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### EXECUTIVE COUNCIL Eleventh Ordinary Session 25 – 29 June, 2007 Accra, GHANA

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### REPORT OF DIRECTORS GENERAL OF CUSTOMS ADMINISTRATIONS HELD IN ABUJA, NIGERIA, FROM 7 TO 11 MAY 2007

### THIRD ORDINARY SESSION OF THE SUB-COMMITTEE OF DIRECTORS GENERAL OF CUSTOMS FROM MEMBER STATES OF THE AFRICAN UNION ABUJA, NIGERIA, 7 – 11 MAY 2007

### INTRODUCTION

**1.** The Third Ordinary Session of the Sub-Committee of Directors General of Customs from Member States of the African Union was held at the ECOWAS Conference Centre in Abuja, Nigeria, from 7 to 11 May 2007. The Session comprised a preparatory meeting of experts held from 7 to 9 May 2007 and the meeting of Directors General from 10 to 11 May 2007. The main theme of the meeting was: "The Impact of EPAs on Customs".

### PARTICIPATION

2. The meeting of experts and Directors General was attended by representatives of the following Member States: South Africa, Algeria, Angola, Botswana, Burkina Faso, Burundi, Cameroon, Congo, Democratic Republic of Congo, Ethiopia, Gabon, Ghana, Guinea, Kenya, Liberia, Libya, Lesotho, Mauritania, Nigeria, Rwanda, Senegal, Uganda, Zambia and Zimbabwe. ECOWAS, UEMOA, COMESA and the WCO also sent representatives.

### MEETING OF EXPERTS

### Outcome of Deliberations

**3.** On item 4 of the agenda, the Commission presented a statement of activities carried out by the Customs Division of the Department, particularly those featuring in the Matrix of Actions prepared by the second ordinary session of the Sub-Committee as well as those featuring in its own programme. Some actions were not carried out due to the lack of resources, both human and financial.

**4.** On item 5, there were presentations on on-going programmes within WCO regions, by Rwanda for the Southern and Eastern region and Ghana for the Western and Central region. On item 6, COMESA and ECOWAS made statements on actions to harmonize customs procedures within their respective regions.

**5.** On item 7 and 8, the meeting took note of the reports of the Workshops on Capacity Building (30 April to 2 May in Addis Ababa) and the Rules of Origin (21 to 23 April in Addis Ababa).

**6.** On item 9, "Impact of EPAs on Customs", the Commission presented a Concept Paper on on-going negotiations. After a brief review, it stressed some key items relating notably to regional integration, development, agriculture, coordination among negotiating groups and the rules of origin. Following deliberations, the meeting made recommendations to be considered by the Directors General, the main one of which concerned the organization of a workshop whose duty would be to thoroughly consider the EU proposals on the rules of origin so that Africa can come

up with a common position for future negotiations. The meeting also took note of the conclusions of the workshop organized by the WCO on the sidelines of the 5<sup>th</sup> edition of the Global Anti-Corruption Forum held in Johannesburg in April 2007.

### CONCLUSIONS

7. The meeting prepared a number of recommendations to be submitted for consideration by the meeting of Directors General of Customs as well as a draft resolution to be adopted by the said DGs. The draft resolution is structured to combine the recommendations in one coherent unit.

### MEETING OF DIRECTORS GENERAL

### OPENING

**8.** Mr. J.G. Buba, Director General of Nigerian Customs, made the welcome speech, which was followed by that of the WCO representative and then that of the Head of the Commission delegation. Nigeria's Minister of Finance made the opening speech.

### OUTCOME OF DELIBERATIONS

**9.** The Bureau of the meeting was composed of Nigeria as the Chair, South Africa as the Vice-Chair and Senegal as the Rapporteur. Friends of the Chair, who are *ex-officio* Bureau Members, were Ghana, Rwanda and The Sudan. As host country, Nigeria made a presentation on the structure of its customs administration, its achievements, notably as concerns computerization, and efforts to simplify procedures in order to facilitate trade.

**10.** The meeting then considered items 6 and 7 together. They concerned the consideration of the report of the preparatory meeting of experts and of the recommendations emanating from this meeting, which were contained in the resolution, which was adopted with amendments.

**11.** The meeting also examined the issue of the election of an African to the vacant post of Director of Tariffing and Trade at WCO, and agreed that negotiations among candidates would continue, and a final decision be taken at the consultation meeting to be organized by the Commission in Brussels, on the eve of the 109<sup>th</sup>/110<sup>th</sup> Sessions of the WCO Council scheduled for 28 June 2007.

