



**WCO Anti-Corruption and Integrity Promotion (A-CIP)
Programme for Customs**

**Summary Report: Results of the First
Customs Integrity Perception Survey (CIPS)
for Liberia Revenue Authority (LRA)**



May 2020

PUBLICATION HISTORY

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TABLE OF CONTENTS

Abbreviations and Acronyms	4
1. Introduction and Background	5
2. Delivery of CIPS in Liberia	6
4. Key Findings	9
5. Conclusions and Next Steps	14
Annex 1 – Use of CIPS Variables as Performance Measurement Indicators.	15
Annex 2 – Steps for Sharing CIPS Results with Stakeholders	18

ABBREVIATIONS AND ACRONYMS

A-CIP	(WCO) Anti-Corruption and Integrity Promotion Programme for Customs
CIPS	(WCO A-CIP Programme) Customs Integrity Perception Survey
IMF	International Monetary Fund
MSS	Mobile Survey Station
Norad	Norwegian Agency for Development Cooperation
PID	Project Information Document
TADAT	Tax Administration Diagnostic Assessment Tool
LRA	Liberia Revenue Authority
WCO	World Customs Organization

1. Introduction and Background

In January 2019 Liberia Revenue Authority (LRA) and the World Customs Organization (WCO) began work together on the Anti-Corruption and Integrity Promotion (A-CIP) Programme with funding support from the Norwegian Agency for Development Cooperation (Norad). As outlined in the initial *WCO Letter of Intent to LRA*, A-CIP offers a results-based, multi-annual programmed approach to addressing corruption in Customs and aims to have a positive effect on society at large in the form of contributing to an improved business environment for cross-border trade.

An innovative approach to measure levels of integrity

Fundamental to the results-based approach is having both qualitative and quantitative ways to measure levels of integrity within Customs administration and operations. During the first year of joint WCO-LRA activity under the WCO A-CIP Programme, qualitative evidence was collected through information exchanges and a scoping mission. This assessed LRA's current situation regarding the 10 key factors of the WCO Revised Arusha Declaration using the framework provided in the WCO's Integrity Development Guide. Information from this, primarily qualitative assessment, has been used to identify, with the administration, key priority areas for possible WCO assistance and intervention under A-CIP. Findings were presented in a Project Information Document (PID) prepared and finalized with LRA for submission to Norad in February 2020.

A survey structured around the Revised Arusha Declaration

In addition to the qualitative assessment, the WCO developed a methodology for a Customs Integrity Perception Survey (CIPS) that is similarly structured around the 10 key factors of the Revised Arusha Declaration. CIPS aims to assess in a quantitative way how Customs officials and private sector stakeholders evaluate the level of integrity in Customs administration and operations. Specifically, this survey allows verification of how successful these groups think that Customs authorities are in promoting integrity and battling corruption.

In doing so, the CIPS is an instrument that can help improve the capacities to measure the administrations' performance in key areas related to Customs integrity. Within this context, the primary objective of the CIPS is to help set a benchmark or baseline that quantifies the current level of integrity in these administrations, both generally and in particular the areas that will be the focus of interventions under the WCO A-CIP Programme.

For an ongoing process of improvement

With this benchmark or baseline as a starting point, it is envisaged that the survey will be repeated at least once more before the end of the A-CIP Programme. This will allow quantitative evidence to be gathered on the success of the measures implemented to improve integrity and counter corruption.

This CIPS Summary Report for LRA provides an overview of how the survey was delivered in Liberia, and supplements the full survey results data tables in the file "*2020 CIPS Results Liberia.xlsx*" that was provided to LRA at the end of March. The administration is encouraged to conduct its own additional analysis on these tables.

The report highlights in particular those survey responses relating to the key factor areas that will be important for measuring performance of interventions towards achieving the Specific Outcomes planned with LRA under the A-CIP Programme. Lastly, the report also identifies other responses that may stand out as noteworthy for LRA's senior management team.

2. Delivery of CIPS in Liberia

LRA reviewed the survey questions developed with the WCO's service provider, Ipsos and, in preparation for in-country delivery of the survey by the WCO's service provider, EY Germany, LRA provided the information necessary in order to calculate target sample sizes to ensure a statistically relevant response.

The table below illustrates the total number of employees directly involved in Customs administration and operations ('total number of Customs officials'), and male to female ratio as reported by LRA in November 2019. The target sample size, provided in the last column, is calculated on the basis of the following formula with the aim of achieving a 95% confidence level and 4% margin of error.

$$\frac{z^2 \times p(1-p)}{e^2} \div \left(1 + \frac{z^2 \times p(1-p)}{e^2 N} \right)$$

z = z-score (1.96)
 p = Sample proportion (0.5)
 e = Margin of error
 N = Population size

Total Number of Customs Officials	Ratio of Female Officials	Sample Size
217	27.65%	160

The sample size for the private sector stakeholders to be included in the survey was calculated by our partner EY Germany, through research on the total number of relevant entities in country. More details of the methodology used in this process can be provided by the WCO upon request. For Liberia, the total population of relevant private sector stakeholders and target sample size was identified as follows:

