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TCBASELINE CUSTOMS ASSESSMENT TOOL



December 2009

This publication was produced by Nathan Associates Inc. for review by the United States Agency for International Development.

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TCBoost, implemented by Nathan Associates Inc. for the GBTI II DAI/Nathan Group, works with USAID's Bureau for Economic Growth, Agriculture and Trade (EGAT) to help missions determine their trade-related technical assistance needs and design and implement trade capacity building programs and projects.

TCBoost can meet every aspect of a mission's trade-related needs, from analysis to hands-on training, in a broad range of topics, including trade facilitation and customs reform, trade policymaking and negotiations, export diversification and competitiveness, and economic adjustments to trade liberalization.

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INTRODUCTION

A country's Customs administration plays a large role in facilitating international trade, enforcing laws, collecting revenue, and securing national borders. The efficiency, competency, and transparency of a Customs administration can significantly affect a nation's integration into global and regional economies, and consequently, the economic well-being of its people.

Recognizing the importance of Customs in trade, USAID, the World Customs Organization (WCO), and other international organizations have funded technical assistance and training to strengthen the capacity of developing-country Customs administrations in legal reform, risk management, Customs valuation, organizational development, integrity, and public-private dialogue. To design and implement effective assistance, donors must carry out a comprehensive review of a nation's Customs environment, but such a review can be time consuming and expensive.

The Worldwide Support for Trade Capacity Building (TCBoost) project has addressed USAID's need for a way to conduct systematic reviews of Customs practices quickly and inexpensively by creating TCBaseline. Informed by WCO and World Trade Organization (WTO) standards and by best practices of Customs administrations throughout the world, TCBaseline is a tool that can be used by a small assessment team to identify and address operational and administrative issues in developing-country Customs administrations in two to three weeks, without sacrificing quality or breadth of analysis.

TCBaseline can help USAID, host-country Customs administrations, and other agencies and organizations

- Carry out a concise and cost-effective yet holistic assessment of a country's Customs and border operations and procedures from both the qualitative and quantitative perspectives,
- Summarize findings and recommend actions for strengthening Customs administration and border operations, which can help inform the design and implementation of future capacity building programs,
- Design and implement technical assistance and training,
- Establish a baseline against which to measure the success of technical assistance and training, and
- Consistently measure the quality and reliability of components of Customs and border operations throughout the country, uniformly promoting better service.

TCBaseline offers a guided interview-and-observation format that facilitates the summarization of findings and recommendations. It is composed of interview guides and field observation sheets.

TCBASELINE MODULES

TCBaseline has four modules:

1. Institutional Capability
2. Field Operations
3. Efficiency
4. Economic Analysis

The modules can be used individually for a targeted analysis or together for a comprehensive analysis. If only certain elements of Customs operations need to be assessed, the assessment team can select from among the questionnaires for those that address the issues of interest.

TCBaseline pilot assessments were conducted in two such different ways:

- In the first country, a four-person team used some of the questionnaires to assess Customs performance in specific areas of interest: risk management, integrity, communications, and human resources management.
- In the second country, a two-person team used all four modules to measure the national Customs authority's progress in reaching modernization goals set after a WCO evaluation in 2006.

MODULE ONE: INSTITUTIONAL CAPABILITY

Effective, efficient Customs administration and border management require compliance with international best practices such as those of the Revised Kyoto Convention and the WTO. TCBaseline Module One is composed of a series of interview guides and field observation sheets that provide a holistic picture of a Customs administration's institutional capability for complying with international best practices. Interviews are conducted with department heads and managers in a Customs administration's headquarters. The organization of headquarters varies from country to country, and so will the respondents interviewed. The assessment team works with the management of the Customs administration to identify the most appropriate respondents on the basis of information obtained during preparatory research.

MODULE TWO: FIELD OPERATIONS

The effectiveness of policies and procedures is measured by how well they are communicated to field officers and implemented in the field. Many of the questions in Module Two are

the same as the questions asked of headquarters but also cover field facilities (layout, joint operations between host and neighboring governments, segregation of passenger and freight clearance of inbound and outbound traffic, hours of service, working conditions). Module Two also provides guidance in assessing and mapping operations at border stations and cargo clearance offices. The mapping process should be conducted for at least one border station and cargo clearance office, which can be the same entity.

MODULE THREE: EFFICIENCY

Indexes such as the World Bank's Doing Business—Trading Across Borders have increased focus on Customs efficiency by measuring how quickly goods can be imported or exported across national borders. The WCO has promoted time-release studies for measuring Customs efficiency by measuring the time required in each stage of the clearance process. Time-release studies can be an excellent way to learn about inefficiency in the clearance process but typically require significant time and resources. TCBaseline offers two quick and affordable alternatives for measuring the efficiency of a Customs administration: a time measurement study and a staffing-to-workload analysis.

The TCBaseline time measurement study uses a streamlined methodology for time measurement uniquely suited to a rapid assessment during a short field mission. Using the Time Measurement Record form, the assessment team records the time required (1) to process trucks arriving at a major commercial border crossing, and (2) to process and release commercial goods at a cargo clearance office. With this information, USAID and the host-country Customs administration can gain a clear understanding of the movement of traffic through a particular Customs office.

The staffing-to-workload analysis uses information collected for the Management Reporting section of TCBaseline on the number of Customs employees assigned and the number of declarations processed in a year to calculate the gross cost to process one declaration as well as the potential savings of implementing different procedures and staffing levels.

MODULE FOUR: ECONOMIC ANALYSIS

Knowing the economic impact of reducing time to trade can provide a powerful incentive for governments to implement Customs reform. Module Four features the Trade Facilitation Impact (TFI) Calculator, which provides a range of estimates for changes in GDP and formal sector employment resulting from improvement in export and import times. Estimates are available for more than 130 low- and middle-income countries. The TFI Calculator can be found on the CD-ROM accompanying this report and the TCBoost website (<http://www.tcboostproject.com/resources/tools/impactcalculator.php>).

CONDUCTING AN ASSESSMENT

TEAM

The number of team members required to conduct a TCBaseline assessment can vary, depending on scope and timeframe. If a complete TCBaseline assessment is conducted, two or three international trade facilitation experts (such as a team leader and deputy team leader), one local associate, and one or two assistants are recommended. This allows for simultaneous coverage at the headquarters and field offices of the Customs administration, and for supervision of activities such as the time measurement study. The Appendix provides sample scopes of work for the assessment team leader and local associate.

PHASE ONE: PREFIELDING

TELECONFERENCE WITH USAID OFFICIALS

Several weeks before leaving for the field, the team leader and deputy team leader hold a teleconference with representatives of the USAID mission. During this teleconference, the assessment process and the extent of USAID's participation, such as meetings with the director of Customs and other government agencies, are reviewed and discussed. USAID explains to the team the Customs or other trade facilitation issues of concern and reaches agreement with the team on the goals for the assessment. These goals will be reflected in the final scope of work developed for the assessment.

PREPARATORY RESEARCH

In preparation for conducting on-site interviews, the assessment team reviews the country's economic data, data on imports and exports, and any publicly available previous assessment of trade facilitation. The team also obtains a copy of the country's Customs code and other relevant legislation, in English. If an English translation is unavailable, the document will have to be translated before the team arrives in country. The team should also request an organizational chart of the Customs administration so it can identify the responsible managers for each functional entity of the Customs administration and target the interviews more effectively.

ARRANGING MEETINGS

Before the team leader and deputy team leader arrive, the local associate coordinates with USAID to identify the following counterparts and arrange meetings for the assessment team with them:

- Customs
 - Director and deputy directors

- Managers of functions that correspond to interview guides in Modules One and Two
- Directors or designated representatives of trade associations of
 - Importers and exporters
 - Customs brokers and clearing agents
 - Trucking and transportation
- Directors or representatives of other government departments that do border inspections
 - Agricultural quarantine or phytosanitary department
 - Department responsible for passport control
 - Any other government departments with a significant presence at the border

LOCAL RECRUITMENT

The local associate should also recruit one or two local staffers to assist with data collection for the time measurement study, if this analysis is to be conducted.

PHASE TWO: FIELDWORK

Upon arrival in the host country, the assessment team meets with USAID to confirm the issues of greatest concern to the mission. The team then meets with the directors of government agencies to restate the assessment process and goals. A USAID representative should accompany the team in these initial meetings.

As soon as possible after the introductory meetings, the assessment team begins the evaluation process using the TCBaseline interview guides and tools. Pilot assessments using TCBaseline revealed the following best practices for conducting interviews:

Interview guide questions do not have to be asked in a systematic, sequential order. The assessment team should aim to create an informal, conversational atmosphere with respondents. This will be more productive than a point-by-point interview and will produce more open and honest responses.

Interviewers should thoroughly review the relevant interview guide in advance of the interview. They may prefer to take notes using pen and paper during interviews but should fill out the answers in the electronic version of the questionnaire. It is likely to be counterproductive to fill out the answers at the time of the interview.

The opinions of private sector businesses—the main users of Customs—are important for forming an overview of the strengths and weaknesses of Customs. The comments of businesses should be integrated into the body of the assessment report, but the names of the firms and parties interviewed need not be disclosed. To encourage open discussion,

interviewers may assure participants that their identities will be protected if they so desire. Documentation of interviewees of this nature will be kept for internal assessment team purposes only.

PHASE THREE: PRESENTATION OF FINDINGS

When the field interviews are complete, the assessment team summarizes initial findings and conclusions in a meeting with the director of the Customs administration and the USAID officer involved (if possible). The meeting gives the Customs administration a fair picture of the conclusions that the assessment team has formed and an opportunity to refute the conclusions. The assessment team may provide a written summary of its findings at the meeting but does not complete the full report until returning from the field. The assessment team also briefs the USAID mission director if requested.

The full report, following the TCBaseline outline, contains the following parts:

- Executive summary—a summary of the most important findings from each component and the top recommended actions
- Findings and recommendations by topic—(1) opportunities for improvement, (2) observations, (3) recommendations and (4) resources and constraints
- Process mapping for border stations and cargo clearance—summaries of the most important findings from observation at each site, and step-by-step narrative descriptions and flowcharts of the inbound and outbound conveyance processes at the border stations
- Time measurement study results
- Staffing-to-workload analysis results—presented using the table provided in the instructions, accompanied by a summary interpretation of the findings
- Economic analysis results—results of specifications entered into the TFI Calculator
- Matrix of recommended actions—encapsulation of the recommendations in an action matrix.
- Appendixes containing completed interview guides (translated into the local language only if requested by the counterpart and/or partner donor agency).

MODULE ONE: INSTITUTIONAL CAPABILITY



I. LEADERSHIP AND STRATEGIC VISION

Research conducted by several international organizations has identified the critical importance of high-level political will and commitment to the successful conduct of capacity building programmes. Without such commitment, maintained over the longer term, capacity building efforts are likely to be unsuccessful, regardless of the quality of their design and implementation. As such, the international Customs community believes high-level political commitment should be regarded as a prerequisite or fundamental criterion for determining

whether to support and fund capacity building activities in Customs. While it is relatively easy for senior government officials to indicate their wholehearted support and commitment for Customs reform and modernization programmes, experience has shown that it is much more difficult for governments to demonstrate that degree of commitment through the allocation of appropriate human and financial resources.

World Customs Organization, Capacity Building in Customs: A Customs Capacity Building Strategy

INTERVIEWEES

This interview normally is with the director of Customs. It is important to use this meeting to establish rapport and confidence with this important person. During the meeting a USAID official (if possible) should briefly explain the purpose of the assessment and the results expected. USAID usually requests assessments to enable targeting of technical assistance, but it may have other reasons for requesting an assessment, and the purpose and potential outcomes of the assessment should be made clear during the introduction.

Name	Title	Contact Information	Date

POLITICAL SUPPORT

- 1-1 Where does Customs fit in the current government structure?
- 1-2 How does the government prioritize and support modernization and promote integrity in Customs? Are politicians aware of the administration's reform efforts?

- 1-3 Does Customs receive adequate resources to fulfill its functions effectively and efficiently? Does it have user fees? If so, for what services? Are the services cost based? May we have a copy of the fee schedule? If Customs does not have user fees, is this something that the administration has considered or would like to consider?
- 1-4 What is the government's position on the extent to which Customs focuses on trade facilitation and revenue collection? Does Customs have revenue targets? What are they? How are they calculated? Do you have trade facilitation targets? What are they? How are they established?
- 1-5 Has an evaluation of Customs from a trade facilitation perspective been conducted recently? Is this report available? What did it conclude or suggest?
- 1-6 To what extent is corruption or a lack of integrity a matter of concern to Customs? To the Ministry? To the government? Has an evaluation, survey, or report about integrity in Customs been carried out recently? What did it conclude or suggest?
- 1-7 What is the Government's position on transparent implementation of Customs law? Does Customs have sufficient authority and support to carry out its mandate? Are government policy statements clear?

BUSINESS STRATEGY

- 1-8 Does Customs have a written business strategy? Who participated in defining the business strategy? Customs officials? The public? Is the strategy published? Is a copy available?
- 1-9 Is the business strategy reflected in an annual or multiyear plan that incorporates the administration's goals and objectives? If so, how is this strategy regarded by higher levels of government and to what extent do the higher levels support it with resources?
- 1-10 Which manager or unit is responsible for monitoring, coordinating, and reporting on the implementation of the business strategy? What other functions does that manager or unit perform?

ORGANIZATIONAL EFFECTIVENESS

- 1-11 Does the current management structure reflect the administration's priorities?
- 1-12 Do you expect that Customs will be reorganized or restructured in the near future? If so, which areas do you expect to be affected?

- 1-13 Can Customs make its own decisions about structure, organization, and internal resource allocation?
- 1-14 How do headquarters staff and field managers promote Customs' business strategy, vision, and goals to the workforce? Are you satisfied with the extent to which your staff and field managers motivate their workforce to achieve the results you expect?
- 1-15 Do you receive adequate statistical information and other management reports to enable you to determine whether your performance expectations are being achieved? What statistical information do you receive?

DONOR ASSISTANCE

- 1-16 What donor assistance does Customs receive?
- 1-17 What donor assistance has Customs received in the past two to three years? Were you satisfied with the results? If not, why?
- 1-18 Do you have specific needs in mind for future donor assistance? Is Customs working with donors to satisfy those needs?
- 1-19 How does Customs monitor, oversee, and coordinate donor assistance? Has this responsibility been assigned to a specific person or unit?

ADDITIONAL INFORMATION AND EVALUATOR'S OBSERVATIONS

Notes

2. HUMAN RESOURCE MANAGEMENT

The implementation of sound human resource management policies and procedures plays a major role in the fight against corruption in Customs. Human resource management practices which have proved useful in controlling or eliminating corruption in Customs include:

- providing sufficient salary, other remuneration and conditions to ensure Customs personnel are able to maintain a decent standard of living; recruiting and retaining personnel who have, and are likely to maintain, high standards of integrity;
- ensuring staff selection and promotion procedures are free of bias and favoritism and based on the principle of merit;
- ensuring that decisions on the deployment, rotation and relocation of staff take account of the need to remove opportunities for Customs

personnel to hold vulnerable positions for long periods of time;

- providing adequate training and professional development to Customs personnel upon recruitment and throughout their careers to continually
- promoting and reinforcing the importance of maintaining high ethical and professional standards; and implementing appropriate performance appraisal and management systems which reinforce sound practices and which foster high levels of personal and professional integrity.

Article 8, Revised Arusha Declaration—Declaration of the Customs Co-operation Council Concerning Good Governance and Integrity in Customs

INTERVIEWEES

Name	Title	Contact Information	Date

RESOURCES

2-1 What is the total number of staff Customs has in the headquarters and in the field?

POLICIES AND PROCEDURES

- 2-2 How are your human resource management policies and procedures defined? Do you have a personnel procedures manual?
- 2-3 How much flexibility does Customs have to establish and publish its own human resource management policies and procedures? To what extent is Customs constrained by a higher authority such as the ministry or civil service agency?
- 2-4 To what extent does policy require that recruitment be competitive?
- 2-5 What formalities do new employees undergo with respect to induction and indoctrination?
- 2-6 How do promotion practices work? Are vacancies filled through a competitive process? Selection committees? Do the selection criteria include ethics as well as job-specific knowledge and technical competence?
- 2-7 Are policies and procedures, employment standards, and promotions accessible to employees? How?

