

**Memorandum**  
**on results of the parallel audit maintained by the supreme audit institutions of**  
**the Russian Federation, the Republic of Belarus, the Republic of Lithuania, and**  
**the Republic of Poland on estimating the efficiency of the state bodies (services)**  
**activities on the border control check points between the Russian Federation,**  
**the Republic of Belarus, the Republic of Lithuania, and the Republic of Poland**  
**for the control of the movement of goods and vehicles**

May 25, 2009

Moscow

The Accounts Chamber of the Russian Federation, the Committee of State Control of the Republic of Belarus, the National Audit Office of Lithuania, and the Supreme Chamber of Control of the Republic of Poland (hereinafter referred to as "the Parties") performed the parallel audit on estimating the efficiency of the state bodies (services) activities on the border control check points between the Russian Federation, Republic of Belarus, Republic of Lithuania, and Republic of Poland in the course of the goods and vehicles movement within the period from September to October of 2008. The parallel audit was based on the provisions and principles of the International Organization of Supreme Audit Institutions (INTOSAI), European Organization of Supreme Audit Institutions (EUROSAI), Agreement for cooperation between the Accounts Chamber of the Russian Federation and the Committee of State Control of the Republic of Belarus, Memorandum of Understanding on Cooperation between the Accounts Chamber of the Russian Federation and the National Audit Office of Lithuania, Agreement for cooperation between the Accounts Chamber of the Russian Federation and the Supreme Chamber of Control of the Republic of Poland, and Resolution on performance of the parallel audit signed on October 8-12, 2008 (Supplement No. 1 to the present Memorandum).

**Article 1**

The Parties proceeded from the assumption that the parallel audit, performed in the frames of their national law will help carrying out the following tasks: to improve efficiency of the state authorities (services), which take charge of control over the movement of goods and vehicles on the border control check points between the Russian Federation, Republic of Belarus, Republic of Lithuania, and Republic of Poland, and to create conditions, which contribute to the optimization of cargo traffic.

**Article 2**

When carrying out the parallel audit, the Parties used the following definitions.  
The basis for the audit -

for the Accounts Chamber of the Russian Federation: item 3.1.16 of the Working Plan of the Accounts Chamber of the Russian Federation for the year 2008, approved by the Collegium of the Accounts Chamber of the Russian Federation on December 21, 2007, No. 58K (576) (with alterations approved by the Collegium of the Accounts Chamber of the Russian Federation (minutes of April 18, 2008 No. 16K (593));

for the Committee of State Control of the Republic of Belarus: item 22 of Part 2 of the Performance Plan of the Committee of State Control of the Republic of Belarus for the second half-year of 2008 approved by the Chairman of the Committee of State Control of the Republic of Belarus on June 6, 2008;

for the National Audit Office of Lithuania - Order of the State Comptroller of the Republic of Lithuania of August 11, 2008 No.V-178 "The formation of the working group";

for the Supreme Chamber of Control of the Republic of Poland: Resolution of the Chairman of the Supreme Chamber of Control of the Republic of Poland of February 1, 2008.

the subject of the audit: to estimate the efficiency of the state bodies (services) activities on the border control check points between the Russian Federation, Republic of Belarus, Republic of Lithuania, and Republic of Poland over the movement of goods and vehicles.

the targets of the audit: to reveal the causes of irrational passage vehicle traffic and to improve the efficiency of the state bodies (services), which take charge of control over the movement of goods and vehicles at the border control check points between the Russian Federation, Republic of Belarus, Republic of Lithuania, and Republic of Poland.

the objects of the audit: border control check points, territorial organization departments of state authorities (services) and state institutions, which perform control over the movement of goods and vehicles on the borders between the Russian Federation, Republic of Belarus, Republic of Lithuania, and Republic of Poland.

As applied to the given Memorandum in the context of the Russian law, the border control check points are taken as international border control check points through the border of the Russian Federation; in the context of the Belarusian law they are taken as road border control check points through the border of the Republic of Belarus; in the context of the Lithuanian law, the border control check points are taken as international border check points through the border of the Republic of Lithuania, and as regards the Polish law they are taken as international border control check points for cars through the border of the Republic of Poland;

the notification receipt check points are taken as check points on the Russian-Belarusian section of the border, where, in accordance with the law of the Russian Federation, the customs authorities carry out some functions on customs control over the goods delivered from third countries, and the road supervision service carry out transport audit;

vehicle check points are the border check points on the vehicle intersection routes of the Byelorussian–Russian border in accordance with the law of the Republic of Belarus in which the state control services carry out vehicle and veterinary control.

### **Article 3**

The form of carrying out parallel audit was defined by the Parties independently in accordance with the internal standards and other documents regulating their activities. The National Audit Office of Lithuania participated in the parallel audit in the form of collection and exchange of information.

### **Article 4**

The Parties accepted the agreed factors (criteria) that were developed based on (in furtherance of) the issues of parallel audit as a basis for control activities to obtain comprehensive and objective assessment of the objects being studied.

### **Article 5**

The Russian, Belorussian, and Polish reports on parallel audit are developed separately and independently. The National Audit Office of Lithuania did not carry out any specific audit procedures and assessments and submitted to the supreme audit institutions of the Russian Federation, Republic of Belarus and Republic of Poland the information on issues concerning parallel audit of the subjects which possess it. That is why each supreme audit institution is responsible for only the report submitted by it.

As for the agreed matters of parallel audit, the Parties arrived at the following results.

**First issue. Legal issues in the provision of check points on the border control check points and the implementation of transit transportation.**

**General basis.** Under the conditions of a dynamic growth of cross-border automobile transportation, the creation of a legal environment regulating all the aspects of the function of the border check points and performance of international automobile transportation, aimed at unification with the European Union law, to simplify and harmonize control procedures when crossing the border, is one of the main prerequisites to improve the transit attractiveness of the transport corridors linking the European Union countries, Republic of Belarus, and the Russian Federation.

