ECOWAS JOINT BORDER POST PROGRAM: MALANVILLE – GAYA (BENIN / NIGER), KRAKE - SEME (BENIN / NIGERIA) AND AFLAO - KODJOVIAKOPE ANDNOEPE (GHANA - TOGO) BORDER POSTS

REPORT N° 2

EXECUTIVE SECRETARIAT OF THE ABIDJAN-LAGOS CORRIDOR ORGANIZATION (ALCO)

July 2014
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LIST OF ACRONYMS

BAE : Release Warrant
WB : World Bank
DDU : UniqueCustomsLaw
ECOWAS: Economic Community of West African States
CNUT : National Public Transport Users' Council
EDF : European Development Fund
NAFDAC: National Agency for Food and Drug Administration and Control
NCS : Nigeria Customs Service
NDLEA : National Drug Law Enforcement Agency
ALCO : Abidjan-Lagos Corridor Organization
JBP : Joint Border Post
SON : Standard Organization of Nigeria
SSATP : Sub-Saharan Africa Transport Policy Program
ICT : Information and Communication Technology
UE : European Union
UEMOA : West African Economic and Monetary Union
INTRODUCTION

The ECOWAS Commission through its DECISION A.DEC/13/01/03 made the construction of Joint Border Posts (JBPs) a key component of its Regional Road Transport and Transit Facilitation Program. The other components are:

- Establishment of observatories to identify bad practices;
- Inter-State Road Transport (ISRT) awareness campaigns;
- Implementation of actions related to road safety, HIV/AIDS, environment and gender awareness; and
- Harmonization and simplification of regulations and procedures (introduction of single document system, harmonization of the guarantee system for inter-state transit operations).

The ECOWAS Commission has included construction of seven (7) Posts under its EU-supported Transport Facilitation Program funded under the EU 9th EDF. Three JBP are under construction at Seme (Nigeria/Benin), Noepe (Togo/Ghana) and Malanville (Benin/Niger). Their completion is expected between July and December, 2013. Those of Malanville and Noepe have been entirely built and are awaiting equipment; the Seme / Krake JBP is delaying due to stoppage of construction works. The manual of procedures and training guide will be developed by the Consultant recruited by the Abidjan-Lagos Corridor Organization (ALCO).

JBPs combine hard components (Buildings and circulatory roads; ICT Connectivity) and soft components (Legal framework and operational procedures; Management). Best practices show that the soft components must be developed concurrently with the construction works to ensure that the infrastructure is operational after construction. Furthermore, the legal framework and operational guidelines ought to guide the design of infrastructure to enhance its functionality once completed. The present project will help develop the soft component of the OSBP, without which investment in the infrastructure would be pointless.

Trucking industry and border surveys are complementary studies in the field of trade and transport facilitation. In this context of joint work, especially because of the fact that road transport is the dominant mode, the trucking industry plays a major role in the effectiveness of corridors. In particular, the costs and prices of road transport were identified as major barriers to trade in sub-Saharan Africa. One of the key messages was that the structure of the road transport market is critical in the business model of the transportation industry linking prices and costs. The consequence is that the interventions under certain cost structures are likely to have no impact on prices.

Surveys do not only provide a picture of the trucking industry in the concerned West African countries by providing the business characteristics of transportation of goods: legal form, main and supplementary activities, links with other companies, methods, location and seniority. They also enable us to identify the constraints in this sector and understand how it operates so as to identify the level of effort necessary to make it more efficient.

Overall, the trucking industry in West Africa and particularly in Niger, Benin and Nigeria is fragmented with few companies controlling a large part of the trucking fleet coexisting with a large number of companies with only a few trucks.

In order to support this process of professionalization of the transport sector, several activities are necessary to ensure that the JBP can fulfill their role of reducing border crossing delays.

I. OBJECTIVES OF THE MISSION

The tasks assigned to the Abidjan-Lagos Corridor Organization (ALCO) include:
Establishment of reference values for crossing times at the Seme-Krake, Kodjoviakope-Aflao and Malanville-Gaya borders.

Description of the procedures for completing formalities for crossing these borders

Evaluation of characteristics of the trucking industry in Benin, Niger and Nigeria

Development and implementation of a communication strategy targeting transport and logistics operators

Supporting the consultant responsible for the operationalization of Seme-Krake, Noepe and Malanville-Gaya JBPs.

Under the terms of the contract, ALCO is required to submit periodic reports. This report provides an update on the conditions for crossing the three borders.

II. GAYA AND MALANVILLE BORDER POSTS (NIGER AND BENIN)

1. Physical description of facilities at the Gaya-Malanville border post

When loaded trucks arrive under escort from Cotonou or Hillacondji, they must park at the Koumate parking yard (Bodjecali) at the entrance to Malanville. This parking facility is approximately 7 km from Customs, which is located at about 5 km from the border with Niger, where there is another border post; the two countries are separated by the Niger River. The Koumate parking facility has an area of 6 acres with a parking capacity of 800 vehicles. It is enclosed by a wall and the ground is natural. Customs controls the opening of the exit portal.

