

Status Report on Implementation of almaty programme of Action in Nigeria

2.0 CONVENTION AND INTERNATIONAL INSTRUMENTS

Nigeria being signatory to negotiation, consultations, institutional and legal framework in international, sub-regional treaties and trade conventions for the operations of ports and protection of shippers in transit trade has domesticated many of them and which include:

- Numerous agreement signed within the framework of MOWCAs – Ministerial conference of West and Central African States, acknowledging the right of landlocked countries to transit trade through coastal countries;

3. REGIONAL AND SUB REGIONAL INFRASTRUCTURE AND TRADE FACILITATION

3.2Background/Implications ;Transport costs in West Africa among the highest in the world – barriers include delays, high taxes, inefficient procedures and poor infrastructure, etc. To this end, Nigeria has embarked on a sealink feasibility study in establishing a maritime link between the countries of the Joint Development Zone (Equatorial Guinea and Sao tome and Principe).

In view of the above, a contract was awarded for asealink feasibility study and an inception report consisting of the following revealed its viability.

- Tabulations of dates, activity already executed.
- Commodity flow of Countries visited.
- Reasons why most coastal shipping failed.

- Work completed, all countries visited.

3.5 Border Information Centre(BIC)

The Economic Community of West African States (ECOWAS) and the private sector, with the support of the USAID West African Trade Hub, have been working to reduce supply chain costs for exporters and increase their national government's economic competitiveness – leading to job creation, higher incomes, and reduced poverty.

A USAID/ West African Trade Hub Gap- Analysis revealed that incomplete and inconsistent implementation of ETLS protocols within the countries studied has a host of negative effects, including increased costs and unpredictability of trade and dampened business expansion and investment. The full implementation of ETLS in West Africa would result in greater economic growth, more jobs and lower consumer prices in the region.

4. OPTIMAL ROLE & GOVERNANCE STRUCTURE OF NIGERIA'S CORRIDOR MANAGEMENT GROUP (CMG)

4.1 Objective

- Transform the potential of the LAKAJI Transport Corridor in to an economic zone
- Create economic activities along the Corridors
- Transform the Corridor into A TRADE ROUTE

4.2 Scope of Operation

It has been extended to Maradi/Niamey, Port Harcourt-Maiduguri – Njamena, Calabar- Northern Cameroon

4.3 Mode of Operation

The corridor is based on the following initiatives:

Borderless Information Centre(BIC), Trade Route Information Management System(TRIMS), Inland Container Depots (ICDs), Transit Truck Parks(TTPs), Cash Crop Processing Zones. All ICDs have the capacity to handle between 20,000-40,000TEUs and are operated on Private Public Partnership arrangement.

Some of the corridors that have been developed are:

(i) Lagos-Kano-Jibiya(LAKAJI) Corridor Management (Fully developed and operational)

The Lagos-Kano-Jibiya (Lakaji) transportation corridor has been identified as a key route for moving agricultural crops critical to food security. A detailed analysis of the time, cost, and reliability factors in moving cargo along this corridor identified the need to link public and private sector stakeholders through a corridor management group (CMG). CMG brings together government and the private sector in a single body to identify, discuss, and resolve problems associated with transport along a defined route or corridor.

Nigerian Shippers Council is a Federal Government agency responsible for the protection of the Nigerian Shippers' i.e. importers, exporters and Transitors is a key member of the Lakaji Corridor Management Group and provides the office secretariat of the group in Abuja.

(ii) Port Harcourt- Maiduguri- Njamena (50% developed)

Source: Federal Ministry of Agriculture, 2013

6.0 INLAND CONTAINER DEPOTS (ICD)

The federal government through the Nigerian Shippers' Council meet in 2006 entered into concession agreement with six concessionaires under BOOT scheme to build, finance, operate, own and transfer inland container depots in six locations as follows:

- Isiala-ngwa – Abia state
- Heipang, Jos, Plateau state
- Zawachiki, Kano state
- Erunmu, Ibadan, Oyo state
- Funtua, Katsina state
- Maiduguri, Borno state

Each of these ICDs is to have an installed capacity of 20,000 TEUs and construction was to last for 30 months.

In June 2013, the Nigerian Government set up an inter ministerial committee comprised of the representatives of the NSC,NPA and ICRC to examine and reposition the ICD project in line with the national policy on public private partnership (PPP) for effective implementation nationwide.

7.0 TRUCKS TRANSIT PARK (TTP)

The Federal Government in pursuit of its core function of facilitating trade through the Nigerian corridor has concluded plans for the development of truck- stopstermed Trucks Transit Parks (TTP).

