

BORDER MODERNISATION IN CENTRAL EUROPE

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INTRODUCTION

Ove Arup & Partners, first became involved with these problems when they were commissioned by DG1 of the European Commission to conduct a study to identify short term measures to reduce bottlenecks in the Balkan Region. The writer was the project manager for that study and a subsequent study, the Central Europe Border Study, which identified the priority border crossings and the problems to be resolved at them. He is now the project manager for Arup's project management and implementation support to the Phare Multi National programme for border post modernisation. In the course of these commissions he has visited more than 60 border posts in Central Europe and has collected data on about twice that number. This paper intends to describe the progress that has been made with border infrastructure in the past four years and to give the author's on the core problems at the borders.

BACKGROUND

In 1989 and 1990 the dramatic collapse of the communist regimes in Central and Eastern Europe led to a re-orientation of trade towards the EC that dislocated the established transport patterns. The countries of the region had been under the control of the Soviet Union for some 50 years and their economies were almost totally dependent on exchanges with that country, with their railway systems playing an important role in the transportation system. Stimulated by a dramatic increase in the number of trading organisations and the relaxation of central control following the political changes, goods movements switched dramatically towards road transport.

However, at the borders of Central Europe the impact of the changes towards more liberal market economies materialised as delays to commercial traffic that could exceed a week and queue lengths commonly more than 10km. To this already overheated situation was added the effect of the Balkan war as the traditional route to Greece, Turkey and the Near East through Yugoslavia was lost and traffic diverted through Hungary, Romania and Bulgaria.

The economic loss and environmental degradation caused by the congestion at borders has adversely affected movement towards more liberal trading regimes.

At the time the delays were attributed to:

- inadequate infrastructure,
- outdated customs clearance controls and procedures,
- poor administration and traffic management,

- lack of co-ordination between the authorities at the borders,
- lack of sufficient well motivated staff,

INFRASTRUCTURE AS THE CAUSE OF CONGESTION

Inadequate infrastructure was held to be the core reason for congestion at border posts. However, it is probable that this was never the major cause and, as the worst infrastructure shortcomings have been addressed over the last four years, attention must shift to the administrative and organisational measures necessary to take full advantage of the improved infrastructure in order to finally remove the bottlenecks. There is no economic advantage to be gained if the only effect of infrastructure improvements is the removal of queues of trucks from the roads into truck parks.

Throughout Arup's work on infrastructure improvements at the borders of Central Europe it has been clear that, although there are different levels of procedures, facilities, infrastructure and customs controls in the various countries, all suffered from a lack of western style sophistication at their borders. Because of their historic situation they have a lack of customs experience and a legacy of poor management practices which has led to heavy manual activity and an over cautious emphasis on checking vehicles at the points of exit and entry to each country.

On rare occasions the study team were impressed with the quality and commitment of the border crossing commanders we met during our work. Many were working in very difficult circumstances. However it was rare to meet officers at senior levels, especially on the eastern borders, who were attempting to impose order on the confusion caused by the trucks and passenger vehicles at many of the posts. Often the senior persons office would be remote from those of the other staff or no view of the outside conditions. At times it did not appear that there was great concern about the conditions being experienced by traffic transiting the posts. While a commitment to improvement undoubtedly exists at the central level, the same commitment was not always evident at the border posts. We have observed frequent examples of excessive time taken for routine clearances, queues of several kilometres created in under 24 hours and temporary shutdowns for no apparent reason. It is the author's view that the resolution of these management issues which now holds the key to eliminating the bottlenecks which still persist, particularly at the eastern borders.

BORDER POST OPERATION

In order to understand the causes of delay at border posts it is necessary to analyse the process that is taking place there. The flow of traffic through the post is an operational process and the facilities to be provided must support the process. Unfortunately the existing posts were of Soviet design where what was leaving was considered more important than what was arriving and "customer relations" was not a priority of the their staff. The new regimes that emerged in 1989 and 1990 were left with a legacy of

poor border infrastructure and, of more long term significance, staff attitudes that did not support trade facilitation.

Immigration

As can be seen from the flow of commercial vehicles through a post, there are limitless opportunities to obstruct the process. In a normal operation the truck will first pass through an immigration control where the drivers documentation (passport, visa) or possibly his vehicle documents can impede his progress. Obvious arrangements should be made to bypass “problem” vehicles but this rarely occurred either through lack of space or lack of initiative by immigration officials.