It should be emphasized that before the creation of Koumate Parking facility, there was another parking yard. This second park called Seba Parking yard is located downtown, close to Customs. It is a vast bare land without a clear demarcation and with a lower capacity than Koumate. It was reopened after closing Koumate parking yard but with the full reopening of the latter in May 2014, it was closed down.

Both parking yards have no particular closing time for the arrival of vehicles, but exits are allowed only during launching, and only for a list of vehicles authorized by Customs.
Trucks arriving from Malanville once received by the office at the Niger Bridge (Niger River), must park at the Kotcha parking facility on Nigerian territory, about 3 km from the border post and a distance of about 2 km from Gaya Customs Office before undertaking the formalities. The Kotcha parking yard is enclosed by a wall, but its surface is natural terrain. It is open from 6:30 AM to 11:00 PM (Customs does not allow trucks to leave after this time).

The Gaya Customs premises have limited capacity. Freight forwarders have places along the perimeter inside the enclosure. To access the interior of Niger from the bridge, vehicles (goods or others) must go through the Customs premises.

2. Agencies represented at the border

Malanville

Customs
The Malanville Customs office is open:

- Monday to Friday from 8am to 12.30pm and from 3pm to 6:30pm
- Saturday (exceptionally) from 8am to 12pm

The Customs Brigade on the other hand operates 24/7.

Other services
Apart from Immigration, there is no other border agency or authority. So, Benin territory exit formalities are reduced and entry traffic is almost nonexistent. Only the Immigration is present: the Police, Customs, Phytosanitary and other services are absent.

Gaya

Customs
The Gaya Customs office is open:

- Monday to Saturday from 8am to 1pm and from 3:30 p.m. to 5:30 p.m.
- Sunday from 8 am to 1:15 pm.

Phytosanitary Services
The service is open:

- Monday to Saturday from 7.30am to 12pm and from 3:30pm to 6pm
- Sunday from 7:30 to 12 pm

The service has a basic room serving as the laboratory, but it has limited means in terms of verifying whether insects hatch in samples after a week (or, trucks have already left). There is no representation of veterinary services in Gaya.

COTECNA
The intervention of COTECNA is limited to sorting and tallying assistance (enumeration and identification) of goods with no valuation certificate (ADV) issued, and only for the goods released for consumption in Gaya. This really limits their work.

CNUT
CNUT works everyday of the week:

- Monday to Saturday from 8am to 12.30pm and from 3pm to 5:30pm
- Sunday from 8 am to 12:30 pm
3. Malanville Joint Border Post

The JBP is located on Benin territory just on the northern edge of the city towards the bridge across the Niger, delimiting the border.

Buildings and circulatory roads have been completed, and vehicles climbing the bridge go through the post instead of using the bypass that was created during the construction period. However, the post is not yet operational, procedure manuals have not been written and offices are not yet equipped.

Photos: partial views of the facilities of the Malanville JBP

The configuration of the post is based on the general model defined for JBPs in West Africa in conjunction with the Country, ECOWAS and Partners.

4. Border Crossing

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<th>Country</th>
<th>Benin</th>
<th>Niger</th>
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<td>Political / economic capital of the country</td>
<td>Cotonou</td>
<td>Niamey</td>
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This border can be crossed in both directions as indicated by the image above and the diagram below. It takes place in the direction of Malanville Gaya and Gaya-Malanville with trucks using the same sections, the same parking yards and the same parking areas. There is high truck traffic density in the direction of Malanville- Gaya; it is very significant in the Gaya-Malanville direction. Most trucks, estimated at over 98% use this direction while movements in the opposite direction are very small and involve just a few trucks with only the following products: scrap, spices, onions, soda, corn, beans,
peanuts and cakes (source: Police Gaya). Since the vast majority of trucks are empty on the way down, the only existing procedures are limited to truckers’ passage through immigration.

5. **Before arrival at the border and documentary escorts**

From the port of Cotonou or from Hillacondi, trucks are under documentary escort: goods documents as well as the trucks’ and the trucker's documents are detained by Customs (in exchange for a ‘pink sheet’) and transferred separately to the destination office, which in this case is Malanville. However, vehicles are free to move at their own pace. The cost of the escort is the same for all trips in transit through Benin, and is 99,946 FCFA per truck for maximum loading of 50 tonnes (second payment is required if it goes beyond that threshold, indicating still a total lack of interest in the regulation on axle load).

When escorts were not provided daily, trucks were required to wait at Malanville for documents to arrive to complete exit formalities, but now the situation has improved, and the wait for documents is most often on the side of freight forwarders (depending on customs).

For goods declared in transit at the Cotonou port, the transfer of T1 to Malanville Office is being handled electronically for about a year now, but there is no early processing since paper documents are required to complete the formalities.