It is primarily intended for short term safety breaks and long term parking services in high use corridors. The main purpose of developing the TTP is for promoting safe, efficient and effective truck transportation system. The project is proposed as a public private partnership project model in which the private investors partner with the federal/state governments to ensure the objectives of the project are realised and there is adequate return on investment for all parties. Locations include;

- Ogere in Ogun State
- Ore in Ondo State
- Onitsha in Anambra State
- Jebba in Kwara State
- Lokoja in Kogi State
- Mararaba Forest in Kaduna State
- Port-Novo Greek in Lagos State

8.0 LAND LOCKED COUNTRIES AND TRANSIT ISSUES

8.1 Nigeria-Niger Joint Commission

The issues that concern the Federal Ministry of Transport (FMOT) and its parastatals in the decisions of the Nigerian-Niger Joint Commission (NNJC) are Transport and Transit of Goods. Right from the inception of meetings at the Nigeria-Niger Joint Commission, the issue of Niger Republic goods transiting through Nigerian Ports and as well as the facilitation the movement of these goods through the Nigerian transit corridor has always featured prominently on the agenda of NNJC meetings over the years.

In relation to this aspect of the relationship between the two neighbouring counties, several delegations from Niger Republic have visited Nigeria in the past to complain about the problems militating against the use of the Nigerian Ports by the Niger Republic Economic Operators.

8.2 Challenges :

(i) Non-implementation of the incentives granted by the Nigerian Ports Authority (NPA) to transit cargoes destined for Niger and Chad through Nigerian Ports before the Ports concession.

(ii) Customs Problems

(a) Exorbitant Customs Escort Fees; Niger Republic Economic Operators consider the Escort Fees of N25,000 charged by Nigerian Customs Service (NCS) for the mandatory escort of their transit goods through Nigerian Ports very exorbitant.

iii. Road Transit problems

The difficulties of moving transit goods from the ports by roads on the Nigerian corridor from the ports to the borders which include:

Poor state of Nigerian roads

Disputes over the sharing formula for the carriage of Niger transit cargoes by truck owners from both countries.

8.5 NSC Actions:

As part of its response to these complaints, the Nigerian Shippers' Council (NSC) has taken the following actions:

On the fate of Concessions Previously by the Nigerian Ports Authority (NPA):

The Council held a tripartite meeting with NPA and some Ports Concessionaires on the issue of concession for transit cargo on the 1st of August 2006 in Lagos at NSC office in Lagos, where the Concessionaires expressed their willingness to sustain the concessions originally offered by the NPA to transit cargo.

The Concessionaires however requested that in order to enable them make sound decisions on the matter, the Niger Economic Operators, through the

Nigerian Shippers' Council (NSC) should provide them with the specific information on:

- Nature of consignment (imports and exports)
- Frequency of shipment
- Rates and nomenclature of the charges/tariffs of other transit ports in the West African Sub-region.
- Approximate volume of their trades per annum.

There is the need for the Ministry of Transport to take up the issue of the previous concessions granted transit goods by the NPA with a view to ensuring that the Ports Concessionaires respect them and even grant more.

8.6 On Exorbitant Customs Escort Fees for Transit Goods:

NSC advised the Hon. Minister of Transport to liaise with his counterpart, the Hon. Minister of Finance to see how the issue of exorbitant Customs Escort Fees can best be handled. This is because the Nigerian Customs Service (NCS) insisted that the issue is a fiscal policy decision of the Federal Government of Nigeria and only the Federal Ministry of Finance could take a decision on it. The NSC considered a compromise fee of N25, 000 per convoy of 10 trucks more reasonable than charging per truck.

8.7 Decentralization of Transit Permit

NSC persuaded the NCS to decentralize the issuance of transit permit and it has now been agreed that transit permit can be obtained at the Customs' Zonal Command office on Harvey road in Yaba, Lagos, instead of only Abuja.

8.8 The Requirement for Bank Bonds for Transit Cargoes instead of Insurance Bonds

NSC after several discussions received the consent of Customs to accept "insurance bonds" for transit cargo instead of "Bank bonds" in order to lessen the burden on Niger Economic Operators.

Since then the Niger Economic Operators requested for a list of insurance companies operating in Nigeria which they could approach for Insurance

Bonds. The list was compiled and sent to them many years back. I view of the time lag they are requesting for an up-to-date list, which we are prepared to forward to them soon.

8.9 Red-Tape at Nigerian Ports

Red-tape in Nigerian Ports has obviously been overtaken by events as the Ports are now in private hands as a result of the ports concession exercise. We believe that the red-tape has all but disappeared since the ports terminals now operate as business concerns.

8.10 Facilitating Transportation of Goods through Nigerian Corridor

On the issue of the facilitation of movement of transit goods by road from the ports to the borders, most of the numerous road-blocks mounted by various security agencies in Nigeria have been removed and most of these roads are undergoing major repairs. As a result of these, accidents on Nigerian roads have been greatly reduced.

In fact the Inspector general of Police has proscribed the mounting of checkpoints on Nigerian roads a move which has drastically improved the movement of vehicles on our roads.

In addition, the Federal government is vigorously pursuing the rehabilitation and of rail lines and even constructing new lines. This will go a long way in facilitating the movement of transit goods through the Nigerian corridor in the nearest future.

