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REPORT OF CORRUPTION RISK ASSESSMENT IN THE PORTS SECTOR IN NIGERIA



REPORT OF CORRUPTION RISK ASSESSMENT
IN THE **PORTS SECTOR** IN
NIGERIA

CALABAR | LAGOS - (TINCAN & APAPA) | WARRI | PORT HARCOURT | ONNE



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List of Acronyms:

ACTUs:	Anti-Corruption and Transparency Units
ASYCUDA:	Automated System for Customs Data
BPP:	Bureau of Public Procurement
BPSR:	Bureau for Public Service Reforms
CCB:	Code of Conduct Bureau
EFCC:	Economic and Financial Crimes Commission
FGN:	Federal Government of Nigeria
IATT:	Inter Agency Task Team
ICPC:	Independent Corrupt Practices and Other Related Offences Commission
MACN:	Maritime Anti-Corruption Network
NICIS:	Nigerian Integrated Customs Information System
NPA:	Nigerian Ports Authority
PAAR:	Pre- Arrival Assessment Report
PEFA:	Public Expenditure and Financial Accountability
TUGAR:	Technical Unit on Governance and Anti-Corruption Reforms
UNCTAD:	United Nations Conference on Trade and Development
UNDP:	United Nations Development Program

1.0 Executive Summary

- 1.1. The current report is a result of a six-month project, supported by UNDP and the Maritime Anti-corruption Network and carried out by the Independent Corrupt Practices and Other Related Offences Commission (ICPC), the Technical Unit on Governance and Anti-corruption Reforms (TUGAR) and the Bureau of Public Procurement (BPP).
- 1.2. The main goal of the project was to assess the corruption risks in six Nigerian Ports and to formulate proposals for improving the integrity situation in the Nigerian Ports sector.
- 1.3. Following an extensive data collection and data analysis process carried out by specially trained experts from Nigeria's public service and non-governmental sector, a thorough analysis of the situation was prepared indicating the main problems in the sector and formulating a plan for addressing them.
- 1.4. Some of the main problems identified are weak internal ethics infrastructure in Port Agencies; lack of Codes of Conduct, weak enforcement and underdeveloped system for investigating complaints. So far there is no effective system for complaint handling and protection of whistleblowers.
- 1.5. Port agency staff enjoy wide discretionary powers and sometimes inordinately delay the processing of documents, often without consequence. Poor infrastructure and facilities also help to cause delay and queues. In addition to that, multiple and often overlapping procedures open opportunities for abuse. Port Agencies need to clarify their procedures and strengthen their coordination to reduce the regulatory burden on their clients and thus, limit the demand for bribes. The security situation and inadequate infrastructure in some Ports contribute to forming of bottlenecks in the processes.
- 1.6. Indications for State Capture exist particularly in ONNE and WARRI Ports –where concessions have been given to INTELS as a Terminal Operator exclusively for all oil and gas sector imports. Stakeholders have expressed concern about certain activities of state bodies which has encouraged the monopoly enjoyed by INTELS thus, in their view worsening the investment climate in the country.
- 1.7. The report contains a plan for addressing these deficiencies, focusing both on improving the organizational aspects of integrity and on raising awareness of the staff as well as on taking specific policy level measures to ensure the sustainability of the results.

2.0 Project Background

2.1. The Nigerian Port Sector plays an important role as the gateway of the Nigerian economy to the world and is a focus of different interests. The Federal Government of Nigeria in appreciation of the strategic importance of this sector has been implementing a Port Reform Policy aimed at increasing the competitiveness of the sector with a view to making the Nigerian Ports the preferred ports within the West African sub-region and Africa in general. These efforts, uniformly acknowledged and recognized by both national and international stakeholders include the successful transition to Landlord Port Management Model and a general improvement in the Port Services and in the integrity situation in the country in the past years. This report focuses on some of the outstanding challenges while providing ideas of possible approaches to address them.

2.2. There are reasons why international companies have an interest in improving integrity systems in the countries where they operate.

International companies of today are obligated to take an active stand against corruption. Bribery and corruption regulation is ever-tightening. Additionally, stakeholders such as governments, international institutions and non-governmental organizations expect companies to play a significant role in addressing the root causes of corruption. Companies have to consider three important elements when operating in an international environment:

2.3. Stricter legal environment – Some countries have implemented anti-corruption laws with extra-territorial effect. This means that

the laws have global impacts as they can be applied to a company anywhere which carries on a business in the country of enforcement and hence, would cover a company's global operation. For example both the United States and United Kingdom have enforced these kinds of regulations which affect companies' total operation as well as individuals bearing United States of America (USA) or United Kingdom (UK) nationality. Individuals risk imprisonment and companies risk high fines. Furthermore, the UK Bribery Act provides a corporate offence of failing to prevent bribery. This means that companies are required by law to actively work against corruption and have a solid anti-corruption compliance program in place. Companies which are not able to demonstrate their active commitment against corruption can be charged with high fines. In addition many countries have implemented laws with a zero tolerance for all forms of corruption. This also includes so called facilitation payments which are despite the widespread phenomenon illegal in nearly every country.

2.4. Increased Enforcement by Authorities – It is important to note that the legal requirements referred to above are not just a paper exercise. There is an increased focus from authorities to enforce anti-corruption laws and to prosecute companies operating against the purpose of these laws.

2.5. Stakeholder Expectations – Headlines in the news, the use of social media and authorities being more alert to unethical behavior have put pressure on companies to operate with integrity regardless of where they are in the world.

For the need of this report, Nigerian Ports Sector includes the following organizations: Nigerian Ports Authority [NPA], Nigerian Customs Service [NIS], National Environmental Standards and Regulation Agency [NESREA], Nigerian Drug Law Enforcement Agency [NDLEA], Nigeria Immigration Service [NIS], State Security Service [SSS], Port Health Services [PHS], the Nigerian Maritime Administration and Safety Agency [NIMASA], Standards Organization of Nigeria [SON], National Agency for Food, Drug, Administration and Control- [NAFDAC] as well as private sector stakeholders including but not limited to terminal operators (concessioners) and other port users

Rational for joint action by Government and Non-State actors: the key to success

All companies have a responsibility to operate ethically. However building an effective compliance program may not always be enough. Fighting corruption is a responsibility for all parties involved e.g. single individuals, companies, governments and international organizations. However, in order to encourage governmental support for the company's anti-corruption efforts, companies often face a lot of challenges. Despite this, MACN members realize that collective action, both within the Maritime Industry and with respected partners, maximize potential for success and that the most sustainable manner to combat unethical behavior is to eliminate the root causes. Hence, cooperation across the private and public sector is a must.

Benefits to be gained

Companies operating with integrity have much to give to a country's national economy. Members of MACN may bring long term commitments in the form of trade and more efficient logistical solutions to Nigeria. However, issues of unnecessary delays, pressure in the form of improper demands and red tape in the import and export process make doing business in Nigeria complicated and difficult. These problems, in combination

with the responsibility of operating with integrity and the risk of prosecution (leading to high fines and possible imprisonment in the case of US and UK individuals), have resulted in companies refraining from doing business in countries with high corruption rate. Some of MACN's members do not have any business in Nigeria today as they have assessed that the risks are too high and the challenges are too burdensome.

For companies operating in a responsible manner, holes in integrity practices may also lead to a competitive disadvantage as companies which do not operate ethically may be getting better services and prompt handling of their business. This may in turn lead to responsible companies losing customers and opportunities as their business models come across as less efficient than that of the competition.

For the Public Sector, holes in integrity practices are often responsible for increased costs of goods and services, and a hindrance of the development of fair in-market structures and unhealthy competition.

There are therefore benefits for both the public and private sector to join forces and improve integrity practices in order to define and eliminate the root causes of corruption and start the journey of improving today's environment for fair trade.

2.6 The current project was initiated in 2011 with the development of a customized Corruption Risk Assessment methodology for Nigeria in a project jointly conducted by the Independent Corrupt Practices and Other Related Offences Commission (ICPC), the Technical Unit on Governance and Anti-corruption Reforms (TUGAR) and the Bureau of Public Procurement (BPP) with the support of the United Nations Development Program (UNDP).

2.7 The methodology was developed by a group consisting of national and international consultants, and outlines the processes to be followed to assess corruption risks in the Millennium Development Goals related sectors particularly Education, Health and Water. Using this methodology, a group of experts from the Nigerian Public Service at Federal and State levels and non-governmental sector, (totalling 96 participants) were trained using a blended learning method (face to face and online training). Sixty Nine (69) of them fulfilled all the requirements of the training and were certified as the first set of Corruption Risk Assessors.

2.8. In 2013, the Maritime Anti-corruption

Network (MACN) supported a pilot Risk Assessment in six Nigerian Ports: Lagos – (Apapa and Tin Can), Port Harcourt – (Port Harcourt and Onne), Calabar, and Warri. The Risk Assessment was carried out by the Corruption Risk Assessors trained in the previous stages of the intervention after adaptation of the methodology for use in the Port Sector. The Assessors were supported by a national and international consultant in the course of the assessment. The project was implemented under the leadership of the Independent Corrupt Practices and Other Related Offences Commission (ICPC), Technical Unit on Governance and Anti-Corruption Reforms (TUGAR) and Bureau of Public Procurement (BPP) with the assistance of the Economic and Financial Crimes Commission thus, involving the main Nigerian anti-corruption agencies in the process. The methodology developed for the MDG sector was adapted to the Port Sector and deployed for this exercise.

2.9. The Risk Assessment identifies key deficiencies in the Ports cutting across the various players in the Ports Sector (mostly shared by all ports) and formulates an Integrity Plan, (annexure 1 to this report), which will be implemented in order to address the said deficiencies.

3.0 Methodology

General Description

- 3.1. The aim of the Risk Assessment is to identify key corruption and fraud related risks in the Nigerian Port Sector. The methodology deployed laid out a process that combines external assessment with self-assessment elements. This helped ensure the integrity of the process and allowed for a process of experience exchange between different organizations and stakeholders. The process required external Certified Risk Assessors to work in close collaboration with experts from within the Port Agencies. The Risk Assessment focused on the organizational aspects of corruption, regarding it as an organizational deficiency that has its roots in the organizational culture, legislation (including statute and secondary legislation), structure, business processes and leadership. At a higher level, the CRA methodology served as a diagnostic exercise, allowing the team to draw conclusions as to the problems in and vulnerability of the Port Sector as a whole, based on quantitative and qualitative data made available to Assessors.
- 3.2. This assessment sought to answer the question “what are the threats and vulnerabilities that may lead to corruption in a given organization, system, business process or activity in any one of the selected Ports?” The outcome of this enquiry has enabled the team design and suggest specific working responses to reduce opportunities for corruption. Thus, this was a process of evaluating external and internal factors that promote corruption. It was a participatory process that involved all identified stakeholders in the process of data collection and in designing response actions. The process included a stakeholder consultation meeting, and interview of respondents selected from amongst all stakeholder groups. These include staff, officers and personnel of agencies operating at the Ports, representatives of associations of Clearing and Forwarding agents, Manufacturers Association of Nigeria (MAN), importers, exporters and other Port users.
- 3.3. This approach required the use of both quantitative and qualitative data. Quantitative methods required the use of statistical information, data mining and using certain quantitative indicators. Qualitative methods included collecting data on qualitative indicators, and the data collection tools used included interviews with key informants, expert assessments, and focus group discussions.
- 3.4. There were certain challenges with data collection. The assessment teams reported challenges with access to some stakeholders who said they were not initially aware of this exercise. This occurred across board in all the Ports (Lagos, Calabar, Warri and Port Harcourt) and the intervention of NPA, TUGAR and ICPC resolved some of the cases.
- 3.5. Also, some stakeholders initially refused to grant the teams audience. Examples include the Nigeria Immigration Service in Lagos Ports, the Nigerian Maritime Administration and Safety Agency [NIMASA] and the NAVY teams at Calabar Port, and the State Security Services in all the Ports. In the course of the interviews, respondents were often reluctant to disclose information or to even acknowledge that corruption exists in their departments or in Port processes relating to them. Even where they acknowledged that corruption exists, they were reluctant to give examples and there were also challenges with provision of related documents.