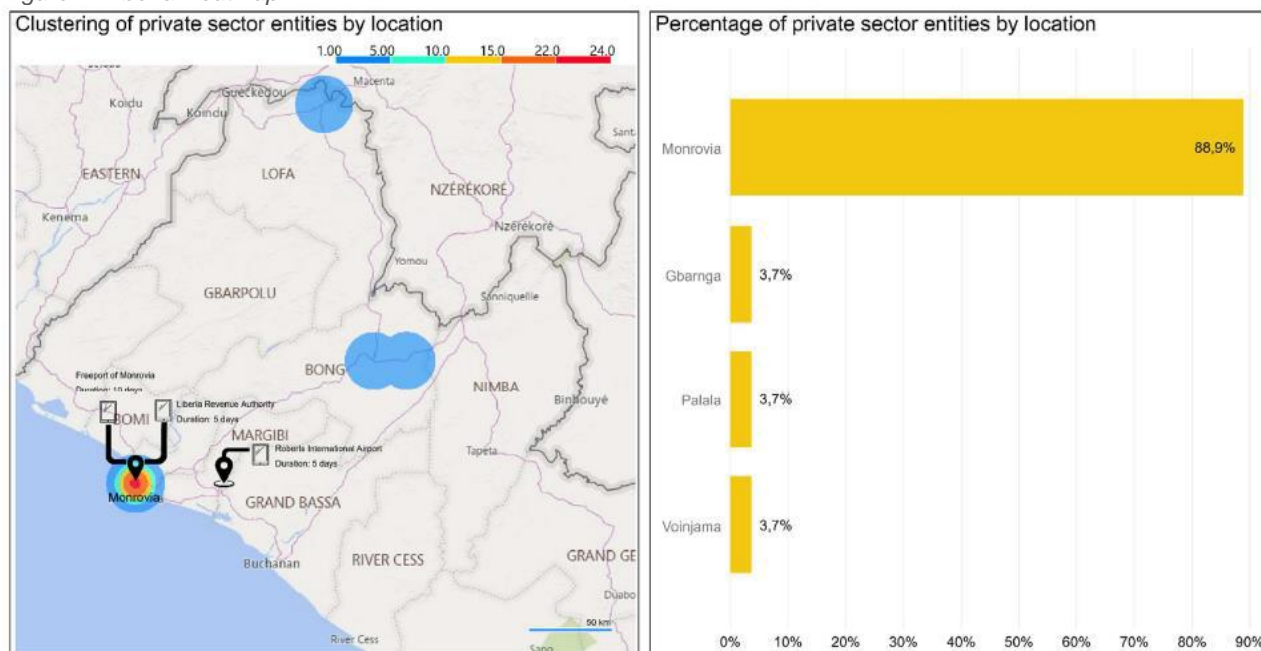
Total Number of Relevant Private Entities	Sample Size
27	26

Lastly, target locations for the physical sites to conduct the survey were identified through analysis of the concentration of relevant private sector entities and volumes of trade subject to Customs regulatory processes.

As a result of this analysis, three Customs office locations were chosen to conduct the survey:

- 1) Roberts International Airport
- 2) Liberia Revenue Authority - Monrovia
- 3) Freeport of Monrovia

Figure 1: Liberia Heatmap



In the month prior to the survey delivery, a communications campaign was initiated with LRA, in both English, to raise awareness of the upcoming survey activity.

Figure 2: Sample of CIPS communication campaign materials

YOUR OPINION MATTERS!

CUSTOMS INTEGRITY PERCEPTION SURVEY

Turn over for more information

WHY YOUR CONTRIBUTION MATTERS:

Enhance integrity
fight corruption

Improve business &
international trade

SURVEY STEPS & ADDITIONAL INFORMATION

Go to the
customs office

Receive a
number

Go to the
survey station

1234
Insert given
number

Complete
the survey
15 minutes

Data is
encrypted

Anonymous
and secure
transfer

Your answers are anonymous and will be treated with strict data security and confidentiality measures.

In case of any questions, comments or concerns please contact:
Joseph-Louis von Massow
Phone: +49 160 939 23540
E-Mail: Joseph-Louis.von.Massow@de.ey.com

YOUR OPINION MATTERS!

IMPROVE INTEGRITY AND FIGHT CORRUPTION BY BEING A PART OF THE CUSTOMS INTEGRITY PERCEPTION SURVEY IN JANUARY 2020

The World Customs Organization invites you to take part in the Customs Integrity Perception Survey supported by EY Germany.

For more information, please refer to the flyers provided or ask in this customs administration.

15 minutes

Question 1

Question 2

Question 3

Next

Roberts International Airport (08.01.2020 - 10.01.2020),
Liberia Revenue Authority - Monrovia (13.01.2020 - 17.01.2020),
Freeport of Monrovia (20.01.2020 - 31.01.2020)

CIP

Norad

EY
Building a better
working world

World Customs
Organization

World Customs
Organization

CIP

Norad

EY
Building a better
working world

Planning and practical modalities of CIPS

From 13th January to 7th February 2020, the survey was conducted in the three selected locations by EY Germany, with the support of staff from EY Advisory Services offices in Nigeria, and LRA officials who also facilitated the temporary import of the Mobile Survey Stations (MSS) which were used to conduct the survey anonymously and securely. More information about the use of MSS in delivery of CIPS is available upon request.

