

USAID Facilitating Streamlined Trade Project (FASTrade)
Booz Allen Hamilton
PCE-I-00-98-00013-00, Task Order 17

El Salvador Customs Integrity Program
Follow-up Technical Assistance (Phase 2)

July 16 – August 31, 2007

EXECUTIVE SUMMARY

The FASTrade Project's customs integrity initiative got underway in Central America during May 2006. The initiative's objective is to assist those Customs administrations that have demonstrated the greatest commitment to implement comprehensive integrity programs that will serve as a model for other countries in the region. El Salvador was selected as the test case for this initiative, which commenced with a FASTrade advisor using the World Customs Organization's Integrity Assessment to:

- determine what elements of a comprehensive integrity program were already in place;
- assess the effectiveness of these measures;
- identify the elements that were missing;
- outline a suggested implementation plan for a comprehensive integrity program; and
- identify areas where additional technical assistance may be desirable or needed.

After reviewing the assessment findings and resulting recommendations, El Salvador Customs identified the following priority areas for follow-up technical assistance:

- conduct and discipline,
- professionalism, and
- public outreach.

A two-phase technical assistance approach provided the services of three FASTrade Project advisors during the periods of March 11 – 30, 2007 and July 16 - 31, 2007.

During the first phase of assistance, the FASTrade Project team:

- reviewed and commented on the latest draft of the code of conduct drafted by El Salvador Customs;
- demonstrated the use of a table of discipline and offenses that ties specific penalty actions to specific offenses;
- drafted a proposed implementing directive;
- drafted a proposed career ladder system;
- proposed both revised and new position descriptions and qualification standards for the covered positions;
- drafted performance standards for the covered positions;

- provided guidance with respect to a performance based awards system that could include either monetary or non-monetary awards, or both;
- reiterated the recommendation that the Deputy Director (Sub Director) be delegated responsibility for developing and managing an effective communications program and that he or she be provided with staff support dedicated to this function;
- provided suggestions, in the form of a proposed directive, for improving the procedures utilized by the Client Service Division to respond to complaints or inquiries received via the hotline or other means;
- assisted in the creation of a joint public/private working group to develop a Customs client service charter and a code of ethics for customs brokers, forwarders, transporters, etc.; and
- worked with Customs to identify hardware and software specifications to enhance human resource management record-keeping.

One of the FASTrade Project advisors, a resident of El Salvador, continued to provide assistance on the last two items during the interim period between the first and second phases.

During phase 2, it was planned that the FASTrade team would:

1. provide training on the code of conduct, code of discipline and the employee responsibility directive;
2. provide further assistance, as necessary, to facilitate the development of a Customs client service charter and a code of ethics for the international trade community;
3. provide training on complaint processing procedures;
4. assist in the development of an agency communications plan including a private sector and agency awareness campaign; a quarterly or semi-annual report, posting of laws and regulations and a supplement to internal meetings in the form of an electronic or hard copy employee newsletter;
5. assist in the development and implementation of a system of identification tags for agents so that the private sector can clearly read either their name or identification number in case of a complaint; and
6. provide management training on the implementation of the career ladder system, the performance evaluation system, and the performance awards system; and
7. provide assistance in developing and supporting an automated human resource management record keeping system parallel or complimentary to the automated system managed by Ministerio de Hacienda.

The first five activities were accomplished. Activity six (6) training could not be conducted because the requisite career ladder, performance evaluation systems and performance awards systems had not been implemented. Work continues on activity seven (7). A detailed summary of each of the above activities follows.

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SUMMARY OF PHASE 2 ACTIVITIES

1. Code of Conduct Training

The FASTrade team provided training to ten Customs managers who have been designated to train the Customs workforce when the new code of conduct and discipline and the new employee responsibility directive are implemented.



The training consisted of the following modules:

- Lesson 1A – Introduction
- Lesson 1B – Ethical Principles
- Lesson 1C – Personal Accountability
- Lesson 1D – Work Environment
- Lesson 2 – Table of Offenses and Discipline
- Lesson 3 – Implementing Directive

Throughout the training, adult learning teaching principles were demonstrated and explained. The participants were encouraged to utilize the techniques when they made their presentations and later, when they conducted their own training sessions.