4.0 Risk Assessment Levels

- 4.1 **Environment level:** In the course of the assessment, the legal environment and the social/cultural and political factors were evaluated in order to determine whether some of them promote or constrain corrupt behaviour. The tools used here included PESTLE (Political, Economic, Sociological, Technological, Legal and Environmental) and Stakeholder analysis, along with a corruption oriented SWOT analysis where needed. Data sources included desk research, focus group discussions and Key Informant Interviews.
- 4.2 **Organizational level:** The structure of the individual organizations particularly as it relates to operations at the Ports were analyzed with the goal to determine the functions and clarity of processes, and to determine whether there are business processes that are especially prone to corruption. One of the benchmarks for this determination was to ascertain if there are in the processes and structures excessive monopoly and discretionary powers that are also lacking in accountability. Data sources included organization organogram, Manuals and Guidelines, Statutes and Code of Ethics, disciplinary rules, (where they exist) and data on their application in practice.
- 4.3 **Personnel level:** In the course of this assessment, a very limited staff review was carried out to determine if staff members are at risk, utilizing a set of red flags/indicators. The goal of this part of the assessment was not to invoke criminal responsibility, but rather to determine broadly speaking the extent of risks staff and personnel involved with Port operations may face. The Assessors did not review staff files and the exercise cannot therefore make findings on individual staff, or recommend to the management specific actions to take with respect to particular staff members. This level of evaluation has only helped inform the assessment teams and assist in articulating recommendations for improvements required to address risks related to corruption awareness and to improve the organizational culture in a way that prevents corruption. There is no doubt that specific measures should be taken to reduce the rationalization element and the personal motivation for corruption and to promote peer pressure for integrity in the Nigerian Port Sector. It was not possible to closely observe the lifestyle of personnel in this sector, given the limited time of the study and the number of locations covered.

5.0 Problems Encountered in the Assessment Process

Three main groups of problems were encountered in the course of the Risk Assessment:

- 5.1 Lack of willingness to participate by some of the port agencies.

Some stakeholders were not willing to actively engage in the CRA and refused to get involved in the process while others engaged reluctantly. Repeated efforts were made to stimulate involvement and to explain that this was not an investigation of individual conduct and will not lead to criminal investigation or prosecution. In Lagos, Calabar and Port Harcourt, some agencies either did not attend meetings or were unwilling to provide specific information to the Assessors.

- 5.2 To address this problem, additional assistance was sought from the ICPC, TUGAR and the Nigerian Ports Authority. Most of the issues were resolved with the exception of the Nigeria Immigration Service and State Security Service in all Ports and the Nigerian Navy in the Calabar Port.

Another problem was the unavailability of Manuals, Guidelines and Process Maps that would allow tracking the degree of compliance of the Port Agencies with their legal obligations and process requirements.

- 5.3 To address this problem, assistance was sought from the Nigerian Ports Authority, which helped by providing Process maps on cargo clearance and Ship movement in the Ports. The issue of gaining access to manuals/guidelines and process maps of other Port stakeholders remained unresolved.

- 5.4 Assessors were not able to prepare a clear and accessible Process Map that reflects the reality (based on any existing Process Maps with additions from real-life experience from clients) which would serve as a clear description of all processes for different business processes in the Ports. This task turned out to be impossible to achieve in the limited project duration and is proposed to be completed in each of the six Ports as a part of the recommended Integrity Plans.

6.0 General Findings

6.1 Environmental level

Nigeria is currently ranked 139 out of 176 in the Transparency International Corruption Perception Index (CPI) with a score of 27 (out of 100). The general perception is that the country has serious corruption problems. This is despite the fact that there has been a definite improvement in the CPI rating in the last decade and noticeable improvements in the openness of public governance processes. The marginal improvement in the ranking was achieved as a result of intense anti-corruption drive by the Government of Nigeria after the country returned to civilian rule. The drive included among other measures the establishment of two main anti-corruption agencies: The Independent Corrupt Practices and Other Related Offences Commission (ICPC), and the Economic and Financial Crimes Commission (EFCC). The measures also include reform of the Public Finance Management Framework including comprehensive public procurement reforms leading to the establishment of the Bureau of Public Procurement (BPP) and signing onto the EITI process leading to the establishment of the Nigeria Extractive Industries Transparency Initiative (NEITI). The measures also include the passage into law of a Freedom of Information Act 2011 which is now in force.

6.2 Corruption problems are manifested in both the public and private sectors. This can be regarded as a consequence of ineffective

administrative practices and weak institutions. However there are many other problems contributing to the situation in Nigeria.

- 6.3 Huge inequality with over 70 million people living below the poverty line can be regarded as a serious cause for corruption itself (Uslaner, 2011, Rothstein and Uslaner, 2011). Corruption has been identified as a formidable hindrance to economic and social development with poverty and related cultural issues making corruption an acceptable means for social advancement. Intolerance to corruption is spoken of but not always acted upon.
- 6.4 In addition, serious security problems in the coastal waters make the situation even more difficult for entrepreneurs. This generates additional costs for clients and contributes to the delay in Port Processes. An example is the fact that the proposal for 24 hour operation of the Ports has not been implemented as a result of security concerns. The Host Community environment seems to be a problem in itself and often local communities feeling alienated mount organized pressure to demand money from operators. This is noticeable particularly in the Warri Port.
- 6.5 The problem of security in the Ports is strongly connected to the issue of corruption. The findings show that insecurity in the Ports leads to further reduction of the available Port resources: working time is often limited to daylight

hours; additional unpredictability and uncertainty easily may lead to attempt to “purchase” security by paying a bribe or otherwise corrupting the Port Administration. The higher security risks or perception of such risks in and around some Ports contribute to overcrowding of others, and attendant queues and corruption risks.

6.6 The resultant scarcity of resources inevitably leads to more competition for the limited resources; hence some of the competitors are tempted (in particular in the absence of a strong anti-corruption compliance framework) to gain advantage by using corrupt practices to this effect.

6.7 Indications for State Capture exist particularly in ONNE and WARRI Ports where concessions have been given to INTELS as a Terminal Operator exclusively for all oil and gas sector imports. As a result Port users importing such goods have no choice as to which terminal operator to use. Assessors report that Port users complain of high handedness by INTELS. Also Christian Michelsen Institute notes that “senior political leaders reportedly manipulated tenders to benefit INTELS Nigeria Ltd”. Stakeholders from “Coalition 4 beta 9ja” expressed concern about certain activities of state bodies which lead to strengthening INTELS monopoly, thus in their view worsening the investment climate in the country. The main claim is that INTELS maintains “coercive monopoly of logistics and support services” in the oil and gas sector in four Nigerian Ports (Onne in particular). The stakeholders recall the 2005 investigation into the activities of INTELS which concluded that the INTELS management is too close with certain members of the Nigerian political elite; that cargo owners should be free to choose which transport and Ports to use in their operations and that stricter control should be imposed by the national regulatory and

oversight bodies. Non-governmental organizations are also expressing concerns about possible State Capture through which the Oil and Gas Export Free Zone Authority (claimed to be under INTELS control) would subject other free zones to its powers and control, thus contributing to the monopolization of the oil and gas export. Moves by NPA to centralize gas and oil export through Onne Port and the practice of outsourcing collection functions from NPA to INTELS are also criticized as they may provide INTELS the opportunity to access competitors' business secrets.

6.8 There is need to take a second look at these concessioning arrangements. Unfortunately related documentation (concession agreements) had not been made available to the team as at the time of preparing this report. Parties to these agreements insist that these documents are confidential.

6.9 The findings further show that there is no independent place or institution to report corruption occurring in the Ports. Regarding complaints on service standards, a paper on Dispute Resolution at the Ports, presented to assessors by NPA indicates that there are Dispute Resolution Mechanisms in the concession agreements for issues relating to service standards, operations and regulation, but notes that these mechanisms are not available to those who are not parties to these agreements. Some of this category of persons are found in this study to be regular Port users. These regular Port users who are not parties to concession agreements, if aggrieved by conduct of personnel of Terminal Operators have no independent venue for complaints resolution other than the same Port agencies or Terminal Operators complained against.

6.10 The assessors found that in practice,

complaints submitted to Port Agencies are often referred to the very subjects against whom the complaint is filed, or immediate but compromised superiors. As a result, and in the absence of Whistle Blower Protection, there is huge reluctance to report corrupt demands, and stakeholders fear subtle but effective reprisals if they do.

- 6.11 There have been many efforts in the past to resolve challenges in Port Operations, including reforms which led to the adoption of the Landlord Port model and concessioning of many Port Operations to private companies. The assessors' team recognizes that reforms in the internal and external procedures of NPA were a part of the Ports restructuring process.
- 6.12 A 2010 study carried out by the University of Huddersfield finds that the Nigerian Ports reform led to a clear increase in the efficiency in 2006 (probably due to the

reduction of the labour force). While the studied Ports (including the Ports subject of the current report) did not achieve a hundred percent efficiency, the Apapa port with an average of 84% may be considered the most efficient while Calabar with 20.44% is the least efficient. One of the findings is that the "cargo throughput and ship traffic has increased considerably after the concession".

- 6.13 However, many challenges persist, including challenges in the ethics environment at the Ports. Whilst attention has been focused at re-structuring operations at the Ports, not as much attention has been paid to the agencies themselves and to their organizational culture and external environment. Insufficient attention has been given to ethics development, deployment and compliance monitoring issues at the Ports.