RECRUITMENT AND SELECTION

- 2-8 What qualifications (e.g., education, skills, knowledge, work experience) must an applicant for a Customs job meet?
- 2-9 Does Customs or another department manage the recruitment process? If another department manages it, what input does Customs have in the selection of recruits?
- 2-10 Does Customs conduct pre-employment background checks on applicants? Does it
- Interview applicants?
 - Verify references and previous employment?
 - Check financial records?
 - Conduct drug testing?
 - Check for a criminal history?
- Who does the checks that are conducted?
- 2-11 How often do you follow up with periodic background reviews, including of the employee's finances?
- 2-12 Do new employees have a probationary period that allows simplified termination procedures if their performance or conduct fails to meet expectations? If so, please describe.

SALARIES AND BENEFITS

- 2-13 What are the salary and benefit levels for Customs employees? Do entry-level employees receive adequate salary and benefits to maintain a reasonable standard of living? Do employees receive benefits such as housing, health care, or pensions?
- 2-14 Are salaries and benefits for Customs employees comparable to those of employees in similar positions in the public sector? In the private sector? Is compensation at Customs guided by the same rules that apply to the rest of the civil service?
- 2-15 How significant an impact do you believe that salary and benefits have on Customs' ability to maintain high standards of integrity among its employees?
- 2-16 Are mechanisms available to identify signs of serious employee indebtedness and to provide financial support to employees facing temporary hardship so that they are not tempted to engage in corrupt practices to overcome financial problems?

CAREER LADDER

- 2-17 What are the major specialized positions in Customs and how many employees are in each specialty? May we have copies of your functional statements or position descriptions for these positions?
- 2-18 To what extent does Customs have a career ladder system that includes different grades within an occupational field that encourages and rewards capable performance by making it possible for employees to move up through a hierarchy of related positions (for example: junior officer, officer, senior officer, supervisory officer, chief officer)?
- 2-19 To what extent is advancement based on seniority?

PERFORMANCE MANAGEMENT

- 2-20 Does Customs have a comprehensive performance appraisal system in place describing the minimum knowledge, skills and abilities required for competent performance for all positions? Are knowledge-based tests given?
- 2-21 Describe the employee evaluation process. May we have copies of the performance standards and other forms you use in this process?
- 2-22 Is demonstrating a high level of personal and professional integrity specifically included in the performance appraisal process?

- 2-23 What are the consequences if an employee fails to perform at a satisfactory level?
- 2-24 How effective are performance evaluations? How conscientiously do supervisors evaluate performance? To what extent do you analyze the ratings distributions or compare ratings to the performance of the office as a whole?

RECOGNITION AND INCENTIVES

- 2-25 Describe performance incentives, such as bonuses. What are the criteria for receiving a bonus? Is there a limit on how much an employee can earn in bonuses? Do Customs officers share in the monetary penalties that they originate?
- 2-26 To what extent are benefits shared? Do all employees get them, or are they limited to employees who work in a particular area where seizures and prosecutions are commonplace? Do employees perceive the recognition and incentives program as fair?

ROTATION

- 2-27 Describe Customs' policy on employee rotation. Are employees expected to transfer or rotate at regular intervals? If so, does rotation take into consideration personal hardship? Is the policy enforced? Who manages and/or reviews rotations to ensure that they are free of bias or favoritism?
- 2-28 If an employee is assigned to a hardship office, such as a small, remote border crossing, can he expect to be reassigned to a more desirable location within a certain amount of time? Are there amenities at border posts, such as housing or free transportation?
- 2-29 Is lateral movement between headquarters and field offices encouraged? Is field experience considered an important qualification for working in headquarters? Is headquarters experience considered an important qualification for higher field management positions?

EMPLOYEE SATISFACTION

- 2-30 Has Customs ever conducted a survey to assess staff satisfaction? If so, what were the results? What was management's reaction and response? How is employee morale and satisfaction? How does it compare to a year ago? Two years ago?
- 2-31 Is there any formal or informal mechanism for employees to make suggestions or raise grievances? If so, who manages this, and has this way of working been effective?

RECORDS SYSTEM

- 2-32 Do you have an automated system to manage the personnel system and maintain records? Are the records linked to training and performance records?
- 2-33 Is a personnel file kept on each employee? If so, does it include position descriptions, performance plans and evaluations, promotions, disciplinary actions, awards or other recognition, salary data, background investigations? How are these files secured and who has access to them?

ADDITIONAL INFORMATION AND EVALUATOR'S OBSERVATIONS

Notes

3. TRAINING AND DEVELOPMENT

For a training organization to be successful it needs to be close to the centre of power within the organization to be part of the decision making process at a strategic level. This will ensure that it not only has its finger on the pulse of the organization but also is an attractive career opportunity for the bright and creative staff that are needed by any dynamic organization. For a training system to be effective it must be able to attract and retain competent trainers and training managers. Often,

the Training Centre, where one exists, is unable to do this, not because there are no officers of that caliber, but because training is viewed as a low-status job. This may derive from the fact that the Training Centre itself is not given the status commensurate with the importance of its activities.

World Customs Organization Training System Development, A Guide for the Customs Training Manager, October 1997

INTERVIEWEES

Name	Title	Contact Information	Date

TRAINING AND DEVELOPMENT STRATEGY

- 3-1 Does your administration have a formal training program? If so, does it manage and administer the program? If not, who provides training? Is there a dedicated training center?
- 3-2 Do you have an annual training plan? If so, may I have a copy? If not, have you considered developing one?
- 3-3 Have you conducted a formal training needs assessment? Does Customs have a formal mechanism for determining training needs? Do officers have a role in identifying their own training needs? If so, how is their input solicited?

- 3-4 Do you regularly review your training strategy, policies, systems, and procedures to ensure that they are current and reflect the latest changes in legislation, regulations, and operational practices? If so, do headquarters and field managers participate in this process?
- 3-5 Is technical assistance from the international community incorporated into the training program? If so, has this been productive? Can you give examples of successes and failures?
- 3-6 If you operate under a common tariff and relatively consistent Customs codes with your regional trading partners, does this present the opportunity for cooperative training, a regional training center, or visiting instructors?

BASIC AND RECURRING TRAINING

- 3-7 Describe the training given to new employees: subject matter, method of instruction, and duration. Are new employees required to successfully complete training as a condition of employment? If so, what happens to an employee who does not do so?
- 3-8 Do you have a formal on-the-job training program to supplement classroom training? If so, describe the methodology.
- 3-9 Do employees receive regular training throughout their career? If so, in what areas and how often? How are employees selected for specific training opportunities?

TRAINING CURRICULA

- 3-10 Is a written catalog or list of training classes available? May we have a copy?
- 3-11 Does Customs have an orientation class for new employees? If so, does it include the organization's vision, goals, and values benefits; ethical expectations; performance expectations?
- 3-12 Does Customs provide training on international standards and conventions such as the Revised Kyoto Convention, the Arusha Declaration, the GATT on Customs Value? Please elaborate.
- 3-13 Does Customs provide training to traders or brokers? Please elaborate. Have you ever conducted joint training or training development with the trade community? If you have done either, did the training address ethical concerns?
- 3-14 Are new employees given introductory training on the ethics policy and code of conduct? When does this occur?

- 3-15 Do employees periodically receive training on the ethics policy and code of conduct? If so, does ethics training clearly identify every employee's responsibility and accountability for preventing corruption and reporting suspected corruption by other employees?
- 3-16 To what extent does formal training in other subjects reinforce the integrity or anti-corruption message and focus on the standards of behavior expected of all officials?
- 3-17 Do new managers receive training? If so, how is this training structured? Does it include on-the-job training with their new supervisors after basic supervisory training? Is there a probationary period for supervisors?
- 3-18 Are new managers or supervisors trained on their responsibility for identifying and correcting behavior or performance that falls below standards, or for maintaining integrity in their work units? If so, has this training been effective, and can you give an example?
- 3-19 Do you provide language training? Please elaborate.

TRAINING MATERIALS

- 3-20 How do you ensure that the content of formal training programs is consistent with current procedures and practices? Are new training programs delivered to subject matter experts in a pilot test before full implementation?
- 3-21 How were training materials prepared? Were line managers asked to identify the training needs of their subordinates? Did you have outside assistance?
- 3-22 Are training materials standardized in format, appearance, and content? Are instructor guides, lesson plans, student materials, and evaluations prepared and are the materials updated periodically?

TRAINING EVALUATION

- 3-23 Is a formal mechanism used to ensure that training objectives are based on the organization's short- or long-term objectives and to evaluate their effectiveness in meeting organizational objectives?
- 3-24 Are new and current employees given an opportunity to state what their training needs are and what topics they would like to see offered?

- 3-25 How is the effectiveness of training evaluated? Do you have a formal mechanism for evaluating the effectiveness of training programs? Do you solicit comments on training content? On the quality of instructors?
- 3-26 Are end-of-course tests given? Do you obtain evaluations of materials and instructors from participants?
- 3-27 Does participation in training have any bearing on employee performance appraisals or promotions?

RESOURCES

- 3-28 Does Customs have a training budget and a way to track expenditures? Is the budget sufficient to cover the expense of sending instructors to the field offices or to bring officers from the field offices to the training center?
- 3-29 How many staff members are assigned to the Customs training function and what are their qualifications? Do you rely on full-time or part-time trainers? Are all training instructors at headquarters? How are trainers recruited? Do trainers receive remuneration for delivering training? If so, what kind of remuneration?
- 3-30 Have instructors or other members of the staff who prepare training materials received training in teaching techniques? What other training have the instructors received? Has your unit received any other technical assistance in the past two years?
- 3-31 Do you have a computer training room or center? What kind of training is provided there? Are training facilities or equipment available at regional offices or larger field offices?
- 3-32 Are records maintained of individual training histories and progress, and of action taken to meet needs identified during training programs? Does this include formal on-the-job training? Are training records automated?

ADDITIONAL INFORMATION AND EVALUATOR'S OBSERVATIONS

Notes

4. PLANNING, MODERNIZATION, AND REFORM

Customs' traditional mission as a revenue collection agency remains vital in developing countries. However, the global economy places new demands on Customs for addressing issues such as transnational crime, health, safety, environment, trade facilitation, and most recently, security and terrorism. Customs can meet all of those demands and expectations by a disciplined process of Customs reform based on a strategic plan, modern technology, process reengineering, performance measurement, and risk management. Developed countries have already made the transformation of their Customs organizations, and developing economies such as China and Peru are demonstrating that the goals of Customs reform and modernization are within the reach of all countries committed to participation in the global economy.

The framework for Customs modernization is composed of three parts:

- Fundamental processes provide the foundation for modernization. These include an environmental assessment of Customs' performance and

priorities and development of a strategic plan; the development of world-class expertise and knowledge of Customs; and the implementation of a program to improve integrity and eliminate corruption.

- Enabling processes include process reengineering; automation and electronic commerce; and data analysis to transform Customs into a knowledge-based organization.
- Advanced processes include introduction of improved enforcement designed to prevent and deter; transformation of the way Customs does business, providing transparency to its regulations and procedures in order to align itself with partners in government and industry; and the introduction of information-based risk management and post-audit capabilities.

Mike Lane, Customs Reform and Trade Facilitation: An Entrée to the Global Marketplace, USAID FASTrade White Paper, 2005

INTERVIEWEES

Name	Title	Contact Information	Date

RESOURCES

- 4-1 Describe the functions and priorities of your department or office as they relate to the Customs administration's mission and priorities. How many staff are assigned to planning, modernization, and reform?
- 4-2 What training do staff members normally receive? What training have they received in the past year?

STRATEGIC VISION AND BUSINESS STRATEGY

- 4-3 Does Customs have a written business strategy incorporating vision, goals, strategic objectives, and critical success factors? If so, does the plan include goals, objectives, and priorities for transparency?
- 4-4 If Customs does not have a written business strategy incorporating these things, how does it communicate its goals and objectives, including those relating to modernization and reform, to subordinate managers and employees?
- 4-5 Do operational managers understand the business strategy and are they made responsible for its implementation?
- 4-6 Does the business strategy include an annual operational plan? If so, how is the strategy translated into the operational plan?
- 4-7 Is reporting on progress in achieving the operational plan included in the strategy? Does the operational planning process provide for quarterly and annual reports to the central administration? Please show me an example.
- 4-8 Does the operational plan include specific, measurable, achievable, realistic, and time-constrained objectives for each organizational unit and specify who is responsible for delivering results?

MODERNIZATION PROCESS AND PLAN

- 4-9 Has Customs developed a modernization plan that includes key measures, phasing, and sequencing? If so, please describe it briefly.
- 4-10 To what extent has Customs based the main components of its modernization plan on the findings of evaluations such as this one? Which evaluations have been the most helpful?
- 4-11 Has Customs identified significant reorganization or staffing issues and the strategic steps required to address them?

- 4-12 Has Customs established a change management or project management unit or designated someone to monitor the modernization process? Will the people responsible for implementing the reform be released from their other duties? What training have the persons in this unit received in change or project management?
- 4-13 Has Customs established a modernization steering committee including other donors and private sector representatives? Please elaborate.
- 4-14 Does the reform and modernization program focus on the adoption of international standards and instruments such as the Revised Kyoto Convention, the WTO Agreement on Customs Value, the HS Tariff Convention, the WTO Intellectual Property (TRIPS) Agreement and WCO Safe Standards?
- 4-15 Have sufficient human and financial resources been allocated to the reform and modernization process? If not, what would it take to correct this situation?
- 4-16 Are systems and procedures periodically reviewed and/or reengineered to eliminate red tape and avoid duplication? If so, how is this done and by whom?
- 4-17 When systems and procedures are reviewed, is attention paid to eliminating the corruption-inducing combination of monopoly power, official discretion, and minimal accountability?
- 4-18 Are performance targets set for core Customs processes? If so, who monitors those targets and how is this done?
- 4-19 Do employees participate in the reform and modernization of their processes? If so, how is this done?
- 4-20 Does the plan include steps to eliminate or reduce nontariff barriers (such as quotas, import licenses, and permits)? Is the elimination of nontariff barriers under the authority of Customs or another part of government? Please elaborate.
- 4-21 Has Customs considered the postrelease collection of taxes and duties?

STAKEHOLDER INVOLVEMENT

- 4-22 Has Customs ensured that all other stakeholders (for example, other ministries or agencies, private sector representatives, and donors) support the modernization plan? Please elaborate.
- 4-23 Are all Customs officers made aware of the operational plan and of their responsibilities for its implementation? How is this done? Has it been effective?

- 4-24 Is the importance of trade facilitation and of relations with business made clear at all levels of the organization? Are trade facilitation and relations with business made an integral part of the business plan? How is this done? Has it been effective?

INTEGRITY

- 4-25 Has the reform and modernization program focused specifically on improving integrity? For example, are all new projects, policies, and initiatives examined to take into account risks to integrity?
- 4-26 Have job design and redesign eliminated the corruption-inducing factors of monopoly power, officer discretion, and low levels of control or accountability?

ADDITIONAL INFORMATION AND EVALUATOR'S OBSERVATIONS

Notes

5. MANAGEMENT REPORTING

This section, rather than evaluating local policies and procedures against international standards and best practices like the other sections of this instruction, aims to determine the extent to which Customs captures the data necessary for senior managers to evaluate an organization's effectiveness. The information gathered

in this section will also be used in the final report to determine if staffing is adequate. The attached charts should be given to the department or unit responsible for statistics, with a reasonable amount of time for filling them out and returning them.

INTERVIEWEES

Name	Title	Contact Information	Date

RESOURCES

- 5-1 How do you manage and oversee the management reporting process to ensure that managers receive the information they need to make decisions about the effectiveness and efficiency of the Customs administration?
- 5-2 Do you have a specialized unit to handle this process? If so, how many staff members are assigned to it? What are their qualifications?
- 5-3 What specialized training have they received? Has your unit received other technical assistance in the past two years?