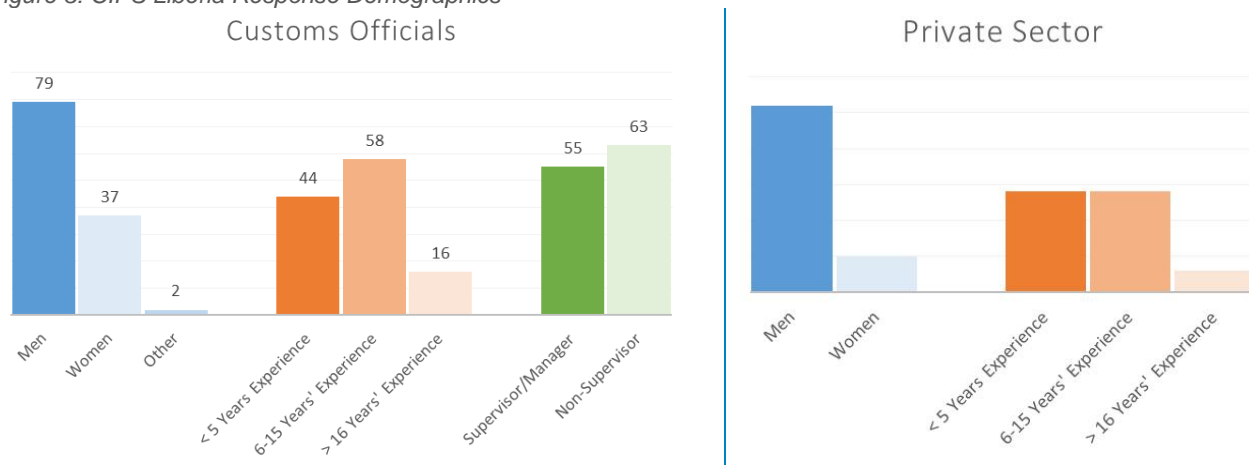
To ensure accurate representation of the population of interest, a random grab-sampling of the potential respondents was carried out by EY staff during the conduct of the survey, for both Customs officials and private sector stakeholders. For additional control and data quality purposes, EY staff on ground conducted identification checks via personnel badges, IDs or name tags of respondents and/or by face control to avoid duplication of participants. No personal data was stored.

In the end, complete response data was collected from a total 149 respondents in total made up of 188 Customs officials and 31 private sector representatives. This allows us to interpret the response to CIPS in Liberia with approximately 95% confidence level.

Liberia Respondents	CIPS	Total Population	Sample Target	Size	Actual Number of Survey Respondents	Survey Margin of Error
Customs Officials		217	160		118	6.11%
Private Sector		27	26		31	0.00%

Demographic questions were included at the beginning of the survey that allow for further analysis of the results by gender, years of experience, and supervisory role for Customs officials and gender and years of experience for private sector respondents. The demographics of the respondents to CIPS in Liberia was as follows:

Figure 3: CIPS Liberia Response Demographics



4. Key Findings

Both questionnaires for the private sector and Customs officials were designed around the ten key factors of the WCO Revised Arusha Declaration:

- | | |
|----------------------------|--|
| 1. Leadership & Commitment | 6. Audit & Investigation |
| 2. Regulatory Framework | 7. Code of Conduct |
| 3. Transparency | 8. Human Resource Management |
| 4. Automation | 9. Morale & Organizational Culture |
| 5. Reform & Modernization | 10. Relationship with the Private Sector |

CIPS: a key component of the A-CIP Program and the LRA's strategic and operational plans for integrity

One of the general aims of the WCO A-CIP Programme is to support LRA's monitoring and management of all their integrity-related initiatives in line with all 10 key factors of the Revised Arusha Declaration. Therefore all CIPS response data can be used to aid this process.

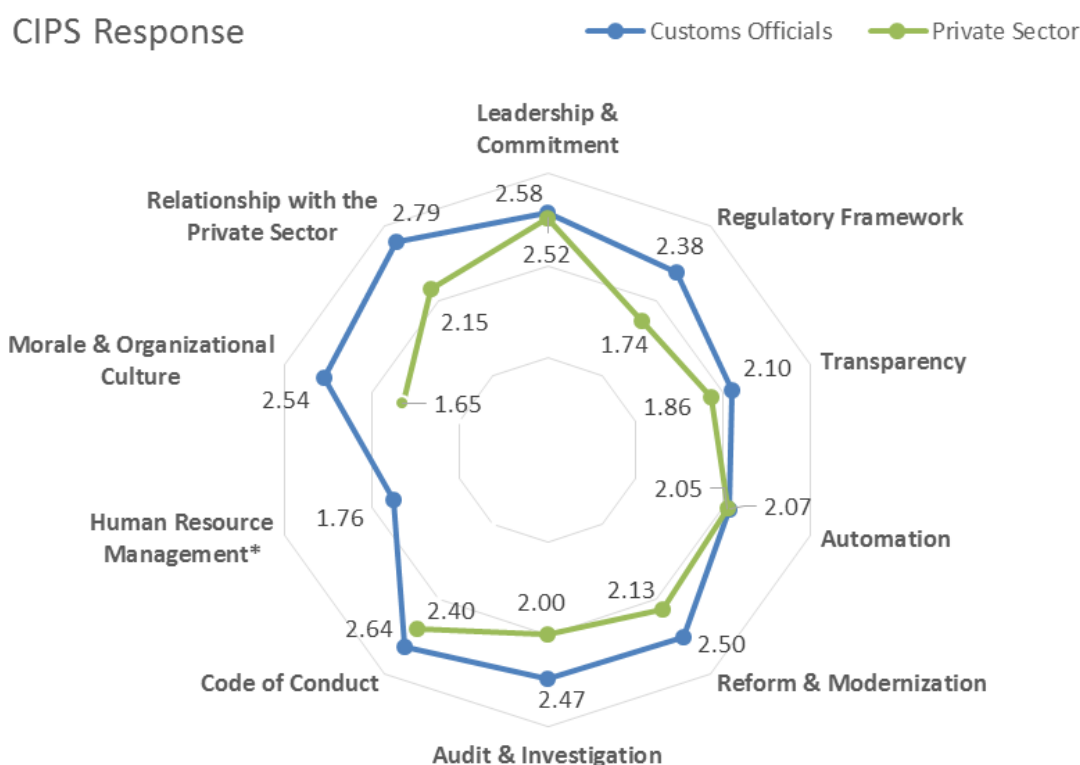
However, it is worth noting the fact that the qualitative analytical work conducted by the WCO with LRA during the Scoping Phase of the A-CIP Programme identified two key factors as particularly important for WCO-supported action, and linked them to specific result outcomes to be targeted by the Programme.

