WP/12/259

IMF Working Paper

Customs Administration Reform and Modernization in Francophone Sub-Saharan Africa, 1995–2010

Gilles Montagnat-Rentier and Gilles Parent

INTERNATIONAL MONETARY FUND

 WP/12/259

IMF Working Paper

Fiscal Affairs Department

Customs Administration Reform and Modernization in Francophone Sub-Saharan Africa, 1995–2010

Prepared by Gilles Montagnat-Rentier and Gilles Parent[1]

Authorized for distribution by Juan Toro

October 2012

Abstract

This paper outlines reforms that have been achieved in the modernization of the customs administrations of francophone sub-Saharan (African) countries since the mid-1990s. It also highlights the remaining issues in this process. Progress has been made in the automation of operations and procedures, with constant and significant efforts to strengthen revenue collection and improve trade facilitation in a number of countries. However, the pace and scope of modernization remains insufficient, particularly in developing customs control and enforcement capacities, and enhancing operational resources and management. The findings suggest that the authorities' strong commitment to reform, organizational and management changes, adequate technical assistance and project management, and effective implementation of modern customs standards, are critical to accelerate the modernization of customs in francophone sub-Saharan Africa.

JEL classification numbers: H29, O57

Keywords: Customs administration, Africa, francophone, reform, modernization, revenue

Authors' e-mail addresses: GMontagnatrentier@imf.org, GParent@imf.org

[1] We are grateful to Christian Bremeersch, Patrick Fossat, Anne-Marie Geourjon, Sanjeev Gupta, Michael Keen, Diego Romera, and Juan Toro for their helpful comments, and to Raquel Gomez Sirera for excellent research. Views and errors are ours alone, and should not be attributed to the International Monetary Fund.

Contents Page

Boxes

Appendixes

I. BACKGROUND

This study deals with the reforms undertaken by the customs administrations of francophone countries in sub-Saharan Africa since 1995 with support from the IMF's Fiscal Affairs Department (FAD). It has been prepared in the context of current considerations on mobilization of domestic resources in developing countries, where a large share of revenue is collected by customs. The study may be useful in facilitating donor support for customs reform programs by providing convergent guidance.

Purpose of the paper and methodology

The study aims to take stock of the changes introduced in customs administration, identify challenges, and initiate a reflection on solutions. The countries that have been reviewed are Benin, Burkina Faso, Burundi, Cameroon, the Central African Republic (CAR), Chad, the Union of Comoros, the Democratic Republic of the Congo (DRC), the Republic of Congo, Côte d'Ivoire, Gabon, Guinea, Madagascar, Mali, Mauritania, Niger, Senegal, and Togo. The methodology of the paper involves drawing general lessons that cover the countries' overall experience. The paper is mostly based on the findings and conclusions of technical assistance (TA) carried out by FAD and the IMF regional technical assistance centers: AFRITAC West and AFRITAC Centre which, together, serve 16 of the 18 countries studied.[2] The paper also uses data from international surveys and IMF area departments.

Basic profile of the Francophone Sub-Saharan African countries

In 2010, the population of the francophone sub-Saharan African Countries (FSSACs) was a quarter of Africa's population at 244 million. The FSSACs accounted for 10.1 percent of Africa's GDP in 2008, and 19 percent of sub-Saharan Africa's. Their share in world trade remained marginal at less than 1 percent in 2009 (3.2 percent for Africa). These countries have the following main characteristics:

- Low levels of development. Twelve of the 18 countries belong to the group of low-income countries (Table 1). Seven FSSACs are among the last 10 listed in the United Nations Development Programme's (UNDP) Human Development Index. Gabon is the highest rated of the FSSACs, ranking 103 out of 182. The headcount poverty rate ranges from 33 percent of the population in Gabon to 71 percent in the DRC (IMF data).

[2] The two remaining countries (Madagascar and Comoros) have been members of AFRITAC South since its establishment in 2011.

- Little diversification of the economy, a small manufacturing sector, a pervasive informal sector (i.e., the part of the economy that is not taxed or monitored by any form of government), and a generally low level of compliance with tax laws.

- A number of the countries import mainly staple commodities and export mainly agricultural goods as well as timber, minerals, and crude oil. International trade occurs primarily with Europe, although trade with Asia has increased considerably in recent years.

- Mineral resources. Oil production is primarily located in central Africa and the Gulf of Guinea. The CAR, Gabon, Guinea, Mali, Mauritania, and Niger earn income from mining, representing over 10 percent of their fiscal revenue.

Table 1. Breakdown of Francophone Sub-Saharan African Countries by Per Capita Income, 2010[1]

	Sub-Saharan Africa	Francophone Sub-Saharan Africa	Francophone Countries
High income	1	0	–
Upper-middle income	6	1	Gabon
Lower-middle income	14	5	Cameroon, Republic of Congo, Côte d'Ivoire, Mauritania, Senegal
Low income	25	12	Benin, Burkina Faso, Burundi, CAR, Chad, Comoros, DRC, Guinea, Madagascar, Mali, Niger, Togo
All countries	46	18	

[1] High income: per capita gross national income (GNI) of US$12,276 or more; upper-middle income: per capita GNI ranging from US$3,976 to US$12,275; lower-middle income: per capita GNI ranging from US$1,006 to US$3,975; low income: per capita GNI of up to US$1,005. Figures for 2010.

- Burkina Faso, Burundi, CAR, Chad, Mali, and Niger are landlocked, and the DRC is largely landlocked.[3] For these countries, transit flows of imports and exports increase transport times, costs, and fraud risks.

- While the region's trade with third countries is transported mostly by sea, the port and transport infrastructure is generally deficient.

- Regional trade agreements have multiplied in sub-Saharan Africa. All FSSACs have signed at least one regional trade agreement, which can promote customs modernization, but also complicate customs work.

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[3] In sub-Saharan Africa, sixteen countries are landlocked.

- The FSSACs have faced serious governance challenges and more than half of them have experienced severe political crises over the period studied here. This context was not conducive to reforms nor to the involvement of development partners in customs administration modernization.

II. Revenue Trends and a Few Indicators of Customs Performance

This chapter combines available data from the IMF and international surveys that may help assess customs administration performance in francophone African countries. Few national instruments have been established for that purpose. Customs administration is only one of the factors determining trade revenue. Detailed country analysis would enable assessment of these factors, including the structure of imports, the share of fully or partially nontaxed imports, and the rate policy.

Trends in customs revenue

Revenue generated by customs and other import duties, as a percentage of total GDP of FSSACs, declined slightly between 1996 and 2009, from 3.06 percent to 2.82 percent of GDP (Figure 1).[4] The collected customs tariff rate fell from 19.5 percent to 11.1 percent during the same period.[5] Imports of goods increased from 15.7 percent of GDP in 1996 to 25.4 percent of GDP in 2009. They have grown faster than GDP since 2000.

Trends by groupings are presented in Appendix I. The trends relating to the West African Economic and Monetary Union's (WAEMU) francophone members[6] are similar to all of francophone sub-Saharan Africa. A marked decrease in the collected customs tariff rate in 2000 is related to the principal phase of the tariff reform (Chapter IV), followed by a slight downward trend. Customs and other import duties accounted for 3 percent of regional GDP in 2009, compared with 3.9 percent in 1996. In 2001–02, CEMAC (Central Africa Economic and Monetary Community) francophone countries[7] experienced a reduction in the 1996–2009 collected customs tariff rate, followed by a recovery, which seems linked to a temporary surge in exempted imports. Import growth was equivalent to that of the WAEMU. Customs

[4] Customs and other import duties are the main components of trade taxes. They can be correlated with customs operations. VAT and excise duties on imports, and export taxes in some countries, are also major customs receipts. It should be noted that some adjustments have been made to customs and other import duty data due to gaps and missing entries. Data includes, for a few countries, VAT or sales tax on imports.

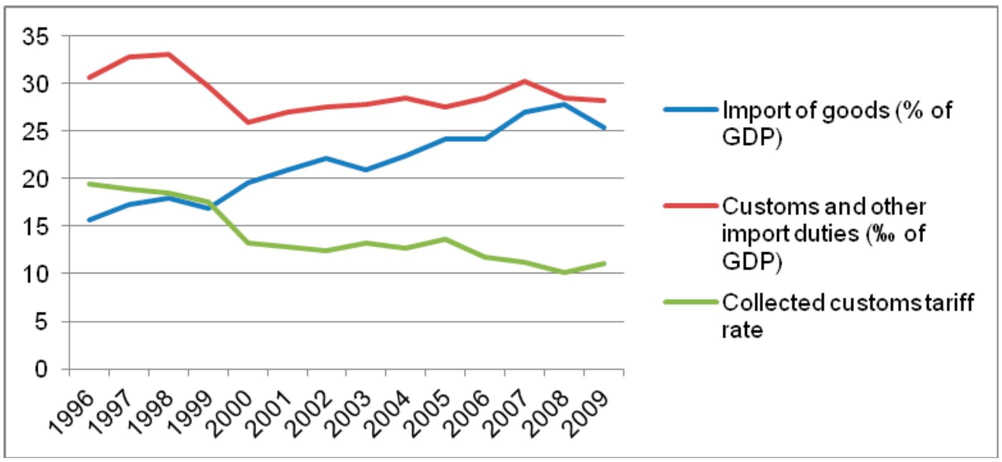
[5] Here, the collected customs tariff rate is the amount of customs and other import duties collected as a ratio of the customs value of imports.

[6] The WAEMU counts seven francophone member countries (Benin, Burkina Faso, Côte d'Ivoire, Mali, Niger, Senegal, and Togo), and one lusophone member country, namely, Guinea Bissau.

[7] The CEMAC counts five francophone member countries (the CAR, Cameroon, Chad, the Republic of Congo, and Gabon), and one hispanophone member country, Equatorial Guinea.

and other import duties remained almost stable over the period (2.4 percent of GDP in 2009 against 2.55 percent of GDP in 1996). From 2003 to 2008, a rapid increase in imports was recorded in non-WAEMU and non-CEMAC FSSACs.[8] In 2009, revenue collected from customs and other import duties represented 2.4 percent of GDP compared with 1.9 percent in 1996.

Figure 1. Francophone Sub-Saharan Africa: Imports of Goods and Customs Duties, 1996–2009



The possibility of collected customs tariff rates with revenue maximizing effects could be explored further to explain these outcomes, although wide variations in rates and developments over time are observed at country level.[9] Table 2 shows the collected customs tariff rate declining in ten countries and increasing in seven.[10] Fifteen countries recorded growth in imports of goods as a percentage of GDP from 1996 to 2009 (10 having an increase of more than 30 percent over the 1996 figure). In the three remaining countries, the decline in the share of imports was limited. Trends of collected duties as a percentage of GDP varied considerably, ranging from a 57 percent fall in Chad to a 192 percent increase in the DRC.

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[8] Burundi, Comoros, the DRC, Guinea, Madagascar, and Mauritania.

[9] For a review of the revenue implications of trade liberalization, including a discussion of revenue-maximizing collected tariff rates, see Ebrill, Stotsky, and Gropp (1999).

[10] Table 2 data excludes, for all countries, domestic indirect taxes on imports.

Table 2. Francophone Sub-Saharan Africa: Imports of Goods and Customs Duties, 1996–2009

	Imports of Goods as a Percentage of GDP			Customs and Other Import Duties: As a Percentage of Imports of Goods (Collected Customs Tariff Rate)			Customs and Other Import Duties: As a Percentage of GDP		
	1996	2009	Variation (Percent)	1996	2009	Variation (Percent)	1996	2009	Variation (Percent)
Benin	12.9	14.8	14.7	15.4	26.9	74.7	2.0	4.0	100.0
Burkina Faso	17.1	17.9	4.7	17.7	12.6	-28.8	3.0	2.3	-23.3
Burundi	11.5	20.2	75.7	19.6	13.1	-33.2	2.3	2.7	17.4
Cameroon	11.6	19.9	71.6	11.0	11.0	0.0	1.3	2.7	107.7
CAR	14.2	12.9	-9.2	23.1	10.5	-54.5	1.9	1.4	-26.3
Chad	15.1	37.1	145.7	13.7	2.5	-81.8	2.1	0.9	-57.1
Comoros	21.3	31.9	49.8	14.1	11.8	-16.3	3.0	3.8	26.7
DRC	14.0	44.5	217.9	8.4	7.9	-6.0	1.2	3.5	191.7
Rep. of Congo	11.8	12.1	2.5	24.6	12.2	-50.4	2.9	1.5	-48.3
Côte d'Ivoire[1]	10.6	12.1	14.2	43.1	11.7	-72.9	4.5	3.1	-31.1
Gabon	16.9	16.8	-0.6	13.0	19.1	46.9	2.2	3.2	45.5
Guinea	15.1	26.4	74.8	9.6	10.6	10.4	1.4	2.8	100.0
Madagascar	16.1	28.3	75.8	11.3	15.4	36.3	1.8	1.0	-44.4
Mali	19.1	24.9	30.4	10.7	11.4	6.5	2.0	2.8	40.0
Mauritania	31.2	47.2	51.3	9.1	3.1	-65.9	2.9	1.5	-48.3
Niger	18.7	20.4	9.1	10.2	18.1	77.5	1.9	3.7	94.7
Senegal	24.9	33.2	33.3	20.6	8.2	-60.2	5.1	2.7	-47.1
Togo	35.1	32.6	-7.1	5.6	9.3	66.1	2.0	3.0	50.0
Simple average	17.6	25.2	43.2	15.6	12.0	-23.1	2.4	2.6	8.3

Sources: Data from the IMF's African Department, Middle East and Central Asia Department (for Mauritania), and authors' computations.