### DECISIONS AND RECOMMENDATIONS

**12.** The Resolution which contains and introduction as the preamble, focuses on four main areas, notably capacity building, harmonization of rules of origin, the anticorruption drive and harmonization of customs procedures. Through this Resolution, the meeting undertook to develop capacity building plans at regional and continental levels, harmonize rules of origin at RECs level, contribute to the global dialogue on integrity and capacity building, and actively participate in the process of harmonizing RECs customs instruments.

### THIRD ORDINARY MEETING OF THE AU SUB-COMMITTEE OF DIRECTORS-GENERAL OF CUSTOMS ABUJA, NIGERIA: 10<sup>TH</sup> – 11<sup>TH</sup> MAY 2007

### INTRODUCTION

1. The Third Ordinary Meeting of the AU Sub-committee of Directors General of Customs took place from 10 to 11 May 2007 at the ECOWAS Commission Conference Centre, in Abuja, Nigeria, The theme of the meeting was "Impact of Economic Partnership Agreements (EPAs) on Customs Administrations".

### PARTICIPATION

2. Participants from the following Member States attended the meeting: Algeria, Angola, Botswana, Burundi, Burkina Faso, Cameroon, Congo, DR Congo, Cote d' Ivoire, Egypt, Ethiopia, Gabon, Ghana, Guinea, Kenya, Lesotho, Liberia, Libya, Mauritania, Nigeria, Rwanda, Senegal, South Africa, Sudan, Uganda, Zambia and Zimbabwe.

3. Also in attendance were representatives of Regional and International organizations, namely: COMESA, ECOWAS, UEMOA, UNCTAD and WCO. Similarly, the following observers attended the meeting – COTECNA, Webb Fontaine, SGS, and officials from the Federal Ministry of Commerce and Industry (Nigeria). The List of participants is attached as Annex 1.

### Agenda Item 1: Opening of the Meeting

4. The welcome address was delivered by the Comptroller-General of the Nigeria Customs Service, Mr. Jacob Gyang Buba. He welcomed all Directors-General and delegates to Nigeria. He highlighted the reforms agenda of the government which impacted much on the Nigeria Customs Service. These reforms centred on modernization of the Customs through computerization of all its procedures at the ports and borders. Experts in IT have been contracted to put in place all IT equipment and structures necessary for the automation of the Customs Administration, and a strategic working relationship with WCO has also been established to allow the Service benefit from the Columbus programme which is aimed at capacity building of the personnel. These reforms according to the Comptroller-General will see the complete transformation of the Nigeria Customs Service for effective and efficient service delivery and trade facilitation.

5. Referring to the theme of the meeting, the Comptroller General urged participants to reflect on the impact of Economic Partnership Agreements on Customs Administrations. He particularly drew their attention on the aspect relating to EPAs seeking to do away with Customs duties on imports and its related challenge to which African countries are not ready to respond. In this regard, he highlighted the need to start working for alternatives, in view of the huge social responsibility that will fall on many African governments".

6. The representative of the Secretary-General of WCO, Mr. Joe Kelly, made a comment which emphasized on the need for Customs Administrations in Africa to

accelerate the assimilation of the Columbus programme for capacity building. He maintained that this meeting is an avenue for AUC and the various Customs Administrations to comfortably discuss and agree on the issue of reforms that is urgently needed. He concluded that WCO was looking forward to a continuous partnership with all Customs Administrations in Africa, especially in the area of Customs modernization.

7. The Head of the African Union delegation started his address by expressing his satisfaction that the meeting was being held in Abuja, the very city that saw the birth of the Treaty establishing the African Economic Community. He conveyed the wishes of H.E Prof. Alpha Oumar Konare and of H.E. Mrs. Elizabeth Tankeu, respectively Chairperson and Commissioner for Trade and Industry of the African Union Commission. He welcomed all participants and invitees to the meeting and thanked the Executive Secretary of the ECOWAS for having placed at the disposal of the Sub-Committee, high quality facilities for the holding of this conference.