Weighing for Customs and Road Taxation Purposes

The truck will then normally be weighed, legitimately for customs purposes but also for Road Administration charges or overloading. The latter activities, which need not be conducted within a border post, result in payments being necessary to authorities at the border and has introduced another reason for delay and also the need for an additional service in the shape of banking facilities. With modern weighbridges the weighing process is quick and automatic and does not impede the vehicle’s progress but inappropriately located scales can block access to the post at peak flows. The truck has not yet reached the major hurdle of it’s journey through the post, customs clearance.

Customs Clearance, Transit Traffic

To a customs officer the treatment of cargoes depends on whether they are in transit or destined for markets within his country.

Transit traffic intends to pass through a country en route to a destination beyond. Conceptually therefore the customs authorities need take no account of it. However, obviously, the issue is one of security. A vehicle could declare itself as passing through a country but actually divert to a destination within that country and thus avoid any collection of revenue. Guarantees are required against this eventuality and these take the form of an internationally recognised guarantee, such as the TIR, or bonds which are obtained from forwarding agents. Thus another service, that of forwarding agents, needs to be provided for at the crossing.

TIR and other traffic is usually treated somewhat differently at border crossings and the reduced demand that it makes on the customs service is sometimes reflected in the provision of “red” or “green” channels at the border post. However matters are not satisfactory because:

- The approach to a crossing often requires traffic to form single lines. In consequence TIR vehicles are delayed because of customs checks undertaken on other vehicles. It is of little help if, on arrival at the point of controls, the customs activity is restricted when it takes an undue length of time to reach the control point.

- There is often was no commitment on the part of customs officers to ensure that transit vehicles are speedily cleared. This means that checking procedures which it is generally agreed should not take more than 5 to 10 minutes take much longer, without any obvious supervision to regulate this clearance period.

Within the transit procedure there are in-built possibilities for delay in:

- the inability of transit vehicles to reach the post due to obstruction by other traffic,
- the obtaining of bonds from forwarding agents,
- “incorrect” documentation, delaying the clearance of the vehicle,
- unsupervised control procedures.

Customs Clearance, Imported Cargoes

Import traffic into a country must obviously discharge the duty payable on its cargo. This is either done at the border post or at an inland customs house.

It might at first appear logical to discharge the duty at the border post and indeed this is the view of many European customs officers. However to do this requires banking facilities of some sophistication at the border post (beyond that needed for currency exchange and road taxes). It introduces a need for competent staff and reliable communications which may not be available in border areas. In addition the clearance of goods at the border needs not only examination facilities but also space to accommodate the vehicles waiting for their cargoes to be processed by the customs authorities. The clearance is affected by the complexity of the documentation that is presented (this is being addressed by the adoption of common documentation and the installation of computer links giving advance information on importing traffic) but also by the necessity for special procedures for the import of livestock (veterinary) or plants and vegetable products (phytosanitary). At many borders these facilities are not available, so the vehicle must travel under escort to a place where the necessary facilities have been established, or they are not operated on a 24 hour basis.

The alternative to clearance at the border is to effect a clearance to an inland customs house. This procedure is akin to the transit procedure in that a guarantee is provided at the border by the forwarding agents so that the load may be sealed and travel under bond to it’s eventual clearance destination. This process suffers from the delays already listed for transit traffic but in addition can be seriously delayed by the adoption of “office hours” by the forwarding agents. The central European forwarding agents have followed the lead of the EU countries in closing at nights and weekends because they cannot communicate with their head offices outside normal commercial hours. When allied with a ban on the use of roads by commercial vehicles at weekends, which is becoming universal across both western and central Europe, the closures lead to traffic peaks on Mondays and Fridays. In addition the importing vehicles waiting for the forwarding agencies services frequently block the approach to a border post to transit and empty vehicles that do not need such services.

The clearance process defines the path and regulates the speed of flows through the post but it is the staff at the post who control the flow of traffic between each check. A border post can employ personnel from up to six different government departments, each official only for one part of the operation. Rarely is there a single person responsible for command of a border post and this manifests itself in duplication of effort, lack of co-ordination instigating delay, and abrogation of the responsibility for traffic management which allows the delay to individual vehicles to build into the bottlenecks which have become so familiar at the borders of central Europe.

BORDER POST MANAGEMENT

In the Central European countries and even more so in the CIS, the standards of living of the customs' personnel has fallen dramatically in the last decade. This has affected the ability of the customs service to retain experienced staff. There is evidence from hauliers and drivers that petty corruption is rife at many border crossings and some are alleged to be under the control of criminal elements. In these circumstances there is little incentive to reduce queues, as delays make corruption easier to perpetuate.