**Results of the Accounts Chamber of the Russian Federation.** Audit showed that the Government of the Russian Federation devotes much attention to issues related to the enhancement of the efficiency of the border control check points and improvement of the state control. However, the creation of a legal environment based on the necessity to

implement provisions of the Federal Law of December 30, 2006, No. 266-FZ "On amendments on some legal acts of the Russian Federation in view of improvement of state control at the border control check points through the border of the Russian Federation", aimed at transferring part of control functions on transport and veterinary control on the border to customs authorities has not been fully implemented. Federal executive bodies have not completed the preparation of several interdepartmental acts: procedure of information interaction when performing control at the border control check points, list of specified border control check points for importation of some types of goods, with standard model of organizing the crossing of the state border by persons, vehicles, cargoes, goods, and animals. The absence of the above listed legal acts does not allow the use of better technology of state control in full extent for the movement of goods and vehicles cross the border of the Russian Federation at the border control check points for cars.

In order to improve efficiency of the border control check points and notification receipt check points, it is necessary to improve the legal environment regulating the procedure of international automobile transportation. One of the problems for transport control on the Russian border is the non-compliance of the requirements for weight and dimension of the cargo vehicles in Russia and in the European Union countries. If the specified weight parameters are exceeded, the vehicles are returned to the neighbouring territory, and this is coupled with the time spent on the registration of such a return or with the necessity to obtain special permits, which can be executed within a period of up to three weeks.

The unification of the Russian requirements and standards for weight and dimension of the cargo vehicles with the relevant standards of the European Union countries in view of the perspectives of the construction of roads, simplification of the procedure for the issuance of special permits for transportation of heavy and bulky goods will have a beneficial impact on the actual situation of downtime of the vehicles at the border.

The amount of administrative fines for violation of the international automobile transportation regulations, which is specified in the Russian law, does not stimulate international carriers to strictly comply with the regulations governing the implementation of such operations. In some cases, the amount of fine for similar violations is more than 40 times lower than in the European Union countries.

The Accounts Chamber of the Russian Federation states that the formation of the Customs union and a common customs territory of the Russian Federation and the Republic of Belarus being carried out in accordance with the Agreement on Customs Union between the Russian Federation and the Republic of Belarus of January 6, 1995, has not been completed, as several compulsory conditions were not met, and in the first place it is a unification of measures and creation of the unified system of tariff and non-tariff regulation, currency and tax law. This causes the implementation of separate functions on customs control of goods coming from third countries by the Russian customs authorities on the common border.

In order to simplify the procedure of customs clearance and control of goods, an Agreement on the transit of goods moving between the customs authorities of the Republic of Belarus and of the Russian Federation was signed on June 29, 2007. The

Russian side ratified the Agreement on April 5, 2009. Presently, domestic and intergovernmental preparation procedures and coordination of the documents necessary for the implementation of the Agreement are being carried out.

**Results of the Committee of State Control of the Republic of Belarus.** The Committee of State Control of the Republic of Belarus notes, that in the Republic of Belarus, the legal conditions to provide an efficient usage of its transit potential are created.

Based on the Agreement on Customs Union between the Russian Federation and the Republic of Belarus of January 6, 1995, the customs control on the Belarusian-Russian border of the Republic of Belarus has been cancelled and transferred to the external border of the Union State, and in connection with this, all points of custom clearance on the given section of the border have been abolished.

Agreement between the Government of the Republic of Belarus and the Government of the Russian Federation on transit of goods moving between the customs authorities of the Republic of Belarus and custom authorities of the Russian Federation was ratified by the Republic of Belarus on January, 2008.

The audit showed that the law of the Republic of Belarus in the field of transit international transportation is generally consistent with international law. However, the carriers complain because of unreasonably large list of basis for the assignment of compulsory escort of goods and its positive dynamics by the customs authorities, while according to the Customs Convention on the International Transport of Goods using the TIR book (TIR Convention), the escort of vehicles at the expense of the carriers is a contingency measure.

The Committee of State Control of the Republic of Belarus notes that the Government of the Republic of Belarus adopted measures to improve the current system of collecting fees for passing through the roads of general use of the Republic of Belarus. Such measures are directed to provide non-discriminatory charging strategy for both domestic and foreign users, which will depend on intensity of the road network usage. Implementing these measures will increase the financial revenues and, consequently, more effectively meet the challenges for the development of road infrastructure.

**Information of the National Audit Office of Lithuania.** In accordance with the Constitutional Act of the Republic of Lithuania for membership of the Republic of Lithuania in the European Union, the legal norms of the European Union are integral part of the legal system of the Republic of Lithuania. Activities of agencies in border control are regulated by legal acts of the European Union, which were moved into the national law.

National legal acts regulating the activities of border control and agencies at the border are consistent with the legal framework of the European Union and the Schengen agreement.

**Results of the Supreme Chamber of Control of the Republic of Poland.** Since Poland joined the European Union (May 1, 2004) and the Schengen zone

(December 27, 2007), the relevant border services carry out control on the movement of goods, vehicles and individuals on the basis of the provisions of the Customs Code of the European Community and the Schengen border code, as well as the provisions of Polish law concerning the activities of these services.

In relation to departmental regulations of the state control services at the border, Supreme Chamber of Control of the Republic of Poland notes that these documents should serve as a unification of procedures in the performance of supervisory functions by the officials. The legal regulation of oversized vehicles and modalities for the implementation of road transport, as well as the establishment of related fees and fines should give rise to the same interpretation of the requirements for carriers to the control services of all the border control check points of Poland.

**General assessments.** The Accounts Chamber of the Russian Federation and the Committee of State Control of the Republic of Belarus state that certain agreements between the Republic of Belarus and the Russian Federation, which will facilitate the movement of goods and vehicles across the Russian-Belarusian border, have not been fully implemented. Activation of the implementation of activities identified by the Agreement on the Customs Union between the Russian Federation and the Republic of Belarus of January 6, 1995, the transfer of all types of controls at the external borders of the Union State, as well as ratification by the Russian side of the Agreement between the Government of the Republic of Belarus and the Government of the Russian Federation on transit of goods transported between the customs authorities of the Republic of Belarus and the Customs authorities of the Russian Federation, will enhance the attractiveness of transit route through the territory of the Republic of Belarus.

The Accounts Chamber of the Russian Federation and the Committee of State Control of the Republic of Belarus note a prolonged execution by the Russian side of domestic procedures necessary for coming into effect the Agreement between the Government of the Republic of Belarus and the Government of the Russian Federation on transit of goods transported between customs authorities of the Republic of Belarus and the Customs authorities of the Russian Federation, which had hindered the procedure of transporting transit goods through the territory of the Republic of Belarus. In this regard, the Accounts Chamber of the Russian Federation and the Committee of State Control of the Republic of Belarus propose to strengthen intra-and inter-state procedures for the preparation and coordination of documents required for the implementation of the provisions of this Agreement.

