



Nigeria Customs Service

Performance Scorecard August 2009 - August 2011

Abdullahi, D.I. OFR
Comptroller-General of Customs

2009

80,00
70,00
20

1 INTRODUCTION: SIX POINT AGENDA

On assumption of office on 18th August 2009, I and my Management team articulated a road map for the Nigeria Customs Service with the objective of driving the on-going reforms in the Service to improve efficiency in service delivery while carrying all stakeholders along. This is captured in the Six-Point Agenda as enumerated below.

- (i) Maximizing the potentials of the Service through capacity building
- (ii) A moral rebirth for discipline and integrity in the Service, in tandem with the nation's current re-branding agenda
- (iii) Incentivizing productivity and ensuring an enhanced welfare package for officers and men of the Service
- (iv) Consolidating the current e-customs efforts through ASYCUDA in line with international best practices
- (v) Continued collaboration and partnership with stakeholders and international organizations
- (vi) Fostering understanding of the Service, in the eye of the general public, using an intensified and a well-coordinated Public Relations platform.

2 REFORMS

In order to create an enabling environment for the realisation of this Agenda, some measures identified as being critical to the objective were taken which resulted in the following reforms:

(a) ADMINISTRATION

- (i) Creation of a Human Resources Development Department to enhance the capacity building of officers and men of the Service thereby increasing the number of Departments in the Service from four (4) to five (5)
- (ii) Recruitment of 5,000 officers in the year 2009 and an additional 2,800 in July, 2011
- (iii) Purchase of 400 operational vehicles



(iv) Embarking on incentives aimed at ensuring moral rebirth among the workforce. Such incentives include

- Purchase of 120 units 3-bedroom detached duplexes at Kuje, Abuja to ameliorate the problem of accommodation among officers and men of the Service
- Approval for a 100% salary increase for officers and men of the Service as a motivation for enhanced performance
- Resuscitation of the moribund Customs Officers Wives' Association (COWA) and the empowerment of its members through skill acquisition programmes.

(b) OPERATIONS

(i) Efficient and timely collection of and accounting for revenue through the introduction of self-assessment and up-front payment of Customs duties

(ii) Promotion of Trade Facilitation by allowing flow of trade within the hinterland and dismantling of all Customs check points within the country

(iii) Transparency of Customs Operations through inter-connectivity of our system with relevant stakeholders e.g. Central Bank of Nigeria, Customs duty collecting banks, Terminal Operators etc. thus ensuring a seamless exchange of information and data between stakeholders

(iv) Introduction of Risk Management and Post Clearance.Audit (PCA) in the Clearance Process

(v) Introduction of Fast Track Clearance for Compliant Traders (Authorised Economic Operators - AEO).

(c) AUTOMATION OF THE CLEARING PROCESS

To ensure that our ports are more user-friendly with a view to enhancing trade facilitation in line with international best practices, conscious efforts were made at restoring public confidence in our clearing procedures. To this end, the new Management of the Service embarked on full automation of the clearing process. In doing this, ASYCUDA, which is the system used in customs revenue collection at our ports, was upgraded from version 2.7 to version 3.0 (ASYCUDA ++) so as to fully harness its features to achieve the following:

(i) e-transmission of manifest

(ii) e-declaration through the introduction of Direct Trader Input (DTI)

(iii) e-release of cargo

(iv) e-payment

(v) e-remittance of duty collection by the Commercial Banks to the Central Bank of Nigeria

(vi) e-reconciliation.

(d) REVENUE ENHANCEMENT STRATEGY

(i) Blocking of Revenue Leakages by reducing abuse of ECOWAS Trade Liberalization Scheme through site visits to factories in member countries to ascertain eligibility of products

(ii) Setting up of a Special Team based in Lagos and Port-Harcourt to investigate cases of fraud (non-payment of appropriate duties)

(iii) Enforcement of submission of all Manifests electronically by Shipping Companies

(iv) Implementation of the GATT Valuation System

(v) Intensification of Anti-Smuggling Operations particularly at the Border Stations.

(e) COLLABORATION WITH the WORLD CUSTOMS ORGANISATION (WCO)

In our efforts to reposition the Service to meet the WCO standards thereby ensuring that international best practices requirements are met, the following WCO-initiated reform measures were carried out by experts from the WCO headquarters:

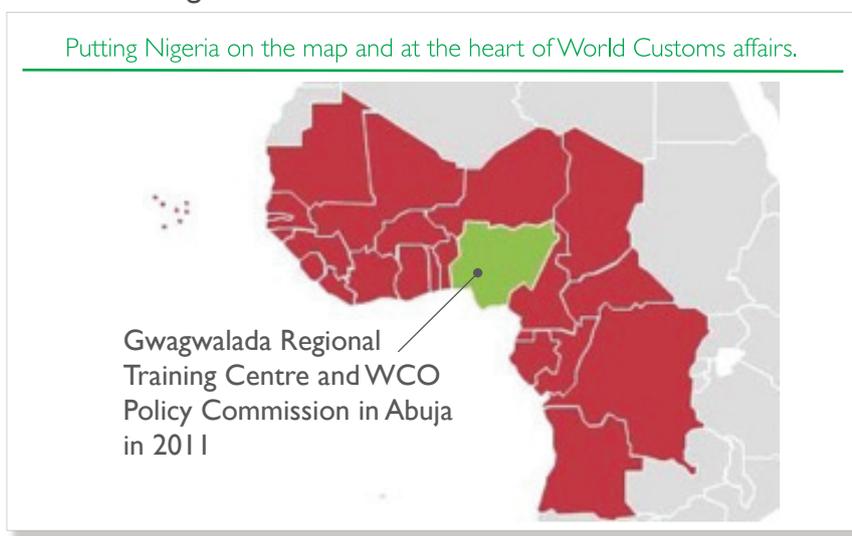
- (i) Diagnostic Mission and Development Support Plan
- (ii) Capacity Building (Development of Strategic Plan)
- (iii) Completion of Time Release Study and Training Needs Assessment.

3 CAPACITY BUILDING

Before year 2009, capacity building of officers and men of the Service did not receive the deserved attention. Training was limited to ASYCUDA and refresher courses in our training colleges in Kano and Lagos. Realising the place of capacity development in the effective performance of the workforce, a Department of Human Resources Development was created at the inception of this Administration in August, 2009. Between 2009 and July, 2011, a total number of 12,510 officers and men of the Service have undergone training both locally and internationally.

4 DESIGNATION OF THE NIGERIA CUSTOMS SERVICE STAFF COLLEGE AT GWAGWALADA, ABUJA BY THE WORLD CUSTOMS ORGANISATION AS A REGIONAL TRAINING CENTRE.

In our bid to ensure that the Service Staff College at Gwagwalada is adequately positioned to meet the challenges of providing training to officers and men of the Service in line with international standards, Management decided to approach the World Customs Organisation (WCO) for a possible adoption of the Staff College as a WCO Regional Training Centre. This was done to enable the Service to benefit from various capacity building programmes of the WCO. At the 66th Session of the Policy Commission meeting of the WCO held at Brussels, Belgium from 20th - 22nd June, 2011 our request was ratified and an MOU was signed to that effect. The adoption will enable the Nigeria Customs Service to benefit more than ever before from various capacity building programmes of WCO. This will in turn translate into a better-equipped workforce adequately positioned to meet with the challenges of the modern Customs Administration.



5 HOSTING OF THE WCO POLICY COMMISSION MEETING

In furtherance to our collaborative efforts with the WCO, the umbrella body of Customs Administrations all over the world, the Nigeria Customs Service, at the just concluded 66th Policy Commission Meeting and 117th /118th Council Session of the WCO bid for and was granted the hosting right of the forthcoming Policy Commission Meeting. The meeting, which is the highest decision-making body of the WCO, is scheduled to take place in Abuja between the 7th - 10th December, 2011. It is worthy of mention that various collaborative efforts with the WCO since the inception of this Administration have resulted in increased revenue collection by the Service as will be highlighted later in this report.

6 WCO INVITATION

At the 66th Policy Commission Meeting and the 117th / 118th Council Session of the WCO held at the WCO Headquarters, Brussels, Belgium between 20th -25th June, 2011, the Comptroller-General was invited to deliver a paper to the Integrity Group on the success of the various reforms embarked upon by the Nigeria Customs Service since the inception of this Administration. The invitation was in recognition of our various collaborative efforts with the WCO. The opportunity which is the first in the history of the Service has attracted the attention of Customs Administrations from different regions of the world to the extent that Customs Administrations of countries such as United Kingdom (UK), United States of America (USA), Turkey, Kuwait, South Africa, Canada, Vietnam are requesting for partnership with the Service.

7 PRESIDENTIAL TASK FORCE ON CUSTOMS REFORMS

To further reposition the Service for better efficiency in the discharge of her statutory duties, the President, Commander-in-Chief of the Armed Forces in the year 2009 set up a Presidential Task Force to take a holistic view of the Nigeria Customs Service and come up with a position paper on various problems and constraints militating against the Service. The Committee has submitted its reports to the erstwhile Honourable Minister of Finance.

8 SCORE CARD OF THE NIGERIA CUSTOMS SERVICE FOR THE PERIOD AUGUST 2009 - DATE

The various reforms embarked upon at the inception of this Administration have translated into tangible benefits to the Service and the nation. Presented hereunder is report of the activities of the Nigeria Customs Service, in relation to its statutory functions of revenue collection and suppression of smuggling, for the period August 2009 - July 2011. The report also covers measures put in place by the management to ensure compliance among officers and men of the Service with the policy of evolving a Service alive to her responsibilities of facilitating genuine trade between Nigeria and her trading partners. In addition it highlights promotion of deserving officers and men of the Service as a motivation for optimal performance and also sanction for those found wanting.