6. **Passage through the parking facility in Malanville**

The Koumate parking facility has very recently resumed its activities: it resumed operations on March 6, 2014. The parking yard was the only parking facility for trucks until it was closed by security forces in June 2013. During the period of closure, the Seba parking yard (which is the oldest and was used before the construction of the Koumate parking yard which entered into service in January 2009) resumed its operation. Both parking facilities record the arrival and departure of trucks in a register.

Since the resumption, both parking yards share the traffic (sharing is done by the Customs escort section), in the proportion of about 75% for Koumate and 25% for Seba. Parking fee was 10,000 FCFA payable to the port representation for Koumatepark and 2,000 FCFA for Hillacondi trucks or regional trade (cement). Since the resumption of operations, the payment terms have not been clearly established. The Seba parking yard would apply the same rates, but applied a flat rate of 2,000 FCFA for parking. The parking facility was closed in late March 2014 for not meeting the regulatory features of a customs Parking yard (entry-exit fence and gate).

The Customs brigade comes by two or three times a day to collect the 'pink sheets' of trucks that arrived, to check whether the relevant documents have arrived by escort. If this is the case, these trucks are launched during the next launching into Niger. The original documents submitted by the escort are sent to the Customs Revenue for registration. It is also the brigade that validates T1 in ASYCUDA.

Launching means that trucks whose documents may have arrived can continue their journey. A list of correspondence between the 'pink sheet' and documents that arrived with the escort is established and trucks are called and released into Niger. The documents of these trucks are the ones transmitted to Niger Customs, and delivered by hand at the bridge. The list of documents and trucks is recorded in an escort book which is covered by the customs authorities of Niger.

According to Customs, there are three launching activities per day: at 7 am, at noon, and finally around 4:30 or 5pm. The 'pink sheets' are collected after the launching. Normally, only trucks which arrived after the last launching of the day spend the night at the parking facility.

Parking time at these two facilities has no effect on the amounts paid.
7. **Border crossing (the bridge over the Niger)**

After the launching, vehicles are stopped by police for release of documents to truck drivers, creating a long queue of vehicles blocking the main Malanvilliest reet, before going on to the bridge, where police formalities for immigration are completed. Then the trucks go directly to the Kotcha parking yard.

8. **Passage through the parking facility in Gaya**

Trucks park at the Kotcha parking yard pending completion of formalities. Parking fee is 4,000 FCFA, except for certain goods (such as sulfur, clinker and cement), for which the parking fee is 2,000 FCFA. Here also, the parking time is unlimited. A priori, dangerous products (sulfur at hydrocarbons) do not pass through the parking facility, but will park directly outside the Customs premises in the city pending the completion of formalities.

Park officials record the arrival of the trucks to collect payment for parking, but do not record exits.

9. **Customs clearance formalities and transit in the Customs enclosure**

After the exchange of documents between Benin and Niger Customs at the bridge, the list of declarations submitted is recorded by the Brigade which assigns a crib number, before the documents are made available for the declaration. The crib number is necessary for the declaration made by freight forwarders on ASYCUDA standardized terminals.

The declaration is validated and edited by Customs and saved to the crib.

The Gaya post is a full-fledged customs office, so the goods could be released for consumption at the border, but Customs discourages this practice, preferring that the clearance carried out at the destination. Only goods imported by traders residing in the immediate area are cleared in Gaya (mainly cement and clinker). So even goods for the Dosso region, a remote town at about 154km, are transported under a domestic transit regime. Clearance at Gaya therefore relates essentially to cement for big economic operators and clinker for the “Nouvelle Cimenterie du Niger”. As noted above, the few products that are transported apart from those mentioned above are in most cases: scrap, spices, onions, soda, corn, beans, peanuts, cake.

Transit accounts for nearly 98% of traffic. It should be noted that neither Customs at the Malanville nor the Gaya side has a weighbridge; on the Niger side, there is one in Dosso.

For goods cleared at the border, the payment is made to the Office, mostly in cash, except possibly for large sums (in this case the payment may be made in Dosso, but it's mainly for safety reasons and to avoid too much cash at the post, not by obligation).

Passage through CNUT is done in tandem with customs processing, and only takes a few minutes. The Office of CNUT at the border checks the vehicle’s supporting documents and records it as 'seen coming through' in Gaya as part of the Shipping Order monitoring for goods in maritime transit (be it for the Cotonou or Lome port). For regional trade, the Office issues a Road Transport Tracking Slip (BSTR), which is also typed.

For plant-based products (maize, millet, etc. including cigarettes) there is documentation checking and possibly sampling. The service charges a fee of 50 FCFA per bag of 100kg (so 500 FCFA per ton) on all plant-based products (wholesalers would pay a third of that fee). However, trucks do not wait for test results, and when the trucks pass outside the opening hours of the service, they are not stopped by Customs even if they contain plant-based products.