The Accounts Chamber of the Russian Federation and the Committee of State Control of the Republic of Belarus note the impact of cooperation between Russian and Belarusian government and non-governmental organs with the European Union on the harmonization of common standards for customs clearance of goods. The Accounts Chamber of the Russian Federation has repeatedly drawn the attention of the public authorities of the Russian Federation on the need for such cooperation. From January 1, 2009, positive solution to the issue of levelling the maximum guarantee amount for the payment of customs duties in the European Union, the

Russian Federation and the Republic of Belarus was positively resolved at the international level. In doing so, one of the most significant problems affecting the operation of border control check points and notification receipt check points was solved.

Further coordination with the European Union countries of the requirements of the Russian Federation and Republic of Belarus for international carriers with respect to weight and dimension parameters of cargo vehicles from the perspectives of the construction of roads and a system of punitive measures for violation of the rules of road transport will also be an effective measure to reduce the waiting time of vehicles at the border control check points..

## **2. Characteristics and development prospects of border control check points at the borders between the Russian Federation, Republic of Belarus, Republic of Lithuania and Republic of Poland, including those built at the expense of the Union State, and notification receipt check points.**

**General basis.** The parties agree that the optimization of the network of border control check points, the creation of advanced, cargo border infrastructure is a prerequisite for the efficient operation of transit transport model and the further development of international road transport.

**Results of the Accounts Chamber of the Russian Federation.** The audit of the Accounts Chamber of the Russian Federation showed that, in the positive dynamics of foreign trade turnover with the countries of the European Union and the Republic of Belarus, pressure on notification receipt check points of the Russian Federation and the Republic of Belarus, as well as at the border control check points of the Republic of Poland and Republic of Lithuania has increased. The facilities and infrastructure of the border control check points on the Russian-Lithuanian, and Russian-Polish border were not considered on the movement of annually growing traffic of goods. This is evidenced by an excess of 2 - 3 times the actual capacity of border control check points at the aforementioned borders over a design goal. Notification receipt check points of customs and transport infrastructure at the Russian-Belarusian border does not meet the requirements of the current economic situation. In connection with the ongoing activities to create a single customs zone and the uncertainty with the notification receipt check points, investments in infrastructure on the Russian-Belarusian border is not implemented.

The Accounts Chamber of the Russian Federation notes that the Government of the Russian Federation is carrying out comprehensive object-orientated activities for the development of the border, the creation of modern infrastructure border control check points. The boundaries of the Russian Federation with the Republic of Lithuania and the Republic of Poland, as well as the Union State border in the Republic of Belarus is actively being developed, the road are being reconstructed. European Union takes part in financing the construction of border control check points. In the year 2009 - 2010, Chernyshevskoye check point will come into effect on the border with the Republic of Lithuania and Mamonovo-2 on the border with the

Republic of Poland. At the border of the Union State in the territory of the Republic of Belarus, a developed infrastructure with a high level of technical equipment in 1997 - 2007 was created and equipped with eight road checkpoints. The expenses from the Union State budget for the implementation of programs on the development of customs infrastructure in the territory of the Republic of Belarus amounted to 1966.4 million rubles (including 70% royalties of the Russian Federation). As part of the Union State, a single automated information system was created, 425.4 million rubles of the Union State funds was allocated for its creation and continued maintenance (including royalties of the Russian Federation - 268.4 million rubles).

Future plans for the development of the transport system of Russia for the years 2010 - 2015 for the financing of the federal budget five projects for reconstruction and construction of roads within the transport corridor linking Russia with the European Union (to the border with the Republic of Belarus), at a cost of 97,841 million rubles.

The audit showed a lack of coherence between neighbouring parties in relation to the timing of construction and infrastructure-level check points, which prevents spreading traffic across the border and lead to excessive strain on certain points. Thus, the Russian-Polish border checkpoint Gusev is constructed for the movement of cargo vehicles, but the adjoining Goldap check point has no adequate infrastructure.

On the Russian-Lithuanian border, the funds devoted for designing and construction of the Pogranichny check point are not used, and the deadlines for the performance of works are postponed, while the Lithuanian party is planning to complete the first stage of reconstruction on the adjoining Ramonishkay check point in 2009.

The audit show the necessity to improve the quality of designing the border control check points and timely amendments to the projects, which will positively influence the settling of the problems on the border and will help to prevent any unproductive expenses of budget funds. For example, because of some faults in design, the reconstructed Chernisgaevskoye check point almost has no reserves for growth of capacity for cargo transport.

The audit also showed that the absence of agreement between the Governments of the Russian Federation and the Republic of Lithuania concerning the construction of bridgework across the Neman river creates difficulties for further enhancement of border infrastructure of the adjoining states within the framework of creation of common European transport corridor. The Russian Party has designed the check point, the estimated cost of which is equal to 1971.8 million of Russian roubles (in the prices for the I quarter of 2008), and the construction of the road bypassing Sovetsk with a bridge across the Neman river was started (amount of financing for 2007 – 2008 years is equal to 385 million of Russian roubles). The Commission of the European Communities is interested in the implementation of this project. However, the implementation of further activities is impossible because of the absence of relevant intergovernmental agreement between the Russian Federation and the Republic of Lithuania.



The audit showed that the formation of cargo vehicle queues entering and leaving Russia, is a result of the cyclicity of cargo traffics because of existing transport-logistic schemes. On the Russian-Polish and Russian- Lithuanian sections of the border, an additional pressure on the check points occurs due to considerable difference in prices for excisable goods (gasoline, tobacco products, and alcohol) causing frequent movements of natural persons across the border for border trade..

The Accounts Chamber of the Russian Federation notes that the infrastructure of railway border control check points on the Russian borders being objects of the given audit, requires further development and enhancement. The volume of rail transportation grows slower, than the volume of automobile transportation.

**Results of the Committee of State Control of the Republic of Belarus.** In order to create the necessary conditions for vehicles crossing the state border with minimal time, a Concept for infrastructure development of road check points at the state border of the Republic of Belarus until 2015, and integrated program for infrastructure development of road check points at the state border of the Republic of Belarus for 2006 - 2010 were developed and are being implemented in the Republic of Belarus. The construction of border infrastructure is implemented with the involvement of the European Union under the TACIS program of border cooperation and the budget of the Union State.

