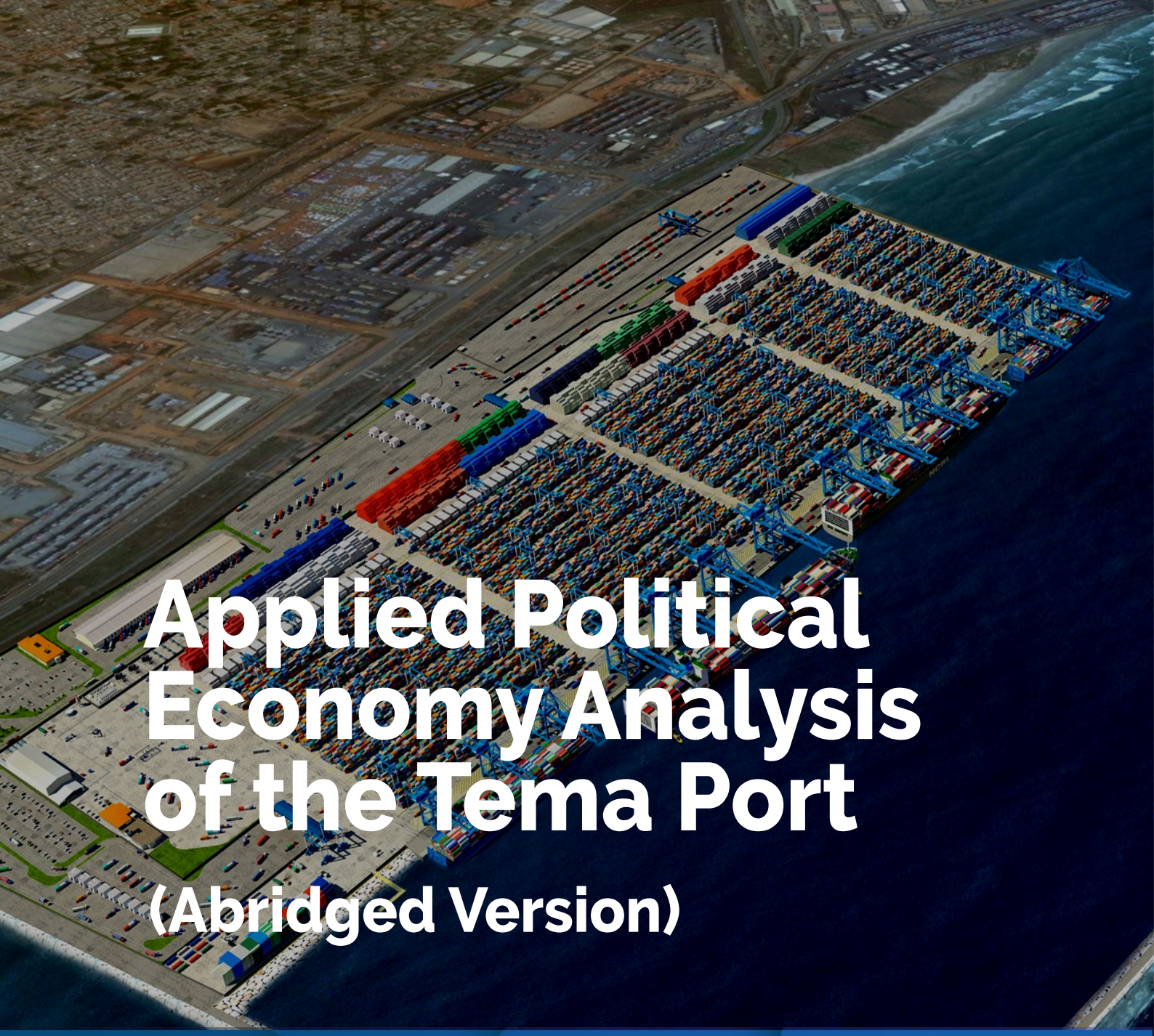


Applied Political Economy Analysis of the Tema Port

(Abridged Version)

Understanding the Drivers and Enablers of Corruption, Criminality, and Insider Manipulation in Port Operations

IMANI Center for Policy & Education

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Disclaimer

This report is the deliverable of a project contracted by the Foreign, Commonwealth & Development Office (FCDO) to Adam Smith International (ASI) and the IMANI Centre for Policy and Education (IMANI CPE). We provide in-depth political economy research and analysis on the underlying power dynamics and relationships that drive and enable corruption, criminality, and insider manipulation (CCIM) at the Tema Port, Ghana's foremost commercial seaport.