8. He then reminded the meeting of the genesis of the AU and the political will of Heads of State to address the socio-economic development problems of the continent by the speeding up of the integration process which should in time bear fruit through the establishment of a continental market. However Africa has not benefited from the spectacular increase in international trade which the world has witnessed in the last 20 years, its share within that same period having shrunk from 4 to 2 % in spite of its commitments towards the WTO. But worse, despite the political will that has been clearly spelt out in favour of increased trade at the level of the continent, Inter-Regional trade has remained at a very embryonic stage even if some promising successes have been recorded at the level of Intra-Regional trade. The implementation of coordination programmes between RECs with respect to Free Trade Areas and Customs Unions is still behind schedule. The negotiations leading to the implementation of EPAs are complicating a situation which was not very bright and it is to be feared that the continental integration process which is the only sustainable solution to the economic revival of Africa might be at stake.

9. Before concluding, he reminded the meeting of the expectations of the AU from this meeting. As frontline professionals, the Directors General should elaborate pragmatic proposals, recommendations and resolutions on the way forward from a Customs perspective bearing in mind, the possible conclusion of the Economic Partnership Agreements and the process of establishment of the African Economic Community which is under way and which can only be achieved through a programme of harmonization of laws, Customs procedures and Capacity Building initiatives.

10. In her opening speech, Hon. Mrs Nenadi Esther Usman, Minister of Finance (Nigeria), recognized the crucial role of the Sub-committee and tasked it to ensure the attainment of the mandate given it by the African Union (AU). She enjoined the Sub-committee to be forthright, critical, down to earth and pragmatic in its discussions and urged them not to relapse in the pursuance of economic integration of the continent. With reference to the theme of the conference, the Minister challenged the conference to examine what role the EPAs will play in uplifting the African continent economically, industrially, technologically and also socially.

11. Similarly, she highlighted efforts being made at the sub-regional level to ensure economic integration. Such efforts include Common External Tariff (CET), the abolishment of VISA for movement in the sub-region and the move towards the convergence of the monetary zones. Equally, the various bilateral and multilateral agreements with other African countries are all aimed towards integration of the continent at large. At the national level the Minister stated that the government of Chief Olusegun Obasanjo, GCFR President Federal Republic of Nigeria has introduced reforms that significantly improved the performance of organizations in the country which include Nigeria Customs Service. The Hon. Minister then declared the meeting open.

### Agenda Item 2: Election of the Bureau

12. The Bureau of the meeting was elected as follows:-

Chair	-	Nigeria (host)
Vice Chair	-	South Africa
Rapporteur	-	Senegal
Friends of the C	Chair	_

- WCO West/Central Region Ghana
- WCO East/Southern Region Rwanda
- WCO Northern Region Sudan

### Agenda Item 3: Adoption of the Agenda

13. The Agenda was adopted and is appended herewith as annex II.

### Agenda Item 4: Organization of Work

14. The meeting adopted the following hours for its work

Morning	09.00 - 13.00
Afternoon	14.30 – 18.30

### Agenda Item 5 : Presentation of the Customs Administration of the Republic of Nigeria

15. A presentation on the Nigeria Customs Service was made by the National Coordinator of the ASYCUDA and Computer Unit. He gave a historical background of the Service and then highlighted the government reform agenda on Customs modernization, such as the introduction of ASYCUDA ++, Scanning Machines, use of ICT and the simplification and harmonization of all Customs procedures and systems to achieve a: Real Time Customs revenue control system, Real Time Customs Wide Band Telecom/IT monitoring system for trade facilitation and compliance.

## Agenda Items 6 and 7: Consideration of the Report of the Customs Experts Meeting namely:

a) Various activities carried out at continental and regional levels; Implications of EPAs on the work of Customs Administrations;

- b) Implications of EPAs on the work of Customs Administrations;
- c) Harmonization programmes in the areas of Capacity Building and Rules of Origin;
- d) Global Forum V; and

Consideration of the Draft overall recommendations and the Draft Framework of Action for the year 2007-2008

15. The meeting considered the Report of the Customs Experts meeting and the draft overall recommendations together. The report and recommendations were presented by the Chairperson of the meeting of Experts.

16. Following the presentation, the meeting took note of the efforts undertaken and the initiatives being carried out at the level of the Commission of the African Union, the WCO African regions, and the RECs. The meeting took note in particular of the establishment of the Customs Cooperation Division within the Commission. It also acknowledged the difficulties being encountered by the Division in achieving its objectives because of the lack of human resources. The meeting also took note of the establishment of working groups on Capacity Building and on Rules of Origin and have strongly emphasized on the need for the Sub-Committee to be proactive and to oversee the work of these groups.