In parallel with the infrastructure improvements, the Phare programme is providing support in the form of training and equipment to improve the effectiveness of customs staff at the borders. Major changes in attitude will be required before the posts can operate efficiently however good the infrastructure. A recent visit by a Eurocustoms study team to border ports in central Europe, where infrastructure improvements had been made, concluded that:

- Although very well equipped, facilities were rarely used
- There was good infrastructure in place, but often it was not used to its full potential
- There was no structured approach to examination selection
- There was little effective verbal communication with drivers
- Examinations that were performed were very superficial
- There was little co-operation and exchange of information between agencies at the border posts
- There was very little or no liaison between customs services at adjoining borders
- No opportunity was taken to talk to drivers waiting in a queue for customs control using 'forward selection' techniques
- Traffic management was generally poor

- The link between managers and team members was often unclear or uncoordinated
- Team members tended to work in isolation and there was little evidence of team working
- Records of the work carried out at the border posts were often incomplete or 'unavailable'
- Controls were often duplicated either side of the border
- No information was gathered for profiling or targeting
- Risk analysis was barely understood as a concept and such selection procedures as were in place were often based upon gut feeling or instinct
- No recognition was given to the facilitation of trade
- There was clear evidence of corruption at a number of border posts
- The operational work at most border posts was organised and managed in line with instructions received from customs headquarters
- Customs headquarters often had no idea either of what was going on at the border or of what needed to be done
- Very little had been done to identify the training needs of customs managers and staff at border posts
- Although some border posts had received previous training in modern customs control techniques, this appeared to have had little or no impact on the operational work.

It must be of concern to all who are involved with transportation that huge investments are being made to reduce travel times by minutes within national boundaries yet delays of hours or even days are occurring at international boundaries.

INFRASTRUCTURE IMPROVEMENTS

In the light of the manifest management shortcomings at the border posts there could be reasonable doubt concerning the priority given to infrastructure improvement. While it is certainly true that the economic advantages to be gained from investment in soft measures now far outweighs that from hard measures, it is also true that one cannot be effective without the other. The infrastructure of central European border posts was in no better state in 1990 to support the massive increase in throughput than were the customs, immigration and other border services. The scale of the increase in

truck traffic was dramatic. In 1992 it is estimated that about 4 million trucks passed through the borders of central Europe. Arup's Central European border study in 1994 estimated that there were then about 8 million truck movements through those borders. A breakdown of the figures showed that:-

- The great majority of the truck traffic, 5½ million vehicles, passed through the EC borders.
- The predominant traffic axis was east-west, (7 million vehicles).
- Movement between the Central European countries themselves was small compared to their traffic with the EC. Less than 2 million vehicles transited the 'internal' borders of Central Europe with almost half of that traffic crossing between the Czech and Slovak Republics and Hungary and Romania.
- Traffic between the Central European countries and Eastern Europe was only 0.7 million vehicles, less than 15% of that through the EC border.

Other studies conducted at that time predicted that road borne freight traffic between the EC and Central Europe would grow from 21.7 million tonnes in 1990 to between 100 million and 107 million tonnes in 2005. This implies an annualised growth rate of between 10.8% and 11.3%. The implications of this growth on traffic forecasts are:-

- Traffic transiting Central European borders in 2005 will have increased to about 20 million trucks per annum.
- Traffic through the present EC borders will increase to 16 million trucks per annum, although by 2005 some of the borders should be internal boundaries within the EC.
- Traffic between the Central European countries themselves will increase to about 2.5 million trucks per annum.
- There will be about 1 million trucks per annum crossing the Central European borders with Eastern Europe.

The Phare programme of the European Commission began, along with other funding agencies, to focus assistance on the improvement of border post operation under its 1992 programme. The prime source of funding was the Multi-National programme although significant contributions were also made from National and Cross Border Co-operation funds. We have recently completed an audit of the use of EC funds to improve infrastructure at the borders and have identified a total contribution to date of 185 million Ecu (this figure does not include all of the 1997 year funding) used at 69 Border posts on 109 different projects. On these projects, co-funding by the recipient governments and major lending institutions such as the EBRD has more than doubled the investment to a total of 385 million Ecu and there will have been additional spending by national governments as co-funding to projects that only accessed Phare

funds. It is probable, therefore, that the amount spent on border related infrastructure projects since 1992 exceeds 500 million Ecu.

Despite the management deficiencies referred to earlier the beneficial effect of the investment is evident, particularly at the borders of Central Europe and the EC. It has to be recognised however that these borders will become open in the foreseeable future while very significant problems remain at the eastern borders of what will become the extended EC. This has been recognised in recent years as the focus of support has shifted to the reconstruction of the eastern border posts. Present priorities for investment are at those border posts which satisfy the criteria of:

- location on the eastern borders
- lying within the Helsinki Corridors
- carrying a significant traffic load.