[1] Côte d'Ivoire: 1997 data.

Exemptions and conditional relief arrangements significantly impacted the collected customs tariff rate. Available data is partial and insufficient to imply a general trend, but exemption's weight (Table 3) is obvious and there is no clear indication that it is decreasing.[11] Moreover, exemption data does not take into account temporary admission of goods on which duties are suspended, commonly used to grant exemptions (generally in accordance with the national legislation). For landlocked countries, tariffs are not collected at the customs union's first point of entry. Goods are transported to these countries under customs transit procedures, and duties are collected upon arrival. Given transit trade volumes, their impact on the collected tariff rate should be further assessed.

Customs administration is unlikely to have had a notable impact on the application of nominal rates, as these were computerized, although misclassifications of goods in the tariff nomenclature, including willful ones, may have had significant effects. By contrast, trends in imports suggest that cargo monitoring in main ports and verification of declared values have

[11] Table 3 data on foregone revenue includes customs and other import duties, VAT, and other domestic levies on imports.

had positive impacts establishing the taxation base. Elements are missing, however, for drawing firm conclusions on customs administration’s effects, especially on the valuation of goods. Customs administrations tended to believe that underinvoicing and challenges in monitoring unit prices generally led to revenue losses. On the other hand, a fraction of imports were likely overvalued due to the application of administrative values, incomplete application of World Trade Organization (WTO) procedures (which gave customs much discretion in adjusting values so as to meet revenue targets), or traders seeking to export capital or reduce profits transfer-priced out of the country.

Table 3. Revenue Forgone from Customs Exemptions in Selected Francophone Sub-Saharan Countries

(Percent of GDP)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Benin		1.37	2.05							1.20	0.85		0.60	1.44	
Burkina Faso	1.85									0.75	0.81				
Burundi				1.19		2.47				5.19	7.00		4.17	4.48	3.72
Cameroon		0.64	0.53	0.46											
Chad									4.96	2.60	2.15	2.00	2.04	2.04	
DRC											1.31	1.47			
Rep. of Congo	3.08						2.69	2.82	2.26				5.74	6.15	
Côte d’Ivoire	0.50											2.33	2.13		
Gabon													1.62		
Guinea									3.00	2.44	3.49	3.16			
Mali	0.89														
Niger	1.73	1.11	1.48							0.93					
Senegal														3.42	
Togo										0.75	0.77				

Source: Customs administrations’ data. GDP data from IMF African Department.

In order to assess the effects of customs’ decisions on the valuation of external trade, in-depth analyses, including comparisons between trading countries, would be needed. Table 4 merely presents imports recorded in the FSSACs against exports from the world to these countries (IMF Statistics Department). The customary 10 percent adjustment for freight and insurance has been applied to free on-board exports. Though data should be interpreted with much caution, as inconsistencies may be explained by many factors, it can be noted that import and export data are close in two-thirds of the countries. However, the 10 percent adjustment might be insufficient in the case of landlocked sub-Saharan countries.

Table 5 compares the FSSACs’ total tax revenue and customs duties in 1996 and 2009. The share of customs and other import duties in total tax revenue has decreased in ten countries. This is consistent with the “tax transition” of developing countries, which aims at reducing the share of tariff revenue, and compensate it by revenue from less economically distortive taxes, including indirect domestic and direct taxes (Chambas, 2005). In countries where total tax revenue has significantly increased (11–12 countries) customs has not been the exclusive, nor the major, contributor.[12] Among eight countries where customs and other import duties have decreased as a percentage of GDP, six have compensated lost revenue on the domestic side. This might suggest the FSSACs' improved effectiveness in recovering revenue lost from trade liberalization.[13]

Table 4. Francophone Sub-Saharan Countries: Imports of Goods Recorded and Exports of Goods from the World, 1999–2009

(Millions of U.S. Dollars)

	1999			2009		
Country	Exports from the World[1]	Imports	Difference (Percent of Exports from the World)	Exports from the World[1]	Imports	Difference (Percent of Exports from the World)
Coastal countries						
Benin	1185.6	843.3	-28.9	6000.8	6002.2	-0.1
Cameroon	1421.3	1317.6	-7.3	4332.0	3920.1	-9.5
Comoros	68.3	69.6	+1.9	177.0	181.9	+2.8
Rep. of Congo	643.0	757.7	+17.8	3600.7	3334.2	-7.4
Côte d'Ivoire	3138.6	3046.9	-2.9	6652.6	7004.1	+5.3
Gabon	1547.0	1564.3	+1.1	2307.9	2372.9	+2.8
Guinea	749.8	558.2	-25.5	2042.8	3667.2	+79.5
Madagascar	774.5	378.0	-51.2	3031.3	3127.5	+3.2
Mauritania	553.9	603.5	+9.0	1912.0	2112.7	+10.5
Senegal	1848.1	1607.5	-13.0	5349.5	4534.8	-15.2
Togo	754.1	341.7	-54.7	3207.4	982.8	-69.4
Semilandlocked countries						
DRC	652.3	647.6	-0.7	3281.7	3607.7	+9.9
Landlocked countries						
Burkina Faso	574.1	601.9	+4.8	1608.9	1719.2	+6.9
Burundi	118.3	117.7	-0.5	361.2	382.5	+5.9
CAR	125.4	153.8	+22.6	264.3	363.4	+37.5
Chad	140.7	139.1	-1.1	1008.3	1006.5	-0.2
Mali	856.1	1254.6	+46.5	2213.9	3118.3	+40.9
Niger	362.3	315.3	-13.0	1589.6	1590.9	0.0

Source: IMF Statistics Department.

[1] Including a 10 percent adjustment for insurance and freight.

[12] For explanations on the contribution of tax administration reforms to increased revenue from domestic taxes, see Fossat and Bua, 2012 (forthcoming).

[13] In 2005, Baunsgaard and Keen noted that recovery of lost trade tax revenue had been weak in low-income countries over the previous 25 years.

Table 5. Francophone Sub-Saharan Countries: Customs Duties and Total Tax Revenue, 1996–2009

Country	Total Tax Revenue (Percent of GDP) 1996	2009	Variation (Percent)	Customs and Other Import Duties[1] (Percent of GDP) 1996	2009	Variation (Percent)	Customs and Other Import Duties[1] (Percent of Total Tax Revenue) 1996	2009	Variation (Percent)
Benin	12.6	16.1	27.8	2.0	4.0	100.0	15.9	24.8	56.0
Burkina Faso	11.5	12.5	8.7	3.0	2.3	-23.3	26.1	18.4	-29.5
Burundi	13.0	17.0	30.8	2.3	2.7	17.4	17.7	15.9	-10.2
Cameroon	9.8	12.7	29.6	1.3	2.7	107.7	13.3	21.3	60.2
CAR	6.0	8.7	45.0	1.9	1.4	-26.3	31.7	16.1	-49.2
Chad	6.4	6.4	0.0	2.1	0.9	-57.1	32.8	14.1	-57.0
Comoros	11.7	10.8	-7.7	3.0	3.8	26.7	25.6	35.2	37.5
DRC	6.0	12.4	106.7	1.2	3.5	191.7	20.0	28.2	41.0
Rep. of Congo	10.9	8.2	-24.8	2.9	1.5	-48.3	26.6	18.3	-31.2
Côte d'Ivoire[2]	18.7	16.5	-11.8	4.5	3.1	-31.1	24.1	18.8	-22.0
Gabon	10.6	16.0	50.9	2.2	3.2	45.5	22.0	20.0	-9.1
Guinea	6.7	11.7	74.6	1.4	2.8	100.0	20.9	23.9	14.4
Madagascar	8.5	12.1	42.4	1.8	1.0	-44.4	21.2	8.3	-60.8
Mali	12.9	17.1	32.6	2.0	2.8	40.0	15.5	16.4	5.8
Mauritania	13.3	13.4	0.8	2.9	1.5	-48.3	21.8	11.2	-48.6
Niger	7.1	13.8	94.4	1.9	3.7	94.7	26.8	26.8	0.0
Senegal	15.0	18.0	20.0	5.1	2.7	-47.1	34.0	15.0	-55.9
Togo	13.0	15.4	18.5	2.0	3.0	50.0	15.4	19.5	26.6

Sources: Data from IMF African Department, Middle East and Central Asia Department (Mauritania), Fossat and Bua (forthcoming, 2012), and authors' computations.

[1] Excludes VAT, other sales tax, and export tax.
[2] Côte d'Ivoire: 1997 data.

Customs enforcement results

Table 6 data on the results of customs control is extracted from TA reports (the identity of the countries has been masked for reasons of confidentiality). They first show the need for improved monitoring of this key indicator. Noteworthy are the insufficient reporting of disputed cases by customs field offices to HQ (a number of cases being unavailable), and inconsistent data among countries. IMF TA has recommended automation for comprehensive and timely reporting of customs offences by customs units. Based on data provided, the number of avoided revenues recorded is small, barring exceptions, which tends to confirm the limited impact of customs inspections and audits, and the need for control selectivity.

Table 6. Results of Customs Controls for Selected Francophone Sub-Saharan African Countries

Country	Year	Number of Cases	Fines and Avoided Duty and Fees (Percent of Collected Revenue)
1	2000	3,036	1.52
	2001	2,359	2.13
	2003	674	1.58
	2004	1,165	1.27
	2005	1,703	1.28
2	2008	N.A.	0.83
	2009	N.A.	0.33
3	2005	15	0.05
4	2007	39	0.96
	2008	N.A.	1.09
5	2003	73	0.77
	2004	29	0.89
	2006	N.A.	0.98
6	2005	272	8.23
7	2004	N.A.	0.43
	2005	N.A.	0.34
8	2004	172	2.49
	2006	48	0.94
9	2008	132	3.68
	2009	82	10.89

Source: TA reports based on customs administrations' data.

Customs efficiency and impact on trade facilitation

The *Doing Business* survey of the World Bank and the International Finance Corporation contains a "Trading Across Borders" topic that assesses import and export procedures according to three criteria: time, documents, and cost. It is not specific to customs administrations but makes it possible to highlight findings and trends as regards facilitation of international trade in which customs administration is a stakeholder. "Trading Across Borders" (Table 7 and 8) suggests an average classification for the FSSACs of 147 out of 183, 1 being the highest ranking in terms of facilitation. This is more positive than the average "Ease of Doing Business" general index ranking for FSSACs, which is 166. [14] Between 2006 and 2011, Burkina Faso, Madagascar, Mali, Senegal, and Togo reduced the time and documentation required to import and export. It is important to note that the time needed to import or export in Ease of Doing Business includes import/export preparations and all formalities (customs and noncustoms). Customs clearance time represents a considerably shorter fraction of them. According to the World Bank Logistics Performance

[14] "Trading Across Borders" is one of the ten topics covered by Ease of Doing Business index.

Index (LPI) [15] (cf., Table 10), in the FSSACs, it takes an average of two days without physical inspection of goods, and five days with physical inspection. These are encouraging results. In sub-Saharan African countries, importing requires 8.7 documents, on average.[16] Benin, Senegal, and Togo fall below this number. The average import cost per container in sub-Saharan African countries is US$2,492.[17] The average in the CEMAC is far above this figure (US$5,069), and those of other FSSACs are slightly below it.

Table 7. Francophone Sub-Saharan Countries: Summary of *Doing Business* Survey—Trading Across Borders Results

	Import Indicators						Export Indicators					
	Documents to Import (Number)		Time to Import (Days)		Cost to Import (US$ per Container)		Documents to Export (Number)		Time to Export (Days)		Cost to Export (US$ per Container)	
Country	2006	2011	2006	2011	2006	2011	2006	2011	2006	2011	2006	2011
Benin	7	7	38	32	1,202	1,400	7	7	34	30	1,167	1,251
Burkina Faso	11	10	54	49	3,722	4,030	11	10	45	41	2,226	2,412
Côte d'Ivoire	9	9	43	36	2,457	2,577	10	10	23	25	1,653	1,969
Mali	11	10	65	31	2,680	3,067	8	7	44	26	1,742	2,202
Niger	10	10	64	64	2,946	3,545	8	8	59	59	2,945	3,545
Senegal	11	5	26	14	1,720	1,940	11	6	20	11	828	1,098
Togo	11	8	43	28	695	963	8	6	34	24	463	940
WAEMU average	**10**	**8.4**	**47.5**	**36.3**	**2,203**	**2,503**	**9**	**7.7**	**37**	**30.8**	**1,575**	**1,917**
Cameroon	16	12	53	26	1,560	1,978	10	11	39	23	649	1,379
CAR	17	17	66	62	4,534	5,554	8	9	57	54	4,581	5,491
Chad	9	10	102	101	5,520	8,150	6	6	78	75	4,867	5,902
Rep. of Congo	10	10	62	62	2,201	7,709	11	11	50	50	2,201	3,818
Gabon	7	9	22	22	1,600	1,955	6	7	19	20	1,510	1,945
CEMAC average	**11.8**	**11.6**	**61**	**54.6**	**3,083**	**5,069**	**8.2**	**8.8**	**48.6**	**44.4**	**2,761**	**3,707**
Burundi	10	10	71	71	4,035	4,285	9	9	47	47	2,347	2,747
DRC	12	9	62	63	3,758	3,735	8	8	50	44	3,410	3,505
Comoros	10	10	21	21	974	1,057	10	10	30	30	971	1,073
Guinea	9	9	32	32	1,195	1,391	7	7	33	35	670	855
Madagascar	11	9	48	24	1,282	1,555	8	4	48	21	982	1,197
Mauritania	7	11	40	42	3,733	1,523	9	11	42	39	3,733	1,520
Average other	**9.8**	**9.6**	**45.6**	**42.1**	**2,496**	**2,258**	**8.5**	**8.1**	**41.6**	**36**	**2,018**	**1,816**
Total average	**10.4**	**9.7**	**50.9**	**43.3**	**2,545**	**3,134**	**8.6**	**8.2**	**41.8**	**36.3**	**2,053**	**2,381**

Source: World Bank, *Doing Business 2011*.