17. In regard to the relations between AU and the WCO, the meeting acknowledged the necessity for synergy between the activities of the Commission and those of the WCO. It is nevertheless of opinion that the AU's programme should be considered within the framework of a global strategy and that all other national and regional strategic plans should take account of the Abuja Treaty. The meeting also expressed its agreement on WCO's vision of Customs in the 21<sup>st</sup> century and on the necessity to implement an African initiative on this issue.

18. The meeting took note with deep interest of the presentations made by the RECs present at the meeting, namely the COMESA, the ECOWAS and the UEMOA on the harmonization efforts being carried out at the level of the different regions. It also urged the RECs to pursue such efforts bearing in mind the creation of the continental Customs Union due by 2016.

19. The meeting made the following recommendations:

- The AUC, the Bureau of the Sub-Committee and South Africa should ensure that the terms of reference and the modalities for seconding of officers to the AU be finalized and inform all Customs administrations accordingly by July 2007;
- ii) The posts of Senior Policy Officer and Policy Officer at the Customs Cooperation Division of the AUC should be filled before 31<sup>st</sup> December 2007 so as to allow for the implementation of programmes approved by the Sub-Committee;

- iii) The AU should speed up the procedure for signature of a Memorandum of Understanding with the WCO so as to ensure that the initiatives launched by the latter in Africa take into consideration the AU Customs agenda;
- iv) The AU should elaborate guidelines on the strategic orientations of the harmonization programmes for use by the RECs;
- v) The AU should organize meetings twice yearly with all the RECs to ensure the coordination of the harmonization programmes activities, exchange and dissemination of information among the RECs and participate in the RECs meetings on harmonization.
- vi) That the harmonization of programmes in the areas of Capacity Building and of Rules of Origin be pursued.

20. The meeting took note of the two workshops which were organised at the Headquarters of the AU Commission in Addis Ababa, Ethiopia. In regard to the issue of Capacity Building, the meeting noted that a Capacity Building strategy has been developed during the workshop held from 30 April to 02 May, which strategy will be used as a basis for the elaboration of regional Capacity Building plans. In addition, the meeting has stressed on the necessity for coordinating the programmes of national Customs administrations, those of the RECs and those of the AUC.

21. The meeting took note of the constraints identified by the workshop held from 21 to 23 April in regard to harmonization of Rules of Origin. It was held that the harmonization process should be carried out in a holistic manner. To this effect, all stakeholders namely the RECs, the Customs administrations and the economic operators should be involved. The approach to be adopted should be a bottom up one and the stronger economies should also be involved so as to carry the process forward.

- 22. The meeting recommended as follows :
  - vii) That the elements contained in the resolution of the workshop on Capacity Building should serve as a basis for the elaboration of the AU Capacity building strategy;
  - viii) That WCO's Colombus Programme should serve as a basis for the implementation and follow-up of Capacity Building activities of the Customs administrations;
  - ix) The AU should develop a framework for the harmonization of Rules of Origin in Africa;
  - A Steering Group whose responsibility should be the management of the preparatory works relative to the harmonization process should urgently be established;
  - xi) In addition, studies should be carried out to support the harmonization process and evaluate its impact;

xii) A Comparison of RECs Rules of Origin Matrix should be elaborated at the earliest;

23. The meeting was informed of the presentation made by the AU Commission on the issue of Economic Partnership Agreements with the European Union and more specifically their impact on Customs. The meeting acknowledged that even if issues relative to trade policy are probably not within the ambit of Customs, EPAs will nevertheless impact on Customs in regard to revenue collection, work methodologies, management of Rules of Origin etc. To this effect, Customs administrations should be fully involved in these negotiations

- 24. The meeting made the following recommendations:
  - xiii) A meeting of the Experts Group on Rules of Origin should be organized with a view to examining the proposals of the European commission on EPA Rules of Origin so as to elaborate a harmonized African position to be recommended to the four negotiating groups;
  - xiv) The AUC should commission a study on the impact of the conditionalities of free movement of goods under EPAs on the RECs and the Customs administrations;
  - xv) In elaborating the AU Strategic Plan on Capacity Building, the Working Group on Capacity Building should take into consideration the additional requirements for implementation of EPAs and should elaborate further strategies for access to the funding earmarked for Capacity Building within the EPA development framework and that of Aid for Trade;
  - xvi) The AUC should elaborate a mid to long term strategy for the establishment of Free Trade Areas (FTAs) between the RECs which would comprise of Trade Facilitation measures to be implemented for increasing the volume of intra-African trade.

