What is the WCO doing about corruption in Customs?

Brenda Mundia
WCO Capacity Building Deputy Director
Corruption in the Customs Environment

Customs as a Target

- Direct contacts with goods, people and money
- Important decisions on duty/tax or admissibility of imports/exports
- Personnel often work in remote border stations
- Clearance of goods is time sensitive
- Social expectations

Consequences

- 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 ultimately borne by the community
## Integrity Cause and Effect on Customs’ Mandates

<table>
<thead>
<tr>
<th>Integrity as a Cause</th>
<th>Integrity as an Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ Addressing revenue leakage from corruption</td>
<td>✓ Increased revenues increases resource capacity to address corruption.</td>
</tr>
<tr>
<td>✓ Reduces corruption as a non-tariff barrier to trade and economic development</td>
<td>✓ Increases in efficiency reduces the need for facilitation payments</td>
</tr>
<tr>
<td>✓ Improves effectiveness of enforcement and security operations</td>
<td>✓ Increased internal and external controls reduces space for corruption</td>
</tr>
</tbody>
</table>

**Revenue Collection**
- ✓ Addressing revenue leakage from corruption
- ✓ Reduces corruption as a non-tariff barrier to trade and economic development
- ✓ Improves effectiveness of enforcement and security operations

**Trade Facilitation**
- ✓ Addressing revenue leakage from corruption
- ✓ Reduces corruption as a non-tariff barrier to trade and economic development
- ✓ Improves effectiveness of enforcement and security operations

**Enforcement and Security**
- ✓ Addressing revenue leakage from corruption
- ✓ Reduces corruption as a non-tariff barrier to trade and economic development
- ✓ Improves effectiveness of enforcement and security operations
WCO’s core strategic policy document, *Customs in the 21st Century* emphasizes the...

“...fight against corruption, the safeguarding of integrity and the enhancement of good governance measures.”

WCO’s 2019-2022 Strategic Priorities and Emerging Initiatives include...

“*Integrity: Enhance the integrity and professionalism of Customs officers in cooperation with external stakeholders.*”
Revised Arusha Declaration

The WCO's Revised Arusha Declaration concerning Good Governance and Integrity in Customs (2003) is the WCO’s focal instrument to prevent corruption and increase the level of integrity in Customs.

The Declaration contains ten key factors for an effective national Customs integrity programme.
Key Factors of the Revised Arusha Declaration

- Regulatory Framework
- Transparency
- Human Resource Management
- Reform & Modernisation
- Leadership & Commitment
- Audit & Investigation
- Code of Conduct
- Automation
- Morale & Organisational Culture
- Relationship with the Private Sector
- Code of Conduct

www.wcoomd.org
Integrity Sub-Committee

Focal point for the design, development, implementation and evaluation of the WCO Integrity Action Plan and Integrity-related tools

Advises on WCO strategies and priorities necessary to promote the importance of Integrity and ensure the effective implementation of the RAD

Forum for exchange of views & best practices, coordination with the private sector and other International Organizations
Other related WCO committees and working bodies

- WCO Capacity Building Committee (CBC)
- WCO Information Management Sub-Committee (IMSC)
- WCO Performance Measurement Working Group (PMWG)
- WCO Gender and Diversity Programme
WCO Integrity Instruments & Tools


Tools and Guidelines

- Compilation of Integrity Practices on Internal Control and Relationship with External Controls
- Integrity Development Guide [es - 2014] [ar] [pt] [ru]
- Compilation of Integrity Practices from WCO Members
- Guide to Corruption Risk Mapping [ar] [pt]
- Guide to Prevent Procurement Corruption in Customs [ar] [pt]
- Model Code of Ethics and Conduct [ar] [es] [pt] [ru]
- Why and How of Performance Measurement Contracts [ar] [pt]
- Transparency and Predictability Guidelines [ar] [es] [pt]
WCO Assistance

The WCO’s model for technical assistance and capacity building aims to add value by drawing from the WCO’s strongest competencies:

A forum for peer-to-peer information sharing and collaboration, best practice, and access to expertise from serving customs and revenue administration officials.

- Access to experiences and expertise as needed drawn from the WCO Membership (a) remotely or (b) via in-country support.
- Training in use of WCO tools and instruments.
- Monitoring and evaluation of progress and performance.
WCO Annual Needs Assessment

- Based on an established WCO template for identifying needs for capacity building support
- Collected by WCO’s six regions
  - WCO Regional Offices for Capacity Building (ROCB) and
  - Regional Development Managers (RDMs) in the WCO Secretariat
WCO Multi-Annual Projects and Programmes

- By letter of official request
- Donor dependent

Addressing corruption directly:

Addresses directly:

- Supports Members implement the **WCO Revised Arusha Declaration**

Addresses indirectly:

- Supports Members implement the **WTO Trade Facilitation Agreement (TFA)**
  
  *Transparency & Predictability*
Thank you

Brenda Mundia
WCO Deputy Director General