[15] The Logistics Performance Index (LPI) from the World Bank and their partners uses individual country assessments made by 1,000 international freight forwarders to capture the most important aspects of the logistics environment in six areas, including the efficiency of the customs clearance process.

[16] Number of documents to import is 4.9 in OECD countries.

[17] Cost to import is US$1,106 in OECD countries.

The World Bank LPI, 2010 points to a modest but positive trend in customs administration across performance groups of countries worldwide, and a generally higher level of satisfaction with customs than with other border agencies. Though the satisfaction index by country (Table 8) shows that the FSSACs customs are still below the median score, seven out of 13 customs administrations assessed in 2007 and 2010 have made progress in this short period of time: Benin, Burkina Faso, Madagascar, Niger, Senegal, Chad, and Togo.

The Enabling Trade Index of the World Economic Forum includes an assessment of the efficiency of customs administrations across 125 countries. The 2010 index covered 10 FSSACs ranked between 86 (Senegal) and 124 (Chad).

Table 8. Francophone Sub-Saharan African Countries: Assessments of Customs Administration

	WB Survey, *Connecting to Compete 2010*—Logistics Performance Index: Customs		World Economic Forum, *The Global Enabling Trade Report 2010*—Enabling Trade Subindex: Efficiency of Customs Administration		WB and International Finance Corporation, *Doing Business*: Trading Across Borders, 2009[1]
Country	Rank[2]	Score[3]	Rank[4]	Score[5]	Rank[6]
Benin	80	2.38	112	2.83	127
Burkina Faso	105	2.22	96	3.16	175
Côte d'Ivoire	114	2.16	116	2.74	160
Mali	128	2.08	119	2.69	154
Niger	132	2.06	–	–	174
Senegal	70	2.45	86	3.58	67
Togo	75	2.40	–	–	93
WAEMU average	**101**	**2.25**	**106**	**3.00**	**136**
Cameroon	123	2.11	99	3.11	155
CAR	–	–	–	–	182
Chad	96	2.27	124	2.32	171
Rep. of Congo	137	2.02	–	–	180
Gabon	102	2.23	–	–	134
CEMAC average	**115**	**2.16**	**112**	**2.72**	**164**
Burundi	–	–	113	2.83	176
Dem. Rep. Congo	59	2.60	–	–	172
Comoros	142	1.96	–	–	135
Guinea	88	2.34	–	–	129
Madagascar	87	2.35	121	2.66	106
Mauritania	–	–	118	2.72	163
Other average	**94**	**2.31**	**117**	**2.74**	**147**
Total average	**103**	**2.24**	**110**	**2.86**	**147**

[1] Goes beyond customs and includes number of documents, time, and cost to import and export.
[2] Number of countries/economies surveyed: 155.
[3] Scale from 1 (worst) to 5 (best).
[4] Number of countries/economies surveyed: 125.
[5] Scale from 1 (worst) to 7 (best).
[6] Number of countries/economies surveyed: 183.

III. Customs Administrations in the Late 1990s and the Reform Agenda

Challenges faced in the late 1990s

Customs administrations worldwide have three main missions: (1) revenue collection; (2) implementation of trade and tariff policy so as to lay the groundwork for implementing competition and development policies; and (3) protection (addressing issues such as those related to the health and security of consumers, enforcing intellectual property rights, and combating drug trafficking and terrorism). Given the high volume of imported goods, and weaknesses of domestic tax administrations (see Fossat and Bua, 2012, forthcoming), trade revenue mobilization by customs administrations was critical. Only those countries that were earning a large portion of their revenue from oil resources could afford giving lower priority to tax revenue generation.

Customs administration was complicated by several features of customs tariffs: a large number of taxes and tax rates, wide differentials between rates, massive use of quasi-tariff instruments (Keen, 2003),[18] various levies and fees (administrative fees, miscellaneous surcharges, and domestic tax withholdings), and multiple exemptions applicable to imports. Customs administrations pointed to traders' low level of compliance with the rules. This situation was not accurately measured, but was highlighted by the many invalid commercial documents submitted to customs and the number of reassessments performed.[19] Customs' challenge was to correct declarations while simultaneously increasing compliance sustainably through an appropriate strategy.

Besides the revenue issue, sharpened global economic competition made curtailing costs more essential to maintaining competitiveness. Governments eager to attract investments and promote exports requested customs administrations to facilitate commercial transactions, keeping administrative charges and wait times for enterprises to a strict minimum. Trade growth—albeit less marked in African countries—and greater interdependence of economies created the need for customs administrations to adopt internationally recognized practices. Another consequence of the growth in trade was an increase in the customs workload. In addition, most regional trade agreements, to which the FSSACs were party (Box 1), provided for tariff reforms and harmonization policies to be implemented by national customs administrations.

As the volume of overall trade increased, so did fraud and illegal trade, which spread in conjunction with organized crime. As of 2001, the terrorist threat grew and expanded

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[18] Although customs duty rates were harmonized in the CEMAC in 1994, they were not immediately implemented. WAEMU harmonized tariff rates were effective in 2000.

[19] Reports on disputed cases (see Table 6) do not reflect all adjustments made by customs officers.

worldwide, requiring initiatives to make logistical procedures more secure. The level of priority given to the protection mission of customs was raised appreciably.

Box 1. Main Modernization Actions Engaged in FSSACs' Customs Administrations, 1995–2010

The following actions have been part of customs administration modernization initiatives:

- Computerization of customs operations
- Implementation of simple and reliable import and export procedures
- Strengthening of procedures for the valuation of goods
- Strengthening control of duty exemptions
- Implementation of tariff reforms and contribution to regional integration
- Trade facilitation and development of service to traders
- Improved effectiveness of inspections and audits through modern control and risk management techniques
- Cooperation with the tax department to mobilize domestic revenue
- Combating organized fraud and illicit trade more efficiently
- Improved human resource management
- Strengthening of budget resources and equipment
- Modernization of the organization and management of the customs department

Another challenge for customs administrations in the FSSACs was to modernize and improve performance, despite low levels of revenue, development, and governance. Obviously, a customs administration cannot insulate itself from huge constraints on domestic resources and capacities.

Modernization areas and reforms

Customs administration is shaped by the international customs framework established by the World Customs Organization (WCO) conventions and the obligations emanating from WTO membership (Appendix II). Customs administrations in the FSSACs have all joined the WCO. All FSSACs were members of the WTO in 1997, except for the Union of the Comoros, which gained observer status in 2007.

Customs administrations engaging in modernization are required to take account of these globally accepted frameworks, which are generally based on recognized good practices that facilitate inclusion in world trade and encourage cooperation among customs administrations and with traders.

Diagnostic studies of customs administrations in the FSSACs, generally undertaken with TA from donors and/or the IMF, have led to adjusting international prescriptions and recommendations to reflect the situation of each administration and set timelines that could be reasonably envisaged for their implementation. TA and advice from the IMF have supported the following modernization objectives:

- *Adopt coherent trade and tariff policies and establish the appropriate supporting legislation.* The work and performance of a customs administration depend on simple, well-designed legislation, formulated within a transparent framework. In connection with administration, reforms should aim at streamlining taxation, exemptions, and obligations of traders, in order to enhance customs efficiency.

- *Adopt modern, simple procedures.* Procedures should reduce costs and administrative red tape for economic operators, limit potential rule breaching, and facilitate customs control. They should be streamlined before computerization.

- *Enhance customs control approach and methods.* Based on international standards and experience, this objective includes the introduction of risk management techniques, a suitable distribution of controls throughout the customs process, and the development of postclearance audits. These reforms should fit into a framework of coherent compliance and enforcement strategies and requires staff specialization. Along with modernization of procedures, reorganization of controls should be part of the introduction of a new model of customs intervention.

- *Take steps to ensure that the administrative structures, management practices, and incentives lead to effectiveness and good ethical conduct in customs administrations.* Customs' missions, organization, management procedures, and resources should enable it to serve interests across the board, protect it from outside interference, and limit corruption and fraud. The challenge is not only to improve administrative performance, but also to help strengthen national institutions and governance. Since customs and tariff administration are so critical to wider governance standards, progress in these areas, combined with other critical reforms, can help improve the economy.

- *Implement computerization across the board.* Information technology represents the indispensable tool for successful reforms of the above components. The existing systems should be modernized, functionally and geographically expanded, and used more extensively by customs officers and traders.

Although reform priorities have varied depending on the country and period, the actions summarized in Box 1 have all been part of the customs administration modernization initiatives in the FSSACs.

Implementation strategy

IMF TA recommended modernization of customs administrations within the framework of medium-term (in general, three- to five-year) plans, and fleshed out action plans for implementation. In the FSSACs, international trade flows were concentrated in a small number of international ports and airports. On average, three or four customs offices collected the bulk of customs revenue in each country. Pilot projects were introduced at those offices, the head office, and later at border posts managing the transit of goods.

Given its structuring effects, computerization was given high priority in the modernization plans. However, the recommendations were to ensure that new, streamlined processes were established first. Recently, in countries that have progressed in automating procedures, it has been possible to emphasize the use of information technology for management and customs control purposes.

On the basis of their potential for collecting additional revenue, the following functions were given priority: (i) strengthening the valuation of imports, (ii) improving exemption management, (iii) cargo reporting in ports, and (iv) better monitoring of transit and conditional relief arrangements. In the context of weak revenue performance, standalone measures with immediate revenue effects (e.g., enforced collection of arrears from relief procedures and customs transit) were associated with reform projects.

Customs enforcement reforms were sequenced as follows, with account taken for the problems of implementation and necessary investment: (i) enhancing in-office inspections; (ii) strengthening risk analysis and post-clearance audits[20], and cooperation with the tax administration; and (iii) beefing up actions against fraud and border control.

To mitigate customs administration weaknesses, 16 of the 18 countries' governments contracted with private companies to carry out inspection programs. These service providers inspected goods in countries of provenance and gave opinions on customs issues, particularly the price of goods. The stance adopted as regards those preshipment inspection services was to maximize the use of ongoing contracts, encouraging customs administrations to work with service providers while developing domestic capacities that could enable the customs administrations to become autonomous over time.

[20] This includes all forms of customs audits that can be performed from the office or at traders' premises, after the goods have been released.

IMF TA recommended establishing reform management frameworks, which should be adjusted to the capacity and size of the administration, comprising at least a steering committee and implementation framework.

IV. Reform Achievements and Remaining Issues

Overall assessment of progress achieved

Good progress has been made in the automation of import and export operations. Streamlining and reliability of customs clearance and collection procedures have also improved. More achievements took place in the second part of the period under consideration (since 2003): the United Nations Conference for Trade and Development's (UNCTAD) support was enhanced for the installation of the Automated System for Customs Data++ (ASYCUDA++), IMF TA increased considerably, the WCO 2006 Columbus Program was established, and new donor projects were created.

Progress has been slower in developing the capacity to fight fraud and corruption, ensuring adequacy of operational resources, and modernization of management policies and practices. The application of important international standards, such as the WTO Agreement on Customs Valuation (ACV) and procedures for the international transit of goods has also been incomplete. The number of countries contracting services from private companies, especially for valuation of goods, has remained the same.

Procedures for checking entitlement of imports to tax exemption have improved, but the number and impact of exemptions have not been minimized (this is mostly a policy issue). Progress has also been spotty in implementing regional trade agreements and cooperating with tax departments. In the area of trade facilitation, a number of FSSACs have improved since the late 2000s, as noted in international surveys.

Despite conservatism in control methods, customs administrations have made significant and sustained efforts to gain control of tax bases by strengthening current operations (e.g., cargo reporting, valuation of goods). In the context of trade liberalization, revenue from customs duties has declined only slightly (Chapter II). Yet, further analysis would be needed to measure customs administrations' effects on trade revenue.

Computerization of customs operations

Customs administrations' and traders' common objective was to efficiently use a comprehensive and effective automated customs clearance system. This would help integrate clearance steps into a secure process, accelerate treatment, simplify the tasks of traders and customs officers, harmonize the implementation of the legislation, reduce face-to-face contact, and keep track of operations in order to fight corruption. It would also ensure the immediate availability of data essential for decision making.

Nearly all FSSACs chose the ASYCUDA++ software package developed by UNCTAD (Box 2). UNCTAD provided key installation and implementation support.[21] The installation of ASYCUDA++ sometimes took too long due to gaps in financing, the composition of computer expert teams, or late arrival time (as in Mauritania, which adopted it in July 2010). The linking of offices with a single server and traders' remote access to the system is still under way in several administrations; this limits the value added of the system, for the time being. Because of cost and technical issues, many posts that are far from major business centers are neither equipped nor connected. Despite these issues, all FSSACs now have an effective system to clear goods. Owing to the concentration of imports and exports at a few ports, about 85–90 percent of international trade and revenue figures are processed electronically.