COMPARATIVE ANALYSIS

- 5-4 What is Customs' annual budget? Does this figure include user fees, partial retention of revenues collected, full or partial retention of penalties and seizures, funding transferred from other agencies, or any other funding source?
- 5-5 If you use user fees, please provide a schedule of fees and a summary of collections for the past 12 months or calendar year. Can you identify if these fees are cost based or approximately cost based? If only some fees are cost based, which are not?
- 5-6 What was the amount of revenue collected by Customs annually for the past three years? What percentage of government revenue does this represent?
- 5-7 How do you collect and report workload and performance information for all Customs offices?
- 5-8 How does Customs monitor performance to ensure that the processing and release of people and goods are timely and meet reasonable business needs?
- 5-9 How does Customs report its performance to the government institution responsible for its oversight? May we have a copy of your latest report?
- 5-10 How does Customs monitor performance to ensure that the processing and release of people and goods are timely and meet reasonable business needs?
- 5-11 Describe how field offices report workload and productivity to headquarters. Do you use a format similar to the attached charts? If so, may we have a copy? If not, please fill out the attached charts and return them tomorrow.

Customs Workload for Year

Type of Customs Office	No. of Offices	No. of Staff	No. Processed			
			Declarations	Commercial Vehicles	Private Vehicles	Private Persons
Land border						
Airport						
Seaport						
Railroad						
Inland inspection						
Free trade zone						
Other						
Total						

Productivity for Year

Type of Customs Office	No. of Administrative Penalties	Total Penalties Collected	No. of Amended Declarations Resulting in Uplifts	No. of Smuggling Cases Resulting in Prosecution or Seizure	No. of Fraud Cases	No. of Arrests
Land border						
Airport						
Seaport						
Railroad						
Inland inspection						
Free trade zones						
Other						
Total						

ADDITIONAL INFORMATION AND/OR ASSESSOR'S PERSONAL OBSERVATIONS

Notes

6. INFORMATION TECHNOLOGY

The promotion of IC technologies within this Guideline presumes that all administrations are being confronted with the issue of having to handle an increasing total workload (both in the commercial and the traveler environments), and as such, Customs is being forced to do more with existing or less staff. Many administrations have already proven that the introduction of IC technologies have improved the quality of handling and processing the information requirements, freeing up resources to concentrate on noncompliers and enforcement needs, while at the same time improving the standard of the information that is being received.”

Guidelines on Application of Information and Communication Technology, Background Chapter 7, General Annex, Kyoto Convention

INTERVIEWEES

Name	Title	Contact Information	Date

RESOURCES

- 6-1 How many staff are assigned to the IT management function? Are all IT functions housed in one department?
- 6-2 Are salaries and benefits for IT specialists in Customs comparable to private industry salaries and benefits? If not, has this had an impact on your ability to recruit and retain qualified personnel?

SYSTEM CAPABILITIES

- 6-3 Describe the capabilities of your automated systems:

Process	System Has Capability? (Y or N)	Capability Implemented (Y or N)
Manifest control		
Declaration processing		
Electronic filing		
Selection of examining officers		
Examination reporting		
Electronic payment		
Transit		
Consolidated periodic payments		
Warehouse and suspense regimes		
Import and export licenses		
Revenue accounting		
Risk analysis and selectivity		
External trade data		
Management information reports		
Budget control		
Human resources management		
Internal communications		
External communications		
All regulatory information (review features of CITS)		
Training		
Data exchange w/ other gov't departments		
Data exchange with other Customs administrations		

SYSTEM STATUS

- 6-4 What is the state of automation in your Customs administration?
- 6-5 How many Customs offices are automated and how many are not?
- 6-6 What is the funding situation for systems maintenance and equipment replacement?
How does this affect system capabilities?

IT STRATEGY

- 6-7 Does Customs have an IT strategy? Does it have an IT strategy review committee? If so, explain the functions of the committee and give examples of the results. Does the committee meet regularly?

- 6-8 What actions, if any, are being considered for upgrading software capabilities, upgrading equipment, or expanding the system?
- 6-9 In considering systems upgrades, have you considered the implications of how legacy systems will interface with new systems? How have you resolved those issues?

WEB CONTENT

- 6-10 If you have a website, what information does it provide?
- Mission, vision and goals?
 - Organizational structure?
 - Tariffs?
 - The Customs code?
 - Implementing instructions?
 - Recently implemented requirements or policies?
 - Proposed new requirements or policies?
 - Frequently asked questions?
 - The capability of asking a question or filing a complaint and receiving a response?
 - Other information: please specify

INTEGRITY

- 6-11 In the design of automated systems, what consideration was given to reducing opportunities for corruption? For example, has a comprehensive risk assessment or review been conducted to assess the corruption risk posed by your automated systems? What actions were implemented?
- 6-12 Is access to secure information controlled, monitored, and regularly audited to ensure that information is not viewed for inappropriate or private purposes?
- 6-13 Are appropriate physical and software security and firewall provisions in place to protect the systems from external misuse?
- 6-14 Are processes in place to ensure that the system is not vulnerable to staff abuse?
- 6-15 Is the number of officials with access to the system programming limited?
- 6-16 Does the system maintain sufficient history so that managers or investigators can review actions taken by a specific officer over a given period of time?

STAKEHOLDER INVOLVEMENT

6-17 To what extent has Customs consulted with major stakeholders before introducing computer applications?

ADDITIONAL INFORMATION AND EVALUATOR'S OBSERVATIONS

Notes

7. LEGISLATIVE FRAMEWORK

RECOGNIZING that such simplification and harmonization can be accomplished by applying, in particular, the following principles:

- the implementation of programmes aimed at continuously modernizing Customs procedures and practices and thus enhancing efficiency and effectiveness,
- the application of Customs procedures and practices in a predictable, consistent and transparent manner,
- the provision to interested parties of all the necessary information regarding Customs laws, regulations, administrative guidelines, procedures and practices,
- the adoption of modern techniques such as risk management and audit-based controls, and the maximum practicable use of information technology,
- co-operation wherever appropriate with other national authorities, other Customs administrations and the trading communities,
- the implementation of relevant international standards,
- the provision to affected parties of easily accessible processes of administrative and judicial review,

CONVINCED that an international instrument incorporating the above objectives and principles that Contracting Parties undertake to apply would lead to the high degree of simplification and harmonization of Customs procedures and practices which is an essential aim of the Customs Co-operation Council, and so make a major contribution to facilitation of international trade,

Have agreed as follows:

“Each Contracting Party undertakes to promote the simplification and harmonization of Customs procedures and, to that end, to conform, in accordance with the provisions of this Convention, to the Standards, Transitional Standards and Recommended Practices in the Annexes to this Convention. However, nothing shall prevent a Contracting Party from granting facilities greater than those provided for therein, and each Contracting Party is recommended to grant such greater facilities as extensively as possible.”

International Convention on the Simplification and Harmonization of Customs Procedures (as amended), Preamble and Article 2.

INTERVIEWEES

Name	Title	Contact Information	Date

RESOURCES

7-1 How many staff members are assigned to the legislative oversight function?

BASIS

- 7-2 Does legislation establish a sufficient legal base for the Customs administration, setting out the organizational structure and clearly stating the scope and authority assigned to the Customs administration to administer all Customs systems?
- 7-3 Does subsidiary legislation or regulations supplement your primary legislation? If so, what are the name(s) and date(s) of these regulations or subsidiary legislation?
- 7-4 Are codes and regulations based on a common code shared by neighboring Customs administrations? If so, what is the mechanism for revising and updating them?
- 7-5 Who has the authority to issue subsidiary regulations? Parliament, the Ministry, or Customs?

HARMONIZATION WITH INTERNATIONAL STANDARDS

- 7-6 Has your administration acceded (or is it in the process of accession) to the Revised Kyoto Convention for the Harmonization and Simplification of Customs Procedures?
- 7-7 Does the Customs Code specifically authorize, generally permit, or prohibit the following procedures or practices?
- Electronic filing
 - Periodic declarations
 - Deferred payment
 - Postclearance controls
 - AEO simplified procedures
 - Prearrival filing
 - Direct delivery, direct loading and importer premises exams
- 7-8 Does legislation clearly enumerate the powers bestowed on Customs officers and clearly specify conditions under which Customs officers' powers may be used? Does it contain sanctions against abuse of power?
- 7-9 Does legislation provide investigation and audit services within Customs?

7-10 How often is Customs legislation modified? Does the government or Customs provide advance notice and time for the public to comment? Is any other mechanism used to ensure that the public receives adequate advance notice of new requirements?

ADDITIONAL INFORMATION AND EVALUATOR'S OBSERVATIONS

Notes

8. COMMUNICATIONS MANAGEMENT

Feedback obtained by the WCO from a number of Member administrations indicates that many capacity building programmes have failed to adequately address the need to obtain the full participation and commitment of Customs officials. As a result, many Customs personnel have had little personal stake in, or commitment to, the organizational and administrative reforms being promoted through various capacity-building activities. Such participation needs to be obtained well before the implementation of any capacity building programmes. Where appropriate, local Customs personnel should be involved from the earliest stage of the capacity building initiative, including the diagnostic stage, to identify capacity building needs.

World Customs Organization, Capacity Building in Customs: A Customs Capacity Building Strategy

Formalities, procedures and paperwork in international trade are generated by the need for Governments

and trade operators to monitor and control the movement of goods, transfer of services and related financial flows. This is necessary in order to safeguard each country's requirements to collect tariff revenues and to control the cross-border movement of illegal drugs, arms, protected species, hazardous waste, and other controlled products and to fulfill the information requirements for operational and statistical purposes. Regulatory authorities, however, often amend or add formalities, procedures and documents without consultation and without consideration of the effect of such changes on the cost and efficiency of the overall trading system. The effect of this practice often becomes an economic burden to the trading community.

National Trade Facilitation Bodies, Recommendation No. 4, second edition, adopted by the United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT)

INTERVIEWEES

Name	Title	Contact Information	Date

MANAGEMENT PRACTICES

- 8-1 Which managers, departments, or staff officers coordinate internal and external communications?

- 8-2 How is time-sensitive and critical information disseminated, such as enforcement look-outs or intelligence gathered at a local border post that may have national impact?
- 8-3 Do you publish a magazine or newsletter?
- 8-4 How is the business strategy (vision, goals, priorities, annual plan) publicized to employees? What sort of response is received?
- 8-5 Is the importance of trade facilitation and relations with businesses made clear at all levels of the organization? If so, how and what sort of response have you received?
- 8-6 To what extent does Customs use electronic media to disseminate information—messages from the head of the administration, job announcements, laws and regulations, procedures, and administrative announcements—to employees?

INTERNAL COMMUNICATIONS

- 8-7 Are managers encouraged or required to hold periodic meetings to brief employees on new policies and procedures, reiterate the administration's values and vision, and obtain feedback? If so, how often?
- 8-8 If the administration requires staff meetings and/or publishes a newsletter, to what extent does it use them to communicate standards of behavior, instances of meritorious behavior, and instances of corruption? Are ethical expectations and cases of corruption discussed openly?
- 8-9 Has the administration ever conducted a formal survey of employee morale and satisfaction? If so, what were the results and what was management's reaction and response? Did the administration share findings with all staff? What was the response from field officers?
- 8-10 How can employees make suggestions or air grievances? Who manages the process? Has the process been effective? Give examples.
- 8-11 Does Customs recognize superior individual or unit performance and communicate it to other employees and units, to clients, and the general public? If so, how?
- 8-12 Has Customs developed and published a Client Service Charter? If so, may we have a copy? If not, are you considering doing so?
- 8-13 Does Customs have a system that enables users to track internal documents? How are document storage and dissemination standards ensured?

EXTERNAL COMMUNICATIONS

- 8-14 How does Customs ensure that stakeholders promptly receive relevant information about new or revised legislation, regulations, policies and procedures? Does the administration have a website, updated regularly, with contact information and materials needed by clients? Who provides quality control for information posted on the website?
- 8-15 Does Customs publish an annual report to advise the finance ministry (or other appropriate ministry), other government departments, stakeholders, and the public of achievements and future plans?
- 8-16 To what extent does Customs consult with other government agencies before new regulations are issued? Before other agencies issue regulations, do they consult with Customs? How does this process work?
- 8-17 Has Customs conducted customer satisfaction surveys, or do you know of any externally conducted survey of this type? If so, what did those surveys reveal and how has Customs responded? If not, is this an activity that Customs has considered or should consider?
- 8-18 Does Customs provide free brochures, pamphlets, or notices explaining such things as passenger allowances, cargo clearance procedures, vehicle importation procedures, common tariff classifications, basic valuation, and country of origin issues? Can you share these?
- 8-19 Give examples of posters, website, press release, or similar approach the administration uses to publicize information?
- 8-20 What is your relationship with the news media? Has Customs sought their support through press conferences, press releases, or other means? What is the image of Customs that media usually projects?

DISSEMINATION OF INFORMATION

- 8-21 Does Customs publish an external newsletter to provide useful information about procedures and proposed changes to the trading community? Is useful, up-to-date information available on a Customs website?
- 8-22 Have help desks been established to assist clients in complying with Customs requirements? Does the trade community have easy access to advice through personal contact and telephone? Where are information services located?

- 8-23 Have the Customs laws, regulations, procedures, and administrative guidelines been made available to the public? If so, how has this been done? How does the administration ensure that the information is accurate and not outdated?
- 8-24 Does Customs have a system of public notices that explain Customs procedures and requirements in a way that is clear and easy to understand?
- 8-25 How far in advance does the administration publish proposed changes or new requirements? Does the government or ministry require that advance notice be provided? Is there any restriction on providing advance notice?
- 8-26 To what extent is the public and trade community allowed to review and comment on proposed changes or new requirements before they go into force?
- 8-27 Who is responsible for managing the complaint intake process? How does the process work, and what records are kept? Is an analysis of complaints conducted (who, what, when, where, how) and appropriate action taken? Is the process reviewed to ensure that application is consistent?
- 8-28 Does Customs have a system for logging and tracking complaints at a central location? Has a timeframe been established by which a complaint must be answered? Does Customs analyze complaints to identify potential integrity issues?
- 8-29 How does Customs encourage clients, the general public, and third parties such as banking institutions to report questionable behavior by Customs employees?
- 8-30 What recourse does a trader have if he believes he is being poorly served by a field office and the local manager has not resolved the issue? Does the administration make available a single point of contact such as an ombudsman to address quality and timeliness of service issues?
- 8-31 Has Customs or any other government agency established a hotline or other means for clients, the general public, or Customs employees to report suspected unethical, questionable, or otherwise unacceptable behavior? If so, how are these means publicized and promoted?

ADDITIONAL INFORMATION AND EVALUATOR'S OBSERVATIONS

Notes

9. RELATIONSHIPS WITH THE PRIVATE SECTOR

Formalities, procedures and paperwork in international trade are generated by the need for Governments and trade operators to monitor and control the movement of goods, transfer of services and related financial flows. This is necessary in order to safeguard each country's requirements to collect tariff revenues and to control the cross-border movement of illegal drugs, arms, protected species, hazardous waste, and other controlled products and to fulfill the information requirements for operational and statistical purposes. Regulatory authorities, however, often amend or add formalities, procedures and documents without consultation and without consideration of the effect of such changes on the cost and efficiency of the overall trading system. The effect of this practice often becomes an economic burden to the trading community. Costs, national boundaries, together with differences

in official regulations and practices, all act to inhibit trade flows. This situation discourages many businesses from even considering trading on an international basis, particularly small- and medium-sized enterprises. While the requirements of one commercial organization or governmental department may conflict with those of another, it is often possible to simplify formalities and streamline procedures without prejudicing the essential interests of any of the parties concerned. Countries interested in maintaining an internationally competitive economy should introduce consultation mechanisms for simplifying and reducing formalities, procedures, documents and other requirements to the minimum degree acceptable to all parties concerned.

National Trade Facilitation Bodies, Recommendation No. 4, second edition, adopted by the United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT)

INTERVIEWEES

Name	Title	Contact Information	Date

LIAISON

- 9-1 Does Customs have an ombudsman to be the liaison between the administration and the trading community? If so, please elaborate.

