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Dear Readers,

The Revised Arusha Declaration on Good Governance and Integrity in Customs that was concluded in 2003 rightly acknowledges that ‘integrity is a critical issue for all nations and for all Customs administrations and that the presence of corruption can severely limit Customs capacity to effectively accomplish its mission’. The Declaration further adds that ‘corruption can be combated effectively only as part of a comprehensive national effort.’

To this effect, WCO Members have since clearly understood that integrity is a key element of Customs reform and modernization. For that reason the WCO has been called to provide assistance to administrations that want to assess their level of integrity and the measures that they have implemented in order to enhance integrity and fight corruption rather than stand-alone integrity events.

This 12th Edition of the Integrity Newsletter gives an overview of the WCO integrity missions carried out since June 2015 and introduces a Strategic Paper that was prepared by the WCO for the G20 Anti-Corruption Working Group. This Newsletter also demonstrates how Customs administrations in fragile states such as Afghanistan can be proactive in establishing mechanisms to fight corruption. Bolivia Customs also shared what it has done in the area of integrity promotion, in particular with regard to their public accountability campaign.

The WCO Capacity Building Directorate is preparing for the 15th Session of the Integrity Sub-Committee that will take place on 13-15 April 2015. This year, the Capacity Building and Integrity Sub-Committee will share a common session on the topic of Human Resource Management. On day one, the ISC will take stock of the recent developments and address some topic issues, yet to be defined. Day two of the ISC will be jointly prepared with the WCO Research Unit and will address the issue of quantification at the border and its impact on governance.

Members are encouraged to continue sharing their best practices via this Integrity Newsletter so that other Customs administrations may learn from them and feel encouraged to implement similar measures.

You are reminded that the articles published in the Integrity Newsletter are provided by WCO Members and therefore reflect their own views.

Enjoy reading this new edition of the Integrity Newsletter!

The WCO Capacity Building Directorate
Dear Colleagues,

We are all aware of the seminal importance of integrity and the fight against corruption, not only in our Customs and revenue authorities but also in an overall societal sense. I know I am preaching to the converted when mentioning this fact to this context. However, it is always worth remembering that integrity is a very important cross-cutting issue which is integral to all our work and must always be borne in mind. We cannot just think of it on important occasions and consider that we have done our duty by conducting a study or implementing a project. All our projects must, in one way or another, be integrity projects!

We are also constantly reminded of the importance of predictability and transparency as key ingredients of any integrity regime. All the current and ongoing work based on and related to the WTO Agreement on Trade Facilitation comprises, as should be the case, a large integrity component. In your capacity as WCO Members, I am sure you share my view that there can be no real trade facilitation without transparency, predictability and, accordingly, integrity.

This latest issue of the *WCO Integrity Newsletter* is full of topical and interesting material, including articles from Afghanistan and Bolivia, information on the WCO Strategic Document for the G20 Anti-Corruption Working Group and updates on Customs integrity projects around the world. Through the forum offered by the *Integrity Newsletter*, we are able to stay in touch with one another and share our best practices and victories. However, a discussion on and awareness of our defeats is equally important, as looking critically at what has gone wrong is the first step towards ameliorating the situation and creating the atmosphere and *esprit de corps* for which we aim. I therefore urge you to stay tuned and give some thought to initiatives and projects in your own countries and administrations that you would like to share with the membership.

Sigfríður Gunnlaugsdóttir
Iceland Customs
WCO Integrity Sub-Committee Chairperson
AFGHANISTAN

ACTIVITIES UNDERTAKEN BY THE AFGHAN CUSTOMS DEPARTMENT TO PROMOTE INTEGRITY

The Afghan Customs Department (ACD) is uniquely placed to contribute to the government's efforts to ensure fiscal sustainability and reduce international aid dependence. Accordingly, the ACD has adopted the following policies and procedures which are directly or indirectly linked to integrity aimed at fighting corruption.