Box 2. Phases of Computerization of the Customs Administrations in Francophone Sub-Saharan Africa

- UNCTAD developed and implemented the first version of ASYCUDA in three West African countries in the 1980s to compile foreign trade statistics.
- In the mid-1990s, the customs administrations of francophone Africa began using the second version of ASYCUDA (2.7), which allows for the automation of the customs clearance process, in particular, declaration, manifest, cash and accounting, and warehousing.
- The third version, called ASYCUDA++, is the one currently in use by most of the administrations. Cameroon replaced its national system (PAGODE) with ASYCUDA++ in 2007. ASYCUDA++ provides essential additional functionalities, such as direct trader input and submissions of declarations by customs brokers via the internet, risk management, and transit monitoring, which make it a system well suited to most needs.
- Côte d'Ivoire used its own system (SIMBA) until 2009, and then adopted ASYCUDA World. ASYCUDA World increases the ASYCUDA++ capacities related to trade facilitation, customs controls, accounting, and statistical data, as well as the introduction of WCO and WTO standards. Through linkages with other governmental and external systems, it enables the establishment of a single window. Preparations for ASYCUDA World began in Mali in 2010, and in 2011 in the Republic of Congo.
- Senegal has developed its own system, GAINDÉ.

Sources: IMF TA reports and UNCTAD.

The basic modules of the automated system (i.e., registration of goods, declarations, payments, and revenue recording) are generally being used appropriately. Others, like control selectivity, management of transit goods, provision of performance charts, and indicators for data analysis, remain generally underused. A big step is still needed to make procedures paperless. This transition will require that the customs personnel take full ownership of the

[21] ASYCUDA software is provided by UNCTAD without charge. However, ASYCUDA is installed at the request of developing countries' governments with the assistance of UNCTAD experts, the countries being responsible for funding the projects.

data processing tool, customs legislation be updated, and interministerial initiatives be started. Cases of fraud confirm the need for customs to ensure the security of the system and data. This issue has become increasingly important as computerization continues to expand.

Work has started on the development of additional applications, including those for processing exemptions (Côte d'Ivoire, Mali), the interface between customs and inspection company systems (first steps in Burkina Faso, Mali, Togo), and the establishment of management information systems (Cameroon, Côte d'Ivoire). Perspectives for broader IT developments include the integration of customs procedures into electronic single windows,[22] automation of risk management, regional interconnection of customs services, and contribution to tariff harmonization through the provision of a regional integrated tariff.

Import and export procedures

The procedures to be introduced had to meet recognized criteria applied by modern customs administrations, consistent with the Revised Kyoto Convention (see Appendix II): (i) self-assessment, which involves separating the roles between the trader and the customs officer (the importer/exporter assumes responsibility for spontaneously declaring and paying duty, and the customs officer checks these operations); (ii) a high level of compliance, meaning that all goods are recorded and assigned a customs status (regime); and (iii) simplicity and predictability, to reduce the costs for trade. Effective export procedures are particularly important to ensure proper administration of VAT refunds.

Appreciable progress has been made in streamlining import and export procedures, a reform that was greatly facilitated by computerization. Self-assessment is now the standard in effect for both presentation of goods in customs (input of cargo manifest data into the system by the shipper or its representative), and assignment of the customs regime (input of declaration data by the customs broker acting for the importer/exporter).[23] Standard and sanitary administrations have generally mandated customs to carry out the main inspections and collections applicable to imports and exports (except for certain levies, and apart from the DRC, where agencies are juxtaposed to customs despite the progress made with single windows).

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[22] The United Nations Economic Commission for Europe defines the single window as a facility that allows parties involved in trade and transportation to lodge standardized information and documents with single entry points to fulfill all import-, export-, and transit-related regulatory requirements. This facility can be either physical or electronic.

[23] In the processing of imports and exports, customs first takes account of the goods entering or leaving the country. The transporter generally reports these goods. Then, through a detailed customs declaration, importers, exporters, or their agents request the application of the customs regime of their choice (e.g., imports for consumption on the domestic market, temporary placement under conditional relief arrangements, export, or reexport). Goods are released by customs once applicable duties have been paid and import or export requirements have been satisfied.

Computerization has made the customs clearance procedure more secure through the automated discharge of each step of the process by the subsequent one (see footnotes). Many customs have computerized emergency procedures. Deferred payments (a procedure common in francophone Africa) are better monitored,[24] and customs is connected to the public accounting department of the Ministry of Finance (MoF) in order to report duty assessments and collections. All FSSACs' customs administrations validate duty assessments, yet collection is still done by the public accounting department in several countries. This arrangement is acceptable on condition that the automated chain of customs operations from cargo reporting to release of goods is not broken.

The last World Economic Forum's opinion poll on the level of effectiveness of customs procedures shows that a number of FSSACs are close to the mean performance score (Table 9).[25]

Despite this progress, a streamlined organization is needed in clearance offices that would preclude redundant inspections prejudicial to trade. Inspection companies' processes to evaluate and inspect goods should be integrated with customs' processes. Customs officers should also be rigorous in monitoring traders' commitments, discharging duty conditional relief procedures (in-bond warehousing, temporary admission), which represent a high risk for revenue. Precustoms clearance administrative formalities imposed by ministries (e.g., commerce, transportation) or by public or parapublic agencies, fail to fully exploit the potential of the automated customs system and data, and often needlessly complicate importing and exporting. The number of documents required could be significantly reduced.

Table 9. Selected Francophone Sub-Saharan Countries: Burden of Customs Procedures, 2010

Country/Economy	Score from 7 (Highly Efficient) to 1 (Highly Inefficient)	Rank (Number of Rated Countries or Economies: 139)
Senegal	4.4	43
Mauritania	4.0	61
Burkina Faso	3.8	76
Mali	3.7	80
Madagascar	3.6	86
Côte d'Ivoire	3.3	98
Cameroon	3.2	102
Burundi	3.0	109
Chad	2.3	124

Source: World Economic Forum, *The Global Enabling Trade Report 2010*.

[24] Tax and duties are normally paid before the goods are released. With a security bond or deposit as guarantee, customs may allow for a reliable trader's payment after the goods' release, generally two or four weeks later.

[25] Nine countries of francophone sub-Saharan Africa have been surveyed in this area.

Several ports, including Douala (Cameroon) and Matadi (DRC), have set up single windows that physically group together port, customs, banking, and other services. Today's challenge is to establish virtual single windows that enable parties to trade and transport, submit information and requests only once through the system, carry out formalities remotely before importing or exporting, and pay duty and fees by bank transfer. Given the nature of their missions, customs administrations should be key actors in this project.

Lomé (Togo) and Cotonou (Benin) are in the process of implementing an electronic single window. In November 2010, the Government of Benin assigned two joint private companies to establish and operate the single window for foreign trade at the port of Cotonou. Madagascar has already set up a form of electronic single window called TradeNet. In 2006, the contract with the preshipment inspection company was replaced by one that provided for a set of services upon arrival of goods. The Malagasy firm GasyNet (with 70 percent of its shares held by a private company and 30 percent by the Malagasy government) was formed to manage these services. The TradeNet platform creates a network of all public and private parties for international trade operations. It has been operational since 2009 in the large customs offices. Senegal has developed, along with a new version of GAINDÉ, two platforms that will facilitate the implementation of an electronic single window: (1) ORBUS which will accommodate foreign trade procedures; and (2) CORUS, which will allow for telepayment.

Valuation of goods

Building customs capacity in the area of valuation of goods was essential in implementing the WTO Agreement on Customs Valuation, whereby valuation is based on the transaction value (the actual price paid for the goods). The previous valuation method was the Brussels Definition of Value, that is, applying the price at which the goods would be sold in the course of international trade. Boosting capacity is also crucial for fighting undervaluation, which is reported as common practice.

Although the FSSACs have amended their legislation to incorporate the Agreement on Customs Valuation, implementation of its provisions has been slow and remains incomplete. Despite the initiatives launched and TA provided, risk management, requests for information from importers made in accordance with prescribed procedures, and development of postclearance audits for an in-depth analysis of commercial transactions have not been implemented. Customs administrations have introduced a few aspects of the new procedure (e.g., the framework for the examination of disputes on customs values in Abidjan). Under these circumstances, it is doubtful that values applied by customs officers are well aligned with transactional values (or authorized alternative values). Moreover, officially set or not, administered values are applied to a number of commodities. Admittedly, the unreliability of invoices and commercial documents leads to considerable verification problems and a heavy administrative burden for customs.

The concern with achieving revenue targets has led customs administrations to sustain efforts to check all import value declarations, and the authorities to continue requesting opinions on import prices from inspection companies. Customs administrations have taken into account the companies' opinions to a certain extent, but cooperation between the two has been limited; not all high-stake products have been covered by contracts, while a number of low-stake ones have been included, and the companies' opinions were sometimes validly questioned by importers or customs officers.

IMF TA experts advised further modernization of valuation control along two key lines: (1) establishing administrative arrangements to guarantee transparency and equity in decision making, and to prevent distortions from arbitrary valuations; and (2) building capacity in customs administrations to detect abnormal declared values and evaluate goods accurately, consistent with WTO requirements and the customs law. This entails the use of postclearance audits, combined with risk management and control selectivity (see below).

Control of duty exemptions

The very large amount of revenue forgone from exemptions has led customs administrations to strengthen management of these measures to address abuse. This was among the IMF TA's recommendations to increase the Ministry of Finance's control over tax exemptions which emanated mostly from nontax legislation, including investment codes, oil and mining codes, ad hoc agreements, and requirements of donors.[26] One important positive reform consisted of requiring the systematic preimport authorization of the Minister of Finance or the Director General of customs for exemptions. Occasional exemptions not based on legal provisions have been greatly reduced or eliminated. This is in line with the recommendation of abolishing all discretionary exemptions as these measures undermine the transparency of the exemption system and induce rent seeking and corruption. The FAD's TA has also stressed the need to engage further in strengthening the verification of the end use of exempted goods (since in most cases removing end-use conditions is not technically feasible). It has also encouraged associating customs administrations with an assessment of current legislation to repeal provisions that cannot be monitored or obviously encourage rule breaches. Several countries, such as Côte d'Ivoire and Gabon, have taken initial steps in this direction.[27]

Nevertheless, the impact of administrative improvements on containing exemptions can only be marginal. Duty exemption is mainly a tax policy issue. Harmonization of exemptions would allow for limiting tax competition among countries. A candid review of economic or social justification of all exemptions would enable the streamlining of these measures. In this

[26] For a summary of issues related to the exemption of donor-financed projects, see "Tax Treatment of Donor-Financed Projects," International Tax Dialogue, 2006.

[27] The same recommendation was made for tax administrations.

regard, FAD TA missions have recommended the comprehensive identification and quantification of tax expenditures, and their annual review by the authorities through the budget procedure. Senegal started this exercise in 2009.

Tariff reforms and regional integration

Key components of the regional integration agreements signed by the FSSACs were, and are, the implementation of common external (in customs unions) and preferential tariffs; harmonization of national customs legislations, procedures and practices; facilitation of transit and easy flow of goods across borders; and cooperation among customs administrations. IMF customs TA experts made recommendations within the framework established by these agreements and supported implementation of these reforms.

In 1994, CEMAC, which replaced the 1965 UDEAC (Central African Customs and Economic Union), introduced a streamlined common external tariff (CET)[27] and a preferential tariff governing intra-regional trade, completed in 1998. It also replaced quantitative import barriers with temporary import surcharges. WAEMU gradually removed internal tariffs from 1996 and instituted a four-band CET in 2000, following reductions of the maximum duty rate from 1998.[28] Doe (2006) reviewed the two CET implementations and noted their overall compliance with CEMAC and WAEMU rates, but also found that numerous deviations existed, especially in terms of additional fees and surcharges. Discrepancies between the actual tariff band and CET existed for a number of commodities. Nonharmonization of exemptions at the regional level,[29] and the gap between rule and practice in customs valuation (see "Valuation of Goods," above) are still major impediments to tariff harmonization. Finally, leaving computerization of the community tariff solely up to the national administrations increases the risk of implementation discrepancies, intentional or not; regional IT modules should be developed.

CEMAC and WAEMU adopted a Community Customs Code in 2001.[30] The East African Community (EAC) adopted its Customs management Act in 2004. Member states' customs laws are broadly consistent with these codes as regards procedures, but both community and national legislations need to fully incorporate modern customs standards, such as prearrival reporting of goods to customs, or the electronic submission of documents. Dispute and

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[28] WAEMU tariff bands are: 0, 5, 10, and 20 percent. Economic Community Of West African States (ECOWAS)-wide CET is now envisaged: the ECOWAS heads of state have recently agreed to expand the WAEMU CET to the ECOWAS region, on the condition that a fifth band at a 35 percent rate be added.

[29] WAEMU has not adopted a regional investment code yet. CEMAC adopted one in 1965, which is not implemented in practice. With regard to exemption harmonization, WAEMU has, however, suggested categories of customs exemptions applicable by member states.

[30] WAEMU has adopted "*Book I*" of its Customs Code, thereby harmonizing organization, procedures, and regimes.

penalty provisions would also be worth reexamining as some of them may be obsolete or not in line with all WCO and WTO requirements. Benin, Mauritania, the DRC, and Togo have engaged in a review of their customs laws. Madagascar and Burundi adopted a revised customs code in 2006 and 2007, respectively. In general, the current state of legislation is not a major impediment to moving reforms forward.

In contrast with the progress made in common legislation, coordination in harmonizing administrative practices among customs administrations, and between customs and community bodies, remains insufficient. Key implementation decisions, such as those on the classification of goods in the tariff nomenclature, require concerted positions.

Efficient regional customs procedures for the transit of goods help protect revenue and facilitate trade and regional integration. FSSACs' customs needed to reduce the time and cost of moving imports and exports through landlocked countries, and prevent revenue losses from the diversion of goods to domestic markets (goods circulating free of duty). Customs procedures adopted by the Economic Community Of West African States (ECOWAS) (Transit Routier Inter-États or TRIE program) and the CEMAC (Transit International dans les Pays de l'Afrique Centrale or TIPAC program) did not operate effectively in the absence of internationally valid guarantees and customs coordination.

