Business Process Analysis (BPA):
Import of pharmaceutical products
from the Russian Federation
to the Kyrgyz Republic
Table of Content
Acknowledgement ............................................................................................................. 3
Abbreviations .................................................................................................................. 5
List of figures .................................................................................................................... 6
List of tables ..................................................................................................................... 6
1. Overview of the Business Process Analysis ................................................................ 7
   1.1. Introduction ........................................................................................................... 7
   1.2. Methodology of the Business Process Analysis ...................................................... 8
   1.3. Scope of the study ................................................................................................. 9
2. Business Process Analysis: Import of pharmaceuticals to the Kyrgyz Republic .......... 10
   2.1. Current situation ................................................................................................. 10
   2.2. Use case diagram .............................................................................................. 13
   2.3. Process Area 1: Buy ......................................................................................... 15
   2.4. Process Area 2: Pay ......................................................................................... 17
   2.5. Process Area 3: Ship ......................................................................................... 19
   2.6. Time-procedure chart and cost-procedure chart .................................................. 34
3. Diagnosis of bottlenecks and recommendations for streamlining trade processes ....... 36
4. Conclusion .................................................................................................................... 40
Acknowledgement

The Business Process Analysis (BPA) study was conducted by Gulnara Sultanalieva under the supervision and guidance of Salehin Khan, Trade Facilitation Section (TFS), Economic Cooperation and Trade Division (ECTD). Alla Shlykova, TFS, ECTD coordinated the execution of the study. Comments and feedback provided by the following individuals are gratefully acknowledged - Aleksei Bondarenko, Timothée Bruneteau, Meerim Egemberdieva, Sangwon Lim, Aidar Samykbaev. Aidai Baidzhigitova also enriched the study with additional information and clarifications. Nariné Aldasheva’s prepared and edited the UML diagrams. Ksenia Babenko provided support with the formatting of the document. All information from the interviewees from the public and private sector organizations are noted with appreciation. Finally, support provided by the Ministry of Economy and Finance is also noteworthy. This study was funded by the Russian Federation.
Note

The findings, interpretations, and conclusions expressed herein are those of the author(s) and do not necessarily reflect the views of the United Nations or its officials or member States. This report is issued in English only.

This report has not been formally edited.
### Abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>BCP</td>
<td>Border Crossing Point</td>
</tr>
<tr>
<td>BPA</td>
<td>Business Process Analysis</td>
</tr>
<tr>
<td>DQA</td>
<td>Division on Quality Assessment of Medicines and Medical Devices, Ministry of Health (DQA)</td>
</tr>
<tr>
<td>EAEU</td>
<td>Eurasian Economic Union</td>
</tr>
<tr>
<td>UN/CEFACT</td>
<td>United Nations Centre for Trade Facilitation and Electronic Business</td>
</tr>
<tr>
<td>UNESCAP</td>
<td>United Nations Economic and Social Commission for Asia and the Pacific</td>
</tr>
<tr>
<td>UNNExT</td>
<td>United Nations Network of Experts for Paperless Trade and Transport in Asia and the Pacific</td>
</tr>
<tr>
<td>UML</td>
<td>Unified Modelling Language</td>
</tr>
</tbody>
</table>
List of figures

Figure 1. Step-by-step approach to implementing trade facilitation measures ........................................... 9
Figure 2. An international supply chain model ........................................................................................................ 10
Figure 3. Import of pharmaceutical products to the Kyrgyz Republic from the Russian Federation in 2016–2020 ........................................................................................................ 11
Figure 4. Import of pharmaceutical products to the Kyrgyz Republic from the EAEU member-countries in 2016–2020 ........................................................................................................ 13
Figure 5. Use case diagram of import of pharmaceutical products to the Kyrgyz Republic from the Russian Federation ........................................................................................................ 14
Figure 6. Activity Diagram 1.1. “Conclude a contract” .............................................................................................. 15
Figure 7. Activity diagram 2.1. “Order payment” ......................................................................................................... 17
Figure 8. Activity diagram 3.1. “Apply for an attestation” ............................................................................................ 19
Figure 9. Activity diagram 3.2. “Arrange transportation” ............................................................................................ 22
Figure 10. Activity diagram 3.3. “Pass border crossing point (BCP) at the Russian-Kazakh border” ........................................ 24
Figure 11. Activity diagram 3.4. “Pass BCP at the Kazakh-Kyrgyz border” ............................................................. 27
Figure 12. Activity diagram 3.5. “Sign a handover protocol” ....................................................................................... 30
Figure 13. Activity diagram 3.6. “Obtain a drug quality evaluation” .............................................................................. 32
Figure 14. Time-procedure chart ............................................................................................................................ 35
Figure 15. Cost-procedure chart ................................................................................................................................ 35

List of tables

Table 1. Summary of bottlenecks for import of pharmaceutical products from the Russian Federation to the Kyrgyz Republic ........................................................................................................ 36
1. Overview of the Business Process Analysis

1.1. Introduction

The COVID-19 pandemic demanded extraordinary measures from all participants in the pharmaceutical supply chain to guarantee the uninterrupted delivery of pharmaceuticals and access to pharmaceutical products and medical equipment. The pandemic showcased the need for effective business processes of pharmaceutical products.