This report is expected to be used to develop an action plan and roadmap for future UK Government support to Ghana by informing technically sound but politically feasible opportunities and entry points.

The findings do not, in any way, represent the opinions of the FCDO. The analysis, errors and interpretations remain the sole responsibility of the authors.

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Abbreviations

AfCFTA	African Continental Free Trade Area
ASI	Advanced Shipping Information
AGI	Association of Ghana Industries
BAMS	Bay Allocation Management System
CEO	Chief Executive Officer
CSO	Civil Society Organisations
CAC	Confiscated Asset Committee
CCIM	Corruption, Criminality, and Insider Corruption
CID	Criminal Investigations Department
CHAMS	Customs House Management Systems
DVLA	Driver and Vehicle Licensing Agency
EOCO	Economic and Organised Crime Office
ECOWAS	Economic Community of West African States
FDA	Food and Drugs Administration
FCDO	Foreign, Commonwealth & Development Office
GACC	Ghana Anti-Corruption Coalition
GCNET	Ghana Community Network Services Limited
GIEA	Ghana Importers and Exporters Association
GII	Ghana Integrity Initiative
GMA	Ghana Maritime Authority
GNSW	Ghana National Single Window
GPHA	Ghana Ports and Harbours Authority
GRA	Ghana Revenue Authority
GSA	Ghana Shippers Authority
GTH	Ghana Trading Hub
GUTA	Ghana Union of Traders Association
GoG	Government of Ghana
GDP	Gross Domestic Product
HMG	Her Majesty's Government
IMANI CPE	IMANI Centre for Policy and Education
IMF	International Monetary Fund
ISPFSC	International Shipping and Port Facilities Security Charge
JCCC	Joint Customs Consultative Committee
JIMIS	Joint Inspection Management System
LSCI	Liner Shipping Connectivity Index
MPS	Meridian Port Services
MPSL	Meridian Port Services Limited
MP	Minister of Parliament
MDA	Ministries, Departments and Agencies
MoF	Ministry of Finance
MoI	Ministry of Interiors
MoT	Ministry of Transport
NACOC	Narcotics Control Commission
NDC	National Democratic Congress
NIRMS	National Integration Risk Management System
NIB	National Intelligence Bureau
NPP	New Patriotic Party
OMC	Oil Marketing Company
OSINT	Open-Source Intelligence
OCG	Organised Crime Group
PEA	Political Economy Analysis
PEP	Politically Exposed Person
PAAR	Pre-Arrival Assessment Reporting System
PPP	Public-Private Partnership
SOC	Serious and Organised Crime
SIGA	State Interest and Governance Authority
SOE	State-Owned Enterprise
SSA	Sub-Saharan Africa
CCP	The Container Control Programme
ICUMS	The Integrated Customs Management System
TFP	Trade Facilitation Programme
UCR	Unique Consignment Code
UAE	United Arab Emirates
UNDP	United Nations Development Programme
UNODC	United Nations Office on Drugs and Crime
UNCTAD	United Nations on Trade and Development
USAID	United States Agency for International Developmen
WAPIS	West Africa Police Information System
WACAP	West African Network of Central Authorities and Prosecutors against Organised Crime
WCO	World Customs Organisation
WHO	World Health Organisation
WBG	World Trade Group

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1.0 Introduction

Organised crime as a concept is broadly defined as the planned and coordinated criminal behaviour and conduct by people working together, wholly or in part, for financial gain.[2] The UK defines serious and organised crime (SOC) as individuals planning, coordinating, and committing serious offences, whether individually, in groups, or as part of transnational networks. The FBI defines a criminal enterprise or organised crime "as a group of individuals with an identified hierarchy, or comparable structure, engaged in significant criminal activity". They often engage in multiple criminal activities and have extensive supporting networks. The main categories of serious offences or organised criminal activities covered by the term are child sexual exploitation and abuse; illegal drugs; illegal firearms; fraud; money laundering and other economic crime; bribery and corruption; organised immigration crime; modern slavery and human trafficking; and cyber-crime. Organised crime presents a major threat to the global economy. In developing countries, organised crime challenges the sustenance of peace, trade facilitation, the rule of law, and revenue generation. Over the years, the strategy and nature of organised crime have evolved, making domestic and international approaches to addressing this menace more challenging. The combined effect of organised crime, illicit flows, and corruption significantly increases the risk of placing communities and nations in extreme poverty, conflict, and hunger.