Implementation of a Risk Management Module
An important step that should help Afghanistan align with international best practices is the adoption of a risk management-based approach to the examination of cargo and travelers. ACD has already implemented a risk management module within the ASYCUDA* system at Hamid Karzai International Airport and other key Customs stations. Risk profiles are defined and coded into the system.

Information and Intelligence Strategy
ACD recognizes the importance of moving towards intelligence-driven interventions. The accurate and timely identification and assessment of high-risk areas and cargo will allow the Department to deploy its limited resources to address those threats and enhance compliance by improving its enforcement activities. The Central Intelligence Unit (CIU) will be strengthened. This Unit will be responsible for providing archival and current information, in a timely manner, on the background, intentions, capabilities and limitations of persons or organizations intending to infringe laws and regulations. This Unit will also act as the Single Point of Contact for the sharing of intelligence with domestic and international agencies.

Performance results sent automatically via SMS alerts
It is now possible to receive up-to-date revenue collection information automatically from all 14 Customs sites and to store it in the main ACD server. This enables the Director General and Directors to monitor the daily performance of each branch in terms of revenue collection. In addition, a document has been developed to send revenue data in the form of an SMS alert to senior management, which is then in a better position to monitor Customs operations.

Implementation of an Exemption Module
In the past, ACD’s Exemption Section was not computerized, with everything being processed manually and no standardized reporting to control the Exemption Certificates issued. Through the ASYCUDA system, Exemption Certificates are checked against declarations. This system checks the consignee and consignor against declarations and Exemption Certificates and provides accurate reports for statistical purposes. This system is currently in the pilot phase and is only being applied to fuel, although work is underway to extend it to Surface Deployment and Distribution Command (SDDC) goods.

*ASYCUDA: Automated System for Customs Data
SNAPSHOT OF MEMBERS’ BEST PRACTICES

Merit- and skills-based competitive selection procedure
Another very important measure taken by ACD is the hiring or appointment of officials following a skills-based competitive selection procedure, as the development of competent and well trained professional officers is considered essential. This should lead to Customs officers being more interchangeable and prepared to carry out different tasks.

Border Management Model
In 2011, the Ministry of Finance and the Afghanistan Chamber of Commerce and Industry (ACCI) presented a joint proposal on a Border Management Model to the President of the Islamic Republic of Afghanistan, for approval. Following approval, a series of meetings was held between the Ministry of Finance, represented by ACD, and the Ministry of Interior Affairs, represented by the Afghan Border Police. This culminated in the signing of a Memorandum of Understanding on the Border Management Model by the Minister of Finance and the Minister of Interior Affairs.

Development of Transparency, Integrity and Anti-Corruption Strategies
Recognizing the importance of combating corruption in order to provide good governance and accountability, ACD will introduce a clear and comprehensive Customs Integrity Programme (CIP) with a view to reducing the effects of corruption and rent seeking. The measures identified should lead to a more efficient and respected organization.

Electronic payment mechanisms
To enhance trade facilitation, ACD is committed to providing brokers, importers and traders with an electronic payment facility for duties and taxes. This facility will be known as ePay and will provide trade with an option to pay outstanding amounts electronically, either through their commercial bank account or by means of a cash payment over the counter (this latter option will be phased out over time). The ePay facility will be available at all commercial banks operating within Afghanistan.

Implementing the Code of Conduct
ACD will initiate discussions with the Independent Administrative Reform and Civil Service Commission (IARCSC) to have the Code of Conduct, formulated by the Department, accepted as an article in the CSC Regulations for disciplinary purposes. All Customs personnel will be required to sign a copy of the Code of Conduct to demonstrate that they have read, understood and accepted the contents of the Code as governing their behaviour as Customs officers. Any breaches of the Code will attract disciplinary action. To that effect, ACD will establish a Disciplinary Committee/Tribunal for Customs linked to and falling within the IARCSC regime.

