such as the Internet. In some countries the percentage of employing online tools is fairly high, but this is still the work in progress in most TRACECA countries.

Customs Procedures

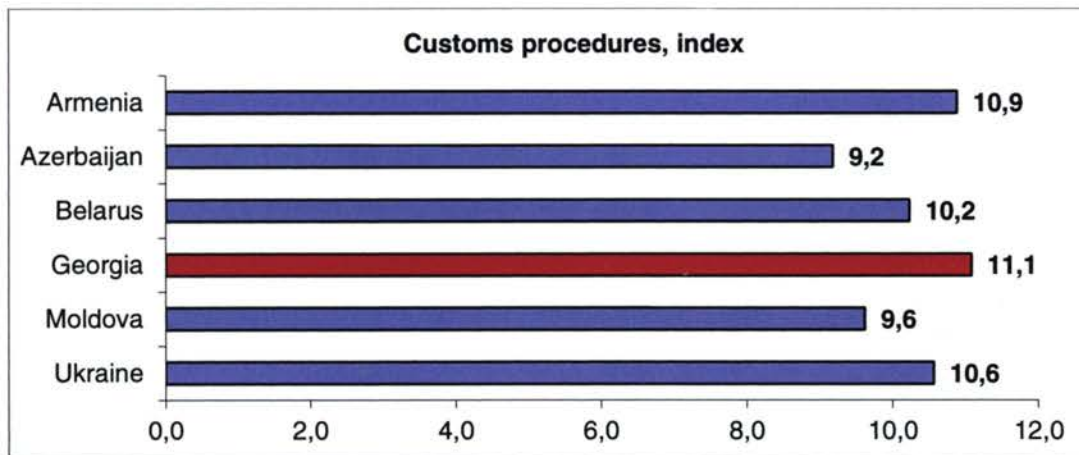


Figure 55: Customs procedures - comparison between countries.

The best rank of customs procedures indicator was assigned to Georgia, and the last one to Azerbaijan.

Average % of physical control at the BCPs in surveyed countries is:

Armenian BCPs – 27.1 %;

Azerbaijani BCPs – 24.4 %;

Belorussian BCPs – 49.7 %;

Georgian BCPs – 19.2 %;

Moldavian BCPs – 28.3;

Ukrainian BCPs – 22.6 %.

Despite the fact that online processing of documents is possible in all countries, the procedure is reportedly only partially applied. On average:

Armenian BCPs – 62.5 %;

Azerbaijani BCPs – 61.7 %;



Belorussian BCPs – 64.5 %;

Georgian BCPs – 68.1 %;

Moldavian BCPs – 55%;

Ukrainian BCPs – 77%.

The electronic submission of customs declaration occurred only in 38.8 % of cases in Moldova. 63.3 % respondents at Ukrainian BCPs used the online form. For the rest of the counties, the electronic declaration was submitted only in 55-62.9 % of:

Armenian BCPs – 55%;

Azerbaijani BCPs – 55%;

Belorussian BCPs – 57.4 %;

Georgian BCPs – 62.9 %;

Moldavian BCPs – 38.8;

Ukrainian BCPs – 63.3 %.

Clearance Process Efficiency

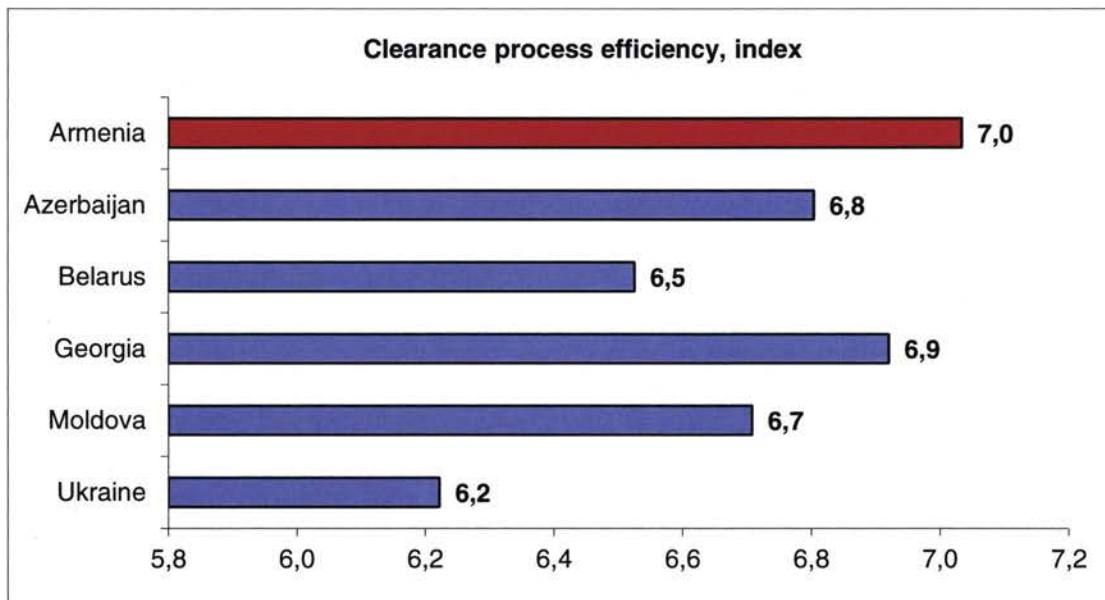


Figure 56: Clearance Process Efficiency Indicator - comparison between countries.

The best rank for the clearance process efficiency indicator is assigned to Armenia, and the worst one – to Ukraine.

Average % of the adequate number of operated lanes is as follows:



- Armenian BCPs – 62.5 %;
- Azerbaijani BCPs – 66.1 %;
- Belorussian BCPs – 57.7 %;
- Georgian BCPs – 56.8 %;
- Moldavian BCPs – 63%;
- Ukrainian BCPs – 54.7 %.

The number of operated lanes at the Ukrainian and Georgian BCPs does not suffice, and need to be expanded.

Average % of the adequacy of processing and examination areas is as follows:

- Armenian BCPs – 62.1 %;
- Azerbaijani BCPs – 70.0 %;
- Belorussian BCPs – 57.8 %;
- Georgian BCPs – 55.7 %;
- Moldavian BCPs – 61.5;
- Ukrainian BCPs – 63.1 %.

Georgian and Belorussian BCPs need to expand their inspection area to make inspections easier, and improve truck throughput.

Average % of the adequacy of physical vehicle control facilities in surveyed countries is:

- Armenian BCPs – 61.7 %;
- Azerbaijani BCPs – 55%;
- Belorussian BCPs – 60.3 %;
- Georgian BCPs – 61.9 %;
- Moldavian BCPs – 55.5;
- Ukrainian BCPs – 62.5 %.

Physical vehicle control facilities at the Azerbaijani and Moldavian BCPs have to be improved.

Average % of the employee efficiency in surveyed countries is:



- Armenian BCPs – 53.7 %;
- Azerbaijani BCPs – 48.4 %;
- Belorussian BCPs – 57.6 %;
- Georgian BCPs – 59.0 %;
- Moldavian BCPs – 52.8;
- Ukrainian BCPs – 45.3 %.

Respondents stressed the low efficiency of the employees at BCPs. It is particularly low at BCP of Ukraine and Azerbaijan. Obviously, capacity building and bespoke training for relevant staff are required in order to increase the overall efficiency. Moreover, it is highly recommended to develop a human resource management system including motivational and employee satisfaction measures, as well as behavioral training.

Average % of the employee competence in surveyed countries is:

- Armenian BCPs – 62.9 %;
- Azerbaijani BCPs – 60.8 %;
- Belorussian BCPs – 53.7 %;
- Georgian BCPs – 60.9 %;
- Moldavian BCPs – 60.3;
- Ukrainian BCPs – 57.9 %.

The lowest level of the employee competence was reported at BCPs in Belarus and Ukraine. The countries need to address this challenge through capacity building and training. Furthermore, new recruitment practices may be required in order to improve the overall employee efficiency.

Average % of the quality and standards of the transport agencies in surveyed countries are:

- Armenian BCPs – 64.3 %;
- Azerbaijani BCPs – 63.6 %;
- Belorussian BCPs – 59%;
- Georgian BCPs – 59.9 %;
- Moldavian BCPs – 62.1;
- Ukrainian BCPs – 55.3 %.



The level of services has to be significantly improved at BCPs of Ukraine and Belarus to ensure responsiveness, better monitoring and cost-effectiveness.

Average % of the quality and standards of the insurance agencies is as follows:

- Armenian BCPs – 65.6 %;
- Azerbaijani BCPs – 55.9 %;
- Belorussian BCPs – 61.8 %;
- Georgian BCPs – 69.9 %;
- Moldavian BCPs – 60.4;
- Ukrainian BCPs – 53%.

The quality and standards of the insurance agencies at BCPs of Ukraine and Azerbaijan need to be improved, particularly, in terms of reducing transportation risks.

Average % of the quality and standards of the sanitary and phyto-sanitary agencies are as follows:

- Armenian BCPs – 53.8 %;
- Azerbaijani BCPs – 49.0 %;
- Belorussian BCPs – 51.3 %;
- Georgian BCPs – 55.0 %;
- Moldavian BCPs – 51.2;
- Ukrainian BCPs – 44.6 %.

In respect of the quality and standards of sanitary and phyto-sanitary agencies in the countries, Ukraine and Azerbaijan, in particular, need to introduce and enforce more efficient quality control mechanisms and practices.