During the COVID-19 crisis, importers face transit restrictions on a daily basis. To ensure the sustainable import of pharmaceuticals, the government approved the import of the essential pharmaceutical products and medical equipment without an official registration.

Pharmaceutical product is or contains a substance or a combination of substances that comes into contact with the human body, intended for the prevention of human diseases, treatment or restoration, correction or change of its physiological function through pharmacological, immunological or metabolic effects or for the diagnosis of diseases and conditions of human.

Pharmaceutical products in this report include the following HS category and types of goods:

<table>
<thead>
<tr>
<th>30</th>
<th></th>
<th>Pharmaceutical products</th>
</tr>
</thead>
<tbody>
<tr>
<td>3001</td>
<td>Glands, other organs, their extracts for organotherapy</td>
<td></td>
</tr>
<tr>
<td>3002</td>
<td>Vaccines, blood serum, blood</td>
<td></td>
</tr>
<tr>
<td>3003</td>
<td>Medicaments consisting of two or more components</td>
<td></td>
</tr>
<tr>
<td>3004</td>
<td>Pharmaceuticals put up in measured doses or in forms or in packing for retail trade</td>
<td></td>
</tr>
<tr>
<td>3005</td>
<td>Cotton wool, gauze, bandages, adhesive plasters</td>
<td></td>
</tr>
<tr>
<td>3006</td>
<td>Other pharmaceutical products</td>
<td></td>
</tr>
</tbody>
</table>

This BPA is a part of the United Nations Economic Commission for Europe (UNECE) project “Strengthening the capacity of the Kyrgyz National Trade Facilitation Council to implement the WTO Trade Facilitation Agreement”. For this BPA, the Kyrgyz stakeholders chose pharmaceutical products, the share of import of pharmaceutical products in total imports of the Kyrgyz Republic is 2.4 per cent.¹ The selection process included consultations with the Single Window Agency, the Ministry of Economy of the Kyrgyz Republic and the International Trade Centre. Information gathered from this BPA will be used for the Kyrgyz Trade Information Portal, which is under development. Availability of information about the import processes of pharmaceutical products and its simplification will contribute to the development of this industry.

1.2. Methodology of the Business Process Analysis

This study was conducted using the Business Process Analysis (BPA) methodology from December 2020 to March 2021. The methodology was developed by the United Nations Network of Experts for Paperless Trade in Asia and the Pacific (UNNExT), established by the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) and the UNECE in 2012. It is described in the UNNExT Business Process Analysis Guide to Simplify Trade Procedures. The goal of the BPA study is to elicit, document, and analyse the existing “as-is” business processes involved in international trade, as well as aid in developing recommendations for further improvement.

One of the key features of the UNNExT BPA Guide to Simplify Trade Procedures is the introduction of the Unified Modelling Language (UML) as a standard way to graphically represent the various procedures involved in the trade process. Use of this common standard is essential to provide a systematic description and common language of a procedure that can be understood by all stakeholders involved in international trade transactions, both domestic and foreign.

The UML Use-Case and Activity Diagrams are used to visualize the captured knowledge of the business processes. The Use-Case Diagram illustrates high-level business processes and the actors associated with each of them. It serves as a frame of reference for further elaboration of the business process. The Activity Diagram, on the other hand, describes activities, inputs, and outputs associated with each business process listed in the Use-Case Diagram.

The successful implementation of trade facilitation measures requires an in-depth understanding of existing business processes. According to United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT) step-by-step approach towards a Single Window paperless environment (figure 1), a BPA is recommended as the first step before undertaking other trade facilitation measures related to the simplification, harmonization and automation of trade procedures and documents.

---


3 UNECE, 2006, Background Paper for UN/CEFACT Symposium on Single Window Common Standards and Interoperability.
Figure 1. Step-by-step approach to implementing trade facilitation measures

<table>
<thead>
<tr>
<th>E-Single window and paperless trading</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cross-border data exchange</td>
</tr>
<tr>
<td>National data harmonization</td>
</tr>
<tr>
<td>Document simplification and standardization</td>
</tr>
<tr>
<td>Process simplification and harmonization</td>
</tr>
<tr>
<td>Business process analysis for trade facilitation</td>
</tr>
</tbody>
</table>


The interviews have been conducted with the importers, transport companies, the Department of Pharmaceutical Products and Medical Equipment under the Ministry of Health of the Kyrgyz Republic, customs brokers, banks, pharmaceutical companies. The Eurasian Economic Union (EAEU) legislation, as well as national legislation on registration of pharmaceutical products and medical equipment, as well as on passing quality certification processes have been reviewed and studied.

1.3. Scope of the study

The report analyses the business process of import of pharmaceutical products to the Kyrgyz Republic from the Russian Federation. The scope of the trade process analyzed in this study includes all procedures involving Importer (buyer) or its representatives directly, from signature of contract between buyer and seller to the transportation by road through the territories of the EAEU Member States of the pharmaceutical products to the Kyrgyz Republic. Therefore, this study generally covers the entire Buy-Ship-Pay process (Figure 2).
UN/CEFACT Recommendation No. 18⁴ and the Buy-Ship-Pay Reference Models⁵ describe a simplified view of the international supply chain in the Buy-Ship-Pay model (as illustrated by figure 2). The model suggests all activities related to the establishment of commercial contracts (commercial procedures), the arrangement of inland and cross-border transportation of goods (transport procedures), the export and import formalities to meet regulatory requirements (regulatory procedures) and the payment for purchased goods (financial procedures) that are carried out throughout the international trade transaction. It also defines the types of actors that are associated with them. These key actors in the international supply chain include regulatory authorities, intermediaries, suppliers, and customers.

