



a's Trade Support Institutions (SNTSI)

POLICY DIALOGUE

ON

COMBATING CORRUPTION ALONG NIGERIA- ECOWAS TRADE ROUTES

Implemented by

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POLICY DIALOGUE ON COMBATING CORRUPTION ALONG NIGERIA-ECOWAS TRADE ROUTES

(Organized by NANTS and GIZ-SNTSI at Hotel De Bently – Abuja – 6th Marc 2017).

REPORT

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1. Background and Participation

Regional trade and integration has remained part of Nigeria's overarching strategy for economic transformation, growth and development. To this end, Nigeria adopted the establishment of Regional Trade Agreements (RTAs) with trade instruments such as the ECOWAS Trade Liberalization Scheme (ETLS) and the Common External Tariff (CET) at the West African regional level aimed at promoting intra-regional trade and free movement of goods, services and capital. The target was to maximize the benefits of integration, and particularly for increased productivity and the expansion of markets for the private sector.

However, at present, the ultimate benefits and opportunities of free trade for Nigeria are either eluding the country or not being maximized. This is attributable to frequent reports and allegations of bribery, intimidations and or harassments of traders, transporters and other private sector operators along the border routes. These cases of corruption involving various actors and security/law enforcement agencies including (other) border officials on the one hand and traders, transporters and clearing agents on the other hand constantly distort trade flows and inhibit overall benefit of free trade to Nigeria. In addition, unnecessary trade barriers created by non-transparent, burdensome rules and procedures which in turn constitute vulnerabilities, breed incentives to engage in corrupt behaviour appears unstoppable. Similarly, unnecessary delays of movement of goods (sometimes perishable items) continues to increase the burden of losses to the operators, consumers as well as diminish revenue to government coffers while also increasing the cost of doing business.

The foregoing is antithetical to the anti-corruption creed and efforts of the present administration of President Muhammadu Buhari. Similarly, it even negates efforts at pulling Nigeria out of present economic doldrums called recession. More so, corruption and other inhibitions and barriers create additional costs on goods and commodities, especially at a time when the present administration is fighting hard to reduce the cost of food items in the market. It further reduces the credibility, integrity and professionalism required of security and law enforcement agencies.

Therefore, in recognition and support to the war against corruption, and efforts at bringing sanity to the trade and economic environment, the National Association of Nigerian Traders – NANTS in collaboration with the German International Development Agency (GIZ) under the SEDIN programme organized a policy dialogue to strengthen the integrity of border controls,

customs administration, and strike a balance between security of lives/property and free movement of goods, especially the present challenges of insecurity facing the nation. The dialogue also presented the **Trade Related Incidents Mapping System (TRIMS)** - an electronic platform for capturing and exposing sordid activities perpetuated by traders, transporters and law enforcement agencies along the trade routes.

2. Opening Session

2.1. Welcome Address by NANTS President

In his welcome address, the President of NANTS (Mr Ken Ukaoha) noted that the frequent reports and allegations of cases of bribery, intimidations and or harassments of traders, transporters, clearing agents and other operators along the border routes and other cases of corruption involving various actors and security/law enforcement agencies including (other) border officials on the one hand and traders, transporters and clearing agents on the other hand constantly distort trade flows and inhibit overall benefit of free trade to Nigeria.

He noted that unnecessary trade barriers created by non-transparent, burdensome rules and procedures which in turn constitute vulnerabilities, breed incentives to engage in corrupt behaviours. More so, unnecessary delays of movement of goods (sometimes perishable items) continues to increase the burden of losses to the operators, consumers as well as diminish revenue to government coffers while also increasing the cost of doing business.

The NANTS President also asserted that some traders, clearing agents and transporters on their part are not honest in their practice. Over-invoicing, under-declaration of goods, false declaration, illegal importation, trade vices such as smuggling, trafficking either in humans or small arms as well as drug peddling are perpetuated by some of these actors on daily basis. Sometimes, they lure government agencies into unholy collaborations that tend to swindle government of potential or impending revenue. The result is that in the process, genuine trade is inhibited, delayed and even rubbished at the altar of corruption. Additionally, some women cross border traders have been reportedly harassed sexually and abused by unscrupulous uniformed men of low character. Worse still is that some goods categorized as arms are sometimes allowed in by the effects of conspiracy or corrupt practices and the country continues to bleed with the insecurity and negative implications of proliferation of small arms and light weapons.