Average % of the quality and standards of environmental and radiological agencies in surveyed countries is:

- Armenian BCPs – 62.8 %;
- Azerbaijani BCPs – 65.0 %;
- Belorussian BCPs – 55.4 %;
- Georgian BCPs – 62.5 %;
- Moldavian BCPs – 61.5;



- Ukrainian BCPs – 50.2 %.

Environmental and radiological agencies at BCPs of Ukraine and Belarus need to improve their services, and particularly, revisit their respective inspection systems.

Average % of the quality of road access in surveyed countries is:

- Armenian BCPs – 62.3 %;
- Azerbaijani BCPs – 57.8 %;
- Belorussian BCPs – 52.9 %;
- Georgian BCPs – 60.2 %;
- Moldavian BCPs – 55.0;
- Ukrainian BCPs – 54.4 %.

The quality of access roads BCPs in Ukraine and Belarus has to be improved. Investments into the road infrastructure could be channeled through local budget lines, funds from customs duties, and international projects.

Risk

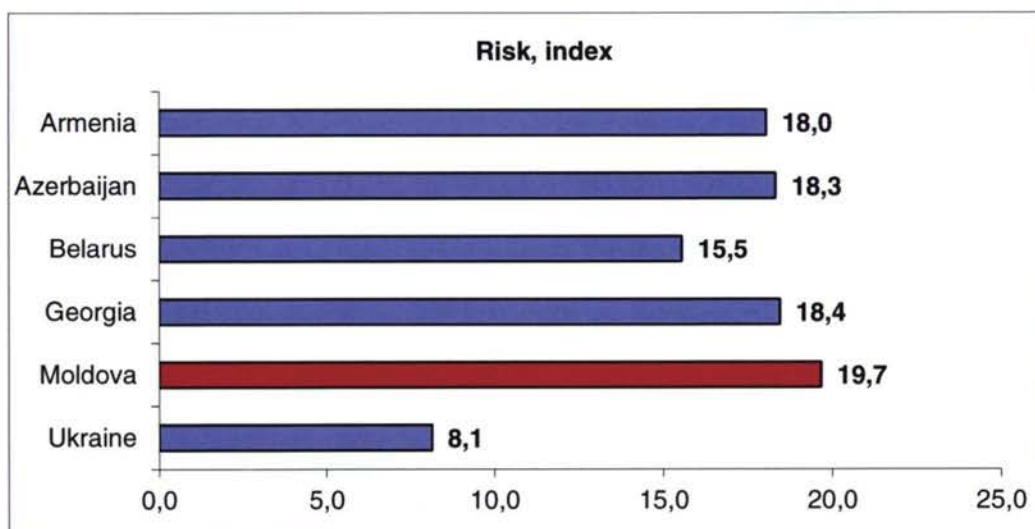


Figure 57: Risk Indicator Scores- comparison between countries.

Moldova is a top performer in terms of risks (lowest risks), while Ukraine has highest risks.

Average % of cargo loss risk in surveyed countries is:

- Armenian BCPs – 59.9 %;
- Azerbaijani BCPs – 61.2 %;



- Belorussian BCPs – 55.1 %;
- Georgian BCPs – 55.5 %;
- Moldavian BCPs – 55.6;
- Ukrainian BCPs – 44.1 %.

Measures aimed at the prevention of cargo loss should be taken at BCPs of Azerbaijan and Armenia.

Average % of cargo damage in surveyed countries is:

- Armenian BCPs – 54.2 %;
- Azerbaijani BCPs – 48.2 %;
- Belorussian BCPs – 60.9 %;
- Georgian BCPs – 59.7 %;
- Moldavian BCPs – 49.3;
- Ukrainian BCPs – 49.2 %.

Belarus and Georgia need to pay a special attention to cargo damage risks, and carry out corrective measures aimed at reducing such risks.

Average % of customs clearance failure risks in surveyed countries are:

- Armenian BCPs – 49.3 %;
- Azerbaijani BCPs – 46.9 %;
- Belorussian BCPs – 55.0 %;
- Georgian BCPs – 53.8 %;
- Moldavian BCPs – 47.8;
- Ukrainian BCPs – 43.2 %.

Systems of prior control should be established for the purpose of reducing customs clearance failure risks.

Average % of predictability of the clearance process and the timely delivery of shipments is:

- Armenian BCPs – 60.3 %;
- Azerbaijani BCPs – 60.0 %;
- Belorussian BCPs – 59.8 %;
- Georgian BCPs – 67.6 %;



- Moldavian BCPs – 60.9;
- Ukrainian BCPs – 51.7 %.

BCPs of Ukraine and Belarus have the lowest level of predictability of the clearance process and timely delivery of shipments. This challenge should be addressed through capacity building and training for the involved personnel.

Average % of transparency of processes in surveyed countries is:

- Armenian BCPs – 50.1 %;
- Azerbaijani BCPs – 47.3 %;
- Belorussian BCPs – 42.1 %;
- Georgian BCPs – 51.3 %;
- Moldavian BCPs – 51.8;
- Ukrainian BCPs – 38.9 %.

Transparency issues should be particularly addressed in Ukraine and Belarus. The countries should take measures aimed to increase the commitment of employees and their adherence to transparency principles according to international best practices.

Summary of Ranks

Rank/Countries	AM	AZ	BY	GE	UA	MD
Time	1	5	2	4	6	3
Cost	1	6	3	4	5	2
Customs procedures	2	6	4	1	3	5
Clearance process efficiency	1	3	5	2	6	4
Risk	4	3	5	2	6	1

Figure 58: Ranks the countries by main indicators of BCPs.

4.8 Caspian ports indexes values

This chapter briefly presents information on ports in the surveyed countries in the context of border crossing procedures. Each of the port is briefly presented in the following three sections. The last section of this chapter summarizes the results of the survey.

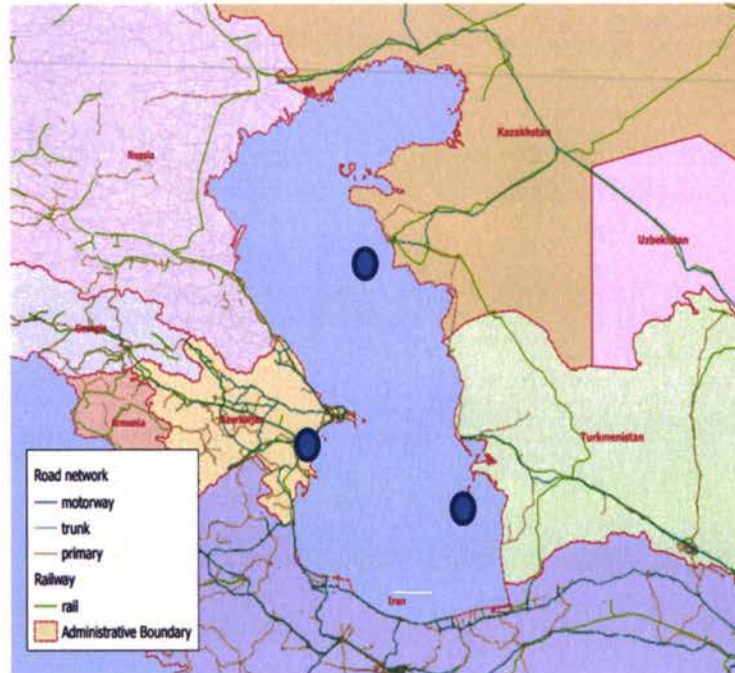


Figure 59: Map of considered BCPs of Caspian Ports.



Aktau is the only international commercial seaport of Kazakhstan. The port is operated by the company Aktau International Sea Commercial Port (AISCP). Aktau is connected with Baku in Azerbaijan, Makhachkala and Olya/Astrakhan in Russia, and the Iranian Caspian Sea ports (Anzali, Nowshahr, Amir Abad). The port is open all the year around; however berthing is often delayed (up to several days) in winter due to bad weather conditions.

There are no dedicated Ro-Ro and container vessel berths, and no facilities for handling line passenger traffic. The port limited storage, handling and marshalling capacity for empty and full wagons hamper the rail ferry trade. The new management installed by KTZ in April 2014 recognized the need to allocate a dedicated berth for Ro-Ros.

The “old” port of **Baku** is the major non-oil and gas dry cargo sea port of Azerbaijan. It is also the biggest port in the Caspian Sea. The state-owned company “Baku International Sea Trade Port” manages and operates the port. The major trading partners of the port of Baku are Aktau (Kazakhstan), Turkmenbashi (Turkmenistan), Anzali and Amir Abad (Iran).

Located in Baku downtown the port should be closed in the future. The double-bridge rail ferry terminal has already closed down late in 2014 when all rail ferry operations were relocated to the new port at Alyat. The road access to Baku port is one of the main and busiest arteries of the city.



A restriction is therefore in force on the exit/entrance of trucks from/to the port during daylight over the working week, and a complete ban applies over the weekend. Thus, in 2011, the Azerbaijan State Shipping Company (now Azerbaijan Caspian Shipping Company–ACSC), took the initiative to shift its Ro-Ro operations at Zyk, a port situated on the eastern shore of the bay of Baku.



The Azerbaijani Government decided to allocate the new BISTP, at **Alyat**, 65 km to the south of Baku. The construction started in November 2010. In 2011, a two-way navigation access channel was dredged. Rail and road connections to the national networks were also built during this first phase, including a new highway to Baku and Sumgait.

