



# Integrity in the Interface between the private and the public sectors in the Arab countries

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- « To enhance the effectiveness and efficiency of Customs administrations » by improving their ability to :
- Collect fiscal revenue
- > Facilitate trade
- Apply trade regulations
- > Protect society

International Conventions and standards
Capacity Building
Integrity = pillar of Customs Reform

# Development CORRUPTION IN CUSTOMS

- Corruption is an obstacle to reforms
  - ✓ The positive impact of investments in technology and human resources can be reduced by corruption
  - ✓ Reforms are thought of in offices, but not always fully implemented on the ground
  - ✓ Gap between the reality in the field and what the Director General thinks is happening
  - √ Customs is part of a system changes will take time



### **CORRUPTION IN CUSTOMS**

# Customs is exposed to corruption in a particular way

- ☐ Direct contacts with goods, people and money
- ☐ Important decisions on duty/tax or admissibility of imports/exports
- ☐ Customs personnel often work in remote border stations
- ☐ Clearance of many good is time sensitive
- ☐ Expectations of social networks



# Negative consequences of corruption in Customs

- Revenue leakage
- Reduction in public trust and confidence
- Reduction in compliance
- Reduction in community protection and national security
- Barriers to international trade and economic development
- Increased costs borne by the community



### WCO APPROACH TO INTEGRITY

- > Focuses on Customs
- > Partnerships
- Tailor-made/long-term solutions
- ➤ Integrity is part of an overall Customs modernization process
- > Research



# WCO Integrity Tools and Instruments

- Revised Arusha Declaration
- Integrity Development Guide
- Model Code of Ethics and Conduct
- Integrity Newsletter
- Integrity Sub-Committee



### WCO Revised Arusha Declaration

- 1. Leadership and Commitment
- 2. Regulatory Framework
- 3. Transparency
- 4. Automation
- 5. Reform and Modernization
- 6. Audit and Investigation
- 7. Code of Conduct

- 8. Human Resource Management
  - Remuneration and conditions of service
  - Recruitment, promotion
  - Rotation, relocation and deployment
  - Training and professional development
  - Performance appraisal/management
- 9. Morale and Organizational Culture
- 10. Relationship with the Private Sector



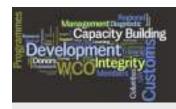
# **Integrity Development Guide**

#### TRANSPARENCY

• What are the procedures in place for informing clients of their rights when dealing with the administration and how are these procedures communicated?

#### RELATIONSHIP WITH THE PRIVATE SECTOR

- Have appropriate consultative mechanisms been established to facilitate communication and co-operation between Customs/the administration and client groups?
- Have formal co-operative arrangements been established with industry bodies incorporating aspects such as the knowledge of Customs' procedures, information exchange and two-way training?



# WCO Integrity strategy

# Awareness raising

- > International/regional/national events
- > Integrity self-assessment workshops
- ➤ Integrity Sub-Committee (meets once a year)
- ➤ Integrity Newsletter



# **WCO Integrity strategy**

# Empirical approach and performance measurement

- Not relying on subjective data but on quantifiable information
- Detect bad practices which can be connected to, or support corruption and impact on the Institution's objectives (revenue collection, security, enforcement
- Using data extracted from Customs clearance systems, measurement, and performance contracts between Customs leaders and frontline officers.
- ➤ Indicators to measure the economic activity from a Customs point of view, the time taken by Customs officials and brokers to process files, the effectiveness of controls and of "so called" sensitive procedures and compliance with the Customs channels



# Integrity Pilot project: Uruguay Partnership with the private sector

- Comprehensive Customs reform
- Stakeholder's perception survey revealed a negative image of Customs
- ➤ 10 MOUs on Ethics and Transparency with Customs partners (Customs brokers, Free zones, exporters, express carriers, International road transport associations, etc.)
- Signed by the Director General of Customs and the heads of the associations
- > Regular meetings between Customs and the associations
- Results: legal action taken improved dialogue w/the private sector – increased transparency



### **Projects in the MENA region**

- Morocco- Integrity pilot project (Monitoring center) risk mapping
- Egypt Integrity self-assessment
- Algiers Research conference on performance measurement
- ➤ Tunisia Integrity self-assessment



### CONCLUSION

- No one size fits all
- Customs is part of a system
- Some change is possible with the right ingredients and the implementation of realistic measures
- Integrity should be a pillar of any Customs reform



### THANK YOU FOR YOUR ATTENTION!

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