25. The meeting took note of the conclusions of the Global Forum V on Fighting Corruption and Safeguarding Integrity which took place in Johannesburg from 02 to 05 April 2007 and whose objectives were, amongst others to reaffirm the root causes of corruption, examine from a global standpoint how it manifests itself in Customs and what are its main factors, compare and contrast the experiences in the area of the fight against corruption and the promotion of integrity in the international trade environment and to focus the reflection on WCO's integrity programme and other good governance and business ethics.

26. The meeting commended the efforts undertaken at the level of African Customs administrations in the fight against corruption and the promotion of ethics. To this effect, they highlighted the achievements in the area of simplification and transparency of procedures with the utilization of computer systems, but also the application of Code of Ethics and of good conduct.

- 27. The meeting recommended that
  - xvii) Customs administrations should pursue their policy of making integrity, a standard of performance;
  - xviii) They need to take concrete measures to promote transparency and responsibility at the work place;
  - xix) They need to undertake and intensify the reform and modernization programmes;
  - xx) The AU should support the efforts undertaken by Customs administrations and if need be, establish a continental programme on the fight against corruption and the promotion of integrity.

### Agenda Item 7: Any Other Business

28. The issue of the election of an African to fill the post of WCO Director of Tariff vacated by Mr. Chriticles Mwansa was raised. Whilst the meeting agreed that if the seven African candidates that had applied maintained their candidacy, none of them would be elected, no consensus could be reached as to how to address this issue. As a way forward, the meeting agreed to the proposal of the Chairperson that he would use the good offices of the Friends of the Chair to try and resolve the issue after the meeting.

29. Côte d'Ivoire also confirmed that she would host the 4<sup>th</sup> Ordinary meeting in Abidjan in 2008 and Cameroon has offered to host the 5<sup>th</sup> ordinary meeting in Yaoundé in 2009.

## Agenda Item 8: Approval of the Record, the Recommendations and the Framework of Action for the year 2007-2008

30. The meeting adopted the Resolution proposed by the experts with amendments. The Resolution which comprises four major recommendations on Capacity Building, Rules of Origin, Integrity and Harmonization of Procedures is appended at Annex IV. A summary of the recommendations is also appended at Annex V. The meeting mandated the Commission to develop a Framework of Action document for implementation and monitoring of the recommendations. The meeting also agreed that the report would be circulated within one month of its closure for comments and adoption.

### Agenda Item 9: Vote of Thanks

31. Under this item, the Director General of Algeria Customs presented a Vote of Thanks on behalf of the meeting. He first reminded the meeting that the decision to incorporate the then All African Customs Conference into the organs of the AU was taken in Algiers in 2004. After presenting an overview of the major conclusions of the meeting he thanked among others, the Government and the people of Nigeria for hosting the meeting, the finance ministers that had graced the opening and closing ceremonies, the Comptroller General and the Nigeria Customs Service.

### Agenda Item 10: Closing Ceremony

32. In his address to the meeting, Hon. Elias Mbam, Minister of State for Finance of the Federal Republic of Nigeria commended the participants for the high quality of their conclusions. Whilst thanking the meeting for the hard work, he urged participants to take some time to visit Nigeria before leaving to attend to the implementation tasks, thereafter which he declared the meeting closed.

#### ANNEX IV

### RESOLUTION OF THE ABUJA 3rd ORDINARY MEETING OF THE AU SUB-COMMITTEE OF DIRECTORS GENERAL OF CUSTOMS

**WE** the Directors General of Customs of the African Union assembled in Abuja, Nigeria on the 11<sup>th</sup> day of May 2007,

**GRATEFUL** to the Comptroller General of Nigeria Customs Service and the Government and People of the Federal Republic of Nigeria, for hosting this Meeting which has offered us an opportunity to renew our commitment to achieving economic integration in Africa, and to direct our attention to some key decisions that can best move us forward, with a view to accelerating the attainment of the African Economic Community;

**DETERMINED** to ensure that Customs administrations play their role in Africa's agenda of regional economic integration through the development of a continental strategy and work plan for rationalizing and harmonizing capacity building initiatives;

**RECALLING** the recommendations from the 2<sup>nd</sup> Meeting of the AU Sub-Committee of Directors General of Customs urging AU to ensure regional and continental coordination in the modernization and reform of Customs administrations;