Afghan National Customs Academy
ACD will continue to harness the capabilities of the Afghan National Customs Academy (ANCA) in order to maximize the capacities and professional skills of its personnel. ANCA will ensure the development of technical skills to meet both individual career and organizational needs and to build an external skills pipeline. This will require ANCA to establish and maintain a Curriculum Development Programme. ANCA will deliver and coordinate all the basic and advanced training programmes for Customs personnel. It will also organize refresher courses on subjects such as Customs valuation, classification, rules of origin, and commercial fraud detection and investigation for the benefit of the field staff working in these areas.
Development of procedures
New Customs procedures will be introduced to reduce discretionary powers and make better use of automation, joint inspections and other technological controls. This will involve greater use of the automated Customs clearance system to increase the effectiveness of Customs controls and limit corruption, and should pave the way towards Afghanistan’s accession to the Revised Kyoto Convention (RKC).

BOLIVIA

NATIONAL CUSTOMS AUTHORITY TEAMS UP WITH PRIVATE OPERATORS TO COMBAT CORRUPTION IN THE FOREIGN TRADE SUPPLY CHAIN

Background

Bolivia’s National Council against Corruption, Illicit Enrichment and Money-Laundering was founded on 26 April 2006 to prevent, prosecute and punish corruption by raising ethical awareness among public officials. Its ultimate aim is to ensure that public bodies and institutions are free of dishonesty and impunity.

Against this general legal background of anti-corruption policy, the Bolivian National Customs Authority, the ANB, created an Anti-Corruption Unit in 2006. The primary focus of this unit, which reports to the Commissioner of Customs was to provide evidence to support the opening of internal administrative proceedings, to adjudicate in criminal proceedings, which had to be initiated by the National Anti-Corruption Board, and to monitor cases processed by the unit until they were closed.

The need to combat corruption was formalized with the adoption of Supreme Decree No. 0214 of 22 July 2009, the “National Transparency and Anti-Corruption Policy”, the purpose of which is to provide instruments to prevent, investigate and punish acts of corruption while ensuring transparency and access to information.

This national transparency and anti-corruption policy establishes four pillars of preventive action and anti-corruption measures. The pillars are: (1) Strengthening citizen participation; (2) Strengthening transparency in public Management and the right of Access to information;(3) Measures to eradicate corruption;(4) Institutional building and coordination mechanisms.

Under this legislative umbrella covering the two fundamental elements – the prevention and punishment of corruption – the National Customs Authority approved the change in the name of the “Anti-Corruption Unit” to the “TRANSPARENCY AND ANTI-CORRUPTION UNIT".
Responsibility to society: Public accountability

The purpose of these measures is to ensure transparency in public management by providing civil society with information on all economic, financial, political, planning and other matters concerning the institution’s public management.

The key characteristic of public accountability is that people can examine the institutional information provided to ensure that the use of public resources is monitored and that results which enhance public management and which can be used to formulate recommendations are prioritized.

Public accountability allows the bodies of the National Customs Authority to publicize their achievements and difficulties as their management develops, and to gather public feedback.

The issues on which accountability focuses are: (1) Information on progress made in managing and achieving the strategic objectives of the Annual Operational Plan as well as information on public services, publicizing how the institution resolves provision of service issues on a day-to-day basis; (2) Management of financial resources in seeking to balance the institution’s real income and expenditure; (3) Publication of the legislation, powers and legal functions assigned to the National Customs Authority.

People are encouraged to attend these events by means of nationwide public invitations in the press to ensure that all social sectors and stakeholders are included and take part.

IT system for allegations, complaints and/or information requests (SIDQ)

As part of the firm commitment to adopt measures to reduce corruption and strengthen communication between service users and the National Customs Authority, the SIDQ – an IT system for filing and monitoring allegations, complaints and information requests – was put in place so that the general public can carry out these actions online.
The principal objective of the system is to allow users of a National Customs Authority service to inform the Transparency and Anti-Corruption Unit of an unjustified delay in processing, requests for money, gifts or donations to facilitate a procedure or discourteous treatment by a Customs official, or simply to request information on National Customs Authority services.

(Translation: Solicitud de informacion/Information request; Denuncia/Denunciation; Queja/Complaint)

Use of the SIDQ is not exclusive to users of National Customs Authority services but is also a way to control the processing of and ensure a rapid response to allegations, complaints and information requests.