8.11 The Current Situation in Nigerian Ports

Arising from the resolutions of the thirty fifth 35th Session of the Ministers of the Nigeria-Niger Joint Commission held between 4th - 9th August, 2010, a delegation of Niger Republic Economic Operators undertook an assessment visit to some Nigerian in Ports in Lagos and Port-Harcourt from 12th to 14th October of 2010. The delegation was accompanied by officers of both The Nigerian Ports Authority (NPA) and the Nigerian Shippers' Council.

The delegates were taken round the ports for them to see for them and be assured of the adequacy of the ports. The Port Harcourt port was especially recommended for them as best positioned to handle their transit cargo and they were promised adequate consideration and competitive pricing on their imports and exports.

The Niger economic operators were expected to give a feedback on their assessment of the facilities at the next Experts meeting of the 36th NNJC in Niamey.

This meeting may wish to note that in spite of all the efforts made by NSC to facilitate the return of Niger transit goods to Nigeria, the Niger Economic Operators are yet to test.

8.12 Progress on Rail Links

At the 37th Session of Council of Ministers of NNJC, the Nigerien side reiterated its request for the feasibility studies on the rail link planned to stop at Illela in Nigeria to Konni in Niger – an extension of about 37 kilometres.

From information gathered from FMOT NSC informed the meeting that the process of extending the feasibility study has been initiated by the Federal government of Nigeria.

The issue of the working visit proposed to be undertaken to Nigeria by Niger railway experts with a view to having firsthand information about the workings of the Nigerian Railway system was raised. The Niger side expressed the intention to embark on the visit during the first quarter of 2013 with the exact date to be communicated through diplomatic channel.

Level of Implementation – The NNJC was expected to get in touch with the Nigerian Railways on this issue and arrange the visit.

On the funding for the feasibility studies of the proposed Kano – Maigatari– Zinder rail line, the Niger delegation informed the meeting that the funding has been included in their 2013 budget.

8.13 The Issue of Diplomatic Status for the CNUT in Nigeria

On the diplomatic status of the CNUT our view is that most international conventions on transit transportation of goods by landlocked countries right from the ALMALTY programme of action on the rights of landlocked countries to have access to the sea and all other sub-regional and continental instruments e.g. MOWCA, ISRT, and EUMOA support the presence of an official representative of shippers in coastal States. This is to enable such representatives operate optimally in the execution of their functions. This requires some form of diplomatic status for such officials if they are to effectively carry out their duties. NSC supports such form of diplomatic recognition but subject to the opinions of the Ministry of Foreign Affairs.

8.15 Standing Committee on Niger Republic Transit Goods

This meeting may wish to be reminded that a Standing Committee on Niger Republic goods transiting through the Nigerian corridor was established by the NSC in 2006. The committee is made up of all agencies/ organizations, in both private and public sectors, concerned with the movement of transit goods. The decision to set up the committee was taken at a meeting held in Zinder, Niger Republic on 11th November, 2005.

The Committee held three meetings and then went moribund due to the cessation of the movement of Niger cargo through Nigerian ports and also the port concession exercise.

In view of the recent developments, this meeting may wish to direct the resuscitation of this Standing Committee in order enhance the sustainability of the efforts being made to attract Niger Republic transit goods back to Nigerian ports and corridor.

8.16 What is on Ground?

A Standing Committee was established by the government on Niger Republic Transit Goods. The Committee was made up of all agencies/ organizations and private sector concerned with the smooth transit of Niger

goods through the Nigerian corridor. The decision to set up the committee was taken at a meeting held in Zinder, Niger Republic on 11th November, 2005.

The Committee held three meetings and then went moribund due to the cessation of the movement of Niger cargo through Nigerian ports and also the port concession exercise.

NPA has however assured that it was ready to support the resuscitation of transit traffic through Nigerian ports despite the port concession exercise.

The Concessionaires also expressed their readiness to handle transit cargo provided:

- The Nigeria Customs Service decentralizes issuance of Transit Permit for the cargo and provides adequate Customs escorts for the goods.
- The Niger Economic Operators provide information on the volumes, types and frequency of cargo to be handled.
- Met and received the consent of the Nigeria Customs Service to decentralize the issuance of transit permits. The permits can now be obtained in Lagos instead of only in Abuja.
- Received the cooperation of the Nigeria Customs to charge escort fees of N25, 000 for a fleet of 10 vehicles in a consolidated shipment instead of costly per truck payment.
- Received the consent of Customs to accept “insurance bonds” for transit cargo instead of “Bank bonds” in order to lessen the burden on Niger Economic Operators.
- Discussed with Niger traders that the haulage of maritime traffic goods be at a ratio of 2/3 by Niger truck owners and 1/3 by Nigerian truck owners (NARTO; AMATO and so on). For local goods bought in Nigeria for Niger traders it should be 50/50 arrangement between their truck owners and Nigerian truck owners.

Some Niger Economic Operators paid an exploratory visit to some Nigerian ports in 2010 to look at the facilities available to them.

8.17 Nigeria – Chad Mix Commission, Nigeria – Cameroon Mix Commission