The two ferry bridges were completed and opened in November 2014. Ever since, all rail ferries call at Alyat. The port can handle up to four vessels per day (the average duration of a call is 10-12 h). Five out of a planned 11 rail tracks are already under operations. Marshalling takes place in 2 phases: export wagons are sorted first by destination at Alyat railway station then again by weight within the port area.

The next step will be the completion of the Ro-Ro berth and related facilities (buffer parking close to the berth for loading/discharging operations, larger backyard parking place with amenities for drivers and service station for trucks, etc.). This part of the port should open by the beginning of 2016.



Turkmenbashi is the main commercial seaport of Turkmenistan. It is managed and operated by the State Service of Maritime and River Transportation of Turkmenistan (SSMRT) through the state-owned company “Turkmenbashi International Commercial Sea Port” (TICSP). The SSMRT also manages the Turkmen commercial fleet.

As between Baku and Aktau, the ferries carry mixed cargo in wagons. From Baku, it consists of flour, poultry, sugar, steel products, pipes and tubes, alumina (in bulk), cement, empty tanks and cisterns, etc. From Turkmenbashi, shipments are made of agricultural products, construction materials, textiles, empty wagons (gondolas used for the transport of alumina), oil products, chemicals, etc. The port Master Plan drafted in 2010 includes several infrastructure and port capacity modernization areas.



Aggregated index: ports comparisons

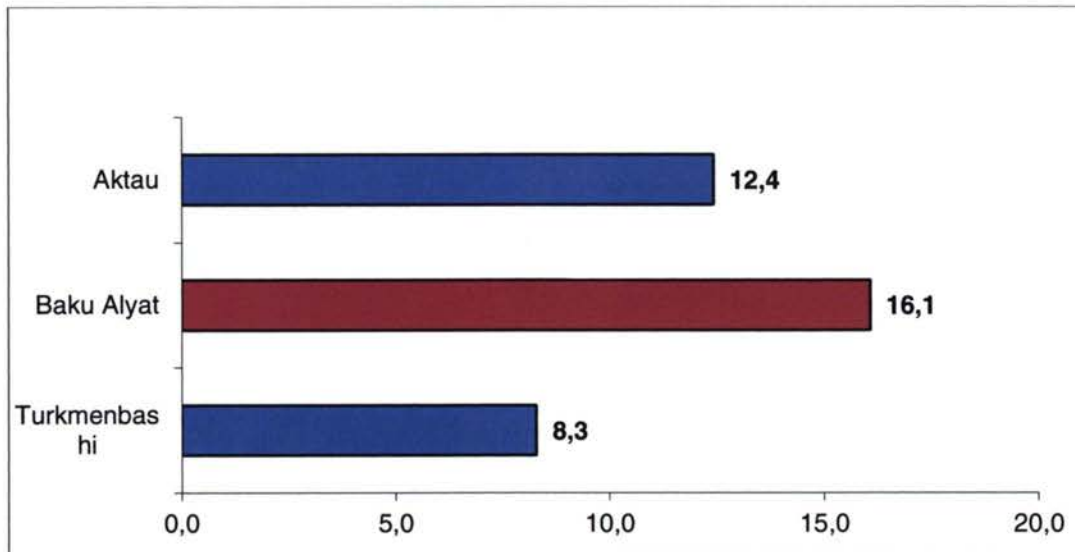


Figure 60: Aggregated BCP index for the Caspian ports

Table 6: BCP Index results by indicator and country

Rank/Ports	Baku Alyat	Aktau	Turkmenbashi
BCPI	16.2 (benchmark)	11.5	8.1
Time	214.7	109.6 (benchmark)	142.0
Cost	84.3	69.9 (benchmark)	124.4
Customs procedures	12.8 (benchmark)	2.6	3.1
Clearance process efficiency	9.1 (benchmark)	5.3	4.3
Risk	26.5 (benchmark)	12.2	14.1

Baku as a border crossing point is a benchmark in the overall score of the Caspian Port performance. Baku/Alyat is ranked first on three out of five sub-indicators. The strengths of the port of Baku are efficiency of customs procedures, organization of clearance procedures and low cargo loss and security risks. These strengths are significantly higher, especially in terms of customs procedures, than in Aktau and Turkmenbashi. Most likely, this is a reflection of the user response to significant shift in overall customs reforms in Azerbaijan in 2014. These reforms outpaced the



efforts of Kazakhstan recently exhibiting a slower pace. Turkmenistan has not made any significant progress in border crossing procedures.

Baku has a potential for reform, which should particularly aim at reducing costs and time for border procedures. These domains will be improved in Baku over time, as some delays are associated with the ongoing construction of the Alyat port.

The comments below related to performance of Turkmenbashi are derived from the survey questionnaires.

Time

Aktau is a benchmark in terms of time spent at border. According to the respondents, border crossing takes in Aktau takes less time than in any other TRACECA Caspian port. This is a positive signal of changes for the corridor, as Aktau was a bottleneck on the route. Also, a berth/storage area improvement program was launched by the new management in April 2014. AISCP rightly dropped the “first come, first served” principle, which resulted in small vessels waiting at roads for no good reason. Under the new berth-planning scheme the port can handle 3 vessels simultaneously at all times (2 loading/1 discharging). The improved availability of berths reduced the waiting time prior to the clearance.

Baku was ranked last in terms of time because currently the operations of non-oil and gas traffic used to go through the “old” port of Baku are presently split among three different sites:

- ACSC Ro-Ros are operated under their own control at Zyk, and
- ACSC rail ferries call at Alyat, and
- All other vessels are handled at Baku “old” port.

The user reported their experience depending on the type of the operation for these three sub-locations of current Baku portal nodes. A common / single operational scheme can be set up only after the completion of the construction of the Ro-Ro and general cargo berths at Alyat in 2016. For instance, the cargo owners or freight forwarder who may ship now via either of the “Baku nodes”, and spend time preparing documents for each site separately will then have no need to do this twice any longer. This will have a positive effect on improvement of the overall experience of users as far as time compliance requirements are concerned.

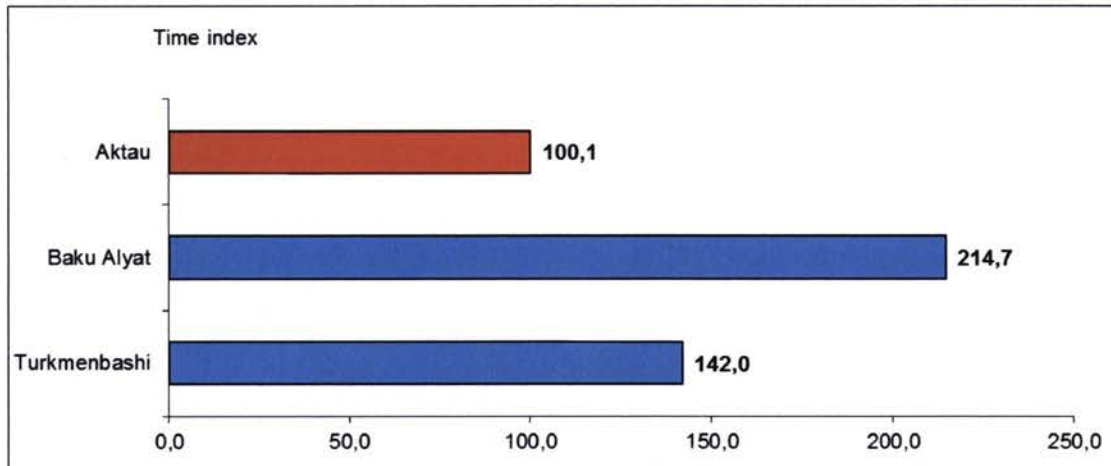


Figure 61: Time Indicator Scores - comparison between ports

The port of Aktau has been ranked best in terms of time-effectiveness. The Time indicator was measured through the following sub-indicators:

- Time spent preparing documents
- Time between arrival at a border and beginning of the passing control
- Time from submission of the documents to be checked until the completion of the control

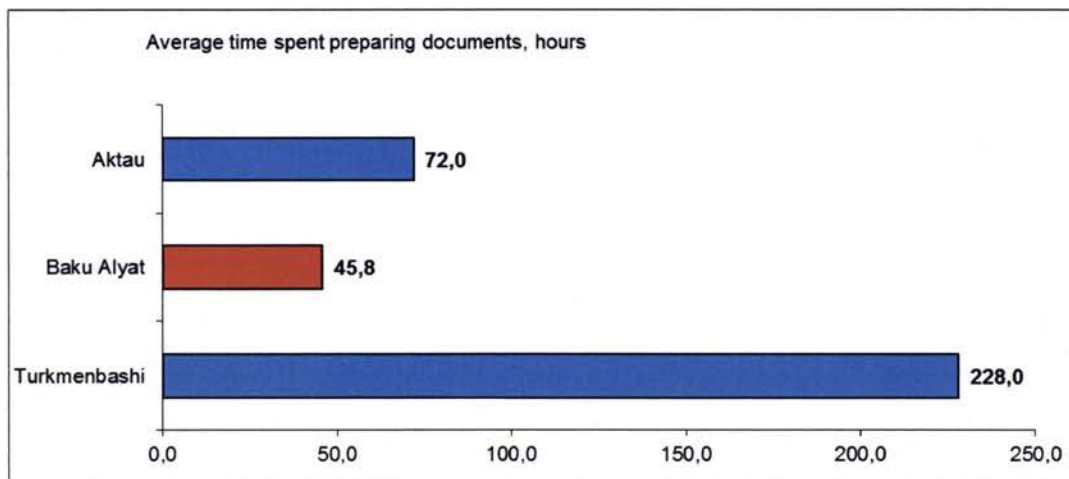


Figure 62: Time spent preparing documents: comparison between ports.

