

**ADB Regional Training Seminar**  
17-21 February 2003  
Almaty, Kazakhstan

**ACHIEVING CUSTOMS INTEGRITY**

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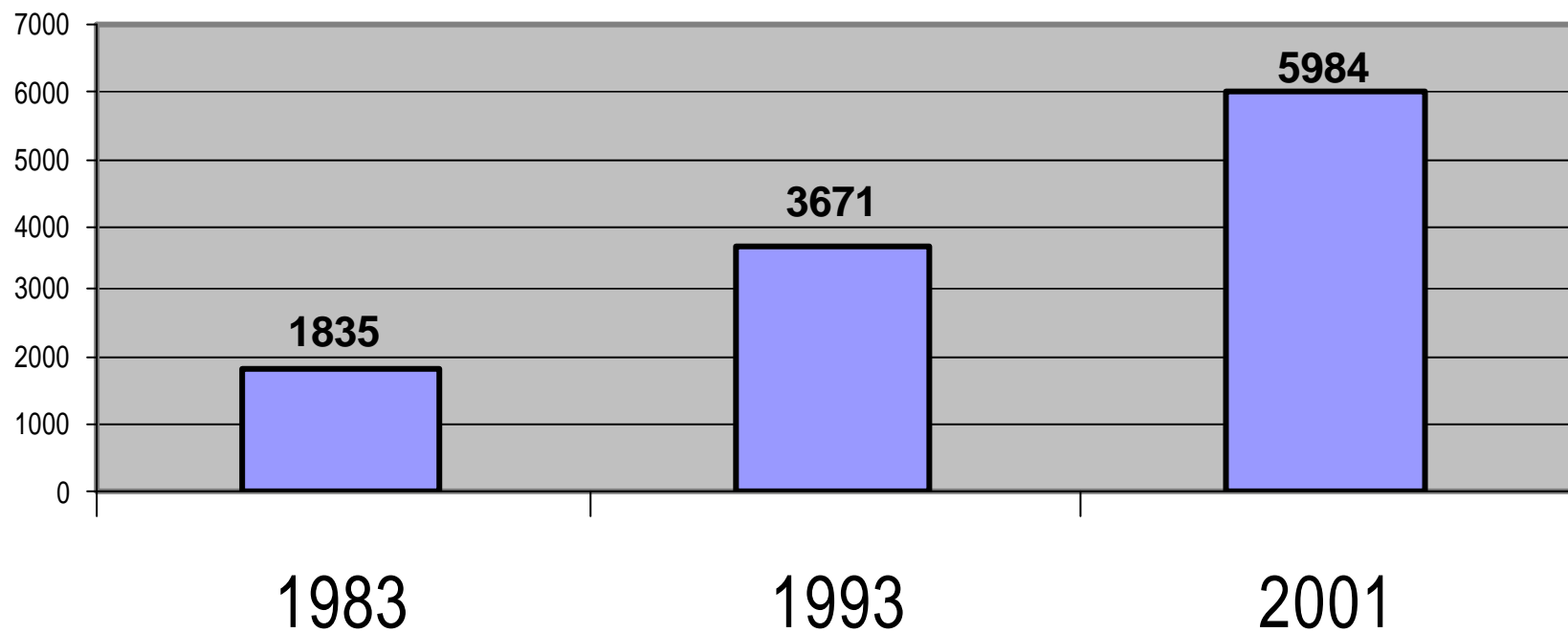
# Contemporary International Trade Environment

Characterised by  
Trade Pressures

- Volume
- Speed
- Multimodel
- Lowered Tariffs & Removal of NTBs
- Phenomenal growth of Travel & Tourism
- E-commerce