Since the 2000s, the West African region has witnessed increased SOC incidences. The West African region has been identified as one of the growing destinations for illicit financial flows and organised crime. Illegal and organised crime networks in the region have been linked to North America and Europe. A significant body of literature has recently reported the expansion of organised crime activities in the sub-region, albeit with little or no comprehensive state-level data to support these assertions, partly because SOC activities tend to be obscured. The lack of official comprehensive records on organised crime activities, criminal networks, and the exploited value chains also inhibit credible data. For example, a report by the African Union on tracking and identifying the hubs facilitating organised crime and drug trafficking concluded that West Africa is the central transit market for drug trafficking in Africa, with Ghana being one of the key countries facilitating organised crime and drug trafficking in the sub-region.

Ghana, often classified and seen as a relatively stable multiparty democracy, has likewise witnessed significant economic growth. Nonetheless, pitfalls in the democratic system, cracks in accountability measures, and ill-equipped law enforcement agencies (LEAs) have created opportunities for the growth of SOC in the country. The 2019 ENACT Africa Organised Crime Index ranks Ghana 26th out of 54 African countries and 10th in 15 West African countries for criminality. Ghana's state resilience score, which measures effective state-side response to organised crime, ranks 10th out of 54 African countries and 4th in West Africa. While Ghana's 26th ranking on the index for criminality is below the continental average, its 16th

[2]The Crown Prosecution Service (2020). Organised Crime – Strategy. Available at: https://www.cps.gov.uk/organised-crime-strategy; Federal Bureau of Investigation (2020). Transnational Organised Crime. Available at https://www.fbi.gov/investigate/organized-crime; Woodwiss M. (2015). Combatting and Analysing Organised Crime; The View from Witnesses. Trends Organised Crime, Vol. 18 (1-11).
[3]Organised Crime | Federal Bureau of Investigation (2021). Available at: https://www.fbi.gov/investigate/organized-crime (Accessed: 26 April 2021).
[4]In this report, we indicate where examples cited are SOC-networked crime rather than local criminal actor orientated.
[5]ENACT. (2018). Overview of Serious and Organised Crime in West Africa. Interpol and ENACT. https://enact-africa.s3.amazonaws.com/site/uploads/2018-12-12-interpol-west-africa-report.pdf
[6]African Union. (2014). A Comprehensive Assessment of Drug Trafficking and Organised Crime in West and Central Africa. https://au.int/sites/default/files/documents/30220-doc organized_crime_in_west_and_central_africa_-_july_2014_-_abridged_summary_english.pdf
[7]The expansion of trade and network connectivity has created market opportunities for local criminal groups to expand activities and diversify illicit trade activities, such as commodities (gold, rosewood) and drugs smuggling in Ghana. https://www.unodc.org/unodc/en/organized-crime/intro.html
[8]This measures indicators such as quality and capacity of leadership and governance, legislative framework, law enforcement, territorial integrity, and civil society, among others. See op cit. (n2)

ranking for criminal markets indicates several pervasive markets. These include human trafficking and smuggling, arms trafficking and illegal drugs trade (cannabis, heroin, cocaine, and synthetic drugs like Tramadol), and non-renewable resource crimes (fuel, rosewood, illegal mining/'galamsey'). This suggests high levels of criminal activities and a growing criminal market for illicit activities and organised crime.

Political parties and state agencies are often major facilitators of organised crime networks and activities. Compounding this is the growing number of criminal networks that use Ghana's sea borders, airports, and northern borders through to Burkina Faso and Nigeria. Foreign actors, mainly Asian criminal actors, are also known to facilitate the smuggling of gold from illegal miners and rosewood through Ghana and other parts of the region. South American cartels also support the transhipment of cocaine from Latin and South America to Accra and exported to Europe and Asia.