- 9-2 Does the trade community have access to Customs specialists who can provide advice and assistance in areas such as tariff classification, valuation, rules of origin, and procedural requirements? Please explain how this works.
- 9-3 Identify the major trade associations (such as brokers associations and chambers of commerce) and the extent to which Customs and other government agencies communicate with them.

CONSULTATIVE MEETINGS

- 9-4 Are formal consultative and/or cooperative mechanisms established between Customs and the trade community? Do memoranda of understanding support formal consultative and/or cooperative mechanisms?
- 9-5 Has cooperation been established between Customs and external stakeholders? Are appropriate consultative and feedback opportunities available for the public and other interested parties?
- 9-6 Does Customs participate in a Customs consultative committee with representatives from national trade organizations, other representative groups, and other government bodies? If so, how often do these meetings occur?
- 9-7 How are the meetings conducted? Do they follow an agenda? Who hosts them? And who usually attends?
- 9-8 Have other consultative mechanisms been established to facilitate communication and cooperation between Customs and client groups? Please elaborate.
- 9-9 What improvements, on the part of either Customs or the trade community, have resulted from these meetings or consultative mechanisms?
- 9-10 Have resources and personnel been dedicated to carrying out and meeting the objectives of industry partnership programs?
- 9-11 Do local Customs managers meet regularly with members of the trade community or otherwise provide recurring opportunities for information exchange and constructive involvement in improving and developing Customs procedures?
- 9-12 Are the trading and transportation communities' views taken into account in the drafting of Customs legislation and administrative regulations? If so, how?
- 9-13 How could the consultation process be improved?

CLIENT SERVICE STANDARDS

- 9-14 Has a client service charter setting expected levels of service from Customs been developed and published? If so, is Customs performance systematically measured against these standards, and are the results publicized?
- 9-15 If so, how were the standards developed? Are the service standards realistic? Can they be supported by the organization's systems and resources?
- 9-16 If client service standards have not been developed, would Customs be willing to work with trade associations to develop mutually acceptable standards?

INTEGRITY

- 9-17 Have the various sectors of the trade community implemented programs to identify, prevent, or report incidents of corruption? Within their own ranks? On the part of Customs personnel? If so, how have reported incidents been addressed by Customs? Has there been a mechanism for follow-up following the incident?
- 9-18 Has a code of ethics setting out standards of professional behavior for agents of the various sectors of the trade community been established? If so, please elaborate.
- 9-19 If there is not a code of ethics, is there sufficient interest in the trade community to develop one? Would Customs encourage such an effort?

OPPORTUNITIES FOR IMPROVEMENT

- 9-20 Is there any change in business practices that could be made by one or more sectors of the trade community in cooperation with Customs that would contribute directly or indirectly to significant improvement in trade facilitation?
- 9-21 What sort of training do members of the various segments of the trade community receive to prepare them to do business with Customs? Is any of this training required? Does Customs provide any of this training?
- 9-22 How could Customs and the trade community collaborate to ensure that Customs officials and brokers and their employees receive adequate and timely training in the skills required for effective job performance?

ADDITIONAL INFORMATION AND EVALUATOR'S
OBSERVATIONS

Notes

10. RELATIONSHIPS WITH DONOR AGENCIES

One of the perennial problems facing all capacity building recipients and providers is the poor level of co-ordination and communication between national, regional and international donors leading to duplication of effort in certain areas and little or no attention to other strategically important areas of Customs administration. Despite recent improvements ... ensuring effective co-ordination between different donors continues to plague international capacity building efforts. ... To achieve real improvement in this area, Member governments and Customs administrations must take a more active and strategic approach to meeting their capacity building needs. Moreover, governments need

to avoid the temptation of accepting donor assistance simply because it is available and play a more strategic and positive role in determining the needs and shaping the direction of the reform efforts. In addition, existing vehicles for such co-operation such as the Integrated Framework for Trade-Related Assistance to Least Developed Countries should be utilized to ensure greater coherence in the identification of needs and the deployment of appropriate capacity building expertise and resources.

World Customs Organization, Capacity Building in Customs: A Customs Capacity Building Strategy

INTERVIEWEES

Name	Title	Contact Information	Date

SUMMARY OF MEETINGS

The primary purpose of these interviews is to ensure that assessors have a clear understanding of past, ongoing, and planned or proposed donor or international agency assistance. This understanding will help the TCBaseline team ensure that its recommendations will not result in duplication of effort and explore possibilities for cooperation. Assessors are interested in learning about support for border trade facilitation, who provides technical assistance, for how long and at what cost, and future plans.

DONOR ASSISTANCE

- 10-1 Which donors are assisting Customs currently?
- 10-2 How are they assisting? How long have these programs been running? How long will they run?
- 10-3 Is there a mechanism for coordination among donor-funded projects assisting Customs?
- 10-4 Where are the gaps in donor assistance? Are there plans for future programs that might help fill these gaps?
- 10-5 How involved are Customs representatives in the design of donor-funded projects and technical assistance?
- 10-6 How could donors improve their effectiveness in assisting Customs?

ADDITIONAL INFORMATION AND EVALUATOR'S OBSERVATIONS

Notes

11. RISK MANAGEMENT

Risk analysis is the cornerstone of a balanced and modern Customs administration. It is a measure for controls and trade facilitation. It allows compliant traders to move their goods more quickly through Customs controls by experiencing fewer documentary checks and physical examinations. At the same time, risk analysis can better identify illegitimate trade. Risk analysis also provides an opportunity for the Customs administration to undertake more targeted selection and speedier clearance of goods. Some Columbus Customs administrations are undertaking initiatives to introduce risk analysis and targeting; however, with a few exceptions, even for the most advanced it remains at a rudimentary level. Risk analysis is infrequently and unsystematically being used to develop standard risk management policies and tools. In addition, the

tendency is for risk analysis parameters to be narrowly focused on revenue collection, rather than areas such as social protection and security. Risk management is rarely implemented in a harmonized way in the whole Customs territory and there is thus a need for nationwide and equal implementation. There is frequently a lack of effective post-clearance audit and evaluation of the risk management process, as evidenced by the fact that risk indicators are not updated on a regular basis. Customs controls in the application of risk analysis and targeting remain high, thereby weakening the purpose of risk management and causing unnecessary delays for legitimate trade.

World Customs Organization Trends and Patterns Report—A Capacity Building Estimate, “Moving from words to action”, June 2007

INTERVIEWEES

Name	Title	Contact Information	Date

RESOURCES

- 11-1 How many staff members are assigned to the risk management function, what are their qualifications, and what specialized training have they received?
- 11-2 What are the responsibilities of the risk management department?

RISK MANAGEMENT STRATEGY

- 11-3 Is the Customs risk management strategy oriented more to detecting or preventing noncompliance?
- 11-4 How does Customs work with importers, exporters, and agents to improve compliance? Is this considered a risk management function? Who is responsible?
- 11-5 What impact do clearance procedures have on risk? Does the risk management strategy include simplifying procedures?
- 11-6 How does the Customs administration coordinate risk management with other agencies?

ANALYTICAL PROCESSES

- 11-7 Where does Customs focus its analytical efforts? Is revenue the primary concern? What other areas does it focus on?
- 11-8 What is the relevance of unnecessary delays of legitimate cargo? What impact does this have on Customs? Is it perceived as a potential risk?
- 11-9 Have risk levels been defined? What levels have been defined? How are levels assigned? Is a risk matrix used?
- 11-10 Which is more common: researching a situation brought to your attention by another department or generating your own analysis? Please give examples.
- 11-11 How many examination criteria are active? How does Customs measure their effectiveness and how often?
- 11-12 Who has the authority for approving, updating, or removing examination criteria?
- 11-13 Are risk criteria updated? Are risk criteria reviewed on a regular schedule?

INFORMATION TECHNOLOGY

- 11-14 What declaration processing system do you use? If ASYCUDA, what version?
- 11-15 Does your system have a selectivity module? If other than ASYCUDA, how does it work?
- 11-16 What other software do you use?
- 11-17 Are changes or upgrades projected in the next 12 months?

SELECTIVE CONTROLS

- 11-18 What controls are applied to commercial declarations (physical exam, document review, computer release without document review or physical exam, postclearance control)?
- 11-19 Do you apply selective controls to import, export and transit regimes?
- 11-20 What is the policy on overriding examination instructions? Do field managers and officers comply with this policy? What records are kept? What are the records used for if they are kept?

DOCUMENT REVIEWS AND PHYSICAL EXAMINATIONS

- 11-21 Are document reviews mandatory or are they generated by the selectivity system based on your analysis?
- 11-22 What do document reviews target? Does Customs give the reviewing officer instructions?
- 11-23 What percentage of document reviews has resulted in the discovery of a discrepancy in the declaration that requires the modification of the declaration?
- 11-24 Does Customs have written guidelines for conducting compliance examinations? If so, are they followed? Are both discrepant and compliant findings properly recorded and reported to the Risk Management Unit?
- 11-25 What is the policy on modifying a declaration after examination has started? What factors does Customs consider in permitting a modification of the declaration rather than levying a penalty or seizing property?
- 11-26 What percentage of physical examinations has resulted in the discovery of a discrepancy in the declaration that requires it to be modified?
- 11-27 Does Customs perform random compliance examinations? If so, have all examining officers been trained on the procedures for conducting compliance examinations and reporting their findings?
- 11-28 Who reviews the examining officer's reports? Do the reports provide useful information, sufficient to help determine whether the criteria are still valid?
- 11-29 In the past 12 months, how many significant discrepancies have examining officers discovered on the basis of your criteria and examination instructions? How much additional revenue has been recovered as a result? Has there been any notable seizure or prosecution?

COMPLIANCE MEASUREMENT

- 11-30 Does Customs have a formal compliance measurement program? If so, please describe it and the type of measurements it includes, such as periodic examinations, compliance audits, and client self-assessments. If so, has a coordinator been designated?
- 11-31 Which industries or product lines are of particular concern to the economic wellbeing of your country? How does Customs treat them differently from other industries or product lines?

INTERAGENCY, INTERGOVERNMENTAL, AND INTERNATIONAL WORKING RELATIONS

- 11-32 What offices or departments in Customs do you routinely work or consult with? Please elaborate.
- 11-33 To what extent do governmental departments such as standards, veterinary, phytosanitary, and other with responsibility for inspecting imported goods accept a risk management philosophy? What other agencies do you routinely communicate with about risk management?
- 11-34 Does Customs allow other government departments to use its selectivity system to designate high-risk shipments for inspection? If so, which agencies? Give examples. If not, has Customs considered doing so? What would prevent it from doing so?

ADDITIONAL INFORMATION AND EVALUATOR'S OBSERVATIONS

Notes

12. POSTCLEARANCE CONTROLS

Post Clearance Audit means Customs control or audit performed subsequent to the release of cargo from Customs custody. Such audit may take into account individual transactions or cover imports/exports undertaken over a certain period. The audit can take place either at a Customs office or on the premises of a company. Implementation of post clearance audit is a major simplification of Customs control and thus provides facilitation for the traders. Time previously spent waiting for Customs clearance will be reduced to a minimum, and traders can dispose of their goods quickly after arrival in the country. In traditional Customs procedures goods are subject to control upon arrival at the border or in the port of entry. The goods will normally be stored in a warehouse or on a wharf pending the importer or his clearing agent to present the declaration and supporting documents for clearance at a Customs office. The process may take

several days, sometimes weeks, if disputes or irregularities occur. However, goods remain in Customs custody until all checks have been performed and requirements fulfilled, including payment of duty and taxes. In applying risk management techniques and audit based control, Customs is able to release the vast majority of shipments and retain only consignments matching the risk profiles. Non-selected cargo will be released immediately but may be subject to a posteriori control, i.e. post clearance audit. Such audit will focus on the supporting documents as well as books, records and observations at the premises of the importing company. Post clearance audit allows Customs to change the approach from a purely transaction based control to a more comprehensive company oriented control.”

UNCTAD Trust Fund for Trade Facilitation Negotiations, Technical Note No. 05, Customs Procedures – Post Clearance Audit. October 5, 2005

INTERVIEWEES

Name	Title	Contact Information	Date

RESOURCES

- 12-1 How many staff members are assigned to the postclearance control function and where are they located? Is this a central or regional function?
- 12-2 What are their qualifications and what training have they received?

- 12-3 Do audit teams include people with specialized qualifications in retrieving automated records from document management, workflow, and accounting programs?

BASIS

- 12-4 Describe the legal authority in the Customs code to conduct for postclearance reviews or audits of traders' records. Are limits placed on when Customs can conduct an audit or how long after the release of goods Customs can demand payment of additional duties and taxes?
- 12-5 Which of the following types of audits does Customs conduct?
- Declaration conformance—to validate the information in one or more declarations when no inspection was conducted at the border or to confirm a single-entry valuation issue?
 - Compliance measurement—when no violation is alleged or suspected, for statistical sampling to validate risk management assumptions?
 - Enforcement driven—when a violation is alleged or suspected, to gather confirming evidence of the suspected violation or show there is no violation?
- 12-6 If postclearance controls are performed by another office or department, does that office or department report its findings to the risk management department? In all cases? If so, how does it make its report?

PROCEDURES

- 12-7 Does Customs have to give advance notice before conducting an audit? Does Customs have the legal authority to copy or seize business records that demonstrate instances of noncompliance? Please give examples of how and when Customs would or would not give advance notice and under what circumstances Customs would be permitted to copy or retain records.
- 12-8 Describe how the postclearance controls process works in your administration—if possible, a step-by-step explanation of what happens between Customs and the company being audited, for each type of audit.
- 12-9 Does Customs have a policies and procedures manual governing postclearance controls?

- 12-10 How familiar is the trade community with its rights and obligations? Please explain the basis for your opinion. Are traders' rights and obligations set out in legislation, regulations, information notices, or other formats?
- 12-11 What does Customs look for when conducting a postclearance audit?
- 12-12 What books and records does Customs routinely review for each type of external audit?
- 12-13 How do audits fit into Custom's valuation process? Is valuation more a preclearance or postclearance issue?

RESULTING ACTIONS

- 12-14 Describe the results achieved through the postclearance controls process in the past year.
- 12-15 How does Customs handle clearly intentional noncompliance by an importer or broker, or clearly unintentional noncompliance by an importer or broker? How does Customs handle situations in which intent is not clear? Who determines if the circumstances warrant issuing an administrative penalty?
- 12-16 How does the Postclearance Audit unit coordinate its findings with the risk analysis unit?

ADDITIONAL INFORMATION AND EVALUATOR'S OBSERVATIONS

Notes

13. AUTHORIZED ECONOMIC OPERATORS

To achieve the ultimate security and facilitation goals of the SAFE Framework, Customs administrations must adopt a transparent and forthcoming attitude in the area of Customs operations that can be further modernized, adjusted and improved to the benefit of the international trade community. In this sense, Customs should proactively consider ways in which they can, based on their current or projected resources, assist the trade in completing their business in the most effective way possible. The international trade and transport communities have experience and knowledge that can benefit Customs administrations in the management of their facilitation and security responsibilities. The private sector should take advantage of this opportunity to forge new and appropriate alliances with Customs, to assist Customs administrations with their security-related mandates. In order to garner and keep private sector support, it is necessary that there be a clear statement concerning what is entailed in being an AEO. There must be a common understanding of the conditions and requirements of AEO status, which should be specifically enumerated in detail in

national AEO programmes. Even more fundamentally, as a first step, there must be clear presentation of the tangible benefits to be realized by participation in the SAFE Framework programme. An appreciation by the private sector of the benefits which may be provided by WCO Member Customs administrations, as well as the benefits of active participation in efforts to strengthen global supply chain security, is a critical element in the private sector being able to justify the additional costs incurred in the process of enhancing existing security measures. Clear and tangible benefits will help provide a needed incentive to business. It is clear that WCO Members will face certain challenges in starting up AEO programmes in their national Customs administrations, but one thing is certain—now is the time to raise the global profile of Customs as a major player in securing the economic and physical well-being of the nations they serve by protecting the flow of trade throughout the global supply chain.