2. Business Process Analysis: Import of pharmaceuticals to the Kyrgyz Republic

2.1. Current situation

Pharmaceutical products can be imported, produced, sold, and used on the territory of the Kyrgyz Republic if they have passed a state registration, except for cases provided for the Law of the Kyrgyz Republic. Pharmaceutical products that have been successfully tested and

---


registered in the EAEU Member States are entered into the State Register of Pharmaceutical products of the Kyrgyz Republic.

Furthermore, the government approved the Resolution № 274 on “National List of Vital Pharmaceutical Products and Medical Equipment” on 6 June 2018. According to this resolution, import of pharmaceutical products and medical equipment is permitted if they are included in the national lists of essential pharmaceutical products, and medical equipment of the Kyrgyz Republic (the national lists).

Later, to prevent spread of COVID-19, a special temporary decree on temporary permission for the supply of pharmaceutical products and medical equipment without state registration was adopted on 25 March 2020. As a result, these items including the pharmaceutical products and medical equipment required for the diagnosis and treatment of coronavirus infection, approved by Ministry of Health of the Kyrgyz Republic, were included in the national list of essential pharmaceutical products and medical equipment. In this case, the supplied pharmaceutical products and medical equipment must be registered in the country of origin. This decision is considered to be valid until its official cancellation.

The value of import of the pharmaceutical products to the Kyrgyz Republic from the Russian Federation in 2020 reached 1316 million US$, a drop of 6.7 per cent compared to the same period in 2019. The trend over the last five years is illustrated in the figure below:

Figure 3. Import of pharmaceutical products to the Kyrgyz Republic from the Russian Federation in 2016-2020

Source: EEC EAEU, Statistics of foreign and mutual trade of EAEU member-countries.

---


7 EAEU. Monitoring of measures aimed at overcoming negative consequences of the proliferation coronavirus infection (COVID-2019). Available at http://www.eurasiancommission.org/ru/covid-19/Documents/%D0%9C%D0%9E%D0%9D%D0%98%D0%A2%D0%9E%D0%A0%D0%98%D0%9D%D0%93%20%D0%BD%D0%B0%2009%2004.pdf (accessed on 24 March 2021)

As seen in Ошибка! Источник ссылки не найден. and Figure 4, the Russian Federation is the key supplier of pharmaceutical products to the Kyrgyz Republic, followed by the Republic of Kazakhstan.
2.2. Use case diagram

According to the “Use case diagram of import of pharmaceutical products to the Kyrgyz Republic from the Russian Federation”, there are eleven actors involved in the process. On average, Importer completes eight procedures to import pharmaceutical products to the Kyrgyz Republic from the Russian Federation by road transiting through the Republic of Kazakhstan.
Figure 5. Use case diagram of import of pharmaceutical products to the Kyrgyz Republic from the Russian Federation.
2.3. Process Area 1: Buy

Figure 6. Activity Diagram 1.1. “Conclude a contract”
<table>
<thead>
<tr>
<th>The name of a process area which this particular business process belongs to</th>
<th>1. Buy.</th>
</tr>
</thead>
<tbody>
<tr>
<td>The name of a business process</td>
<td>1.1. Conclude a contract.</td>
</tr>
</tbody>
</table>
| Related rules and regulations | • Incoterms 2010.  
• Civil Code of the Kyrgyz Republic.  
• Civil Code of the Russian Federation.  
• EAEU Customs Code.  
• EAEU Tax legislation.  
• Rules for Registration of Pharmaceuticals for EAEU. Member States.  
• Licensing Law of the Kyrgyz Republic. |
| The name of responsible parties | • Exporter.  
• Importer. |
| Input and criteria to enter/begin the business process | • Quality of exporting goods meets the EAEU requirements.  
• Importer has a demand for pharmaceutical products produced by Exporter.  
• Both sides exchanged legal requisites with each other including the Identical number of taxpayer, Act of registration, legal address, copy of charter, bank account statement. |
| Procedures and associated documentary requirements to complete the process | 1.1.1. Importer prepares an offer for pharmaceutical products indicating the amount, dosage, price, and terms of delivery and sends it to Exporter.  
1.1.2. Exporter considers the offer and checks the registration of Importer.  
1.1.3. If the terms are acceptable, Exporter drafts a commercial contract.  
1.1.4. Exporter signs the contract and sends it to Importer.  
1.1.5. Importer signs the contract and sends it back to Exporter. |
| Output and criteria to exit the business process | • The contract is signed by both sides.  
• Exporter prepares the shipment. |
| The average time required to complete the process and/or durations for each involved transaction | Average time: 1 day.\(^9\) |

\(^9\) 1 day in this BPA corresponds to an 8 hour working day.
2.4. Process Area 2: Pay

Figure 7. Activity diagram 2.1. “Order payment”