Throughout the training the participants were actively engaged in the process and maintained a free-flow of questions and comments. Participants were encouraged to share their experiences. Training was related not only to El Salvador, but also to the WCO Framework of Standards, including the revised 2003 Arusha Declaration. The Advisor Team utilized unique exercises and examples to make the participants aware of the fact that integrity was an age old, worldwide problem. One such exercise related to 13th Century England and the problems the government had with Customs officers taking bribes and acting outside the law.

On July 26th, by random selection, the participants were divided into five two-person teams. Each team was assigned one of the modules and tasked with presenting the core information to the other participants and to the FASTrade advisors. On July 27th, the teams presented their modules. Both the participants and advisors provided feedback, based on content, delivery, and use of learning principles, to team members on their presentations.



The participants demonstrated a very active interest in the training and the FASTrade advisors are confident that they will be able to provide the necessary training to the officers in the field in an effective and knowledgeable manner.

At the conclusion of the training, the participants were asked to complete an evaluation form. On questions requiring a numerical response ranging from 1 (worst) to 5 (best), approximately 90% were answered at the “5” level. The remainder were answered at the “4” level. No questions were answered at a level lower than “4”. Those questions that required a written comment were generally complimentary toward the instructors, the organization of the training course and the venue. Two of the participants indicated that it would be helpful if the instructors could come back at a later date to provide follow-up support and evaluation. One participant requested that the trainers be brought back to teach a similar course in Customs security. Four participants recommended that more practical examples or practical exercises be incorporated into the training and one commented on the usefulness of the practical examples provided by the

instructors. Two participants recommended that more time be allocated for the training. One participant recommended that some of the translations could be improved. One participant felt that it would be useful to know how other Customs administrations handle disciplinary matters. One participant felt that the participant manual was too big.

FASTrade hosted a social hour at the conclusion of the training where USAID CTO Flor de Rivera and Booz Allen Hamilton project manager Regina Hehir presented certificates of completion to each participant.

Participants

N°	Name	Organization
1	Gabriel de Jesús Guardado	Quality Control Division
2	Rafael Tevez Rivas	Quality Control Division
3	Milagro Jeanette Manzanares Orellana	Modernization Division
4	María Estela Yáñez de Alvarado	Legal Division
5	Julio Alexander Castro	Legal Division
6	Guillermo Andrés Meza Bonilla	Technical Division
7	Roger Darwin Angel	Technical Division
8	Moisés Arquímedes García Galdámez	Client Service Division
9	José Walter Meléndez Ramírez	Operations Division
10	Eduardo López Gamero	Administrative Division
11	Linda Wilcox	FASTrade Advisor
12	Robert Holler	FASTrade Advisor
13	Milton Printemps	FASTrade Advisor
14	Regina Hehir	Booz Allen Hamilton Project Mgr

2. Public/Private Working Group on Client Service Standards and Trade Community Code of Ethics

The FASTrade team hosted a working luncheon meeting with the Customs and CIMA representatives of the public/private working group on Tuesday, July 17, 2007. As the host, the Booz Allen Hamilton team leader welcomed CIMA and Customs, expressed the importance of not only the mutually desired end-products but also the new working relationship and synergy developed as a part of the process, and expressed the project's appreciation for their commitment to this effort.



CIMA representatives voiced their support for the customer service standards but focused more on the importance of the Trade Community Code of Ethics, and agreed that the private sector has as much responsibility for the achievement of transparency and ethics as does Customs. Issues mentioned included the fact that CIMA represents a wide variety of trade specialties, not only customs brokers/agents, but also freight forwarders, transportation companies and others. CIMA also expressed an interest in expanding the process to neighboring countries. A brief discussion on how this might be accomplished followed. A CIMA member commented that more has already been accomplished because of this new Customs/Trade partnership than had been accomplished between Customs and the Trade community in the past twenty years.

At the end of the session, everyone involved considered that real progress has been made toward the achievement of common goals and had high expectations for mutual achievements in the future.