# Volume: World Merchandise Trade

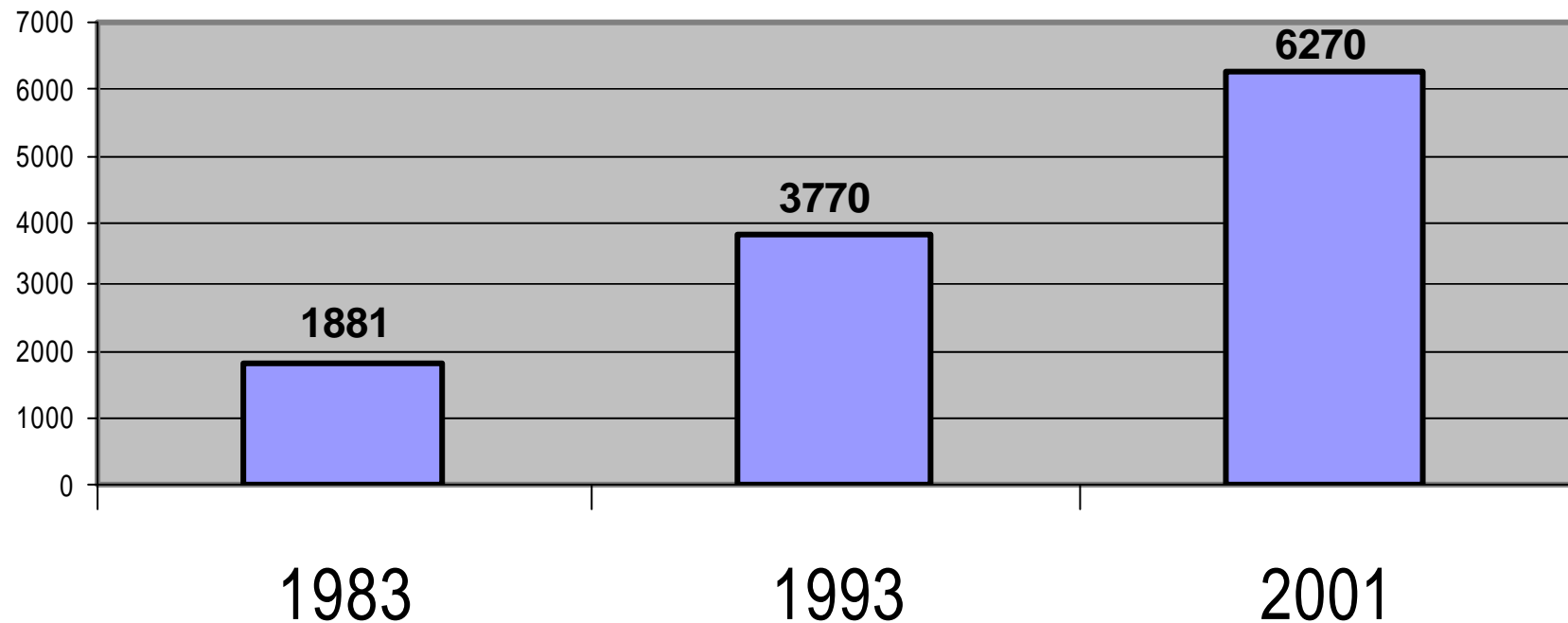
## Exports (US\$Billion)