<table>
<thead>
<tr>
<th>The name of a process area which this particular business process belongs to</th>
<th>2. Pay.</th>
</tr>
</thead>
<tbody>
<tr>
<td>The name of a business process</td>
<td>2.1. Order payment.</td>
</tr>
</tbody>
</table>
| Related rules and regulations | • Incoterms 2010.  
| The name of responsible parties | • Exporter.  
| | • Importer.  
| | • Exporter’s bank.  
| | • Importer’s bank.  |
| Input and criteria to enter/begin the business process | • Commercial contract is signed by both sides.  
| | • Importer has account balance allowing payment.  |
| Procedures and associated documentary requirements to complete the process | 2.1.1. Exporter requests payment for pharmaceutical products and sends an invoice to Importer.  
| | 2.1.2. Importer considers the invoice.  
| | 2.1.3. If everything is in order, Importer prepares and submits a payment order to a bank.  
| | 2.1.4. Importer’s bank reviews the payment order and an account balance of Importer.  
| | 2.1.5. Importer’s bank transfers the payment.  
| | 2.1.6. Simultaneously with 2.1.5, Importer’s bank debits the Importer’s account amounting to the payment amount and transfer fees. Importer’s bank sends a bank statement to Importer.  
| | 2.1.7. Importer informs Exporter on the payment transfer.  
| | 2.1.8. Exporter’s Bank accepts transfer made by Importer’s bank and transfers the amount to the Exporter’s bank account. Exporter’s bank informs Exporter about payment by sending a bank statement.  
| | 2.1.9. Exporter receives payment.  |
| Output and criteria to exit the business process | • Exporter received the payment in accordance with the invoice.  |
| The average time required to complete the process and/or durations for each involved transaction | Average time: 1 day.  
| | This activity is done in full or in part either after activity 1.1. Conclude a contract or after activity 3.5. Sign a handover protocol.  
| | Average cost: 0,1% of the amount and 10 US$ as banks fees for a transfer.  |
2.5. Process Area 3: Ship

*Figure 8. Activity diagram 3.1. “Apply for an attestation”*
<table>
<thead>
<tr>
<th>The name of a process area which this particular business process belongs to</th>
<th>3. Ship.</th>
</tr>
</thead>
<tbody>
<tr>
<td>The name of a business process</td>
<td>3.1. Apply for an attestation.</td>
</tr>
</tbody>
</table>
- Technical Regulation on “Safety of Pharmaceutical products for Medical Use”, of 6 April 2011 No. 137.  
- Agreement on “Uniform Principles and Rules for the Circulation of Pharmaceutical products within the Eurasian Economic Union”.  
| The name of responsible parties                               | - The Single Window of the Department of Pharmaceutical Products and Medical Equipment, Ministry of Health.  
- Importer. |
| Input and criteria to enter/begin the business process         | - Pharmaceutical Products are registered in the EAEU Register.  
- Importer submitted the documents to the Single Window of the Department of Pharmaceutical Products and Medical Equipment, Ministry of Health. |
| Procedures and associated documentary requirements to complete the process | 3.1.1. Importer checks whether the product is listed in the State Register of Pharmaceutical Products.  
3.1.2. Importer applies online to the Single Window of the Department of Pharmaceutical Products and Medical Equipment of the Ministry of Health and submits the following documents:  
- Application form including the HS code, country of origin and certification body of the pharmaceutical products;  
- Contract;  
- Invoice;  
- Licence for pharmaceutical activities.  
3.1.3. The Single Window checks the documents and registration of the pharmaceutical products in the State Register of Pharmaceutical Products.  
3.1.4. If the registration and documents are in order, the Single Window issues the attestation. This attestation serves as a permit for importation of the pharmaceutical product.  
3.1.5. Importer receives an attestation from the Single Window. |
<table>
<thead>
<tr>
<th>Output and criteria to exit the business process</th>
<th>• Attestation is issued by the Single Window of the Department of Pharmaceutical Products and Medical Equipment, Ministry of Health.</th>
</tr>
</thead>
<tbody>
<tr>
<td>The average time required to complete the process and/or durations for each involved transaction</td>
<td>Average time: 1 day if the pharmaceutical product is listed in the State Register of Pharmaceutical Products. If the product is not listed, there is a need for registration, which costs between 1700 US$ and 3000 US$ and takes between 6 to 10 months. The first registration requires the documents in paper format, but the next application for an attestation is conducted online through the Single Window.</td>
</tr>
</tbody>
</table>
Figure 9. Activity diagram 3.2. “Arrange transportation”

1. **Importer**
   - 3.2.1. Prepare a proposal

2. **Transportation Company**
   - 3.2.2. Consider the proposal and terms of delivery
     - Not acceptable
     - Acceptable
       - 3.2.3. Confirm the terms and the delivery price
         - Insurance
         - Licence for international transportation
         - Technical passport of a vehicle