Participants

N°	Name	Organization
1	Regina Hehir	Booz Allen Hamilton Project Mgr
2	Milton Printemps	FASTrade Advisor
3	Linda Wilcox	FASTrade Advisor
4	Robert Holler	FASTrade Advisor
5	Reynaldo Ruano	CIMA
6	Raul Alfaro	CIMA
7	Fátima de Escobar	CIMA
8	Omar Verona	CIMA
9	Rafael Tevez Rivas	Customs
10	Moisés Arquímedes García Galdámez	Customs
11	Karen Santos	Customs
12	Javier Claros	Customs - San Bartolo

FASTrade advisors Milton Printemps and Robert Holler attended a working session on July 30, 2007. During this meeting CIMA continued its work on their draft Code of Ethics. To date, 22 individual articles have been drafted and several of those have numerous detailed subsections. Holler and Printemps suggested that CIMA consider including very specific articles that parallel specific articles in the Customs code of conduct prohibiting asking for or accepting gratuities, gifts, or other incentives. Sample wording was suggested. Holler and Printemps also quickly reviewed the draft Customs client service charter and, noticing that it lacked quantitative measurements, provided specific examples of quantitative standards to Ms. Karen Santos:

- How long should it take to clear a truck at the border?
- How long should it take to clear a passenger car at the border?
- How long should it take to clear an airline passenger from the time the plane arrives?
- How long should it take to release imported goods after a declaration has been filed?
- How long should it take to respond to a written inquiry?
- Etcetera

A specific example was given: “90% of all imported goods are released within one hour from the time Customs receives a declaration.” The percentage recognizes that a certain percentage of transactions will invariably present a Customs problem that will prevent them from being processed within the desired timeframe. Determination of both the percentile and timeframe must be established by Customs and CIMA based on their in-depth experience and knowledge. Once these standards have been developed and implemented, they would then provide specific criteria that would be used in the performance evaluation of the responsible Customs field managers.

Advisor Printemps will continue to facilitate this important project.

Participants

N°	Name	Organization
1	Raul Alfaro	CIMA
2	Omar Verona	CIMA
3	Raul Alfaro	CIMA
4	Doris de Rivera	CIMA
5	Karen Santos	Customs
6	Javier Claros	Customs - San Bartolo
7	Milton Printemps	FASTrade
8	Robert Holler	FASTrade

3. Client Service Division Workshop

The FASTRADE advisors led a one-day workshop on July 19, 2007 to discuss managing client inquiries or level of service complaints and managing complaints or allegations of misconduct or corruption by Customs officers. Participants discussed procedures currently followed by the Client Service Division, the manner in which complaints made directly to the Director or Deputy Director are being handled, and possible enhancements to the current process. The Director of the Client Service Division commented that the proposals are, in fact, consistent with the existing procedures and that the proposed enhancements would be useful.

The Director of the Client Service Division mentioned some of the difficulties he has had in resolving issues, including the lack of authority to effect his staff's recommendations and their lack of access to policies and procedures. The Director of the Quality Control Division immediately made a telephone call and assured all present that this would no longer be a problem. This provides a perfect example of how important it is for the various Customs divisions and offices to communicate with one another on a regular basis.

The advisors responded to the initial statement regarding lack of authority by pointing out that the Client Service function is a staff function and that it is not the unit's function to direct field managers to revise their approach to issues or to take other actions than those that resulted in the inquiries or complaints. This authority must be strictly controlled and lies with the Director General and Deputy Director. The advisors pointed out that the function of the Client Service Division is to receive, process, document and analyze complaints and to formulate recommendations to the General Director and Deputy as to the most appropriate resolution.

Deputy Director de López briefly discussed the complaints and inquiries she receives personally and advised that these are consuming quite a bit of her time. As she takes on communications coordinator responsibilities discussed in section four (4), the quantity of direct contacts will increase and it is likely that the number of complaints and inquiries she receives will also increase. The advisors stressed that neither the Director General nor the Deputy can afford to deal with such complaints personally, and they outlined simple procedures that will ensure that these matters are addressed quickly and effectively without the direct involvement of the top managers.

When either the Director General or Deputy receives such a call or is approached in a face to face meeting regarding an ongoing delay or disagreement, the Client Service Division must be immediately brought into the process as fact-finders. Issues that are taking place in the present are an entirely different matter than complaints over incidents that happened in the past. They need to be handled expeditiously since most of them involve delays or decisions that are costing an importer, exporter or transporter time and money.

