

SECURITE PAR COLLABORATION (SPC ++ Project)

Improving the Role of Customs at Fragile Borders - Reinforcing the Regional Cooperation for Border Management

1. Policy objectives and context of the proposed activity

In recent years, the West and Central Africa (WCA) region has witnessed security challenges that have defied effective solutions at the national and sometimes bilateral levels. Criminals operate across borders, and many claim their affiliation to supranational organizations based on religious ideologies and their expansion. These activities impact negatively on national economies, international trade and regional security and development. The nature and complexities of these criminal activities require an alternative paradigm towards regional security management at borders.

The policy objective of the project is to support the ongoing regional policies addressing the question of security and development in the WCA region and help governments to provide appropriate and adaptive security responses that take into account the economic dimension of violence, terrorism or conflict through the prism of cross-border trade governance and border management.

The borderlands and the border economies represent a geographical and financial heaven for armed groups. Borderlands and cities connected to border economies are major hotspots of violence in Nigeria, Niger, Cameroon, Chad and the Central African Republic. The situation is similar in other borderlands of the WCA region (Northern Mali, Burkina Faso, the Liptako-Gourma region across Mali, Niger and Burkina Faso borders, Northern Chad) and beyond (Western Sudan, Tunisia-Libya border). Borderlands are important areas of potential insurgency. Some factors may explain this situation.

Firstly, all State services face similar difficulties that benefit armed groups:

- i) an adverse relationship between the size of the borders and the available resources to control them,
- ii) ii) the difficulties to coordinate states' actions and circulate intelligence due to scarce technical resources and corruption that generates competition and mistrust among civil servants,
- iii) iii) border communities poorly cooperating with State security forces due to a lack of trust in the State.

Secondly, the border economy provides opportunities to armed groups:

- i) trade and transport activities are easily taxable;
- ii) border communities may take benefit from illegal trafficking, directly or indirectly (droits de passage);
- iii) insecurity restricts the access to trade activities and generates its own local security solutions provided by militias.

Beyond the specific humanitarian and emergency frameworks, the current responses to insecurity follow the usual principles of the security-development nexus. On the one hand, security policies involve Army – and Police to a minor extent - for governance and control of the movements of individuals. On the other hand, development policies focus on poverty and aim to install basic services and create employment. The main assumptions guiding the development policies is that poverty leads to terrorism or insurgency and employment of young people and provision of basic services in education, health and agriculture will contribute to fight against engagement in armed groups.

These responses should be complemented and take into account the specificities of insecurity in borderlands. From preliminary fieldwork¹ and literature reviewing, four main assumptions have been made.

Firstly, poverty and unemployment may not be the main drivers for getting involved in terrorist activities. Politics is important, the relationship to the State is crucial. Corruption, lack of public investments' visibility, individual violence of civil servants and military staff, dissatisfaction with State action dramatically damage the trust in the State. In many borderlands, where informal activities and trade were widely tolerated by the State agencies in time of peace, restoring the authority of the State after a crisis means more than ensuring security and providing basic services. Indeed, when the State withdrew from the area, armed groups installed their own justice and security services and some of them contributed to the enrichment of people (for instance by buying local livestock at higher prices than the local usual prices, or by recruiting guides and escorts among the young local people and paying them salaries that made them independent from their relatives or traditional authorities). The restoration of the State authority should combine law enforcement but on a targeted basis. From several interviews with economic operators, one of the major expectations from the State is not to create inequalities but to encourage an equal access to the enrichment provided by border economy. Indeed, the equality of access to enrichment opportunities is a function that strongly differentiates the State from

¹ Three field missions have been already conducted by the WCO Research unit and Members in the WCA region. Three other field missions in the WCA region are programed for the first semester 2017. Three other missions were conducted in the MENA region. Observations and analysis developed in this concept note are the result of an experts' meeting held in Abuja (29th November -2 December 2016) that was the first meeting of the SPC++ Technical Committee. Experts were from Cameroon, Central African Republic, Chad, Niger, Nigeria and WCO.

the armed groups who tend to privilege some individuals or groups and fusion ideology, policy and economy to create economic monopolies.