The Tema Port is critical to Ghana's maritime competitiveness and revenue generation. The Tema Port serves as Ghana's foremost commercial seaport, handling 84% of imported goods into Ghana and 24% of its exports. The Port accounts for 58% of Ghana's total seaborne trade by volume, with the Takoradi port accounting for the remaining 42%. Despite the recent infrastructural development, the Port continues to be a roadstead for organised crime networks through an interaction between the political settlement, power dynamics and port infrastructure (technology and system) to create formal and informal rules that make it possible for various forms of serious and organised crime to occur. Within such an entrenched system of operation at the Port, several economic value chains become vulnerable to corruption, criminality, and insider manipulation (CCIM). A combination of the drivers of CCIM and other technical and managerial vulnerabilities have resulted in significant revenue loss to the government. For instance, the World Bank and the GRA estimate that between 2012 and 2016, 34% of import taxes were unaccounted for. Nevertheless, there is a dearth of evidence of how such a significant import tax gap occurs at the Port. The long-term effect of SOC at the Tema Port is demonstrated through increased tax and economic fraud, bribery, smuggling of illicit goods, and weak SOC resilience.

Against this background, the report examines the political economy systems at the Tema Port. It assesses the underlying power dynamics and relationships that drive and enable corruption, criminality, and insider manipulation (CCIM) at the Tema Port, Ghana's main commercial seaport. The aim is to provide empirical evidence of the political economy factors that create incentives for organised crime at the Tema port and provide recommendations on complementary approaches to minimise SOC in Ghana. The report outlines entry points for interventions to support decision-making at the FCDO and its Ghanaian partners. The findings are based on quantitative and qualitative data collected through desk-based research and key informant interviews.

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[9] op cit. (n2)
[10] op cit. (n2)
This view is also corroborated within a wider African context. The 2019 ENACT Africa Organised Crime notes that "state-embedded actors are the most prominent criminal enablers across the continent in 40 out of the 54 African states". The report further notes that "a combination of state-embedded actors at the higher level of the state, working in conjunction with criminal networks, are primarily responsible for driving illicit behaviour in most African countries.
World Bank. 2020. Ghana Tax Gap Analysis. World Bank, Washington, DC. © World Bank.
Photo Credit: https://www.ghanaports.gov.gh/

1.1 Methodology: Problem-Driven Political Economy Analysis

We use an adapted Problem-Driven Political Economy Analysis (PPDEA) to identify the drivers of corruption, criminality, and insider manipulation at the Tema Port. The problem-driven analysis is often geared to understanding and resolving a particular problem at the project level or concerning specific policy issue such as SOC incidence at the Tema Port, public financial management reform, and state-owned enterprises (SOE) reform. The political economy, representing the intersection between the political and economic forces contributing to the development or constraint of reforms, plays an important role in driving change. Identifying the politics behind institutions and the drivers of institutional development have been noted as the surest way to achieve optimal reforms. While other political economy analysis methods may lead to a broad understanding of the context, a problem-driven approach to political economy analysis focuses on a specific problem. It provides actionable recommendations for driving reforms in a particular sector.

Regarding how the PEA feeds into the work, the analysis focusses on **four key strands or questions:**

[1] What are the illicit activities at the Tema Port, and what is the extent of these illegal activities? That is, how serious are the gaps, loopholes and weaknesses at the Port given what we hear about in the news and through other anecdotal/word of mouth stories?
[2] How do these illicit activities take place? That is, who are the people involved? How do they use the systems at the Port to their advantage or to facilitate their illegal activities?

[3] How does this drive SOC incidence? What is the connection between these **illicit activities** and **serious and organised crime?** According to the UK Govt definition, some of these activities can be classified as SOC: "**planned** and **coordinated criminal behaviour and conduct** by people **working together**, wholly or in part, for **financial gain".**

[4] What is the implication of this for tackling serious and organised crime at the Port?

To examine these questions, we undertake the classic PEA of the structural, institutional (formal and informal) and agents/actors (stakeholder interests, constellations, and power) factors. Structural factors are concerned with issues such as: what are the key embedded political and criminal structures at the Tema Port? How do they function, and in whose interests? Institutional factors concern: what are the overriding 'rules of the game'? What are the incentives that shape the behaviour of key players? Lastly, agency analysis focuses on: Who are the key players driving and opposing reform? Is there appetite/momentum for reform, and are there coalitions for change?