The audit showed that the infrastructure state of the check points at the Belarusian-Polish and Belarusian-Lithuanian border helps to effectively move the goods and vehicles. The check-points capacities have sufficient reserve; the actual traffic capacity is between 43 to 87% of the designed capacity.

The Committee of State Control of the Republic of Belarus notes that the transit potential of the railway transport is not used to full extent.

The checkpoints reconstruction being carried out in the Lithuanian area shall increase the traffic capacity of the check points nearly by 3 times. In the Belarusian-Polish border area, there is the reconstruction of Kozlovichy and Domachevo check points, as well as Peschatka check points that will be admitting trucks after the completion of work. The total financial investments into the checkpoints reconstruction within the period of 2007: the first half-year of 2008 was 38884.9 million of Belarusian roubles, including funds of the Union State - 12983.9 million of Belarusian roubles.

The Committee of State Control of the Republic of Belarus notes relevance of finding sources of funding for the modernization of checkpoints. To this end, the Russian side sent a proposal to develop a new program of the Union State which makes the reconstruction of five check points at the expense of the Union State budget. Negotiations are being made with Latvia and Lithuania.

The Committee of State Control of the Republic of Belarus stresses the need for the immediate development of road infrastructure for the most congested vehicle check points on the Belarusian-Russian border, as its limited capacity prevents the speed of the vehicles passing through.

During the audit, it was found that the quality of individual motorways of Belarus in the areas of international transport corridors is not fully compatible with international standards, that adversely affects the development of transit, causing an increase in the time of delivery goods and increase transportation costs. The only route to the border of Russian Federation that meets European standards is a toll road M-1/E-30. Separate program activities designed to upgrade the roads and ensure the efficient use of transit potential of the Republic of Belarus have not been met on time or are not fully in connection with the insufficient funding.

The audit showed that roadside service has a number of deficiencies and does not fully conform to international standards, which also adversely affects the attractiveness of the transit country. To improve the situation, a General scheme of October 10, 2008, No. 104, of the development of roadside service at national roads until 2010 was sent to the Ministry of Transport and Communications of the Republic of Belarus.

**Information of the National Audit Office of Lithuania.** The National Audit Office of Lithuania states that almost all checkpoints on the border with the Russian Federation and the Republic of Belarus are either built or modernized in the period 2006 - 2007, in accordance with the requirements of the Schengen Agreement, taking into account the prospective growth of traffic. In 2007 - 2008, the capacities of the check points were used by an average of 61 per cent. As a lack of infrastructure, the National Audit Office of Lithuania notes the lack of parking spaces equipped for truck transport for arrival at the check points.

The National Audit Office of Lithuania notes that future plans include the continued modernization of border infrastructure: Adutishkis and Tvyaryachyus check points on the border with the Republic of Belarus and Ramonishkyay check point on the border with the Kaliningrad region of Russia will start operating as international check points after their equipment with the necessary infrastructure. At the availability of a funding, the development of the Lithuanian-Belarusian check points is being considered in the near future, the Ramonishkyay check points – in 2009. The total cost of the contract for the construction of Ramonishkyay check point is 17 992 266 litas (including VAT).

The National Audit Office of Lithuania notes the relevance of the bridge over the Neman river between the towns of Sovetsk (Russia) and Panemune (Lithuania), and equipment of the Panemune-2 check point, and very inefficient in an 8-year review of these issues, the Russian-Lithuanian intergovernmental trade and economic commission, scientific-technical, humanitarian and cultural cooperation.

The National Audit Office of Lithuania informs that the formation of queues at the exit from the territory of the Republic in connection with the problems of check points of neighboring states, while acknowledging the cyclical flows and their uneven distribution between the posts.

**Results of the Supreme Chamber of Control of the Republic of Poland.** Analysis of statistical data on the number of vehicles and goods shows that the

boundary of the Republic of Poland with the Republic of Belarus is of great importance for cross-border movement of goods and vehicles. The Kukuryki check point is of particular importance, as well as Kuznitsa-Bialystok and Bobrovniki check points which experienced the greatest growth in the volume of cargo in 2007 compared to 2006 - at 60 and 43.7 per cent respectively (truck- at 22 and 31 percent). Trucks moved across the Polish-Belarusian border four times than across the border with the Russian Federation, and the tonnage of transported goods was almost 19 times greater. Transit traffic through the border with the Republic of Belarus amounted to almost 99 percent of freight traffic.

The Supreme Chamber of Control of the Republic of Poland notes that the state of infrastructure at border control check points between the Russian Federation and the Republic of Belarus provided reliable conditions for clear and efficient border controls of vehicles and goods. In addition, there is a reserve for a substantial increase in its power at the Kukuryki check point. The process of modernization of the border infrastructure continues in the light of funding at the expense of the Schengen fund.

The Supreme Chamber of Control of the Republic of Poland underlines that the Gzekhotky check point built in 2006, whose construction financial investments amounted to 116.8 million zloty, is not operating in the international traffic service, as the construction of the Mamonovo-2 check point on the Russian side will be finished in 2010.

The Supreme Chamber of Control of the Republic of Poland note that all check points on the border with the Russian Federation have restrictions on the movement of vehicles on full weight or axle load, but believes that the check points that are most restrictive are less important for foreign trade relations (Gronovo - Mamonovo, Goldap - Gusev).

It was found out during the audit that the periodical truck queues are forming in the mainly at the exit of the Republic of Poland. The Supreme Chamber of Control of the Republic of Poland considers the slow conduction of control at the adjacent check points at the Russian and Belorussian sides as one of the reasons for the truck-queues forming on the Polish border. Seasonal restrictions imposed by the Republic of Belarus on the movement of vehicles on some roads contribute to the uneven distribution of traffic on the border.

As a positive feature, there is an indication of a clear reduction of queues in 2008.

**General assessments.** The Parties state that in the positive dynamics of foreign trade turnover between the participant countries of audit, as well as the Russian Federation and the Republic of Belarus with the European Union countries, the intensity of the flow of goods across the borders of those countries and the pressure on the border control check points and the notification receipt check points have significantly increased. The boundaries of the Russian Federation and the Republic of Belarus (on the external borders of the Union State), the Republic of Poland and

Republic of Lithuania on the adjacent sites are actively fitted. European Union takes part in financing the facilities.