A second observation is that trade is a highly resilient activity. New routes may be opened (as for the transit between Nigerian ports and landlocked countries like Chad) or the same routes are still operational (as in the Northern Mali), but, in all cases, trade in commodities, particularly necessities, still flows through areas affected by violence. Consequently, and as cross-border trade and its correlated activities (transport, guiding) are a major source of income and employment in borderlands, donors and governments should better support trade and its governance in borderlands. In this regard, support to trade and trade facilitation may contribute to crisis resolution and the restoration of trust in the State.

A third observation is that the cooperation between national services (Police and Customs) and between Customs on both sides of the borders is made complicated by a lack of technical means to circulate intelligence and information, a lack of methods to structure cooperation in the field and a global lack of trust due to corruption that sometimes discourages the circulation of intelligence among institutions and favors its circulation between individuals in an informal way.

A fourth observation is that, globally, borderlands that are affected by violence suffer from a lack of knowledge. More knowledge about these remote areas would provide a comprehensive understanding of the situation and enlighten the environmental factors of violence. In particular, more knowledge is needed about the trade flows that represent a source of informal taxation and funding for armed groups. More knowledge is required on the volumes of trade, the potential taxation and the “price paid” by economic actors to move their commodities through the fragile borderlands, be this price formal (Customs taxes, road fees, extra costs due to roads closure by Army) or informal (prices of escorts by State bodies or armed groups, bribes, ...).

A group of 5 Members (Nigeria, Niger, Cameroon, Chad and the Central African Republic) decided to launch the **SECURITE PAR COLLABORATION Project (SPC++)** to address these challenges, enhance the role of Customs administrations at fragile borders and foster the regional integration on security. The role of Customs in fragile borderlands combines security and development. Customs administrations are the only State service whose professional culture and practices embed this twofold approach. Among regional bodies, some used to operate in borderlands before the crisis, to encourage regional economies based on natural shared resources, like the Lake Chad Basin Authority or the Liptako-Gourma Authority, but their traditional missions are focused on development, mainly on agriculture and its correlated scientific activities. Thus, a regional initiative

promoting trade and its governance as important leverages to combine economic integration and security appeared as necessary.

The SPC++ project has a strong regional dimension, for it will concern the Lake Chad Basin. Firstly, this area is a node of commodities flows between coastal countries (Nigeria, Cameroon, Algeria, Egypt, Libya, Sudan) and landlocked countries (Niger, Chad, Central African Republic). Secondly cross-border trade in this area also provides necessities to populations living far from capitals and the main national points of entries. Thirdly, cross-border trade is the main source of public revenue collected locally: the cash revenue collected by Customs fuels the major part of public services' activities (including civil servants' wages in some cases)². Fourthly, cross-border trade is deeply rooted in society, through positive social representations of mobility and smuggling attached to some specific populations, field knowledge detained by certain categories of the population, and the strong ties among merchants locally.

The social structure of local traders may have been helpful for them to negotiate new trade roads with State officials. Observations and interviews in landlocked countries, like Chad or Mali showed that local traders who are involved in international trade, particularly with neighboring coastal countries, are not competitors. They are organized as small corporations, exchanging information, providing financial assistance to their members, sharing means of transport. For instance, Bol traders in Chad regularly send someone to ports or foreign cities to conduct trade operations on behalf of other traders and they group their cargoes by means of transport. Their trade, logistics and financial practices make all of them informed about the value, prices of goods and transport means paid by the others. As a consequence, extra costs generated by terrorism – be they informal taxation or new transport costs or Customs costs – do not generate competition and are totally integrated into the final price. As an example, when Boko Haram presence caused the end of boat circulation on Lake Chad, Chadian traders went to Niger Customs to negotiate the way their commodities that would newly transit from Nigeria to Chad through Niger should be cleared.

If market rules do not ensure that new constraints will give birth to new competition niches, state agencies should take the responsibility of containing the increase of final prices and controlling the distribution of costs into these prices. Customs administrations are already partially involved into this “social” regulation by fixing reference values to specific cargoes of necessities (size, content and value of these cargoes are discussed between traders and Customs officials). However, this practice may also have its own disadvantages, by encouraging corruption or competition among Customs bureaus to

² This local role of Customs is often neglected by academic literature on tax.

lower the “final costs” paid by the traders, which decreases the national revenue collection. In Nigeria, Cameroon and Chad, taxation is a growing concern, both at the budgetary level due to oil prices decrease and at the symbolic level due to the necessity of keeping the populations living in areas affected by violence and sometimes abandoned by state officials within “the Nation State”.

