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## REFORMING CUSTOMS TO COMPLY WITH THE CURRENT TRADE FACILITATION AGENDA: EXPERIENCE FROM NIGERIA

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### *Abstract*

*A leader is anyone who occupies position of authority and is responsible for managing one or more persons in order to achieve the goals of a department, organization or agency. It should be noted that some parameters are central to the development process, particularly strengthening the ability of key individuals to lead, drive, manage, monitor and follow up the efforts of achieving organisation's goals and objectives. It therefore follows that, proactive and positive leadership is essential towards trade facilitation. This paper examines reforms carried out by the present leadership of Nigeria Customs Service (further – NCS) from August 2009 to date enunciated in its Six-Point Agenda which in turn facilitates trade and ensures efficiency. As a result of this, positive results have been achieved from adoption of information and communication technologies (further – ICT) solutions, increase revenue generation and reduction of trade barriers by speeding up the processes. The methodology adopted in the course of this study entails both primary and secondary sources. The primary methods entail the use of interview with selected officers, journalists, stakeholders and the general public. The secondary source includes books, articles, magazines, newspapers, pamphlets, online sources, etc.*

*The paper concludes that the adoption and utilization of the Six-Point Agenda by the current Management has been very effective in trade facilitation. The paper also recommends that the success recorded should be sustained by all stakeholders so as to take the Service to the next level.*

*Keywords: trade facilitation, the Six-Point Agenda, Nigeria Customs Service, information and communication technologies, international trade, capacity building, discipline and integrity, welfare, collaboration with stakeholders, mutual understanding between the service and the general public.*

### **Introduction**

Trade facilitation is a topic on the front burner occupying prominent position on the agenda of numerous international bodies, institutions, organizations as well as relevant stakeholders. In view of its multidimensional importance and scope, its definition differs to various organisations. In other words, it is very elastic in nature and cannot be confined into a water tight compartment. A general definition of trade facilitation is thus, “the simplification, harmonization, standardization and modernization of trade procedures in the interest of reducing transaction costs between government and business in international trade” (Grainger 2007).

Trade facilitation in the context of World Customs Organisation (further – WCO) means “the avoidance of unnecessary trade restrictiveness which can be achieved by applying modern techniques and technologies, while improving the quality of controls in an international harmonized manner” (Zaki). Trade facilitation simply refers to any attempt made to eliminate economic frictions and barriers that get in the way of international trade. Trade facilitation may be new turn of phrase, but

work towards it is not. It has been an issue for decades and is one of the key factors for economic development of nations and is closely tied into national agenda of social well being.

It is difficult to predict the future role of any institution, and there is no one correct or universally applicable response to anticipated trends in customs, as each country will respond in ways that are best suited to its needs, operating environment, national priorities, and cultural heritage. However, it should be noted that no matter the parameters set on ground or the expectations and what is meant to achieve, the effort will yield no result so long as there is no competent, reliable and focused leadership.

Customs leadership is therefore, the main thrust of achieving optimum result towards trade facilitation. Agreed that all stakeholders are craving for an enabling environment that facilitates safe and secure trade, but they also need visionary and focused leader to set the ball rolling and to pursue the goal with all seriousness.

In recognition of the above challenges and the importance of trade facilitation, the new NCS management that came on board in August 2009 designed an action plan to provide for better quality of service, introduce trade facilitating measures, increase efficiency of customs processes and generate highest revenue possible enveloped in the Six-Point Agenda.

### **1. The six-point agenda**

At the inception of the current administration of the Nigeria Customs Service on August 18<sup>th</sup>, 2009, the Management Team headed by the Comptroller-General set out a task enveloped in Six-Point Agenda aimed at repositioning the Service which includes:

#### ***1. Maximizing potentials of the service through capacity building***

Bearing in mind the importance of capacity building as a focal point in achieving organizational goals, a new Department of Human Resources Development (HRD) was created and Deputy Comptroller-General (DCG) was assigned as a head. It has actively organized training and re-training of officers and men of the Service in order to restore and enhance professionalism and productivity. Over 3,000 Senior and Junior officers and 1,200 support staff were recruited to augment the staff strength. Similarly, over 3,100 and 2,500 Senior and Junior officers respectively were trained in various courses and workshops locally and internationally as it relates to the job while many are still undergoing training.