The process of preparing all necessary documents for goods transportation is quickest in Baku / Alyat (in average 45.8 hours), while in Aktau it takes 72 hours. Most time is needed to prepare the document in Turkmenbashi (228 hours).

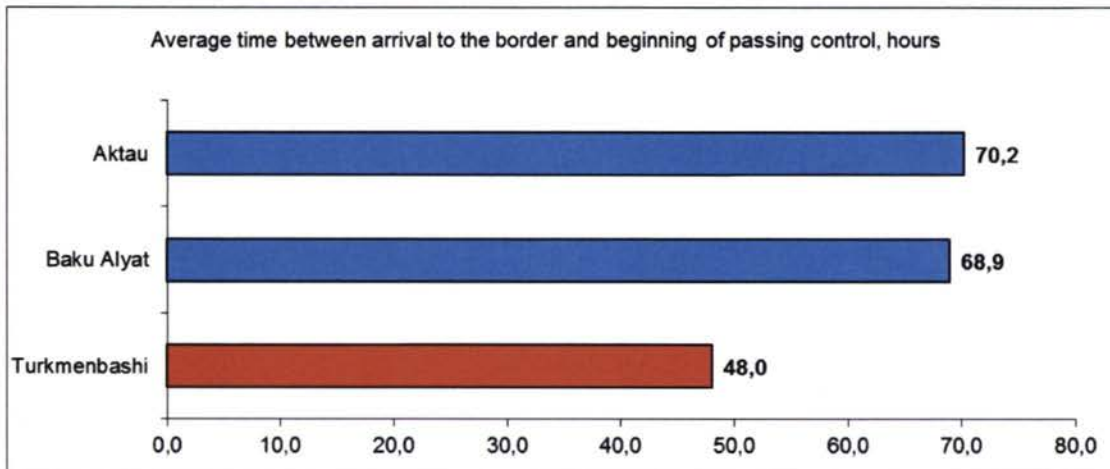


Figure 63: Time between arrival to the port and beginning of passing control

The shippers wait on average 48 hours before arriving to the border in Turkmenbashi and start of passing control (min time among Caspian ports). Baku and Aktau demonstrate almost the same result of 68.9 and 70.2 hours of waiting time respectively.

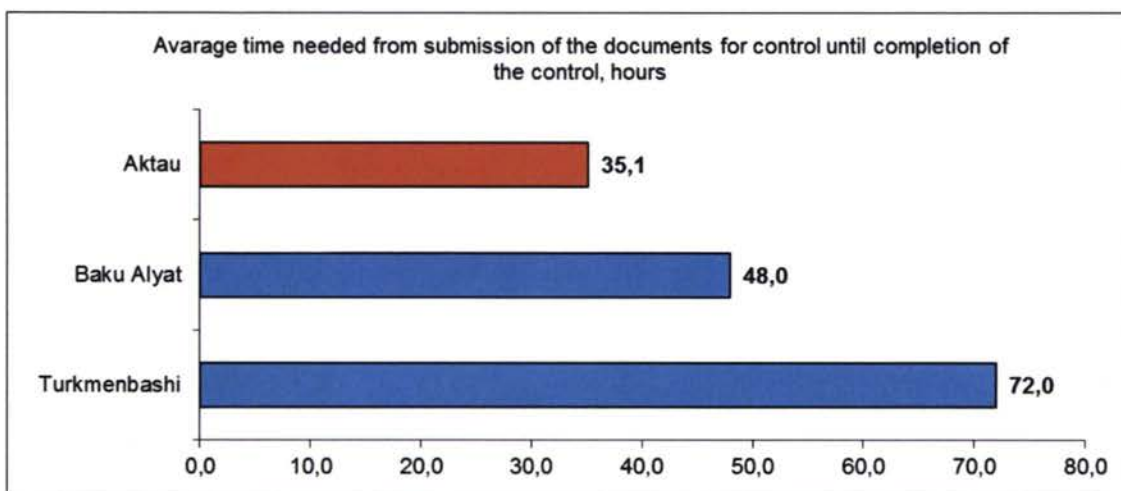


Figure 64: Time needed from submission until completion of the control

The time range from the submission of documents until the completion of their control in Turkmenbashi is twice as long as that in Aktau. Such delays are caused not only by complicated procedures and various non-tariff bottlenecks, but also by overlapping of work by numerous agencies in the clearance process. Efficient and fast clearance can be facilitated through a set of measures, such as a better use of risk management systems, innovative use of relevant technology, coordination and information sharing across borders, one-stop border facilities, addressing nontariff measures, and cargo clearance outside the border.



Cost

Aktau is a benchmark for costs associated with border crossings. This could be explained by the fact that the new management of the port appointed in 2014 has supported anti-corruption measures at the local level. Also the official payments in Aktau are lower than in Baku or Turkmenbashi. Baku node was ranked second on the cost component of a border crossing procedure. Informal payments are reportedly occurring in all three TRACECA ports.

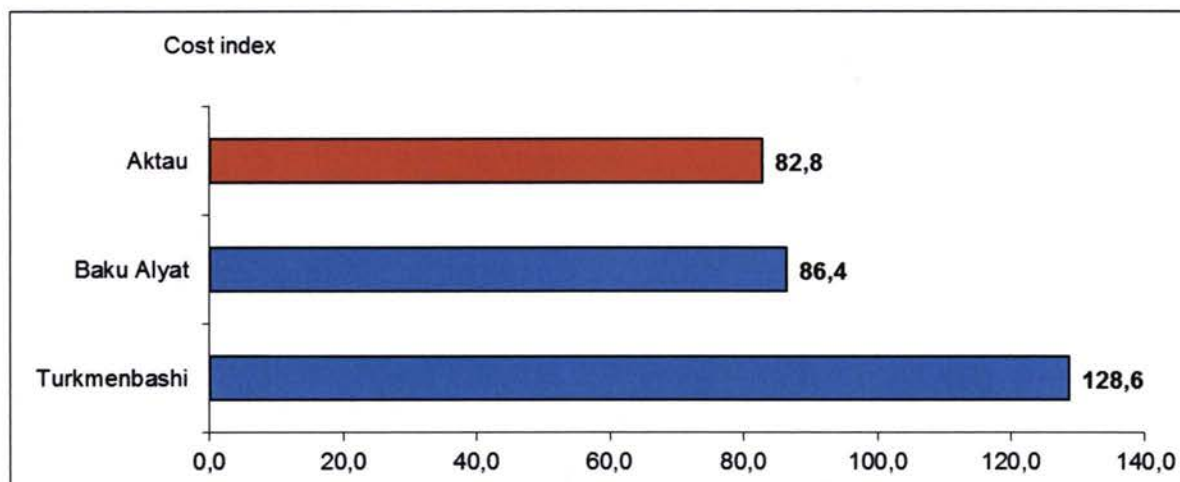


Figure 65: Cost Indicator Scores: comparison between countries

The Cost indicator is measured through the following sub-indicators:

- Formal payments
- Informal payments

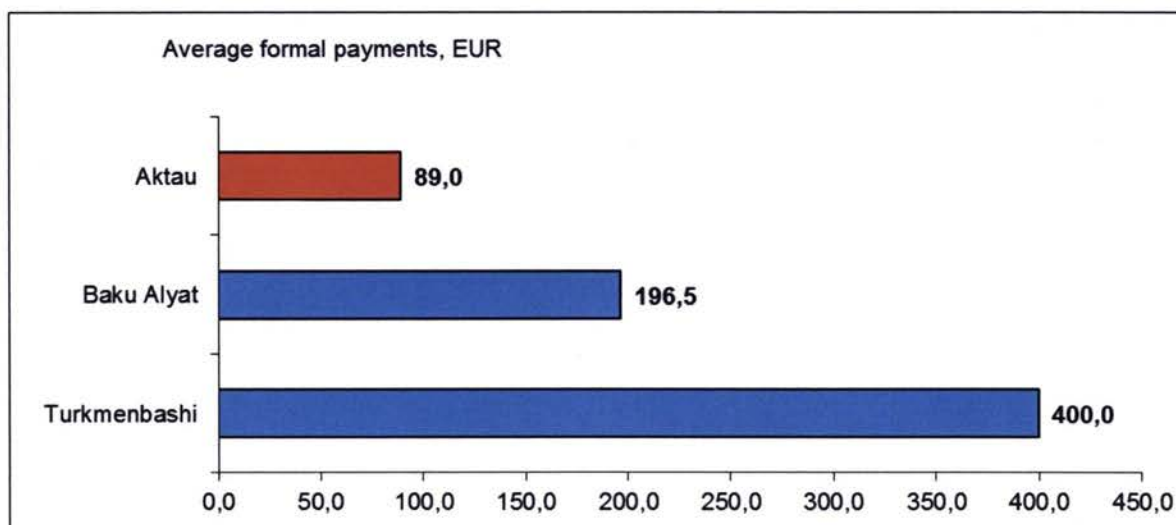


Figure 66: Formal payments: comparison between ports.



The results vary depending on the type of cargo, duties applied to specific types of cargo, parking, etc. The traffic fines charged at the border are not considered as official payments in this survey.

The users reported low incidences of informal payment in all the ports.