ANB contact: online app for allegations, complaints and/or information requests
The National Customs Authority has developed and implemented a mobile app for recording and tracking allegations, complaints and/or information requests from touch-screen mobile devices such as smart phones or tablets. This technological innovation is available only for Android devices from the respective web browser in Google Play Store.

This technological application breaks down barriers to communication that may arise when an allegation, complaint and/or information request is made to the National Customs Authority and allows the Transparency and Anti-Corruption Unit to be informed of alleged irregular acts detrimental to the common good.

Processing and tracking are ensured through the same IT system, since once an allegation, complaint or information request has been registered, it is allocated an incident number by the system. This can also be done via a toll-free number.

**Transparent access to information mechanisms**

The CLICK Customs public consultation system provides information on pending Single Import Documents (SIDs). These can be accessed online from any Internet-enabled device or mobile phone from the National Customs Authority’s website, www.aduana.gob.bo, in the CLICK application section.

Translation: Check your SID here; the status of your DELIVERY NOTE for deposited goods and correct your procedure swiftly!

**Fighting corruption head-on: arrests on duty**

The National Customs Authority has been the complainant in all proceedings concerning corruption offences identified within the institution and has worked in co-ordination with the Public Prosecution Service and the National Police Force to detain Customs officials who commit offences while on duty.

An Inter institutional Agreement has also been signed between the National Customs Authority and the Attorney General’s Office with a view to prioritizing investigations in criminal proceedings concerning Customs violations and corruption and protecting whistleblowers and witnesses.

The Transparency and Anti-Corruption Unit has notified all national Customs officers that the same rigour will be applied in other possible corruption cases which are not only detrimental to those involved but also damage the institutional image and affect the interests of the State in particular.

**Alliance between the Attorney General’s Office and the National Customs Authority**

On 27 August 2014, an Inter institutional Agreement was signed between the National Customs Authority and the Public Prosecution Service.
This Agreement forged an alliance to combat corruption and Customs offences by setting up commissions that will establish the guidelines to be applied in direct action against corruption on duty, Customs offences, the guidelines to be followed when staff are arrested while committing an offence and whistle blower and witness protection.

**Anti-corruption Letter of Understanding: ongoing battle on two fronts**

In 2014, the National Customs Authority worked directly with service users in workshops where various private-sector organizations were made aware of the need for co-operation in preventing, investigating and penalizing corruption.

On 17 December 2014, an Anti-Corruption Letter of Understanding was signed between the National Customs Authority and different stakeholders in the foreign trade supply chain, together with a number of private-sector bodies. In order to implement and ensure the effectiveness of the objectives set out in the anti-corruption Letter of Understanding, the National Customs Authority has signed individual Letters with each sector which signed the generic Letter, leading in the early months of 2015 to several one-to-one meetings with each signatory in the cities of La Paz, Oruro, Cochabamba and Santa Cruz, where the private sector’s interest in and full backing for this joint anti-corruption work was evident.

**World Customs Organization (WCO) support in Transparency Unit activities and projects**

Since 2014, the Transparency and Anti-Corruption Unit have been working on a project entitled “Reinforcing the National Customs Authority Transparency and Anti-Corruption Unit”. The aim is to work in co-operation with WCO integrity experts to exchange experience in preventing and combating corruption so as to consolidate short and long-term strategies in this area, in co-ordination with users external to the National Customs Authority and international bodies.

This year, a WCO mission met the institution’s authorities and other relevant stakeholders. Capacity-building workshops have also been organized in La Paz and Santa Cruz with a focus on integrity and the prevention and combating of corruption.
This work is intended to strengthen the application of ethical principles among Customs officers, foreign trade operators and ancillary Customs staff and to lower indices of corruption by discouraging the development of corrupt practices within and outside the National Customs Authority.

