

Concepts related to corruption

- Corruption has been in the centre of many studies (anthropologists, sociologists, economists, international institutions) =>
- Institutional responses : i.e. creation/suppression of specialized units and focus on procedures === little attention to the civil servant
- ➔ microeconomic approach => better knowledge of practices of civil servants/users
- Corruption must not be seen as a standalone problem but as the focal point of Customs reforms
- From the outset, corruption should be envisaged as a crime that is punishable by the law, and not as a fault that is a matter of morality

Negative consequences of corruption in Customs

- Revenue leakage
- Obstacle to development and economic growth
- Reduction in public trust/confidence in government institutions
- Reduction in compliance
- Reduction in community protection and national security
- Increased costs ultimately borne by the community
- Low staff morale and team spirit
- Inability to meet targets

Tackling corruption is not easy

- Corruption is a hidden phenomenon – lack of evidence => lack of appropriate sanctions
- Corruption in Customs is specific - so must be the ways to tackle it (technical and practical solutions)
- Asymmetry of information between frontline officers and office staff/superiors
- Customs is part of a system – changes will take time

WCO APPROACH

- The focus is on Customs
- Awareness raising – Empirical approach
- Measurement/Quantification
- Tailor-made/long-term solutions
- Research
- Integrity as part of an overall Customs modernization process

WCO Integrity Tools

- Revised Arusha Declaration
- Integrity Development Guide (2014)
- Model Code of Ethics and Conduct (2012)
- Integrity Newsletters (11 issues)
- Guide to Prevent Procurement Corruption in Customs (2015)
- Guide to Corruption Risk Mapping (2015)
- Integrity Sub-Committee (once a year)

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

Key points to keep in mind

- ✓ Important to take the local context into account—regions have commonalities but realities are very different
- ✓ Expertise needs to provide a neutral analysis and must not be prescriptive
- ✓ Reduce asymmetry of information
- ✓ Reform can be done through a more dynamic approach with integrity as the focal point (performance measurement)
- ✓ Integrity is part of organizational development

Key points to keep in mind

- ✓ Not just one solution, but a combination of measures that need to be evaluated regularly
- ✓ Partnerships (use data to start a dialogue – integrity pacts or MOUs)
- ✓ Prioritizing efforts to maximize impact
- ✓ Do not neglect HR (recruitment, training, incentives, career path)
- ✓ Do not place the focus on just acquiring hardware
- ✓ Adapted solutions

Performance measurement

- Performance measurement in this context means that Customs regularly analyses data extracted from automated Customs clearance systems to describe and understand the activities and practices of a specific entity (frontline officers, importers, etc) in connection with Customs procedures
- Tested in Cameroon, Togo, Liberia, DRC
- Useful in a context where reforms are often difficult due to inefficient procedures, corruption, information asymmetry
- Improvement of Customs controls at the border by measuring performance through performance contracts between Senior Management and frontline officers
- Identify loopholes in Customs procedures and practices that could lead to corruption
- Enables to correct the situation in order to reach revenue objectives and facilitate border crossing.

Performance measurement

Results:

- Increased revenue collection, time release improved, identification and reduction of bad practices from frontline officers.
- Sanctions (lack of efficiency)
- Incentives (preferably non financial)
- Autonomy and accountability

Partnership with the private sector



- Asociación de Despachantes de Aduana del Uruguay (ADAU)
- Asociación de Agentes de Carga (AUDACA)
- Asociación Uruguaya de Empresas de Servicios Expresos (AUDESE)
- Cámara Uruguaya de Logística (CALOG)
- Cámara de Autotransporte terrestre internacional del Uruguay (CATIDU)
- Cámara de Zona Franca del Uruguay (CZFU)
- Unión de Exportadores, Centro de Navegación (CENNAVE)
- Cámara de Comercio
- Cámara de Free shops
- Exportadores de arroz

Uruguay

Partnership with the private sector

- Comprehensive Customs reform
- Stakeholder's perception survey revealed a negative image of Customs
- 11 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

CONCLUSION

- Only combination of solutions may give results
- Realistic measures fitted to the local context have more chances of succeeding
- Quantifying and measuring can make a difference
- The success of anti-corruption campaigns depends on the reform of domestic institutions in corrupt countries
- Integrity should be a pillar of any Customs reform
- When putting in place anti-corruption strategies always ask : how can its success be evaluated?

THANK YOU FOR YOUR ATTENTION!

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