World Customs Organization SAFE Framework of Standards, Authorized Economic Operator Guidelines, 2006

INTERVIEWEES

Name	Title	Contact Information	Date

IMPLEMENTATION

- 13-1 Do you have an authorized economic operator (AEO) program? How are potential participants measured for conformance to AEO criteria? Who does this measurement, and what qualifications or special training in conformance measurement does the assessment team have?
- 13-2 If you do not have an AEO program, do you have plans to establish one? If the creation of an AEO program is planned, may I have a copy of the project plan?
- 13-3 Please describe the application process, including whatever review or intervention Customs conducts before approval or denial?

RESOURCES

- 13-4 Describe the functions and priorities of your department or office as they relate to the administration's mission and priorities.
- 13-5 How many personnel are assigned to the AEO program? What qualifications are required to be a member of your department or office and what training do your staff members normally receive?

REQUIREMENTS

- 13-6 Is the AEO program design focused on supply chain security or does the program look for AEOs that are compliant across the spectrum of Customs regulations or on both? If it is a broad-spectrum program, does it also measure the likelihood of compliance with other agency regulations when goods cross the border?
- 13-7 Is Customs seeking mutual recognition with other countries' Customs administrations? Does this include recognition of AEOs as low risk by the other Customs administrations? Please clarify where you are in the mutual recognition process.
- 13-8 Has Customs coordinated its AEO program with other government agencies? If so, what was the impact of that coordination?

PARTICIPANTS

- 13-9 What types and how many of each type of economic operators may participate in the AEO program?
- 13-10 How many additional applicants are being considered?

- 13-11 Does Customs have plans to expand the AEO program to include additional companies or categories of companies?
- 13-12 How is routine liaison and coordination accomplished between individual AEO members and Customs?

BENEFITS

- 13-13 Which, if any, of the following benefits are provided to members of the AEO program?
- Direct delivery—Goods are allowed to proceed directly to the trader's premises for clearance or are factory sealed for direct export.
 - Simplified procedure—Goods are released on a simplified document before the formal declaration is filed.
 - Periodic declarations—Authorized traders file a single declaration for all imports or exports in a given period when goods are imported or exported frequently by the same person.
 - Deferred payment—Duties and taxes are deferred until the periodic declaration is filed.
 - Advance release—Goods are released before a complete declaration is filed or duties are paid.
 - Public recognition of AEO participants—for example, maintaining a list of current AEO participants on the Customs administration website.
- 13-14 If Customs does not allow these procedures, does it plan to do so? If not, what prevents it from doing so? Are other simplified procedures allowed that we have not mentioned?
- 13-15 Are AEO participants engaged with Customs in identifying the benefits that make participation a cost-effective solution for them?
- 13-16 Has any other government agency made or offered to make simplified procedures available to AEO participants? If so, please elaborate. If not, how could inclusion of these other agencies benefit the program and traders?

ADDITIONAL INFORMATION AND EVALUATOR'S
OBSERVATIONS

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14. PROFESSIONAL ETHICS

The public are entitled to expect all Customs officials to be honest, impartial and professional. To maintain public confidence it is important that Customs officials maintain the highest standards of integrity in their dealings with members of the public, the business community, and other government officials. A key element of a sound integrity program is the development, issue and acceptance of a comprehensive code of conduct which sets out in very practical and clear terms the standard of behaviour expected of all Customs officials. This point was recognised by the World Customs Organization in its Arusha Declaration on Integrity in Customs which includes a specific recommendation on the issue

of codes of conduct. The Arusha Declaration states that: "Customs officials should be issued with a code of conduct, the implications of which should be fully explained to them. There should be effective disciplinary measures, which should include the possibility of dismissal." An effective code of conduct must: describe in very practical and clear terms the standards of behaviour expected of all Customs officials; and provide a guide to solving ethical issues for those working in Customs and those who have dealings with Customs officials.

World Customs Organization, Model Code of Ethics and Conduct

INTERVIEWEES

Name	Title	Contact Information	Date

RESPONSIBILITY

- 14-1 Does Customs have a chief ethics officer and/or an ethics committee that is responsible for developing ethics policy, programs, and projects? If so, please describe. Does the private sector participate?
- 14-2 Ethics is also the responsibility of the private sector. Does Customs participate in the private sector ethics development? Please give examples.

- 14-3 Tools are available for measuring ethics in a Customs administration, such as the WCO Integrity Assessment. Has your Customs administration conducted this type of assessment? If so, when? What was the outcome?
- 14-4 Does Customs have a formal integrity strategy? Is it written, specific, and available to Customs officers and to external clients? If so, does it include a general or a detailed code of conduct and/or a disciplinary code?
- 14-5 How does Customs ensure that both staff and clients are aware of the strategy and the consequences of unethical behavior? Outreach? Training? Other means? Do you publish information on integrity lapses and their consequences?
- 14-6 How does Customs measure its effectiveness in maintaining integrity in its operations? Has any survey been carried out on clients and stakeholders—what their views and attitudes are about the Customs administration or the civil service in general?

CODE OF CONDUCT

- 14-7 Does Customs have a formal code of conduct that is consistent with the principles of the Arusha Declaration? If so, may I have a copy? How was it developed? When was it published? Is it ever updated?
- 14-8 Does the code of conduct provide a range of practical examples and guidance for dealing with ethical issues that is relevant to the different types of work carried out by staff in Customs?
- 14-9 How is the code of conduct promoted to clients, especially in relation to acceptance of gifts and tokens and to appropriate relations with stakeholders?
- 14-10 What use has Customs made of posters, brochures, public service announcements, press releases, or television and radio talk shows to make the public aware of the Customs code of conduct and what they should do if a Customs employee or other border officer exhibits unethical behavior? Have other border or trade-related agencies undertaken any of this type of activity?
- 14-11 Are employees required to sign a provision indicating that they have read and understood the code of conduct and accept its provisions, obligations, and responsibilities?
- 14-12 Does the code of conduct describe managers' and employees' responsibilities for collecting, storing, maintaining, and disseminating information obtained in the course of duty?

DISCIPLINARY PRACTICES

- 14-13 Does Customs have its own disciplinary code or does it use a disciplinary code established by the ministry or other government authority (such as a civil service agency)?
- 14-14 Does the disciplinary code provide an acceptable range of internal sanctions—including dismissal—to be applied according to the nature and seriousness of the offense, and for criminal offenses to be reported to the appropriate enforcement agency?
- 14-15 Who manages the disciplinary function in Customs? Does Customs have a disciplinary committee to review the results of investigations and determine the appropriate remedies? If so, who sits on the committee and how does it function?
- 14-16 What appeal rights does an employee have? What is the process?

REPORTING MECHANISMS

- 14-17 Does Customs encourage clients, the general public, and third parties such as banking institutions to report corruption or attempted corruption? Do clients accept their share of responsibility for maintaining a corruption-free environment?
- 14-18 What mechanisms (such as hotlines or complaints-and-compliments system) are in place for Customs employees, clients, or the general public to report suspected breaches of the code of conduct? How are these mechanisms promoted? Are there sanctions for falsely reporting information on employees to damage their reputation and career?
- 14-19 Are incentives offered to employees for identifying and reporting corruption?
- 14-20 To what extent are supervisors held responsible for the integrity of their employees, for both their positive and negative actions?
- 14-21 Can employees report instances of corrupt activity in a way that bypasses their immediate supervisors or work areas, for example, directly to the internal affairs unit or to an integrity investigation department outside Customs?

WORKING ENVIRONMENT

- 14-22 To what extent have operational systems and procedures been organized to minimize the opportunity for staff fraud? Give specific examples.

- 14-23 At the point of interaction with the public, such as passenger and cargo control points, are mechanisms in place to prevent prior knowledge of where particular Customs employees will perform particular functions at certain times?

INTERNAL INVESTIGATIONS

- 14-24 Does Customs have a formal program for conducting internal investigations of alleged or suspected unethical activity by Customs personnel? Does Customs have an internal investigations unit?
- 14-25 How are allegations of corruption followed up? Are mechanisms in place to investigate information provided to Customs by third parties? Are sufficient resources available to ensure that allegations are investigated fully and in a timely way?

INTERNAL CONTROLS AND INSPECTIONS

- 14-26 Does Customs have a system of internal controls to ensure correct interpretation and application of Customs legislation, that there is no irregularity, the efficiency of the service?
- 14-27 Are managers at all levels required to apply checks, including random checks, regularly to ensure that subordinates carry out their duties in accordance with established operating procedures? Are managers given standard internal check procedures and checklists?
- 14-28 Are internal controls documented and subject to periodic and unannounced internal inspections or audits? By whom and how often?

ADDITIONAL INFORMATION AND EVALUATOR'S PERSONAL OBSERVATIONS

Notes

15. CLEARANCE PROCEDURES

There are also obligations on Customs which include establishing Customs offices, designating the hours of business, checking the Goods declaration, examining the goods, assessing and collecting duties and taxes, and releasing the goods. These formalities are essential to ensure compliance with Customs laws and regulations and to ensure that Customs' revenue and regulatory

interests are safeguarded. At the same time they should be as simple as possible and should cause a minimum of inconvenience to international trade.

Revised Kyoto Convention, General Annex, Chapter 3, Introduction: Guidelines on Clearance and other Customs Formalities

INTERVIEWEES

Name	Title	Contact Information	Date

RESOURCES

- 15-1 How does Customs manage and oversee the clearance process to ensure that it is applied uniformly and fairly? Does a specialized unit do this? If so, how many staff members are assigned to this function?

LEGISLATION

- 15-2 Does legislation establish a time limit for filing declarations? If so, what is that time limit and can it be extended? What is the consequence of failing to file a declaration within the time limit? Can you cite the article or section?

- 15-3 Does legislation permit the lodging and registering or checking of the goods declaration and supporting documents before the goods arrive? If so, how far in advance? Can you cite the article or section?
- 15-4 Does legislation permit the release of goods on an incomplete declaration and the filing of the completed declaration within a specified period of time? Can you cite the article or section?

POLICIES AND PROCEDURES

- 15-5 Does Customs issue public notices to traders explaining Customs procedures and requirements in a way that is clear and easy to understand? If so, who is responsible for drafting these notices?
- 15-6 If procedures change, is the public notice issued before the procedural change takes place? If so, how long in advance? Does this include a notice and comment period?
- 15-7 Does Customs have a standard operating procedures manual for Customs staff detailing the procedures they must follow?
- 15-8 How does Customs monitor and measure internal compliance with policies and procedures?
- 15-9 Does Customs have a system of simplified procedures for authorized traders who meet compliance and security standards? If so, describe those procedures.

FEES AND CHARGES

- 15-10 Are supplementary charges levied? If fees are used, does Customs publish the fee schedule? How often does the fee schedule change?
- 15-11 Do other government agencies impose supplementary charges on imports or exports? If so, how are these collected and by whom?
- 15-12 To what extent does Customs provide clearance facilities outside the designated hours of business and/or at traders' premises? Are charges confined to those actually incurred by the administration?
- 15-13 If Customs uses a system of fees, do the amounts of those fees approximate the actual cost of providing the services rendered? How were the amounts determined?

LODGING A DECLARATION

- 15-14 Are most goods entering your territory by land cleared at the border or at an inland terminal?
- 15-15 If most goods are not cleared at the border, does Customs specify the inland terminal at which clearance must take place or is the importer allowed to choose the terminal closest to his place of business?
- 15-16 What are the normal hours of service at the various Customs offices (border, seaport, airport, inland terminal)? Have these been coordinated with other government departments? With traders and transporters? With neighboring Customs administrations?
- 15-17 Does Customs allow the declarant to inspect his goods before lodging his declaration? Does Customs require the declarant to do so?
- 15-18 Does Customs release goods under the “green channel” procedure, in which goods are automatically released without a Customs officer’s checking the documents in detail?
- 15-19 Does Customs release goods without physical examination under the “yellow channel” procedure? If so, how does this work?
- 15-20 What percentage of declarations are document-checked by a Customs officer? What does the officer look for? What happens if the officer detects an error?
- 15-21 Do other government agencies review declarations and supporting documents before or after Customs’ review?
- 15-22 What percentage of document checks result in actionable discrepancies? What are the most common types of actionable discrepancies? Provide recent significant examples.

GOODS DECLARATION AND SUPPORTING DOCUMENTATION

- 15-23 Does your Customs declaration format conform to the UN layout key?
- 15-24 What supporting documents must be filed with a declaration? Are translations required?
- 15-25 Do other government agencies require import or export licenses? If so, which agencies? What is the procedure for obtaining the licenses?
- 15-26 Can a goods declaration be filed electronically? If so, when is it considered accepted by Customs: when it is lodged electronically or when a paper copy is provided?

15-27 Can supporting documents be filed electronically? If not, why not?

AMENDING A DECLARATION

15-28 If a declaration is amended, is it appended to the original declaration in the automated system or must the declarant first cancel the original declaration and file a new, corrected declaration? Can an officer modify a declaration in any way before it is officially accepted and not leave a record that the declaration was changed?

15-29 Does the ability to amend the declaration carry forward past the finalization of the declaration? If so, how do you define the circumstances in which the importer may make a voluntary disclosure of prior errors months or even years past the completion of the declaration?

RELEASE

15-30 When an offense has been detected, can the goods be released before the administrative or legal action is completed, or are the goods held in Customs custody?

15-31 How are minor errors, such as typographical errors on declarations, handled?

ADDITIONAL INFORMATION AND EVALUATOR'S OBSERVATIONS

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16. TECHNICAL REQUIREMENTS

The lack of understanding of customs valuation and of its supporting procedures are two of the principal factors minimizing the efficiency of the customs administrations in many developing countries. The absence of effective customs valuation systems affects the outcome of a country's customs and trade policies, endangers its revenue mobilization performance, and aggravates integrity issues. Customs valuation systems have been the subject of international agreements because they can constitute barriers to trade. The World Trade Organization (WTO) Agreement on Customs Valuation (ACV) mandates the use of the ACV for all WTO

members. The ACV establishes that the customs value of imported goods, to the greatest extent possible, is the transaction value, that is, the price actually paid or payable for the goods. Despite receiving substantial technical assistance (TA), many developing countries have not succeeded in adequately implementing the WTO valuation standard."

Adrien Goorman and Luc De Wulf, Customs Valuation in Developing Countries and the World Trade Organization Valuation Rules, World Bank Customs Modernization Handbook, 2005

INTERVIEWEES

Name	Title	Contact Information	Date

RESOURCES

- 16-1 How does Customs manage and oversee the classification and valuation processes to ensure that they are applied uniformly and fairly? Does it have a specialized unit or separate units? If so, how many staff members are assigned to these functions?
- 16-2 What are their qualifications and what training have they received?

CLASSIFICATION AND VALUATION

- 16-3 Does your country's tariff incorporate the Harmonized Commodity Description and Coding System?
- 16-4 Do you use a national tariff or a common tariff?
- 16-5 How many rates of Customs duty do you have in your Customs tariff? What is the minimum rate? What is the maximum rate?
- 16-6 What problems do you have with tariff classification? Is tariff classification consistent throughout the Customs administration? How do you know?
- 16-7 What training in the Harmonized System has your administration received? Has it been adequate or is additional training required?
- 16-8 Who is responsible for making classification decisions at headquarters? At the field level? What is their working relationship? Does Customs have an automated system that provides historical information on classification rulings?
- 16-9 What other taxes does Customs collect on its own behalf or on behalf of other government agencies?
- 16-10 Does Customs use the WTO (GATT) valuation system?
- 16-11 What training in the Agreement on Customs Valuation has your administration received? Has it been adequate or is additional training required?
- 16-12 For what percentage of imports is the declared transaction value accepted?
- 16-13 What major problems are you experiencing under this system?
- 16-14 Who is responsible for making valuation decisions at headquarters? At the field level? What is their working relationship?
- 16-15 At what point in the clearance process is the decision made to accept or reject declared values? Who is responsible for making that decision? What tools does that person have to enable him to make accurate valuation decisions? Is a valuation database used?
- 16-16 How well do field officers understand how to apply the GATT Valuation Code?
- 16-17 Does the Customs code require the submission of a certificate of origin with imports? If not in all cases, what are the reasons?

