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WORLD CUSTOMS ORGANIZATION  
ORGANISATION MONDIALE DES DOUANES

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Tariff And Trade Affairs Directorate :  
Valuation Sub-Directorate

Tél (32 2) 209 92 12  
(32 2) 209 94 92

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**TITLE PAGE**

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to Sub-Saharan countries.

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Author's name :

Richardt Vork

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## WCO/USAID Valuation Technical Assistance Programme to Sub-Saharan countries

26 March, 2002

### Needs Analysis and Detailed Work Plan

#### Tanzania

##### I. Introduction

The first phase of the WCO/USAID Valuation Technical Assistance Programme to Sub-Saharan countries foresees a needs assessment mission to each of the five countries that have been selected as beneficiaries (Kenya, Lesotho, Nigeria, Senegal, and Tanzania). The Project Manager conducted the needs assessment mission to Tanzania from 21 to 23 January 2002, in Dar es Salaam. The Tanzania Customs and Excise authorities and the representatives of the Tanzania Chamber of Commerce, Industry and Agriculture appreciated the offer of technical assistance and confirmed their interest in the correct implementation of the WTO Agreement on Valuation.

The authorities described Tanzania's legislation, policies and procedures, including how they work with Pre-Shipment Inspection (PSI) companies in relation to Valuation and explained their needs for technical assistance. Tanzania Customs and Excise provided the Project Manager with a copy of their legislation and administrative instructions.

As a result of the needs assessment mission, the WCO has determined the needs of Tanzania in the areas of legislation, training of personnel and other infrastructure requirements for enhancing the efficiency of the application of the WTO Valuation Agreement. Based on this assessment, the WCO has established a detailed work plan.

##### II. Determination of the needs

###### Area 1 – Needs relating to legislation

1. There is a need for Tanzania to notify its legislation to the WTO.
2. There is a need for Tanzania to notify its reply to the WTO "Checklist of Issues".
3. There is a need to conduct a review of Tanzania's legislation and Departmental Instructions (the "book of guidance") concerning the implementation of the WTO Valuation Agreement<sup>1</sup>.
4. There is a need to adopt measures in order to address a common practice of under-declaration of value for goods imported into Zanzibar where the consignments are split and shipped to the mainland as shipments of a value below the Pre-Shipment Inspection threshold of US\$ 5,000.

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<sup>1</sup> Tanzania Customs and Excise has issued a book of guidance, which is a direct copy of that available to Customs officers in the U.K. This guidance is not totally compatible with the Tanzanian situation and needs to be localised.

## Area 2 - Training of personnel and the business community

1. The staff of Tanzania Customs and Excise, including the Customs officers working as Valuation specialists; needs Valuation training.
2. The Valuation instructors in the Customs School need a "Train-the-Trainers" course.
3. The staff of the Customs and Excise Service needs training concerning risk management, including risk analysis and documentary control.
4. The staff of the Customs and Excise Service needs training concerning post clearance audit.
5. The staff of the Post Clearance Audit Section needs to study how another country in the region has organized and implemented post clearance audit.
6. The business community needs information regarding rights and obligations under the WTO Valuation Agreement. Emphasis should be given to the necessary connection between facilitation and post clearance audit and to the prescription period for post clearance recovery that is foreseen in Tanzania's legislation.

## Area 3 - Other infrastructure requirements for enhancing the efficiency of the application of the WTO Valuation Agreement

1. Tanzania Customs and Excise needs to strengthen the Central Valuation Unit, in particular the newly established Post Clearance Audit Section. The strengthening needs to address the problems of understaffing, training of the officers attached to the Post Clearance Audit Section, and IT equipment.
2. Tanzania Customs and Excise needs to strengthen the penal regime with regard to Valuation fraud in order to increase the preventive effect.
3. Tanzania Customs and Excise needs to upgrade the ADP support for Customs Valuation control (current system is ASYCUDA version 2.7), and to increase the use of the data already collected via the automated clearance system.
4. Valuation officers need to have Internet access for price referencing for use as a risk management tool.
5. Tanzania Customs and Excise needs to place Valuation related documentation on Tanzania Revenue Authority's website for the information of the business community. The information could include the WCO "Brief Guide to the Customs Valuation Code" and the relevant legislation of Tanzania (notably Part IV of the Finance Act, 2000 that implemented the WTO Valuation Agreement).
6. The Customs and Excise authorities want to move away from Pre-Shipment Inspection. In order to be able to do so, Customs and Excise needs to develop systems and procedures that will enable the authorities to maintain levels of duty collection and Valuation controls, so as not to engender a free for all on low values. This will require clear policy development in trade issues and the involvement of the other government agencies in regard to the treatment of certain goods, i.e., software and goods imported through Zanzibar.
7. The Customs School needs WCO Valuation manuals and audiovisual/IT equipment in order to enhance the efficiency of the training.

### **III. Actions proposed in order to address the needs**

#### Area 1 – Needs relating to legislation

The actions concerning Area 1, Points 1 and 2, are for Tanzania to take. The WCO remains ready to assist, on request, with drafting proposals.

The action concerning Area 1, Point 3, (review of Tanzania's Customs and Excise legislation and Departmental Instructions) will be carried out by the WTO once Tanzania has notified its legislation and its reply to the "Checklist of Issues" to the WTO. The WCO suggests waiting for that review to be conducted in order to avoid duplication of effort. The WCO remains ready to assist Tanzania, on request, with drafting proposals.

The actions concerning Area 1, Point 4, are for Tanzania to take. The WCO remains ready to assist, on request, with drafting proposals.