TA experts strongly advised that transit management be modernized with the use of electronic data exchange. For a long time, customs administrations merely took preventive measures at a national level, using outmoded methods like the systematic escorting of vehicles. Recently, several countries took steps to use ASYCUDA for information sharing among customs offices (Burkina Faso) and the global positioning system (GPS) for locating vehicles on major corridors (Cameroon). CEMAC and ECOWAS have launched initiatives, with EU participation, to develop the interconnection of customs offices in the crossed countries.

Customs improvements to regional transit should be part of comprehensive programs aiming at renewing vehicles and increasing the containerization rate, ensuring freight security, halting law enforcement officers' notorious harassment of truckers, and creating a new infrastructure. World Bank projects to facilitate trade on major routes of Central and West Africa are key initiatives in this regard.[31]

[31] The World Bank has the following corridor projects in sub-Saharan francophone Africa: (1) the Transport-Transit Facilitation Project of CEMAC (2007–15), which objective is to facilitate regional trade among member states and improve the CAR's, Cameroon's, and Chad's access to world markets; (2) the West Africa Transport and Transit Facilitation Project for Africa (2008–14), which aims to facilitate trade within the subregion and improve access to world markets for Burkina Faso and Mali; and (3) the Abidjan-Lagos Trade and Transport Facilitation Project (ALTTFP, 2010–16), which objective is to reduce trade and transport barriers in the ports and on the roads along the Abidjan-Lagos corridor in Ghana, Togo, and Benin.

Effective imposition of customs duty requires proper implementation of rules establishing goods' countries of origin when preferential arrangements are in force, and when antidumping and countervailing duties are in effect. So far, FSSACs have granted low priority to this procedure, probably because limited and stagnant intraregional trade has provided little incentive.[32] Yet, arrangements such as the Economic Partnership Agreements (EPAs) currently under negotiation with the European Union will significantly, albeit gradually, increase the risks of origin and tariff classification fraud, and will require capacity building in this area.[33] Origin control may well be the main customs administration's challenge regarding new preferential agreements. Customs departments should develop programs to address origin fraud through detailed trade flow monitoring, by augmenting the capacity to detect doubtful declarations and documents, and through effective mutual administrative assistance with partner countries. Harmonization and simplification of origin rules would facilitate such enforcement measures.

Box 3 shows the principal existing regional integration agreements of the FSSACs, either customs unions (CEMAC, EAC, WAEMU) or free trade areas to become customs unions (COMESA, ECOWAS, SADC).[34] The number of agreements and, what is more problematic, the competing rules resulting from the overlapping of agreements, complicate customs work particularly as regards the determination of origin of goods and procedural standardization.

Customs formalities are still in effect at the internal borders of these regional groupings. In an effort to remove them removal, and based on the European Union experience, importers might be allowed to pay customs duties separately from domestic taxes (at the external border or inland following a transit procedure), thereby granting the goods a "community status." Domestic taxes would be paid in the final destination country only.[35] Juxtaposed customs offices at internal borders would have limited advantages, unless goods are checked once, quickly, by a joint binational team—a challenging option that has not been envisaged so far.

[32] During the 2000s, in percent of total trade, intraregional trade accounted, on average, for 2 percent in CEMAC; 4 percent in COMESA; 9 percent in ECOWAS and SADC; and 11 percent in WAEMU.

[33] EPAs are currently under negotiations with West Africa, Central Africa, eastern and southern Africa, the East African Community, and the Southern African Development Community. More information on the EPA negotiations is available at: http://ec.europa.eu/trade/wider-agenda/development/economic-partnerships/.

[34] Mauritania, not mentioned in Box 4, is a member of the Arab Maghreb Union, which has not been active in trade and customs areas.

[35] To limit tax evasion, payment of domestic taxes on imports would continue to be made through customs declarations until the tax administration is sufficiently strengthened.

Box 3. Principal Regional Integration Agreements in Francophone Sub-Saharan Africa

Agreements	Francophone Countries Studied	Other Parties
Central African Economic and Monetary Community (CEMAC)	Cameroon, CAR, Chad, Gabon, Republic of Congo	Equatorial Guinea
Common Market of Eastern and Southern Africa (COMESA)	Burundi, Comoros, DRC, Madagascar	Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Libya, Malawi, Mauritius, Rwanda, Seychelles, Sudan, Swaziland, Uganda, Zambia, Zimbabwe
East African Community (EAC)	Burundi	Kenya, Rwanda, Tanzania, Uganda.
Economic Community of West African States (ECOWAS)	Benin, Burkina Faso, Côte d'Ivoire, Guinea, Mali, Niger, Senegal, Togo	Cape Verde, Gambia, Ghana, Guinea-Bissau, Liberia, Nigeria, Sierra Leone
Southern Africa Development Community (SADC)	DRC, Madagascar	Angola, Botswana, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania, Zambia, Zimbabwe
West African Economic and Monetary Union (WAEMU)	Benin, Burkina Faso, Côte d'Ivoire, Mali, Niger, Senegal, Togo	Guinea-Bissau

Trade facilitation and service

In this area, customs was expected to improve its consideration of the needs and interests of economic operators in the definition and implementation of procedures, and take initiatives for information sharing, consultation, service, and partnership. This required a profound change in the culture of customs administrations.

Over the 1995–2010 period, the authorities' and customs managers' awareness of the need for customs to facilitate trade increased significantly, particularly in countries whose government programs had placed a strong emphasis on improving the business climate and in the main seaports, which are in competition to capture regional trade.[36] Customs trade facilitation measures were rarely the subject of specific action plans; instead, they consisted of addressing problems noted or raised by operators. Although progress has been unequal, recent improvements noted by international surveys over a short period are positive signals. Those include increased customs efficiency and fewer documents to import and export (see Chapter II).

Customs administrations also took care to limit the time needed for clearing goods from their offices. Customs managers and traders reported that operations for which only customs

[36] Trade facilitation is covered by the Doha Round work program. The aim is to further expedite the movement, release, and clearance of goods, including goods in transit. The relevant articles of the GATT 1994 are: Article V ("Freedom of Transit"), Article VIII ("Fees and Formalities Connected with Importation and Exportation"), and Article X ("Publication and Administration of Trade Regulations").

officers are responsible, between capture of declarations and authorization to remove goods, did not take more than 24–48 hours. These findings are consistent with the World Bank Logistics Performance Index (Table 10). However, the ongoing monitoring of clearance procedures is not generally in place, with a few notable exceptions (Cameroon), and predictability of operations, a major concern for traders, is not yet guaranteed. Clearance issues, such as missing documents and delays, managed exclusively by officers in the field, happen frequently. Delays are often caused by trade and transport parties and are unduly attributed to customs administration.

Consultation frameworks have been established, either at the decision-making level through periodic meetings and committees, or at the operational level through varied initiatives. These include a weekly "Partners' Day" at the Pointe-Noire port customs office, with a view to resolving disputes quickly; a post to observe the speed of customs clearance at the Abidjan port; or a directorate of "Facilitation and Partnership with Enterprises" at Senegalese customs' headquarters. The private sector recognizes that the customs administration is paying more attention to their needs today, but laments the inadequacies of decision implementation, differing interpretations of the law by field units and the head office, and insufficient consultation and lack of warning when changes are introduced. The exercising of rights of appeal shows that interactions between traders and the administration are effective but barely formalized. This increases the risk of discretionary decisions.

Table 10. Clearance Times in Selected Francophone Sub-Saharan African Countries and by Region, 2010

	Clearance Times (Days)	
	Without Physical Inspection	*With Physical Inspection*
Country		
Burkina Faso	2.00	3.00
Cameroon	2.64	3.31
Chad	1.00	15.00
Gabon	5.89	9.12
Mali	2.00	3.00
Mauritania	0.50	1.00
Senegal	1.73	3.16
Togo	0.71	2.45
Region		
Francophone Sub-Saharan Africa (selected countries)	2.06	5.05
Sub-Saharan Africa	2.83	4.94
East Asia and Pacific	1.55	3.36
Europe and Central Asia	1.48	1.89
Latin America and Caribbean	1.62	3.41
Middle East and North Africa	1.78	2.91
South Asia	2.17	3.20
Income classification		
High income countries	0.83	1.83

Source: Logistics Performance Index, *Connecting to Compete 2010*; and McLinden et al. (2011).

Sound partnerships that would be helpful for solving problems of common interest and promoting spontaneous compliance with rules are long in coming. However, the establishment of online customs sites (not comprehensive, nor regularly updated), and the efforts made to disseminate administrative instructions to professional organizations, have improved access to customs' rules. Simplified clearance procedures for licensed operators are still limited to the most advanced FSSACs, and are not part of programs. Customs regimes designed to encourage manufacturing in the country (e.g., inward processing and duty drawback procedures) exist in the legislation but are used moderately, except in the more industrialized countries and in those where free zones apply such customs arrangements (Togo, Madagascar). The number of fees and various levies on imports and exports is important to trade facilitation. No decisive initiatives in the FSSACs have been taken to reduce these additional costs. Precustoms clearance issuance of certificates and authorizations generate considerable expense. For customs, the addition of computer or statistics fee(s), the scanning fee, and the inspection company fee (generally payable by traders), also generates a significant burden in most countries. Most often, the statistics fee is 1 percent of c.i.f. value of goods, and the inspection fee is a minimum of 0.7 percent of this value.

Customs control and risk management

Reforms in this area present challenges on two counts: a short-term one of building control capacity at points of entry and of exit, and a farther-reaching one, aimed at restructuring control procedures by introducing sound risk management, selectivity, and effective postclearance audits.

Customs administrations have made efforts to strengthen control in customs clearance offices. Reporting of containers and cargo has improved, with methods that necessarily vary depending on the management of port terminals and degree of security established in port compounds. Cargo scanning, which checks the contents of containers and trucks, has become commonplace over the past five years. Several countries, including landlocked ones, have tried to make the most of scanners, which are effective for the detection of undeclared goods in homogeneous cargoes, but of little use for checking unit value, country of origin, or even tariff classification. Few offenses are revealed through their use, but they most probably have a dissuasive, though difficult-to-quantify, effect. Data from the Logistics Performance Index (Table 11) shows that, among the FSSACs surveyed, some have lower rates of physical inspections, while others still overuse them.[37] The LPI notes that physical inspection is much more common in countries with low logistical performance.

[37] TA missions have sometimes noticed higher rates of physical inspections than those indicated in Table 11.

Table 11. Physical Inspections of Goods in Selected Francophone Sub-Saharan African Countries, 2010 1/

	Physical Inspection (Percent of Import Shipments)	Multiple Physical Inspections (Percent of Shipments Physically Inspected)
Burkina Faso	75	35
Cameroon	12	4
Central African Republic	50	N.A.
Chad	18	18
Gabon	55	3
Mali	75	3
Mauritania	50	1
Senegal	18	1
Togo	9	18

Source: Logistics Performance Index*, Connecting to Compete 2010*.

1/ Including inspections carried out by standard and sanitary administrations.

Change in the organization and methods of customs control has not occurred as expected. Postclearance controls, used by more advanced customs administrations with very positive results, still occupy a limited place in the FSSACs. These controls are carried out in depth by specialized personnel, and are much more effective than inspections performed in the urgency of customs clearance. However, all risks related to security and illicit trafficking continue to require immediate action and postclearance audit (PCA) is not the most appropriate response for managing these risks. In most FSSACs, postclearance desk audit units are either nonexistant or nonoperational, while customs units for field audits of commercial operations are in place, but their audit programs, methods, and resources are not up for such challenges as the control of multinational enterprises and large traders of the informal sector. Most inspectors and auditors do not possess adequate training and professional documentation. Customs administrations have presented arguments that may partly explain these findings. Problems are internal as regards training specialists and enforcing the proper identification of importers and exporters through the taxpayer identification number (TIN). They are external, as well: locating traders, tracing their transactions in the absence of reliable accounting records, and enforcing collection of avoided duty. Administrations still give strong preference to inspections at the border, where goods are the guarantee of payment of duties. Working in their own interests, inspectors also favor performing inspections before the clearance of goods.

Customs administrations have started using the automated customs system to improve control selectivity. Due to the lack of a proper risk analysis function, selectivity has remained rudimentary. Control selection criteria has proven too predictable and may have been detrimental. To address this issue, Burkina Faso's, the Côte d'Ivoire's, Mali's, and Senegal's customs administrations launched projects aiming at the automation of risk analysis in 2009, with AFRITAC's technical support. Geourjon and Laporte (2004) theoretically demonstrated the advantages of automatic and rational targeting of customs transactions for inspection. The maintenance and use of reliable databases are key initial steps in building risk management.

Finally, the profession of licensed customs broker, the intermediary that must facilitate customs operations, remains poorly monitored by customs administrations. Recommendations for upgrading the profession have not been followed. It is currently a heterogeneous one in which a number of brokers are unreliable and actually facilitate noncompliance.

Cooperation with the Tax Department to mobilize domestic revenue

It became clear early on that customs administrations should be stakeholders in the reforms aimed at generating domestic tax revenue. IMF TA missions recommended the use of TINs by customs, cooperation with tax administrations for VAT, excise, and the implementation of tax withholdings, routine information sharing, and joint audits. As part of transparency efforts in this sector, the IMF stressed the need for customs' surveillance of physical flows of exported natural resources, as well as the enhanced collection and reporting of comprehensive, reliable data.