He therefore called for collective action in support of the fight against corruption and to bring sanity to the trade and economic environment, highlighting that NANTS and GIZ seek to mobilize advocacy actions to sustain the Trade Related Incidents Mapping System (TRIMS) which was established as an electronic platform for capturing and exposing sordid activities perpetuated by traders, transporters and law enforcement agencies along the trade routes. The aim of the dialogue according to the NANTS President is to strengthen the integrity of border controls, customs administration, and to also strike a balance between security of lives/property and free movement of goods, especially the present challenges of insecurity facing the nation. This is in addition to x-raying efforts at combating corruption along the border routes, outlining

possible causes of corrupt practices that distort trade, highlighting the role of Anti-corruption Agencies in curbing, exposing, preventing and fighting corrupt practices along the border routes.

2.2. Remarks by GIZ

Representative of GIZ Mr Alex Weirth, in his opening remarks informed participants that the dialogue was borne out of the need to mobilize actions that would sustain TRIMS particularly as the GIZ-SEDIN programme winds up. There is need to ensure that unnecessary delays of persons, goods and services along the border routes occasioned by corrupt practices are inimical to the facilitation of trade which Nigeria has committed to at the level of the WTO. He noted that the ECOWAS Trade Liberalization Scheme (ETLS) and the Free Movement Protocols have guaranteed such ease of access to ECOWAS citizens and therefore finds no justifiable reasons why non-tariff barriers have continued to deny Nigeria of the benefits of intra-regional trade.

He encouraged participants to mobilize support for NANTS to continue with the advocacy momentum needed to sustain the TRIMS platform and its activities as such would go a long way to addressing the needs of private sector and impacting positively on the nation's economy. He concluded that GIZ was happy with the level of commitment of NANTS and the partnership that has existed between the two organizations in heralding economic liberation of the private sector in West Africa. This is exemplified by the high level of participation of various actors in all GIZ-NANTS events as well as the ECOWAS Vanguard which is produced by NANTS with the support of GIZ-SEDIN programme.

2.3. Keynote Address by the ICPC Chairman

The keynote speaker at the dialogue was the Chairman of the Independent Corrupt Practices and other Related Offences Commission (ICPC – Hon Mr Ekpo Nta), represented by a Director in the Commission expressed satisfaction that NANTS deemed it fit to organize such a dialogue on a subject that deals with corruption and trade malpractices along the border routes. He condemned the alarming rate at which corruption is reported on trade, noting the preparedness of ICPC to further partner with NANTS to eradicate the scourge of corruption at various levels of trade.

The ICPC chairman alerted that at the heart of economic and social stability of developed nations is the opportunity for commercial prosperity enabled by ease of movement of goods and services across the borders. Exportation and importation are necessarily subjected to certain reasonable official barriers, but that impediments that are illegal, unreasonable or unconscionable are obstacles to trade facilitation that make for the prosperity of countries.

The Keynote speaker further highlighted that besides poor infrastructure and bureaucracy, corruption, coupled with abuse of processes and procedure is often identified as the most formidable cog in the nation's desire for maximizing benefits of free trade across neighbours and farther borders. He lamented that complaints about corrupt practices such as extortion,

bribery, intimidation and harassments by trade and product regulatory and law enforcement officials cut across Nigeria's land, sea and air borders, and must be seriously dealt with for Nigeria to make the required progress. Outlining the impacts of corruption in trade along the borders, the ICPC Chairman informed participants that the Commission is presently working on Standard operating procedures of agencies at the ports, their anti-corruption policies and ethics rules and complaint redress processes.

Appreciating NANTS, the keynote speaker called for greater cooperation between the two organizations in order to improve Nigeria's ranking on the World Bank ease of doing business Index.

2.4. Goodwill Messages

The dialogue's opening session welcomed goodwill messages from the Manufacturers Association of Nigeria (MAN), NACCIMA, LCCI, SON, NAFDAC, Quarantine, etc. they all appreciated NANTS vision and leadership role in fighting corruption and advocacies targeted at trade along the Nigeria-ECOWAS borders for the benefit of the private sector and the nation's economy as a whole. They pledged support to actions piloted by NANTS in this direction.

2.5. Participation

The policy dialogue had in attendance representatives of the Nigerian Parliament, anti-corruption Agencies, namely the EFCC, ICPC, the Technical Unit on Governance and Anti-Corruption Reforms (TUGAR), etc, in addition to law enforcement Agencies such as the Office of the National Security Adviser (NSA), Nigeria Police Force (NPF) – border Operations Unit, Public Complaints Rapid Response Unit (PCCRU) of the Nigeria Police Force Headquarters, Nigerian Police Academy, the Nigeria Immigration Service (NIS), Nigeria Customs Service (NCS), the National Drug Law Enforcement Agency (NDLEA), Nigeria Security and Civil Defense Corps (NSCDC), Federal Road Safety Corps (FRSC), the Quarantine Service,