These courses, trainings and workshops include Nigeria Integrated Customs Systems (NICIS), Pre-Arrival Assessment Report (PAAR), Scanning, Enforcement and Drugs, Rural Border Patrol Operations (RBPO), Tariff and Trade, Accounts and Audit, Medical, Technical, General Office Administration and capacity building. Also, specialised training was offered to officers and men of the Provost Unit on Security and its related matters at the Nigerian Army School of Military Police (NASMP), Basawa-Zaria, to ensure discipline and be able to fight the scourge of terrorism in a Joint Task Force (JTF) operations. As a result, NCS was enlisted among the School's membership on Security Enhancement programme.

Also, the Management constructed a world class Customs Command and Staff College which was commissioned by WCO Secretary-General, Mr Kunio Mukriya and later designated as WCO Regional Training Center for West and Central African Sub-Region. Equally, the construction of the state-of-the-art Corporate Headquarters is in ongoing to ensure efficiency and service delivery. Similarly, an ultra-modern Computer Forensics and E-Detective Laboratory was commissioned in December 2013 which is the first of its kind in the country to checkmate the activities of cyber criminals and other computer related crimes..

#### ***2. Moral rebirth for discipline and integrity***

In tandem with the nations current re-branding agenda, a significant awareness on behavioural reform is on the increase since the inception of this administration. Going by monthly reports from

various Area Commands sent to the Headquarters stating their performances and challenges, the overall assessment revealed that officers display high sense of responsibility and diligence in discharging their responsibilities. Punctuality and neatness have also become impressive. Respect, discipline and decorum among officers have now been reinforced.

The administrative unnecessary bureaucracy is drastically reduced and official assignments and files treated with urgency and professionalism. In order to checkmate the ugly trend of smuggling and to beef up security along our boarders, Special Task Force was inaugurated and the rate of smuggling has decreased significantly. Also, Rapid Response Squad (RRS) and Anti Corruption, Monitoring and Transparency Unit (ACTU) were created to among other things to bring about the much needed discipline and integrity between the Service and relevant stakeholders. Also, the Revenue Recovery Team which since the inauguration recovered over 9 billion Revenue loss as a result of agents failure to pay Demand Notice (DN) issued to them due to under payment.

### **3. Enhanced welfare package**

In the area of welfare, the current leadership has achieved the following:

- 100% salary increase.
- Promotion of all cadres.
- Prompt payment of salary, allowances, entitlements and other benefits.
- Purchase of BMW 5 Series cars for all Management Team befitting their status.
- Purchase of Peugeot 408 cars for all rank of Comptrollers.
- Purchase of luxurious buses for ease of transport for junior officers.
- Purchase for officers residential 120 Units of single 3 bedroom duplex houses with I bedroom in-built guest quarters at Kuje-Abuja.
- Construction of Management quarters at Jabi, Abuja.
- Increased capital projects allotment/allocations in 2009 and 2010 for the construction and rehabilitation of new Customs barracks and offices nationwide.
- Enhanced package for officers to further their education and subsequent upgrade.
- Inauguration of Customs Multi-Purpose Cooperative Society Board.
- Plan to establish Customs Command Primary and Secondary Schools across the nation
- Revitalised Customs Officers Wives Association (COWA) in empowering wives and children of the officers and men, and also rendering community service to many rural areas and the orphanage.
- Establishment of standard health care facilities in Karu-Abuja and all Area Commands.
- Laptop acquisition scheme.
- Housing owner occupier scheme.
- Car loan scheme.
- Motorcycle loan scheme.

### **4. Consolidating on the current e-Customs for international best practices**

ICT is the backbone of trade facilitation in the 21<sup>st</sup> century. In view of that, the current management leverages its ICT platform to achieve optimum result by taking the following steps.