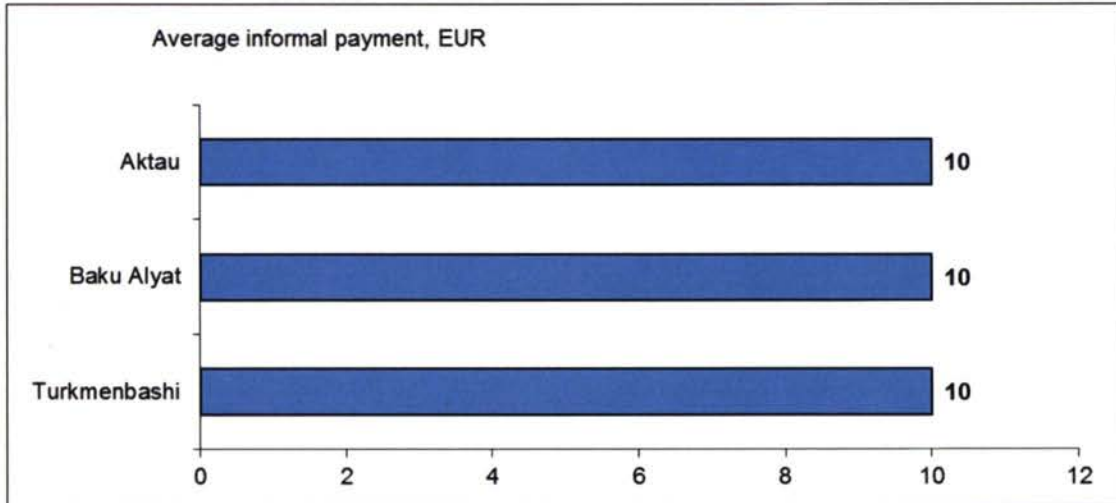


Figure 67: Informal payments: comparison between countries.

Clearance process efficiency

Baku is a benchmark for the clearance procedure organization among the three ports. The new BISTP management appointed by the President in November 2014 and the management of newly formed ACSC appointed in 2013 are trying to implement together best international commercial practices with the aim of modernizing and improving the quality and competitiveness of the services offered both by the port and the Azerbaijani national shipping company.

These include the implementation of modern web-based booking systems for truck drivers passing on the ferries and Ro-Ros, dissemination of transparent freight tariff rates and conditions, etc. Such measures aim at eradicating unofficial payments by unsuspecting clients as well as to compel intermediaries—freight forwarders and logistics providers—to reduce their profit margins. ACSC deems these are too high and detrimental to their operation (also indicated by users in the survey).

Other “soft” issues have to be addressed soon to make Alyat a success.

First, a container operation at industrial-scale calls for adequate hinterland connections. Existing roads and rail tracks are under rehabilitation and new ones built on the East-West (Baku–Poti) as well as on the North-South (Russia to Iran) corridors crossing at Alyat. Difficulties due to the mountainous Caucasian terrain resulting in high gradients and tight curves, which compel to reductions in speed and/or train weights on some rail sections, should be overcome to a large extent once the ongoing works are finished. This should allow trains to run at higher average speeds than today.



Nevertheless, the question of the organization of block trains between Poti and Baku remains pending in spite of many meetings and discussions during the past 15 years between GR and ADY, the national railway companies of Georgia and Azerbaijan, and several joint political declarations at the highest level of the States.

GR and ADY follow different business-models: GR, though being a 100% state-owned company, does not report to the Georgian Ministry of Economy and Sustainable Development, which covers all other transport modes. De facto, it decides on its business plans and tariffs rather independently. ADY more traditionally carries out its duties according to plans and budget decided at ministerial level. These different approaches may explain why it has so far never been possible for the companies to build up a joint offer competitive in terms of tariffs and transit-time versus road transport. Above all it seems ADY is not in the position to take the commercial risk inherent in any business venture: in this case, running a train at fixed dates/times which, in the beginning, could not be fully loaded.

Lessons could be drawn from the experience of the “Viking Train” which connects Ukraine, Belarus and Lithuania since 2003. In spite of competitive rates and a sophisticated data-exchange system between three different Customs systems (Ukraine, Customs Union, EU) –enabling the train to stop at the borders for half-an-hour only and only for technical railway reasons—it achieved poor results during the first 9 years. However, the train was running regularly currently on paper only.

The decision made by the train operators at the beginning of 2012 to schedule (and really run) three regular weekly departures and concentrate on the Viking all their containerized traffic (i.e. to add domestic cargo-flows to international transit-flows between the 3 countries) immediately proved a winning strategy.

An umpteenth MOA was signed in 2014 between GR and ADY for the operation of a weekly 30-wagon BCT Poti–Baku travelling 24 hours on the Azerbaijani territory, 18 hours to 20 hours in Georgia and staying 4 hours on the border. This is obviously no match for a truck driving the 916 km between the 2 cities in about 18 hours at the same or at an even lower price. On the top of it, the truck carries the box directly from the port terminal to the consignee’s premises whereas the container transported by rail must be handled and delivered by truck from the station of arrival to the receiver’s place and back.

Whereas in most European, US and Asian ports the vessels report electronically to the ports of arrival, are now “cleared” while still at sea approaching, and stevedoring operations start right upon berthing, in the Caspian region vessels cannot be handled until a “commission”, composed of representatives of all relevant governmental agencies (Customs, Health, Phyto-Sanitary Dpt, Border Guards, etc.) physically boards them when they are alongside and clears them after inspection.

In the EU, the commission comes only in case a risk has been assessed or, where the procedure still implies a compulsory boarding, the commission must present itself and perform its duties within a fixed span.



Aktau was reported by the users as the least successful port as far as vessel clearance is concerned when it comes to RoRo traffic. Until recently for all traffic, gathering the commission and carrying out the procedure could take as long as 6 hours. Reportedly, this was due to the understaffing of the governmental agencies. As the process repeats itself upon departure, vessels could stay idle and berths uselessly occupied up to 12 hours per call. KMTF, as a national shipping company, could obtain a better treatment for its tankers, few years back, after many complaints.

Aktau port management recognizes this, and started to promote further improvements. Now, to improve the railway operation the commission is granted 2 hours upon berthing and the same time upon departure to perform its task. This seemingly trifling item is of much consequence: it helped reduce the overall handling time of rail ferries from 24 hours to 12 hours, thus enabling to attend two calls per day instead of one only and mathematically doubled—without a single cent invested—the capacity of Aktau sole rail ramp from 1million tons to 2 million tons per year.

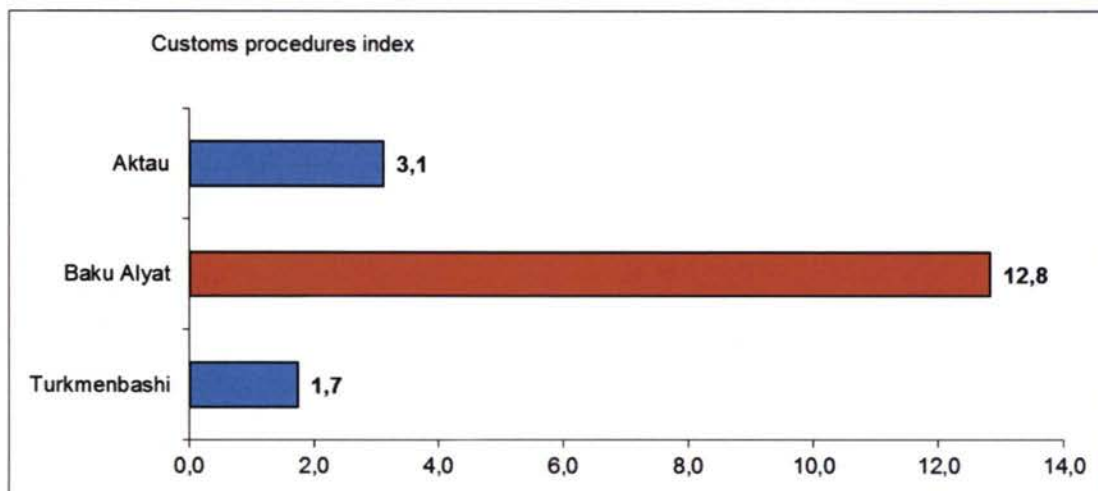


Figure 68: Customs procedures - comparison between ports

Average % of physical control at the BCPs in surveyed ports was reported as follows:

Aktau – 86.7 %;

Baku Alyat – 25.7 %;

Turkmenbashi – 36.3 %.

The interviewed stakeholders have not experienced online document processing and electronic submission of a customs declaration in all ports.

The duplication of functions in the surveyed ports according to users' experience comprises:

Aktau – 75.0 %;

Baku Alyat – 11.8 %;



Turkmenbashi – 33.0 %.