10. **Escorting documents to the destination office**

Despite using the ASYCUDA transit module that allows the transmission of T1 to the destination office, documentary escort is still practiced in Niger. This is partly explained by the fact that only Torodi (entrance on the Burkina Faso road), Gaya, and the two destination offices (Niamey Route for
The Benin road, and Niamey Rive Droite for the Burkina Faso road) are connected online to the central ASYCUDA database. Other offices use ASYCUDA but with asynchronous bases.

The T1 system is new to the Niger customs authorities since they began using it on February 25 2014. The principle is similar to that of the escort in Benin; documents are sent in batches by Customs to the Customs destination office while trucks move freely.

Carrier declaration and T1 slips are given to the driver, the escort leaves with a copy of T1 and the importer declaration slips, which is necessary for procedures at the destination. An escort register containing the list of all declarations goes with the customs officer during escort.

The CTR (ISRT booklet) was replaced by a direct collection by Customs to supply the guarantee fund of the Niger Chamber of Commerce and Industry (Customs pay 88% of duties, corresponding to 0.25% of the CIF value, retaining 12% to cover their management fee). The cost for transmission of CTR was 2,500 FCFA, but with the transit module the tax was increased to 5,000 FCFA.

Escort is a paid service (payment appears on the receipt under the heading Extra-Legal Work) and is payable by truck (unless it is a group of trucks in the same declaration, in which case escort payment can cover up to five trucks):

- Dosso : 25,000 FCFA
- Niamey : 25,300 FCFA
- Tahoua : 85,000 FCFA
- Zinder : 140,000 FCFA
- Maradi : 75,000 FCFA

There are several escort departures per week but not daily.

11. Description of operations at the Malanville-Gaya border post

Road traffic: traffic count at the border

An average of 6,000 heavy trucks crosses per month in the direction of Benin to Niger. These trucks come:

- Cotonou port, for maritime transit to Niger (and including re-exported cargo from Niger to the north of Nigeria)
- From Benin, for regional trade (eg Benin cement)
- Coastal neighboring countries of Benin (mainly Togo) or for maritime transit through other ports but using the Cotonou Benin highway (this is for example the case of clinker intended for Gaya), or for regional trade between Togo and Niger.

With the information gathered coupled with literature reviews, we are able to, for a given sample, establish the percentages trucks loaded per origin and destination. The information is compiled in the following tables or graphs:

Graph 1: Percentage of trucks by place of origin / place of loading
The graph above shows that 75% of trucks arrive at Malanville from Cotonou port while the remaining 25% from other destinations (or other border towns). In contrast, with regards to traffic moving from Niger to Benin, the vast majority of trucks return to the south empty, with the exception of:

- consignment of cowpeas and onions, but representing only a few trucks per week
- consignment of uranates by convoys of 14 trucks twice a month, physically escorted by the gendarmes
- Tankers of petroleum products going towards Cotonou to load JET A1

Beninese trucks can load cotton during the season, either from producers to supply the ginning factories or from factories to transport bales of cotton to the port of Cotonou, nevertheless cabotage is not authorized for other nationalities.

12. Remarks on the limitations of the current process from the perspective of JBP

1. Parking facilities
The role of the JBC, in terms of reducing border crossing procedures (essentially domestic transit declaration) is to do everything to ensure quick passage of vehicles. The need for parking space is going to drastically decrease, and private parking facilities currently operating will disappear or greatly diminish.

With an average of 6,000 vehicles per month, paying mostly 10,000 FCFA in Benin (port transit is the dominant source) and usually 4,000 FCFA in Niger (cement and clinker representing reduced volumes), parking facilities generate 60 million and 24 million FCFA per month for their respective owners, for a minimum investment (an enclosure wall,) and reduced expenses (limited staff and no special qualification required). Such a source of revenue cannot be abandoned without resistance considering the fact that the owners are often influential.

Thus, the owner of Koumate parking facility is also the owner of the ATLAS parking yard where transhipments of trucks at the Seme-Krakeborder occurs. The owner of Kotchaparking yard, on the other hand is a (very) large operator at Gaya, nicknamed "Aldo Moro, a cement importer and owner of the transport company known as “EtsIliaissouMoumouni”.

2. Escort and ICT
The two countries have activated the ASYCUDA transit module but current procedures rely on the physical transmission of documents grouped by escort completely ignoring advance information.

The escort itself is an expensive 'service' eg reaching 125,000 CFA francs ($ 250 to $ 275 depending on the exchange rate, with a current decline of the dollar against the euro, which has a fixed parity
with the CFA) for a truck between the port of Cotonou and Niamey, which moreover duplicates a guarantee scheme, 0.25% of the value of goods for the ISRT booklet in Benin, with an equivalent contribution to the guarantee fund of the Niger Chamber of Commerce and Industry (taken directly by Customs from the transit module, but through the ISRT booklet before).