3. **Exporter**
   - 3.2.4. Draft a contract and sign it
   - 3.2.5. Sign the contract and send it to importer
     - Original contract with signatures
   - 3.2.6. Handover the attestation
     - Attestation
   - 3.2.7. Load the pharmaceutical products
   - 3.2.8. Handover the pharmaceutical products
   - 3.2.9. Deliver goods to the importer’s warehouse
<table>
<thead>
<tr>
<th>The name of a process area which this particular business process belongs to</th>
<th>3. Ship.</th>
</tr>
</thead>
<tbody>
<tr>
<td>The name of a business process</td>
<td>3.2. Arrange transportation.</td>
</tr>
</tbody>
</table>
| Related rules and regulations | • International agreements on transportation within the Eurasian Economic Union.  
• EAEU Customs Code.  
• Law of the Kyrgyz Republic on “Customs Regulation”.  
• Law of the Kyrgyz Republic on “Automobile Transportation”.  
• Tax Code of the Kyrgyz Republic. |
| The name of responsible parties | • Exporter.  
• Transportation company.  
• Importer. |
| Input and criteria to enter/begin the business process | • Contract is signed by Importer and Exporter.  
• Exporter prepared the shipment according to the contract.  
• Transportation company has insurance, licence for international transportation and a technical passport for a vehicle. |
| Procedures and associated documentary requirements to complete the process | 3.2.1. Importer prepares a proposal for the transportation of the pharmaceutical products from the Russian Federation to the Kyrgyz Republic.  
3.2.2. Transportation company considers the proposal and the terms of delivery and discusses them with Importer.  
3.2.3. If the conditions are acceptable, Transportation company confirms the terms and the price of delivery and submits the insurance, licence for international transportation and a technical passport of a vehicle to the Importer. According to the Eurasian Economic Union’s legislation on transportation, there is no requirement for TIR for transportation within the Union.  
3.2.4. Importer prepared a contract for transportation, signs, and sends it to Transportation company.  
3.2.5. Transportation company signs the contracts and sends it back to Importer.  
3.2.6. Importer gives a hard copy of the attestation received from the Single Window of the Department of Pharmaceutical Products and Medical Equipment, Ministry of Health to Transportation company.  
3.2.7. Transportation company prepares a vehicle for transportation and loads the pharmaceutical products from the Exporter.  
3.2.8. Exporter handovers pharmaceutical products to Transportation company. |
3.2.9. Transportation company delivers goods to Importer.

The average time required to complete the process and/or durations for each involved transaction

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Average time: 6 days.</td>
</tr>
<tr>
<td></td>
<td>Cost: 5000 US$ for 20 tons.</td>
</tr>
</tbody>
</table>

Figure 10. Activity diagram 3.3. “Pass BCP at the Russian-Kazakh border”
The name of a process area which this particular business process belongs to


The name of a business process

3.3. Pass BCP at the Russian-Kazakh border.

Related rules and regulations

- Agreement “Protocol on the Procedure for Levying Indirect Taxes and Control Over Payment When Exporting and Importing Goods, Performing Work, Rendering Services”.

The name of responsible parties

- Russian Border Service.
- Kazakh Border Service at Syrym.
- Transportation company (driver).

Input and criteria to enter/begin the business process

- A vehicle has the necessary documents to pass the BCP.

Procedures and associated documentary requirements to complete the process

3.3.1. Transportation company submits the following documents to officers at Russian border service:

- Passport;
- CMR (consignment note);
- Contract;
- Negative PCR test for COVID-19 (test should be conducted less than 72 hours before);
- Attestation.

3.3.2. Russian border service checks the documents and registers the vehicle in the information system.

3.3.3. If the documents comply with the requirements, Russian border service will conduct an inspection of a vehicle. In case the documents do not comply with the requirements, Transportation company will be rejected to leave the Russian Federation.
3.3.4. If the inspection of the vehicle complies with the border crossing regime, Russian border service approves departure of a vehicle from the BPC and stamp the date on the CMR. One copy of the CMR is given back to Transportation company. In case inspection of a vehicle do not comply with the border crossing regime, a vehicle may be detained until circumstances are clarified.

3.3.5. Kazakh border service checks the documents submitted in 3.3.1. and registers the vehicle in the information system.

3.3.6. If the documents comply with the requirements, Kazakh border service conducts an inspection of a vehicle. If the documents do not comply with the requirements, Transportation company is rejected to enter Kazakhstan.

3.3.7. If the inspection of the vehicle complies with the border crossing regime, Kazakh border service approves departure of a vehicle from the BPC and stamp the date on the CMR. One copy of the CMR is given back to Transportation company. If the inspection of the vehicle does not comply with the border crossing regime, the vehicle may be detained until circumstances are clarified.

3.3.8. Transportation company departs from the BCP at the Russian-Kazakh border.

**Output and criteria to exit the business process**

- Transportation company departed BCP at the Russian-Kazakh border.

**The average time required to complete the process and/or durations for each involved transaction**

Average time: 5 hours.
Minimum time: 2 hours, maximum time: 1 day.
The name of a process area which this particular business process belongs to


The name of a business process

3.4. Pass BCP at the Kazakh-Kyrgyz border.

Related rules and regulations

- The EAEU Agreement “Protocol on the Procedure for Levying Indirect Taxes and Control Over Payment When Exporting and Importing Goods, Performing Work, Rendering Services”.
### The name of responsible parties
- Kazakh border service at Chernaya Rechka.
- Kyrgyz border service.
- Transportation company.

