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WORLD CUSTOMS ORGANIZATION
ORGANISATION MONDIALE DES DOUANES

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Tariff And Trade Affairs Directorate :
Valuation Sub-Directorate

Tél (32 2) 209 92 12

. (32 2) 209 94 92

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TITLE PAGE

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WCO/USAID Valuation Technical Assistance Programme
to Sub-Saharan countries.

Needs Analysis and Detailed Work Plan, Nigeria
(Revised in the light of Nigeria's comments)

Author's name :

Richardt Vork

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WCO/USAID Valuation Technical Assistance Programme to Sub-Saharan countries

12 April, 2002
revised version

Needs Analysis and Detailed Work Plan

Nigeria

I. Introduction.

The first phase of the WCO/USAID Valuation Technical Assistance Programme to Sub-Saharan countries foresees a needs assessment mission to each of the five countries that have been selected as beneficiaries (Kenya, Lesotho, Nigeria, Senegal, and Tanzania). The Project Manager conducted the needs assessment mission to Nigeria from 5 to 8 February 2002, in Abuja and Lagos. The Customs Administration and the business community appreciated the offer of technical assistance and confirmed their interest in the implementation of the WTO Agreement on Valuation.

Nigeria has not yet implemented the WTO Valuation Agreement and still applies the Brussels Definition of Value system. The legislature is examining a bill on the implementation of the WTO Valuation Agreement.

The authorities described the current legislation based on the Brussels Definition of Value system, the policies and procedures in relation to valuation, including how Nigeria works with Pre-Shipment Inspection (PSI) companies, and explained their needs for technical assistance. Nigeria Customs provided the Project Manager with a copy of a "Bill for an Act to amend the Customs and Excise Management Act to provide for a new method of valuation of goods based on the transaction value", a copy of a book with the title "Procedures on Implementation of WTO Valuation Agreement" containing "Instructions relating to the valuation of imported goods liable to an ad valorem duty – short title Valuation Code" that are foreseen to apply when the legislature adopts the bill on implementation of the Valuation Agreement, and the form "Declaration of Customs Value". Nigeria Customs also provided a copy of the Customs and Excise Management Act (CEMA) CAP 84 (1990).

As a result of the needs assessment mission, the WCO has determined the needs of Nigeria in the areas of legislation, training of personnel and other infrastructure requirements for the implementation of the WTO Valuation Agreement. Based on this assessment, the WCO has established a detailed work plan.

II. Determination of the needs.

Area 1 - Needs relating to legislation

1. There is a need for Nigeria to adopt the legislation under examination and notify the adopted law together with the administrative instructions to the WTO.
2. There is a need for Nigeria to notify its reply to the WTO "Checklist of Issues" when the legislature has adopted the law on implementation of the WTO Valuation Agreement.
3. When the legislature has adopted the legislation and the Departmental Instructions have entered into force, there will be a need to review those texts.

Area 2 - Training of personnel and the business community

1. Senior management of the Nigeria Customs Service needs a visit by a high-ranking official with Valuation expertise from a developed country¹ already having implemented the Valuation Agreement, for advisory talks on how to overcome initial implementation problems, including the risk of revenue loss caused by under-declaration of value.
2. The staff of the Customs Service, including middle and senior managers, the Valuation instructors in the Customs Schools, and the Customs officers working as Valuation specialists, needs Valuation training.
3. The staff of the Customs Service needs training concerning risk management, including risk analysis, and documentary control.
4. The staff of the Customs Service needs training concerning post clearance audit.

This would be of particular importance in the perspective, favored by the Nigeria Customs Service, of moving away from Pre-Shipment Inspection towards destination inspection and self-reliance. Training should be provided to potential experts from Valuation, Investigation and Automation who would compose a special working group to develop a risk management system which should factor in all local risk indicators by commodity type, importer, economic significance (high tariffs, etc.), volume, technical elements (discounts, buying commissions, etc.), country of origin, etc.) This should aim at bringing down the target rate from the existing 100% examination to a much lower level set by the Nigeria Customs Service so that resources can be allocated to the most risky imports. The risk management system needs to be integrated into the clearance system of ASYCUDA.