The Parties note the lack of coherence between the responsible services in the State modernization and construction of border control check points, which leads to the waste of budgetary funds and inefficient spending. So far that an appropriate level of infrastructure is essential for improving the efficiency of cross-border transport, the Parties note the importance of harmonizing the activities of public authorities of neighbouring countries at the border control check points, the increase of their interaction based on further development of a balanced and mutually beneficial economic relations, compliance with agreements, improvement of the quality of design checkpoints. This is a positive impact on addressing the problems at the border and prevents the inefficient utilization of budgetary funds. These measures have so far have not been conducted to the required scale.

Intensive dialogue of the Governments of the Russian Federation and the Republic of Lithuania and the state authorities of these countries can and should contribute to the development of border infrastructure, providing a solution to the problem of queues at the border and the creation of a single European transport corridor.

In the dynamic growth of trade turnover between the countries and the annual increase in traffic through the automobile border control check points, the State plays an important role in changing logistics patterns of traffic flows with a view to the best use of transport capacity, including optimization of the network border control check points, development of transport infrastructure in key trade routes, the creation of balanced tariff conditions to attract cargo on other modes..

In turn, the Accounts Chamber of the Russian Federation and the Committee of State Control of the Republic of Belarus note that the completion of a unified customs territory of the Union State, entailing the abolition of all forms of control at its internal borders, will enhance the attractiveness of the transit route through the territory of Belarus, a more equitable distribution of traffic on the border with the countries of the European Union and the management of the customs infrastructure at the external border of the Union State..

### **3. Estimating the activities of state bodies (services) on the border control check points and notification receipt check points at the borders between the Russian Federation, Republic of Belarus, Republic of Lithuania and the Republic of Poland for the control of the movement of goods and vehicles.**

**General basis.** The Parties underline the importance of enhancing the efficiency of state control authorities (services) at the border, noting that this is a necessary prerequisite to enable the rapid movement of goods across the border, coupled with its high-quality state control. At the same time, effective activities of state bodies and effective controls require close cooperation between the Russian, Belarusian, Lithuanian and Polish control authorities.

**Results of the Accounts Chamber of the Russian Federation.** The following types of control are carried out on the border control check points at the Russian border in relation to the movement of vehicles and goods: border, transport, customs, if necessary or depending on the nature of the goods - sanitary-quarantine, veterinary, phytosanitary, on the Russian-Belarusian border - transport and Customs, if necessary, in specific notification receipt check points - veterinary.

Accounts Chamber of the Russian Federation notes that the activities to increase the capacity of check points and the notification receipt point of the state authorities in general, have contributed to the annual increase in the number of registered vehicles. The actual throughput of check points in relation to trucks was in excess of the project by 2 - 3 times. Particularly strong growth is characterized by flow of goods through the adoption of the Smolensk customs notifications: in 2007 to enter the Russian Federation, on average, per day trucks registered, transported to the TIR procedure, at 35.8% more than in 2006.

At the same time during the audit, the problems of implementation of public control authorities of their functions that affect the capacity of check points were identified.

The audit showed that some provisions of the Federal Law of December 30, 2006 No. 266-FZ "On amendments on some legal acts of the Russian Federation in view of improvement of state control at the border control check points through the border of the Russian Federation" and the regulatory legal acts of the Government of Russian Federation aimed at improving the state border, the check points on the Russian-Lithuanian, and Russian-Polish borders is not implemented. In this regard, the goal to simplify the technology of state control is not achieved yet, and consequently, to substantially reduce the time of the control measures in check points. An unconditional adherence by the federal executive authorities to the adopted pursuant to a specified federal law normative legal acts of the Government of the Russian Federation is requires.

The Accounts Chamber of the Russian Federation notes that the current technology for customs control and customs clearance at the border on the composition of the planned actions and the number of verifiable documents was actually made closer to the declaration of goods at the customs destination.

Further improvement of the efficiency of the checkpoints requires the introduction of new technology for customs clearance and customs control in order to simplify it. The most perspective area - the preliminary information on goods imported into the customs territory of the Russian Federation - grew at a slower pace. However, the Accounts Chamber of the Russian Federation notes as a positive factor that from January 1, 2009 with the European Union countries in the normal mode, information exchange within the preliminary information on the transported goods was established.

In order to facilitate more widespread use of preliminary information (such as procedures that simplify customs clearance of goods), the Accounts Chamber of the Russian Federation notes the need for its early consolidation in the customs law as a binding action.

The audit showed that there is a potential for more efficient use of technology as a means of customs inspection and examination systems.

Individual actions of federal services, in charge of implementing the control functions on the state border of the Russian Federation, had a negative effect. Thus, the Federal Service for Veterinary and phytosanitary supervision imposed restrictions on the movement of controlled goods in a number of notification receipt check points on the Russian-Belarusian border, thus increasing traffic through the most congested route..

The Accounts Chamber of the Russian Federation confirms that some matters of the rational traffic distribution on the Russian-Belarusian border – optimization of an compulsory freight escort, cancellation of the different restrictions on the movement across several republican roads – belong to the competence of the Belarusian party.

The cooperation of customs bodies of the Russian Federation and the Republic of Belarus has contributed to enhancing the effectiveness of cross-border movement of goods and vehicles, preparing the transport controls at the external borders of the Union State. The interaction of other regulatory services had not been sufficiently effective. The Accounts Chamber of the Russian Federation notes the increasing cooperation between government control services of the Russian Federation and the Republic of Belarus on the transfer of all types of controls, with the Belarusian-Russian border at the external border of the Union State in accordance with the plan of activities for the facilitation of movement of goods and vehicles in the territory of the Union State approved by the decision of the Council Ministers of the Union State on February 27, 2009.

The Accounts Chamber of the Russian Federation draws attention to the need to improve the level of public control of the border, as well as enhanced interaction between control authorities of neighbouring countries. Preventing the movement of goods and vehicles in violation of international and national law across the borders of neighbouring states will improve the efficiency of government control of the border.

The Accounts Chamber of the Russian Federation notes that the Russian side is taking steps to prevent additional cost to the carriers associated with the implementation procedures of state control and to improve the cost of transport. However, the audit showed that in some cases businesses participated in the maintenance of international road transport at the border in violation of regulatory legal acts of the Russian Federation.