7.0 Political Factors Influencing Integrity in the Ports

- 7.1 Nigeria is a federal state with a diverse population – culturally, religiously and linguistically. It has a governance structure, with competencies allocated between the three tiers of Federal, State and Local Governments. In addition, multiple informal networks of influence exist.
- 7.2 Government in its Vision 20: 20:20 underlines the importance of the fight against corruption and multiple anti-corruption agencies are established with many more structures being involved in the anti-corruption drive. This situation however does not necessarily improve the effectiveness of the pro-integrity efforts. As a demonstration of this it could be pointed out that Nigeria still does not have an approved National Anti-corruption strategy.
- 7.3 The system of checks and balances is not entirely effective and needs to be improved. The nature and limits of legislative and executive oversight need to be better codified and made more predictable. Also policy volatility is a major problem. An example of policy volatility could be found in the decisions on the number of agencies to actually operate in the Ports. Though at least two times in the last few years decisions were made to reduce the number of agencies operating in the Ports, it was reported to the assessors' team that decisions to the contrary followed suit and some of the agencies removed from the Ports appear to have returned to their old positions.
- 7.4 It is instructive that in the 1970s, Nigerian Ports had only one other agency other than the NPA operating at the Ports i.e. the Nigerian Customs Service. At the time, inter-agency collaboration enabled the Customs to perform all related functions. While it is acknowledged that size and frequency of cargo and Port use has tremendously increased since then, this is however no justification for the multiplicity of agencies currently operating at the Ports. The study found that while improvement in Information Technology (IT) is ongoing and the NPA is striving to attain global best practice, the need exists for more effective mechanisms for inter-agency collaboration (for example to reduce or eliminate multiple boarding of ships). Increased use of effective IT driven mechanisms for this collaboration will further reduce human contact and the need for physical presence of agencies at the Ports.
- 7.5 Another example of policy volatility is the on-going controversy on the direct inspection contracts at the Ports and borders. The declared policy and concession framework required securing direct inspection companies to provide technology, equipment, training and inspection services (e.g. scanning) for a number of years. They were required to use the contract period to train and equip the Customs officials and handover operations and equipment at the end of the agreed service period to the Nigerian Customs Service (NCS). It would appear that now the contracts have ended, there is reluctance to

allow NCS to take over operations and extensions not anticipated by the agreed policy are being contemplated despite NCS's insistence that it is ready to take over and to deploy its proposed One Window Clearing System. Although this has been the subject matter of several controversies in the media, it is yet to be resolved at the time of this report.

- 7.6 Again there appears sometimes to be constraints on the ability of agencies and their management to exercise sufficient management authority and power. There are requirements for higher level bureaucratic, supervisory or board

approvals, which take undue time to secure. Federal Executive Council approval of contracts above a given threshold is an example. Again the extent of involvement of agency Boards in management rather than policy decision making, the nature of supervisory oversight from boards and political authority (e.g. legislative committees), and the syndrome of "orders from above" pose their own environmental problems. Regrettably, these were issues many of the interview respondents were unwilling to discuss in detail, and no records of complaint reviews in this regard were available to help determine the extent of these problems.

8.0 Economic Factors Influencing Integrity in the Ports

- 8.1 The Nigerian economy is primarily extractive resource based. Extractive industries (Oil and Gas) account for 95% of foreign exchange earnings and about 80% of budgetary revenues. Local production is underdeveloped and Nigeria relies on import to sustain the needs of its growing population. It means that a large part of the economy is dependent on imports and the Ports as it is the gateway for exports and imports. The limited number of Ports and Port facilities make them a scarce resource with competition for their use on the rise. In addition, the long prohibition list and high levels of tariff applicable to most imports provides negative incentives for importers and exporters who seek to avoid paying tariffs or comply with due process in exporting or clearing imported goods. Congestion and or difficulty in the utilization of certain Ports by importers sometimes result from factors beyond the control of the Port management.
- 8.2 There are also issues of dredging of channels and sometimes poor access roads which relate to contracts above the approval competence of Port management or in the case of state roads, are projects controlled by other tiers of government. Thus adoption of additional measures such as dredging of necessary channels, improvement of the road and railway infrastructure and construction of intermodal terminals which will increase the use of such Ports as Calabar and reduce pressure and queues in Lagos Ports cannot be undertaken by the Port management. The increased pressure on Port facilities in a place like Lagos in itself poses corruption risks. Congestion at Lagos Ports may be resolved by deliberate policy to ensure use of other Port facilities such as Calabar which are currently under utilized even though they have no significant security challenges.

9.0 Social Factors Influencing Integrity in the Ports

- 9.1 Nigeria is a highly diverse country with multiple ethnic groups and deep social stratification. This provides a fertile ground for the growth of corruption. Loyalty in the society is primarily understood as loyalty to family and or community. As such, using official position to promote family and or community interests (through nepotism and favoritism) is considered a norm and any deviation from this norm may be socially discouraged. High inequality undermines social trust and promotes corruption as a tool for legitimate social "lift". Networks of patron-client relations between the rich and the poor, between the politically or administratively well-positioned and those with little or no access to power are common. Rationalization of corrupt practices seems to be widespread.
- 9.2 Media reports on corruption are frequent, but they do not often lead to any particular consequences and investigative journalism is not common.
- 9.3 The Information Technology (IT) literacy amongst clearing and forwarding agents is very low and even more important, the general literacy and educational qualification of clearing agents and their personnel is low. Their knowledge of Port procedures is therefore hampered. There is need to improve awareness of all Port users (agents, importers & exporters alike) of procedures and business processes at the Ports

10.0 Technological Factors Influencing Integrity in the Ports

10.1 IT penetration in Nigeria is high. Though the broadband internet penetration is low, a high growth can be observed since 2000:

YEAR	Users	Population	% Pen.	Usage Source
2000	200,000	142,895,600	0.1 %	ITU
2006	5,000,000	159,404,137	3.1 %	ITU
2009	23,982,200	149,229,090	16.1 %	ITU
2011	45,039,711	155,215,573	26.5 %	ITU

10.2 Port agencies in particular are equipped with computers and printers and are connected to the internet. However, online submission of forms is limited and the use of electronic documents and signatures is uncommon.

10.3 No particular IT tools are used effectively currently to promote transparency and accountability in the ports system.

10.4 Nigeria Customs Service uses ASYCUDA ++ (United Nations Conference on Trade and Development -UNCTAD's automated Customs data management system) to handle Customs clearance related processes. The system allows for the electronic processing of declarations, risk management, transit operations and clearance of goods, in addition to being able to collect statistical data for fiscal and trade policy objectives. UNCTAD developed and implemented the first version of ASYCUDA in three West African countries between 1981 and 1984 to compile foreign trade statistics.

10.5 The version used by Nigerian Customs

Service is ASYCUDA++, first developed in 1992 and used till date in a number of countries around the world, and is the most widely used version of ASYCUDA.

10.6 The system has Customs modules and functionalities, such as direct trader input, risk management, transit monitoring,

and submissions of declarations by Clearing agents via the Internet.

10.7 Though ASYCUDA has been adopted and implemented for about ten years, the assessors found that the system still triggers over eighty percent of cargo to the yellow and red lines. Once triggered to these classifications, all processes thereafter are manual and involve extensive human contact.

10.8 Ten years after ASYCUDA, whilst all clearing of goods are initiated online, other subsequent clearing processes following completion of the form "M" for more than eighty percent of the cargo passing through the ports are still manual. There are unconfirmed claims that a larger portion of the over 80% cargo triggered to the yellow and red lines still ends up being verified and cleared, leading to indications that the use of ASYCUDA system requires extensive review and improvements. Many other countries that adopted this system have since conducted comprehensive reviews.

- 10.9 Additionally some other factors have been identified as also contributing to the level of physical inspection. These include multi agency requirements; low compliance levels on the part of importers; lack of or low effectiveness of scanning machines at inland container depots, lack of harmonization of risk management systems between NCS ASYCUDA system, and current three inspection service providers leading to four independent risk management systems. The Pre- Arrival Assessment Report (PAAR) now proposed as part of the one window clearing system is intended in part to harmonize these varying risk management systems and resolve some of the other challenges.
- 10.10 In their written response to the draft project report and during further interactions following circulation of the draft report, the Nigerian Customs Service (NCS) indicated that it has recently implemented measures that have reduced the percentage of cargo triggered to yellow and red lines from 80 to 40 % . As part of the proposed one window clearing system, the Nigerian Customs Service has developed the Nigerian Integrated Customs Information System (NICIS) intended to replace ASYCUDA++, and also the Nigerian Trade Hub which is already online.
- 10.11 In the interim before the launch of the One Window Clearing System, common complaints relating to technology down time for the few processes that are technology driven is a big challenge. It often leads to queues which result in delays. These delays result in increased demurrage charges and lead desperate importers to negotiate the payment of facilitation money to jump the queue. This indicates that the technology environment needs an upgrade if the one window system is to work.
- 10.12 There were claims that clearing agents sometimes deliberately enter wrong information in the ASYCUDA system to get their cargo triggered to the yellow or red line, where they can negotiate clearance and by so doing avoid paying appropriate charges. This poses significant corruption risks. The system also lacks any mechanism that enables cargo owners to easily and efficiently verify claims by clearing agents regarding seizure, detention or conditions for clearance of their goods, as well as appropriate charges issued by Customs. The difficulty in obtaining such verification empowers unscrupulous clearing agents to misinform and obtain more funds from unsuspecting cargo owners under different pretenses. Such practices may sometimes impugn Port agency personnel reputation unjustifiably. The proposed Short Message Service (SMS) alert system part of the Nigerian Integrated Customs Information System (NICIS) recently developed by the NCS may, if properly deployed to include direct access and messaging to cargo owners, help to resolve this challenge.
- 10.13 Though profiling information on clearing agents that may have abused the system in the past exists and is said to be used by the ASYCUDA system, there was no evidence found that sanctions currently provided in the laws are being applied against erring agents. Several clearing and forwarding agents involved in previous malpractices continue to participate in the system despite available powers to revoke their licenses. There are challenges with the effectiveness of the framework and processes for licensing, regulation and supervision of clearing and forwarding agents and indications that conflict of interest may exist in this system. However, the Nigerian Customs Service claims in a letter responding to this project draft

report that it has improved its enforcement efforts recently by revoking licenses of about seventeen clearing agents. The assessors' team however did not receive the names of these companies or any documents from the NCS to back up this claim.

10.14 Port agencies ACTUs are preparing some anti-corruption awareness by raising promotional materials, and the NPA web site is quite informative, but actual electronic interaction between Port customers and Port agencies remain limited. Thus, there is an urgent need to reduce human contact in all aspects of Port operations. To succeed in doing this and given the plan for an improved IT system under the NICIS, there is need for succinct Standard Operating Procedures and Process Cards to provide improved guidance for all Port users.

10.15 The implementation of the Nigerian Customs Service One Window Clearing System is yet to commence. It is reasoned that except this system is able to substantially eliminate human contact some challenges may persist, even with the one window system in operation. This is perhaps why the Nigerian Customs Service as part of its proposed One Window Clearing System has developed a new Pre-Arrival Assessment Report (PAAR) which needs to be backed by a revised Import Guideline, draft of which is

awaiting approval and issuance by the Federal Ministry of Finance. Also the Nigerian Customs Service has developed and at the time of validation of this report, begun releasing a new Process Manual which comprehensively captures its import, export and transit processes. It intends to launch its new PAAR and One Window Clearing System in November 2013. It is anticipated that by that time, the Federal Ministry of Finance would have approved the new Import Guidelines and government will have ended the current inspection service regime to pave way for the deployment of the new NICIS inclusive of the new PAAR and One Window Clearing Systems developed by the NCS.