Liberia CIPS Respondents	Outcome	Related Key Factor(s)
LRA A-CIP General Outcome 1	<i>Monitoring and implementation management of integrity initiatives in line with Revised Arusha Declaration</i>	ALL
LRA A-CIP Specific Outcome 2	<i>Customs regulatory framework for exemptions and discretionary powers strengthened and harmonized</i>	2. Regulatory Framework
LRA A-CIP Specific Outcome 3	<i>Morale among Customs officers improved through increased engagement in organizational change and HR management processes</i>	9. Morale & Organizational Culture

As CIPS is a survey of perceptions only, its results should be considered with this caveat, especially when combined with other work conducted to understand the current situation relating to integrity in Customs. Where there is divergence between CIPS results and other assessment results, it should not automatically be assumed that one or the other is more 'correct'. Rather, reasons for divergence may be found in other factors such as lack of awareness, communications, and other motivations. Where applicable, some of these issues are explored in this summary.

A positive picture of the LRA's Monitoring and implementation management of integrity initiatives

Overall, with respect to responses to CIPS across all ten key factors of the Revised Arusha Declaration, and to aid LRA's implementation of A-CIP General Outcome 1 - *Monitoring and implementation management of integrity initiatives in line with Revised Arusha Declaration*, we see a generally positive picture:



* The key factor, Human Resource Management, was not included in the Private Sector CIPS questionnaire due to its purely internal focus.

Integrity roles and behaviours understood and accepted

Among both LRA Customs officials and private sector representatives, **the responses were most positive in relation to the key factor of Code of Conduct**. These questions measured perceptions relating to awareness, clarity, fairness and application of LRA's Code of Conduct. The positive response to this part of the survey indicates that both LRA's staff and private sector representatives understand well the roles and behaviors that are expected of them relating to integrity.

Both Customs officials and private sector representatives **also responded positively to questions around LRA's leadership and commitment to integrity**. Both groups indicated that they see positive examples of integrity in the actions of LRA's management and leadership, and that integrity is considered a priority within the administration.

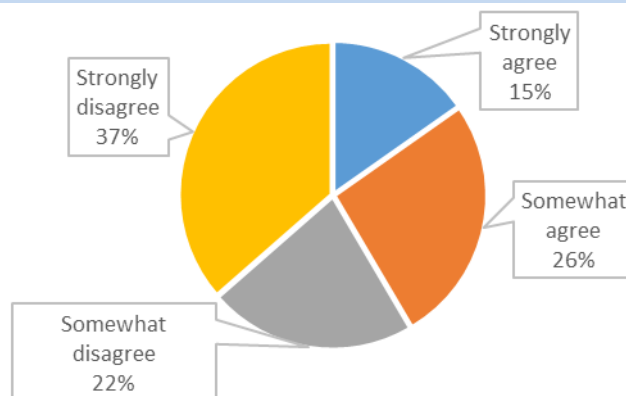
Global HR management: a major axis of integrity development

Perceptions relating to the key factor Human Resource Management scored the lowest among LRA Customs officials but it is worth noting that most of the lowest scoring responses came from one question regarding salary satisfaction with **less than half (42%) of staff indicating that they were satisfied with their salaries**. This response did not change significantly between genders but salary satisfaction was even lower, at less than one-third, among newer staff (with 0-5 years' service) and non-managers.

This question is the most common in CIPS to produce negative response across all A-CIP Partners surveyed. While salary dissatisfaction is universally common, it can also be a driver of corruption, especially when personnel are unable to maintain a decent standard of living. There is no indication in CIPS, one way or another, whether or not this is the case; however the vast majority of respondents (90%) agreed that higher salary would decrease incentives for acting corruptly.

It is worth also noting that there was some indication that not all Customs officials surveyed agreed equally that LRA recruitment and promotion was based on merit. In fact, a statistically significant proportion of the non-managers (using chi-square calculations) had less belief in LRA's merit-based system than those officials surveyed who had leadership responsibilities. As outlined in the Revised Arusha Declaration, implementation of sound human resource management policies and procedures plays a major role in the fight against corruption in Customs. Ensuring staff selection and promotion procedures are free of bias and favoritism and based on the principle of merit is an important part of this.