Source : WTO International Trade Statistics 2002

# Volume: World Merchandise Trade

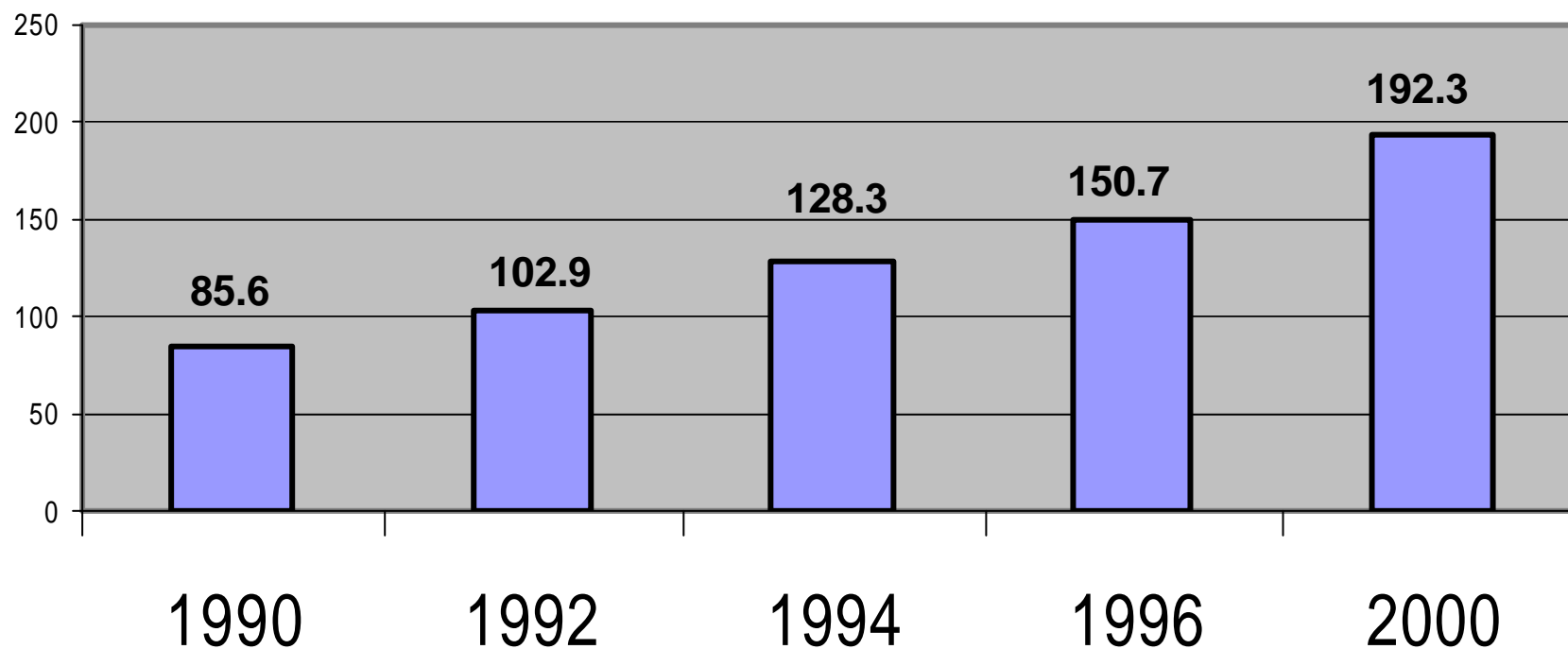
## Imports (US\$Billion)



