The Government of Niger (GoN) awarded Cotecna Inspection Services S.A. of Switzerland (COINS) a concession to develop import verification and trade facilitation services. COINS will establish a Cotecna Inspection Services S.A. Niamey Liaison Office in Niamey, the country’s capital. Niger is heavily dependent on imports for foodstuffs, machinery, vehicles and parts, petroleum, and cereals. Imports represent 40 percent of Niger’s GDP.

The Multilateral Investment Guarantee Agency (MIGA) is supporting COINS through a guarantee covering its investment for up to six years.

This series showcases how the World Bank Group supports the development and implementation of public-private partnerships. This support comes in the form of public sector loans, private sector finance, sector and transaction advice, guarantees, and output-based aid.
Background

The project is the first guarantee MIGA has issued since Niger became the agency’s 177th member country in 2012. Niger’s membership in MIGA means that foreign direct investments into the country are now eligible for the agency’s political risk insurance. This insurance also extends to investors from Niger going into other developing countries may also receive coverage for their investments from MIGA.

The World Bank Group’s areas of focus in Niger include increasing transparency and governance as well as improving cross-border trade. Currently, imports represent nearly 40 percent of Niger’s GDP. By enhancing inspections, tracking and verification of imports in Niger, this project aims to boost government revenues and improve overall trade efficiency. COINS also complements MIGA’s strategic priority of supporting investments into countries eligible for concessional lending from the International Development Association.

Project Description

COINS Niamey consists of a five-year build-operate-transfer contract to supply, install, maintain, and operate three mobile container scanners at different locations (Niamey Route, Niamey Rive Droite, and Maradi); to provide pre-shipment inspection and document verification at origin; to verify compliance of imported goods with applicable standards based on service contracts; and to deliver training and logistical assistance to the Government of Niger (GoN) for the modernization of national customs.

COINS will provide these services to the government in return for a monthly operating and management service fee. COINS will provide training and build capacity for the government’s future takeover of operations and improve public resource management. The operations will sustain 136 local jobs and boost greater transparency in Niger’s import verification process.

World Bank Group Role

On December 19, 2012 MIGA issued a guarantee of $6.2 million covering the investment by COINS in its Niamey Liaison Office in Niger. The coverage is for a period of up to six years against the risks of transfer restriction, expropriation, war and civil disturbance, and breach of contract.

Outcomes

COINS will introduce greater transparency and efficiency into Niger’s import verification processes. The transparent audit trail provided by scanning data will also help the government secure revenues through the elimination of opportunities for fraud and fiscal evasion. Security at points of entry will also be enhanced by ensuring that containerized goods are not illegal. In addition, COINS will facilitate trade through more efficient and rapid verification of imported goods.