Question C_8a: "My salary is fair given my responsibilities within Customs administration."



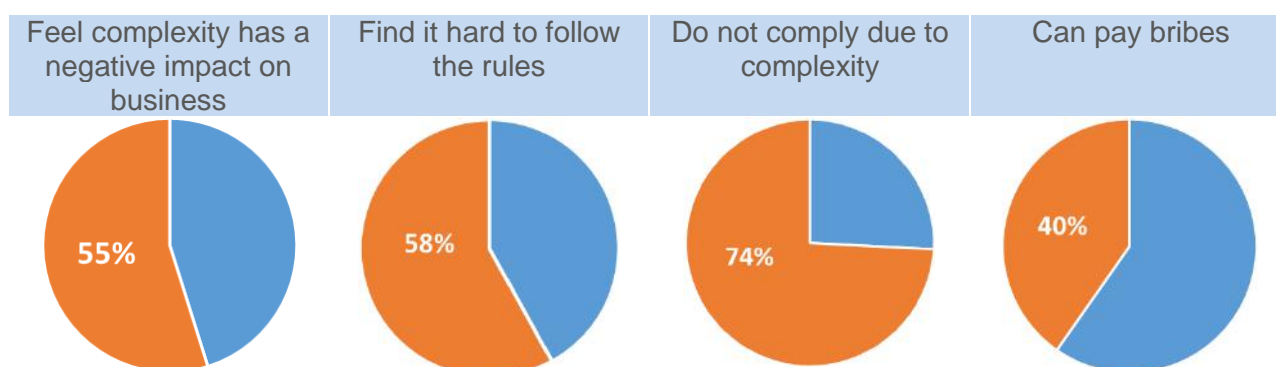
Customs officials – private sector: differing perceptions relating to regulatory framework

Another result of note from the survey is the **divergence between Customs officials and private sector perceptions relating to Regulatory Framework**. This difference exceeds the tendency towards general 'aspirational bias' that we would expect to see for Customs officials to report more positively on a survey supported by their administration than private sector respondents.

Questions in this part of the survey looked at points such as effectiveness, clarity and complexity of the regulatory framework governing Customs administrative processes. Most Customs officials responded relatively positively, indicating a good sense of understanding and ownership of Customs regulations. On the other hand, more than half (55%) of the private sector respondents noted that **complexity of Customs regulations has a negative impact on their capability to do business** and nearly half (58%) feel that it is **hard to follow the rules of the administration because they are too complex**.

In fact, almost three quarters (74%) of private sector respondents admitted to **not complying with the rules of the administration because they are too complex**. Since the CIPS sampling methodology aimed to capture views that are largely representative of all of Liberia's private sector's dealing with Customs, this figure gives some cause for concern when considered against potential for revenue loss.

Linked to this is the response by private sector representatives to one question under the Relationship with the Private Sector key factor regarding the paying of bribes. Just over half (52%) of respondents indicated that **it is possible not to comply with Customs requirements through the payment of bribes**. It is probable that one of the key drivers of this non-compliance may be the perceived complexity of administrative procedures.



Differing views on morale and organizational culture

While Customs officials reported reasonably positive organizational culture and morale in respect of the fact that LRA encourages personal responsibility for ethical standards, nearly half (42%) of private sector respondents indicated LRA's organizational culture was not 'service oriented' enough for them. This suggests that there may still be some room for improvement to ensure LRA's organizational culture responds to both the needs of its officials as well as the citizens which it serves.

In addition, recognizing the links with Human Resource Management it may be worth considering from a morale perspective the differences in staff perceptions relating to salary satisfaction and the fact no everyone has the same feeling that they are working in an environment where recruitment and promotion is merit-based.

Transparency and impact of discretionary powers

Another area worth noting are the responses by both Customs officials and private sector representatives to some of the questions relating to the Revised Arusha Declaration key factor of Transparency. While the majority of Customs officials (94%) indicated that they felt sufficiently informed about procedures, this figure was much lower (61%) among private sector respondents.

Nearly one-third (29%) of the private sector respondents said that they did not always understand why when Customs makes a specific decision about their case, and nearly a quarter (23%) did not feel that the same rules apply each time they deal with Customs administration, and that this may vary by the individual or the location.

Furthermore, two out of five Customs officials (40%) did not feel sufficiently informed when supervisors ask them to deviate from standard procedures.

Anti-corruption and integrity promotion: align regulatory framework and organizational culture with the Revised Arusha Declaration

This response underlines the need for LRA to look at ways in which its regulatory framework might be further aligned with the recommendations of Revised Arusha Declaration which aim at reducing incentives to corruption through simplification, harmonization and elimination of unnecessary red tape, while at the same time minimizing opportunities to circumvent the regulations through non-compliance or bribery. This will be a focus for the A-CIP Programme in Liberia, in particular Specific Outcome 2 - *Customs regulatory framework for exemptions and discretionary powers strengthened and harmonized* and Specific Outcome 3 - *Morale among Customs officers improved through increased engagement in organizational change and HR management processes*.