- Reorganising the Information and Communications Technology (ICT) Unit under the Assistant Comptroller General (ACG).
- Direct Trader Input (DTI) cafes which offers the trader opportunity to lodge in Single Good Declaration (SGD) without necessarily having to come to Customs.
- E-Manifest.
- E-Payment.
- E-Notification to Government Control Agencies.
- E-Government Platform for single window to stakeholders in International trade.
- E-Release.

- E-Provision of Nigeria Customs Service National Private Telecom Network.
- Nigeria Integrated Customs System (NICIS).
- Pre-Arrival Assessment Report (PAAR).

#### **5. Continued collaboration with stakeholders**

This was actualized through the NCS's constant participation, representation and of interaction with the WCO and similar organisations at conferences and seminars within Nigeria and abroad from which it acquired international best practices and procedures in Customs formalities and processes.

The area of participation includes:

- Participation in the Nigeria Vision 20:2020.
- Partnering with Economic Community of West African States (ECOWAS) for the implementation of regional protocol.
- Involved in the World Bank trade and transport facilitation Project called Abuja-Lagos Trade and Transport Project (ALTTFP).
- Familiarisation tour to numerous international and local stakeholders and partners.
- Courtesy Calls to Sister Agencies.
- Organising of International Customs Day Celebration to promote Customs Business Partnership with stakeholders.
- Organising of Annual Comptroller-General of Customs (CGC) Conference jointly with relevant stakeholders to highlight the achievements, identify the problems if any, and to proffer way forward in Customs related issue.
- Economic Partnership Agreement (EPA) development programme in Abuja, March 2010.
- Partnership with United States Department of State on Rural Boarder Patrol Operations (RBPO) and counter terrorism.
- Continued collaboration with all government controlled agencies, eg, the Army, Police, State Security Services (SSS), National Agency for Food, Drug Administration and Control (NAFDAC), Standard Organisation of Nigeria (SON), Nigeria Port Authority (NPA), etc.
- Continued collaboration and ongoing partnership with all stakeholders, eg. Association of Nigeria Licensed Customs Agents (ANLCA), National Government Approved Freight Forwarders NAGAFF), etc.

#### **6. Fostering mutual understanding between the service and the general public**

The last of the Six-Point agenda focuses on fostering mutual understanding between the Service and the general public through well coordinated public relations activities. The CGC maintained an open door policy and created a platform for meeting with stakeholders on quarterly basis in an interactive session in all Zonal offices and Area Commands. The Public Relations Unit has introduced the constant use of prints and electronic media to spotlight and create awareness on the activities and reforms of Customs. What is expected from the host communities in rural boarder stations in the fight against smuggling of contraband items, arms and ammunitions and human trafficking. In addition to the coverage of meetings, conferences advertisements, interviews, sports events and modernization effort going on the pages of newspapers and televisions, there is monthly publication titled "*Naija Customs*" and "*Monthly Order*" published and distributed to the general public highlighting activities of Customs. Similarly, there is weekly programmes called "*Customs Report*" aired on Nigerian Television Authority (NTA) and African Independent Television (AIT) and also Federal Radio Corporation of Nigeria (FRCN) weekly programme aired in local *Hausa* language called "*Aikin Kwastan*".

### **Summary and concluding remarks**

By way of conclusion, it has been clearly established that, the current leadership of the Nigeria Customs Service has remain steadfast and proactive by implementing the Six-Point Agenda which

serves as a catalyst for trade facilitation. It has indeed worked very hard to transform the Service into a lethally efficient and modern 21st century Customs that could rival other Customs in many developed countries of the world in the areas of service delivery, efficiency, trade facilitation and generating highest revenue ever to the federal government.

Trade facilitation did not accidentally find a particularly favourable ground, rather it is created. It requires a favourable cultural, institutional and technological environment. The current leadership had indeed took giant steps in that direction from the onset and is currently benefiting from highly trained, well-remunerated and motivated employees; modernise and enhanced methods of work; modern and sufficient infrastructure and inventories; and advanced and constantly improving technologies. However, in order to achieve optimum result and record more success, considerable time, effort and resources were necessary in that direction.

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