WCO STRATEGIC DOCUMENT FOR THE G20 ACWG

At the Toronto Summit in 2010, G20 Leaders established the Anti-Corruption Working Group (ACWG) in recognition of the negative impact that corruption has on economic growth, international trade and development. The ACWG has diligently worked to partner with international organizations to ensure a coordinated approach to combat corruption. As part of its practical actions for 2015-2016, G20 countries have identified a number of high priorities in the fight against corruption, including a focus on high-risk sectors, such as border management agencies.

At the WCO’s 14th Integrity Sub-Committee (ISC) session held in February 2015, Mexico Customs presented the G20 anti-corruption initiative. The ISC noted the information and update provided by Mexico on the G20’s Anti-Corruption Implementation Plan for 2015-2016. The G20 recognizes that governments cannot fight corruption on their own as their members need to work closely with G20 engagement groups and international organizations such as the WCO in order to implement commitments. As a result, the WCO prepared a Strategic Paper for submission to the G20 ACWG.

This Strategic Document aims to highlight the political, policy, and business dynamics related to corruption in Customs and discuss general approaches for mitigation.

The Document discusses why corruption in Customs is specific and poses a serious problem, provides background on WCO anti-corruption tools and instruments (presented in an Annex) and examines the challenges in formulating anti-corruption Customs policies and programmes.

In a nutshell, the effects of Customs corruption can be felt at various levels. Because Customs is responsible for regulating cross-border trade, a poorly functioning Customs administration can negatively impact the potential benefits of policy decisions on trade, development, infrastructure and social protection. Corruption partially emanates from an asymmetry of information between high-level Customs officials who design and monitor reforms and the Customs officers in charge of applying the reforms at the border, thus making reforms difficult to implement and evaluate.
Customs corruption is also specific in the way it should be dealt with. Indeed, the money collected by administrations, the direct contact with wealth and the high level of financial stakes associated with Customs matters impact anti-corruption strategies. In addition, from an international perspective, corruption in Customs not only affects the country itself but also its trading partners by creating unfair competition and generating unpredictability. Consequently, anti-corruption strategies cannot be dealt with only at the national level; international pressure is thus a vital component of corruption mitigation.

The success of anti-corruption approaches relies on the capacity of Customs administrations to reduce the asymmetry of information between the government, Customs leaders, frontline officers, and traders. Data from the IT Customs clearance systems and information from the field should be shared among all parties concerned. The organization of forums with the private sector can also constitute a fruitful opportunity to discuss bad practices that damage competition among private actors. Improving the standards of automation of Customs procedures is essential. Such automated procedures support the goal of equal treatment of all economic actors and makes it possible to store historical information on each operation, to be used for investigating and prosecuting non-compliance as well as corruption.

The Document looks at a series of anti-corruption strategies and indicates that strategies purely based on individual choice (i.e. those relying solely on financial incentives) will not succeed and that anti-corruption strategies that only reduce individual choice and increase collective control will not succeed either. It contends that the use of quantification to evaluate the individual practices of Customs officials empowers Customs leaders to combat the secrecy attached to corruption, punish corrupt officers, make sanctions accepted by their staff, and progressively raise the level of integrity.

The Document concludes that when corruption is rampant in society, it cannot be eradicated in Customs alone, so Customs leaders are obliged to adopt a pragmatic approach: containing and reducing corruption by focusing its effects on the achievement of the institutional objectives rather than focusing on the pure legal perspective. Finally, each country must consider local conditions to reduce Customs corruption.
BOLIVIA

The WCO sent a mission to La Paz from 21-28 June 2015 which was composed of a Customs officer from Uruguay Customs and a member of the WCO Secretariat. The purpose of the mission was to carry out an integrity diagnostic and a workshop for senior officers. The mission proposed a series of priority actions to improve specific areas that would have an impact on integrity. This mission was funded by Euro Customs.

MOLDOVA

A WCO mission funded by Euro Customs went to Moldova from 6-10 July 2015 and held a series of meetings with senior officers involved in integrity matters within the Customs Service to assess the anti-corruption measures taken by Customs, assist with the re-drafting of their Code of Conduct and make suggestions for the way forward. The Code has been re-drafted according to the WCO suggestions and on-going virtual assistance is taking place.