10.16 It was found that whilst some bonded warehouses have fairly sizeable cargo allocated to them, others are unfairly treated and are left idle. This would appear to partially result from the challenge that some Shipping Lines also have their subsidiaries operating Port Terminals. In such cases, indications are that such operators allocate cargo unfairly to their subsidiaries. This emphasizes the need for clearer policies and rules for concessioning of Port facilities. Such rules need to be able to reduce monopoly and abusive market power. **This is an important issue to address as some of these concession agreements may come up for re-negotiation or renewal in the next few years.**

11.0 Legal Environment Factors Influencing Integrity in the Ports

11.1 The Nigerian Ports Authority Act, Cap N126, Laws of the Federation of Nigeria (LFN), 2004

11.1.2 The provision, operation, maintenance and regulation of the Ports and some related services have been vested in the Nigerian Ports Authority by the Nigerian Ports Authority Act 2004 (NPA Act). The functions of the NPA include maintaining water ways, providing needed aids to shipping traffic, supervising, berthing, mooring, entrance and exit of ships from Nigerian Ports, as well as the loading and unloading of goods, embarkation and disembarkation of humans from ships, sanitation and pollution control and other incidental or connected services. They are also charged with such other functions as the Minister may from time to time specify. The Act grants NPA sufficient powers to carry out its functions, enter into agreement with other entities to carry out any of its functions and additionally to establish, operate alone or in partnership with others almost all businesses related to its service chain and to invest the funds generated by the agency.

11.1.3 The Act empowers the NPA with the approval of the Minister, to make regulations for the conditions of service of employees relating to appointment, work conditions, discipline, appeals from disciplinary proceedings, remuneration and benefits. These are powers which can be deployed to improve complaint mechanisms and other aspects of NPA operations. The NPA has powers to make

regulations and issue operating standards which include regulations and standards for maintenance, control, and management of any and all parts of the Port, or premises in possession or vested in the NPA. The NPA also has the powers to make regulations for the management and conduct of persons and ships in Pilotage Districts. The NPA can issue licenses to any person to carry out many of these activities and stipulate standards and conditions for such activities as well as revoke the license issued on grounds of public good and or if license conditions are breached.

11.1.4 The NPA Act also provides for a Pilotage Board with powers to receive complaints, carry out investigations and hearing, and discipline pilots where appropriate. The assessment teams did not find records to support the effectiveness of this Board and it does not appear that many shipping companies are aware of its existence and where they are, they appear unwilling to take complaints before it. Given the findings of the MACN survey the data sheet annexure 3 to this report, and the findings of this study, there is urgent need for an independent and effective service complaint mechanism in the Ports.

11.1.5 In addition to the NPA Act, some other laws establishing other agencies that operate within the Nigerian Ports provide for and regulate certain aspects of the movement of goods, vehicles and human traffic into and out of Nigeria through the Ports. These legislations include but are not limited to the following:

Section 7 of the Nigerian Ports Authority Act, Cap N126, LFN 2004
Sections 8&9 of the Nigerian Ports Authority Act, Cap N126, LFN 2004

Sections 41-50 Nigerian Ports Authority Act, Cap N126, LFN 2004
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- Customs and Excise Management Act (Customs Act), Cap C45, Laws of the Federation of Nigeria (LFN),2004
- Nigerian Maritime Administration and Safety Agency Act,2007 (NIMASA Act), Act No.17 of 2007, Federal Republic of Nigeria
- National Environmental Standards and Regulation Agency (Establishment Act) 2007 (NESREA Act), Federal Republic of Nigeria
- Standards Organization of Nigeria Act (SON Act),Cap S9,Laws of the Federation of Nigeria(LFN),2004
- National Agency for Food and Drug Administration Control Act (NAFDAC Act), Cap N1, Laws of the Federation of Nigeria (LFN),2004
- The Nigerian Immigration Service Act, Cap I1, Laws of the Federation of Nigeria (LFN), 2004
- Coastal and Inland Shipping (Cabotage) Act NO 5 of 2003
- Ports (related Offences etc.) Act CAP P23, Laws of the Federation of Nigeria (LFN) 2004

11.2 The Customs & Excise Management Act, Cap C45, Laws of the Federation of Nigeria 2004

11.2.1 The Customs & Excise Management Act charges the Nigerian Customs Service (NCS) with the duty of controlling and managing the administration of the Customs and Excise laws and to collect and account for revenues. The Act provides for its scope of operation, and

also prescribes offences for breaches. However, it has very low fines and penal sanctions which may not always deter repeat offences. The powers of the NCS under the Act include categorization for purposes of levying duties, and prohibition of certain goods and materials (imports & exports), as well as prescription of duties payable for different categories of goods and materials.

11.2.2 The clarity of its categorizations, prohibition lists, predictability of its rules and operating procedures, and its effectiveness in enforcement can improve or hinder the flow of goods and materials into and out of Nigerian Ports or pose corruption risks. The exercise of inherent discretion in its powers to charge and collect duties, identify and confiscate prohibited goods and materials, as well as perform its other critical functions, naturally pose potential risks of abuse and inefficiencies that may affect performance of other Port operations. The NCS also regulates the registration and operation of clearing and forwarding agents, whose acts directly or indirectly contribute to process efficiencies and inefficiencies at the Ports. Indeed NCS officials claim that wrongful practices of these agents which they regulate contribute substantially to why about 80% or more of cargo imported go through physical searches, a process which has been identified during this study to pose significant corruption risks in its operations. Absence of effective complaints mechanisms also increases the evident challenges. Thus, improving Customs operation and services and compliance system in place for clearing agents is critical to corruption control and prevention in the Ports.

11.3 The Nigerian Maritime Administration and Safety Agency (Establishment) Act 2007 (NIMASA Act), No.17 of 2007

11.3.1 The NIMASA Act establishes NIMASA for the promotion of maritime safety and security, indigenous shipping capacity, protection of maritime environment, shipping registration, commercial shipping and maritime labour. It merged the former Nigerian Maritime Authority and Joint Maritime Industrial Labour Council, and vested their assets into the new Agency (NIMASA), authorizing it to implement the Merchant Shipping Act. In addition to its other powers, the Act empowers NIMASA to board and inspect ships for purposes of maritime safety, security, maritime labour, and prevention of maritime pollution.

11.3.2 It gives the agency power to make regulations, including ship detention regulations and other regulations that prescribe offences, penalties and fines, and further prescribes a system for maritime casualty investigation and registration. The Act creates offences, prescribes maximum fines which are higher than the NPA and Customs Acts, but which given the large values involved in the shipping business, may yet not constitute adequate deterrence. The assessor teams did not receive information on how its power to prescribe fines by regulation is utilized in practice. Given the huge security challenges in the Nigerian Port sector and corruption risks relating to security of vessels sailing in Nigerian Territorial waters, efficiency or otherwise of performance of NIMASA's functions and exercise of its powers as it relates to the Port sector has inherent corruption risks.

11.4 National Environmental Standards and Regulation Agency (Establishment) Act 2007 (NESREA Act), Federal Republic of Nigeria

11.4.1 The NESREA Act establishes NESREA to enforce national and international environmental laws, standards, regulations, rules, policies, guidelines, agreements, protocols and conventions, including on pollution abatement and management of ecosystems, biodiversity conservation, and development of Nigeria's natural resources.

11.4.2 Its functions include co-ordination and liaison with relevant stakeholders within and outside Nigeria on its mandate. It also has the mandate to enforce legislations, rules and standards on production, importation or exportation, use, distribution, handling, management and disposal of chemicals, pesticides, hazardous materials, waste etc, and enforce related laws, rules and standards on noise, air, land, seas, oceans, and other water bodies, other than in the oil & gas sector.

11.4.3 It can do these through registration, licensing, compliance monitoring, audits, issuance of standards and regulations, investigations, prohibition of processes and use of technology that undermine environmental quality and standards, research, experiments, development of monitoring networks, and establishment of mobile courts. Again it creates offences and provides for maximum fines which though greater in value than those created by the NPA and Customs Acts may also not constitute sufficient deterrence in all cases.

11.5 The Standards Organization of Nigeria Act, Cap S9, Laws of

the Federation of Nigeria (LFN) 2004 (SON Act)

11.5.1 The SON Act establishes SON to standardize methods and products in Nigerian industries, including but not limited to establishment of policy, standard specifications, quality control of all products (raw materials or finished products) and metrology. It is charged with the mandate to enforce standards, develop methods for testing and verification of compliance with standards by materials, supplies and equipment, register and regulate standard marks and specifications, conduct research and collaborate with related local and international organizations on its mandate. Though it creates offences and imposes fines, the fines are so minimal that they may not achieve deterrence from future offences.

11.6 The National Agency for Food and Drug Administration Control Act, Cap N1 Laws of the Federation of Nigeria 2004 (NAFDAC Act)

11.6.1 The NAFDAC Act established NAFDAC to regulate and control the importation, exportation, manufacture, advertisement, distribution, sale and use of food, drugs, cosmetics, medical devices, bottled water and chemicals. It has the mandate to stipulate standards and ensure compliance by imported and locally manufactured goods, drugs and materials, and determine suitability or otherwise of medicines, drugs, food products, medical devices, or chemicals for human and animal use. It has powers to enter premises, open containers, take samples, inspect and seize materials contravening standards, and examine books.

11.7 The Nigerian Immigration Act, Cap I1, Laws of the Federation of Nigeria 2004 (IMMIGRATION Act)

The Act provides for the regulation of entry, exit and continued stay of visitors or their employment within Nigeria. It requires the appointment of immigration officers for this purpose and vests them with powers to establish conditions for entry and exit of persons into Nigeria, including powers to verify basis of entry, stay and or exit of disembarking or transit passengers and to deport where appropriate unauthorized persons from Nigeria. The wide powers of Immigration officers include boarding of ships, control of visitors arriving into Nigeria by any ship, vessel or airplane including power to prohibit landing of such visitors or where appropriate to deport such visitors. It requires the production of necessary travel documentation (including medical certificate of health in the case of immigrants) to an immigration officer by any person landing in Nigeria as the Minister from time to time may direct owners or agents of ships and vessels to issue to their passengers. Immigration officers at Ports are authorised to exercise the full measure of the discretion inherent in these powers. The Act allows the employment of Customs and Police officers as immigration officers. It also creates offences and prescribes punishment.