OTHER GOVERNMENTAL AGENCY REQUIREMENTS

- 16-18 What other government agencies impose legislative and/or regulatory requirements on the importation and exportation of goods; for example, import licenses, export licenses, quotas, standards?
- 16-19 Describe the impact of these requirements on Customs. What is Customs' working relationship with these agencies? Do the other government agencies impose their workload on Customs or do they do it themselves? Does this create delays?
- 16-20 Describe the impact of these requirements on traders. How much time does meeting these other governmental requirements require?
- 16-21 If traders must go to other agency offices to obtain licenses or meet other government requirements, is this process generally regarded as reputable, or have officers of other agencies used their authority to obtain gratuities or bribes in exchange for issuing the documents?
- 16-22 How could this process be simplified?

ADVANCE RULINGS (OR PRELIMINARY DECISIONS)

- 16-23 Does the Customs code authorize Customs to issue binding rulings for valuation, classification, and origin? If so, does it do so? If not, are there plans to initiate such a process?
- 16-24 If you have an advance rulings process, to what extent does it include requirements set forth by other government agencies? If it does not, could it?
- 16-25 Have written guidelines and instructions been developed? If so, are advance ruling processes well publicized and user friendly?
- 16-26 Do advance ruling processes have time limits?
- 16-27 Are rulings made available to all interested parties? Are rulings made available in all Customs publications? Are they available electronically?
- 16-28 How does Customs ensure that binding rulings are consistent with each other?
- 16-29 When the withdrawal or amendment of a ruling is detrimental to an applicant, can the ruling be extended? Does Customs take into consideration the possibility of placing applicants at an unforeseen disadvantage?

FRAUD

- 16-30 Describe the major types of fraud you encounter and the products most often involved.
- 16-31 Are penalties severe enough to deter fraud? Are penalties applied following the letter of the law or are they less severe? If penalties are inadequate, why?

CLEARING AGENTS

- 16-32 Does Customs license or certify clearing agents (customhouse brokers)? Please explain this process.
- 16-33 How well do clearing agents perform their duties? Are they knowledgeable? How do you measure this? What steps do you take when you identify weaknesses?
- 16-34 To what extent do clearing agents contribute to lapses of integrity in Customs? Can you cite a few examples? What have you done in these instances?
- 16-35 Does Customs give training to clearing agents? If so, what sort of training? How often?

ADDITIONAL INFORMATION AND EVALUATOR'S PERSONAL OBSERVATIONS

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17. TRANSIT PROCEDURES

Customs transit systems are devised to facilitate to the greatest possible extent the movement of goods under Customs seals in international trade and to provide the required Customs security and guarantees to the transit countries. For such a system to function satisfactorily, it is essential that any formalities involved are neither too burdensome for the Customs officials nor too complex for the transport operators and their agents. Therefore, a balance needs to be struck between the requirements of the Customs authorities on the one hand and those of the transport operators on the other.

Traditionally when goods crossed the territory of one or more States in the course of international carriage

of goods by road, the Customs authorities in each State applied national controls and procedures. These varied from State to State, but frequently involved the inspection of the load at each national frontier and the imposition of national security requirements (guarantee, bond, deposit of duty, etc.) to cover the potential duty and taxes at risk while the goods were in transit through each territory. These measures, applied in each country of transit, led to considerable expenses, delays and interferences with international transport.

Convention on International Transport of Goods Handbook, United Nations Economic Commission for Europe Secretariat (UN/ECE)

INTERVIEWEES

Name	Title	Contact Information	Date

RESOURCES

- 17-1 How does Customs manage and oversee the transit process? Does it have a specialized unit? If so, how many staff members are assigned to this function?
- 17-2 What are their qualifications and what specialized training have they received?

TRANSIT POLICY

- 17-3 Is your country a signatory to the TIR Convention (Customs Convention on the International Transport of Goods under Cover of TIR Carnets)? What about alternatives to TIR? Are you a member of a group of nations that is developing alternative common transit procedures?
- 17-4 To what extent does Customs participate in established or planned regional transit corridors? Has this participation simplified transit movements for your administration?
- 17-5 Have your country's transit procedures been harmonized with those of any neighboring country or transit partner country?
- 17-6 To what extent does your country's banking and insurance infrastructure facilitate Customs transit requirements?
- 17-7 To what extent are facilities and technical equipment adequate for managing Customs transit operations?

AUTOMATION AND STATISTICS

- 17-8 Is the Customs transit system automated? What automated system do you use?
- 17-9 Does Customs use its system's capabilities to monitor and measure transit times? If so, who reviews the times and how often? Please give samples of a monthly report for one or two of the busiest transit offices.

TRANSIT ROUTES

- 17-10 What are your country's major transit routes?
- 17-11 To what extent is your country negatively affected by transit procedures in other countries?
- 17-12 Are transit routes prescribed? If so, have they been agreed to in consultation with other Customs administrations and other border agencies? Do transit routes apply to only high-risk goods or to all goods?
- 17-13 Is prior approval required to change destinations after the transit declaration has been opened?
- 17-14 Have time limits been imposed? If so, have these been agreed to in consultation with trade operators?

- 17-15 What happens if the transporter varies from the prescribed transit route or fails to meet the time limit?

GUARANTEES

- 17-16 Are guarantees required for all goods in transit in lieu of payment of import duties and taxes? If so, what form do the guarantees take? Which securities does national legislation require be used for transit? Deposits to Customs? Bank guarantees? Customs bonds issued by an insurance company? Other types?
- 17-17 How is the amount of the guarantee determined? Does it exceed the import duties and taxes liable on the goods?
- 17-18 Has an international guarantee system been implemented? Does your country have bilateral or regional transit agreements that include a guarantee system? Are national guaranteeing associations in use?

CUSTOMS CONTROLS

- 17-19 Is fraudulent activity or other abuse of the Customs transit system a significant concern of Customs? Has enforcement capability been dedicated to Customs transit operations? Please elaborate.
- 17-20 Is risk management applied to goods in transit? If so, how does this work? What controls are typically applied at the place where the transit shipment first enters the territory?
- 17-21 Does Customs or another government agency convoy or escort transit shipments? If so, are escorts required in all transit operations or only in high-risk transit operations? Please elaborate.
- 17-22 Does Customs or other governmental agency conduct road checks on transit vehicles? If so, who does this and what significant discrepancies have these checks discovered recently? How does Customs ensure that officers do not use this function to extract bribes?
- 17-23 Does Customs use compliant trader systems to provide simplified transit procedures? If so, does this include certain transportation companies? What simplified provisions have been implemented?
- 17-24 Are audit-based controls used for Customs transit?

- 17-25 Are compliance measurements established for Customs transit? If so, what are the measured compliance levels? What are your primary concerns?
- 17-26 Are securities and guarantees discharged as soon as the obligations have been met? What are the procedures discharging securities and guarantees?
- 17-27 If transit obligations are not met, what procedures have been established to recover the debt to Customs? Does the debt include penalties and interest?

SEALS AND FASTENING

- 17-28 What requirements are in place for the physical specifications of seals and fastenings? Are Customs seals or fastenings affixed in all cases of Customs transit?
- 17-29 Are seals and identification marks affixed by foreign Customs administrations accepted for your country's Customs transit operations?

ADDITIONAL INFORMATION AND EVALUATOR'S PERSONAL OBSERVATIONS

Notes

18. PENALTY AND APPEAL PROCEDURES

It is a general principle of the Kyoto Convention that all Customs matters must be treated in a transparent and fair manner. As a consequence there is another general principle that all persons who deal with Customs must be afforded the opportunity to lodge an appeal on any matter. In everyday practice situations may arise in which a decision or omission of the Customs is not acceptable to the person directly affected by it. It is therefore important that provision be made for the person concerned to be given, upon request, an explanation of the reasons for the decision or omission and for the person to have a right of appeal to a competent authority. The competent authority may be the Customs themselves, another administrative authority, one or more arbitrators, a special tribunal and, in the final instance, a judicial authority. This right of appeal

ensures protection for the individual against decisions of Customs that may not be in compliance with the laws and regulations which they are responsible to administer and enforce. It also ensures protection against omissions by Customs in any matter. At the same time, the review of challenged decisions or omissions by a competent authority and the verdicts of these reviews can be a suitable means of ensuring uniform application of the laws and regulations. Depending upon the legal system of the country concerned, these verdicts may or may not constitute legal precedents or official interpretations that will relate to like or similar disputes to be settled in the future.

Kyoto Convention—General Annex—Chapter 10, Guidelines on Appeals in Customs Matters

INTERVIEWEES

Name	Title	Contact Information	Date

RESOURCES

- 18-1 Who is responsible for managing and monitoring the Customs administrative penalty system? How does Customs ensure that penalties are applied uniformly and fairly? Does it have a specialized unit? If so, how many staff members are assigned to this function?

- 18-2 To what extent and under what circumstances does Customs delegate offense procedures to regional and local offices?
- 18-3 Does Customs have clear guidelines on establishing penalty amounts that are based on the circumstances and severity of the violation?
- 18-4 How are administrative penalties, including detentions and seizures, documented? What does this documentation include? Who prepares it? How is it reviewed?

SEIZURES AND DETENTIONS

- 18-5 Does Customs have written procedures implementing a formal system for seizure, restoration, and disposal of seized goods? If so, may we see them and samples of the forms your officers use? How do you secure seized or detained goods? How often do you conduct inventories of detained or seized goods?

APPEALS AND REVIEW

- 18-6 Are appeal procedures defined and made accessible to all parties? How is this done?
- 18-7 Describe the Customs appeals process:
- Are internal appeal and review mechanisms established?
 - Are external appeal and review mechanisms established?
 - Are appeal and review mechanisms independent?
- 18-8 What levels of appeal have been established?
- Provisions for an initial appeal to Customs? If so, what is the mechanism internally within Customs for such an appeal?
 - Are there provisions for a supplemental appeal to a higher authority within Customs? Who is this authority?
 - Provisions for an appeal to an authority independent of Customs?
 - An appeals body dedicated to Customs matters?
 - Provisions for a final right of appeal to a judicial authority? What external body serves as the facilitator for the business community to make such appeals?
- 18-9 Have time limits been established for both the violator and Customs to file an appeal?

18-10 To what extent are goods released pending the outcome of an appeal? Is a security or other form of guarantee required? If so, are guidelines and conditions established for the calculation of the security or guarantee?

18-11 How promptly does Customs give final decisions? Does it do so by written notice of a ruling on an appeal? Do decision letters and case files explain the basis for the decision?

18-12 To what extent and how does Customs advise appellants of their right to lodge further appeals?

18-13 If Customs administers penalties and/or detentions for noncompliance with other government agency requirements, how are appeals decided? By whom? What is the impact on Customs? What is the impact on the trader?

ADDITIONAL INFORMATION AND EVALUATOR'S PERSONAL OBSERVATIONS

Notes

19. BORDER MANAGEMENT POLICY

The main objective of border agency coordination is to save time and costs for both government and traders by reducing bureaucratic hurdles at the border and accelerate the movement of cargo, vehicles and persons. By placing various agencies under a common roof at the border (the one-stop shop), documentation and cargo verification and clearance can be conducted in one go at the convenience of traders. The use of simplified documents and procedures and a minimum of formalities are key to border agency coordination and eventual cooperation between neighbouring countries. A government wanting to rationalise its border control process may want to start by reviewing and comparing existing control measures for products and services,

related standards and commercial practices among the concerned agencies. This would be an opportunity for eliminating obsolete or redundant measures and procedures, and assessing the compatibility of measures for drawing up a single border document, for example. A strategy could then be devised for collaboration at the border on common premises. The next step could be to achieve cooperation across the border through a single, shared physical infrastructure in which the agencies of neighbouring countries operate side by side.

UNCTAD Trust Fund for Trade Facilitation Negotiations, Technical Note No. 14, Border Agency Coordination/ Cooperation

INTERVIEWEES

This questionnaire is intended to reflect the current status of border management from the varying perspectives of agencies that have inspection personnel at the nation's borders, airports, and seaports, or that administer significant regulatory authority over imports and exports. Unless the evaluator is fortunate enough to encounter a situation in which he or she can raise these questions at a high-level interagency border management committee meeting, the completed questionnaire will require individual interviews with managers of the various agencies.

Name	Title	Contact Information	Date

INTERAGENCY COORDINATION

- 19-1 To what extent does the government's policy on the management of border operations require coordination among government agencies that have inspection or enforcement personnel stationed at authorized border crossings, seaports, and airports and with government agencies that exert regulatory oversight over imports and exports and people moving across borders? Does your country have a joint agency border management committee?
- 19-2 Which government agencies have inspection, enforcement, or other personnel at authorized border crossings, seaports, and airports?
- 19-3 How often and in what context do you meet with your counterparts in government agencies that have inspection or enforcement personnel stationed at authorized border crossings, seaports, or airports or exert regulatory requirements over the movement of goods and persons across the borders?
- 19-4 How often are local managers of each agency required to meet with their counterparts? Are these meetings documented? Please give an example of a significant local issue satisfactorily resolved in such a meeting.
- 19-5 If one government agency require another government agency to enforce requirements on its behalf at the border (including seaports and airports), are the two agencies required to discuss the impact of the new requirement before implementation? Give an example of when this happened, or when it did not happen and caused problems for officers at the border or for traders and transporters.
- 19-6 Are interagency meetings held routinely? If so, how often and who generally attends? Can they make commitments without referring specific issues to their headquarters? Does this happen?
- 19-7 Do you have a joint methodology for gathering, exchanging, transmitting, and registering information and data at the border and distributing it according to each agency's needs?
- 19-8 Which requirements or procedures result in unnecessary delays or other problems at border crossings, seaports, or airports? For example, does your agency collect information that another agency also collects at the same location? Do officers search the same vehicles or examine the same cargo as other agencies' officers?

ORGANIZATIONAL STRUCTURE

- 19-9 Has the government designated a lead agency at border crossings? If so, which agency? What has been the effect of having a lead agency? If a lead agency has not been designated, what is your opinion of this concept?
- 19-10 Has the government contemplated integrating any of the border agencies? If so, what is the status of this proposition? What is your opinion of this concept?
- 19-11 To what extent have agencies worked together to define the role and operational function of each agency official at border crossings, seaports, and airports?
- 19-12 Has the government analyzed the most efficient options for performing border controls, in particular the option in which various authorities delegate their inspection powers to a single agency? If so, what did it determine? If not, are there any plans to do so?
- 19-13 Can one agency delegate its authority to officers of another agency to act in the first agency's behalf? Does this happen?
- 19-14 To what extent have the border agencies cooperated and coordinated their risk management activities? If this has not been done, why not?

JOINT EFFORTS

- 19-15 Have the primary border agencies conducted a joint review of border procedures and data requirements at borders to identify overlap, redundancy, and incompatibility? If so, when was the last time? If this has not been done, what would prevent it from being done?
- 19-16 To what extent have the primary border agencies worked together to define the desired characteristics of the border facility design, common infrastructure, and equipment requirements?
- 19-17 Has your agency cooperated with others in national task groups on trade and transport facilitation matters, such as simplification and standardization of trade documents, automated single window, advance rulings, risk assessments, and electronic transmission of trade data and information? Has your agency attempted to investigate the needs of trade and transport operators at borders?

CROSS BORDER COOPERATION

- 19-18 Are shared border stations established? If so, how has this worked? If not, is it being considered?
- 19-19 To what extent are hours of operation and traffic management coordinated with all agencies on both sides of the border? Who is responsible for this coordination? How effective has this been?
- 19-20 Have joint contingency plans been introduced for dealing with unusual cases (e.g., nuclear material, live animals, hazardous chemicals, terrorist attacks)? If this has not been done, is it feasible? Have contingency plans been developed by your own government? In coordination with neighboring governments? If not, what prevents it from happening?

ADDITIONAL INFORMATION AND EVALUATOR'S PERSONAL OBSERVATIONS

MODULE TWO: FIELD OPERATIONS



20. BORDER STATION OBSERVATION

This section includes, in addition to new material, questions raised in other sections. This is done for purposes of comparison and to validate the extent to which Customs policies have been implemented in the field. The section also includes instruction for a process-mapping exercise.

