



NIGERIA - Case Study

Background

In 2003, Nigeria decided to migrate from Pre-Shipment Inspection (PSI) to Destination Inspection (DI). Cotecna initially signed a contract to provide DI services which included risk management, valuation, classification, computation of duties and taxes, scanning and issuance of FCVRs (Final Classification & Valuation Reports) in Nigeria. The Destination Inspection contract was later reviewed and Cotecna was appointed to provide Build Own Operate and Transfer (BOOT) DI services beginning January 1, 2006 in: Apapa and Tincan sea ports; Nnamdi Azikwe (Abuja) and Aminu Kano International Airports (Kano); Jibiya and Banki land borders.

Objectives: facilitate legitimate trade, secure government revenues, improve security and capacity building

Approach: introduce a combination of risk management and scanning services

Results: improved trade, increased Custom's revenues, enhanced security and capacity building

Approach

Under the DI contract, Cotecna is responsible for the design, installation and operation of a Computerized Risk Management System (CRMS®) that helps enhance the efficiency of the scheme by designating the level of Customs intervention based on risk. There are also provisions in the contract for:

- import document processing
- scanning
- training and capacity building for Nigeria Customs Service (NCS) officers and other stakeholders
- provision of tools and equipment
- reporting and coordination with the relevant agencies

- successful implementation of value-added services for effective Customs risk management decision support:
 - CRMS® front end report
 - global status report for online Form M/RAR view and printing
 - intelligence reporting and feedback
 - ValueQuest®
- Customs revenue has increased by 25% annually since 2007
- the implementation of an extensive IT infrastructure connecting all operational sites (seaports, land borders & airports) as well as Customs, contributing to improving trade facilitation in Nigeria
- successful construction and installation of a 9 MeV fixed X-ray scanner complex at Apapa, the first of its kind on the African continent

Results

The Destination Inspection scheme implemented in Nigeria has achieved impressive results:

- consistent realization of more than 50% reduction on the mandated time for import documentation processing, thus contributing to trade facilitation
- establishment of a Centre of Excellence for Customs' capacity building training on valuation and classification
- by May 1, 2010, Cotecna had achieved more than 200% of its training and capacity development obligation for the NCS
- successful deployment of a Computerized Risk Management System (CRMS®) associated with dynamic intelligence development systems that provide Nigeria Customs with intelligence alerts on shipments

Investment

Cotecna has made huge investments in scanners. It deploys seven 3.8 MeV mobile scanners at the ports of Apapa and Tincan, and two Hi-Scan pallet scanners at Kano and Abuja Airports. In addition to this investment, Cotecna has successfully completed a multimillion dollar Dual View 9 MeV Fixed X-Ray Scanner Complex at Apapa Port. A similar investment of millions of dollars is committed to the construction of a second Dual View 9 MeV fix X-Ray scanner complex in Tincan Ashaye port due to be operational before the end of 2010.