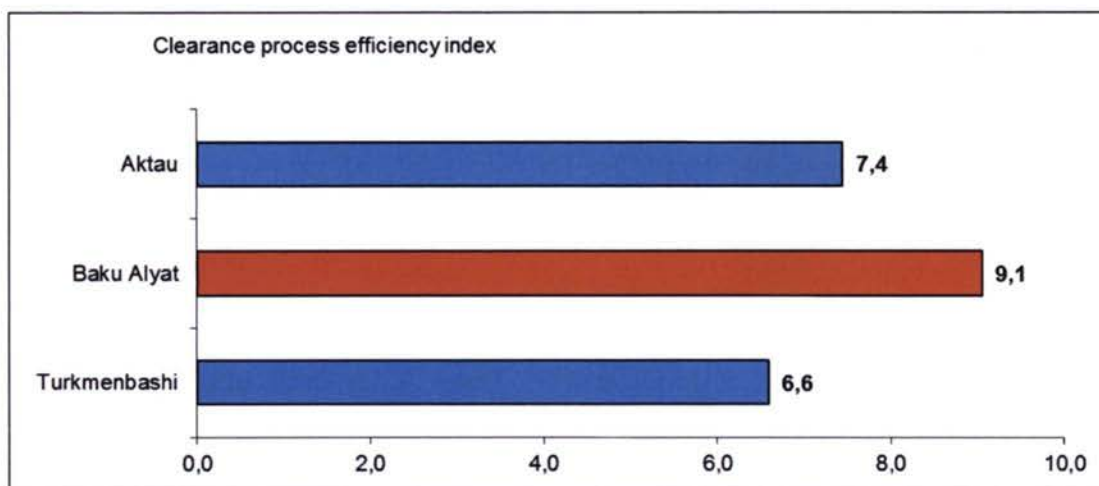


Figure 69: Clearance Process Efficiency Indicator: comparison between ports.

Operated berths were reported as sufficient both for arrival and departure of vessels. On average % of the adequate number of operated berths (arrival) in the surveyed ports has been reported as suitable in the following cases:

- Aktau – 68.0 %;
- Baku Alyat – 85.0 %;
- Turkmenbashi – 84.0 %.

Average % of the adequate number of operated berths (departure) in the surveyed ports:

- Aktau – 80.0 %;
- Baku Alyat – 85.0 %;
- Turkmenbashi – 60.0 %.

Average % of the adequate number of handling equipment – arrival

- Aktau – 80.0 %;
- Baku Alyat – 75.0 %;
- Turkmenbashi – 66.0 %.

Average % of the adequate number of handling equipment – departure

- Aktau – 80.0 %;
- Baku Alyat – 79.0 %;
- Turkmenbashi – 57.0 %.



Adequate frequency in the surveyed ports:

- Aktau – 44.0 %;
- Baku Alyat – 56.0 %;
- Turkmenbashi – 52.0 %.

Efficiency of employees in the surveyed ports was reported to be extremely low in Aktau and Turkmenbashi (20%), and on average of level of expectations in Baku Alyat (51%):

- Aktau – 20.0 %;
- Baku Alyat – 51.0 %;
- Turkmenbashi – 20.0 %.

Respondents pointed to the lack of efficient employees at the port BCPs. In particular, this holds true for Aktau and Turkmenbashi. Obviously, capacity building and bespoke training for port staff are required in order to increase the overall efficiency. Moreover, it is highly recommended to develop a human resource management system including motivational and employee satisfaction measures, as well as behavioral training.

The competence of port employees were evaluated as follows:

- Aktau – 44.0 %;
- Baku Alyat – 40.0 %;
- Turkmenbashi – 20.0 %.

The survey revealed that the employee competence is perceived lowest in the Turkmenbashi port. With that in mind, a comprehensive training programme needs to be elaborated for this port.

Average % of quality/standards of the transport agencies in the surveyed ports:

- Aktau – 60.0 %;
- Baku Alyat – 64.0 %;
- Turkmenbashi – 48.0 %.

Also, the level of services has to be significantly improved in the Turkmenbashi port to ensure responsiveness, better monitoring and timeliness.

Average % of quality/standards of the insurance agencies in the surveyed ports:

- Aktau – 52.0 %;
- Baku Alyat – 59.0 %;



- Turkmenbashi – 40.0 %.

The quality and standards of the insurance agencies in Turkmenbashi need to be improved, particularly, in terms of reducing transportation risks.

Average % of quality/standards of the sanitary and phyto-sanitary agencies in surveyed ports:

- Aktau – 39.0 %;
- Baku Alyat – 51.0 %;
- Turkmenbashi – 40.0 %.

In respect of the quality and standards of sanitary and phyto-sanitary agencies in Aktau and Turkmenbashi, better quality control mechanisms and practices have to be put in place.

Average % of quality/standards of the environmental and radiological agencies in the surveyed ports is:

- Aktau – 39.0 %;
- Baku Alyat – 46.0 %;
- Turkmenbashi – 40.0 %.

Environmental and radiological agencies of the Aktau port need to improve their services, and particularly, revisit their respective inspection systems.

Average % of the application of a free practice

- Aktau – 35.0 %;
- Baku Alyat – 50.0 %;
- Turkmenbashi – 20.0 %.

The quality of access roads to the BCPs (road –port) in the surveyed ports:

- Aktau – 59.0 %;
- Baku Alyat – 79.0 %;
- Turkmenbashi – 60.0 %.

The quality of access roads in Aktau and Turkmenbashi ports has to be further optimized.

The quality of the access infrastructure at the BCPs (rail-port) in the surveyed ports:

- Aktau – 60.0 %;
- Baku Alyat – 82.0 %;
- Turkmenbashi – 44.0 %.



The quality of the access infrastructure at the BCPs (navigation channel) in the surveyed ports:

- Aktau – 69.0 %;
- Baku Alyat – 78.0 %;
- Turkmenbashi – 44.0 %.

Customs Procedures

Baku is the benchmark for customs procedures implementation among the three ports.

Azerbaijani authorities have done an impressive work during the past eight years to implement trade facilitation measures and modernize both infrastructure and processes. Modern land border posts have been built everywhere. Vocational training of Customs officers has been improved and training courses in EU countries have been included.

Moreover, by the end of 2014, the legislation had been completely redrafted. A new Customs Code—drawn with the assistance of EU experts—has been adopted in 2012, widely incorporating best international practice along the principles of the Revised Kyoto Convention and the WCO standards. All modern regimes have been incorporated and provided with a normative basis (Single Window concept, Authorized Economic Operator concept including the simplified procedure, electronic risk assessment, information exchange and sharing between governmental agencies, advanced customs declarations and e-customs systems, etc.).

In order to avoid clashes and an otherwise lengthy process of re-definition of governmental agencies' remits and ensure a swift implementation of the Single Window Concept, the State Customs Service is now vested with the core single window competencies within its own administrative set up. These include, for example, veterinary and phyto-sanitary checks. It means the State Customs Committee does not have to revert to and rely on the cooperation of other authorities and their given limitations.

The President approved the law on electronic digital signature in 2004 and over 400 e-government services are in place by the end of 2014.

The pace of the reforms in customs procedures improvement needs to be accelerated in Aktau. It should be note that like Baku, Kazakhstan is also pursuing the reforms in custom procedure organization, but the implementation is not yet well rolled out. Despite the users report positive changes in these domains, there is still a potential for further improvement.

All governmental agencies have been brought together in a port building thus converted into a one-stop shop for the fulfilment of administrative procedures by the clients. The port is contemplating steps towards the implementation of a Single Window System and a Port Community System but no action plan for implementation could yet be finalized.



The matter, however, does not entirely depend upon the good will of the port management. Currently, the Customs service is authorized to represent all other agencies and public authorities (except the border guards) at the automotive border crossings. However, authorities share information on an “upon request”, confidential basis only. The “Law on Information Sharing” regulates in principle the provision of information between agencies but seems to be overly strict inasmuch as it compels them to use information only to execute their tasks. There is no positive entitlement to share actively relevant information with other authorities.

The Kazakh risk management system is based on generic software developed by the Kazakh administration. A special committee is in charge of the improvement of the electronic risk assessment, ensuring, inter alia, interoperability of data so that other authorities can use them. ASYCUDA automated modern tools presented at the 2014 Astana Economic Forum by the UNCTAD Delegation however attracted the interest of Kazakh relevant controlling agencies for the multiagency interaction at the border.

At a broader level, the legal framework is more or less ready but needs to be complemented and harmonized taking into account the participation of Kazakhstan into the Customs Union with Russia and Belarus and, since the 1st January 2015, the establishment of the Eurasian Economic Union (EAEU). A new EAEU Customs Code will be brought into play in 2016. According to the plan the EAEU SWS should be operational in 2020.

In Kazakhstan, the Committee of State Revenues partially draws its inspiration from the Georgian model and receives the help of the World Bank. Tests have been carried out with a view to decrease the number of documents necessary to perform formalities, a database containing all norms and formatted normative e-documents and information is being set up, and work is going on to reduce the time of transmission of information between land BCPs and final customs clearance points.

Still the progress is slow as agencies other than the Customs face problems to mobilize financial resources for the project. The focus has been on automotive land transport so far. One may hope that it will partially shift to Aktau and sea-transport now the port has been re-organized. Users underline the rather complicated customs clearance procedures (especially for imports) as well as the variable interpretation of the Customs Code and rules depending on the officers in charge. This may be attributed to a possible lack of vocational training as well as to the fact that Kazakh fundamental laws are much too detailed and therefore not always easy to understand and apply. At any rate, the port community yearns for the introduction of SWS in Aktau.

Users often point out the low level of qualification and vocational training of the port middle management, office clerks and workers as one of the major hindrance to the expeditious performance of business processes.

Things should evolve in the future when the extension of the port to the north has been completed: until now, AISCP is its own exclusive stevedore. KTZ is contemplating the possibility to have the general cargo and container terminals in the new area operated by companies from the private sector, which may want to avoid the above-described “brokerage” scheme.



For a number of understandable reasons container trade has not yet come into focus.