Source : WTO International Trade Statistics 2002

# Volume: Container Port Traffic

## Container Port Traffic (Million TEUs)



Source: UNCTAD/RMT/2001

# Speed: Express Carriers & Consignments

1200      Aircrafts

1350      Daily flights

175,000      Trucks & Vehicles

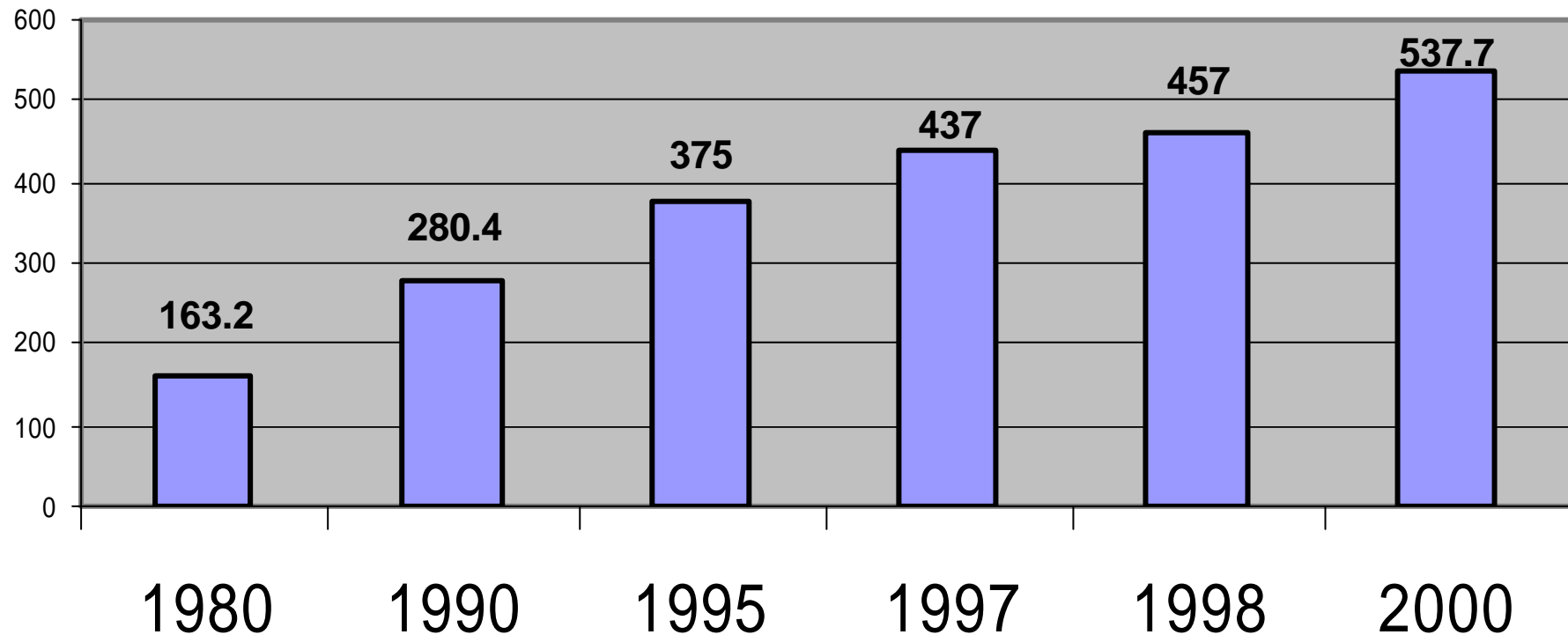
20 million      Daily Shipments

- 25% of World Trade now being handled by Express carriers.

Source: International Express Carriers Conference

# Phenomenal Growth of Travel & Tourism

International Passengers on Scheduled Services(Million)



Source: ICAO, UN/DESA

# Development Pressures

- Revenue

- Lowered Tariffs but need for more revenue

- Investment

- Customs perceived as a barrier, by foreign & domestic investors

- Good Governance

- More aware society demands better public governance



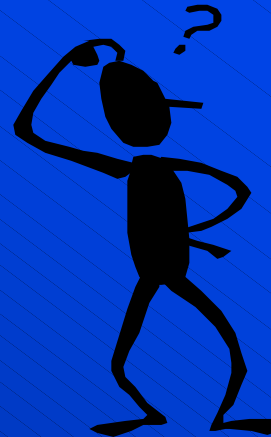
# Development Pressures

- Institutional inadequacies
  - Customs outdated laws, cumbersome procedures, ill trained human resource etc.
  - Integrity related issues