In addition, high level representatives of Ministries, Departments and Agencies of Government such as the Federal Ministry of Industry, Trade and Investment (FMITI), Federal Ministry of Justice, Federal Ministry of Agriculture and Rural Development (FMARD), the Federal Ministry of Finance (FMF), Federal Ministry of Foreign Affairs, Trade Department of Central Bank of Nigeria (CBN), Nigeria Ports Authority (NPA), Nigeria Shippers Council (NSC), etc. Also in attendance was the delegation of the European Union in Nigeria, the German International Development Cooperation (GIZ), United States Agency for International Development (USAID), Department for International Development (DfID), Open Society Initiative for West Africa (OSIWA), Oxfam International, among other development partners.

Relevant private sector organizations, including civil society organizations also participated, including the Manufacturers Association of Nigeria (MAN), Nigeria Association of Chambers of Commerce, Industry, Mines and Agriculture (NACCIMA), National Association of Nigerian Traders (NANTS), Nigeria Economic Summit Group (NESG), National Association of

Government Approved Freight Forwarders (NAGAFF), Association of Customs Licensed Agents in Nigeria (ACLAN), All Farmers Association of Nigeria (ALFAN), Association of Small Scale Agro Producers in Nigeria (ASSAPIN), Agriculture and Allied Employees Union of Nigeria (AAEUN), Nigeria Labour Congress (NLC), among others. The EU Delegation sent in regrets for their absence due to prior engagements.

3. Technical sessions/Paper Presentations

The technical sessions benefitted from the Keynote address by the Chairman of the Independent Corrupt Practices and other related offences Commission (ICPC), .- Mr. Ekpo Nta. Other technical presentations include:

- i. Paper 1: which was delivered by Head, Technical Unit on Governance and Anti-Corruption Reforms (TUGAR), Abuja which considered “*Regional Efforts at Combating corruption along the Border Routes*”
- ii. Paper 2, on the *Promoting Cross Border Trade and Its implications for National security, delivered by* DCP M. N. Aliyu – Deputy Commissioner of Police at Federal Operations of the Nigeria Police Force Headquarters and leader of the Border Monitoring Team.
- iii. Paper 3: “*Experiences and Activities that inhibit domestic and cross border trade: Recommended practical steps for traders and border operators*” presented by Rasheed Adegbenro, CEO – Centre for Values in Leadership (CVL).
- iv. Paper 4: “*Economic Crimes and Border Trade: What Role for Nigerian Anti-corruption Agencies*” which was presented by the Project Coordinator, Trade Network Initiative (TNI).

4. Matters Arising from the Dialogue

The stakeholders’ consultation provided a platform for the presentation and illustration of the TRIMS. The matters arising are:

- i. The need for the traders and other business operators to have shared understanding the contents and operations of the TRIMS
- ii. The need to make TRIMS work towards reduction in corrupt practices along the border routes.
- iii. The need for effective collaboration between NANTS, ICPC, TUGAR and GIZ, etc towards ensuring the scaling up and sustainability of the TRIMS as next step,

5. Conclusion and Recommendations

At the end of the dialogue, the following conclusions and recommendations were adopted:

i. The Importance of Trade

Participants noted that at the heart of economic and social stability of developed nations is the opportunity for commercial prosperity enabled by ease of movement of goods and services across the borders. That trade is one of the contributing factors as well as by-products of globalisation and should therefore be subjected to certain reasonable (minimal) official barrier, but impediments that are illegal, unreasonable or unconscionable are obstacles to trade facilitation that make prosperity for countries and therefore unacceptable.

ii. Strong Commendation to the Nigeria Security Agencies

Participants strongly commended the Nigerian Security Agencies over their combined efforts at sacrificing their lives and fully committing to the fight against insurgency in Nigeria which has brought terrorism to near submission. In addition, their commitment to rebuilding the war-torn North East region equally received the applause from the participants. Participants particularly extolled the unequalled sacrifice of the fallen heroes among Nigerian military who gave their lives in the battle field for the continued existence and unity of the country. Therefore, all stakeholders in Nigeria must seek to contribute their quota towards ensuring that the families left behind by our heroes are adequately taken care of.

iii. Strengthening of Border Security

Participants called for stronger security of the borders in order to ensure that insurgents do not gain further access to terrorise the communities in the affected region. It is also needful to continue the final clearing (mopping exercise) and total defence of affected communities in order to establish and/or restore security confidence particularly to the Internally Displaced Persons (IDPs). More so, the need to firmly secure the borders is hinged on the importance of ensuring that small arms and light weapons do not find their ways into the country.