The effective reduction in the length of border crossing time can be achieved through the elimination of the need to wait for paper documents and by moving to early processing before the arrival of vehicles. The effective use of ICT requires that information is transmitted, but also that is used, which is not currently the case.

At Malanville, ASYCUDA entry is done by Customs, and when there is a connection problem, the operations end: there is no offline entry followed by a basic synchronization. At Gaya, there is a standard room for freight forwarders where connected terminals provide access to ASYCUDA for entering declarations. The offline operation should not necessarily be a problem. Apart from a few offices connected, other offices of Niger are working with periodic database replication on the central database.

3. Launching and opening hours
Working hours and schedules, with a wide range of office closing from 12pm to 3pm, the launching of trucks and escorts, creates retention phenomena followed by a sudden opening which promotes the formation of long queues or waiting lines thereby causing congestion in the city.

As comparison, the Gatuna border between Rwanda and Uganda records comparable traffic of about 5,000 heavy vehicles per month (but spread out in both directions), but Customs operate 24 hours a day and other border agencies for full days from 8am to 5pm. The type of processing is similar to Malanville since there is generally no clearance at the border, except domestic and international transit. At the Gaya border, crossing takes a few hours. The use of ICT makes a difference, but the extended periods of time and lack of retention allow a smoother flow of vehicles, which therefore require less parking space.

4. Impacts on crossing time
Crossing the Malanville Gaya border as shown in the border crossing diagram above (Part 4) has different impacts on times spent by a truck coming from Benin to Niger before arriving at the final destination.

During the diagnostic phase, the first estimates of crossing time in the direction of Malanville-Gaya shows a much longer time spent by trucks at the import side of the Gaya border. The next time calculations will confirm or dismiss the claims on the first results. However, in the direction of Gaya-Malanville, about 95% of trucks cross empty or are unloaded. These trucks spend a short time crossing the border. It should also be noted that the 5% of trucks on the road spend a short time at the import side that is to say on the Malanville side. These few products involved include mostly scrap, spices, onions, natron, corn, beans, peanuts and cakes for the period of January-March 2014 (source: Gaya Police).

III. SEME AND KRAKE BORDER POSTS (NIGERIA AND BENIN)

1. Physical description of facilities at the Seme-Krake border posts
Since the inception of the construction of the Seme-Krake JBP, different border Administrations (both in Benin and Nigeria) operating in the old buildings have been relocated to another part of the border (behind the old buildings) to continue working. Loaded and escorted trucks coming from Cotonou or
Hillacondji must park in the ATLAS parking yard (located on the Seme-Krake border). This parking yard is located within the perimeter of Krake border offices and almost 2 km from Seme Customs offices. The different administrations from Benin and Nigeria conduct their checks around the large trucks parking yard (ATLAS). The parking facility, covering an area of 12 hectares (of which 9 hectares in operation) has a parking capacity of about 1,000 vehicles. It is partially fenced. Customs controls the opening of the exit portal.

It should be noted that this is the only park that receives all trucks from Benin, Cotonou Port and HillaCondji border. Those from the Cotonou port have identification buttons, while those from Hillacondji are escorted.

Empty or loaded trucks from Nigeria, based on advice from freight forwarders prefer to park along the road under the control of border authorities until the beginning of formalities, which often causes huge traffic jams. They refuse to park in the ATLAS parking facility where the parking fee is considered too high.

It should also be noted that the traffic is heavier in the direction of SemeKrake. In terms of movement of trucks at this border, the Krake-Seme direction accounts for about 54% of the traffic while 46% are in the Seme-Krake direction.

For the Krake-Seme direction, the largest proportion (over 95%) is for release for consumption while for the Seme-Krake direction, a little over 70% of goods are in transit (source: ALCO data base).

The ATLAS parking yard has no specific closing time for the arrival of vehicles, but the exits are authorized by the Customs Administrations of Nigeria after the completion of all formalities.

Beninese and Nigerian freight forwarders are situated either in the vicinity of the border or inside the ATLAS parking facility and await the arrival of documents.

2. Agencies represented at the border
   o Krake (Benin)

Customs
The Krake Customs office is opened:
   - Monday to Friday from 8am to 12.30pm and from 3pm to 6:30pm
   - Saturday (exceptionally) from 8am to 12pm

However, the Customs Brigade operates 24 hours a day.

Other services
In addition to Customs, there is the Police, phytosanitary, and veterinary services at Krake which systematically check trucks upon their arrival as well as during border crossing. So, Benin territory exit formalities are conducted with all the administrations listed above.

   o Seme (Nigeria)

Customs
The Seme Customs Office is open:
   - Monday to Friday from 8am to 6pm
   - Saturday and Sunday, a reduced service is observed and customs clearance procedures are not fully carried out.

   It should be noted that in practice, services at this border post come to a close at around 6pm.