(a) REVENUE COLLECTIONS

Training, Welfare and Equipment efforts bearing fruit: 2011 sees monthly collection figures increase sharply

₦475,458,785,262.96
(₦475.46 Billion)

Collected by NCS
into Non-Federation
Account 2009-2011

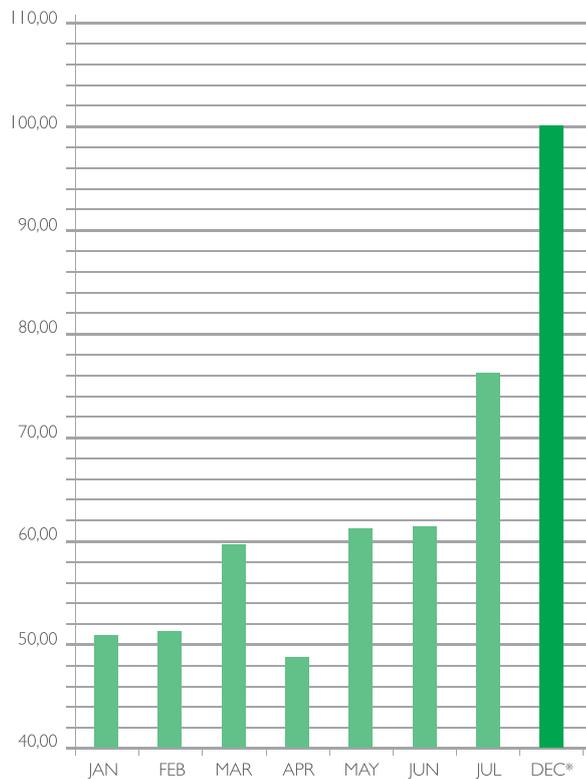
₦662,145,118,734.45
(₦662.15 Billion)

Collected by NCS
into Federal Account
2009-2011

₦1,137,603,903,997.41
(₦1.14 Trillion)

Collected by NCS
into all Government Accounts 2009-2011

Duty collected by NCS in 2011, monthly figure in billion Naira



*NCS target likely met

(b) ANTI -SMUGGLING ACTIVITIES

Anti-smuggling activities have continued in the bid not only to ensure the security of our nation, but also to ensure compliance to fiscal policies of the government. To this end, our anti-smuggling operations are not limited to our vast borders but also cover the nation's sea and air ports. These activities had resulted in a total of 9,497 seizures with a Duty Paid Value of ₦16,221,457,870.47 within the period under review. In addition to this, a total of 517 arrests were made in connection with the seizures. Some of those arrested are being prosecuted in the courts.

(c) PROMOTION

To ensure officers and men of the Service are adequately motivated for effective performance of their statutory duties, deserving officers and men of the Service are promoted as at when due. In this direction, two promotion exercises have been conducted since the inception of this Administration resulting in the promotion or upgrading of a total number of 8,906 officers and men.

(d) DISCIPLINE

To instil discipline among officers and men of the Service, Management has in the period under review deemed it necessary to sanction erring officers and men in accordance with the provisions of the Public Service Rules and our Code of Conduct. To this end, a total of 74 officers and men had been handed various forms of punishment ranging from reduction in rank to outright dismissal during the period.

(e) FUNDING

The funding of the Service is from 7% Cost of Collection. This is for capital and recurrent expenditures. In this direction, provision of working tools, barrack accommodation and prompt payment of salaries and allowances of officers and men are taken care of.

It is worthy of note that inadequacy of funding has resulted in the Service's request for intervention funds to meet her needs. In view of this, there is therefore the need for an alternative funding of the Service (other than the present 7% Cost of Collection which has proved inadequate). This informed the suggestion of the Nigeria Customs Service to the government for a funding system based on 4% FOB which we believe will adequately address the funding problems of the Service.

9 NIGERIA CUSTOMS SERVICE BEYOND THE SERVICE PROVIDERS

In preparation for a smooth takeover from Service Providers whose contracts expire December 2012, Management has articulated a succession plan to move the Service forward after the takeover. A work plan geared towards the Modernisation and Professionalization of the Service is already been worked out, details of which will be released in the next few days.

10 CHALLENGES

In the course of the performance of her duties, the Nigeria Customs Service is faced with several challenges which if adequately addressed will translate into improved performance. Some of the challenges are:

(a) FUNDING

The 7% Cost of Collection is grossly inadequate to meet both overhead and personnel cost for the Service. Presently, the Service has submitted a proposal to the National Executive Council (NEC) Committee on Remittances to the Federation Account requesting for an alternative source of funding through the utilization of 4% of FOB value on imports and excise to meet her needs. There is need to persuade the NEC and the National Assembly to approve the proposal. Inadequate funding has affected the Service in the following areas:

(i) Capacity Building - Training of Officers and men of the Service in modern techniques of Customs Administration especially in the area of Information Technology has been greatly hampered on account of inadequate funding. Relevant books of instructions are needed to update officers and men of the Service to keep them abreast of developments in modern Customs techniques. Furthermore, the Service Staff College and Corporate Headquarters require adequate funding for timely completion.

(ii) Inadequate Barrack Accommodation especially at the Border Areas.

(b) WEAK LEGISLATION ESPECIALLY IN AREAS OF PENALTIES

With improved funding, the Service will be able to address most of the problems enumerated above for optimal performance.