First, as already mentioned, the sea-borne containerized traffic barely represents some 5,000 import boxes per year, almost exclusively composed of shippers' own units (last-voyage containers sold to the buyer together with the contents, as a non-returnable packing). Due to the absence of regular shipping services, allowing the return of empties in a foreseeable lapse of time, the use of equipment belonging to container carriers would result in unpredictable demurrage and port storage expenses. Besides, the repositioning costs back to a place where the container could perhaps be re-utilized (Poti for instance), which include a trucking to the port of Aktau, loading expenses, freight Aktau-Baku, stevedoring expenses again in Baku and a trucking or railing to Poti, would certainly exceed the average \$7-\$800 which a last-voyage box costs.

Then, the present legal and administrative framework is not yet mature for the implementation of fully-fledged liner container services through Aktau. Kazakhstan ratified in 2009 the 1999 WCO Revised Kyoto Convention, which, among many other provisions, implies granting a free-pratique regime for containers. While this more or less works in other regions of the country, it seems Customs officers in Aktau lack due training/information on the subject and can therefore not apply these terms of the Convention.

Risks

In all TRACECA countries, the liability of multimodal transport remains an area where improvements are possible. This concerns questions regarding the liability of the transport operators, the modalities pertaining to cargo abandonment, seizure, auctioning and ultimate (free of cost) recovery and expatriation of goods. There is also a need for some legal provisions enabling the owners of container to recover or be properly compensated for delays, losses and damages to their equipment. In this respect, Azerbaijan should consider resuming its membership to such organizations as FIATA which provide an efficient support to the implementation of best relevant international practices.

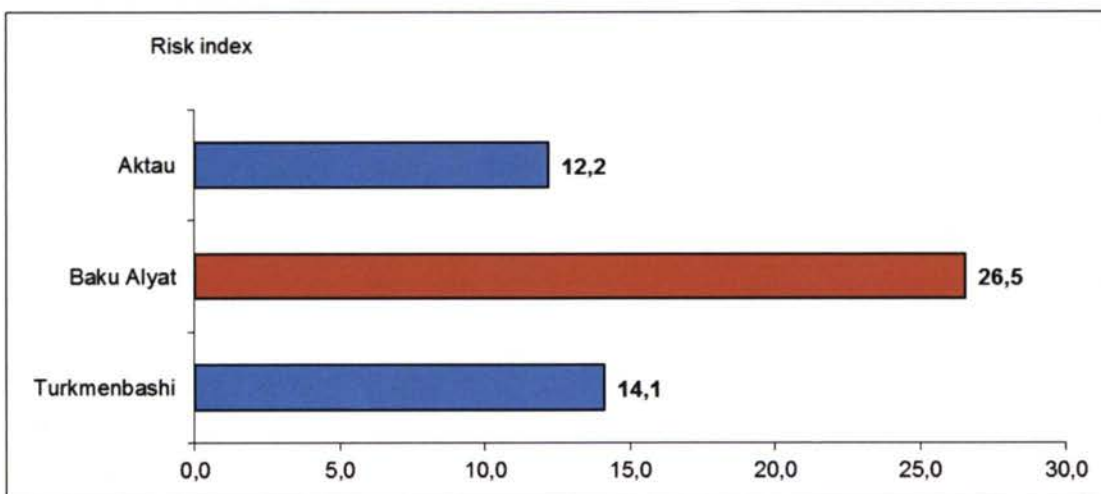


Figure 70: Risk Indicator Scores: comparison between ports.



The Baku Alyat port has been ranked best in terms of risks (lowest risks).

Average % of cargo loss risk in the surveyed ports:

- Aktau – 34.0 %;
- Baku Alyat – 30.0 %;
- Turkmenbashi – 32.0 %.

However, measures to prevent cargo loss should be introduced in all ports.

Average % of cargo damage risk in surveyed ports:

- Aktau – 8.0 %;
- Baku Alyat – 25.0 %;
- Turkmenbashi – 26.0 %.

Baku and Turkmenbashi need to pay a special attention to cargo damage risks, and carry out corrective measures aimed at reducing such risks.

Average % of customs clearance failure risks in the surveyed countries:

- Aktau – 63.0 %;
- Baku Alyat – 17.0 %;
- Turkmenbashi – 24.0 %.

A system of prior control should be established in the Aktau port with the aim of reducing customs clearance failure risks.

Average % of predictability of the clearance process and timely delivery of shipments (IN) in the surveyed ports:

- Aktau – 36.0 %;
- Baku Alyat – 64.0 %;
- Turkmenbashi – 20.0 %.

Average % of predictability of the clearance process and the timely delivery of shipments (OUT) in the surveyed ports:

- Aktau – 44.0 %;
- Baku Alyat – 70.0 %;
- Turkmenbashi – 44.0 %.



The level of predictability of the clearance process and timely delivery of shipments in Aktau and Turkmenbashi is fairly low. That said, it is advisable to elaborate and implement a capacity building programme covering these domains.

Average % of transparency of processes (arrival) in the surveyed ports:

- Aktau – 28.0 %;
- Baku Alyat – 67.0 %;
- Turkmenbashi – 48.0 %.

Average % of transparency of processes (departure) in the surveyed ports:

- Aktau – 28.0 %;
- Baku Alyat – 67.0 %;
- Turkmenbashi – 48.0 %.

In particular, transparency issues should be addressed in the Aktau port. The authorities should take measures aimed to increase the commitment of employees and their adherence to transparency principles according to international best practices.

4.9 Major areas for improvement in the surveyed countries

The analyzed countries work towards the improvement of their trade facilitation activities, including reforms aimed at the simplification of border-crossing processes, optimization of data collection techniques, communication and data processing, etc. These measures are intended to develop a consistent, transparent, coherent, non-discriminatory and predictable environment for international trade in line with international standards. This is done through:

- Simplification and standardization of formal procedures;
- Improvement of physical infrastructure and facilities;
- Harmonization of applicable laws and regulations

The main focus area of includes:

- Infrastructure investment
- Customs modernization and border crossing – environment
- Streamlining documentation and information flows
- Automation of processes
- Border-crossing efficiency programmes



- Regulations facilitating the competitiveness of logistics and transport services in international transport
- Transport security and safety.

Major changes in terms of customs procedures introduced by the countries in 2011- 2015 are outlined in the following table.

Table 7: Major changes in terms of customs procedures introduced by the countries in 2011- 2015

ARMENIA	AZERBAIJAN	BELARUS	GEORGIA	UKRAINE	MOLDOVA
<p>+ 2011 Introduction of self-declaration desks at customs houses and warehouses, investing in new equipment to improve border operations and introduce a risk management system.</p>		<p>+ 2011 Introduction of electronic declaration of exports and imports.</p>			



ARMENIA	AZERBAIJAN	BELARUS	GEORGIA	UKRAINE	MOLDOVA
				<p>⊖ 2012 Additional inspections for customs clearance of imports.</p>	
			<p>⊕ 2013 Reduced the time to export and import by creating customs clearance zones.</p>		
	<p>⊕ 2014 Streamlining internal customs procedures (Single Window concept, Authorized Economic Operator concept including the simplified procedure, electronic risk assessment, information exchange and sharing between governmental agencies, advanced customs declarations and e-customs systems, etc.)</p>			<p>⊕ 2014 Releasing customs declarations more quickly and reducing the number of physical inspections.</p>	<p>⊕ 2014 Introducing the simplified declaration of goods, incomplete declaration of goods and home clearance for authorized economic operator</p>



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ARMENIA	AZERBAIJAN	BELARUS	GEORGIA	UKRAINE	MOLDOVA
			<p>+ 2015 eTIR Project between Georgia and Turkey (C2C)</p>	<p>+ 2015 Advanced exchange of information of goods and transport means at border crossings in Georgia and Ukraine</p>	

Yet, there are substantial differences between countries as far as movement of cargos is concerned. For example, a number of documents required for the completion of export and import procedures vary from country to country. Only three confirming documents are required for the clearance of exported goods in Georgia, while in Ukraine shippers / cargo owners have to submit 11 documents. For the import operations in Belarus only three documents are needed, while in Ukraine a set of eight documents has to be prepared. The types of documents required for international trade in EaP countries are outlined in the tables below:



Table 8: Data on documents needed to trade internationally (export)

DOCUMENT/COUNTRY	AM	AZ	BY	GE	UA	MD
Commercial invoice	✓	✓	✓	✓	✓	✓
Customs Export Declaration		✓	✓	✓	✓ (with a bank stamp)	✓
Certificate of quality		✓	✓		✓	✓
CMR waybill	✓	✓	✓		✓	
Contract		✓	✓		✓	✓
Certificate of origin		✓			✓	✓
Packing list	✓		✓		✓	
Bill of lading			✓	✓	✓	
Phytosanitary certificate		✓			✓	
Customs Transit Declaration	✓		✓			
Radiology certificate					✓	
Technical conditions					✓	
Excise stamps						✓
License						✓
Total	4	7	8	3	11	7



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Table 9: Data documents needed to trade internationally (import)

DOCUMENT/COUNTRY	AM	AZ	BY	GE	UA	MD
Commercial invoice	✓	✓	✓	✓		✓
Commercial invoice	✓	✓	✓	✓		✓
Packing list	✓		✓		✓	✓
CMR waybill	✓	✓	✓	✓		✓
Contract (sale-purchase)		✓			✓	✓
Customs Import Declaration		✓		✓		✓
Certificate of origin		✓				✓
Transit document (T1)	✓				✓	
Compliance certificate on auto parts (Specification of the product)					✓	
Import declaration					✓	
Preliminary import declaration					✓	
Specification of the product					✓	
Verification from the State Service of Export Control of Ukraine on the auto-parts					✓	
Bill of lading				✓		
Total	4	5	3	4	8	6



4.10 Priority areas for improvement of road BCPs' performance

The following table outlines the areas for priority actions, as specified by corridor users on a country level. The countries are compared among each other for each performance criteria. The grade of applicability is symbolically marked as follows:

“Benchmark” – for a country that scored best on a certain indicator, the “benchmark” countries are however encouraged to put forward further reforms that shall contribute to even better performance.