Interviews with the Benin Customs suggests that a proportion (about 25%) of trucks with Nigerian registration coming from Nigeria through Badagry (situated nearly 30 km from Seme) use back roads
and do not go through the Seme border. Instead, these trucks prefer using "abnormal» roads to get their goods across, thereby avoiding the border authorities.

3. Seme-Krake Joint Border Post
The JBP under construction is located in Benin. The buildings are those of the old offices used by the border authorities of Benin and Nigeria (in part) that are located near the Atlantic Ocean near the sea.

The buildings being refurbished as well as circulatory roads were initiated but work has stopped for over a year now. The border offices of the two countries have then been relocated elsewhere. One beside the building of the JBP in the northern direction for Benin and the other down 2 km from the Seme border for Nigeria.

For Benin, containers have been redesigned into offices located within a radius of 500 m on the other side of the buildings of the JBP. For Nigeria, enforcement and truck traffic officers are located near the demarcation zone and border administration offices especially Customs are located behind and about 2 km from the border or the buildings of the JBP.

For Krake, on the export side, trucks are parked in the ATLAS parking yard and for import, they park along the way and nearby to undertake formalities. For Seme, trucks on the export side park near the border, while for those on the import side, once the initial checks on the truck loading (especially height) are completed by customs, they park in the ATLAS large trucks parking yard. Sorting and tallying is done along the corridor 5 km from the Seme border in the town Ashipa.

Problems relating to the construction of the JBPs

The border is currently being converted into a one stop border post under a funding from the EU for the physical facilities and the World Bank for the soft issues. However, the contractor responsible for the building of the infrastructure was fired for lack of performance late 2012, and since then the construction work has been stopped, although efforts are being made to identify a replacement contractor. Latest information indicates that a new contractor has been identified, and work is expected to resume towards the end of September 2014 for a contract period of 11 months.
4. Border crossing

<table>
<thead>
<tr>
<th>Country</th>
<th>Benin</th>
<th>Nigeria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Political/economic capital of the country</td>
<td>Cotonou</td>
<td>Lagos</td>
</tr>
<tr>
<td>Border town</td>
<td>Krake</td>
<td>Seme</td>
</tr>
<tr>
<td>Location of the JBP</td>
<td>Located in Benin (the two former administrative buildings being rehabilitated would serve as the JBP)</td>
<td></td>
</tr>
</tbody>
</table>

The border can be crossed in both directions as indicated by the image above and the diagram below. It takes place in the direction of Krake-Seme and Seme-Krake with trucks using the same sections, the same parks and parking areas one way or another. Truck traffic is heavier in the direction of Krake-Seme than the Seme-Krake, it is a little more significant compared to the Seme-Krake direction. The Krake-Seme direction accounts for just over 53% and a bulk of goods is intended for consumption. The Seme-Krake direction which records fewer trucks is dominated by transit (about 71%) for the majority of cases.
In both directions, trucks are always loaded with goods and are therefore subject to entry and exit requirements.

Unlike the Malanville Gaya border, the principle of launching of trucks is not used. Once the export formalities are completed, each truck has a chance to start import formalities independently of other trucks.

### 5. Before arrival at the border and documentary escorts

From the port of Cotonou or from Hillacondji, trucks are under documentary escort: goods documents as well as the truck's and the trucker's documents are detained by Customs (in exchange for a 'pink sheet') and transferred separately to the exit office, which in this case is Krake. However, vehicles are free to move at their own pace. The cost of the escort is the same for all trips in transit through Benin, and is 99,946 FCFA per truck for maximum loading of 50 tonnes (second payment beyond, indicating still a total lack of interest in the regulation on axle load).

Escorts do not always follow the movement of trucks; sometimes trucks await the arrival of the escort with the documents to begin the exit formalities. This situation has now improved a lot and the delays are now caused by freight forwarders who fail to act with the necessary promptness for various reasons: lack of financial, resources, absence of owners etc… (Source: Customs)

For goods declared in transit at the Cotonou port, the transmission of T1 to the Krake Office is being handled electronically, but there is no early processing since paper documents are required to complete the formalities.

### 6. Passage through the parking facility in Krake

The ATLAS parking facility was built in September 2010 on the Krake border so trucks can park there to carry out administrative crossing formalities. This parking facility only accepts trucks from Benin awaiting the end of all export formalities and the signal of the customs administrations of Nigeria to move from one place to another in order to finalize import formalities. Transshipment operations are also carried out in this parking facility.

The park records trucks during entry and exit. The manager's office is located inside the parking facility between the entrance and exit of trucks. It is electronically managed by parking management software manufactured about 3 years ago. The days and hours of operation of the park are Monday to Friday, 7 am to 6pm; however, the park is open daily, 24 hours a day for entries only.

Once each truck enters, the following information pertaining to both the truck and the driver is recorded on the card.