11.8 Nigeria's Shippers Act CAP N133, LFN 2004

This Act establishes the Nigerian Shippers Council to provide a forum for the protection of the interest of shippers in matters affecting the shipment of imports and exports to and from Nigeria

and to advise the Federal Government on related matters. Its mandate includes but is not limited to the protection of shipper's interest in all matters affecting shipment, provision of a forum for consultation between Conference and non-Conference Lines, tramp-owners, the Nigerian Ports Authority and the Government of the Federation on matters of common interest, Liaising with relevant Government authorities and other stakeholders in assessing the stability and adequacy of existing services and make appropriate recommendations in that behalf. Its powers include advising Government on matters relating to the structure of freight rates, availability and adequacy of shipping space, frequency of sailings, terms of shipment, class and quality of vessels, Port charges and facilities and other related matters. Thus, the Nigerian Shippers Council's mandate includes protection of interest of all shippers (importers and exporters) and also intervention on their behalf, making it imperative that it can intervene on their behalf to resolve related service complaints as anticipated by the Service Support mechanism proposed in this report and the annexed integrity plan.

11.9 There is also the Coastal and Inland Shipping (Cabotage) Act NO 5 of 2003

which restricts use of foreign vessels in domestic coastal trade, promotes development of indigenous shipping and establishes a Cabotage Vessel Financing Fund. Even more relevant to the current discourse is the Ports (related offences etc) Act CAP P23 LFN 2004, which notwithstanding provisions of the above laws, grants Customs discretion by written notification, to require the presence of any other agency of the

federal government in the course of administration of Customs and Excise laws, with respect to importation and exportation of goods in any Port. This provides one key to reducing the number of agencies at the Ports. It also creates offences relating to trespass or unauthorized entry into Port premises to further nuisance and obstruction to any authorized person in performance of his lawful duty under the Customs and Excise laws or falsely holding himself out under any guise as an authorized person under the Customs and Excise law. This law provides for the extension of the jurisdiction and location of magistrate courts to the Ports in all States where Ports are located in Nigeria.; and vested the magistrates with the jurisdiction to try offences created by it (the Act). Regrettably also the fines prescribed are small and the offences created are not extensive enough to deal with many of the issues arising, but it does provide an avenue to summarily deal with such intractable issues as unauthorized persons at the Ports.

11.10 Cross Cutting Issues

Each of these laws including the NPA Act, provide for a Board or Council, and Management which includes a Chief Executive and provides for supervision by a ministry or minister, establishes a fund for its operation, provides for staff and conditions of service and gives reasonable powers to make regulations and issue standards including Standard Operating Procedures (SOPs). Also the laws largely empower the agencies to levy and collect government revenue and also carry out procurement of goods, works and services required to perform their functions which hold potentials for corruption risks. Indeed in Nigeria, it is said that 80% of corruption cases arise

from the procurement process. The laws all create offences and prescribe fines and in a few cases prison sentences. The opinion of the assessors is that currently these sanctions are not sufficiently weighty to create deterrence.

The structures of these agencies and existing supervisory powers have implications and corruption risks. There are indications that exercise of political supervisory powers (both executive and legislative oversight) over agency budget and spending may in some cases generate pressure for corruption. This is also the case with agency board supervision of agency finances. There are indications that there is not sufficient and effective in-house and external supervision of agency systems, standards, and in house process integrity. The evaluation of risks in the revenue collection, accounting and expenditure processes are rare. However the good news is that these agencies have sufficient powers to create administrative complaint mechanisms and put in place processes that promote public confidence in the use of such mechanisms, as well as to implement periodic evaluation of their systems and standards for corruption risks. The power of ICPC to direct such an action will also be very helpful.

11.10.1 The NPA has so far concessioned out many aspects of its operation under the privatization processes supervised by the Bureau for Public Enterprises (BPE). The current relationship between NPA and the Terminal Operators is guided primarily by the Concession Agreements and the related laws. Since each concession transaction is subject to written agreement, and the NPA Establishment Act has not set out statutory regulatory guidelines applying to these contract arrangements, the

extent of NPA supervisory or regulatory powers will be determined by the provisions, in each case of the applicable Concession Agreement. Unfortunately these individual agreements were not made available to the assessors by any of the parties to the agreement.

11.10.2 NPA is a landlord to the Terminal Operators. However whilst NPA may regulate Terminal Operators subject to existing agreements, it does not regulate the operation of other agencies at the Ports. In practice these agencies are independent of each other and in most instances, exercise their statutory authority without reference or deference to each other. Absence of a statutory or strong administrative co-ordinating mechanism provides opportunity for not only avoidable conflicts, but appears to result in practice, in agencies sometimes operating in silos, with limited interagency checks and balances, a situation that poses corruption risks.

11.10.3 All the laws provide discretionary authority for related agencies and staff, exercise of which is not always regulated in practice by detailed Standard Operating Procedures (SOPs) made known to stakeholders and the public. However nothing in any of these legislations limits the authority of each of these agencies to deploy, disseminate and use regulations and such SOPs now commonly used in many other jurisdictions and spheres, especially as the laws appear to anticipate such a procedural tool in most cases.

11.10.4 The multiplicity of applicable laws create overlap in mandates and examples can be seen in the area of environmental standards stipulation and enforcement,

Sections 7&8 of the National Environmental Standards and Regulation Agency (Establishment Act) 2007 (NESREA Act),
Sections 4-7 of the Standards Organization of Nigeria Act, Cap S9, LFN 2004 (SON Act)

detention of ships, wreck removal, and regulation of hazardous materials. These overlaps create operational tensions, but the impact of such overlaps on operations or whether or not they generate corruption risks is something relevant agencies have not provided sufficient operational data and information on during this study.

11.10.5 Absence of statutory and administrative complaint mechanisms and in cases where they exist, their low effectiveness is a major challenge.

11.11 Other Issues Arising.

11.11.1 Though by function the NPA is a primary developer, regulator, landlord and operator with powers to contract out operation, and has so contracted out most of its operational functions, there is no statutory co-ordination mechanism between the NPA and all other agencies who directly and indirectly play a role at the Ports. As a result, a strong administrative coordinating mechanism is required, pending conclusion of the Port reform exercise and passage of the Port Reform Bill, which seeks to set out a new regulatory and administrative structure for the Ports. This structure will need to respond to and be more relevant to today's realities.

11.11.2 The different laws provide sufficient powers for relevant agencies particularly the NPA, the Customs, Immigration, etc. to issue rules and SOPs to regulate operations at the Ports. The challenge remains to what extent these powers are exercised and when exercised to what extent the different agencies co-ordinate to ensure that the SOPs (if they exist) and practices of the different agencies operating at the Ports are mutually supportive and are not conflictual.

11.11.3 The NPA Act like the other legislations provides reasonable regulatory opportunity for NPA and the other agencies to implement integrity measures that improve service effectiveness and help to achieve standards articulated in the NPA Service Charter. This is also the case with the other agencies as regards their operations at the Ports. Most of the agencies have sufficient statutory authority under the laws to adopt and implement an anti-corruption policy.

11.11.4 In addition to the challenge of multiplicity of applicable laws, and implementing agencies with overlapping mandates which sometimes create tensions in implementation, further existing laws provide wide discretionary powers to political appointees and agency officials which in themselves pose corruption risks. In addition, most sector related laws are out dated and prescribe minimal penal and monetary sanctions which are not deterrent given the average monetary value of transactions in the sector. The laws also have limited transparency provisions that support accountability processes. There is therefore urgent need for comprehensive review and reform of sector laws.

11.11.5 Effective enforcement of existing provisions and sanctions remains weak. For example, though both the NPA and NIMASA Acts have conflict of interest provisions for their board members, it is difficult to determine how and if these rules are applied in practice. It was not also possible to determine how existing service wide (Code of Conduct for Public officers) conflict of interest rules are applied by the Board of Directors and management of all agencies whose operations at the Ports have been examined in this study, nor did we find

records of disciplinary processes against erring officers.

11.11.6 In addition to the legislations mentioned above, Nigeria has enacted a plethora of anti-corruption laws and created a wide range of anti-corruption and related agencies and institutions. These include the Offices of the Auditor-General for the Federation (OAuGF) and for the States; the Public Accounts Committees (PAC) of the House of Representatives and the State Houses of Assembly; the Anti-Corruption and Ethics Committees of the two arms of the National Assembly; the Public Complaints Commission (PCC); the Code of Conduct Bureau (CCB) and Code of Conduct Tribunal (CCT); the Independent Corrupt Practices and Other Related Offences Commission (ICPC); the Economic and Financial Crimes Commission (EFCC); the Bureau of Public Procurement (BPP); the Fiscal Responsibility Commission (FRC); the Technical Unit on Governance and Anti-Corruption Reforms (TUGAR); and the Nigeria Extractive Industries Transparency Initiative (NEITI).

11.11.7 However no formal over-arching coordination and common strategic framework that enables them to cooperate and work in harmony with one another exists. TUGAR now fulfils this role to a limited degree, as the secretariat to the Inter-Agency Task Team. Although TUGAR is essentially a research and evaluation organisation, it also aims to build synergy among the different anti-corruption initiatives.

11.11.8 The ICPC Act vests it with valuable

authority and mandate to examine practices, systems and procedures of public bodies and where in the opinion of the Commission such practices, systems procedures aid or facilitate fraud or corruption, to direct and supervise a review, and direct and enforce the implementation of recommendations intended to eliminate such lapses. It is pursuant to this power that the ICPC leads the current initiative implementing this Corruption Risk Assessment. It is also pursuant to these powers that the ICPC has constituted Anti-Corruption and Transparency Monitoring Units (ACTUs) in many public agencies including Port Agencies.

11.11.9 This provides another layer of opportunity to better understand and resolve corruption risks, or to address such obvious challenges in the absence of an effective complaint system, but above all to more coercively investigate system challenges. The issues that require further and detailed examination are the system for licensing, regulation, and discipline of clearing and forwarding agents as well as the system for logging, management and auctioning of seized cargo, both of which require urgent critical evaluation and perhaps system changes, by the ICPC. This exercise should aim at improving clarity of rules, establishing transparent and independent compliance monitoring systems in these areas of agency operations, which will ensure timely logging of detention, seizure decisions and a transparent auction system.

