

PICARD 2011

Developing of Performance Measurement
for Russian Customs Service

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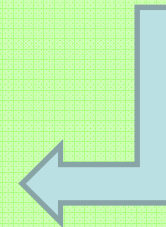
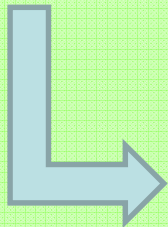
14-16 September, Geneva, Switzerland

Key references:

1. Doklad o rezul'tatah i osnovnyh napravleniyah dyeyatel'nosti Federal'noy tamozhennoy sluzhby na 2011–2013 gody [The report on results and the basic directions of activities of Federal customs service for 2011/2013]
URL: <http://www.customs.ru/ru/docs/indexes/>.
2. Prikaz FTS Rossii ot 29.03.2011 №665 «O kontrol'nyh pokazatelyah effektivnosti dyeyatel'nosti regional'nyh tamozhennyh upravlenii i tamozhen, neposredstvenno podchinennyh FTS Rossii, na 2011 god» [The order of FCS of Russia from 29.03.2011 #665 «About control indicators of efficiency of activities of regional customs departments and the customs offices directly subordinated to FCS for 2011»].
3. Prikaz FTS Rossii ot 28.04.2011 №874 «Ob analiticheskikh pokazatelyah effektivnosti dyeyatel'nosti regional'nyh tamozhennyh upravlenii i tamozhen, neposredstvenno podchinennyh FTS Rossii, na 2011 god» [The order of FCS of Russia from 28.04.2011 #874 «About analytic indicators of efficiency of activities of regional customs departments and the customs offices directly subordinated to FCS for 2011»].
4. Doing Business 2011, trading across borders, Data for the Russian Federation <http://rru.worldbank.org/businessplanet/>.



Russian Federal customs service key figures (2010):





Performance measurement



The report on results and basic lines of activity (methodology)

For external users (government, society e.t.c.). It is supposed to
give the account for budget funding



Control indicators of effectiveness (methodology)

- For internal usage – evaluation of effectiveness of customs bodies;
- Degree of performance of control indicators is estimated as «good», «satisfactory», «unsatisfactory»;
- 51 indicators every quarter (including sub indicators), calculated as progressive total;
- Numerical value for each indicator;
- Indicators represent all directions of activity.

Research results

1. The system is too complex, too many indicators, calculation is very resource-intensive, costly and hardly manageable;
2. Some of indicators are «the Procrustean bed» for customs offices, rather stiff;
3. Emphasis is made on outcomes, not outputs;
4. No evaluation from business, government and other stakeholders;
5. No resource efficiency;
6. No personal responsibility for performance;
7. Most indicators are lagging, not leading ones.

This system is difficult to use, resource-intensive, doesn't fully reflect the results of activities impartially, needs following improvement

Example of «the Procrustean bed»

$$D = \frac{S_{det_gds} + S_{supd_gds} + S_{hs_IPP_gds} + S_{curr_gds}}{S_{dom.cons_gds}} \times 100$$

Where: S_{det_gds} a total value of detained goods during implementation of law enforcement activity of customs authorities;

S_{supd_gds} value of the goods as a result of their updating;

$S_{hs_IPP_gds}$ the value of the goods established as a result of carrying out of actions under the control over correctness of defining of country of origin of the goods, classifications of the goods according to commodities nomenclature of foreign trade activities (HS), over compliance with interdictions and the restrictions established according to the legislation of the Russian Federation and over intellectual property protection;

S_{curr_gds} a total value of the goods imported in Russian Federation with infringements of requirements of the currency legislation of the Russian Federation;

$S_{dom.cons_gds}$ a total value of the goods released under customs regime of domestic consumption.

EXTERNAL LOOK

*Doing Business 2011, trading across borders, Data for the Russian Federation (Rank 162 out of 183 economies).
World bank*

Indicator	Russian Federation	Eastern Europe & Central Asia	OECD
Documents to export (number)	8	6.4	4.4
Time to export (days)	36	26.7	10.9
Cost to export (US\$ per container)	1,850	1,651.7	1,058.7
Documents to import (number)	13	7.6	4.9
Time to import (days)	36	28.1	11.4
Cost to import (US\$ per container)	1,850	1,845.4	1,106.3

Problem statement

Thus, it is difficult to measure customs performance today because:

1. There is no uniform sight of results of customs performance.
2. Applied criteria and indicators of an estimation of customs performance do not reflect the results of activities impartially.
3. This system is difficult to use, resource-intensive.

The characteristic of the problems set forth above gives the chance to plan ways of their decision:

1. It is necessary to define categories of results of customs activity.
2. It is necessary to formulate the purposes of customs service.
3. Creation of indicators which adequately would reflect results of customs activity is required.

Some recommendations for developing control indicators of effectiveness