CIPS: assets and development prospects under the A-CIP Programme

There are several positive indications from CIPS that are relevant to this work under the A-CIP Programme which are also worth noting. As already mentioned, in general, both the Customs officials and private sector representatives appeared have a strong sense of personal ownership for integrity and anti-corruption efforts. Channels for reporting and feedback are clear to both sides with a reasonable sense of protection for whistleblowers.

The vast majority (nearly 98%) of LRA Customs officials indicated that they would take some form of action in response to suspecting that a colleague accepts money from business to ignore procedures.

Furthermore, efforts and investments by LRA in Automation initiatives have been well received both by Customs officials and the private sector. Both LRA Customs officials and private sector representatives also had a similarly positive view of LRA's current audit and investigative capacity, corruption reporting, as well as perception of actions taken to investigate and respond to corrupt behaviours.

5. Conclusions and Next Steps

While it is important to bear in mind that the data from CIPS only gives one piece of the overall picture of LRA's anti-corruption and integrity promotion efforts, it provides some useful insights to the minds of individuals whose actions and behaviors have a significant impact on LRA's institutional integrity.

Organizational Culture and Regulatory Framework: key factors of success

As the summary findings show, the insights from CIPS in Liberia support the WCO and LRA's work together under the A-CIP Programme as outlined in the LRA A-CIP Project Information Document. Specifically, **it supports the Programme's focus on specific outcomes** related to Regulatory Framework and Morale & Organizational Culture key factors of the Revised Arusha Declaration.

Contributions and added value of the CIPS

CIPS is utilized under the Programme in two different ways, first by providing insights that can be used to inform and direct action to be taken, and secondly by providing a framework for performance measurement. More on how specific variables in CIPS will be used as performance measurement indicators for the A-CIP Programme is available in the Annex 1 to this report. The results of this 2020 implementation of CIPS will serve as a baseline for a repeat of the survey towards the end of the Programme (estimated in 2023) for which targets have been set.

Commitments of LRA supported and accompanied by the WCO A-CIP team

In addition to CIPS' specific applicability to the A-CIP Programme, LRA is encouraged to conduct its own analysis and **disseminate key information from the results of the survey to its internal and external stakeholders** with the aim to inform action and decision-making in response to insights offered by survey. The WCO A-CIP Team is prepared to support this process as needed. A step-by-step process by which this might be done is proposed in Annex 2 to this report.

By sharing the results of CIPS with various stakeholders, LRA increases the realization of benefits from the survey. An example of how this process may result in a desirable outcome for integrity would be sharing the results of the responses to the Automation key factor questions in CIPS with LRA's IT managers.

A result that might be of particular interest to them is the fact that more than a third of Customs officials did not think the introduction of automated Customs systems restricted opportunities to ignore procedures. This might prompt further action to review potential for strengthening systems role in process management and compliance.

Sharing results and development of partnerships

Sharing the results with external stakeholders can be a little more challenging, however the WCO advocates a partnership approach to integrity in Customs as it takes a change in mindset and behaviors on both sides to effect real gains in the fight against corruption. Such a partnership approach starts with transparency, accountability and open communications. This principle is reflected in other organizations' approaches, for instance, the IMF's Tax Administration Diagnostic Assessment Tool (TADAT) Performance Outcome Area 9 'Accountability and Transparency', upon which LRA was assessed in 2016, looks at the extent to which the administration makes public the results of integrity perception surveys.

There are a lot of positive messages to be taken from the results of CIPS in Liberia that are worth sharing. Even in those areas where the results show improvements can be made, LRA can demonstrate that it has or will be putting a plan in place to address these gaps. In these instances, the WCO A-CIP Programme aims to assist LRA's work in this direction.

ANNEX 1 – USE OF CIPS VARIABLES AS PERFORMANCE MEASUREMENT INDICATORS.

Through its questions to both Customs officials and private sector, the Customs Integrity Perception Survey (CIPS) offers 70 different variables relating to perceptions on Customs integrity. 66 of these variables are ordinal, meaning their results follow a certain scale. By assigning value, or a score to this scale from “most desirable” to “least desirable”, these variables can be used as indicators for performance measurement purposes.

Such a scale has been applied to LRA’s CIPS results and is provided in the data file “2020 CIPS Performance Analysis Liberia.xlsx”. LRA is encouraged to utilize any of the indicators provided in its own performance measurement activity but for the purpose of the A-CIP Programme in Liberia, a few select indicators will be of specific interest and are applied in the Programme’s Results Indicator Framework as outlined in LRA’s Project Information Document (PID) and extracted below.