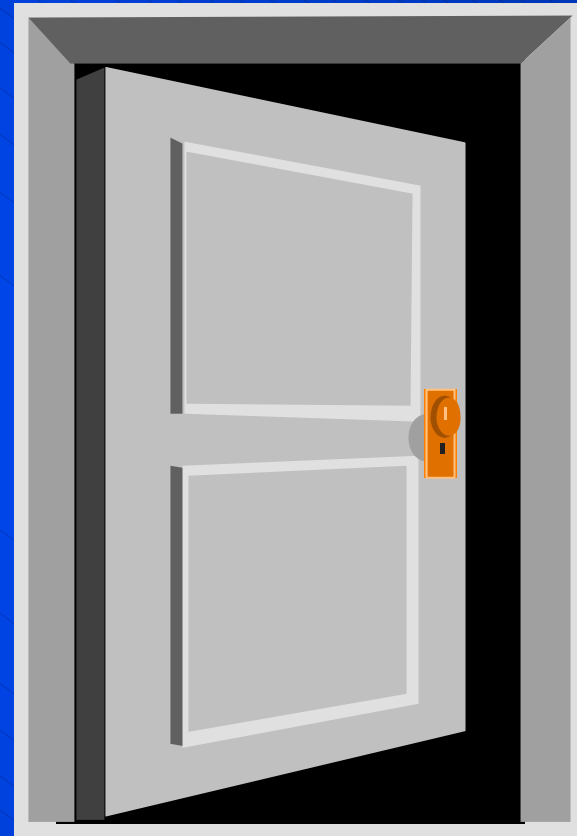
# Result



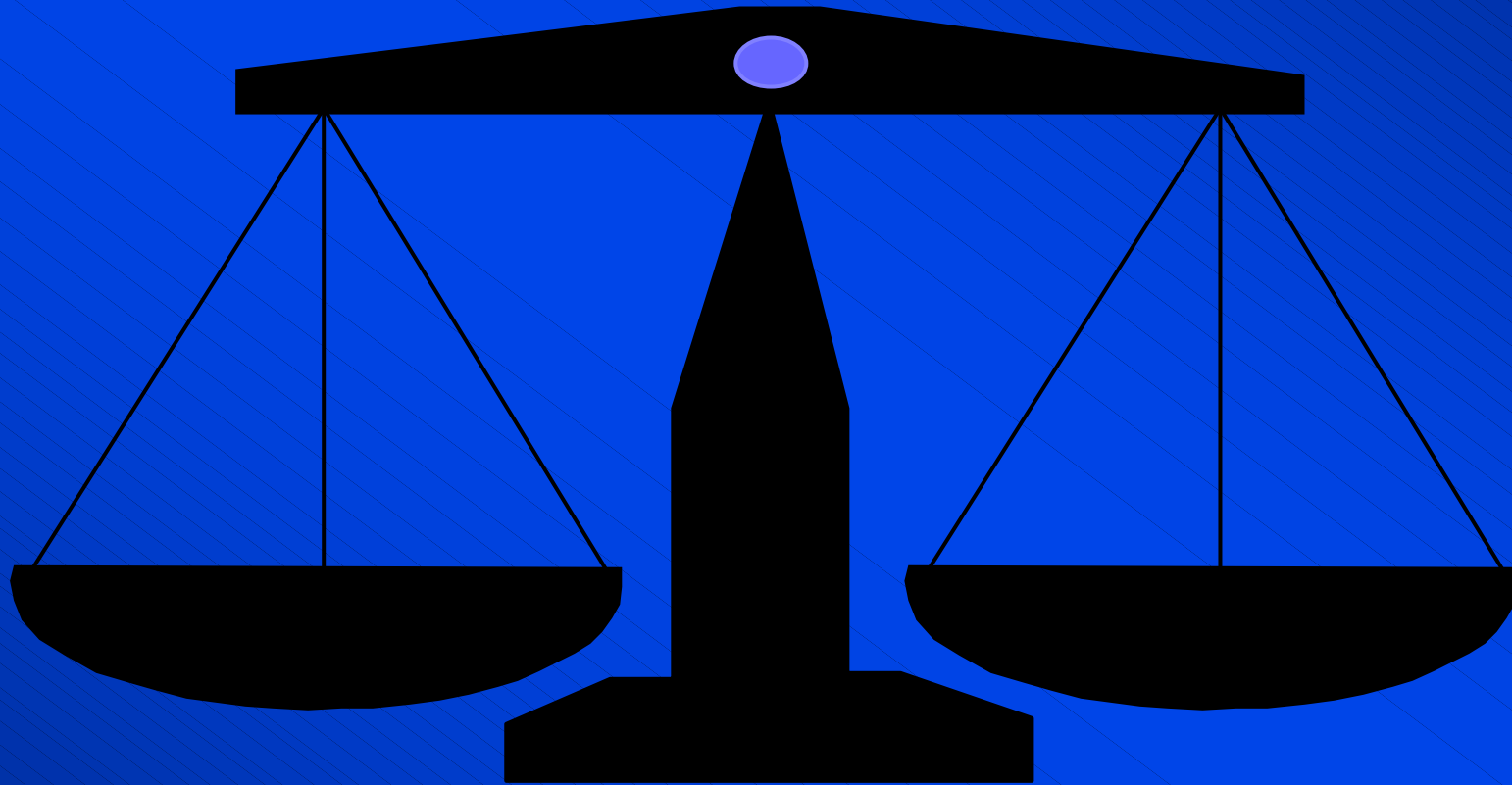
Harassed, ill-prepared, inefficient  
and unmotivated Customs



# Way out



# Balancing



**Control**

**vs.**

**Facilitation**

# Do we have a choice?

- No controls
- In-effective controls
- Expensive controls
- Irrational controls

No!

- Outdated laws & regulations
- Cumbersome procedures
- Inadequate human & technological resources
- Corruption

No!