**Results of the Committee of State Control of the Republic of Belarus.** The following types of control are carried out on the border control check points, in accordance with the laws of the Republic of Belarus concerning goods and vehicles: border, customs, sanitary and quarantine, veterinary, phytosanitary, and automobile control. The authorities concerned are working to facilitate the order and reduce the time of crossing the state border, and to increase the traffic capacity of the border control check points. In order to optimize control services at the border control check

points, the issue of transferring control functions of the transport inspectorate to the customs and border services is being considered.

The Committee of State Control of the Republic of Belarus notes that the procedures conducted by the state control authorities, and the requirements for cargo carriers at the border control check points, in general conform to the provisions of normative legal acts. The efficiency of the services of state bodies on the control of the movement of goods and vehicles through the border control check points is confirmed by statistical data for the period from 2004 to 2007, which show a steady increase in the movement of goods across the border of the Republic of Belarus with the European Union countries. In 2007, the traffic of goods in transit transported by road compared with that of 2006, increased by 29 percent.

At the same time, audit showed that the optimal use of transit capabilities of the country is hampered by several factors:

- high level of using compulsory customs registration of goods in transit, which is carried out in accordance with the laws of the Republic of Belarus. The waiting time of the carriers for the convoy at the border control check points in some cases lasts up to 18 hours. An increase in the use of this procedure both in absolute and in relative terms is ascertained: in the first half of 2008, the share of cleared goods reached 6.5 percent of the total flow of goods;

- the control of imported goods and vehicles with excess of the established time specifications, mainly due to the length of registration of electronic copies of documents by the customs brokers, the insufficient amount of spaces on the control line and customs officers engaged in the registration of documents.

- restrictions on axle loads, at the passage of vehicles on the republican roads during the spring and summer periods;

- mandatory inspection of all goods in transit being transported to the Russian Federation, at the external border of the Union State by veterinary and phytosanitary authorities.

The Committee of State Control of the Republic of Belarus has identified activities in the competence of the Russian Federation and the Union State that will facilitate the optimal use of transit facilities of the country during the formation of a single customs territory:

- lifting of all veterinary and overall controls on the Russian side of the Russian-Belarusian border, on the Belarusian side – lifting of veterinary control, duplicate controls at the external border of the Union State;

- simplification of the procedures for temporary importation of Belarusian vehicles into the Russia Federation.

So far, in the transit transportation of goods, the system of preliminary informing of customs authorities of the Republic of Belarus about goods being transported through its customs border is not in operation.

The Committee of State Control of the Republic of Belarus notes that the above-listed factors, together with the recurrence of traffic contributed to periodic formation of queues at the border control check points and notification receipt check points.

The Committee of State Control of the Republic of Belarus notes that in accordance with the republican law, a number of services in the course of passing through customs formalities by international carriers at the border is commercial and is paid for, including the registration of electronic copies of documents, customs clearance of goods, compulsory placement of vehicles at a commercial terminal at the Kozlovichi checkpoint. Driving through the M1/E-30 Brest highway - a border of the Russian Federation, is also charged.

Audit showed that there is a potential for a more effective cooperation of the state control authorities of neighbouring countries to ensure the efficient movement of goods across the border. The Committee of State Control of the Republic of Belarus points out that insufficient mechanism to inform the parties of the emerging majeure circumstances at the border control checkpoints interferes with free cross-border as well as causing material damage to international carriers. A conflict situation on the Polish-Belarusian border in January 2008 due to the strike by the Polish customs officers caused significant economic damage to the carriers of all countries.

**Information of the National Audit Office of Lithuania.** Four types of control are carried out at the border control checkpoints of the Republic of Lithuania: border, customs, veterinary, and phytosanitary controls. On the basis of the legal acts of the European Union and national laws, the control duration standards are not established. Government agencies responsible for the activities of control services at the border have noted the inexpediency of establishing control standards, considering that they would reduce the possibility of the admission of carriers through the border control checkpoints and would create non-transparent activities for the officials.

The National Audit Office of Lithuania notes that the average duration of registering general administrative documents for exports and imports in 2007 was 47 minutes, and it increased slightly when compared with 2006. Thus, the registration of a transit through the territory of the Republic of Lithuania takes an average of 6 times less in time than the export-import operations. Taking into account that Lithuania is a transit territory for most of the registered goods, this explains the faster clearance of goods by Lithuanian control authorities in comparison with Russian and Belarusian authorities.

The National Audit Office of Lithuania considers that the state control services at the border control checkpoints are working effectively. During the periods of peak demand, more vehicles pass through the border than provided by the project.

In 2007, 17% more vehicles passed through the border between the Russian Federation and the Republic of Belarus than in 2006, particularly the increase for the Belarusian part of the Lithuanian border: traffic entering and leaving the Republic of Lithuania increased by 27% and 18% respectively. Accordingly, pressure on the control services at the border control checkpoints has increased. Veterinary service monitored 30% more vehicles than in 2006, the Plant Protection Service experienced a 70 percent increase. In 2008, the growth continued.



Generally, the effectiveness of the border control checkpoints is also positively evaluated, since the admission of vehicles is carried out smoothly and without delay. Virtually, there are no complaints from those travelling across the border concerning inspection services. All services are carried out in coordination.

The National Audit Office of Lithuania attaches great importance to the coming into effect of the Council Regulation No.1875/23006 ES, according to which the provision of preliminary information in electronic form on the goods imported and exported from the territory of the European Union, will be compulsory, believing that it will help reduce the queues, as well as introduction of the "single window" system at the border control checkpoints.

The National Audit Office of Lithuania considers the improvement of the awareness of drivers about the queues at the border control checkpoints through the Internet, media and roadside light panels as an effective measure with the aim of an even distribution of traffic through the border control checkpoints. Preliminary informing the carriers on the existing requirements and restrictions in neighbouring countries, as well as changes in these conditions is a preventive measure with regards to the formation of vehicle queues at the border.

The National Audit Office of Lithuania notes as a positive example the establishment in the republic, a daily informing of the carrier about the queues at the border on national radio.

### **Results of the Supreme Chamber of Control of the Republic of Poland.**

The Supreme Chamber of Control of the Republic of Poland notes that the audit consisted of four types of state control at the border control checkpoints whose rhythmic work is based on clarity and coherence: border, customs, veterinary and phytosanitary controls.