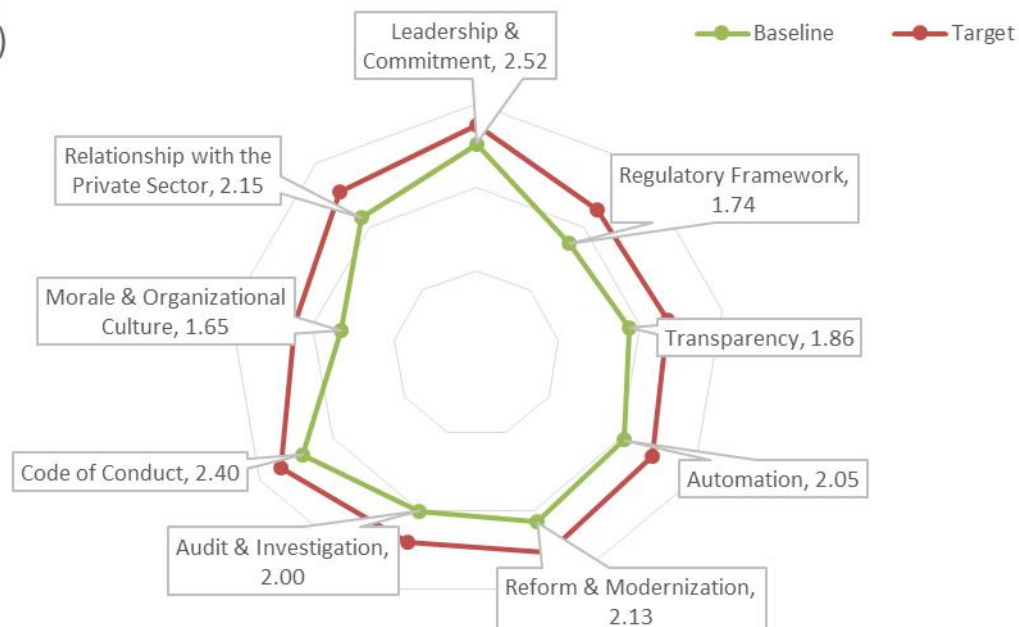
Note that targets for scores by the end of the A-CIP Programme have been set to reflect an 80% improvement across all survey responses. This has been calculated by assuming 80% of those who responded with one answer will respond with the next best answer during the final iteration of the survey.

Overall Objective (Impact): Business environment for cross-border trade improved in Liberia

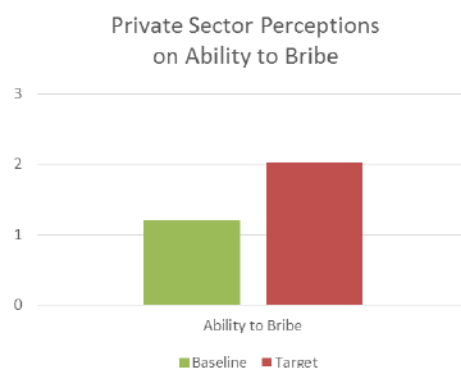
Result Indicator: Private sector respondents’ overall perceptions of the level of corruption and integrity in Customs improved from baseline.

The aggregate indicators for private sector responses for all parts of CIPS will be used:

CIPS Response
(Private Sector)



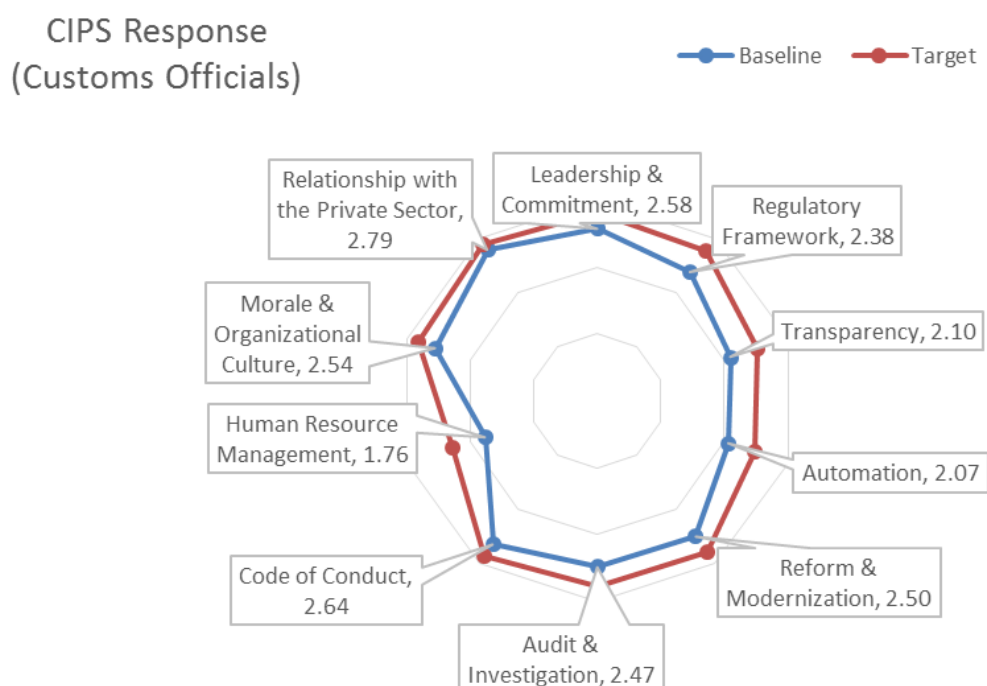
In addition, the private sector’s response to question PS_10e regarding the possibility of non-compliance with Customs requirements through the payment of bribes will also be included as an indicator for overall perceptions of the level of corruption in Customs.