Customs administrations implemented the VAT on imports (by 2010, all FSSACs had introduced this tax except the DRC and the Union of the Comoros).[38] Import VAT has become the largest customs revenue item, since it accounts, on average, for 45 to 65 percent of gross VAT in the FSSACs. Most customs administrations now identify importers and exporters using TINs issued by tax directorates. The Comorian customs administration provides an example of good practices for trader registration in the port of Moroni. However, the FSSACs are still dealing with weaknesses relating to the updating of TIN databases by tax administrations, and customs' excessive use of generic numbers for operations wrongly accepted as noncommercial.[39] Customs reports import and export data to the tax department in many countries, but this simple measure has not yet been implemented everywhere through electronic access to the customs system. The sharing of intelligence on fraud remains rare, as do joint customs/tax administration interventions.

Customs' value added to the control of natural resource exports and provision of data on these commodities is insufficient. There is a shortage of customs officers specialized in natural resources. The economic importance of oil, mining, and agricultural commodity exports is not well reflected in customs structures. Export data from customs on physical flows could be better exploited at the government level for cross-checking purposes. However, appropriate initiatives have been taken. (The Côte d'Ivoire's customs' reporting on mineral oils to an Oil Committee, and its petroleum operations are part of the modernization

[38] In the DRC, the VAT was introduced January 2012.

[39] As indicated above, these impede tax audits and customs' postclearance audits.

program. Gabon's customs has a specialized team for the application of administrative values to exported timber.

Combating organized fraud and illicit trade

IMF TA has been focused on fraud that represents a threat to revenue, recommending capacity building in the areas of intelligence, investigation, and antismuggling, as well as mutual administrative assistance among customs administrations. As needed, these recommendations could be adapted to better combat illicit trade, such as the trafficking of drugs or dangerous products, a key customs mission.

A number of factors hampered reforms in this sector. Priority given to duty collection relegated this repressive mission to second place. The setting up of rapid-intervention teams, intelligence and investigation units, as well as properly managed and equipped command centers, proved to be a costly and intricate modernization project. As a result, the capacity to combat organized fraud, smuggling, and illicit trafficking remains weak. Despite some progress in staff qualifications and detection equipment, mobile border surveillance, the targeting of illegal products, and the sharing of fraud information with foreign customs administrations are not up to the operational level required. Maritime surveillance is almost nonexistent (Senegal plans to take action in this sector). Dissuasion is further weakened by rare criminal prosecutions, even for the most serious cases of fraud.

To limit the circumvention of customs clearance's main offices, and to make sure that tax policy decisions are not jeopardized by smuggling, it is important to reach a satisfactory equivalent level of customs control at all borders. Customs authorities are also concerned by the massive importing of counterfeit and substandard products and increased drug trafficking, especially in West Africa. A few customs in the region have achieved a measure of success in drug seizures.

Human resource management, training, and integrity

TA recommendations have focused on critical weaknesses in the management of personnel. Those urgently in need of adjustment included initial and refresher training for customs officers, training of specialists, prevention and repression of corruption, better incentives, and introduction of manpower planning and management tools.

Serious weaknesses persist in human resource management. In most of the FSSACs, the civil service ministry is responsible for recruiting new customs officers, which generally occurs without sufficient prior consultation with customs administrations. This does not allow for the consideration of qualifications and staffing needs. Moreover, external interference and transfers of unskilled personnel from other ministries affect recruitment and assignment practices.

Training for customs officers is still inadequate. Several countries wish to establish a customs school, or at least a training center, but have little of the infrastructure, competent personnel, or budget capacity to operate such a facility. There is a clear shortage of specialists in all areas, while modern customs administration does not leave much room for interchangeability. Specialist training remains occasional and meets only a small portion of actual needs. Countries have obtained specialist training from development partners and sometimes inspection companies. Since it has not been integrated into a training curriculum and modern human resource policies, efforts have often been nullified by the practice of reassigning officers too often and the failure to take into account competency profiles and acquired qualifications.

Customs administrations can generally rely on experienced managers, often trained abroad, but experience serious problems as regards mid-level and beginner staff. The managerial structure is often poorly defined, and most members of personnel assuming management responsibilities only have partial mastery of core functions such as planning, control, and evaluation. Recent TA missions found a lack of personnel who could be assigned to managerial positions. From 2010, AFRITAC West has delivered TA on human resource management in several countries (Guinea, Mauritania, and Senegal).

The FSSACs' customs departments' staffing is, in general, adequate, or excessive in a number of countries. Regardless of its level, it is poorly distributed. The principal problems noted are: (1) staff concentration in capitals and large cities, despite border control needs; (2) functional assignments favoring frontline positions; (3) excessive rotation of customs officers between posts; (4) excessive administrative personnel and generalist officers;[40] and (5) appointment of managers who have been given no personnel supervision tasks. There is no early recruitment planning, neither career nor promotion planning. Management tools, for example, specific data processing applications, are barely developed except in a few countries.

Corruption in customs is still a major issue, which has been widely documented (for example, Stasavage and Daubrée, 1998, and Hors, 2001). In keeping with the revised Arusha Declaration (see Appendix II), FSSACs have adopted and disseminated codes of conduct/or ethics within their customs administration, though they are not strictly enforced. Infringements are rarely punished with appropriate disciplinary measures. However, in line with IMF TA's recommendations, automation has been used to limit corruption and fraud through the inclusion of security measures in procedures, reduction of face-to-face contact, tracking of past operations, and facilitation of operational surveillance. With World Bank and

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[40] To benefit from the investment in specialized training, while limiting corruption risks, it is generally recommended that staff members hold their positions for about three years.

France TA, Cameroon has efficiently used ASYCUDA++ for internal operational control of office personnel, traders, and customs brokers. Through the Ministry of Finance, Mauritania is one of the few countries to have tested the comprehensive reconciliation of inspection company and customs offices data.

Remuneration policies vary considerably from one country to the next. Basic remuneration is generally quite low, while substantial supplementary remuneration is added in the form of various bonuses. This system favors positions of direct contact with traders and becomes somewhat of an incentive for officers to prioritize immediate benefit. Based on supplements that are often ill founded, it raises issues of redistribution equity and lack of transparency. All FSSACs need to develop sound and comprehensive remuneration policies for customs employees, integrated with all other aspects of HR management.

Budget and equipment

Customs officials have been particularly concerned about the state of customs office buildings and inadequate means for doing their work, notably insufficient computer hardware and telecommunications networks, vehicles, fuel, and detection equipment. TA experts have stressed the need for better management of resources by improving planning and execution of expenditures, and giving administrations greater autonomy.

Notorious weaknesses in budget and material resources persist in most of the FSSACs' customs. Government budget appropriations are unequal, uncertain, and chronically insufficient. Customs administrations use alternative sources of financing, such as a fraction of the data processing or statistical fees collected, or a fraction of penalties, which are limited and partially earmarked for the remuneration of personnel. Essential needs, such as electricity for the automated systems, a telecommunications network, or the renovation of staff premises, have not been met in many cases. The recommendation to centralize all resources and expenses has not been implemented to date, although a unified budget is critical to support strategic decisions, investment planning, and transparency.

Organization and management of the Customs Department

IMF TA missions emphasized the need to introduce modern management methods into customs administrations, beginning with sound strategic and operational planning, tools for monitoring activities and outcomes, and internal audit and inspection programs. The IMF also advised adjusting organizational structures and strengthening the role of the head office.

The FSSACs' customs administrations (like tax administrations) are departments within the Ministry of Finance (MoF) or, rarely, within the Ministry of Economy (Gabon). From 2009 on, however, Burundi customs and tax administrations were integrated into the Burundi

Revenue Office, which has been granted greater managerial autonomy than an administrative directorate ought to have. This ongoing project is supported by TA from the U.K. Department for International Development's (DfiD) and Belgium. On the other hand, the DRC's customs administration, which had been organized as a semiautonomous customs and excise agency (or revenue authority) in the 1980s, was recently reestablished as a MoF directorate. Based on a questionnaire forwarded to revenue authorities,[41] and a review of the literature, Kidd and Crandall (2006) concluded that the revenue authority model, which has been adopted by many countries (particularly in anglophone Africa and Latin America), has advantages in terms of autonomy and accountability, but that its establishment must be coupled with a serious commitment to reform in order to improve revenue effectiveness and taxpayer compliance. Debate is still open on the subject. Burundi's and the DRC's recent organizational moves will need to be carefully studied.

Customs administrations have restructured their organization charts and strengthened their organizational capacity. The head office's structure meets the need for the recommended functional organization. It still needs to better reflect modern functions, such as risk management and service to traders, and specialists should be assigned to these emerging functions. Structures should also reflect concerns with large "customers" (importers and exporters accounting for most revenues and exemptions) and key economic sectors including natural resources. Delimitation is clear between head offices and external offices, but separation of headquarters' missions (design, management, and evaluation functions) from operational functions should be more pronounced, even if viable organizational trade-offs must be found in small organizations. Customs clearance offices are quite well located to control trade flows. Their internal structures are being gradually streamlined along with computerization. By contrast, border posts far from economic centers bear the burden of isolation and poor working conditions. The Central African Republic has plans to build a full-fledged border office in the main corridor from Douala to Bangui to reduce trade revenue evasion.

Thanks to the WCO's activities, senior officials are well aware of customs' international standards and strategic objectives. However, few management tools are used for disseminating those objectives to prepare pertinent action plans within each unit and monitor achievement. Staff objectives and operations are geared toward short-term revenue collection. As little attention is paid to the paths followed for achieving outcomes, there has been little analysis of the events that may impact revenue performance. This encourages individual work and limits the use of synergies within the customs administration. Whereas FSSACs' customs administrations focus on monitoring revenue receipts, lack of monitoring and reporting of operations is widespread. Performance charts and indicators are of little use,

[41] The questionnaire was sent to 29 revenue authorities worldwide. Twenty-three responded, including 11 in Africa.

even though data and information are already in the systems. Tools of this type have, however, been introduced in a few customs, Cameroon's being the most advanced.[42]

Internal auditing and inspection are little valued, rarely used functions, but a few countries have taken steps to correct this situation. The MoF's general inspectorate examines customs administrations in some countries (e.g., Burkina Faso, Madagascar), but the external auditing of customs' procedures, systems, and budgets is not a common practice.

V. Factors Affecting the Course of the Reforms

This chapter highlights a number of factors that had notable effects—most of them negative—on the course of customs administration modernization in the FSSACs.

Reform objectives

The authorities and customs management, aided by many diagnostic reviews (internal diagnostic reviews, and donor and FAD missions), identified weaknesses and reforms to be undertaken, and generally succeeded in high-level reform planning. The incorporation of customs modernization into government programs to improve fiscal management or stimulate growth boosted reforms.

Coherency of objectives assigned to customs was a primary issue. Modern customs administrations' core mission is to manage foreign trade in accordance with established standards aimed at ensuring neutrality, predictability, implementation of competition and development policies, and integration into the global economy. Customs must mobilize revenue in that framework and under those constraints. Since, in practice, revenue outcome has remained the exclusive objective and sole criterion for judging progress, FSSACs customs administrations have had little incentive to modernize in areas that would not immediately generate revenue. For example, the WTO Agreement of Customs Valuation aims for a fair, uniform, and neutral system of valuation of goods for customs purposes that conforms to commercial realities and is not designed to generate revenue. Though its introduction was a complex reform for developing countries, the very nature of the agreement likely has hampered its effective implementation. Also, the lack of objectives assigned to customs in terms of harmonization of procedures, common practices, and mutual cooperation has taken its toll on progress relating to regional integration.

[42] In January 2008, Cameroon's customs department implemented an operational internal control based on 24 indicators in 11 offices, aiming at revenue and facilitation performance, and focused on professional ethics. The World Bank and French TA supported this initiative. Significant revenue gains were achieved in 2008 relative to 2007, an increase that was not entirely attributable to any economic activity (Libom Li Keng, Cantens, and Bilangna, 2009). As a second step in February 2010, indicators were integrated into individualized performance contracts between field managers and the Director General. The contract's objective is to improve compliance with the rules, rather than to optimize resources.

Tax policy was hardly in line with administrative reforms: widespread tax exemptions, particularly those that are inadequately justified from the socioeconomic standpoint, have conflicted with the revenue maximization objective assigned to customs. Administration of these measures has diverted a large amount of resources.

Reform implementation

Project-based action plans were formulated in most of the countries with TA, especially from AFRITAC. However, the conducting and implementation of projects were hampered by the shortage of experienced professional staff. Project heads and teams, when appointed, were not assigned on a full-time basis and were not incorporated into a structure responsible for carrying out the reform. The lack of tools for measuring resources, activities, processes, and performances other than revenue receipts hindered the conduct of the reforms.[43]

Modernization conflicted with immediate priorities. In the absence of a clear separation between current operations and change management, and without additional resources for the modernization program, quick fixes often took precedence over structural reforms, particularly when the pressure of a cyclical revenue decline or stagnation was felt. Customs administrations hesitated to divert resources and efforts to long-term reform projects.

The involvement of reform stakeholders was suboptimal. The private sector was not sufficiently engaged and consulted in the reform process. It has been frequently observed that the policies and initiatives of ministries and agencies dealing with external trade and logistics have not been consistent with customs reform objectives. Customs staffs, which were typically the first affected by reforms, were not adequately involved and did not adhere to the changes. While regional organizations should have assumed leadership in coordinating the implementation of international conventions and standards, their role beyond harmonization of legislation proved limited.

Several customs administrations' Directors General and Ministers of Finance only held their positions for short terms, which undermined the continuity of the reforms, all the more so as reform initiatives were highly personalized. The frequent reassignment of personnel, revealing human resource management weakness and external interference, has also been disruptive to the implementation of reform programs.