### Input and criteria to enter/begin the business process
- Transportation company has documents to pass the BCP.

### Procedures and associated documentary requirements to complete the process

#### 3.4.1
Transportation company submits the following documents to officers at Kazakh border service:
- CMR (consignment note);
- Passport;
- Contract;
- Negative PCR test for COVID-19 (test should be conducted less than 72 hours before);
- Attestation.

#### 3.4.2
Kazakh border service checks the documents and registers the vehicle in the information system.

#### 3.4.3
If the documents comply with the requirements, Kazakh border service will conduct an inspection of a vehicle. In case the documents do not comply with the requirements, Transportation company will be rejected to leave the Republic of Kazakhstan.

#### 3.4.4
If the inspection of the vehicle complies with the border crossing regime, Kazakh border service approves departure of a vehicle from the BPC and stamp the date on CMR. One copy of the CMR is given back to Transportation company. In case the inspection of the vehicle does not comply with the border crossing regime, the vehicle may be detained until circumstances are clarified.

#### 3.4.5
Kyrgyz border service checks the documents submitted in 3.4.1. and registers the vehicle in the information system. The border service ensures the strict observance of the face mask rule and measures the body temperature of the driver.

#### 3.4.6
If the documents comply with the requirements, Kyrgyz border service will conduct an inspection of a vehicle. In case the documents do not comply with the requirements,
<table>
<thead>
<tr>
<th>Output and criteria to exit the business process</th>
<th>• Transportation company departed BCP at the Kazakh-Kyrgyz border and entered the Kyrgyz Republic.</th>
</tr>
</thead>
<tbody>
<tr>
<td>The average time required to complete the process and/or durations for each involved transaction</td>
<td>Average time: 5 hours. Minimum time: 2 hours, maximum time: 1 day. Informal charges: up to 50 US$.</td>
</tr>
</tbody>
</table>
Figure 12. Activity diagram 3.5. “Sign a handover protocol”

Transportation company

3.5.1. Submit documents to the importer

- CMR
- Contract
- Packing list
- Invoice
- Attestation

Importer

3.5.2. Check documents for compliance with goods delivered

Acceptable

3.5.3. Draft Handover protocol

Handover protocol

3.5.4. Sign the Handover protocol

Handover protocol with signatures

3.5.5. Sign the Handover protocol

Handover protocol with signatures

3.5.6. Pay for transportation
<table>
<thead>
<tr>
<th>The name of a process area which this particular business process belongs to</th>
<th>3. Ship.</th>
</tr>
</thead>
<tbody>
<tr>
<td>The name of a business process</td>
<td>3.5. Sign a handover protocol.</td>
</tr>
</tbody>
</table>
| Related rules and regulations | • Civil Code of the Kyrgyz Republic.  
• Civil Code of the Russian Federation. |
| The name of responsible parties | • Transportation company.  
• Importer. |
| Input and criteria to enter/begin the business process | • Transport company delivered goods to the destination.  
• Shipment documents are in order. |
| Procedures and associated documentary requirements to complete the process | 3.5.1. Transportation company gives back the attestation and submits the following documents to Importer:  
- CMR (consignment note);  
- Contract;  
- Packing list;  
- Invoice.  
3.5.2. Importer checks the documents and delivered goods to ensure the compliance of delivery with the contract.  
3.5.3. If delivered products comply with the contract and of good quality, Importer drafts a handover protocol containing the full list of pharmaceutical products delivered, their quality and quantity.  
3.5.4. Importer signs two copies of the handover protocol and sends them to Transportation company.  
3.5.5. Transportation company signs the handover protocol and sends one copy back to Importer.  
3.5.6. Importer pays Transportation company for the delivery of pharmaceutical products in accordance with the contract. |
| Output and criteria to exit the business process | • Handover protocol is signed.  
• Transportation company received a payment. |
| The average time required to complete the process and/or durations for each involved transaction | Average time: 1 day. |
Figure 13. Activity diagram 3.6. “Obtain a drug quality evaluation”
<table>
<thead>
<tr>
<th>The name of a process area which this particular business process belongs to</th>
<th>3. Ship.</th>
</tr>
</thead>
<tbody>
<tr>
<td>The name of a business process</td>
<td>3.6. Obtain a drug quality evaluation.</td>
</tr>
</tbody>
</table>
| Related rules and regulations | • Agreement on “Uniform Principles and Rules for the Circulation of Pharmaceutical Products Within the Eurasian Economic Union”.  
• Law of the Kyrgyz Republic on “Circulation of Pharmaceutical Products” of 2 August 2017 No. 165.  
• Resolution of the Government of the Kyrgyz Republic on “Some Issues Related to State Registration in the Field of Circulation of Pharmaceutical Products”, of 28 August 2018 No. 405.  
• Order of the Minister of Health on “Approving the Procedure for Destruction of Pharmaceutical Products and Medical Devices Unsuitable for Use”, of 17 September 2004 No. 428. |
| The name of responsible parties | • Importer.  
• Division on Quality Assessment of Medicines and Medical Devices, Ministry of Health (DQA).  
• Exporter. |
| Input and criteria to enter/begin the business process | • Importer received pharmaceutical products.  
• Importer has a licence for pharmaceutical activities. |
| Procedures and associated documentary requirements to complete the process | 3.6.1. Importer applies for a drug quality evaluation to assess the quality of the imported pharmaceutical products to the DQA and submits the following documents:  
- Application form;  
- Licence for pharmaceutical activities (to be submitted only once);  
- CMR;  
- Packing list;  
- Quality certificate issued by Exporter;  
- Contract;  
- Official batch protocol review issued by a laboratory in a manufacturing country;  
- Packing list.  
3.6.2. DQA reviews the documents, the licence and looks up the registration in the database on all entities importing pharmaceutical products. If Importer is not there, the division registers Importer in the system. |
3.6.3. If the documents are correct, DQA decides on the evaluation scheme.
3.6.4. If DQA decides on the national review, it collects and evaluates samples to assess the quality. If DQA decides to accept the quality certificate issued by Exporter and the official batch protocol review issued by producer, DQA reviews the documents received.
3.6.5. DQA issues a result.
3.6.6. In case the evaluation meets the requirements, DQA issues a drug quality evaluation, which serves as a permit for sale, and Importer is allowed to release imported pharmaceutical products for circulation. In case the evaluation does not meet the requirements, DQA issues a notice of refusal. Importer decides on further actions regarding the non-compliant pharmaceutical products. They can either be destroyed in the Kyrgyz Republic or be returned to Exporter.