12.0 Stakeholder Analysis

	Stakeholder	Roles, Functions and Processes in the Port
1.	COTECNA, and other Inspection companies	<p>Provide scanning to the Nigerian Customs Service</p> <p>Generate Risk Assessment Report (RAR).</p> <p>Scan containers selected for scanning.</p> <p>Operate a 24 hours service</p> <p>Train Customs officers in scanning and image analysis.</p>
2.	Freight Forwarders- ANCLA --- Association of Nigeria License Agents	<p>A freight forwarder or clearing agent acts on behalf of importers, exporters or other companies or persons to organize the safe, efficient and cost effective processing of goods, which includes filling forms and providing back up documentation and information, obtaining and paying duties and procuring release of cargo on behalf of importers.</p>

	Stakeholder	Roles, Functions and Processes in the Port
3	Nigerian Ports Authority	<p>Landlord of the Ports.</p> <p>In charge of planning and development of Ports operational infrastructure; leasing and concession of Port infrastructure and to the extent permitted by Concession Agreements setting benchmark for tariff structure, regulation and supervision of Terminal Operators.</p> <p>Responsible for nautical/harbor operations and hydrographic surveys; marine incidents and pollution; maintenance of safety and security at the common user areas.</p> <p>Provides tug boats and pilot cutters and pilot services to ships calling at Nigerian Ports</p>
4	Quarantine	<p>Boards the ship to inspect plants, livestock and aquatic products.</p> <p>Observes exports and issues certificates.</p> <p>Issues import permit for fruits and other related products</p>
5	Terminal Operators	<p>To receive ships, discharge cargo and deliver to consignees.</p> <p>Ensure that Customs duty has been collected and evidenced by the Customs exit note before delivery of cargo.</p> <p>Place cargo subject to physical inspection at appropriate place for inspection and return them after inspection.</p>
6	NDLEA	<p>To enforce prohibition of illicit traffic in narcotic drugs in and out of the country,</p> <p>Drug interdiction,</p> <p>Boarding and Rummaging Unit boards on information by shipping companies</p>
7	Nigeria Immigration Services	<p>In charge of checking travel documents of ship crew, enforcing border security, fighting trafficking in humans and investigating violations of the immigration law.</p> <p>Clearing and provision of on-shore services for arrival and departure of vessels,</p> <p>Go through the seaman book for irregularities and issue shore passes when necessary.</p>

	Stakeholder	Roles, Functions and Processes in the Port
8	State Security Service	Primary domestic intelligence agency of Nigeria, responsible for National Security and intelligence gathering within the country and for the protection of senior government officials.
9	Port Health Services	The Port Health Services is deployed through a division in the Public Health Department of the Federal Ministry of Health. The Division has the responsibility of implementing the WHO International Health Regulations, the International Maritime Organisations (IMO) laws on health matters, the International Civil Aviation Organisation (ICAO) laws, the Nigeria Quarantine Act (aircraft and ship), the Public Health Laws of Nigeria and any other relevant laws
10	Shipping companies	Conveyance of cargo from country of origin to its destination
11	Nigerian Customs Service	Revenue generation and collection, implementation of fiscal policy of government Enforcement of anti-smuggling laws. Restrict movement of goods in and out of Nigeria, Prescribe tariff and categorization of cargo for purposes of levying tariffs. The custom processes involve the following: face vets; technical supervisor, data capture, cargo examination (scanning/physical) query and verification seat; account confirmation, final release and gate exit; licensing and regulation of forwarding and clearing agents. They also detain or seize and auction seized cargo.
12	Nigerian Maritime Administration and Safety Agency [NIMASA]	The function of NIMASA is to promote the development of indigenous commercial shipping and coastal shipping in international and coastal shipping trade. It also regulates and promotes maritime safety, security, marine pollution and marine labour.

	Stakeholder	Roles, Functions and Processes in the Port
13	Standards Organization of Nigeria	SON serves as quality control/quality assurance in the Port in terms of standards. It quarantines and inspects samples for confirmation of standards and tests goods for quality. Engages in product certification. Controls the influx of sub -standard items from off-shore.
14	TRUCKERS	Take delivery of consignment from the Ports after cargo clearance for the importer or his agent Return empty containers to the Terminal Operators
15	National Agency for Food, Drug, Administration and Control - NAFDAC	Controls the manufacture, importation, exportation, administration, advertisement and use of regulated products e.g. drugs, chemicals, food, cosmetics, detergent, fertilizers etc. Checks imports on arrival for proper labeling and take samples for quality checks
16	Nigerian Shippers Council	Protection of the interest of Shippers in matters affecting the shipment of imports and exports to and from Nigeria
17	Manufacturers Association of Nigeria	A Coordinating and Trade Group for Manufacturers in Nigeria

13.0 Organizational Level

13.1.1 Huge red tape within agencies operating at the Ports is reported by stakeholders. Seventy Four (74) signatures are required in Onne from point of entering Port to the ship leaving the Port. In NCS alone, ten (10) signatures are required to clear a cargo. Similarly One Hundred and Forty Two (142) signatures are reported to be necessary for the same transaction in Lagos Ports (Tin Can and Apapa). There does not appear to be consistency in procedure or in its application in these business processes. Resultant delays attract demurrage costs, which as a general rule is borne by importers, even where delay has resulted from failure of an agency to perform its functions. This provides huge incentive for clearing and forwarding agents and Port users to offer and pay facilitation money to avoid paying huge demurrage costs. Another incentive for paying facilitation fees is to receive more favorable assessment on charges. The rules need to be changed to ensure that importers pay demurrage only where delay has resulted from their action or inaction.

13.1.2 Payment of facilitation money provides incentives for agency personnel to delay processes so that cargo incurs demurrage which compels agents and their customers to negotiate and offer gifts.

13.1.3 Inadequate Port facilities and equipment such as Pilot Cutters and Tug Boats create a queue for operators and Port users requiring services and an incentive for stakeholders to want to jump the queues in some cases by paying facilitation monies. The NPA reported that it is in the process of acquiring and deploying more of this equipment in the Ports. The team that visited NPA Procurement

Department at the head office was given documentary evidence of the ongoing procurement process for acquisition of four Tug boats and two Pilot Cutters. Some Terminal Operators and Destination Inspection Companies do not have sufficient equipment for loading and unloading of cargo and handling of containers and scanners. In this latter instance, the failure may appear to be a result of the failure of the Terminal Operators to comply fully with their contractual obligations to provide equipment or sometimes to maintain it in optimum working conditions. However non-release of individual concession contracts because of their claimed confidentiality has limited the ability of this exercise to arrive at a better assessment of resulting compliance roles and issues.

13.1.4 Sometimes the demurrage accruing as a result of delays are so high that cargo owners abandon it and it becomes overtime cargo. It was reported to the assessors that favored persons subsequently at auctions buy the cargo at low prices which in comparison are much lower than the market value, or the demurrage charges for which they were auctioned. There is no evidence that items auctioned are first formally evaluated, or that their specific values are determined or that any prior determined value thresholds apply to the auction process or that there is wide distribution of information of opportunity to purchase goods and what kind of goods will be offered at the auction prior to the auction. Thus the system does not encourage generation of competitive offers for auctioned cargo, and may be generating

illicit revenue for relevant officers and stakeholders who benefit from these auctions. Limited information or data has been provided to the Assessors about this process by the responsible agency.

- 13.1.5 Port agency staff enjoy wide discretionary powers and are sometimes able to delay inordinately the processing of documents, often without consequence. A common excuse in the cargo clearance system is that the server is down, even though the resulting demurrage is often borne by the importer, rather than the agency that has failed to maintain its server, and to provide efficient equipment and technology. It is recommended for solving this problem that technology related contracts for provision of these kinds of services include penalty clauses that allow deduction from fees, if down time exceeds stated minimum limits.
- 13.1.6 Also the rules need to be changed to ensure that cargo owners do not bear demurrage costs, except where demurrage has arisen as a consequence of their inappropriate action or failure to act. Also rules need to be introduced that stipulate relative time for agency staff and Terminal Operators to perform their duties, and sanctions for failure to do so.
- 13.1.7 Internal control units exist in all the Port agencies, but they are not effective. The number of actual investigations undertaken was reported to be very low in some agencies and non-existent in most.
- 13.1.8 Corruption is reported to be a legitimate and accepted tool to promote business interests. Gifts are accepted as normal and expected even in the Port agencies. An example is the claim by Immigration officers to the Lagos Port assessment team that their law allows for receipt of gifts. This also borders on rationalization of corrupt conduct.

- 13.1.9 No anti-corruption policy, standards or compliance legislation (of the Foreign Corrupt Practices Act - FCPA or UK Bribery Act - UKBA type) exists in Nigeria. Companies are not required to put in place integrity systems. Foreign companies have to comply with FCPA and UK BA provisions to a certain extent and at least formally, they may have internal policies and procedures promoting integrity. In practice, the majority of foreign companies operating in Nigeria comply instead with the local rules and traditions in order to sustain their businesses.

13.2 Predictability and Clarity of Decision-making Process

Most of the organizations visited in the Ports either did not have Standard Operating Procedures or these were not strictly followed. Interviewees did not have specific knowledge of Operation Manuals or Guidelines they have to follow in their daily work. There are no Workflow Charts, Process Cards or other illustrative tools that would describe the processes or steps to follow, and provide shared clarity. This generates unpredictability in servicing clients. In practice, officials in the Port Agencies enjoy huge discretionary powers and are able to delay indefinitely the required signing of documents without consequence, thus causing delay in processing the cargo/ship. Moreover, similar situations are often resolved differently causing uncertainty and unpredictability.

13.3. Organizational Effectiveness

Organizational effectiveness is a serious problem. Effectiveness could be defined as ability of the organization to develop policy, to implement policy, to evaluate and

learn from the policy implementation and evaluation process.

In the process of the risk assessment, there was no indication that a process of regular policy development, implementation, and evaluation is in place.

13.4 Accountability and Transparency

Although internal control units exist in all the Port agencies, those are of little effectiveness. The number of actual investigations undertaken was reported to be extremely low – less than one annually on the average. Web-sites of the agencies provide some public information such as the texts of the laws, Service Charters etc.; however there is little transparency on the decision-making process. Established mechanisms for reporting corruption are reported to include forwarding the complaint to the personnel against whom the complaint was made in the first place. No Whistleblower Protection mechanisms were identified.

13.5 Anti-corruption Policy

All agencies were reported to have anti-corruption policies. These policies however lack specifics and do not take the form of a single document accessible to everyone. In some cases, there are statements that a particular agency stands for integrity and against corruption but does not elaborate on what a member of the agency should do if corruption is encountered. This makes the policies of little practical value.

13.6 Tone at the top

In some agencies e.g. the NPA, tone at the top was visible; public speeches are given by Management on the issue of corruption and there are messages and posters indicating the integrity stance of

leadership. In other agencies e.g. Nigerian Customs Services and the Immigration Services, this was not observed.

13.7 No Mechanism for Protection of Whistleblowers or Witnesses.

Nigeria does not have a Whistle Blowers and Witness Protection mechanism. There are indications of huge reluctance to report acts of corruption in the Ports sector, particularly since the reports may end up with the persons complained about or their immediate superiors who may not always be neutral. However, the powers to issue regulations and standards vested in the agencies are sufficient to establish administrative mechanisms for Whistle-Blower Protection.

13.8 Specific Policies, Conflict of Interest Management and Ethics Codes

The general Code of Conduct for Public Officers contained in the 1999 Constitution is applicable to Government Agencies within the Ports but there was no evidence of agency-specific ethics rules elaborating on this Code or of the application of the Code of Conduct for Public Officers in any specific instances, in any of the Port Sector agencies. This is despite the existence of SERVICOM, ACTUs in many of these agencies.

