

CAREC Single Window Implementation Seminar Azerbaijan Case Study

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Agenda

ADB

- Recap of findings from previous study in June 2009
- Brief overview of Azer Single Window
- Success factors
- How challenges and obstacles were overcome
- Lessons for all
- Future of Azer Single Window
- Doing Business Ranking

Recap of findings from previous Study in June 2009

Previous Findings

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- SW successfully implemented for Business Registration – Ministry of Tax appointed as Executive Agency incorporating functions of MOJ and sending info to State Statistics Committee and Social Security for record
- President Decree issued on 11 Nov 08 for integration of functions at border crossing and implemented on 1 Jan 09
- Customs 3-Phase ICT program:
 - Customs Clearance incorporating 4 agencies
 - Customs Clearance incorporating 12 agencies
 - E-Customs as part of national e-Gov initiative

Lessons Learnt

The logo for the Asian Development Bank (ADB), consisting of the letters 'ADB' in white serif font on a dark blue square background.

- Appointing one Executive Agency as a centralized authority to perform functions of some other agencies may work for certain countries
- Other agencies must be willing to cooperate with the Executive Agency
- SW implementation must benefit both major traders and SMEs
- ICT support must keep pace with one-stop shop implementation as otherwise benefits cannot be fully realized
- Reduction in clearance time and documents must lead to real cost-savings to the businesses

Brief overview of Azer Single Window

Brief overview of Azer Single Window

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- Phase 1 implemented on 1 Jan 2009
- Agencies integrated:
 - Ministry of Internal Affairs
 - Passport Control
 - Veterinary (Ministry of Agriculture)
 - Sanitary and Quarantine
 - Ministry of Transport
 - Ministry of Taxes
 - Treasury
- All customs posts connected via fiber optics through 531 nodes using 2 telco operators
- Clearance time – 15 minutes per truck, target to reduce to 5 minutes
- Full implementation by 2011

Success Factors

Success Factors

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- Strong political will and perseverance in executing this will
- Top-down approach – Decree from the President on 11 Nov 2008
- Data harmonization and process analysis performed
- Feasibility study and justification conducted - fully convinced
- Learn from best practices around the world
- Customs willing and able to consolidate all procedures under One-Counter (One-Stop Shop aka Single Window)
- Establishment of various functional departments within Customs
- Capable and willing Executive Agency
- Supported by appropriate and convincing technology

How challenges and obstacles
were overcome

How challenges and obstacles were overcome

ADB

- Strong political will power
- Perseverance
- Systematic change management process
- Adequate publicity and education
- Internal staff training
- OGAs staff integrated into Customs
- Partnership with private sector

Lessons for All

Lessons for All

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- Choose the most appropriate method according to the country's situation
- Data harmonization and process analysis must come first
- Cooperation and coordination among all agencies very important
- Must have common goal
- Work hand-in-hand with private sector
- Service-oriented attitude
- Supported by relevant and convincing technology

Future of Azer Single Window

Future of Azer Single Window

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- Full electronic submission by declarants
- Electronic fund transfer for payment of duties and taxes
- Rule engine to store criteria and rules for approval to achieve auto-approval of declarations, consistency in approval
- Further integration with Other Agencies systems such as Ministry of Taxes, State Statistics Committee, Railway, Seaport and Airport
- Expansion of scope of services - B2B, G2B, G2G (regional and international)

Doing Business Ranking

The World Bank's Doing Business Report

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- Annual survey conducted by World Bank and International Finance Corporation.
- A widely-used benchmark for governments to identify path for reform and by companies to determine if a country is worth investing in
- Indicators are:
 - number of documents required to export/import goods
 - time necessary to comply with all procedures required to export/import goods,
 - cost associated with all the procedures required to export/import goods

What does trading across borders measure?

Documents necessary to import or export

- Customs declaration documents
- Bank Documents
- Port and terminal handling documents
- Transport documents

Documents filed simultaneously are considered different documents but with the same time frame for completion.

What does trading across borders measure?

Time required to import or export

- Obtaining all the documents
- Inland transport
- Customs clearance and inspections
- Port and terminal handling
- Does not include ocean transport time

Time is recorded in calendar days.

The time calculation for a procedure starts from the moment it is initiated and runs until it is completed.

Procedures that can be completed in parallel are measured as simultaneous.

The waiting time between procedures for example, during unloading of the cargo is included in the measure.

What does trading across borders measure?

Cost required to import or export

- Obtaining all the documents
- Inland transport
- Customs clearance and inspections
- Port and terminal handling
- Official costs only, no bribes

Cost measures the fees levied on a 20-foot container in USD

All the fees associated with completing the procedures to export or import the goods are included.

The cost measure does not include tariffs or trade taxes.

Doing Business 2010

183 Economies ,Data as at June 2009



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S/N	MEASUREMENT	AZERBAIJAN RANK 2010
Ease of Doing Business		38
1	Starting a business	17
2	Dealing with Construction Permits	158
3	Employing Workers	33
4	Registering Properties	9
5	Getting Credit	15
6	Protecting Investors	20
7	Paying Taxes	108
8	Trading Across Borders	177
9	Enforcing Contracts	26
10	Closing a Business	84

Trading Across Borders

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Measurement	Import	Export
No. of Documents	14 (2 / 17)	9 (2 / 13)
Time (Days)	50 (3 / 101)	46 (5 / 102)
Cost (USD)	3,480 (439 / 6,150)	2,980 (450 / 5,497)

() indicates best / worst ranking

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Economy	Trading Across Borders	
	2009	2010
Afghanistan	179	183
Azerbaijan	174	177
China	48	44
Kazakhstan	180	182
Kyrgyz Republic	181	154
Mongolia	156	155
Tajikistan	177	179
Uzbekistan	171	174

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