<table>
<thead>
<tr>
<th>Truck</th>
<th>Driver</th>
</tr>
</thead>
<tbody>
<tr>
<td>Make</td>
<td>Escort number</td>
</tr>
<tr>
<td>Model</td>
<td>State of the tarpaulin</td>
</tr>
<tr>
<td>Tractor registration</td>
<td>State of the seal</td>
</tr>
<tr>
<td>Trailer registration</td>
<td>Reason for parking</td>
</tr>
<tr>
<td>Identification number</td>
<td>State of the truck</td>
</tr>
</tbody>
</table>

Source: ATLAS parking record card
The following are the user conditions for the ATLAS parking facility:

- A fee (entrance fee) of 7 days parking for a total of 12,000 F CFA
- From the 8th day: 2,000 F CFA per day
- Overload fee for transshipment: 5,000 F CFA

It should be noted that before the computerization of the parking facility almost 3 years ago, the recordings were made in an entry and exit registry.

The original documents submitted by the escort are sent to the Customs for registration. It is the brigade which also validates the T1 in ASYCUDA.

7. **Seme border crossing**

After the customs export formalities on Benin side, the truck is available to Seme border authorities who in turn perform their formalities once the documents are introduced by freight forwarders.

The highlight is that once the document comes under customs control, Seme customs equipped with measuring stick check the height and width of the truck to make sure it can go under the portal frame at the entrance to the Nigerian territory. Once all the formalities are over with the various border agencies and the measurement template followed, the truck goes straight to Ashipa village located 5 km from Semeto undergo sorting and tallying checks in most cases. At this point, the trucks are parked along the Seme-Lagos road corridor. This is where the different Nigerian agencies present at the border undertake their checks.

In the direction of Seme-Krake, on the export side, trucks are parked along the road and are led through the formalities by Nigeria Customs after the introduction of the file by the freight forwarder. Goods are subject to physical inspection by all control agencies and the declarant enters the export declaration in ASYCUDA (ASYCUDA). The export order is obtained after the payment of fees to the bank and goods can leave the country and the truck can complete import or transit formalities at Krake.

8. **Customs clearance formalities at Krake and Seme**

In terms of exports from Benin to Nigeria, on arrival of the cargo, the accompanying documents (export declarations, invoices, packing lists) are collected from the carrier. The Brigade Officer conducts sorting and tallying of the goods (enumeration and identification). The results are sent to the Inspector. The declarant captures the declaration in ASYCUDA. Thereafter, the Customs inspector verifies the declaration and the payment of duties and taxes. The duties are paid to the Customs fund by the freight forwarder who presents the receipts to the audit Inspector for the release warrant. He then goes to the Brigade for the removal of goods after exit visa following basic checks.

Import in Benin: once the export formalities on the Nigerian side (at Seme) are completed, the load is checked by an officer of the Customs Brigade of Krake (Benin) who undertakes sorting and tallying of goods and presents the results to the Head of commercial Operations who passes it on to the Head of the Brigade. The exit document is filled by the agent. The declarant enters the import inspection declaration and submits it for verification and payment. The payment of import duties and taxes is done at the counter. The declarant presents himself to the Customs Inspector to receive the release warrant and Exit order. The Brigade then checks the declaration and the receipt at the exit.

In the specific case of goods in transit, procedures are performed by the Brigade which transmits the ‘Drive Order’ to the Inspection Chief for exit authorization and the suitable transit monitoring formalities. During the procedures, officers at the brigade check whether the seals are in place. The vehicles are then escorted by customs to the exit border in most cases.
9. Transshipment at Krake - Seme

The situation at the border is very particular because the major part of the traffic is transshipped from Benin trucks to Nigeria trucks. The reasons are multiple, and all linked to Customs and law enforcement practices in Nigeria, and not to a lack of proper agreement between Benin and Nigeria to enable the movement of trucks across the two countries.

The transshipment does not concern trucks carrying goods coming from other countries further on the Abidjan Lagos Corridor, only the ones loaded in Benin, with transit goods passing through the port of Cotonou.

The reasons for this phenomenon are listed below, without specific ranking:

- Goods destined to Nigeria are cleared at the border, and there is no domestic transit regime in place in Nigeria for that route. Instead of using the value of the goods as the basis for the calculation of the duties, Nigeria Customs is applying a lump sum formula per truck, 1.9 million Naira (around 11,400$ per truck). This is creating a perverse incentive to load as many goods as physically possible on a single truck, and that led to excesses, with specially reinforced and oversized trucks. It was customary a few years ago to combine three Benin trucks into a single Nigeria truck (a feat, considering that Benin trucks were already significantly overloaded). However, it seems that the Government of Nigeria is no longer authorizing such oversized trucks to circulate, and the current dimensions are closer to normal. It is however still common to combine two Benin trucks into one Nigeria truck.