iv. Impacts of Corruption along the Border Routes

Participants outlined the regrettable the impacts of corruption along Nigeria-ECOWAS trade routes to include; loss/compromise of national image, low rating for ease of doing business, reduction in international trade and business, reduction in profits affecting local investment, increased cost of doing business leading to uncompetitive pricing, stifled economic discontent, and reduced foreign investments. Government was therefore called upon to do everything possible towards flushing corruption away to avoid seeing Nigeria falling into deeper menace of the negative impacts of trade.

v. Striking a Balance between Security of Lives and Facilitation of Goods

Participants noted the ongoing conflict between the security of lives and property on one hand and the need for seamless facilitation (movement) of goods across the borders. While it is not in doubt that the porous nature of Nigeria's borders poses serious danger to the protection of lives particularly for the reasons of curbing the importation of small arms and other dangerous weapons into the country, it is also needful to note that Nigeria is a signatory and part of the ECOWAS Trade Liberalization Scheme (ETLS) which allows some category of goods free access and exit across the region's borders. It is therefore important to strike a clear balance in the operations of Security and Law Enforcement Agencies. To this end, Border security Agencies while not sacrificing due diligence must also carry out their duties decently in order to encourage the facilitation of the movement of goods and services which is very critical to the nation's revenue generation capacity.

vi. Food Security Implications and Considerations

Similarly, such removal would facilitate increase in productivity and market access of agro commodities as provided for by the Agriculture Promotion Policy (APP), participants called for improved trade and transport facilitation infrastructure for the free movement of agricultural product and reduction of transaction costs in doing business within the Agricultural value chains. Government and business organizations are also tasked with the responsibility of sensitizing the farmers on the required sanitary and phyto-sanitary procedure and requirements for export of agro-commodities.

vii. Reduction of Transaction Costs:

The government of Nigeria is presently committed to reducing the cost of doing business which has resulted in the astronomical rise in prices of goods and commodities particularly, food items. It would be recalled that for this purpose, the Presidency recently set a Ministerial Task Force on the high prices of food items in Nigeria. To compliment the efforts of government at the highest level, border security and law enforcement agencies must therefore work to ensure that the collection of un-receipted taxes including all transaction related costs are abolished in order to reduce the final cost of goods to the consumer.

viii. Strong Condemnation of Unscrupulous Activities of Traders

Participants strongly condemned the obnoxious attitude and practices of some traders, transporters and clearing agents who engage in trade vices and illicit activities masqueraded as trade. Much as anti-corruption agencies should commit to tackling corruption at the border routes and ports of entry, traders and other business operators must promote the right conditions

for corruption-free trade. In this regard, they must endeavour to obey all regulations and practices concerning importation and exportation pay appropriate charges and duties, obtain and provide required documentation, avoid dealing in contrabands and controlled items. Traders also have the patriotic responsibility to report demand and solicitation for bribe to appropriate agencies. It is when traders play by their rules that they have equity on their side; the haste to clear goods should not make them deviate from the patriotic role in sanitizing the nation's economic and trade environment. NANTS and relevant national private sector organizations are therefore called upon to expose their members who engage in trade vices and sordid activities along the border routes.

ix. The need for Reduction in number and Simplification of trade Documentations

Participants noted that complaints about extortion, bribery, intimidation and harassment by trade/product regulators and law enforcement officials cut across the land, sea and air borders. A study by the African Development Bank (AfDB) asserts that the average customs transactions involves 20-30 parties, 40 documents, 200 data points and re-keying of 60-70 percent of all data at least once and many of these are critical requirements at the border routes. Participants agreed that the bogus and complex nature of these requirements breed opportunities for corrupt practices. Similarly, participants agreed on the need to reduce the number of security and law enforcement agencies operating along the border routes as this would go a long way to reducing the rate of corrupt practices along the border. Participants equally called on NANTS and other professional interests to raise their efforts towards improving Nigeria's position in World Ease of doing Business Index where the country presently ranks 169th out of 190.

x. Timely Release of Goods

Unnecessary delay of goods along the border routes creates serious impediment to the business operators, increases non-tariff barriers, whittles down reduces the efficacy of the ECOWAS Protocols and hinders/negatively affects the benefits that accrue from intra-regional trade. It is therefore imperative for the Nigeria Customs and other Agencies at the border to appreciate these, and therefore become committed to the understanding by facilitating the easy passage and movement of goods.

xi. Need for Effective Infrastructure and Border Points

Participants noted that the average Nigerian border routes are decked with several check points that inhibit trade flows and seamless movement of goods, an incentive for delays, bribery and other corrupt practices. Similarly, border points wear the look of a complex market operation where buying and selling activities are conducted. At most borders, there are no clear

demarcations indicating the boundaries and lines, and this makes manning of the borders very complex and confused. Participants therefore recommended operations