SWAZILAND

A WCO mission went to Swaziland from 14-18 September 2015 after the Commissioner of Customs and Excise requested assistance with the implementation of a performance measurement policy. Performance measurement in this context means using the information contained in an automated Customs clearance system to analyze procedures, delays and behaviors of Customs and stakeholders. This mission funded by Finland looked at all the aspects that needed to be in place for a successful implementation of performance measurement. It also visited the Ngwenya border post with South Africa.

UGANDA

Uganda also requested assistance with performance measurement. A WCO mission went to Kampala from 21-25 September 2015. During the visit, meetings took place with senior Customs officials, Human Resources, the ICT/ASYCUDA team and the private sector. The mission included a visit of the Malaba border post with Kenya. A report proposing a series of activities necessary to successfully implement performance measurement was handed to the Commissioner of Customs. The mission was funded by Euro Customs and composed of a WCO official and a Customs officer from Haiti.

MALAWI

The Malawi Revenue Authority requested assistance to follow-up on the implementation of an Integrity Action Plan that was drafted with the assistance of the WCO in 2013. A mission composed of two experts from South Africa funded by Dfid went to Malawi from 6-11 September 2015, reviewed progress made since 2013 and proposed a way forward based on their findings. These include inter alia, revisiting the clearing agents accreditation process and developing a client service charter.
MAURITIUS

The Mauritius Revenue Authority made a series of requests for assistance in the area of integrity. One of them was related to the development of a corruption risk map. The WCO sent a mission composed of two experts from German Customs from 21-25 September 2015. The mission presented the risk mapping methodology and in cooperation with the MRA, identified a series of areas vulnerable to corruption and presented a way forward. The MRA will finalize the draft corruption risk map according to the methodology presented.

PARAGUAY

Following a request from Paraguay Customs, the WCO will send a mission composed of a WCO official and a Customs officer from Uruguay Customs from 14-18 December 2015 in order to carry out an integrity diagnostic and senior officials workshop.

Please feel free to contact the WCO Secretariat for any information related to these integrity projects.
Training in Kyrgyzstan

The Chair of the Integrity Sub-Committee (ISC) represented the WCO at a workshop organized and funded by the OSCE on the development of integrity training material for Kyrgyzstan Customs from 15-19 June.

OSCE Conference

The ISC Chair also represented the WCO at a conference organized by the OSCE entitled “International experience in combating corruption crimes in government revenue authorities”. The Conference was held in Astana, Kazakhstan from 10-11 September 2015 and funded by the OSCE.

Frontex

The Chair of the ISC also represented the WCO at an Integrity Training Seminar organized by Frontex in Kiev from 27-29 October 2015.

Post-Conflict states and public procurement conference

The WCO attended a one-day Conference entitled “Post-conflict states and public procurement. Strategic, economic and legal challenges and opportunities” that was held in Brussels on 30 September 2015. The Conference gathered representatives of the World Bank, UNCITRAL, the European External Action Service, Academia, Interpol and EU representatives.

G20 ACWG

A high level integrity paper to be presented at the G20 Anti-Corruption Working Group was prepared in cooperation with the WCO Research Unit and Mexican Customs. The paper explains what are Customs specificities with regard to fighting corruption and what has been the WCO approach to promote integrity, taking into consideration experience and research in the area of corruption.

WCO Working Group on the WTO Trade Facilitation Agreement

The Chair of the ISC participated in a panel discussion on Transparency and Predictability at the 4th Meeting of the TFAWG held at WCO Headquarters on 12 and 13 October 2015. Her intervention focused on the relationship between integrity and transparency, speaking alongside other panellists who shared the perspectives of the private sector and Customs. On the topic of Transparency. The panel was moderated by Mr. Roy Skaarslette (Norway), former Chair of the ISC.

WCO Fellowship Programme

As part of the 67th WCO Fellowship Programme, a Customs officer from Ukraine chose integrity as the topic for her final paper.