Output and criteria to exit the business process
- Importer received the drug quality evaluation and can sell the pharmaceutical products.

The average time required to complete the process and/or durations for each involved transaction

<table>
<thead>
<tr>
<th>Description</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average time:</td>
<td>15 days.</td>
</tr>
<tr>
<td>Minimum time:</td>
<td>10 days.</td>
</tr>
<tr>
<td>Maximum time:</td>
<td>20 days.</td>
</tr>
<tr>
<td>Cost of national review:</td>
<td>60 US$ to 70 US$.</td>
</tr>
<tr>
<td>Cost of quality acceptance:</td>
<td>8 US$.</td>
</tr>
</tbody>
</table>

2.6. Time-procedure chart and cost-procedure chart

Figure 14 shows the average time associated with all business processes related to the import of pharmaceutical products from the Russian Federation to the Kyrgyz Republic. On average, the total process takes 26.3 days with the most time spent on obtaining the drug quality evaluation. The second most time-consuming process is arranging transportation, which includes transportation of goods, which takes six days.
Figure 14. Time-procedure chart

Figure 15 shows the average cost of the import of pharmaceutical products from the Russian Federation to the Kyrgyz Republic, which is on average 5085 US$. Payment for transportation is the highest makes up 98 per cent of the total cost of import. This amount includes the cost of petrol, driver’s salary, insurance of goods.

Figure 15. Cost-procedure chart
3. Diagnosis of bottlenecks and recommendations for streamlining trade processes

Table 1. Summary of bottlenecks for import of pharmaceutical products from the Russian Federation to the Kyrgyz Republic

Table 1 provides a diagnosis of bottlenecks related to procedural requirements, data and documentary requirements, transparency or predictability, and recommendations for improvement.

<table>
<thead>
<tr>
<th>Core business processes</th>
<th>Observations</th>
<th>Recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Procedural requirements</td>
<td>Data and documentary requirements</td>
</tr>
<tr>
<td>1. Buy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.1 Conclude a contract</td>
<td>Parties negotiate details before signing the contract. Electronical signatures are allowed.</td>
<td>Prior to signing a contract, parties exchange information about legal requisites with each other including the Identical Number of Taxpayer, Act of Registration, legal address, copy of charter, bank account statement.</td>
</tr>
<tr>
<td>2. Ship</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.1. Order payment</td>
<td>Exporter is paid in full or partly either after activity 1.1. “Conclude a contract” or following activity 3.5. “Sign a handover protocol”. It depends on the contract the parties negotiated.</td>
<td>Invoice contains information about quantity and quality of shipped goods, method of payment and the total to be paid. Attestation has to be printed out and transportation company should have a hard copy, which seems unnecessary.</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>3. Pay</td>
<td>3.1. Apply for an attestation</td>
<td>The application can be submitted online through the Single Window of the Department of Pharmaceutical Products and Medical Equipment, Ministry of Health if the pharmaceutical product is listed in the State Register of Pharmaceutical products.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Only an application form and a contract should suffice for issuing an attestation. No hard copy of the attestation should be required at the border.</td>
</tr>
<tr>
<td></td>
<td>3.2. Arrange transportation</td>
<td>The procedure of delivery of goods to the place of destination is clear if Transportation company prepares the required documents and provides them to prepare a</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.3. Pass BCP at the Russian-Kazakh border</td>
<td>contract with Importer.</td>
<td>transportation company.</td>
</tr>
<tr>
<td>-------------------------------------------</td>
<td>------------------------</td>
<td>------------------------</td>
</tr>
<tr>
<td>The procedure is clear.</td>
<td>TIR book is not required any more within the EAEU Member States. Submitting of the negative PCR test for COVID-19 is required. The test should be issued less than 72 hours prior to crossing the border. There is a need to stamp the CMR for the taxation purposes.</td>
<td>Requirement for a negative PCR test for COVID-19, which is less than 72 hours old prior to crossing the border. Due to the time constrains of crossing the border and transporting goods, transportation company might pay twice for the COVID-19 test.</td>
</tr>
<tr>
<td>3.4. Pass BCP at the Kazakh-Kyrgyz border</td>
<td>The risk assessment system is not in place at the Kyrgyz-Kazakh border, leading to an inspection of all cars and trucks. Scanning is followed by a dog search. There are no separate lanes for trucks, leading to higher waiting times. Interviewees reported heated conversation following the search, allegedly leading to disassembling</td>
<td>An electronic system on confirmation of crossing the border should be introduced instead of stamping CMR at the border by Border Services. Development of the border crossing point by creating separate lines is required.</td>
</tr>
<tr>
<td>3.5. Sign a handover protocol</td>
<td>The more details are described in the contract, the easier it is to conduct handover of goods from the transport company to the Importer.</td>
<td>There are five types of documents required – CMR, contract, Packing list, invoice and attestation. All of these documents have information about the products and their details, duplicating the same information in several documents. The invoice is deemed unnecessary. There is no need for a hardcopy of the attestation to be submitted since the attestation is issued by the Single Window in an electronic form. The procedure is transparent but there is information redundancy, which could be avoided.</td>
</tr>
<tr>
<td>3.6. Obtain a drug quality evaluation</td>
<td>Procedure takes between 10 to 20 days. All documents must be submitted in hard copies. Several documents seem redundant, there is no need for a packing list. List of prices are not available on the DQA official website.</td>
<td>There are no clear guidelines when DQA decides on the national review or acceptance of quality. The choice of national review raises the cost for Importer up to 63 US$. Online application system for a drug quality evaluation should be introduced. Clear criteria for national review and acceptance of quality should be published. List of prices should be published online.</td>
</tr>
</tbody>
</table>
4. Conclusion

