

# MACN PROJECT NIGERIA BULLETIN

*The Newsletter on the MACN-CBi Port Project in Nigeria*



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*Mr. Vivek Menon, Associate Director of the MACN, making his remarks at the Compliance Roundtable*

## MACN/CBi Hosts Compliance Roundtable

On March 31, 2022, the Maritime Anti-Corruption Network (MACN) and the Convention on Business Integrity (CBI) in collaboration with the Independent Corrupt Practices and Other Related Offences Commission (ICPC), the Technical Unit on Anti-Corruption Reforms (TUGAR) and the Nigerian Shippers Council (NSC) held a Roundtable Discussion on Compliance Function in the Nigerian Maritime sector. The roundtable titled "**A Maritime Sector Fit for Purpose**" brought together Heads of Port Agencies (*Continued on Page 2*)

including the Federal Ministry of Transportation, Nigerian Port Health, Nigeria Immigration Service (NIS), Nigerian Maritime Administration and Safety Agency (NIMASA), Council for the Regulation of Freight Forwarding in Nigeria (CRFFN), National Drug Law Enforcement Agency (NDLEA), Lagos Chamber of Commerce and Industry (LCCI), Nigeria Quarantine Service (NIQS), Calabar Chamber of Commerce (CCC), National Association of Government Approved Freight Forwarders (NAGAFF), Nigeria Customs Service (NCS), the leaders of MACN's Integrity Alliance and Nigeria Police Force (Port Police).



*Key Stakeholders at the Compliance Roundtable*

The roundtable was convened to discuss the compliance arrangements of port agencies and its significance to promoting integrity and strict adherence to regulations and standard operating procedures (SOPs), and where there are failures, ensure that the appropriate consequences are applied to deter others from breaching the rules.

The roundtable also explored how a rewards and sanctions-based compliance arrangement can help achieve the operational outcomes that port agencies and port users desire.

At the meeting, stakeholders acknowledged that the maritime sector has made strides to reform and is currently at the cusp of either great progress, stagnation or regression.

Referring to data from CBI's helpdesk - the MACN's Anonymous Reporting Platform, and the Nigerian Shippers' Council's (NSC) Port Service Support Portal (PSSP), the CEO of CBI, Mr. Soji Apampa, stated that since 2019 (when records began) there has been a drastic drop in demand for large unreceipted cash payments on the vessel clearing side of



port operations. However, despite the progress on evolving the SOPs for port agencies to curb corruption and increase operational efficiency, adherence to the SOPs remains low among officers.

On possible solutions, MACN and CBI, during the meeting, recommended the need to mainstream the compliance function into every unit of port agencies, with a senior level officer (not below the rank of a Deputy Director or its equivalent), with significant experience in field operations, responsible for leading in the role. Where this is achieved, the Port Standing Task Team (PSTT) can partner with the compliance function of each port agency to carry out sting operations to ensure the strict enforcement of SOPs, PSSP and NPPM in cases of compliance failures.

## PSTT - Progress & Challenges

On the “Rationale, Progress and Challenges” of the PSTT, the National Coordinator of the PSTT Mr Moses Fadipe, informed the meeting that the PSTT has arguably become the single most impactful initiative of the Federal Government's drive in the Ease of Doing Business, especially in the ports sector.

Referring to the drastic reduction in the time it takes to move a ship from anchorage to berth, he explained that it only takes an average of 90 minutes today, down from 5 hours in the recent past. The PSTT achieved this by making sure



*Mr. Moses Fadipe, National Coordinator, PSTT, making his presentation at the Compliance Roundtable*

that only manning agencies permitted by the port process manual (NPPM) are allowed to board vessels. This reduces the opportunity for corrupt demands in terms of cash and other gift items received on boarded vessels by government officials.

On challenges, the National Coordinator also highlighted that the PSTT currently lacks the financial, human, logistics, and equipment resources it needs to sustain its momentum, without the support of other port agencies. He called on the support of other agencies at the ports to support the work of the PSTT.

## Remarks from the Hon. Minister of Transportation

At the Compliance Functions Roundtable, the Honourable Minister of Transportation, Hon. Rotimi Amaechi, who was represented by the Permanent Secretary of the Federal Ministry of Transportation, Dr. Magdalene Ajani, underscored the importance of strengthening compliance in port agencies as “we cannot afford to lose the momentum and gains that we have built”.