**We don't have a choice but be efficient, effective and honest.**

# Best Practices

Some examples:

## Function

- Cargo clearance

## Pressure

- Volume of cargo to clear

## Possible best practices

- Pre-arrival processing
- Selectivity
- Post-clearance audit
- Fast track (green channel) clearance
- Simplification of procedures
- One window facilitation

# Best Practices

## Function

- Passenger clearance

## Pressure

- Speedy clearance
- Facilitation
- Effective control

## Possible best practices

- Free & timely information & documentation on board
- Rational rules
- Green & red channels
- Profiling, selectivity & targeting
- Technology & physical layout

# Best Practices

Profiling, selectivity  
& targeting

Rational rules

Simplification of  
procedures

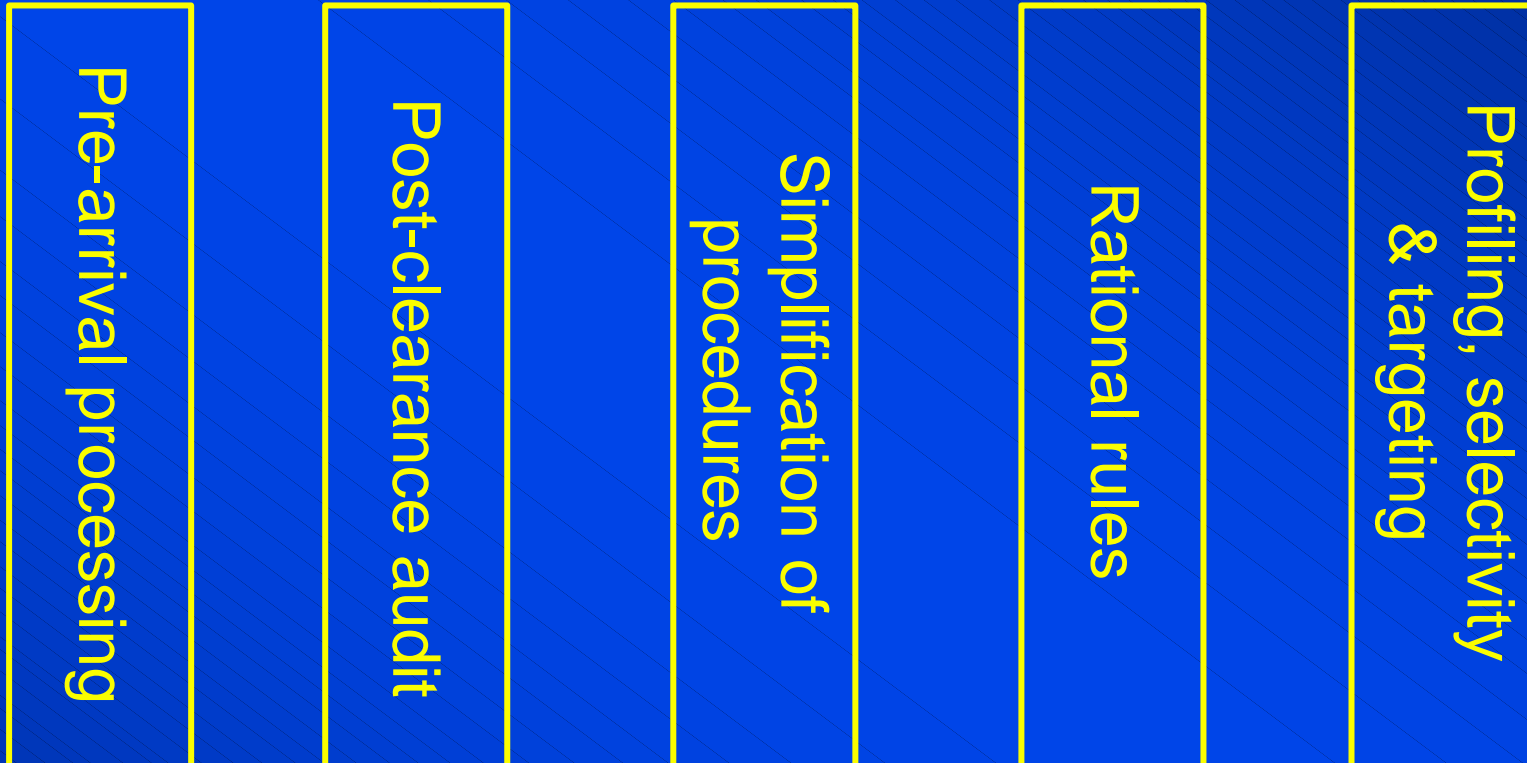
Post-clearance audit

Pre-arrival processing





**However, best of the best practices is**



**Integrity**

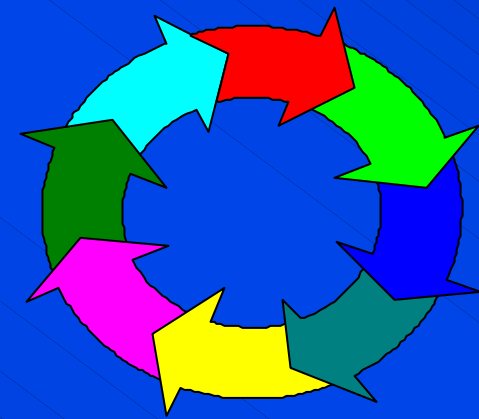
**Corruption can fail any best practice!!**

# Integrity in Customs

Sessions 3 and 4

# Integrity in Customs

- Why is corruption a problem for Customs
- Some Key Themes
- WCO Integrity program



# Integrity in Customs - Why A Problem

*“There are few public agencies in which the classic pre-conditions for institutional corruption are so conveniently presented as in a Customs administration. The potent mixture of administrative monopoly coupled with the exercise of wide discretion, particularly in a work environment that may lack proper systems of control and accountability, can easily lead to corruption”*

WCO Secretary General  
(1998)