Identifying the problem helps narrowly consider the non-governance dimensions, such as technical infrastructure and human capacity needed to address corruption at the ports and their associated political economy risks. The purpose is to ascertain stakeholders' interests and incentives, how they interact with the institutional, technological, and regulatory environment (formal and informal), and how the relationship has evolved. The problem-driven approach finally explores opportunities for introducing reforms and opportunities for progress (Figure 1).

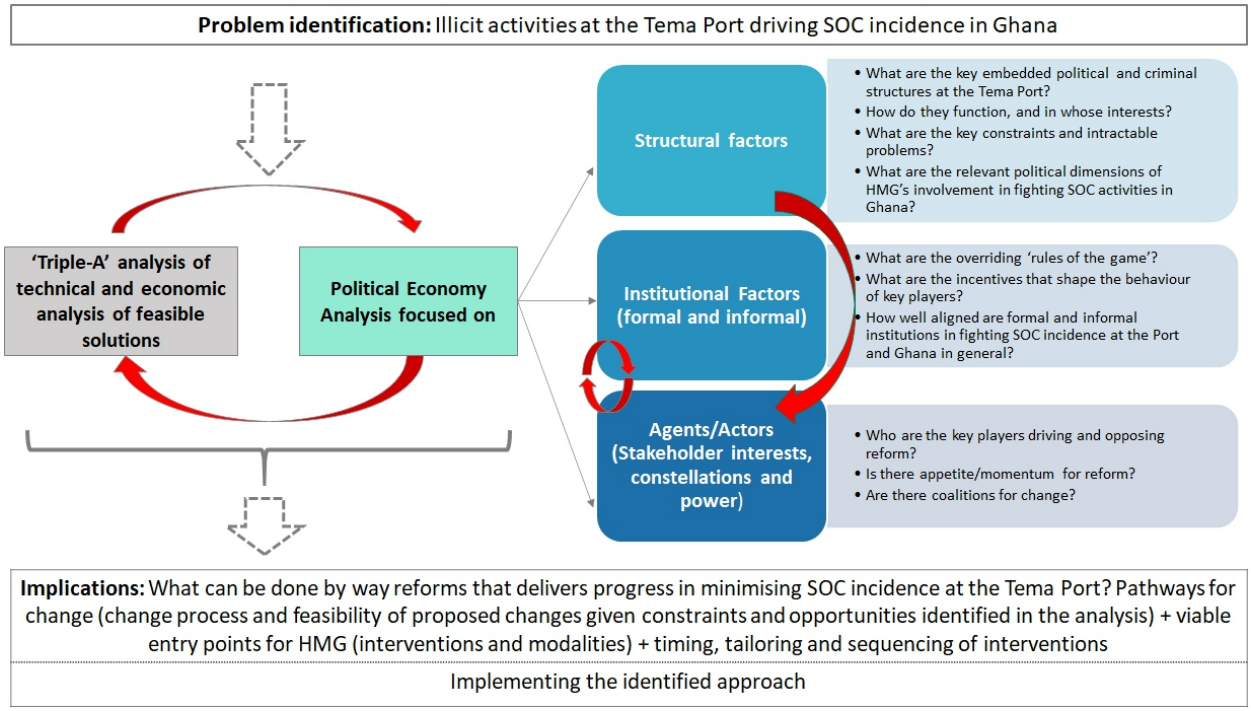
1.2 Limitations of this Research

This study is the first to look at the linkages between Serious and Organised Crime at the Tema Port. It has relied on key informants to acquire anecdotal evidence and systematic open-source analysis and academic literature. This research builds on information assembled from:

- Information provided by several key informants with working knowledge of the processes and systems at the Tema Port.
- Systematic analysis of open sources, official evidence, media, and institutional reports.
- Academic literature.

This research is hindered by the lack of official data of organised crime activities, criminal networks, and the value chains exploited in Ghana, particularly focused upon the Tema Port.

Figure 1 Problem-Driven Political Economy Analysis of Illicit Activities at the Tema Port



Source: Adapted from Fritz, V., Levy, B. and Ort, R. eds., 2014.
Problem-driven political economy analysis: The World Bank's experience. The World Bank.