The Client Service Division must have the unquestioned authority to contact any Customs manager or officer on behalf of the DG/Deputy to discuss the issue and attempt to work out a satisfactory resolution when it appears that the decisions or actions of Customs officers or managers were not entirely in line with desired customer service levels or current policy. This

level of access can only be achieved by having the Client Service Division report directly to the Deputy Director General (i.e. to have them serve as the Deputy's immediate staff).

When an inquiry or complaint has been received by the Director General or Deputy and assigned to the Client Service Division, that staff would immediately contact the complainant and discuss the problem to make sure they have sufficiently detailed information to proceed with their fact-finding. At the beginning of this conversation, the CSD staff member should tell the complainant that they have been asked by the Director General or Deputy to look into this issue and at the conclusion of this initial conversation, they should advise the complainant that they will call back with a decision.

After reviewing this situation and discussing it with the appropriate Customs managers, the Client Service Division would then report its findings and whether or not a favorable resolution was reached. If a resolution to satisfy the caller could not be reached, the Client Service Division will explain why and whether there are further actions that can be taken. This will have the effect of either supporting the decisions or actions of the field officers and managers or disagreeing with them and recommending an action that the field manager did not want to take. When this happens, the Client Service Division will have to present its opinion in a factual basis outlining the issues, the recommendations, the controlling law or regulation, and the proposed action. It would then be up to the DG/Deputy to contact the field manager and instruct him or her to take the recommended action.



The participation of Deputy General Director de López in this workshop was very much appreciated and contributed significantly to the positive and lively manner in which issues were discussed.

Note: It was brought to the attention of the FASTrade team that Customs already has a directive that had not been reviewed by the advisors prior to the development of their proposed directive. The advisors explained that in the previous two missions they had met with unit staff members as well as with managers and officers in the field and in the Headquarters specifically to discuss this process, had asked for any written guidelines and had been advised that there was not a uniform

written policy. The issue of the written policy is raised only as an example of the need to ensure that internal communications are improved. A written policy has very limited effectiveness if the people who should be following it aren't aware of it. This issue is addressed more specifically in section four (4).

Participants

N°	Name	Organization
1	Mónica Concepción Henríquez de López	Deputy Director General
2	Rafael Tevez Rivas	Quality Control Division
3	Moisés Arquímedes García Galdámez	Client Service Division
4	María Estela Yáñez de Alvarado	Legal Division
5	Eduardo Gamero	Administrative Division
6	Robert Holler	FASTrade Advisor
7	Linda Wilcox	FASTrade Advisor
8	Milton Printemps	FASTrade Advisor

4. Communications Coordinator

Customs has made substantial progress in improving external communications. In addition to the excellent progress made in the public/private working group, the Customs webpage is one of the better examples of a Customs website on the Internet. This is particularly impressive considering the limited resources that have been made available to build and maintain the site.

The FASTRADE team met privately with Deputy Director General de López on Friday, July 27, 2007 to discuss the reasons for the FASTrade recommendation to designate her as the primary spokesperson for the Customs Department as well as the internal and external communications coordinator. Her potential role as a Trade Ombudsman was also discussed.

An ombudsman is generally defined as a person who investigates complaints and mediates fair settlements, especially between aggrieved parties such as consumers or students and an institution or organization. Establishing a Trade Ombudsman role within Customs can be extremely beneficial in improving trade relations and creating a positive dialogue with the trade community. The Trade Ombudsman focuses more on preventing disputes rather than mediating settlements. Meeting with the trade community provides opportunities for the Ombudsman to assist the trade in clarifying their needs and assists Customs to understand their concerns. It fosters a positive working relationship by demonstrating that Customs is taking a proactive interest in the day-to-day concerns of its client base.

Deputy Director de López is ideally suited to perform this function. The ombudsman function has two dimensions: proactive and reactive. The reactive dimension (effectively responding to both historical complaints and ongoing issues) was discussed in detail in the Client Service workshop. Proactively, the Deputy Director in her role as Ombudsman would represent Customs in meetings with trade associations; would periodically visit with major importers, exporters, brokers, etc. to listen to their concerns, attitudes and suggestions. She would also oversee a

program in which Customs field coordinators or administrators would hold monthly trade meetings to discuss local issues with their local brokers, importers, carriers, etc. These monthly meetings would be documented and reported back to the Director General and Deputy.