It is intended of to complete the work contained in the present border modernisation programme by the end of 1999 although it is inevitable that some projects will not reach final completion until the next millennium. The 1997 funding round was the last to identify new projects and it is hoped that all work will be contracted by the end of this year.

The Effect of Infrastructure Improvements on Delay

There are estimates that nearly 50% of Russia's trade transits the Baltic States. Work on border post improvements in that region had tended to lag behind that in the central Europe and, ironically, this has been to their advantage. While much of the funding in the early years was targeted on the approach roads to border posts in central Europe, the funding in Estonia, Latvia and Lithuania has been used almost exclusively to finance new posts of modern design on the CIS borders. The investment has been matched by new facilities on the Russian borders of Estonia and Latvia but Belarus has not been able to provide a similar investment at their borders and it will therefore be some time before the new facilities in Latvia and Lithuania will become fully effective.

The Baltic States were at disadvantage to the other Central European states when they became independent as they had no customs and immigration services of their own and, indeed, had no eastern border infrastructure at all. In these countries in particular there was an attitude to border post layout which placed an equal emphasis on facilities to examine what was leaving the country to that which was arriving.

The EC border states of the Poland, the Czech Republic and Hungary have largely overcome the infrastructure deficiencies at their EC borders and the accession of these states into the EC will finally solve the problem of delay. Much of the infrastructure investment at these borders was in approach roads and railway facilities which will have a long term use although there will be some monuments to a lack of long term vision to be seen by the traveller who likes to spot where national boundaries occur! The massive increase in traffic at these borders still induces delay but since they are very much in the public eye administrative efficiency has been improved.

Peak delays at major border posts in Poland where infrastructure has been improved such as Swieko (43 hours in April) and Kolbaskowo (28 hours in April) are unacceptable but nevertheless are much shorter than those of four years ago and average delays are much reduced. However a truck can still expect to wait between 2 to 8 hours to clear the border on a "normal" day.

Most of the major Czech border posts have considerably reduced peak delays. This year the major posts of Pomezí, Rozvadov and Folmalva have experienced peak delays up to 8 hours but average delay is in the 2 to 4 hour range. Posts between the northern Czech Republic and the former East Germany at Jirikov and Cinovec have performed less well.

The situation is better at the Hungarian border with Austria at Hegyshalom where reported peak delays have not exceeded 4 hours this year.

The major transit routes through the Central European boundaries have also shown improvements. The border between the Czech and Slovak Republics was created by the "velvet divorce" of 1992 and consequently had no infrastructure at all. Average delays along this border are now tolerable with the unfortunate exception of Breclav, the most heavily used crossing, where peak delays of 36 hours have occurred this year.

The border between Hungary and Romania, seriously affected by the diversion of traffic due to the Balkan war, used to provide the worst bottleneck away from the EC borders. As elsewhere, delays can still occur at the three major posts of Artand, Gyula and Nagylak but most vehicles experience a relatively speedy transit of this border.

The Danube crossing between Romania and Bulgaria is served by only one fixed link, the road rail bridge at Giurgiu-Rouse. Vehicles using this crossing continue to suffer delay despite improved infrastructure. The bridge itself is undergoing rehabilitation of its road and rail decks together with measures to halt scour to some of the piers. The road traffic is also served by ferries at this crossing as well as Calafat-Vidin on the more direct EC-Southern Europe route. Both ferries cause delay by operating on a "sail when full" basis rather than to timetables.

The cautious optimism about improvements on the western borders cannot be reflected at the eastern borders. Peak delays this year of 48 hours at Kuznica (Poland-Belorus), 68 hours at Bobrowniki (Poland-Belorus) and 88 hours at Terespol (Poland-Belorus) show no improvement on condition four years ago.

Delays between Poland and Ukraine are not so severe but recently there seems to have been little traffic between these countries but severe delays at the Ukraine border with Slovakia at Vysne Nemecke and Hungary at Zahony are commonplace. In both Slovakia and Hungary there are very limited opportunities to transit to the Ukraine other than through these two posts.

Summary

It is to be hoped that the improvements made to infrastructure will make the task of those managing border posts easier and their working lives more comfortable. This should lead to better morale and more commitment to meeting the objectives set by the central organisations. However, ultimately the motivation of staff to perform well at a particular crossing is a management role for which the senior personnel at the local level bear direct responsibility and in which they need the unstinting support of their central organisations. Whatever the infrastructure provision the unsatisfactory situation at central European borders will only be rectified when effective measures are taken to resolve the organisation and management inefficiencies at the posts which are at the core of the problem.