**FURTHER RECALLING** the decision of the ninth Ordinary Session of the Executive Council of African Union calling upon the African regions/Groups that are negotiating EPAs with European Union (EU) to facilitate the role of the AU Commission as mandated by the Heads of State and Government by inviting it to their negotiation sessions with the EU and by submitting regular progress reports on their EPA negotiations;

**REAFFIRMING** the economic integration program of the African Union as embedded in the Abuja Treaty establishing the African Economic Community;

**RECOGNIZING** the critical role of the Regional Economic Communities in the economic development of the Continent;

**NOTING** the increasing global pressure for introduction of integrated approach to border management and the leading role of Customs in this development;

**NOTING** that International trade is essential to alleviate poverty and create conditions for economic development;

**RECOGNIZING** the essential role of Customs administrations in legitimate international trade and implementation of government policies for the collection of revenue, the protection of economies, society and environment, and the reduction of the compliance burden for business;

**AGREEING** on the need for international organizations, cooperating partners and the private sector to enhance Customs modernization by improving coordination and

standardization of their capacity building efforts, exploring synergies and opportunities for collaboration and identifying key success factors for Customs

**FURTHER NOTING** the need to develop an effective working relationship with trade operators and policy makers to create a climate, which encourages inward investment and promotes exports;

**APPRECIATING** the work of the World Customs Organization (WCO) through the Columbus program in promoting the holistic development of Customs services and emerging findings of the diagnostic program conducted in member states;

**RECOGNIZING** the opportunity for the provision of sustainable development of Customs provided by the SAFE framework of standards for the security of the global supply chain, Aid for Trade initiative and EPA's;

**CONFIRMING** the need for individual Customs administrations to fully own and manage their own short, medium and long term development plans;

**AFFIRMING** the need for improved coordination of programmes to achieve economies of scale, avoid duplications and develop common solutions and the important role that the RECs and AUC have to play in providing leadership in this area;

**CONCERNED** about the potential impact of both bilateral (EPAs) and multilateral (WTO) ongoing trade negotiations on regional integration and member states Customs administration;

We, the Directors-General of Customs of the African Union Resolve to:

# 1. Develop capacity building plans at regional and continental level taking into account the WCO capacity building plans for the three African regions;

#### To achieve this objective:

**AUC** and **RECs** to spearhead the development of capacity building plans at regional and continental levels in accordance with the Columbus program of WCO;

**MEMBER STATES** with the support of AU and RECs to develop capacity building of Customs administrations in order to enable them to effectively face the challenges emerging from the EPAs;

**AUC** and **WCO** to ensure that the next global dialogue conference on capacity building with all role players focus on, among other things in identification of progress made in respect of Customs capacity building, the improvement of coordination and standardization of capacity building, key success factors for customs modernization and a preparation by the customs clearly outlining its needs and priorities;

**AUC** and **RECs** to promote with the support of development partners, the vital role of Customs in the 21<sup>st</sup> century;

**MEMBER STATES** to ensure that Customs services are appropriately consulted in the development and implementation of appropriate Government Policy related to Customs;

**MEMBER STATES** to take advantage of the WCO Columbus Programme as basis for the development of Customs Administrations;

**MEMBER STATES** to develop and implement a long term development plan in a holistic manner covering institutional capacity development, infrastructure development and human resource development;

**AUC, RECs** and **MEMBER STATES** to undertake coordination of donor activity to meet the continental, regional and national needs to develop, fund and sequence development which maximizes ownership and sustainability;

**AUC** and **MEMBER STATES** to use the experience and expertise that currently exist within the Member Administrations;

**AUC**, **RECs**, **WCO** and **MEMBER STATES** to monitor, manage and evaluate the implementation of the African capacity building strategy related to Customs administration, maximizing the use of WCO regional institutions.

### 2. Harmonize rules of origin governing trade within RECs and amongst the RECS taking into account the objectives of continental integration, the need to facilitate the operations of Customs and the trade development under the EPA's.

To achieve this objective:

**The Bureau** of the Sub-committee of Directors General of Customs should convene Experts Meeting of the rules of origin working group to review the EC proposal on rules of origin for EPAs and develop a harmonized Africa position to be recommended to RECs negotiating groups;

**AUC** to carry out a study to evaluate the impact on RECs and Customs administration under EPAs trade liberalization;

**AUC** to develop a concept paper on the establishment of trade arrangements amongst RECs to implement the African Economic Community agenda.