Credibility and accountability are key elements in improving trade relationships. The best of intentions can be sabotaged by a lack of effective follow-through. When an issue raised by the trading community is addressed by the Director General or Deputy and a resolution is reached, that resolution must be promptly undertaken by the appropriate subordinate managers. Deadlines must be established and there should be proactive follow-up to ensure that the instructions of top managers are implemented effectively and in a timely manner.

Monitoring deadlines can be time consuming and it is not a function that either the Director General or Deputy should have to perform personally. Assigning the Client Service Division directly to the Deputy would provide the necessary staff-power and expertise to do so. And once again, the importance of this follow-up almost requires that field managers as well as Headquarters managers understand that when the Client Service Division calls, they are calling on behalf of the Director General and Deputy and should not be taken lightly.

During this meeting, the FASTrade team also discussed internal communications issues and offered specific suggestions as to how they can be improved without additional resources.

Participants

N°	Name	Organization
1	Mónica Concepción Henríquez de López	Deputy Director General
1	Regina Hehir	Booz Allen Hamilton Project Mgr
3	Robert Holler	FASTrade Advisor

5. Identification Cards

Customs has fully implemented an identification card system.

6. Career Ladder, Performance Evaluations and Awards

Due to the potential financial impact, implementation of these three critical initiatives cannot proceed without approval from Ministerio de Hacienda. During the opening briefing, the FASTrade team offered further assistance in developing a transition plan from the current system to a career-ladder system with performance based evaluations and recognition systems. Subsequently, however, the team was advised that the Government has just notified Customs that no new funding will be available and that no pay increases will be authorized during the next fiscal year. This issue will be addressed in a separate report.

7. Human Resources Management Automated Records System

A series of meetings were conducted to finalize this effort. During the meeting held on July 30, 2007, the Booz Allen Hamilton project manager delivered and signed over to Customs an HP desktop workstation to be used by the Administrative Division to operate the desired automated human resource management records maintenance system. This system will be linked to the Ministerio de Hacienda Human Resources Division record system. During the July 30th meeting, bids were reviewed and arrangements were made for a subsequent meeting the following morning to meet with the systems administrator of Wings Systems Company, the tentative selectee.

During the July 31st meeting, detailed discussions were conducted regarding the purpose and requirements of the desired system. Eduardo Gamero, Customs Administrative Manager, Rafael Tevez, Customs Quality Management Manager, Victor Peña, Customs IT Unit staff member, and Milton Printemps from the FASTrade team met with Carlos Alas, the Wings Systems analyst. The purpose of the meeting was to determine the viability of having Mr. Carlos Alas write the program for the proposed HRM system. The technical details of the system and contractual terms were presented to Mr. Alas in written form. Mr. Alas asked to be allowed to further study and address the specific programming requirements discussed. FASTrade advisor Milton Printemps requested references and will be verifying them prior to advising the Booz Allen Hamilton project manager to proceed with the contract execution. At the end of the meeting Mr. Alas explained that he would further analyze the system requirements and would present his final offer to Customs after the August vacations (the second week of August).

The FASTrade consultant asked for references and Mr. Alas indicated that he was presently working on a programming project for the El Salvador Government and that he also had private sector references. He promised to send reference details by email to the FASTrade consultant. After Mr. Alas left the meeting, the interviewers discussed the information and suggestions shared by Mr. Alas, and there was consensus that Mr. Alas would be capable of writing the program for the HRM system. As soon as Mr. Alas' references details are received Mr. Printemps will notify the Booz Allen Hamilton project manager so that the contract may be issued.

Participants

N°	Name	Organization
1	Eduardo Gamero	Administrative Division
2	Rafael Tevez Rivas	Quality Control Division
3	Victor Peña	Information Technology Division
4	Regina Hehir	Booz Allen Hamilton Project Mgr.*
5	Milton Printemps	FASTrade Advisor
6	Robert Holler	FASTrade Advisor*
7	Carlos Alas	Wings Systems Sistemas Informáticos**

* July 30th meeting only.

** July 31st meeting only.