A first attempt for a regional Customs initiative on border security was launched in 2014, but did not result in any concrete outcomes. The reasons for this are manifold: a high level of insecurity in the Lake Chad region that demanded only urgent military actions; absence of a common understanding of the situation that was an obstacle to advocate the role of Customs at the governmental level; lack of material and financial resources for Customs to implement technical solutions.

In 2016, based on this experience and given the progressive restoration of peace in the Lake Chad region, the Nigerian Customs presented a new initiative - **the SPC++ project - at the 21st Regional Conference of Directors General of Customs of the WCA region (Abidjan, Ivory Coast, 27-29 April 2016). The project was endorsed and adopted by the Directors General of the WCO WCA region.** A Technical committee has been set up and first met in December 2016 in Abuja to i) discuss the situation, ii) make recommendations to DGs and iii) plan the next steps.

The SPC ++ project proposes a new approach to addressing transnational crimes, terrorism and insurgency in the WCA region. Its global objective is to make regional and national security policies more inclusive by developing the economic dimension of State responses to insecurity and embedding trade, taxation and Customs matters into them.

2. Summary of the proposed activities

2.1. Analytical work to generate knowledge

The analytical work includes:

- field missions in 3 areas determined by the SPC++ Technical Committee,
- a quantitative analysis of the impact of Boko Haram on regional trade based on Customs statistics

Outcome: Experts Report Part 1 (Analysis of the situation).

This first step is already funded by the 5 Members and the WCO Reserve Fund.

2.2. Experts meeting on technical solutions

As an immediate follow-up of the analytical report, experts should meet to draft technical and legal solutions. Legal solutions can be taken in charge by national experts, given the national specificities. However, whatever the exact form of

solutions, the technological dimension of the solutions will be crucial. Technologies should allow Customs administrations (i) to optimize their presence in the field, (ii) make intelligence and information circulate, (iii) facilitate communications both at the HQ and the frontline levels, (iv) map the risks and the activities (in real-time), (v) monitor the performances and the bad practices of Customs field units, and (vi) conduct analytical work to evaluate the risks and advise the policymakers.

Donors would be expected to finance this 3-day experts meetings (2 experts per country = 10 experts), plus the participation of 3 experts in mapping, communication, datamining technologies (travel, accommodation and eventual fees if experts come from the private sector).

Outcome: Experts Report Part 2 (Proposal of solutions).

2.3. DGs Conference

The Experts Report will be presented to the DGs during a regional conference, to which all stakeholders concerned by the security in the region will be invited.

Donors would be expected to support this regional event that is crucial to gather political support, validate solutions and, eventually, found external support from donors.

2.4. Implementation of solutions

At this early stage, evaluating the nature and costs of solutions would be premature. However, given the needs, the solutions will most likely mobilize:

- a regional center for operations and intelligence
- a Spatial Data Infrastructure that will collect all information, disseminate them and allow the coordination of allocation of resources in the field and circulation of intelligence.
- a mobile phone equipment of field services and border communities
- training for experts joining the regional center for operations and intelligence.

2.5 Encouraging dissemination of the knowledge and contacts beyond the region

The SPC++ renews the paradigm of trade facilitation by connecting it more deeply with security. It aims to mobilize technologies and new concepts. In addition, the armed groups operating in Lake Chad Basin have connections beyond the boundaries of the WCA region, particularly in the MENA region. It is, therefore,

important that this project, as a pilot, benefits of a large audience and that the lessons learnt in this project benefit to the whole Customs community. The participation of SPC++ experts is expected:

- in similar meetings in the MENA region, which would be an excellent opportunity to confront the practices and the solutions and,
- in events organized by academia or think-tanks on security.

Donors would be expected to support the 5 Members in funding these missions.

3. Estimation of budget and milestones