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CUSTOMS AGENCIES AND INTERNATIONAL BEST PRACTICES

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TECHNICAL ASSISTANCE FOR POLICY REFORM II

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BACKGROUND

A number of National Customs Administrations have struggled with reforming management and reporting structures within their Customs Authorities so as to provide flexible, straightforward and cost efficient services to their clients and stakeholders.

These customs administrations have tackled the problems of applying rapid and flexible customs services by moving their organizations outside the usual restraints imposed by public service and governmental management, human resource and funding structures.

In order to facilitate and streamline border administration, most customs agencies administer other government border controls on behalf of other agencies and government departments. The Korean Customs Agency enforces and administers 55 national laws and 31 international conventions that pertain to the import and export of goods and the movement of people

Government agencies were most commonly developed for the management of such national entities as national transportation companies and port and harbor authorities. No international “best practices” have yet been codified for customs and border control administrations. There are however standard practices and similarities that cross all the customs agency and border management schemes. The following countries are among those that administer customs through an agency or similar organizational frameworks.

New Zealand

Korea

Australia

South Africa

Canada

Finland

Their experience and operational frameworks have been used to develop the following list of standard practices and operational advantages

STANDARD PRACTICES

The agencies are established by an act of the government. The Act provides their legislative authorities, roles and responsibilities and senior management structures.

The agencies' chief executives report to, and usually through, the Minister of Finance to the Legislative and Executive Authorities. If the agency is responsible for a wide-range of border management services on behalf of many different government ministries, the head of the Agency may be given the level and responsibility to report directly to the government Legislature or Executive

Most agencies are provided with mandates that require them to facilitate trade, ensure strict compliance with legislation, protect the borders and society, and facilitate trade

The agencies are administrative agencies and may develop administrative policies. The Ministry of Finance or other departments maintain national authority for all customs, and border policy, legal and regulatory development

The agencies are managed through a chief executive (CEO) and a board of directors. The Government selects both the CEO and the board of Directors initially. The CEO's tenure and salary are normally formalized in a contract between the CEO, the Management Board and the Ministry of Finance

The Management Board usually contains members from both the private and public sector. If the customs agency administers border measures on behalf of other government departments, a member from these departments sits on the Customs Management Board

Frequently other non-policy making, administrative control agencies such as health, agricultural inspections, and standards, are either created at the same time, or their administrative authorities are delegated to the customs agency.

ADVANTAGES

Agencies are not subject to usual public service procedures for the recruitment, engagement, maintenance and dismissal of staff. This makes it easy for an agency to effectively and efficiently engage, mold, maintain and develop professional quality staff

Although funded fully or partially from public sources, agencies need not follow the same pay scales as the public service. Employees can be adequately compensated and quality trained staff can be more easily engaged either as contract or permanent employees. This makes the management of integrity issues more immediate and direct.

The management of the Agency through a CEO and a Board of management allows for the active involvement at the board level of principle public and private sector clients and stakeholders. This allows for client and stakeholder buy-ins and improves voluntary compliance and inter-agency cooperation.

The work of the Agency is removed from the daily operation of the Ministerial processes and allows its chief operating officers to concentrate on the effective administrative delivery of customs and other administrative programs without undue political pressures and interference

RECOMMENDATIONS

The Ministry of Finance, the Egyptian Customs Authority and the Ministry for Organizational Development should continue to explore the administrative and management advantages of developing an Egyptian Customs Agency within the broader framework of the Ministry of Finance.

Over the longer term, an agency administrative framework could:

Promote greater inter-ministerial border cooperation through streamlining border services and controls through a customs agency

Facilitate trade and national industrial development

Forge new cooperative ties with the private sector

Provide the foundation for a flexible, efficient and professional customs and border management team

Provide a cost effective alternative to the current situation

Provide a flexible organization to carry out customs and border control reforms

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