5. The valuation instructors in the two Customs Schools need a "Train-the-Trainers" course. This is of particular importance in view of the large number of Customs officers of the Nigeria Customs Service that will need Valuation training.
6. The business community needs information regarding the principles of the WTO Valuation Agreement, and their rights and obligations under the WTO Valuation Agreement. Emphasis should be given to the necessary connection between facilitation and post clearance audit and to the prescription period for post clearance recovery that is foreseen in Nigeria's legislation. In view of the size of Nigeria, there is a need to organize such information seminars in several locations.

Area 3 - Other infrastructure requirements for the implementation of the WTO Valuation Agreement

1. The Nigeria Customs Service needs assistance in institutional development, especially human resource development in order to prepare for the transition from Pre-Shipment Inspection to self-reliance. This assistance would be complementary to the necessary training of Customs officers. It would be important to keep a fairly stable pool of Valuation specialists and of Valuation trainers who are well trained themselves.
2. The Nigeria Customs Service needs to introduce a formal risk management programme.
3. The Nigeria Customs Service needs to introduce a post clearance audit programme.
4. The Nigeria Customs Service needs to establish a working group for preparing the introduction of a risk management programme.

¹ A high-ranking official of the U.S. Customs Service would be the preferred choice of the Nigeria Customs Service.

5. The Nigeria Customs Service needs to establish a Post Clearance Audit Unit. This Unit should operate separately from the Investigation Unit.
6. The Nigeria Customs Service needs to upgrade the automated clearance system, notably in the areas of communication, networking, inter bank money transfer, and electronic transfer of manifests.
7. The Nigeria Customs Service needs to establish a website and to place valuation related documentation on it for the information of the business community. The information could include the text of the WCO "Brief Guide to the Customs Valuation Code" and the relevant new legislation of Nigeria, notably the new text of the First Schedule of the Customs and Excise Management Act relating to value of imported goods, and the part of the new Departmental Instructions that will be destined for publication.
8. There is a need to consider the setting up of an Administrative Appeals Tribunal for dealing with valuation disputes. Recourse to an Administrative Appeals Tribunal should result in a reduction of the time and costs of the appeals procedure. Currently the appeals are treated by the ordinary courts.
9. In order to deal with, and arrive at a reduction of, Valuation disputes, Nigeria needs increased mutual administrative assistance from countries of export that are frequently concerned by Valuation disputes.
10. The Customs Schools needs WCO Valuation manuals and audiovisual/IT equipment in order to enhance the efficiency of the training.

III. Actions proposed in order to address the needs

Area 1 - Needs relating to legislation

The actions concerning Area 1, Points 1 and 2, are for Nigeria to take. The WCO remains ready to assist, on request, with drafting proposals.

With regard to Area 1, Point 4, (review of Nigeria's legislation and Customs Departmental Instructions), this review will be conducted by the WTO once Nigeria has notified its legislation and its reply to the "Checklist of Issues" to the WTO. The WCO suggests waiting for that review to be conducted in order to avoid duplication of effort. The WCO remains ready to assist Nigeria, on request, with drafting proposals.

Area 2 - Training of personnel and the business community

The WCO proposes that the WCO/USAID Technical Assistance Programme to sub-Saharan countries should fund the following actions that will address the needs mentioned under Area 2 :

- A visit to Nigeria Customs Service Headquarters by a high-ranking official with valuation expertise, from a developed country already having implemented the Valuation Agreement, for advisory talks on how to overcome initial implementation problems, including the risk of revenue loss caused by under-declaration of value.
- Training of Customs officers in the areas of :
 - Valuation Agreement.
 - Train-the-Trainers. The participants should be instructors in the Customs Schools and at least two Customs officers from each of the Zonal Area Headquarters of the Nigeria Customs Service. The Customs officers from the Zonal Area Headquarters should be

tasked with explaining the Valuation Agreement to their colleagues and to representatives of the private sector.

- Risk management.
- Post clearance audit.