Long-term Outcome: Governance and integrity in Customs administration and operations within LRA improved

Result Indicator: Customs officials' overall perceptions of the level of corruption and integrity in Customs improved from baseline

The aggregate indicators for Customs officials' responses for all parts of CIPS will be used:

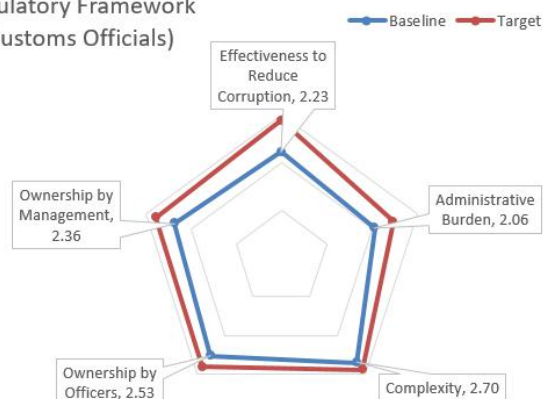


Specific Outcome 2: Customs regulatory framework for exemptions and discretionary powers strengthened and harmonized

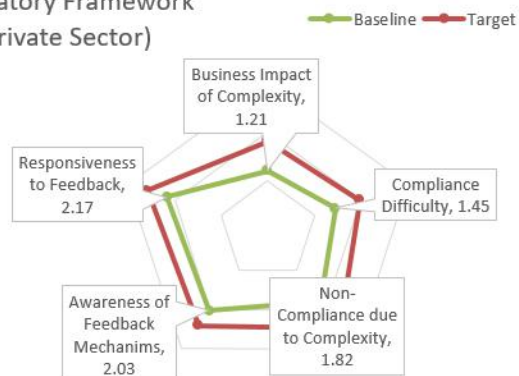
Result Indicator: LRA Customs officials' and private sector's perception relating to regulatory framework improved from baseline.

The aggregate indicators for both Customs officials' and private sector responses for CIPS questions pertaining to the Regulatory Framework key factor of the Revised Arusha Declaration will be used.

Regulatory Framework
(Customs Officials)



Regulatory Framework
(Private Sector)

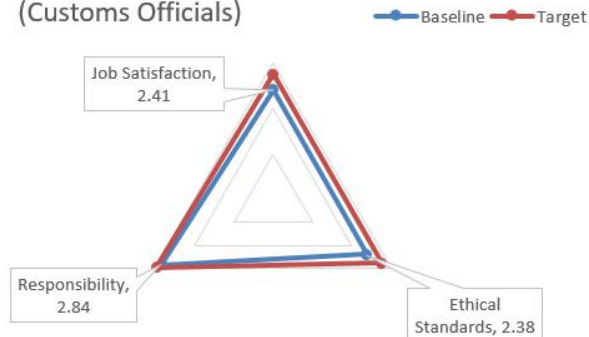


Specific Outcome 3: Morale among Customs officers improved through increased engagement in organizational change and HR management processes

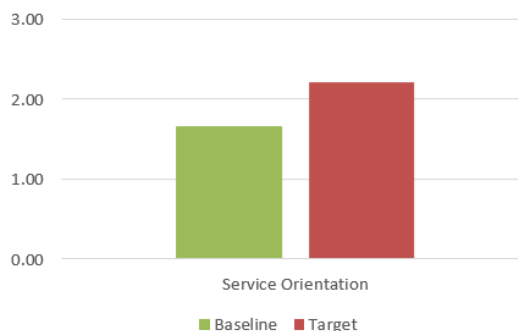
Result Indicator: LRA Customs officials' and private sector perception relating to Morale & Organizational Culture improved from baseline.

The aggregate indicators for both Customs officials' and private sector responses for CIPS questions pertaining to the Morale & Organizational Culture key factor of the Revised Arusha Declaration will be used.

Morale & Organizational Culture
(Customs Officials)



Morale & Organizational Culture
(Private Sector)



ANNEX 2 – STEPS FOR SHARING CIPS RESULTS WITH STAKEHOLDERS

Step	Comments	WCO Assistance available
1. Identify key internal and external stakeholders and their interest in the survey.	If possible, include those who participated in the WCO's A-CIP scoping missions. e.g. managers for the areas covered by each of the key factors, trade representatives, etc.	Template for CIPS stakeholder analysis. Assistance with identification of points of interest from the survey results specific to each stakeholder.
2. Make arrangements to communicate with stakeholders.	E.g. Internal management meetings, memos, press releases, letters to trade associations.	Assistance with development of communications for external stakeholders.
3. Collect feedback from stakeholders.	Communications in step 2 will invite feedback. This will be helpful to determine a) which result areas might be considered priorities for action b) which stakeholders are more or less likely to be supportive of change necessary.	Assistance with the analysis of feedback from stakeholders.
4. Determine response actions necessary and update organizational strategic action plans as appropriate.	Insights from CIPS and stakeholder responses may be applied in updates to strategic plans and new action plans within the administration.	A-CIP Programme planned activities may be adjusted as necessary and appropriate to support institutional actions.



WCO | A-CIP Programme

Launched in January 2019, with funding from the Norwegian Agency for Development Cooperation (Norad), the Anti-Corruption and Integrity Promotion (A-CIP) Programme responds to the recognised high costs of corruption in Customs. The Programme aims at improving the business environment for cross-border trade in selected WCO member countries by making changes to the operational and administrative context that restricts corrupt behaviour and promotes good governance in Customs operations and administration.

For more information:

<http://www.wcoomd.org/en/topics/capacity-building/activities-and-programmes/cooperation-programmes/acip-programme.aspx>

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