# Some Key Themes

- Customs is a microcosm of the society in which it operates
- Good governance and integrity are closely related to the adoption of effective and efficient systems and procedures
- Building integrity requires long term commitment and leadership - There are no quick fix solutions
- It is a shared responsibility for both the public and private sectors
- Integrity is a key aspect of national security and economic development

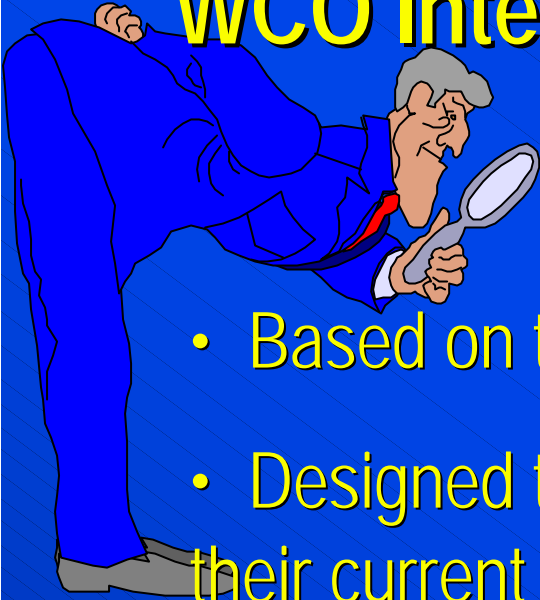
# WCO Arusha Declaration on Integrity in Customs

1. Minimum Administrative Regulation
2. Transparency
3. Automation
4. Strategic Segregation, Rotation and Relocation
5. Management Responsibility and Accountability
6. Auditing

# WCO Arusha Declaration on Integrity in Customs

7. Morale and Organisational Culture
8. Recruitment and Selection
9. Code of Conduct
10. Professional Development
11. Adequate Remuneration
12. Relationship with the Private Sector

# WCO Integrity Self Assessment Guide



- Based on the provisions of the Arusha Declaration
- Designed to assist Member administrations to analyse their current situation and identify solutions which fit their culture, needs, resources and operating environment
- Non prescriptive and flexible
- Compatible with wider reform and modernisation strategies
- Equally relevant to non-Customs agencies



# WCO Model Code of Ethics and Conduct

- Designed to provide a model for the development of national Codes of Conduct
- Based on the unique Customs operating environment
- Contains 11 key elements
- Designed to complement rather than replace civil service codes

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