13.9 Training and Disciplinary Sanctions

In the instances where training is provided, it focuses on the specific competencies required by the job. For example, pilots receive regular trainings but these do not cover ethics or corruption issues. Disciplinary sanctions may be imposed on rare occasions for violating certain internal rules, but no data indicated that they are used to enforce anti-corruption or ethical codes.

14.0 Personnel Level

At personnel level, the assessment explored opportunities, motivation and levels of rationalization of corrupt behavior in the Port agencies.

14.1 Opportunity

As indicated above, wide discretionary powers and limited accountability create opportunities for corruption (bribery, conflicts of interest, extortion) at all levels.

14.2 Motivation

Organizational culture in the Port agencies does not emphasize integrity; ethics rules are not made prominent, and there are no ethics compliance monitoring mechanism. Corruption is expected to exist as a part of the system.

14.3 Rationalization

Corruption is widely rationalized as a part of the system. "Gifts" are considered acceptable and for some agencies, they are expected as a part of the process. No established training routine (professional socialization) exists to strengthen ethics competence.

Pressure from higher ranks to comply with established practice of corruption ("protection money") seems to be frequent.

Poor compensation and working conditions contribute to the pressure to rationalize corruption. The salaries and allowances of civil servants in Nigeria which related Port agency staff are, is poor when compared with the rising cost of living and the amount required for reasonable subsistence in the Port cities and indeed across Nigeria. By the recent salary increases, Grade level 12 officers (i.e. persons who have attained a minimum of 9 years post graduate level entry) in the Public Service in Nigeria who hitherto earned Fifty Three Thousand Naira (slightly above \$300) per month now earn Ninety Six Thousand Naira (about \$600). This is inadequate to achieve a reasonable subsistence level and bear other related family costs like costs of children's education.

15.0 List of Corruption Risks as Related to Assets

The following table establishes the link between the specific assets of the Port sector organizations, associated corruption threats and the potential corruption problem area.

S/N	ASSETS	THREATS	PROBLEM AREA
1.	Reputation	Staff	Facilitation money for Documentation
2.	Vehicles/Tug boat, Pilot cutter	Stakeholders	Ship berthing and Sailing
3.	Fuel	Ship	Delay in processing necessary documents
4.	Cash	Government	Duties, charges, taxes
5.	Staff	Contractors	NPA Procurement
6.	Containers/cargoes	Bribe	Cargo documentation and release
7.	Morale	Poverty	Poor remuneration and work environment
8.	Economy	Economic melt down	Cargo diversion to other Ports
9.	Government policies	Legislations	Obsolete laws
10.	Equipment- Crane, Tractors, Forklift, Scanners, Tug Boats and Pilot cutters	Cargo clearance	Quick processing of cargo in the Port
11.	Ships, Jetty, Terminals	Political pressure	Shipping activities
12.	Stakeholders	Demurrage policy	Cargo storage and handling

S/N	ASSETS	THREATS	PROBLEM AREA
13.	Trust	Culture / tradition of facilitation	Ship boarding and Cargo clearance and Exit gate
14.	Government Agencies	Lack of Code of Ethics	All processes in the Ports
15.	Revenue	Greed	Customs duties, taxes, charges and levy
16.	Reputation	Partners	Ship boarding, cargo clearance and delivery

16.0 Complaint mechanism: Proposed implementation

- 16.1 A central mechanism for service support and preemptive resolution of service impediments brought forward by Port users to be called Port Service Support Portal (PSSP).
- 16.2 This Mechanism will be housed and managed by a special service support unit (secretariat) at the Nigerian Shippers Council supervised by a steering committee of Port stakeholders including the ICPC.
- 16.3 The online portal will provide online real time opportunity for any Port user to send service support request simultaneously to the special unit in the Shippers Council and all Port agency complaint units and the ICPC who will be connected to the Portal (at the same time).
- 16.4 Special Service Support Unit in the Shippers Council will contact relevant agencies and follow up with agencies on every request received and keep records of remedial action for feedback to requesting persons and the Steering committee.
- 16.5 Allows for each Port agency to link its ACTUs, and SERVICOM units or other complaint mechanisms existing in the agency to this central portal (mechanism). Thus this does not dispense with agency internal complaint management units or departments. It just helps to improve agency co-ordination and improve individual agency responses to service requests and complaints through peer pressure and improved oversight.
- 16.6. Steering committee will periodically review reports of the service support unit, resulting follow up action, make recommendations and provide guidance to ensure efficiency and the achievement of project objectives.

17.0 Steps of the Proposed Complaints Mechanism

- a. Establishment of Service Support Unit in the Nigerian Shippers Council
- b. Design of Port Service Support Web Portal and consultation with Port Agencies on design
- c. Establishment of Steering Committee made up of representatives of Port Agencies
- d. Development of Portal
- e. Development, consideration and approval of operational guidelines by the steering committee in collaboration with ICPC
- f. Wide dissemination of information about the Portal through numerous channels indicating a commencement date, and commencement of receipt and handling of service requests and complaints
- g. Periodic review of reports of the unit
- h. Annual reports by the Steering Committee
- i. Independent ICPC evaluation of service support requests and complaints, as well as reports of the service support unit with a view to identifying and dealing with criminal conduct

18.0 RECOMMENDATIONS

18.1 Corruption is primarily an organizational problem. It is a part of a vicious cycle of mistrust and ineffectiveness that generate and further reinforce corrupt conduct. Hence, a key challenge to address in the course of the pro-integrity reforms in the Ports Sector would be ineffectiveness and unreliability in the Port Agencies; strengthening their cooperation to reinforce not only their effectiveness but also their mutual control, and their systems for compliance as well as checks and balances.

18.2 The report recommends the implementation of the new NICIS system inclusive of the new PAAR and One Window Clearing Systems developed by the NCS.

18.3 It is recommended that ICPC work with individual Port Agencies to develop their agency-specific plans to deal with the challenges of the pro-integrity reforms. The ICPC in exercise of its powers should issue anti-corruption policy and compliance standards, and support agencies compliance to such standards based on specific plans for improvements. These plans should be

based on a clear understanding of the agencies' deficiencies and the corruption risks associated therein. However, the Port functions as a single system; limited improvements in one agency will not lead to overall improvement in the situation in the Port as a whole. These changes must cut across all related agencies and their operations to produce expected results.

18.4 Therefore this report advocates also for the implementation of the Integrity Plan (Annex 1) that addresses most of the risks identified in the assessment process.

Key features of this plan include prioritization of risks to be addressed on short, mid, and long-term basis. A program aimed at overall improvement of coordination between Port agencies, improvement of their Standard Operating Procedures, drafting new Standard Operating Procedures, Guidelines and Process Cards for all Port Agencies except the NCS which has just published one, is recommended. In addition, the anti-corruption policy of the agencies in the Ports should be strengthened where it exists; and new ones developed where none exists.

19.0 INTEGRITY PLAN

MEASURE	ACTIVITIES	OUTPUTS
<p>Develop capacity for designing and implementing anti-corruption policy</p>	<ol style="list-style-type: none"> 1. Hold a stakeholder consultation meeting to ensure stakeholder buy-in 2. Design training programs, curricula and pedagogical tools 3. Organize 12 ports workshops (6 Ports, 2 training per year which includes 120 participants) 	<p>Anti-corruption policies adopted and training tools implemented by relevant stakeholders</p> <p>One stakeholder meeting held; training materials developed; 12 workshops organized for at least 120 participants.</p>
<p>Improve coordination between the Port Agencies</p>	<ol style="list-style-type: none"> 1. Identify existing cooperation practices between Port Agencies 2. Identify existing gaps/overlaps in cooperation between Port Agencies 3. Design a sample template for a cooperation protocol and advocate for its adoption by Port Agencies 	<p>Coordination improved by identification of existing practices, gaps and overlaps in cooperation with Port Agencies;</p> <p>Sample cooperation protocol designed to improve the situation. Reducing the number of inspections onboard the ships; Advocacy activities organized.</p>
<p>Strengthen organizational effectiveness of key port agencies by providing support for drafting Standard Operating Procedures (SOP) and Manuals for every aspect of their Port related operations taking account of the Nigerian Customs Services Import, Export and Transit Manual just published. The SOP Manuals and Guidelines will be aimed at reducing discretion in decision-making. These will state clearly all the steps and procedures including procedures for detention of goods, seizure of goods, force majeure etc. The documents will be widely disseminated to all stakeholders.</p>	<ol style="list-style-type: none"> 1. Identify existing procedures (written and tradition-based) in 7 Port Agencies (related to serving clients and with high corruption risk) 2. Suggest improvements in cooperation with stakeholders 3. Develop SOPs, Manuals or Guidelines where needed (This will take account of process mapping exercise already conducted by the NCS of its operations and that of any other agency) 4. Disseminate and advocate adoption of the developed SOPs/Manuals/Guidelines 5. As a low hanging fruit ensure that the new SOPs foresee that all staff in the Ports wear badges with unique security identification at all times to make them clearly identifiable and to improve security situation in Ports. 	<p>One streamlined Manual for each Port developed and adopted by Port Agencies including clear and more efficient Standard Operating Procedures with checklists and Process Cards.</p>

MEASURE	ACTIVITIES	OUTPUTS
<p>Support all agencies operating at the Port to develop their Anti-Corruption Policy, which should address the uniqueness of its mandate and processes. Based on this policy, projects will be developed to implement training on ethics and anticorruption issues for agency personnel.</p>	<ol style="list-style-type: none"> 1. Identify existing policies (written and tradition-based) in 7 Port Agencies 2. Suggest improvements in cooperation with stakeholders 3. Develop new Anti-Corruption Policies 4. Disseminate and advocate adoption of the developed policies. 5. Develop a Concept on further Ethics and Anti-Corruption training to be organized for implementation of the new Policies. 	<p>Policy development workshops to include training organized in Port Agencies; Ethics and anti-corruption training concept developed and adopted by Port Agencies</p>
<p>Strengthen transparency within the Port Agencies by having commitment at the top which is visible by supporting introduction of new internal and external Communication Strategies for the Port Agencies</p>	<ol style="list-style-type: none"> 1. Identify existing internal and external Communication Strategies and practices (written and tradition-based) in 7 Port Agencies 2. Suggest improvements in cooperation with stakeholders 3. Develop new internal and external communication strategies for the Port Agencies (to ensure transparency) 4. Provide initial support in implementing the Communication Strategies . 	<p>Meetings held by the CRA teams and TUGAR/ICPC representatives with leadership of Port Agencies; New organizational internal and external Communication Strategy promoting transparency and tone at the top developed and adopted by Port Agencies</p>

