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Customs Integrity and Corruption

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International Monitoring of Integrity

International Organizations and donors, such as the following, have measured and monitored the implementation of “best practice” and the resulting degrees of integrity for over 25 years.

World Bank, International Monetary Fund (IMF) World Customs Organization (WCO), World Trade Organization (WTO), Country donors such as UK-DFID, USA USAID, European Commission (EU), United Nations (UN), the Asian Development Bank, the African Development Bank and many others.

If “Best Practices” are not implemented, then the country is non-compliant and the risk of integrity / corruption problems is higher.

Transparency International – an international non governmental organization, is the leading corruption research organization



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Transparency International

Headquarters in Berlin, Germany with about 100 independent offices in other countries.

They are not policemen – they recommend policies and measure results, and conduct surveys.

Focal areas include; **corruption in politics, corruption in public contracting, corruption in the private sector, developing international corruption conventions, access to information, corruption in international aid, and education about integrity and corruption.**

The best known research and publication is the international survey of **Corruption Perceptions Indices** covering most countries.



Middle East Region 2005

Rankings go from 1 to 158, Best score is 10

Rank	Country	Score out of 10	Nos of surveys	Rank	Country	Score out of 10	Nos of surveys
29	OMAN	6.3	5	70	Saudi Arabia	3.4	5
30	U.A.E.	6.2	6	70	Syria	3.4	5
32	Qatar	5.9	5	83	Lebanon	3.1	4
36	Bahrain	5.8	6	88	Iran	2.9	5
37	Jordan	5.7	10	107	Palestine	2.6	3
45	Kuwait	4.7	6	137	Iraq	2.2	4
70	Egypt	3.4	9				



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The Way Forward

Regardless of a country's current ranking in the world – and recognizing that there are many long term and complicated reasons for that ranking – an internationally agreed set of policies has already been developed to guide countries so that progress can be made as quickly as possible.



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The Arusha Declaration – July 1993

The World Customs Organization member states agreed

1. Customs is vital to managing the economy and to prevent smuggling and to facilitate the flow of legitimate trade.
2. Corruption can destroy the society and diminish the ability for Customs to perform its mission.
3. That a corrupt Customs:
 - will not deliver revenue that is properly due to state, and
 - Will not be effective in combating illicit trafficking, and
 - Will obstruct the growth of legitimate trade and slow economic development



The Arusha Declaration – July 1993(2)

- 4. Customs has no right to receive public recognition or trust if its staff do not follow the law.**
- 5. Corruption can only be effectively combated as part of a comprehensive national effort.**

Therefore – a top priority for government is to ensure Customs is free of corruption. This requires the highest level of commitment to maintaining integrity throughout the government and in Customs.

The agreed 12 point declaration is as follows:



The Arusha Declaration – July 1993 (3)

Customs Integrity programs must follow these criteria:

1. **Customs legislation** – clear and precise, tariffs set, the number of rates should be limited, administrative requirements should be low, and there should be very few exemptions to the standard rules.
2. **Customs Procedures** – simple, consistent, readily known, with a procedure to appeal Customs decisions with independent rulings; should be based upon the (revised) Kyoto Convention, with few to no exceptions.
3. **Customs Automation** – is a powerful anti corruption tool and should be used with high priority.



The Arusha Declaration – July 1993(4)

4. **Customs management** – should separate functions, with personnel rotations, and random examinations of staff practices.
5. **Customs managers** – take responsibility for identifying weaknesses and taking steps to correct them.
6. **Auditors** – should ensure appropriate procedures are followed and work with internal investigators to identify bad practice.
7. **Managers** – should instill loyalty and pride inside Customs, and cooperate to minimize opportunities for corrupt practices.
8. **Managers** – recruiting and promotions should be objective and should identify people with a high standard of personal ethics



The Arusha Declaration – July 1993(5)

9. **Officers** – should be issued a Code of Conduct with clear consequences, clear disciplinary measures should be specified.
10. **Officers** – should receive adequate professional training throughout their careers, including training on ethical standards.
11. **Salaries and benefits** – should be sufficient in total to allow for a reasonable standard of living.
12. **Customs** – should have an open and transparent relationship with Brokers and business / trade members, which should include liaison committees.



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Current Initiatives

- **USAID sponsored structural reorganization of Customs**
- **USAID sponsored IT Automation project**
- **USAID sponsored Training Plan including MBA for senior managers, risk management, anti smuggling and study tours to identify best practices.**
- **USAID sponsored review of Legislation**
- **USAID sponsored review of Valuation procedures and Exemptions**