#### Area 2 - Training of personnel and the business community

The WCO proposes that the WCO/USAID technical assistance programme to sub-Saharan countries should fund the following actions that will address the needs mentioned under Area 2 :

- Training of Customs officers in the areas of :
  - Valuation Agreement.
  - Train-the-Trainers. The participants should include instructors in the Customs School and at least two Customs officers from each of the regional Customs and Excise offices, including Customs officers working in Zanzibar. The Customs officers from the regional offices should be tasked with explaining the Valuation Agreement to their colleagues and to representatives of the private sector.
  - Risk management.
  - Post clearance audit.
- Valuation seminar for the business community.

The WCO and the USAID will examine the principle of funding of study visits. The WCO proposes to note that Tanzania has suggested a study visit to another country in the region in order to study how that country has organized and implemented post clearance audit. If the principle of such study visits is accepted, the WCO suggests evaluating the need for the visit when the training actions and the expert mission concerning post clearance audit have been conducted.

#### Area 3 - Other infrastructure requirements for implementation of the WTO Valuation Agreement

With regard to Area 3, Point 1, the WCO proposes the following actions that will be funded by the WCO/USAID programme :

- Expert mission in order to carry out an organizational review.
- Expert mission concerning the organization and operation of a Post Clearance Audit Section.

The WCO and USAID will examine the principle of WCO/USAID programme funding of a limited amount of equipment necessary to ensure the viability of the Central Valuation Unit, in particular the Post Clearance Audit Section. If the decision is positive, the detailed needs should be determined during the expert mission.

With regard to Area 3, Point 2, the WCO proposes that Tanzania Customs and Excise examine the current level of administrative fines and whether to seek criminal prosecution more frequently in clear and serious cases of Valuation fraud.

With regard to Area 3, Point 3, the WCO proposes that Tanzania Customs and Excise proceed with the envisaged upgrade to ASYCUDA++ for the automated clearance system.

With regard to Area 3, Point 4, the WCO proposes that Tanzania Customs and Excise supplies Internet access to the Valuation officers.

With regard to Area 3, Point 5, the actions are for Tanzania to take.

With regard to Area 3, Point 6, the WCO proposes the following action that will be funded by the WCO/USAID programme :

- Expert mission to assist Tanzania Customs and Excise with the development of systems and procedures. The mission should be dependent upon Tanzania confirming the wish to move away from Pre-Shipment Inspection.

With regard to Area 3, Point 7, the WCO and the USAID will examine the principle of WCO/USAID programme funding of a limited quantity of WCO documentation and of audio-visual/IT equipment for the Customs School. If the decision is positive, the Project Manager should analyse the needs during a visit to the Customs School.

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## Detailed Work Plan

### TANZANIA

Date	Action
By 26.3.2002	Transmission to Tanzania, for agreement and comments, of the needs analysis and the detailed work plan.
By 13.4.2002	Expected date for receipt from Tanzania of agreement or comments to the needs analysis and the detailed work plan.
By 15.4.2002	Transmission to USAID and to USTR, for agreement and comments, of the needs analysis and the detailed work plan concerning Tanzania.
By 19.4.2002	Determination of : <ul style="list-style-type: none"> <li>• Names of experts to deliver the training actions and conduct the expert missions</li> <li>• Venues for the training actions</li> <li>• Expected number of participants in the training events.</li> </ul>
By 3.5.2002	Expected date for receipt from USAID and USTR of agreement or comments to the needs analysis and the detailed work plan.
By 15.6.2002	Finalization of training material (slides and handouts) for the Valuation Workshop and business community seminar. Printing and shipping thereof.
• July 2002	Expert mission in order to carry out an organizational review.
• July 2002	Expert mission concerning the organization and operation of a Post Clearance Audit Section.
22.7.-1.8.2002	Valuation workshop for Customs officials, 25 participants.
2.8.2002	Valuation seminar for the business community, 40 participants.
By 15.8.2002	Finalization of training material (slides and handouts) for the Train-the-Trainers Workshop. Printing and shipping thereof.
23.-27.09.2002	Train-the-Trainers Workshop, 30 participants.
By 31.10.2002	Finalization of training material (slides and handouts) for the workshop on risk management. Printing and shipping thereof.
November 2002	Expert mission in order to assist with development of systems and procedures aiming at moving away from Pre-Shipment Inspection and toward inspection at destination ( <i>The mission is dependent upon Tanzania confirming the wish to move away from Pre-Shipment Inspection.</i> )
16. -20.12.2002	Workshop on risk management, 20 participants.
By 15.12.2002	Finalization of training material (slides and handouts) for the workshop on post clearance audit. Printing and shipping thereof.
24.-28.2.2003	Workshop on post clearance audit.
By 10.5.2003	Finalization of training material (slides and handouts) for the Valuation Workshop for Middle and Senior Managers. Printing and shipping thereof.
16. -20.6.2003	Valuation Workshop for Middle and Senior Managers, 25 participants.
Until June 2003	Monitoring and evaluation of programme.
By 31.08.2003	Project Manager prepares draft Final Programme Report.

Pro Memoria : Decisions to be taken concerning the principle of WCO/USAID programme funding :

- Study visit to another country in the region in order to study how it has organized and implemented post clearance audit.
  - Supply of equipment necessary to ensure the viability of the Central Valuation Unit, in particular the Post Clearance Audit Section.
  - Supply of WCO documentation for the Customs School.
  - Supply of audio-visual/IT equipment for the Customs School.
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