MEASURE	ACTIVITIES	OUTPUTS
<p>Review and update procedures of Port Agencies with the view of streamlining and unifying them.</p> <p>This activity is different from the activity in the previous section as it focuses not only on reducing discretionary powers but is a comprehensive effort to improve processes. It may be seen as a second phase of the activities related to processes.</p>	<ol style="list-style-type: none"> 1. Carry out a full review of the procedures in the Port Agencies and degree of introduction of the new SOPs and Manuals taking account of work already done by NCS. 2. Draft a single Process Card detailing the required processes and procedures for each identified activity carried out by each Port Agency. The Process Card will provide for timelines, accompanying documents if any and if possible provide sample of requirements in a form similar to Visa Application illustrations. These will where necessary and as much as is possible be linked to tariffs for each category of service or cargo. 3. Make each Process Card available to all Port clients to improve consistency and reliability. 4. Check different agency processes for consistency with each other. 5. Design new training programs on the basis of SOP/Process Cards. 6. The industry to provide input through MACN on where the industry encounters unclear processes. MACN's input will further be used to identify Standard Operating Procedures. 	<p>Process Cards and suggested SOPs developed and adopted.</p>

MEASURE	ACTIVITIES	OUTPUTS
<p>Set uniform standards for organizational integrity in the Nigerian Port Sector Agencies by designing and promoting a transparent integrity system for all Port Agencies, with a mechanism for reporting on compliance with standards set in anti-corruption policy and laws.</p>	<ol style="list-style-type: none"> 1. Identify existing strategies and practices on prevention of corruption (written and tradition-based) in 7 Port Agencies. 2. Suggest improvements in cooperation with stakeholders 3. Develop integrity system 4. Design a mechanism for reporting on compliance with standards set in anti-corruption policy and laws 	<p>Integrity system for all Port Agencies developed, with a mechanism for reporting on compliance with standards set in Anti-Corruption policy and laws.</p>
<p>Strengthen the internal control units and design Organizational Transparency Strategies, including independent internal complaint handling mechanisms that are manned by sufficiently senior officers and operate in a manner that inspires confidence to prospective complainants.</p>	<ol style="list-style-type: none"> 1. Identify existing practice in establishments and the operation of internal control units in Port Agencies. 2. Identify if Organizational Transparency Strategies or practices exist (to be supported) 3. Design Organizational Transparency Strategies, including independent internal complaint handling mechanisms that are manned by sufficiently senior officers and operate in a manner that inspires confidence to prospective complainants 	<p>Strengthened internal control and improved transparency; Internal control units in the Port Agencies strengthened; Organizational Transparency Strategies developed; Agencies committed to introducing the new complaint handling mechanisms.</p>

MEASURE	ACTIVITIES	OUTPUTS
<p>Review and update procedures of Port Agencies with the view of streamlining and unifying them.</p> <p>This activity is different from the activity in the previous section as it focuses not only on reducing discretionary powers but is a comprehensive effort to improve processes. It may be seen as a second phase of the activities related to processes.</p>	<ol style="list-style-type: none"> 1. Carry out a full review of the procedures in the Port Agencies and degree of introduction of the new SOPs and Manuals taking account of work already done by NCS. 2. Draft a single Process Card detailing the required processes and procedures for each identified activity carried out by each Port Agency. The Process Card will provide for timelines, accompanying documents if any and if possible provide sample of requirements in a form similar to Visa Application illustrations. These will where necessary and as much as is possible be linked to tariffs for each category of service or cargo. 3. Make each Process Card available to all Port clients to improve consistency and reliability. 4. Check different agency processes for consistency with each other. 5. Design new training programs on the basis of SOP/Process Cards. 6. The industry to provide input through MACN on where the industry encounters unclear processes. MACN's input will further be used to identify Standard Operating Procedures. 	<p>Process Cards and suggested SOPs developed and adopted.</p>

MEASURE	ACTIVITIES	OUTPUTS
<p>Develop a central mechanism for complaints handling and resolution. This includes allocation of resources and mandate to a Special Complaints Unit.</p>	<ol style="list-style-type: none"> 1. Investigate existing practices on complaints handling and resolution. 2. Design and advocate a model of enhanced practices, including setting up a Special Complaints Unit. 3. In cooperation with the Nigerian Shippers Council set up a Port Service Support Portal (internet based application) 4. Establish Steering Committee (to include ICPC) made up of representatives of the agencies in the Ports and representatives of other stakeholders like the Shippers and Terminal Operators to supervise this mechanism. 5. Publicize the existence and the operation of the Portal. 	<p>One Internet Portal developed to provide online real time opportunity for Port users to send a complaint. The Portal will be linked to all Port Agencies, such that agencies receive complaints sent to the Portal automatically as the secretariat receives it. The Nigerian Shippers Council staff attached to this Portal will have responsibility to follow up and ensure agencies are responding to and fairly handling such complaints, and report regularly to the Committee. The Steering Committee will meet periodically to assess complaints received and what the different agencies have done in response to the complaints. ICPC and the Shippers Council will support the Portal and Steering Committee in accordance with their mandates.</p>
<p>Facilitate and advocate for introduction of IT system in related Port Agencies that will effectively complement the NICIS, PAAR and one window system now developed by the NCS aimed to reduce paperwork, human contact and improve efficiency and effectiveness.</p>	<ol style="list-style-type: none"> 1. Perform gap analysis of the system in place to identify the degree of its usage, upgrades required and ways to ensure compatibility of all other Port Agency systems with the system now developed by the Nigerian Customs Service. 2. Establish an SOP containing clear instructions how the electronic systems in place should be used. 3. Advocacy for adoption of SOP by all related agencies and for implementation of required upgrades by NCS, and or NPA, ICPC, BPP and TUGAR 	<ol style="list-style-type: none"> 1. Gaps and problems in utilization of the current IT systems identified and SOPs developed to improve usage and coordination. 2. Required upgrades to ensure compatibility implemented. 3. An SOP containing clear instructions of how the electronic systems in place should be used and applicable standards adopted by relevant agencies.

MEASURE	ACTIVITIES	OUTPUTS
<p>Support NCS on the use of existing information on infractions and profiling records in NCS to implement existing sanctions which include revocation of licenses where Clearing or Forwarding Agents are found to be culpable.</p>	<ol style="list-style-type: none"> 1. Identify existing practices on NCS using existing information on infractions and profiling records in NCS to implement sanctions. 2. Suggest Strategies to NCS on using existing information on infractions and profiling records in NCS to implement existing sanctions. 	<p>Formulated suggestions for improvement in the work of the Nigerian Customs Service in particular related to improving usage of information and profiling to determine level of risk associated with Clearing/ Forwarding Agents.</p>
<p>Establish a system of dissuasive sanctions to regulate the conduct of Clearing Agents at the Ports.</p>	<ol style="list-style-type: none"> 1. Support ICPC and the Nigerian Customs Service to conduct a Systems Review of the process for licensing and regulation of the practice and conduct of Clearing Agents with a view to <ol style="list-style-type: none"> a) Identifying gaps b) Identifying existing sanctions and proposing how best to apply them c) Identifying opportunities for improvement of system integrity including the possibility of blacklisting erring Agents or even revocation of their licenses 	<ol style="list-style-type: none"> a) Technical support provided to ICPC to conduct a Systems Review of the process and provide directives on registration and licensing of Clearing and Forwarding Agents b) A Systems Review report setting out specific directives on changes that NCS will make in the system for licensing and regulation of conduct and practice of clearing and forwarding of goods in Nigeria, and applicable sanctions with timelines for implementing them. <ol style="list-style-type: none"> a) Efforts undertaken by ICPC to ensure implementation.

MEASURE	ACTIVITIES	OUTPUTS
<p>Support ICPC and NCS to implement a Systems Review specifically on the procedures for reporting and disposal of seized cargo by the Nigerian Customs Service, with a view to recommending and establishing a credible system that ensures improved transparency, predictability and accountability for actions or inactions.</p>	<ol style="list-style-type: none"> 1. Provide technical and other support required by ICPC and NCS. 2. ICPC and NCS conduct Systems Review with project support. 	<ol style="list-style-type: none"> 1. A Systems Review report with directives indicating revisions to the system for seizure, reporting and disposal of seized cargo that will improve transparency, predictability, and accountability for actions and inactions with timelines set out for implementing them. 2. Efforts undertaken by ICPC to ensure implementation
<p>Support NPA and ICPC to develop a clear set of rules with regard to public/private partnerships and in particular – private companies exercising NPA or other related state agency functions in Nigerian Ports. . Set up a body of rules to guide how concession agreements are made in the Ports.</p>	<ol style="list-style-type: none"> 1. Review existing rules with regard to public/private partnerships and in particular – private companies exercising state functions in the Ports 2. Identify opportunities for improvement, including the possibility of setting up a body of rules to guide how concession agreements are made in the Ports and how expiring concession agreements may be renegotiated. 3. Develop and recommend measures including a body of rules to guide how concession agreements are made in the Ports (if feasible). 	<p>Measures and processes for improving the way concessions are made in the Ports adopted and opportunities for State Capture reduced.</p>
<p>Incorporate monitoring of Port Sector Integrity Plan within the monitoring framework of the proposed National Strategy to Combat Corruption.</p>	<p>Propose monitoring of Port Sector Integrity Plan within the monitoring framework of NSCC.</p>	<p>Proposal developed by TUGAR and ICPC and supported by IATT to incorporate monitoring of Port Sector Integrity Plan within the monitoring framework of NSCC. One workshop with IATT members to advocate for the inclusion.</p>

MEASURE	ACTIVITIES	OUTPUTS
<p>Propose legislative amendments to address identified gaps and inherent corruption risks in the legal frameworks</p>	<ol style="list-style-type: none"> 1. Provide technical support for identified Port Agencies to review their establishment laws and regulations. 2. Identify gaps and inherent corruption risks in the legal framework related to port operations of relevant agencies 3. Propose revisions to relevant laws and regulations. 4. Support identified agencies to hold Stakeholder consultative meetings to revise and adopt bills for amendment of related laws and revised regulations where applicable for identified Port Agencies) 	<ol style="list-style-type: none"> 1. Adoption of revised agency regulations where applicable. 2. Adoption and submission of bills for amendment to Federal Executive Council for approval and submission to legislature for consideration and passage .
<p>Improve port security by facilitating the development and adoption of an improved security plan</p>	<ol style="list-style-type: none"> 1. Identify gaps and inherent corruption risks related to ports security 2. Identify opportunities for improvement, by holding workshops with stakeholders to develop draft port security strategies 3. Formulate proposals for improved security plan 	<p>Workshops with stakeholders New port security strategies drafted and adopted by Port Agencies One workshop with NPA and stakeholders to support the adoption of the suggested security plans organized.</p>

MEASURE	ACTIVITIES	OUTPUTS
<p>Support establishment of Corporate Social Responsibility (CSR) programs by Terminal Operators, in particular by suggesting them to be shaped in a more structured form.</p>	<ol style="list-style-type: none"> 1. Identify local organizations to represent the local stakeholders 2. Hold meetings with Terminal Operators and representatives of local communities 3. Facilitate exchange of ideas and development of new CSR programs among Port Operators. 4. Develop training materials, training plan, training tools 5. Hold 4 training sessions especially for persons involved in the reform and integrated/joint trainings for all stakeholders (both government agencies and the private entities) 	<p>Joint strategy on CSR activities agreed on including relevant persons appointed to maintain and oversight the activities</p>