In addition, the Hon. Minister promoted the need to setup an assertive system that rewards and sanctions officers that follow or breach the SOPs, and called for political will among key decision-makers in the port sector to support, energise and synergise on how best to enforce compliance, especially for officers that operate

outside the direct oversight of the most senior levels of management of the agencies.

On the role of compliance officers and the need to establish best practices for mainstreaming compliance function in port agencies, even amid the constraints, the Hon Minister emphasized the need for a context-appropriate and realistic compliance framework for port agencies to adopt.

At the end of plenary, the Minister instructed all port agencies to ensure the consistent application of SOPs to 80% compliance level by the end of 2022 and promised support of the planned initiative to clear the checkpoints at the port corridors.



Dr Magdalene Ajani, Permanent Secretary  
Federal Ministry of Transportation



# Plenary Discussions

*Comptroller Enoch Ochiba, Area Commander, Lagos Command, making his remarks during the Plenary Session*



*Ms. Foluke Akinmoladun of the LCCI making a remark during the Plenary Session*



*Mr David Etim, Chairperson, Integrity Alliance Calabar and Vice Chair of the Calabar Chambers of Commerce speaking during the Plenary Session*

The plenary session examined two key issues. First, the existing compliance arrangements within port agencies and its robustness for the purpose; and second, what is possible within the current operational framework.

During deliberations, stakeholders highlighted that the menace of multiple checkpoints along the port corridors, which continues to influence the cost and time it takes to clear cargo, points to a compliance failure that must be addressed due to its economic impact on trade flows and commodity price inflation. Further, participants acknowledged that while there are traders and

importers/exporters that exploit operational weaknesses to short circuit import or export processes for personal gain, there must be a system that rewards compliant port users as a means of promoting compliance.

On what can be improved under the current compliance framework, stakeholders agreed on the need to periodically redeploy officers of port agencies to avoid their entrenchment, making it possible to establish relationships that enable corruption. Port Police pledged to take action in this area while stakeholders urged other agencies to do the same.

# OUTCOMES



*Mr Soji Apampa, Chief Executive Officer, CBI Nigeria, facilitating the Plenary Session*

- **Inter-Agency Collaboration:** Stakeholders recommended the need for greater cooperation among agencies to address inter-agency rivalry, dismantle boundaries by port agencies and focus on Nigeria as an entity.
- **Port Standing Task Team (PSTT):** The need to increase the material support to the PSTT (finance, equipment and man-power) was also highlighted as key to expanding the reach of their work to Eastern ports and sustaining the impact and momentum of PSTT's work.
- **Strengthen PSTT:** Stakeholders called for the gazetting of the directive that established the Task Team to protect their important work.
- **Corrupt Practices:** The use of area boys and criminal gangs to represent government agencies and extort money from port users (with the permission and protection of government agencies) must be tackled to restore dignity and harmony to cargo clearance processes.
- **Cargo-Side Challenges:** Stakeholders explained that despite the incremental changes recorded in vessel clearance, a lot needs to be done in the clearance and post clearance of cargoes in the sector.



# MACN pay courtesy calls on Nigerian Maritime Stakeholders

The MACN Secretariat based in Denmark paid a working visit to Nigeria from March 7th to 31st. As part of the visit, the MACN and Convention on Business Integrity (CBI) Nigeria paid courtesy visits to several stakeholders in the Nigerian maritime sector as part of building new relationships and strengthening existing partnerships.

The visits were also aimed to provide updates to stakeholders on the MACN Project in Nigeria as well as the successes recorded so far and solicit for stakeholders continued collaboration in making operations in Nigeria's ports more transparent, consistent and predictable.

Stakeholders visited include Professor Bolaji Owasanoye (SAN), Chairman, Independent Corrupt Practices and Other Related Offences Commission (ICPC), Mr Mohammed Bello-Koko, Managing Director of the Nigeria Port Authority (NPA), and Dr. Chinyere Almona, Director General of the the Lagos Chamber of Commerce and Industry (LCCI).

Among private sector companies, the MACN delegation also visited Mr Christian Holm, Managing Director of Hull Blyth, Mr Klaus Larson, Managing Director of Maersk/APM Terminal and Mr. Israel Ishaku, General Manager of Integrated Shipping Services.



*Group Picture with MD of NPA*



*Group Picture with the President and MD of LCCI*

Private sector stakeholders visited, while acknowledging that things appear to be improving at the ports, raised a number of challenges. Some of them include infighting among port agencies, the refusal to deploy scanners provided for container clearance, requests for payment by security agencies to carry out their statutory duties, and organised crimes syndicates at the ports. They requested for support to tackle these challenges.