In all the services, appropriate control procedures were developed which contain a detailed control operations of officers in different situations. In these procedures, the conditions for the duration of carrying out selected operations are not established, since the main goal of the service is to ensure the safety of the Republic of Poland, the countries of the European Union and Schengen zone from illegal border crossing by individuals and vehicles.

Audit showed that all services undertook actions to reduce the average duration of inspection and waiting time in queues, and achieved positive results. However, the effectiveness of the control authorities is reducing in connection with a sufficiently large flow of carriers that are not complying with international law on cross-border movement of goods and vehicles. These violations to a greater extent, relate to transport and customs controls. Thus, during the inspection period, a ban was imposed on the crossing of the border by about 9.5 thousand vehicles (1.4% of traffic in these points) at Bezledy and Kukuryki checkpoints, primarily because of their inadequate technical condition. At the initiative of the customs service, a ban was imposed on the crossing of the border by 2.5 thousand vehicles (0.2% of traffic in those points) at all the border control checkpoints covered by the audit.

The Supreme Chamber of Control of the Republic of Poland welcomes the interaction of the Polish border services, and for the international cooperation it notes that the interaction of the Polish customs service and border guard services with the relevant services of the Russian Federation and the Republic of Belarus is limited to working contacts during the formation of significant queues and to meet the leaders of the territorial subdivision of these services. Such interactions have only a temporary effect and do not lead to a definitive solution.

The Supreme Chamber of Control of the Republic of Poland considers it as important to provide full cooperation so as to strengthen the cooperation among the directors of customs chambers and the chief commandant of the border guard in the territories with the relevant services of the Russian Federation and the Republic of Belarus, with the participation of national road carriers associations to take action aimed at adopting sustainable solutions that contribute to the uniform operation of control services at border control checkpoints and a fast registration of the movement of goods and vehicles through the border.

**General assessments.** The Parties note the efficiency in the general activity of state bodies (services) at the border control checkpoints and the notification receipt check points at the border between the Russian Federation, the Republic of Belarus, the Republic of Lithuania and the Republic of Poland.

At the same time, the audit showed significant differences in the state control systems of the border control checkpoints of the participant countries. This applies in particular to the types of controls and functions of state control authorities at the border, control methods, amount of actions carried out and their regulations, the degree of cooperation of different control agencies in each country. In doing so, a longer registration of cargo vehicles by Belarusian and Russian border control checkpoints objectively caused by the different levels of control, given that the bulk of the goods by virtue of geographical location and expertise in the system of international division of labour moves through the Polish and Lithuanian border control checkpoints as a transit, while through Russia and Belarus as import.

The Parties agreed that under the conditions of a dynamic growth of traffic between the countries maintaining the parallel audit, optimization of control types carried out by the state control authorities at the border, and introduction of new technologies of customs control with the use of modern technology and information technology are essential for accelerating the procedures for crossing the border and preventing the formation of queues. The further development of cooperation between the Russian Federation, the Republic of Belarus and the European Union for a coordinated approach to tackling prolonged registration of goods at the border, increased use of preliminary information is the most perspective at this stage for solving the problems related to queues at the border.

Further reserves for increasing the traffic capacity of border infrastructure lie in the area of interaction between the control authorities of neighbouring countries. In this regard, a strong position of national associations of international road carriers can have a positive influence.

**4. Assessing the completeness of the presence of state control authorities (services) at the border control checkpoints and at the notification receipt check points at the border between the Russian Federation, the Republic of Belarus, the Republic of Lithuania and the Republic of Poland with the necessary conditions and control devices for the performance of functions on the control of transported goods and vehicles.**

**General basis.** The Parties agree that the provision of the state control authorities at the border with technologically equipped buildings and structures, complex information technology equipment, including technical equipment and control systems, is one of the conditions for the efficient functioning of control authorities. This aspect acquires a special importance in the overall problem of increasing the transit capacity at the border control checkpoints in connection with the increasing intensity of the movement of goods. Meanwhile, to ensure a high level of control in the interests of the State while reducing the time for carrying out the control requires the introduction of new high-tech control and information systems devices.

**Results of the Accounts Chamber of the Russian Federation.** Audit showed that the Government of the Russian Federation devotes much attention to the improvement of the border and customs infrastructure. Technical equipment of automobile checkpoints is improving, inspection and examination systems are functioning, the staff is increasing. In 2007, the Federal Agency for development of the state border of the Russian Federation was formed in order to carry out functions on the definition and implementation of state policies on the development of the border, creation, development and maintenance of the activities at the border control checkpoints.

Nevertheless, during the verification period, the dynamics of positive changes was not consistent with the growth rate of cargo vehicles. The State control authorities at the border are not fully provided with the conditions and control devices necessary to carry out control functions under a situation of constant growth of traffic. Complex information technology devices need reconstruction and modernization, while many software products need improvement and harmonization. Interdepartmental integrated information system that provides a reduction in document processing time and control of a vehicle at the border control checkpoints is not introduced.

A number of border control checkpoints and notification receipt check points do not have the appropriate infrastructure to implement the forms of control established by the law. Border control checkpoints are not fully equipped with facilities for thorough inspection of goods and vehicles, lack of warehouses for the accommodation of detained goods, including those goods that require special storage conditions.

The absence of weight devices for vehicle in many border control checkpoints prevented the execution of road control functions to ensure the safety of roads and created conditions for possible violations of customs laws.

The Accounts Chamber of the Russian Federation notes that activities planned in 2008 and 2009 on the equipment of border control checkpoints with the necessary equipment and software programs including those that allow the use of preliminary information technology, providing a faster customs clearance of vehicles and improving control over the movement of goods are being implemented by federal agencies.

### **Results for the Committee of State Control of the Republic of Belarus.**

Audit showed that the necessary conditions for efficient implementation of tasks assigned to the control authorities are created at the border between the Republic of Belarus and the European Union at the border control checkpoints through which the largest number of goods in transit move. However, the Committee of State Control of the Republic of Belarus notes the inadequate equipment for border controls which affect the efficiency of its implementation, and the customs authorities need modern technical control devices, in particular, inspection and examination systems. The Committee of State Control of the Republic of Belarus is studying the issue of purchasing that equipment at the expense of various sources, including the European Union budget and the Union State budget.