- Valuation seminars for the business community. The WCO/USAID could organize three brief seminars, whereas the Customs Schools in co-operation with the Nigerian Association of Chambers of Commerce, Industry, Mines and Agriculture could conduct in-depth training of a larger segment of the business community.

Area 3 - Other infrastructure requirements for implementation of the WTO Valuation Agreement

With regard to Area 3, Points 1 to 4, the WCO proposes the following actions that will be funded by the WCO/USAID programme :

- Expert mission concerning the introduction of a risk management programme.
- Expert mission concerning the organization and operation of a post clearance audit unit.

The WCO and the USAID will examine the principle of WCO/USAID programme funding of a limited amount of equipment necessary to ensure the viability of the envisaged Post Clearance Audit Unit. If the decision is positive, the detailed needs should be determined during the expert mission.

With regard to Area 3, Points 5 to 8, the actions are for Nigeria to take.

With regard to Area 3, Point 10, the WCO and the USAID will examine the principle of WCO/USAID programme funding of a limited quantity of WCO documentation and of audio-visual/IT equipment for the two Customs Schools. If the decision is positive, the Project Manager should conduct the detailed analysis of the needs during a visit to the Customs Schools.

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Detailed Work Plan

NIGERIA

Date	Action
By 25.3.2002	Transmission to Nigeria, for agreement and comments, of the needs analysis and the detailed work plan.
By 12.4.2002	Expected date for receipt from Nigeria of agreement or comments to the needs analysis and the detailed work plan.
By 15.4.2002	Transmission to USAID and to USTR, for agreement and comments, of the needs analysis and the detailed work plan concerning Nigeria.
By 19.4.2002	Determination of : <ul style="list-style-type: none">• Names of experts to deliver the training actions• Venues for the training actions• Expected number of participants.
By 3.5.2002	Expected date for receipt from USAID and USTR of agreement or comments to the needs analysis and the detailed work plan.
By 15.5.2002	Finalization of training material (slides and handouts) for the Valuation Workshop and for the business community seminars. Printing and shipping thereof.
June 2002	Visit to Nigeria Customs Service Headquarters by a high-ranking official with valuation expertise, from a developed country already having implemented the Valuation Agreement, for advisory talks on how to overcome initial implementation problems, including the risk of revenue loss caused by under-declaration of value.
June 2002	Expert mission for review of Nigeria's proposed bill and Departmental Instructions.
8. -18.7.2002	Valuation Workshop for Customs officers. In Lagos.
19.7.2002	Business community seminar. In Lagos.
22.7.2002	Business community seminar. In Kano.
24.7.2002	Business community seminar. In Port Harcourt.
By 1.8.2002	Finalization of training material (slides and handouts) for the "Train-the-Trainers" Workshop. Printing and shipping thereof.
September 2002	Expert mission concerning the introduction of a risk management programme.
September 2002	Expert mission concerning the organization and operation of a Post Clearance Audit Unit.
16.-20.9.2002	"Train-the-Trainers" Workshop.
By 15.10.2002	Finalization of training material (slides and handouts) for the Workshop on risk management. Printing and shipping thereof.
9.-13.12.2002	Workshop on risk management methodology.
By 15.12.2002	Finalization of training material for the workshop on post clearance audit. Printing and shipping thereof.
17.-21.2.2003	Workshop on post clearance audit.
By 20.2.2003	Finalization of training material (slides and handouts) for the Valuation Workshop for middle and senior managers. Printing and shipping thereof.
7.-11.4.2003	Valuation workshop for middle and senior managers.
By 1.5.2003	Finalization of training material (slides and handouts) for the Valuation workshop for Customs officers. Printing and shipping thereof.
16.-20.6.2003	Valuation Workshop for Customs officers.

Until June 2003 Monitoring and evaluation of programme.
By 31.08.2003 Project Manager prepares draft Final Programme Report.

Pro Memoria : Decisions to be taken concerning the principle of WCO/USAID programme funding of :

- Supply of equipment necessary to ensure the viability of the envisaged Post Clearance Audit Unit.
 - Supply of WCO documentation for the two Customs Schools.
 - Supply of audio-visual/IT equipment for the two Customs Schools.
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