Other levels of political economy analysis include macro-level country analysis and sector-level analysis. See https://www.gsdrc.org/docs/open/po58.pdf and https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/766478/The_Beginner_s_Guide_to_PEA.pdf



Tema Port: Relevance and Infrastructural Development

The Tema Port, one of the three integral components of the Volta River Project, has been operational since 1962 and serves as Ghana's main commercial Port, offering direct and trans-shipment services. During Ghana's early post-independence, the Port represented Ghana's economic transformation, political power, and the competing interest of its ruling class. The Tema Port facilitated the export of cocoa, minerals, the importation of consumer goods for the growing middle class, and developing heavy industrial enclaves. The government took over port management and cargo handling by establishing the Ghana Railway and Harbour Administration, incorporating the Black Star Line, and the State Shipping Corporation with the legal mandate that Ghanaian labourers and liners serve the State's maritime trade interest. As a demonstration of these institutions' success, the port traffic at Tema more than doubled between 1962 and 1967.

Successive periods of political instability (coup d'états), drought, economic recession, and periods of industrial stagnation resulted in a significant decline in the Port's performance between 1970 and 1990. No major rehabilitation or development projects were undertaken in the 20 years between 1970 and 1990, resulting in a significant deterioration of the ports' facilities. Efforts by the International Monetary Fund (IMF) through the Structural Adjustment Programme (SAPs) and Economic Recovery Programme (ERPs) resulted in minimal recovery due to systemic inefficiencies. By the mid-1990s, Ghana had witnessed a significant turnaround in port activities due to the relatively politically stable environment, global maritime trade growth, and port infrastructure improvement. This was also buoyed by conflict and instability in the hitherto competing maritime destination of Ivory Coast, Togo, and Nigeria's economic and political landscape. Within this vein, the Ghana Port and Harbour Authority (GPHA) was established by the erstwhile PNDC administration in 1986 with the mandate to plan the future of ports in the country. The GPHA has deepened its partnerships with the donor community in performing its managerial and economic functions. A clear example of such a direct relationship between a state agency and international partners is the Japan International Corporation Agency (JICA) and GPHA partnership that led to the development of the port masterplan with emphasis on infrastructural development.

In recent times, the Tema Port has played a central role in facilitating trade and the movement of goods and services within the West African region. The Tema Port serves as Ghana's main commercial seaport, handling 84% of imported goods into Ghana and 24% of its exports. The Port accounts for 58% of Ghana's total seaborne trade by volume, with the Takoradi port accounting for the remaining 42%. Total cargo traffic increased from 7.4 million tonnes in 2009 to 17.3 million tonnes in 2019. Additionally, container throughput increased from 525,694 twenty-foot Equivalent Units (TEU) in 2009 to 1.1 million TEU in 2019, as port statistics show. Ghana's seaborne imports come from worldwide, including from countries where transnational criminal groups are known to operate and have sought to use Ghana as an operational hub to carry out their activities using the Port as a conduit. The ongoing US$1.5 billion expansion of the Tema port from 1 million TEU to 3.5 million TEU would make Tema the largest container capacity of any West African port and one of the largest ports in Africa. This will also position the Tema Port as a major trade destination under the Africa Continental Free Trade Area (AfCFTA), especially for transit and transhipment cargo. While such an expansion will be a welcome boon for trade facilitation, it has the potential to deepen the resolve of criminal networks further to use the Tema port as an operational base for their illegal activities.

[16]Chalfin B. (2010). Recasting Maritime Governance in Ghana; The Neo-Developmental State and the Port of Tema. Journal of Modern African Studies, Vol. 48(4), pp. 573-598.
Iheduru (1996).
Chalfin B. (2010), op. cit
https://new-ndpc-static1.s3.amazonaws.com/CACHES/PUBLICATIONS/2016/05/03/Volume+2-+3a-1.pdf – pg 32
Soule, (2003)
Chalfin B. (2010), op cit., Ago T. E., Yang H. & Enam T. D. (2016). A Review of Port Governance in Ghana.
https://openjicareport.jica.go.jp/pdf/11681590_05.pdf
Ghana Port and Harbour Authority. (2019). Tema Port Performance. f30f9170c80d45fca326096afac12726.pdf (ghanaports.org)
ibid.
"Ghana's Tema Port Flaunts Ambition". The Africa Report.Com, 2019, https://www.theafricareport.com/11234/ghanas-tema-port-flaunts-ambition. Accessed 28 Mar 2021.
Photo Credit: https://www.ghanaports.gov.gh/