# 3. Actively contribute to the Global dialogue on integrity and capacity building in Customs based on the outcomes of the Global Forum V on Fighting Corruption and Safeguarding Integrity.

To achieve this objective:

**AUC** and **REcs** to provide leadership and political support for integrity programmes being implemented by Customs Administrations,

**AUC** to harmonize regional Customs integrity charters and codes of ethics to have a continental platform for fighting against corruption;

**MEMBER STATES** with support from AUC, RECs and Development Partners to enhance Customs modernization by improving coordination and standardization of their capacity building efforts, exploring synergies and opportunities for collaboration and identify key success factors for Customs as tools for fighting against corruption.

## 4. Actively participate in the process of harmonization of trade and Customs instruments amongst RECs.

To achieve this objective:

**AUC** should participate in meetings of RECs involving harmonization of regional programmes and ensure that reports of such meetings are circulated among all RECs;

**AUC** should develop guidelines for the RECs regarding the strategic direction for harmonization of programmes;

**AUC** should convene bi-annual inter REC meetings for coordinating on-going work to rationalize programmes in the areas of Customs and to facilitate information exchange amongst the RECs.

We request the AUC to present this resolution to the appropriate organs of the AU for consideration and adoption.

Adopted, this 11<sup>th</sup> day of May, 2007, in Abuja, Nigeria

#### ANNEX V

### SUMMARY OF RECOMMENDATIONS

The meeting made the following recommendations:

- The AUC, the Bureau of the Sub-Committee and South Africa should ensure that the terms of reference and the modalities for seconding of officers to the AU be finalized and inform all Customs administrations accordingly by July 2007;
- The posts of Senior Policy Officer and Policy Officer at the Customs Cooperation Division of the AUC should be filled before 31<sup>st</sup> December 2007 so as to allow for the implementation of programmes approved by the Sub-Committee;
- iii) The AU should speed up the procedure for signature of a Memorandum of Understanding with the WCO so as to ensure that the initiatives launched by the latter in Africa take into consideration the AU Customs agenda;
- iv) The AU should elaborate guidelines on the strategic orientations of the harmonization programmes for use by the RECs;
- v) The AU should organize meetings twice yearly with all the RECs to ensure the coordination of the harmonization programmes activities, exchange and dissemination of information among the RECs and participate in the RECs meetings on harmonization;
- vi) That the harmonization of programmes in the areas of Capacity Building and of Rules of Origin be pursued;
- vii) That the elements contained in the resolution of the workshop on Capacity Building should serve as a basis for the elaboration of the AU Capacity Building Strategy;
- viii) That WCO's Colombus Programme should serve as a basis for the implementation and follow-up of Capacity Building activities of the Customs administrations;
- ix) The AU should develop a framework for the harmonization of Rules of Origin in Africa;
- A Steering Group whose responsibility should be the management of the preparatory works relative to the harmonization process should urgently be established;
- xi) In addition, studies should be carried out to support the harmonization process and evaluate its impact;

- xii) A Comparison of RECs Rules of Origin Matrix should be elaborated at the earliest;
- xiii) A meeting of the Experts Group on Rules of Origin should be organized with a view to examining the proposals of the European commission on EPA Rules of Origin so as to elaborate a harmonized African position to be recommended to the four negotiating groups;
- xiv) The AUC should commission a study on the impact of the conditionalities of free movement of goods under EPAs on the RECs and the Customs administrations;
- xv) In elaborating the AU Strategic Plan on Capacity Building, the Working Group on Capacity Building should take into consideration the additional requirements for implementation of EPAs and should elaborate further strategies for access to the funding earmarked for Capacity Building within the EPA development framework and that of Aid for Trade;
- xvi) The AUC should elaborate a mid to long term strategy for the establish hment of Free Trade Areas (FTAs) between the RECs which would comprise of Trade Facilitation measures to be implemented for increasing the volume of intra-African trade.;
- xvii) Customs administrations should pursue their policy of making integrity, a standard of performance;
- xviii) They need to take concrete measures to promote transparency and responsibility at the work place;;
- xix) They need to undertake and intensify the reform and modernization programmes;
- xx) The AU should support the efforts undertaken by Customs administrations and if need be, establish a continental programme on the fight against corruption and the promotion of integrity.

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# Report of directors general of customs administrations held In Abuja, Nigeria, From 7 To 11 May 2007

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