



13th International
Anti-Corruption Conference

IACC

**Global Transparency:
fighting corruption for a sustainable future.**

Athens, Greece | 30 October - 2 November 2008

WORKSHOP REPORT FORM

Number and title of workshop

Trade Supply Chain Security / Facilitation and Integrity

Date and time of workshop

October 31, 2008 - 14:00 to 16:00

Moderator (Name and Institution)

Ms. Renee Stein, Director, Global Trade Policy, Microsoft Corporation

Rapporteur (Name and Institution)

Ms. Paulette Lefebvre, Director, Policy and Program Coordination, Canada Border Services Agency

Panellists (Name, institution, title)

Mr. Nikolaos Vernadakis, Director General of Customs & Excise, Ministry of Economy & Finance, Greece

Mr. Dato' Mohamed Khalid Yusuf, Deputy Director General of Malaysian Customs

Ms. Renee Stein, Director, Global Trade Policy, Microsoft Corporation

Mr. Gerard McLinden, Senior Trade Facilitation Specialist, World Bank



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Main Issues Covered

Corruption continues to plague the smooth functioning of international trade. While Customs administrations must manage multiple roles and responsibilities (such as security and trade facilitation), their diligent efforts to achieve predictable and transparent Customs processes are frequently harmed by integrity deficiencies. The international trade community faces difficulties when corruption results in increased costs and reduced business competitiveness. Accordingly, Customs and trade increasingly recognize that it is in their common interest to fight corruption to foster sustainable and stable business growth.

Corruption is a global problem that exists within Customs, at the political level, within other government agencies and in the private sector. Many administrations are realizing that the problem is not solely with governments and traders, but often exists with the intermediaries. Regulatory requirements and licensing were suggested as possible solutions to deal with this problem.

Much has been done, but improvements are still required. For instance, surveys conducted by the World Bank have revealed a growing sense of trust of Customs Administrations by various countries. In addition, the WCO's Revised Arusha Declaration provides guidelines to assist Customs Administrations with establishing Customs integrity programs.

The World Bank has invested significant funds into assisting countries with Customs reforms. Governments and private sectors have taken great strides to build sound partnerships to jointly develop strategies to combat corruption.

Greek Customs believe governments should develop and implement a strategy dealing with the systematic struggle against corruption, by keeping the corruption issue at the centre of attention.

No quick fix or cookie-cutter solutions can be effective over the long term. What is needed is a comprehensive approach and acknowledgement from everyone that a significant problem exists. Also needed is agreement by all that they are prepared to work jointly towards a solution and the establishment of a sound consultative regime between all parties to address the issues. In Malaysia and elsewhere, multiple committees and working groups have been established, which has contributed towards making Customs requirements known by all and also towards clarifying what the repercussions of non compliance will be should someone choose to apply corrupt practices. There is also supporting evidence that creating incentives for compliant/non-corrupt companies and/or individuals leads to an increase in efficiency for organizations and a reduction in corrupt practices.



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Main Outcomes/Outputs

Political will is fundamental for any administration to move forward with combating corruption.

Clear and concise regulatory frameworks are required.

Automation of business processes, transparency and accountability are key factors to reduce the risks of corruption.

A comment was made that fair pay and conditions of employment, pension entitlements and integrity as a key criteria for promotion are good examples of measures that can be taken by administrations to reduce the risk of corruption.

Activities such as document verification, valuation and classification of goods should be performed by technical experts and revenue collection should be performed separately from the border processing.

Intermediary groups such as Brokers should be regulated, educated and licensed.

Joint integrity pilot projects should be undertaken.

Recommendations, Follow-up Actions

A suggestion was made to consider developing a joint Declaration to create guidelines to assist the private sector and Customs with establishing joint integrity programs.

Border Agency Cooperation such as single window, service level agreements between agencies and a single inspection policy are recommended as possible solutions.

Whistleblower programs are required and must offer protection to those wanting to put an end to corrupt practices.

Consideration should be given to developing joint integrity pilot projects



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Workshop Highlights (including interesting quotes)

There was general agreement that sound partnerships between Customs and the private sector are fundamental to improving integrity.

Quote “Just as it is impossible not to taste the honey or the poison that finds itself at the tip of the tongue, so it is impossible for a Government servant not to eat up at least a bit of the King’s revenue”. (Emperor Chandragupta, India 300 BC)

Signed

Paulette Lefebvre