The sign “!!!” – stands for lowest level of performance at the surveyed countries, and hence, highest degree of actions required compared to other surveyed countries.

The sign “!!” – requires action at the medium level of priority, and is assigned to the countries that demonstrated average performance.

The sign “!” – is assigned to second best performing country/ies under each indicator, and displays that a country/ies need to reform a certain area, but not as urgent as its peer states.

For each area of reforms an associated value of a relevant index or sub-index is presented in brackets, where applicable.

PRIORITY AREAS OF ACTION	AM	GE	MD	BY	AZ	UA
Reforms for time reduction	Benchmark	!!	!!	!	!!	!!!
	(5.2)	(15.7)	(11.0)	(8.8)	(18.8)	(36.5)
Reforms for cost reduction	benchmark	!!	!	!!	!!!	!!!
	(61.3)	(95.1)	(63.5)	(73.7)	(148.6)	(91.8)
Reforms against corruption	benchmark	!!	!	!!	!!!	!!!
	(151.2)	(205.5)	(177.0)	(201.5)	(267.7)	(259.7)
Infrastructural improvements	!	benchmark	!!!	!!	!!!	!!
Service reforms	benchmark	!	!	!!	!	!!
	(7.0)	(6.9)	(6.7)	(6.5)	(6.8)	(6.2)
Risk reduction actions	!	!	benchmark	!!	!	!!!
	(18.0)	(18.4)	(19.7)	(15.5)	(18.3)	(8.1)
Rank	1	2	3	4	5	6



The top performer according to user survey is **Armenia**. Armenia scored best at (became a benchmark for) four indicators: time, cost, and corruption prevention and reforms. It is also ranked the second best in terms of infrastructural development at borders.

The value of aggregated BCP index for time is 5.2, which is almost 7 times better than in Ukraine (lowest performer) with BCP index values of 36.5. On costs associated with border crossings it is scored 61.3 with lowest border crossing costs not only in the South Caucasus, but in the whole region. The lowest incidences of corruption are also reported in Armenia, where the country scored 151.2, being almost 42% better than lowest performer, Ukraine with 267.7 points.

On the service reforms level, Armenian performance was reported to be the best (value of BCP 7.0). But the results observed for this indicator were very close to each other between the countries, ranging from 6.2 to 7.0, with the difference of a bit higher than 10% between the top and the lowest performers. The risks associated with the border crossings Armenia were at average of level, somewhat comparable to its neighbours of Georgia and Azerbaijan.

Armenia is recommended to keep a good track of reform and implementation measures aimed at further time and cost reductions, continue fighting corruption and further improve service reforms. As priority actions Armenia is recommended to concentrate on risk reduction reforms, and work on further infrastructural improvement of its border crossing points (here the country is scored the second best after Georgia).

The second best performer on the overall level is **Georgia**. The country was scored as a benchmark in infrastructural improvements undertaken at its borders. It performed as the second best in quality of services and risks associated with its border crossings. These three areas need to be continuously approved keeping the established track of good performance.

Further reforms priorities should be focused on direct time reduction management reforms. Georgia ranked fourth among studied ENP countries on this domain. The performance on time indicators is reportedly 3 times lower than in neighboring Armenia. The cost reduction reforms should continue, similar to further corruption fighting reforms. Although service and risk reduction reforms are of lower urgency for the country, the country should take some measures for improvement in this domain drawing on the example of regional benchmarks.

The third best performed position was with **Moldova**. This country is the only benchmark outside the South Caucasus area, and its main performance is quite close to regional top performance. Moldova is scored best in the risk reduction domain. Especially, Moldovan borders were close to the top performer in terms of cost indicators and low level of corruption at the local level. The reforms in these three domains should continue. The most urgent changes are needed in further upgrade of Moldovan infrastructure at border crossings to meet users' demand. The improvement in the service level is also recommended.

Belarus' scores were very similar to those of Moldova, and it scored fourth in the overall performance domains. Although the ranking of Belarus based on the user opinion did not constitute a benchmark in any of the indicators used, its border crossings demonstrated fairly good performance. Users indicate that Belarus needs to focus its reform programme on further



improvement of services. The four domains of major reforms comprise fighting incidences of corruption, decreasing border crossing associated costs, infrastructural improvements at borders, risk reduction actions suggest, according to the users, the next important package of reforms. Belarus was the second best in time performance indicators. That is, direct reforms in this domain are still important, but not of highest urgency.

Azerbaijan and **Ukraine** conclude respectively the fifth and the sixth ranks of the studied countries. Both countries need to focus the reforms on cost reduction actions, and on fighting the incidences of corruption at the local level. Ukraine needs to focus on time reduction measures associated with border crossings (it scored 7 times worse than a regional top performer Armenia, and well below its neighbours of Moldova and Belarus). Azerbaijan needs to continue working on infrastructural improvements as one of the highest priorities. The user report good efforts of Azerbaijan on improvement of the level of services and risk reduction actions, the reforms in these domains should continue keeping the current pace. Ukraine on contrary needs to focus also on the direct action aiming at reduction of time spent at borders and risk reduction activities.

4.11 Priority areas for improvement of port BCPs' performance

The project team has summarized the priority reform actions for the ports in the table below. The recommendations are provided from the point of view of a port functioning as a border crossing points. These reform agenda derives from the performance criteria results. The grade of applicability is symbolically marked as follows:

“Benchmark” – a port that scored best on a certain indicator, the “benchmark” ports are however encouraged to put forward further improvement that shall contribute to a better performance.

The sign “(!!)” – stands for lowest level of performance among surveyed ports, and hence, highest degree of actions required compared to other surveyed countries. If a port scored two times lower and more than a benchmark, even being a second best, this sign appears too.

The sign “(!)” – is assigned to second ranked port of each indicator, and displays that a port needs to reform a certain area, but not as urgently as other ports.

PRIORITY AREAS OF ACTION	Baku Alyat	Aktau	Turkmenbashi
Time reducing reforms	(!!)	benchmark	(!)
Cost reducing reforms	(!)	benchmark	(!!)
Reforms against corruption	(!)	benchmark	(!!)
Infrastructural improvements	benchmark	(!!)	(!!)
Service reforms	benchmark	(!)	(!!)
Risk reduction actions	benchmark	(!!)	(!!)



Aktau port scored best for time needed to cross the border. The value of the index for Aktau was 109.6. Baku ranked last (the index is almost twice higher than in Aktau). This is because users referred to the “old” port of Baku for their road traffic experience. Upon completion of the Ro-Ro berth in Alyat in 2016, the port is advised to pay special attention on time need to cross the border not to repeat the current practices.

Aktau port was also a benchmark for costs associated with border crossings (index value 69.9). The users reported low level and rare incidences of informal payments. Baku port scored second best, close to Aktau (84.3 points). Still the port is to consider the formal payments structure and adjust it to market demand. Turkmenbashi scored worse, mainly due to extremely high values of formal payments.

As far as clearance procedures/services, infrastructure and risks are concerned Baku was considered as a benchmark among the three ports. This is attributed mainly to the positive change taken in Baku since 2014 (introduction of modern clearance techniques, improvement in customs organizations, etc.). Despite this new development, the users report some gaps in implementation of the changes – for instance online submission of the documents is not always functional in Baku. Still the pace of modernization in Baku and positive developments in Baku is appealing based on the user surveys. The values of Baku and Turkmenbashi on these sub-indicators are time lower than those of Baku.

Aktau is recommended to continue its efforts in better utilization of the infrastructural facilities, same as Turkmenbashi. The port extension plans of the later speak for further improvements outlined in terms of infrastructural development. Aktau is recommended to continue its efficiency utilization improvements already targeted by the new management of the port.

As far as risks are concerned, all three ports have almost similar results reported in regards to loss of cargo risks. This is considered to be quite low at the level of 30-34% of incidences observed during shipment through these ports. Thus, cargo security within port areas needs to be improved.

Cargo damage probability in Aktau is reportedly lower (8%), and in Baku and Turkmenbashi damages are reported in one fourth of the shipments. The ports of Baku and Turkmenbashi are thus recommended to improve this situation and focus on reduction of cargo damage occurred during control procedures.

Predictability of customs processes was reported to be high -(64% in arrival, and 70% in departure in Baku). The ports of Aktau and Turkmenbashi demonstrate quite low results in level of predictability of customs procedures implementation. Both ports are recommended to tackle this issue and regularly monitor the implementation of controls, and standardization in customs procedure implementation.

As far as transparency of the process is concerned, currently the port node of Baku demonstrated best results in terms of transparency of the processes associated with the border crossings both for departure and arrival. Aktau and Turkmenbashi should work on transparency improvements and introduce capacity building programs for their staff to increase commitments toward transparent application of the established procedure.



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The countries are recommended to consider these observations as a market expectations barometer. The results are not claimed to be absolute values, but help depict the situation at the studied TRACECA border crossings in ENP countries and at the Caspian ports from a corridor user point of view.

The concerned public sector stakeholders in the countries are recommended to consider these observations as a prioritized outline of the reform agenda for the future. The existing plans and implemented programmes may be also surveyed from the perspective of the border crossing performance index, and the next steps adjusted to respond to the requirements of the corridor clients.

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