- Law enforcement officers in Nigeria tend to assume that Benin trucks are carrying goods that have been diverted from Lagos to Cotonou and therefore tend to harass more frequently truck drivers from Benin that from the other countries. This may largely be an excuse, but according to truck drivers’ unions, the issue of harassment by law enforcement is considered by most drivers as a sufficient threat to justify avoiding driving in Nigeria. The fact that other truck nationalities (Togo, Ghana and even Cote d’Ivoire) routinely drive through Nigeria would tend to confirm that suspicion of smuggling or at least suspicion of diversion from Lagos is at the root of this behavior.

In addition to the delays caused by the transshipment of the trucks, the frequent unofficial disputes between Benin and Nigeria lead to partial or total closure of the border, preventing trucks to pass. Such closure happened in September 2013, and trucks were blocked at the border, some for over two months, until the border was reopened. The reason for the closure was unclear, but seemed to be linked to the size of the trucks in Benin. This example illustrates the large unpredictability of the prevailing conditions for trade.

Under the current organization of the logistics of trade, the benefits of a one stop border posts are limited to non-existent. Starting a dialogue between Nigeria and Benin on Customs and logistics issues will be necessary to identify a solution that will prevent transshipment, and enable faster and more efficient border crossing procedures. Abandoning the lumpsum practice on the Nigeria side is probably the single most important measure that would remove all financial justification to the transshipment.
10. Description of operations at the Seme-Krake and Kraké-Seme border posts

1. **Road traffic: traffic count at the Seme-Kraké border**

In the direction of crossing from Seme towards Krake, a representative sample of 570 heavy trucks were followed for purposes of investigating border crossing. These trucks come from:

- Nigeria port, for maritime transit to Benin
- Nigeria, for regional trade
- Other coastal cities in Nigeria for example Badagry located about 30 km from the border of Seme or other cities within Nigeria, or even for regional trade between Nigeria, Benin and other countries of the Abidjan-Lagos Corridor Lagos.

**Graph 3**: Percentage of trucks by place of origin / place of loading (Nigeria)

Source: ALCO information
About 14% of the trucks load their goods at the ports from Nigeria while 86% load in cities or at the borders.

2. **Road traffic: traffic count at the Krake-Seme border**

In the direction of crossing from Benin to Nigeria, ALCO observed over 654 large trucks from the following places:

- from Cotonou port, for maritime transit towards Nigeria
- from Benin, for regional trade
- from Neighboring coastal countries of Benin (Togo mainly) or for maritime transit through other ports but using the Cotonou Benin road, or even for regional trade between Benin and Nigeria.

With the information gathered coupled with literature reviews, we are able to, for a given sample, establish the percentages trucks loaded per origin and destination. The information is presented in the following tables or graphs.

**Graph 1 :** Percentage of trucks by place of origin / place of loading (Benin)

The graph above shows that 32% of trucks arriving at the Krake border come from the port while 68% come from other destinations (or other border towns).

3. **Diagram of clearance procedures at Krake**

**Export**

- Reception of documents and filling of the exit form
- Submission of the exit form at the Secretariat of the Customs Collector
- Visa of the Head of Customs inspection
- Verification and authorization by the Head of Customs Brigade
4. **Customs clearance process at Seme**

Agencies represented at the border

1. NCS - Nigeria Customs Service
2. ANCLA - Association Of Nigerian Licensed Customs Agents
3. SON - Standards Organization of Nigeria
4. NQS - Nigeria Quarantine Service
5. NPF - Nigeria Police Force
6. NDLEA - National Drug Law Enforcement Agency
7. NAFDAC - National Agency for Food and Drug Administration and Control
8. NIS - Nigeria Immigration Service
9. Port Health Authority
10. SSS - State Security Services

**Entrance to Nigeria**

The current regime in place at the entrance to Nigeria is a release for consumption at the border.

In terms of imports, procedures include the collection and recording of documents (declarations). The declarant shall then proceed with the design of the customs declaration which is entered in ASYCUDA. The declaration is submitted by the freight forwarder with the required documents (authorizations, attestation of the value of the certificate of origin). The declaration is registered automatically.

Thereafter, the load is passed through the scanner. After the physical inspection of goods, the Audit Inspector liquidates duties and taxes after verification of documents and their value. The declarant or importer can then go to the bank to pay a fee. The flat clearance fee is applied to trucks to somehow speed up customs clearance. Thus the release warrant may be issued by Customs. Finally, joint checks are performed by the following institutions (NCS, NAFDAC, NDLEA, Police, and SON) which authorize the release of the truck. It should be added that at this border, the application of the ECOWAS Trade Liberalization Scheme generates litigation. Moreover, the gazette-prohibited products lead to meticulous searches which extend the crossing time.

**Export**

Formalities are more simplified. Indeed, once the cargo arrives, the goods are jointly inspected by all control agencies after the relevant procedures (collection of documents and recording). The declarant enters export declarations in ASYCUDA. After payment of taxes to the bank, he received the Export Order and the cargo can leave the country.