This BPA was conducted as a part of the UNECE project “Strengthening the capacity of the Kyrgyz National Trade Facilitation Council to implement the WTO Trade Facilitation Agreement”. Landlocked countries like the Kyrgyz Republic face serious challenges such as delays and increased costs due to legal, administrative, customs or technical barriers. The COVID-19 pandemic only exacerbated the problems and emphasized the importance of trade facilitation. Efficient import processes of pharmaceutical products contribute to the economy and health of the population. They will also contribute to sustainable and resilient post-COVID-19 recovery and ensure that the Kyrgyz population will have access to life-saving medicine.

To import pharmaceutical products to the Kyrgyz Republic from the Russian Federation by road transiting through the Republic of Kazakhstan, Importer completes 8 procedures working with 10 different actors. On average, the total process takes 26.3 days and costs 5085 US$.

Given the analysis of the bottlenecks and recommendations for the import of pharmaceutical products this report suggests the following improvements:

1. Development of digital services

This paper identified the following areas where digital services should be implemented:

- **Online attestation**

  The Attestation, which serves as a permit for import, must be submitted as a hard copy to the border services, even though it is obtained online through the Single Window. Introduction of an online version will simplify the process and prevent the illegal importation of pharmaceutical products.

- **e-CMR within the EAEU countries**

  An electronic system of confirmation of crossing the border should be introduced instead of stamping the CMR (consignment note) at the border by the Border Service, which is required for VAT collection. The e-CMR mechanism, for which the United Nations Centre for Trade Facilitation and Electronic Business developed Business requirements specification, will guarantee the accuracy of the transmitted information, its transparency and the ability to track changes. It will simplify the workflows at the border crossing points and reduce the time and cost. It is recommended that the Kyrgyz Republic should join the Additional Protocol of the CMR Convention, developed by UNECE, as the Russian Federation, Uzbekistan and Tajikistan are part of it. Joining this protocol will allow requests, declarations, instructions, requests, reservations or other documents to be submitted in electronic form.

- **Online application form for a drug quality evaluation**

  Application for a drug quality evaluation is currently done in person using hard versions of documents. Considering that the Ministry of Health has a Single Window for other processes, there is a need to integrate this process to the Single Window. This will shorten the time needed to consider and decide on the application.
2. **Availability of information online**

The Kyrgyz Republic should consider publication of the following information online on the respective websites:

- Official publication of all changes in legislation regarding movement of goods

Publication of information related to updates and amendments of the legislation concerning the movement of goods will provide importers with up-to-date information and decrease possible time delays and costs during the border crossings.

- Publication of list of prices and criteria for the type of review by DQA

Availability of information regarding prices and clear guidelines when DQA decides on the national review or acceptance of quality will support importers by allowing to account for costs and time in advance.

3. **Improvement of the Kyrgyz-Kazakh border**

This BPA suggests adding separate lines to the border crossing points at the Kyrgyz-Kazakh border. This will allow a faster process of crossing the border, decreasing costs for importers. Anti-corruption campaign and mechanisms are needed.

There is a need to develop an anti-corruption mechanism at the border to prevent informal payments. This will contribute to the increase in the transparency and predictability for all traders at the border. It will positively impact SMEs.

4. **Cost of the initial registration**

If the pharmaceutical product is not listed in the State Register of Pharmaceutical Products, there is a need for the registration of pharmaceutical products, which costs between 1700 US$ and 3000 US$ and takes between 6 to 10 months. The first registration requires the documents in paper format. This high cost will be transferred to consumers, leading to a higher cost for new or innovative products. There is a need to decrease the price for the first registration or develop a co-sponsorship initiative between the government and importers.