INTERVIEWEES

Name	Title	Contact Information	Date

IDENTIFICATION

- 20-1 Identify the border station.
- 20-2 How far is the border station from the nearest village or town?

FACILITY DESCRIPTION

- 20-3 Describe the layout of the border station. If the border station is staffed and operated jointly by the host-country government and the neighboring government, describe how the facility design contributes to this arrangement.
- 20-4 To what extent does the infrastructure ensure the segregation of passenger and freight clearance of inbound and outbound traffic?
- 20-5 Describe the inspection tools available to identify and/or detect radiation and/or contraband. Examples: portal monitors, radiation pagers, hand tools, car and truck lifts or inspection pits, forklifts, drug- or bomb-sniffing dogs, nonintrusive container inspection equipment.

FUNCTIONS PERFORMED

- 20-6 Do Customs and other border agencies clear most inbound commercial traffic at this border station or do they clear only the conveyance and send the cargo in transit to an inland inspection terminal to be cleared?
- 20-7 If most trucks are sent in transit to an inland inspection facility for cargo clearance, are they required to proceed to a specific Customs office or are they allowed to choose the Customs office where they will be cleared? If either by requirement or by choice most inbound trucks proceed to one specific location, please identify that location and the distance from the border station.
- 20-8 Can day traders clear small amounts of commercial goods at this location? What is the process? Are the goods permitted entry under a personal exemption or as small commercial shipments? Are there specified limits? Are there simplified procedures for the small shipments? Please elaborate.

HOURS OF SERVICE

- 20-9 What are the hours of service for passenger and pedestrian traffic (privately owned vehicles, buses, and pedestrians)?
- 20-10 What are the hours of service for commercial vehicles? Are the hours of service for both noncommercial and commercial traffic consistent with those of the bordering Customs station? If so, how was this coordinated? If not, what is the impact?
- 20-11 Are officers from all agencies assigned to this border station physically present during all hours of service?

AVERAGE MONTHLY WORKLOAD

- 20-12 Complete the following chart:

Type of Workload	No. Inbound	No. Outbound
Private vehicles		
Commercial trucks (transit)		
Commercial trucks (carnet)		
Commercial trucks (full processing of truck and cargo)		
Commercial trucks (empty)		
Buses		
Persons		

STAFFING AND SHIFTS

- 20-13 What government agencies staff this border station? Does the border station appear understaffed? Overstaffed?

THIRD-PARTY SERVICE PROVIDERS

The assessor should conduct a free-form interview with at least one local broker or clearing agent to validate issues raised in this document.

- 20-14 To what extent do brokers and clearing agents or others provide local service at this border station? Please identify the companies that do so and provide contact information.
- 20-15 Describe the location(s) and general office situation of these brokers and clearing agents.

WORKING RELATIONSHIPS

- 20-16 Describe the mechanisms in place to coordinate activities and processes and other areas of mutual interest among the agencies present at the border station, including type and frequency of meetings and other interaction.
- 20-17 Describe the mechanisms in place to coordinate activities and processes and other areas of mutual interest among the agencies present at the border station and their counterparts in the neighboring border station, including type and frequency of meetings and other interaction.
- 20-18 Describe the mechanisms in place to coordinate activities and processes and other areas of mutual interest between Customs and brokers, clearing agents, and other third-party service providers present at the border station, including type and frequency of meetings and other interaction.
- 20-19 Have Customs and other border agencies placed signs or posters in work areas and public areas to provide information on
- Mission statement?
 - Service standards?
 - Ethical standards?
 - Complaint-reporting mechanisms?

WORKING CONDITIONS

- 20-20 Describe the general working conditions at this facility. To what extent are managers and staff working in a safe and business-like environment conducive to good morale? Does the border station include break rooms, bunk rooms, or locker rooms? Is this considered a hardship posting?
- 20-21 Is the border station in reasonable commuting distance from a nearby town with reasonable amenities? What is the commuting distance? How do officers and employees commute? If the station is not in reasonable commuting distance, is housing provided for employees?

SELECTIVITY

- 20-22 Describe communications, intelligence, and information systems used at this border station to support the control function.
- 20-23 Are the levels of inspection and the results of inspection reported and tracked? If so, how?
- 20-24 Have risk profiles been developed for this border station? If so, how was this accomplished? What are your major risks?
- 20-25 To what extent is the selection for Customs examination based on a proper analysis of the risk involved?
- 20-26 Are legitimate passengers and traders allowed to operate with the minimum of Customs control?

PROCESS MAPPING

The assessor writes a step-by-step description of the inbound commercial conveyance process and draws an accompanying flow chart. This process map addresses whether formalities verifying roadworthiness, weight, driving license, passport, and visas are carried out simultaneously with controls on goods, or in a separate sequence; whether phytosanitary or security checks are conducted by Customs or another agency; Customs broker-clearing agent interaction; differences between local transit procedures and carnet procedures; and the cause and extent of delays resulting from these or any other procedure. The description includes all activities performed by all government agencies present, in the order in which they are performed. If the assessment includes a border station jointly staffed and operated by the host-country government and a neighboring government, the process map should clearly document the roles of officers of both countries.

The assessor writes a similar step-by-step description of the outbound commercial conveyance process and draws an accompanying flow chart.

ADDITIONAL INFORMATION AND EVALUATOR'S OBSERVATIONS

Notes

21. CARGO CLEARANCE OFFICE OBSERVATION

In addition to new material, this section includes questions raised in other sections. This is done to for comparison purposes and to validate the extent to which administration policies have been implemented in the field. The section also includes instructions for a “process mapping” exercise.

INTERVIEWEES

Name	Title	Contact Information	Date

IDENTIFICATION

21-1 Identify the cargo clearance office.

FACILITY DESCRIPTION

21-2 Describe the general layout of the facility.

21-3 Describe the inspection tools available to identify and/or detect radiation and/or contraband. For example, portal monitors, radiation pagers, hand tools, car and truck lifts or inspection pits, forklifts, drug- and bomb-sniffing dogs, nonintrusive container inspection equipment

21-4 Is this a privately owned or government-owned facility?

21-5 Describe the general security of the facility.

HOURS OF SERVICE

- 21-6 What are the hours of service for clearing commercial shipments? Can trucks enter the facility before or after official hours? Is service available on an overtime basis?
- 21-7 Are officers from all government agencies assigned to this facility physically present during all hours of service?

AVERAGE MONTHLY WORKLOAD

- 21-8 Complete the following chart

Type of Workload	Number
Inbound commercial trucks (local transit procedure)	
Inbound commercial trucks (carnet procedure)	
Outbound commercial trucks	
Import declarations	
Export declarations	
Other declarations	
Other	

STAFFING AND SHIFTS

- 21-9 What government agencies staff this clearance office? Is it adequate for the workload? Is the office understaffed? Overstaffed?
- 21-10 What is the shift structure for each agency?

WORKING RELATIONSHIPS

- 21-11 Describe the mechanisms in place to coordinate activities and processes and other areas of mutual interest among the various agencies present at the clearance office including type and frequency of meetings and other interactions.
- 21-12 Describe the mechanisms in place to coordinate activities and processes and other areas of mutual interest between Customs, brokers and clearing agents, and any other third party service provider present at the clearance office, including type and frequency of meetings and other interaction.

- 21-13 Have Customs and the other agencies placed signs or posters in work areas and public areas to provide information on
- Mission statement?
 - Service standards?
 - Ethical standards?
 - Complaint reporting mechanisms?

WORKING CONDITIONS

- 21-14 Describe the general working conditions at this facility. To what extent do managers and staff work in a safe and business-like environment conducive to good morale? Is this considered a hardship posting?
- 21-15 Are operational systems and procedures organized to minimize the opportunity for staff to commit fraud?
- 21-16 Is the general control environment conducive to maintaining integrity? That is, are there internal controls, audit trails, reporting relationships, competence, delegation of authority, and physical and procedural security of seized or detained goods?
- 21-17 At the point of interaction with the public, such as passenger and cargo control points, are mechanisms in place to prevent the public's prior knowledge that particular Customs employees will perform particular functions at certain times?
- 21-18 Are cargo examinations allocated on a random basis in addition to a risk basis? How are examinations assigned to examining officers?
- 21-19 What procedures, including random checks, do you carry out to ensure that subordinates carry out their duties in accordance with operating procedures and the code of conduct? Do you have checklists? Do you keep written records?

DECLARATION PROCESSING

- 21-20 Are document reviews mandatory or are they generated by the selectivity system on the basis of your analysis?
- 21-21 What do document reviews target? Does Customs give the reviewing officer instructions? Can an officer modify or require the declarant to modify a declared value before a declaration is officially accepted? What records are kept of this?

- 21-22 What percentage of document reviews has resulted in the discovery of a discrepancy in a declaration that requires the modification of the declaration?
- 21-23 Does Customs have written guidelines for conducting compliance examinations? If so, are they followed? Are discrepant and nondiscrepant findings properly recorded and reported to the Risk Management Unit?

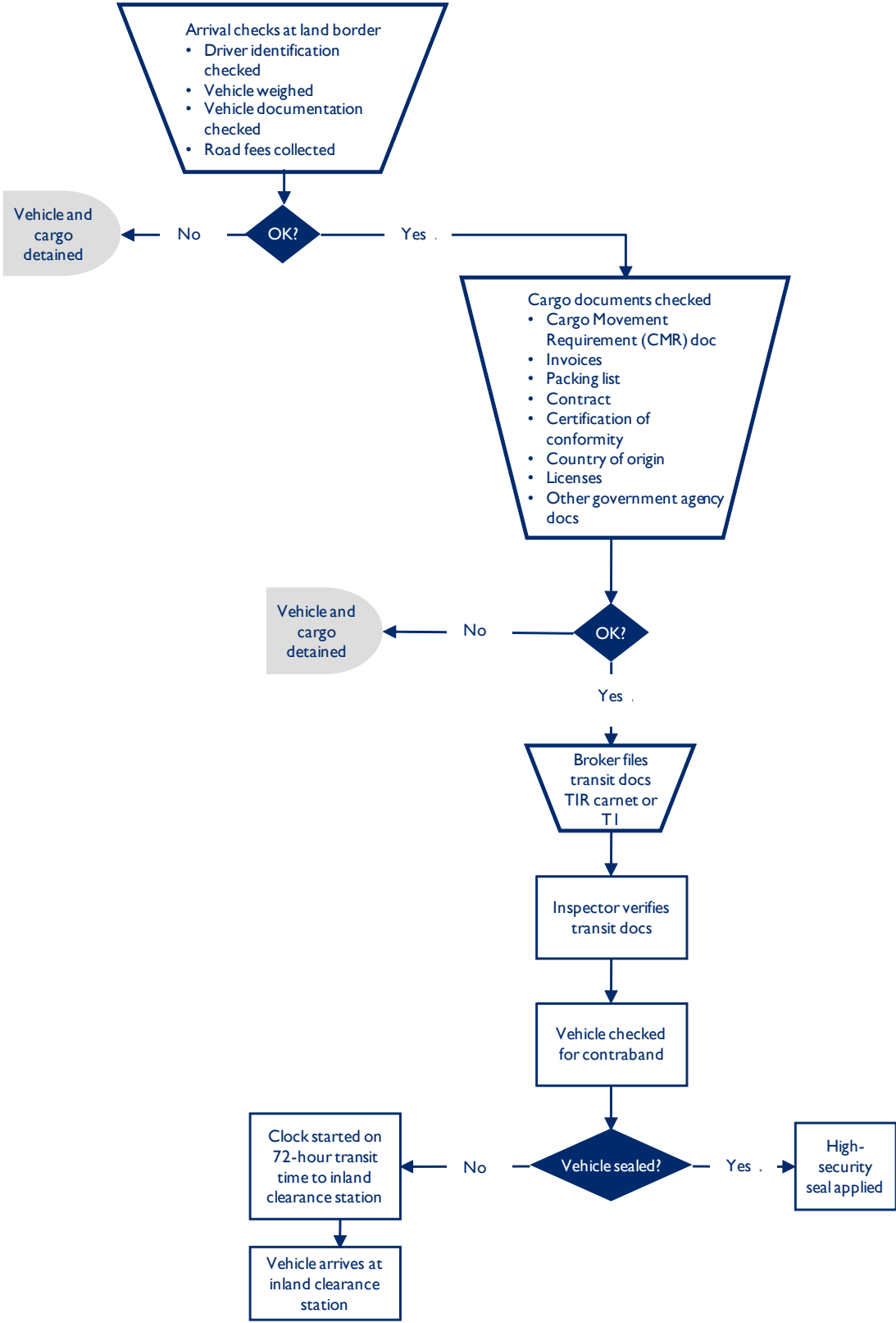
PROCESS MAPPING

The assessor writes a step-by-step description of the declaration process and draws an accompanying flow chart. This process map includes every interaction between the trader or his representative and a government official. It starts with the arrival of the truck and presentation of commercial documentation to either the broker or Customs and concludes with the release of goods. Figure 21-1 is a flow chart of a portion of an import process.

ADDITIONAL INFORMATION AND EVALUATOR'S OBSERVATIONS

Notes

Figure 21-1. Import Process



MODULE THREE: EFFICIENCY



22. TIME MEASUREMENT STUDY

Trade reformers still focus too much on cutting tariffs and not enough on cutting delays for exporters and importers. This attention is misplaced: a recent study finds that the cost of import delays exceeds tariff costs in every region, while the cost of export delays exceeds tariff costs in every region but East Asia and Western Europe. According to the same study, in Africa the cost of delays is 4 times the tariff payments African exporters face. This is corroborated by a striking num-

ber: despite the many U.S. trade preferences for African exporters under the African Growth and Opportunity Act, Africa accounts for only 0.23% of U.S. imports. Similarly, only 8.6% of the European Union's imports come from countries in Africa, the Pacific and the Caribbean—all beneficiaries of tariff preferences under the Cotonou agreement.

Doing Business 2008, page 47, World Bank

TCBaseline offers an approach uniquely suited to rapid assessment during a short field mission.¹ It records the time required to process trucks arriving at a major commercial border crossing and the time required to process and release commercial goods at a cargo clearance office. In some countries, all clearance activities take place during a single stop at the border, while in other countries, cargo is moved to a separate clearance office. In countries using a separate clearance office, TCBaseline collects two sets of measurements: the time for shipments to move through the border station and the time to move through the clearance office. In countries where clearance occurs during a single stop at the border, there is a single set of measurements. The process is conducted over a period of 48 hours, regardless of the official hours of operation.

Because clearance procedures are broadly similar at land borders, airports, and seaports, analysis at one type of entry point (e.g., land borders) gives a strong sense of the extent to which procedural improvements could reduce delays and costs at all entry points. If, as in the case of an island country, it is critical that measurements be taken of all cargo handling procedures from arrival of the carrier until the goods declaration is presented, the time measurement approach can be adapted accordingly.

¹ Other organizations have also developed methodologies for time-release studies (for example, the World Bank's Trade and Transport Facilitation in Southeast Europe administrative manual and the WCO Guide to Measure the Time Required for the Release of Goods).

MEASUREMENT PROCESS

The local associate and two local counterparts conduct time measurements. The local associate translates (if necessary), prints, and uses the Time Measurement Record form at the end of this section for each truck entering the border station or clearance office during the 48-hour period. Any unusual occurrence or any fact about any truck that may be useful in the analysis may be noted on the form.

At border stations, the local associate records times for the following events:

- The truck crosses the border,
- Commercial papers are presented to Customs,
- Customs releases the truck, and
- The truck departs the border station.

By collecting four times, assessors segregate the time transpired before the goods declaration is presented to Customs from the time transpired during inspection and after Customs releases the vehicle or goods.

At clearance offices, TCBaseline also measures times for four events:

- The truck enters the Customs terminal
- Commercial papers are presented to Customs
- Customs releases the goods for home consumption or other approved use
- The truck departs the terminal.

The process mapping conducted for border stations and cargo clearance offices should shed light on the reasons for any delay.

The TCBaseline simplified procedures allows a distinction between two classes of trucks at the border and at the clearance office. For example, at the border, trucks processed under the host country's transit process could be designated Type A while trucks processed under a TIR, carnet, or regional transit process could be designated Type B.