Between 1995 and 2010, 11 of the 18 countries covered by the study experienced forms of political instability, and four of them endured internal conflicts (Burundi, Congo, the DRC, and Côte d'Ivoire). Conflicts led to infrastructure deterioration, de facto fragmentation of

[43] As shown in the present paper, little detailed data is available on customs administration, apart from international surveys (see Chapter II), which are not specific to customs.

customs territories, problems with carrying out customs missions in militarized border areas, and the moving of customs personnel unwarranted by administrative necessities. Customs administrations showed resilience through a sustained ability to collect revenue, but reform programs were suspended. Budgets for reforms and TA were often interrupted (recent examples of Guinea, Madagascar, Mauritania, and Niger).

Reform financing

In the common scenario, no budget funds have been earmarked for the modernization program. At best, partial financing was obtained as project implementation proceeded. Financing was provided from external and national sources to pay for the computerization services received from UNCTAD, and the installation of cargo scanners was covered in the service contracts[44] granted to service providers. The lack of budgeted funds has dragged out progress relating to major expenditures for communications systems, the upgrading of the infrastructure, the reorganization of border control units, and the purchase of detection equipment. Other reforms requiring smaller budgets (such as training) have suffered from a lack of synchronization between the provision of funds and action plan implementation, as well as a lack of flexibility for settling urgent expenditure. As a result, progress has been unsteady.

The governance environment

The limited progress of a number of customs administration reforms in the FSSACs cannot be explained only by technical problems, insufficient financing, or technical assistance. A customs administration does not act in isolation from the political and social context of its country, which has a strong influence on its functioning. Weak governance in the FSSACs, and limited progress since the late 1990s, (as documented, for example, by the Worldwide Governance Indicators (Kaufmann, Kraay and Mastruzzi, 2010, and World Bank, 2010)) has hindered projects such as the implementation of targeted postclearance audits and the strengthening of investigations, internal audits, and inspections, which are potentially the most effective actions in the detection of serious fraud and corruption cases. Also affected were the upgrading of the customs brokers profession (no license termination in the event of fraud); limitation of exemptions, waivers, and surcharges on duty and fees allocated to various agencies; and actions directed to improve transparency, such as the recommended reconciliation of data from customs and inspection companies, which has almost never been implemented.

[44] These contracts are normally financed on the basis of an established percentage of the value, c.i.f., of imports coming through customs or, especially in the case of scanners, a fee paid by traders.

The logistics and compliance environment

Customs administrations are part of an international trade logistics process. The efficiency of the other stakeholders, that is, port and airport authorities, shipping companies, banks, ministries, and agencies issuing authorizations and certificates, significantly affects customs' efficiency. In the least developed countries of francophone Africa, customs' counterparts have been barely automated and modernized, except for large operators in the formal sector. The infrastructure deficit, limited development of containerized land transport, poor state of utility vehicles, and narrow use of rail transport represent further disincentives to the modernization of customs procedures, particularly transit.[45] Customs performance in landlocked countries has been especially negatively impacted, as noticed by the Logistics Performance Index (see Chapter IV).

The customs environment in the FSSACs is also marked by the low average level of spontaneous compliance with rules. Customs administrations showed prudence with the introduction of new procedures based on confidence in the trader. Examples are provided by what is usually called "the green channel," which consists of authorizing customs clearance without control of declarations deemed to be of low risk, as well as by customs clearance of goods at the importer's premises. Common in more advanced customs administrations, these procedures could be implemented only selectively in the FSSACs. Moreover, imports by companies and individuals in the informal sector, which share of trade is reported by customs to be increasing in several countries, generated continual problems regarding the identification and valuation of miscellaneous goods.[46]

Technical assistance and services

Donors have implemented few TA projects apt to support full programs of customs administration reforms in francophone sub-Saharan Africa (Appendix III). Uncertainties related to conflicts and governance have probably weighed on decisions to assume long-term commitments in a number of countries in the region. FAD TA (from IMF headquarters and through the AFRITACs) was neither intended for the implementation of such projects, nor endowed with resources for that purpose. The states themselves had little expertise in designing and proposing such projects. Without adequate TA, modernization took the form

[45] Conversely, the electronically managed container terminal of the Abidjan Port shows how modern infrastructure facilitates customs intervention modalities.

[46] In Mauritania, in 2010, customs estimated miscellaneous items imported by traders of the informal sector to be 25–30 percent of total import value.

of sectorized initiatives, which partly explains the piecemeal nature of the progress achieved.[47]

FSSACs have made extensive use of input from inspection companies, but their contracts, which were not geared toward supporting reforms, have contributed little to customs modernization. Their aim was to provide information to customs, mostly on the value of imported goods, and cross-check them with those used by customs to fight corruption implicitly. Many contracts covered supplementary services, such as provision of materials and training of customs officers. However, they were marginal and of limited application. For some years now, the companies have shown a desire to break with the traditional inspection of goods in countries of exportation and proposed technological support services that customs administrations have started to employ (cargo scanners, GPS location of cargoes in transit, marking of oil products, establishment of single-windows). Subject to the assessment of needs for proper integration into reform projects, those services can contribute to the modernization of customs administrations.[48]

VI. Lessons and Suggestions for Future Steps

Further modernization of customs administrations in FSSACs requires introducing deeper changes than have been made in past years. Sustainable and higher performance needs new operating methods and management procedures. There is no "one size fits all" approach in those areas. Yet, customs is governed by international conventions and standards (cf. Appendix II) that provide for harmonized options worldwide. For implementation success, modern customs concepts should be applied, taking into account both this international framework and the country's context and capacities, and the identified obstacles to reform need to be removed.

Political commitment and support to reform is critical

Customs modernization represents an initiative of such scope that political consensus, high-level promotion, and the authorities' strong support for the reform program are major conditions of success. In francophone sub-Saharan African countries, the authorities' commitment to customs administration modernization should materialize more fully.

The authorities should set the course to be followed by the customs administration and establish objectives and incentives directed toward modernization. Achievement of revenue targets should be reconciled with implementation of the country's multilateral and regional

[47] Noteworthy, however, is the recent launch of customs modernization projects supported by the European Commission in Central Africa (Chad, the CAR, and the Republic of Congo).

[48] Dequiedt, Geourjon, and Rota-Graziosi (2009) have, however, shown that implementing a program of services both to verify importation and modernize customs administration is inconsistent. Should the two types of services be envisaged, they should not fall within the purview of a single provider, as they are conflicting.

commitments, proper execution of trade and tariff policy, contribution to a business-friendly environment, and building integrity and capacity in public institutions.

The authorities should coordinate all reforms and actions related to international trade and make sure that the customs modernization program and those initiatives are consistent.

Policies and legislation should consider the need for facilitating and reducing the cost of administration. This should especially be related to the simplification of import and export procedures (not limited to customs), elimination of waivers and, importantly from the revenue performance perspective, streamlining of tax exemptions.

The authorities should be involved in implementing reforms that are especially challenging from a sociopolitical standpoint, notably tackling serious cases of customs fraud and corruption, the uniform enforcement of rules, transparency, and human resource policies. Actions in those areas are not simply technical and cannot be handled by customs alone.

Modernization programs should be adopted once the required resources relating to financing, skilled personnel, and TA have been determined and secured. The authorities should assess the interest of reorienting existing budgets and contracted private services, as needed, toward the capacity building and modernization of the administrations.

Resource management and adaptation of the customs governance framework

Radical changes are needed in human resource and budget policies, and in all aspects of management, which have barely been affected by the reforms. New policies and procedures should be guided by rules that give precedence to common interest over individual and private interests, promote integrity and performance, and support long-term projects. The right incentives should be applied for that purpose.

It is doubtful that the reforms needed could be achieved within the current institutional and budgeting frameworks of the FSSACs' customs. Currently, there is little room to isolate outside interferences, achieve the desirable flexibility in the allocation of resources, and hold personnel accountable for actions and outcomes. The semiautonomous agency model (cf. Chapter V) is one means of reaching the required level of autonomy and accountability to meet these objectives. Another means that has been tested (Senegal) is the establishment of performance contracts between the MoF and its directorates, linking allocation of budgets and incentives to performance. Before considering any model, authorities should identify deficiencies and determine which solutions would be most suitable. Bringing together the tax and customs administrations in a common organization, as is the case in most revenue authorities, is a matter for a debate separate from the one on managerial autonomy. Significantly, differences in tax and customs processes, the expansion of nonfiscal customs missions, and easier exchanges between the two administrations through computerization, favor keeping the organizations separate.

Adequate reform management and technical assistance

In light of the problems experienced by FSSACs, a single customs administration reform strategy and program should be formulated for each country, on which a consensus would be established among the authorities, customs management, and technical and financial partners. This should be the only framework for coordination of TA and reform financing. The customs reform program should be articulated with related projects, including port modernization, trade facilitation on corridors, and civil service reforms. Current operations and short-term revenue-enhancing measures should be left out of the reform program.

The effective establishment of a structure for managing the reforms, including a ministerial-level committee responsible for strategy and supervision, reform steering committee, and project management structure with dedicated staff, are critical requirements. Advisory committees should enable regular consultation with the private sector, customs staff representatives, and ministries and agencies dealing with international trade issues.

The implementation process should be flexible enough to adjust to the volatile context of reforms in many countries. However, there should be continuity in the customs modernization programs' objectives.

Carefully selected indicators should enable the monitoring of reform progress and customs performance. It would be appropriate for a revenue analysis function to be installed within the customs administration to help identify revenue gaps at a strategic level and support decision making.

TA is critical to develop and implement the comprehensive reform programs that are needed to modernize customs. Instead of dispersed initiatives, medium- to longer-term TA projects need to be adequately coordinated within this single frame. With donor funding, the IMF has recently engaged in such programmatic, result-based approach to TA. However, large TA donor projects remain critical to progress. TA should also be developed at the regional level where customs unions have been established.

The right technical options for the next reform phase

The risk for reforms to be jeopardized or reversed is high in fragile countries. It has been observed in the FSSACs' revenue administrations. Consolidating progress already achieved should be a primary concern. This relates most particularly to automation, which should be anchored through personnel and expanded use of IT for management purposes, and to fight fraud and corruption. There is also a need for virtually all FSSACs to strengthen customs administration fundamentals, including valuation of goods, determination of origin, and tariff classification.

A new business model for the processing of imports and exports is needed, featuring a customer/trader-based administration rather than a transaction/declaration-based administration, with extensive use of risk management, selectivity, and a full range of complementary controls, in line with the Revised Kyoto Convention. Nevertheless, the right balance should be found between best practices and their adjustment to the local context. For instance, postclearance control should be designed with consideration for the risks specifically encountered in the country. Certain risks, such as a general lack of compliance with basic rules, actually require the strengthening of preclearance inspections. Customs should also take advantage of new technologies and equipment, provided that they are well integrated into business processes.

A number of modern concepts have yet to be implemented by the FSSACs' customs. Trader segmentation is one of them. Separate administration of large, medium-sized, and small taxpayers has proved a very pertinent approach to domestic tax administration. This approach should be transposed to the administration of importers and exporters by the FSSACs' customs. Programs for "authorized economic operators," which are supported by the WCO Framework of Standards, should be part of the segmentation policy, as should establishing segment(s) of high risk traders and traders from the informal sector.

Through the use of intelligence and risk analysis, customs administrations need to develop a strong predictive capacity, rather than being merely responsive. As noted by the WCO, the challenge is twofold: identify and mitigate risk at the operational level; and apply this knowledge at the strategic level, as well as to customs management.[49]

The FSSACs' customs particularly need to be integrated into a network of partners and to enhance cooperation with them to improve effectiveness. This is a multifaceted objective which should encompass the following: (a) heightened cooperation with the tax administration, (b) integrated border management with customs as a leader in single-window projects, (c) development of mutually beneficial partnerships with the private sector, (d) strengthened operational interactions by customs administrations who have implemented a regional trade agreement, and (e) development of regular data exchanges between export country and import country customs (as a preliminary step toward globally networked customs).

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[49] *Customs in the 21st Century–Enhancing Growth and Development Through Trade Facilitation and Border Security*, WCO, June 2008.