As problems requiring urgent solutions, the Committee of State Control of the Republic of Belarus notes the insufficient use of information systems, created at the expense of the Union State budget for the purpose of information exchange between customs authorities of the Russian Federation and the Republic of Belarus. The current technology of interaction of control authorities at the border control checkpoints and software do not help to quickly solve the issues arising between them and which in turn does not facilitate a reduction in the overall time of vehicles at the border.

In order to enhance the efficient functioning of information systems, it is necessary to address a number of issues such as resolving property issues on the created components of information systems at the expense of the Union State budget, harmonization of customs and tax laws of the Russian Federation and the Republic of Belarus, including the development of uniform requirements to ensure information security.

Further development of information systems is planned in the second stage of the Union State Program "The implementation of information technology of general customs processes in the territories of participant States of the Union State" for 2008 - 2010.

The audit showed that the increase in the passage of vehicles at the border with the Russian Federation is hampered by insufficient equipment at the vehicle check points, including the lack or wear of weight equipment, lack of necessary traffic signs, traffic lights and other road equipment for an efficient implementation of road control.

**Information of the National Audit Office of Lithuania.** The National Audit Office of Lithuania provides information on the subject only concerning the State Food and Veterinary Service. Provision of border veterinary posts is in line with normative acts of the European Union and the Republic of Lithuania. Material and human resources needed for the performance of activities of veterinary border posts are sufficient.

Other agencies engaged in border control informed about the sufficiency of human resources.

The National Audit Office of Lithuania notes the lack of a common information system of control authorities at the border control checkpoints, which does not help to carry out control on the principle of "single stop" and "single window".

**Results of the Supreme Chamber of Control of the Republic of Poland.** Audit showed that control services at the border control checkpoints are equipped with the necessary information technology equipment, control and communication equipments. This has contributed to an effective control of the movement of vehicles and goods, prevention of illegal border crossings, identification of illegal transportation of hazardous goods. In 2009, the purchase of two scanners to replace the ones previously used to monitor trucks is being planned for the most congested border control checkpoint, Kukuryki.

The Supreme Chamber of Control of the Republic of Poland notes that there are some staffing problems in control services at the border control checkpoints, limited possibilities of the temporary increase in the staff of the control services during the periods of growth in the intensity of the movement of vehicles. This applies in particular to the border points of veterinary control, which does not provide a continuous and twenty-four-hour work at the Bezledy and Kuznitsa Belostokskaya checkpoints.

**General assessments.** The Parties noted that there are some problems with the equipment of control authorities in connection with the growing volume of traffic on the border control check points between the countries maintaining the parallel audit. On the positive side, it is noted that some of the problems are being systematically and successfully addressed. In doing so, the Parties consider it important that the priority in this field is given to the work related to the introduction of new control technologies, modern equipment and information technology, where there is considerable reserves to improve the effectiveness of the activities of both the control authorities and checkpoints.

**Article 6**

The Parties consider it important to acquaint themselves with the results of the parallel audit maintained by the Governments of the Russian Federation, the Republic of Belarus, the Republic of Lithuania and the Republic of Poland.

Done on May 25, 2009, in four copies, each in Russian and English languages. Both texts have equal legal effect.

On behalf of the Accounts Chamber of  
the Russian Federation

On behalf of the Committee of State  
Control of the Republic of Belarus

S.V. Stepashin

Z.K. Lomat

Chairman of the Accounts Chamber of  
the Russian Federation

Chairman of the Committee of State  
Control of the Republic of Belarus

On behalf of the National Audit Office of  
Lithuania

On behalf of the Supreme Chamber of  
Control of the Republic of Poland

Rasa Budbergite

Yatsek Ezersky

State Controller of the  
Republic of Lithuania

President of the Supreme Chamber of  
Control of the Republic of Poland

### **Supplement**

to the Joint Resolution on the parallel audit maintained by the supreme audit institutions of the Russian Federation, the Republic of Belarus, the Republic of Lithuania, and the Republic of Poland on estimating the efficiency of the state authorities (services) on the border control check points between the Russian Federation, the Republic of Belarus, the Republic of Lithuania, and the Republic of Poland for the control of the movement of goods and vehicles

**The participation particulars of the Lithuanian Party in the parallel audit on estimating the efficiency of the state authorities (services) on the border control check points between the Russian Federation, the Republic of Belarus, the Republic of Lithuania, and the Republic of Poland for the control of the movement of goods and vehicles**

The Lithuanian Party participates in the parallel audit in the form of collection and exchange of information.

### **To Article 2 of the Joint Resolution**

**Basis for the collection and exchange of information:** An Order of the National Audit Office of Lithuania of August 11, 2008 No. V-178 “About the formation of working team”. Target of the working team– timely and high-quality transfer of information for the working team of the supreme audit institutions of the Russian Federation, the Republic of Belarus, the Republic of Lithuania, and the Republic of Poland for the consideration of issues concerning queues of cargo transport on the borders of the above mentioned states.

**Subjects from which the Lithuanian Party shall receive information:** Directorate of border control check points of the Ministry of Railways of the Republic of Lithuania; Customs Department of the Ministry of Finance of the Republic of Lithuania; State service on border protection of the Ministry of Home Affairs of the Republic of Lithuania; State service of food products and veterinary

medicine affiliated to the Government of the Republic of Lithuania; State service of plants protection of the Ministry of Agriculture of the Republic of Lithuania, as well as ministries supervising the corresponding services.

The National Audit Office of Lithuania provides information on issues of the parallel audit received from the subjects, but does not perform any specific audit procedures and assessments. The National Audit Office of Lithuania provides only the information available to the subjects.

**As part of the period of carrying out the parallel audit:**

Discussion and coordination of the information for exchange with the Parties:

September – October of 2008;

Control stage of the parallel audit for the Lithuanian Party includes the collection and exchange of information.

**To item 1 of Article 6 of the Joint Resolution**

The Lithuanian Party does not draw up nor submit the national final document based on the results of the received information to the supreme audit institutions of the Russian Federation, the Republic of Belarus, the Republic of Lithuania, and the Republic of Poland.

**To item 3 of Article 6 of the Joint Resolution**

The Lithuanian Party submits information on the parallel audit to the supreme audit institutions of the Russian Federation, the Republic of Belarus, the Republic of Lithuania, and the Republic of Poland.