Participants lamented the near non-absence of regional trade infrastructure such as rail and shipping lines for sea movement of goods across the border as well as effective scanners at the borders and ports of entry/exit. The presence of these infrastructure would have limited (or even eliminated) delays and corrupt practices. Government must seek to budget for the provision of scanners that are working at these ports and border posts.

xii. Effective Monitoring of the Borders

Participants emphasized the importance of synergy and effectiveness in monitoring of the border routes to ensure that there is sanity even in the operations of the various Security Agencies. It is noteworthy that some law enforcement agencies escort contraband or smuggled goods and sometimes items that duties thereupon were not paid (e.g. vehicles) into the country.

Participants called on relevant government agencies to see to it that officers posted at the border routes are rotated on regular basis so that they do not get used to a particular environment to institutionalize illegal acts. More so, salaries and emoluments of security officers should be improved on so as to reduce the attraction to corrupt practices. Government is therefore tasked with the establishment of an effective mechanism for comprehensive monitoring of the borders. The Trade Facilitation Committee at the Federal Ministry of Industry, Trade and Investment should be made to work and take practical steps at constantly monitoring the borders with clearly documented reports/implementable outputs.

xiii. Sustainability of TRIMS beyond the SEDIN:

While commending GIZ for introducing TRIMS, participants further resolved that in order to complement the efforts and magnanimity of GIZ and her partners in the introduction of TRIMS (which has proven immensely helpful to traders and other business operators), called on organizations such as NANTS to take up the responsibility of sustaining and upscaling TRIMS.

NANTS therefore resolves to take the following three (3) responsibilities:

- (a) Taking full and complete ownership and adoption of the TRIMS and its Apps/platform from the GIZ as the GIZ closes up.
- (b) NANTS equally takes responsibility of circulating information about TRIMS among traders across the country and ensuring that traders adopt TRIMS as a key solution to the subject of corruption at the border routes.

- (c) Instituting close collaboration between NANTS, GIZ on one part and ICPC and TUGAR on the other part, towards linking TRIMS with what TUGAR is doing at the ports.

xiv. The Role of GIZ in Guaranteeing Sustainability

Participants called on GIZ on her part to provide commitment/support to NANTS in order to assist facilitate a proper handover that guarantees the sustainability of the TRIMS. In this regard, the following should be considered:

- (a) Technical capacity building on the TRIMS operationalization,
- (b) Seed/take-off financing,
- (c) Project vehicle assistance

The above key considerations that would be instrumental and indeed fundamental to facilitating the effective facility management that is credible, impactful and fulfilling.

xv. The Role of NSAs and Media in Sustaining TRIMS

For TRIMS to survive, Non State Actors must increase the publicity, popularity and visibility of the TRIMS APP/platform for acceptability as a way of assisting NANTS investment in the project. The media was also therefore invited to use her veritable tool to widen the scope of popularization of the TRIMS App to all shades of the population.

In this regard, capacity building for the media becomes very fundamental for correct, accurate and technical details of the process.

In addition, there is need for a permanent TV Programme to continuously address the challenges traders, security and law enforcement agencies and their relationship was canvassed. It is an important means of information dissemination and would also help in sensitizing the public on the trade and trade facilitation related issues.

xvi. Stakeholders Applause to NANTS and GIZ

Participants expressed appreciation to NANTS and GIZ for all their efforts at ensuring that Nigeria and her citizens take the rightful policy decisions on trade and the efforts at encouraging the anti-corruption fight.

- a. Specifically commending the GIZ for introducing the TRIMS as a veritable tool for information gathering and anti-corruption border routes.

- b. Playing the role of traders advocate on policy framework implementation ensuring that the intent and purposes of TRIMS and the anti-corruption efforts of the government is sustained, achieved with the benefits accrued to Nigeria.
- c. Convening a broad based stakeholders consultation that integrated the participation of all subsectors represented in Trade and providing the opportunity for participatory debate on the subject matter.



6. Closing

GIZ and NANTS took turns to express appreciation to all participants for their patience and commitment to the workshop. The representative of NANTS specifically noted that the interest in a corrupt free border route will not only expand Nigeria's trade basket but would also strengthen export market access to Nigeria producers.

For: NATIONAL ASSOCIATION OF NIGERIAN TRADERS (NANTS)

A handwritten signature in blue ink, appearing to read 'Ken UKAOHA', is written over a faint, illegible line of text.

Ken UKAOHA, Esq.
Secretariat President