Appendix I. Imports of Goods and Customs Duties in Francophone Sub-Saharan Africa: Trends by Region, 1996–2009

Figure 2. Francophone Countries Belonging to WAEMU: Imports of Goods and Customs Duties, 1996–2009

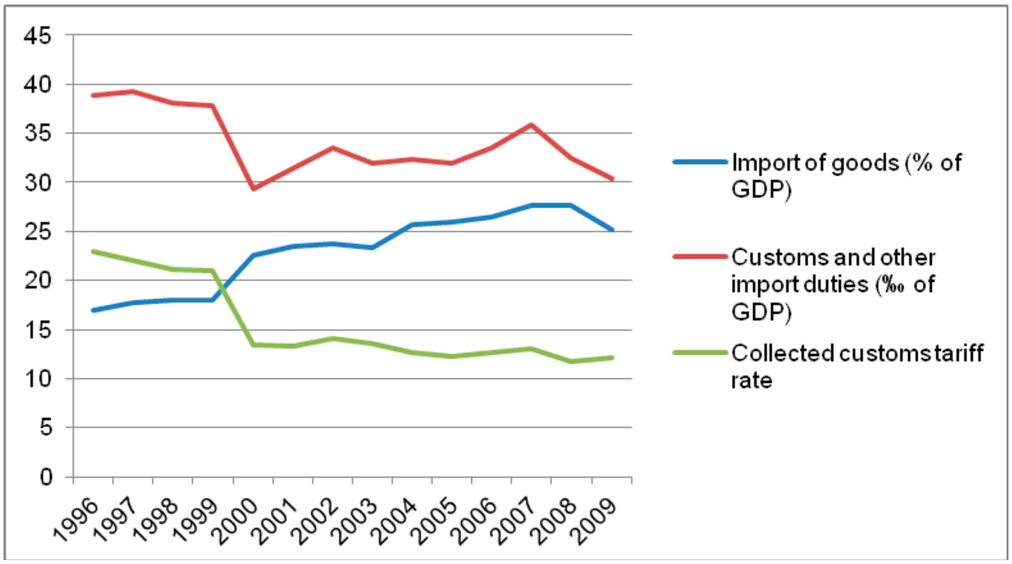


Figure 3. Francophone Countries Belonging to CEMAC: Imports of Goods and Customs Duties, 1996–2009

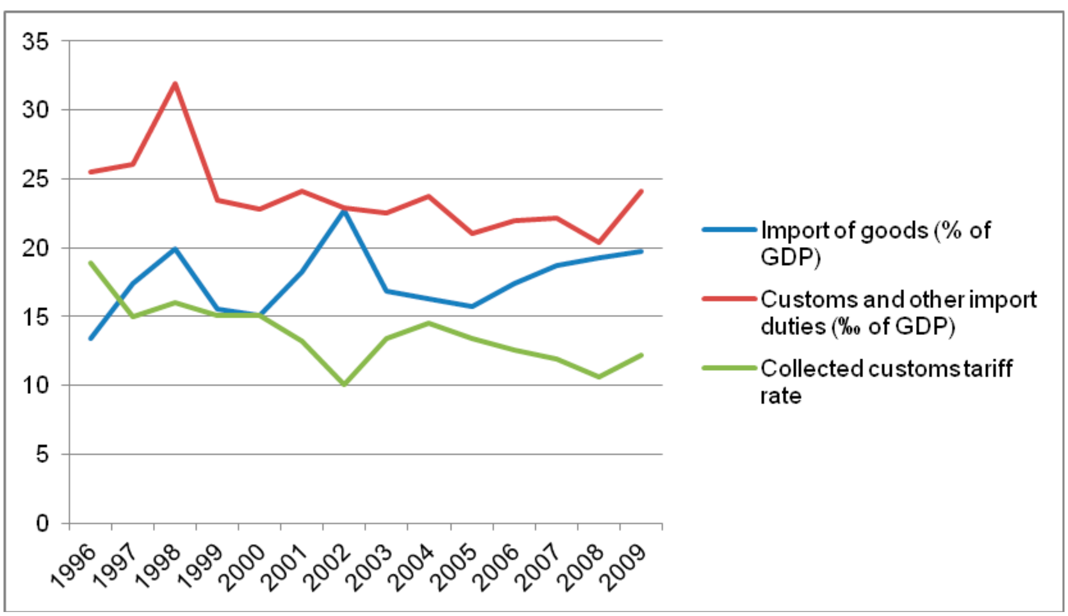
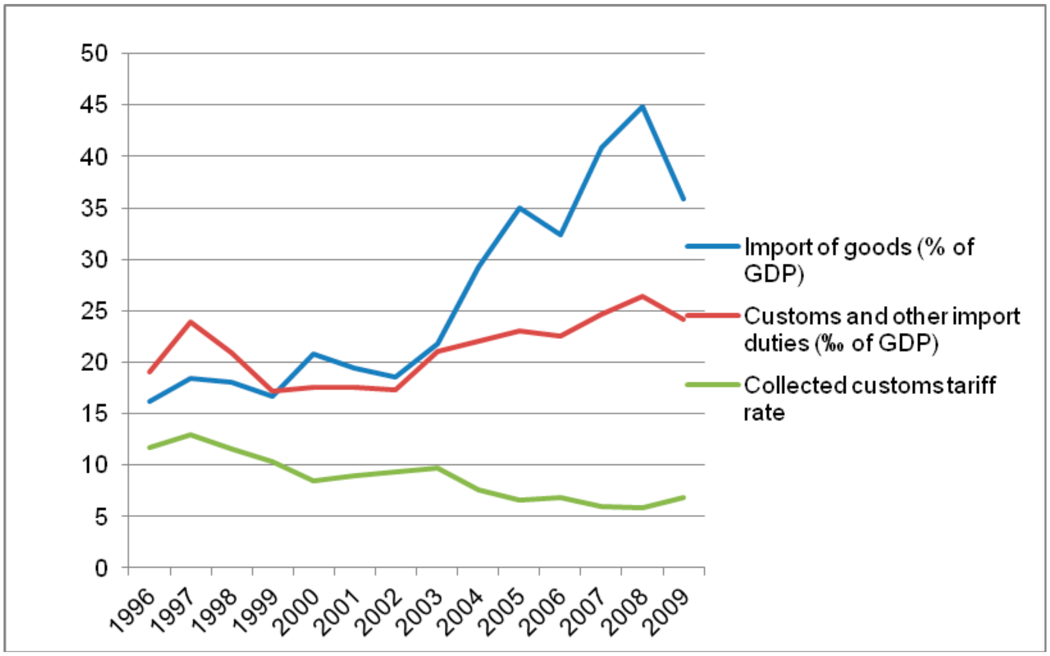


Figure 4. Non-WAEMU/Non-CEMAC Countries in Francophone Sub-Saharan Africa: Imports of Goods and Customs Duties, 1996–2009



Appendix II. Brief Description of Selected Customs International Conventions and Standards[50]

The Harmonized System (HS)[51] is a multipurpose international product nomenclature developed by the WCO and adopted in 1988. The system is used by more than 190 countries and economies as a basis for their customs tariffs and for the collection of international trade statistics.

The WTO Agreement on Customs Value (ACV) is the method of determining values for customs duties purposes, and is a core input in the customs processes. Under the ACV, the customs value is generally the transaction value of imported goods, that is, the price actually paid or payable for the goods sold for export to the country of importation, plus any adjustments. Where transaction value cannot be used, alternative methods are prescribed. Countries acceding to the WTO are required to apply ACV provisions.

The Revised Kyoto Convention[2] is a WCO-supervised international agreement meant to harmonize the methods and procedures of national customs authorities. The Kyoto Convention came into force in 1974 and was updated in June 1999, particularly to provide for the facilitation of trade and implementation of simplified customs procedures and controls. The revised Kyoto convention, which was entered into force in February 2006,[52] also contains new and obligatory rules for its application, which all contracting parties must accept without reservation.

The Arusha Declaration on Customs Integrity, revised in 2003, is the reference point for addressing issues of corruption in customs administrations. It acknowledges that integrity is a critical issue for all customs administrations, and that a lack of it can severely limit the capacity of customs to fulfill its mission. It outlines the key components that a national customs integrity program should address.

The WCO Framework of Standards to Secure and Facilitate Global Trade (SAFE)[53] **Program** contains 17 standards that promote the security and facilitation of the international supply chain. The SAFE program focuses on four core elements: (i) use of advanced electronic manifest information; (ii) a common risk management approach; (iii) inspection of high-risk cargo at the port of origin; and (iv) enhanced trade facilitation for the authorized economic operator (AEO)[54] concept. To support SAFE, the WCO launched the WCO Columbus Program in January 2006, which focuses on comprehensive need assessments and capacity building for WCO members.

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[50] Sources: World Customs Organization and World Trade Organization.

[51] The “Harmonized Commodity Description and Coding System” is generally referred to as the "Harmonized System" or simply "HS."

[52] “Revised Kyoto Convention” stands for: “Revised International Convention on the Simplification and Harmonization of Customs Procedures.” Up until November 21, 2011, the convention had 78 contracting parties, of which only the Democratic Republic of Congo, Madagascar, Mali, and Senegal are from francophone Africa.

[53] The WCO’s Council adopted the SAFE framework in 2005 in Brussels.

[54] The SAFE framework incorporated the detailed guidelines of the AEO concept in June 2007. An AEO is deemed to be a reliable trader/economic operator who meets set criteria relating to its compliance record, accounting and logistical systems, financial solvency, and safety and security measures.

Appendix III. TA Provided in Customs Administration in Francophone Sub-Saharan Africa, 1995–2010

TA from the IMF. The IMF has been a major TA provider in francophone sub-Saharan African countries. Between 1995 and 2010, it has undertaken 63 revenue administration missions from its headquarters. Two periods should be distinguished: (1) 1995–2002, when 22 missions were undertaken, including three exclusively in customs administration; and (2) starting in 2003, when TA in customs administration increased considerably. Forty-one missions (65 percent of the total) were organized during this second period, including 12 that dealt exclusively with customs administration. In addition, the opening of AFRITAC West (in 2003) and the AFRITAC Centre (in 2007),[55] together with the increase in FAD expert missions, led to a large increase in IMF TA. AFRITAC has provided TA in the form of short missions (generally two weeks), carried out by either resident advisors or international experts recruited for that purpose. Long-term expertise has rarely been used in customs administration.

TA from other development partners. All FSSACs, except Senegal, have received technical support from UNCTAD for the installation of ASYCUDA and its upgraded versions.[56] The EU, notably the European Development Fund (EDF), and the World Bank, have contributed considerable funds for the procurement of the computer hardware and facilities necessary for the installation of ASYCUDA.

The WCO, within the framework of the 2006 Columbus Program, has carried out missions in most FSSACs to assess customs administrations. In some countries, it has launched the second phase of that program, which consists of specialized workshops and short-term training. The WCO has opened a regional office for capacity building in Abidjan, serving Western and Central Africa, and two regional training centers in Ouagadougou and Brazzaville.

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[55] AFRITAC West, located in Bamako, has two revenue advisors in tax administration and customs administration, respectively. AFRITAC Centre, in Libreville, has one advisor covering both areas.

[56] Senegal has developed its own data processing system (see Chapter III).

Table 12. Francophone Sub-Saharan Africa: IMF Fiscal Affairs Department TA Missions in Customs Administration, 1995–2010

Country	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Total
Benin						R			R	R		R			R		5
Burkina Faso	R		R						R			R			R		5
Burundi						R					C	R				R	4
Cameroon					C	C		R			C				C		5
CAR					R					R							2
Chad				R					C						R		3
Comoros												R				R	2
DRC							R	R	R		R		C				5
Rep. of Congo	R									R					R		3
Côte d'Ivoire	R				R									C		C 1/	5
Gabon														R			1
Guinea											C			R			2
Madagascar	R								R			R			R		4
Mali		R		R										C			3
Mauritania												C		C		R	3
Niger		R		R			R		R		R						5
Senegal				R											R		2
Togo		C										R	R			R	4
Total	4	3	1	4	3	3	2	2	6	3	5	7	2	5	7	6	63

R: Revenue (tax and customs) administration mission. C: Customs administration only.

1/ Two missions.

France has appointed resident technical advisors to the customs administrations, provided training and short-term TA, and granted funding. The Canadian International Development Agency (CIDA) has carried out a multiyear (2004–08) program for the reform of Benin's customs administration. The United States, through its TA programs (United States Agency for International Development [USAID], Millennium Challenge Corporation, U.S. Customs), has financed numerous activities, specifically in Senegal and Benin. Japan has done likewise through the Japan-administered account for Selected IMF Activities (JSA) program, having financed short-term IMF TA missions in five countries. The African Development Bank (AfDB) and the UNDP have provided funding for customs modernization activities.

Table 13. Francophone Sub-Saharan Africa: Customs Administration TA Provided by the IMF and Other Development Partners, 1995–2010

	TA Provided by the IMF				
Country	Number of FAD/RA Missions	FAD/RA Long-Term Expertise	FAD/RA Short-Term Expertise	AFW-AFC Missions	Main Development Partners
Benin	5	-	-	Yes	Canada, France, USAID
Burkina Faso	5	-	-	Yes	France, IFC, WB
Burundi	4	-	-	Yes	Belgium, EU, France, UK
Cameroon	5	-	Yes	Yes	Japan, WB
Comoros	2	-	-	-	France, WCO
Rep. of Congo	3	-	-	Yes	France, EU, WCO
Côte d'Ivoire	5	-	Yes	Yes	France, EU, Japan
Gabon	1	-	Yes	Yes	Japan
Guinea	2	-	-	Yes	AfDB, France
Madagascar	4	-	Yes	-	Japan, WCO
Mali	3	-	-	Yes	France, IFC
Mauritania	3	-	Yes	Yes	EU, France, Japan, WB
Niger	5	-	-	Yes	EU, France
CAR	2	-	Yes	Yes	EU, France, Japan, WB
DRC	5	2002–03	-	Yes	Belgium, EU
Senegal	2	-	-	Yes	EU, France, IFC, USAID, WB
Chad	3	-	Yes	Yes	EU, France, WB
Togo	4	-	-	Yes	WB
All Countries	Except Senegal: installation of ASYCUDA, migration to ASYCUDA++ and ASYCUDA World (Côte d'Ivoire)				UNCTAD, EU, EDF, WB
	Diagnostic studies of Customs administrations during phase 1 of the Columbus Program				WCO
	Funding of reform projects/actions				AfDB, UNDP
WAEMU	FAD provided extensive TA to support WAEMU's economic integration objective between 1998 and 2001 (13 missions).				

AfDB: African Development Bank; AFC: AFRITAC Centre; AFW: AFRITAC West; EDF: European Development Fund; FAD/RA: IMF Fiscal Affairs Department/Revenue Administration Division; IFC: International Finance Corporation; JSA: Japan-Administered Account for Selected IMF Activities; USAID: United States Agency for International Development; WB: World Bank.

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