At the clearance center, Type A trucks have cargo physically examined by Customs and/or another government agency. Type B trucks have cargo that is not physically examined. For time measurement, a document review is not considered a physical examination, and any examination or inspection of the cargo, including opening trailer or container doors for a visual inspection, is considered a physical examination.

ANALYSIS USING THE TIME MEASUREMENT REPORT

The local associate records the data written down on the Time Measurement Record in the Time Measurement Report spreadsheets on the accompanying CD (TCBaseline Time

Measurement Report.xls), preparing separate reports for each border station and clearance office. The data for each report go on the “Input” worksheet (see figure 22-1).

Figure 22-1. Sample Time Measurement Worksheet

Time Measurement Study				Office: test		Type:			
Truck Type Type A = 1 Type B = 2	Country of Registry	Truck License Number	Time of Arrival		Declaration Presented		Time of Release		Time of Departure
			Date MM/DD	Time HH:MM	Date MM/DD	Time HH:MM	Date MM/DD	Time HH:MM	Date MM/DD
1			12/25	8:15	12/25	9:15	12/27	10:15	12/27
2			12/25	8:30	12/25	9:45	12/27	10:50	12/27
3			12/25	9:00	12/25	9:15	12/25	9:37	12/25
4			12/26	7:30	12/26	10:55	12/26	12:30	12/26
5			12/20	21:30	12/27	8:30	12/28	9:15	12/30
6			12/27	10:12	12/27	11:30	12/27	14:25	12/27
7			5/25	12:01	5/27	9:15	5/28	10:00	5/29
8			5/26	11:55	5/28	9:55	5/29	10:00	5/30
9			5/26	12:49	5/28	10:45	5/29	11:00	5/30
10			5/27	12:22	5/29	10:45	5/30	10:00	5/31
11			5/28	12:30	5/28	12:45	5/28	13:00	5/28
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The report automatically calculates an average processing time and processing times at the 25th, 50th, 75th and 90th percentiles and produces graphic representations of each. This information appears on the adjoining worksheets.

A sample Time Measurement Report is provided in the file “TCBaseline Time Measurement Report-EXAMPLE.xls” on the TCBaseline CD-ROM.

FINAL REPORT

The local associate gives the team leader the completed time measurement reports according to a schedule agreed to with the team leader. Each report is accompanied by a narrative summary of the data collection process that indicates the identities of the data collectors, the dates the measurements were taken, where and how the measurements were made, and whether problems arose.

Time Measurement Record for: (NAME OF LOCATION)

Truck or trailer license no.:		Country of registration:	
Truck type (circle one):	Type A	Type B	
Note: At border stations, type A = local transit procedure; type B = TIR, carnet or regional transit procedure			
At clearance terminal, type A = no physical examination of goods, type B = physical examination of goods			
Truck arrival date:		Customs release date:	
Truck arrival time:		Customs release time:	
Date declaration presented:		Date of truck departure:	
Time declaration presented:		Time of truck departure:	
Notes:			
Data collector:			

23. STAFFING-TO-WORKLOAD ANALYSIS

The Trade and Transport Facilitation in Southeast Europe project has gone farther than any other customs and trade facilitation program in identifying efficiency indicators. The indicators include revenue collected by customs staff; total revenue cost over revenue collected; salaries over revenue collected; trade volume per number of staff; customs declarations per number of staff; and cost per declaration. The results for each country, adjusted for extraneous factors that affect the absolute values of these indicators, are good meters for the direction of the efficient use of resources. Comparisons across countries may indicate the scope of possible improvement, but must be done carefully as many variables do affect the absolute value of these indicators in each country, which are often beyond the con-

trol of the customs services. For instance, the economic cost per declaration in Albania in 2002 was US\$24 compared to US\$8 in Bulgaria. This deserves further analysis before concluding that Albania's customs services are three times less efficient than Bulgaria's. More significant [...] is that these costs were substantially higher in 2001: US\$33 in Albania and US\$11 in Bulgaria. Similarly, the cost of collection in 2002 was estimated at 0.85 percent in Croatia compared to 2.6 percent in Serbia, down from 1.6 percent and 4.8 percent in 2001, respectively.

Luc De Wulf, Strategy for Customs Modernization, Customs Modernization Handbook, World Bank, 2005

INSTRUCTIONS

The two-week timeframe of the TC Baseline assessment precludes sophisticated workload analysis. Information provided in Management Reporting, however, should enable assessors to calculate the following gross relationships:

Land Border	Airport	Seaport	Inland Inspection	Free Trade Zones	Other	Other	Overall
Customs employees assigned							
Declarations processed per employee							
Gross cost to process one declaration							

*Total budget/total declarations

MODULE FOUR: ECONOMIC ANALYSIS



24. CALCULATING ECONOMIC IMPACT

The TCBoost project developed the Trade Facilitation Impact (TFI) Calculator to estimate the likely impacts of improving trade facilitation on a particular country's economy. The TFI Calculator provides an indicative range of estimates for changes in GDP and employment

of unskilled labor in the formal sector resulting from improvement in export and import times for all goods. Estimates are available for more than 130 low- and middle-income countries throughout the world.

HOW TO USE THE TFI CALCULATOR

- Open the TFI Calculator by using the Microsoft Access file on the TCBaseline CD-ROM (if Microsoft Access is installed on your computer) or by linking to it on the TCBoost website (www.tcboostproject.com).
- Pick country of interest.
- The TFI Calculator contains 2006 GDP estimates.
- If preferred, enter up-to-date GDP estimate in U.S. dollars.
- Enter the number of unskilled workers in the formal sector for country if the figures are available.
- Pick the number of days by which export times improve.
- Pick the number of days by which import times improve.
- Select "Submit."

INTERPRETING AND PRESENTING ESTIMATES

The estimates generated by the TFI Calculator give assessors a way to impress on counterparts the importance of trade facilitation reform. When sharing the estimates with counterparts or USAID missions, first present the impact of reducing export and import times by one day, then explain the results in terms such as these:

The economic impact estimates produced by the TFI Calculator provide an indication (not a forecast) of the likely impacts of improving export and import times by one day for all goods. Specifically, the calculator provides the likely impact on GDP and formal sector employment of unskilled workers. For GDP, it estimates both the percentage increase and

the increase in current U.S. dollars. For formal sector employment of unskilled workers, it estimates percentage increase and the number of individual workers moving from the informal to the formal economy. The estimates are easily comparable across countries.

The estimates carry two caveats:

- The estimates relate to improvement for all goods. For example, if 90 percent of traded goods are bulk cargo and 10 percent containerized cargo, and a country is working only on improving containerized cargo systems, the estimates will not be particularly useful in estimating the impact of the country's intervention.
- If trading times are high for a particular country, small improvements in export and import times are not likely to raise GDP and employment levels significantly.

HOW THE ESTIMATES WERE DERIVED

The economic impact of improving import and export times was estimated in three steps:

1. The weighted average tariff equivalents of a one-day delay in imports and a one-day delay in exports were obtained from Calculating Tariff Equivalents for Time in Trade.²
2. With these estimates and a modified version of the standard Global Trade Analysis Project (GTAP) computable general equilibrium (CGE) model, the effects of export and import times on GDP and formal sector unskilled employment were simulated. This gave economic impact estimates for 85 countries.
3. The economic impacts for approximately 100 countries not in the GTAP model were then extrapolated through four econometric models that estimated the impacts on the basis of the results from step 2 (the first to estimate the effect of cutting export times on GDP, the second to estimate the effect of cutting import times on GDP, the third to estimate the effect of cutting export times on the employment of unskilled labor in the formal sector, and the fourth to estimate the effect of cutting import times on employment of unskilled labor in the formal sector).

A more detailed description of the methodology used to obtain the estimates can be found on the TCBaseline CD-ROM.

² USAID 2007, produced by Nathan Associates. TFI calculations differ from those produced for the paper because of changes in estimates for some commodity categories. Categories in the product groups of precious metals and live animals were eliminated, which had a dramatic effect on the average time to trade for countries such as South Africa and Australia.

APPENDIX. ILLUSTRATIVE SCOPES OF WORK



SCOPE OF WORK FOR INTERNATIONAL EXPERTS

BACKGROUND

[Insert country-specific context as appropriate]

The USAID-funded Worldwide Support for Trade Capacity Building (TCBoost) project, implemented by the DAI/Nathan Group, has developed an assessment instrument to identify and address operational and administrative deficiencies in a nation's Customs administration and other border agencies that have a detrimental impact on the nation's competitiveness in the international market. The instrument, TCBaseline, enables a small team of Customs reform experts to move from observation to action-item recommendations in two to three weeks without sacrificing quality or breadth of analysis. It also estimates the potential economic impact of trade facilitation improvements to illustrate the importance of reform to public and private sector counterparts. TCBaseline is a reform toolbox informed by standards promulgated by the World Customs Organization and the World Trade Organization as well as by best practices implemented by Customs administrations throughout the world.

TCBaseline is a transparent and uniform methodology that uses a guided interview and observation format. Rather than requiring assessors to prepare a lengthy narrative report, TCBaseline provides a summary of findings and recommendations in a manner that is designed not only to facilitate management review, but also to give parties who require a greater degree of detail full access to completed interview questionnaires, field observation reports, and other completed assessment tools.

TCBaseline can help USAID, host-country Customs administrations, and other agencies

- Carry out a concise and cost-effective yet holistic assessment of a country's Customs and border operations and procedures,
- Summarize findings and recommend actions for strengthening Customs administration and border operations,
- Design and implement technical assistance and training,
- Establish a baseline against which to measure the success of technical assistance and training, and
- Consistently measure the quality and reliability of components of Customs and border operations throughout the country, uniformly promoting better service.

POSITION RESPONSIBILITIES

PREFIELDING

- Arrange teleconference with USAID mission about the TCBaseline process, need for complete or partial analysis, and areas requiring USAID participation (e.g., attending meetings with directors of government agencies)
- Review host-country macroeconomic data, data on imports and exports, and publicly available assessment of trade facilitation challenges and constraints
- Review relevant Customs and border management legislation and organizational chart of host-country Customs administration (if available)
- Liaise with local associate to identify meetings with public and private sector stakeholders that can be set up in advance and to prepare for border visits, translation services, and the like

FIELDWORK

- Meet with USAID mission to introduce the assessment team, reiterate TCBaseline methodology, share initial plans for carrying out the assessment, and learn about issues of concern to the mission that may have arisen since the teleconference
- Meet with the director of Customs and senior staff about the TCBaseline process and identify a primary contact
- Work with the primary Customs contact to schedule meetings with the directors of other government agencies that staff border stations about the purpose and extent of the TCBaseline process and request their cooperation
- Lead interviews with Customs stakeholders, the private sector, and donor community following the methodology and best practices laid out in the TCBaseline guide
- Determine the division of labor among team members: who will conduct which interviews, whether interviews will be conducted jointly or separately

For a complete TCBaseline assessment (all four modules), a team leader oversees Modules One and Four (interviews with Customs headquarters and economic analysis), while a deputy team leader oversees Modules Two and Three (interviews and observations with border posts and cargo clearance offices, time measurement study).

- **For Module Two.** Visit border post and cargo clearance office to conduct interviews and oversee process mapping process
- **For Module Three.** Supervise local associate and other local team members in implementing the time measurement study, including arranging visits to borders, completing the time measurement record form, and analyzing the study results

- **For Module Four.** Work with team members to obtain data for TFI Calculator and analyze results
- Work with team members to prepare an outline of findings and recommendations
- Using outline as a guide, conduct an informal close-out briefing with the Customs director and staff to provide them an opportunity to address or correct any misunderstandings and provide additional information for consideration

PRESENTATION OF FINDINGS

- Present final report to USAID and host-country counterparts, as appropriate and if budgeted

DELIVERABLE

- Report of findings and recommendations following the TCBaseline outline and containing
 - Executive summary
 - Findings and recommendations by topic
 - Economic analysis results
 - Matrix of recommended actions

QUALIFICATIONS

- For team leader, at least 15 years of experience as a Customs professional and at least 7 years as a team leader in a developing-country context, ideally working on Customs capacity building projects with USAID or other donors³
- For second international expert, at least 10 years of experience as a Customs professional, ideally with at least 5 years working on Customs capacity building donor projects
- Demonstrated ability to adapt international best practices to the exigencies of a particular transitional economy
- Host-country relevant regional experience and language skills desired

PROPOSED LEVEL OF EFFORT

- 3 days of prefielding preparation
- 12 days for fieldwork as described above
- 5 days to prepare the final report

³ The second (and third) advisers work under the guidance of the team leader and can have less experience than the team leader, depending on the context of the assignment and the country.

SCOPE OF WORK FOR LOCAL ASSOCIATE

[Insert country-specific context as appropriate]

The USAID-funded Worldwide Support for Trade Capacity Building (TCBoost) project, implemented by the DAI/Nathan Group, has developed an assessment instrument to identify and address operational and administrative deficiencies in a nation's Customs administration and other border agencies that have a detrimental impact on the nation's competitiveness in the international market. The instrument, TCBaseline, enables a small team of Customs reform experts to move from observation to action-item recommendations in two to three weeks without sacrificing quality or breadth of analysis. It also estimates the potential economic impact of trade facilitation improvements to illustrate the importance of reform to public and private sector counterparts. TCBaseline is a reform toolbox informed by standards promulgated by the World Customs Organization and the World Trade Organization as well as by best practices implemented by Customs administrations throughout the world.

TCBaseline is a transparent and uniform methodology that uses a guided interview and observation format. Rather than requiring assessors to prepare a lengthy narrative report, TCBaseline provides a summary of findings and recommendations in a manner that is designed not only to facilitate management review, but also to give parties who require a greater degree of detail full access to all completed interview questionnaires, field observation reports and other completed assessment tools.

TCBaseline can help USAID, host-country Customs administrations, and other agencies

- Carry out a concise and cost-effective yet holistic assessment of a country's Customs and border operations and procedures,
- Summarize findings and recommend actions for strengthening Customs administration and border operations,
- Design and implement technical assistance and training,
- Establish a baseline against which to measure the success of technical assistance and training, and
- Consistently measure the quality and reliability of components of Customs and border operations throughout the country, uniformly promoting better service.

RESPONSIBILITIES

PREFIELDING

- Assist team leader in obtaining host-country macroeconomic data, data on imports and exports, and any publicly available assessments of trade facilitation challenges and constraints

- Assist team leader in obtaining and translating (if necessary) relevant legislation and organizational chart of host-country Customs administration (if available)
- Work with team leader and USAID to identify and arrange meetings with public and private sector stakeholders
- Arrange logistics, including transportation to and from the hotel, Customs and other interview locations, and border visits, ensuring that means of transportation is in good operating condition and meets local or reasonable safety standards; interpretation services for interviews, and other translation services
- Recruit and hire local assistants for data collection for Time Measurement Study

FIELDWORK

- Accompany team members to USAID mission to introduce the assessment team and TCBaseline
- Accompany team members to meet with the director of Customs and senior staff about the TCBaseline process and to identify a primary Customs contact or coordinator
- Provide transportation, technical, and translation services to team leader and/or deputy team leader as requested
- If Module Three is implemented, supervise local assistants in implementing the time measurement study, including arranging visits to borders, completing the time measurement record form, and analyzing the results of the study (may be done by deputy team leader)
- Work with team members to prepare an outline of initial findings and recommendations.
- Participate as required in informal close-out briefing with the Customs director and staff

PRESENTATION OF FINDINGS

- Contribute technical input to final report as requested by team leader
- Translate, or arrange for the translation of, the final report into the local language

DELIVERABLES

- Background documents, data, Customs code, other Customs-related legislation
- Successful hiring of local assistants and translators

- Technical input to final report of findings and recommendations related to time measurement study results
- Translation of final report

QUALIFICATIONS

- At least five years of experience with local trading and/or business practices
- Ability to supervise local associates and arrange logistics for international consultants on donor-funded projects
- Strong communications and interpersonal skills; ability to work on a team as well as independently

PROPOSED LEVEL OF EFFORT

- 5 days of preparatory logistical work for the local associate
- 12 days for fieldwork, including interviews and time measurement study
- 5–15 days for report contribution and translation

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