2.1 Recent Port Modernisation Initiative and Outcomes

The need to reduce port congestion and improve turnaround time created an opportunity for private capital to be involved in port management in Ghana in the mid-2000s. This also came when UNCTAD and the World Bank advocated for privatising port management, citing the potential for increased capital investment, and enhancing technology. Consequently, the characteristic feature of sole state participation in the ports' management and operations gave way to a new form of public-private partnership. The government began a major 35-year port improvement and development program in 2003 to support increasing container activity. In 2004, Meridian Port Services (MPS) was granted a 20-year concession by GPHA to build and operate a new container terminal to reduce congestion at the Port. Rising volumes of containerised imports and exports, including transhipments to neighbouring countries, meant new port infrastructure and technologies were required. Thus in 2007, the Golden Jubilee Terminal was commissioned. Some of the new port infrastructure added included a new off-dock devanning terminal and additional storage facilities.

Despite these investments, increasing export and import container traffic, which includes trans-shipment traffic passing through the Tema Port, and the prospects of Ghana's newfound offshore oil and gas industry in 2010, also meant that further investments were needed at the Port. To this end, a further need arose for expanding the Tema port to improve the cargo-handling capacity off the back of the country's renewed economic growth momentum. Thus, in 2016, the Government of Ghana, through GPHA, signed a US$1.5 billion project, a 20-year concession with MPS to build another container terminal and operate ship-to-shore services – known as the Tema Port Expansion project. This is a 70-30% concession between MPS Holdings and GPHA. Construction work on the Tema Port Expansion project began in October 2016. The entire Phase 1 work (also known as Terminal 3 of Tema Port) is reported as having been completed as of April 2020, two months ahead of schedule. Phase 1 work includes the following: a new 3.6-kilometre (km) breakwater harbour basin and wide entrance channel capable of accommodating the largest container vessels (which hitherto was impossible); 1 km long wharf with three container vessel berths and 98 hectares (242 acres) terminal facility.

Completing the expansion works means that the Tema Port can now handle three times more cargo from 1 million TEU to 3.5 million TEU, making Tema the largest container capacity of any West African port and one of the largest ports in Africa. Estimates indicate that the new port facility could manage 2.5 million TEU yearly throughput over the next five years, doubling the current capacity. This will also position the Tema Port as a major trade destination under the Africa Continental Free Trade Area (AfCTA), especially for transit and transhipment cargo. While such an expansion with the updated information technology and operations systems will be a welcome

[26]UNCTAD (2008)
World Bank (2010)
MPS is joint venture (JV) between GPHA and Meridian Port Holdings (MPH) Limited; MPH is in turn a joint venture between Bolloré Transport and Logistics and APM Terminals. See http://mps-gh.com/about/
http://mps-gh.com/terminal-capacity/
https://www.konecranes.com/en-us/resources/paterson-simons-co
Ago T. E., Yang H. & Enam T. D. (2016). A Review of Port Governance in Ghana.
https://www.apmterminals.com/en/news/news-releases/2020/200507-celebrating-success-tema-port-expansion-works-phase-one-finalised
https://www.theafricareport.com/11234/ghanas-tema-port-flaunts-ambition/

boon for trade facilitation, it nevertheless can deepen the resolve of criminal networks to use the Tema port as an operational base for their illegal activities. As a result of this growth, the security and integrity of Tema Port operations must be of significant importance to the Africa continent as a whole. Significant influencers will seek to leverage GoG and Port authorities with both legitimate and illegitimate intent. Tema Port plays a key role in facilitating trade in the West African region; as a result, the Port is a key target for SOC networks in the region.

Table 1 Main Facilities at the Tema Port

Main Harbour	Facilities
Quay 1/Terminal 1	7 berths (berths 6-12; all operated by GPHA)
Quay 2/Terminal 2	5 berths (berths 1 to 5; operated by GPHA and MPS)
Water Basin	VALCO Berth (operated by VALCO)
	Oil Berth (operated by TOR/GNPC)
Terminal 3	3 container vessel berths and 98 hectares (242 acres) terminal facility with 81,743 TEU container storage capacity and 2 million TEU annual yard capacity (operated by MPS)
Breakwater	**Facilities**
Main breakwater	1.9 km
South/Lee breakwater	1.1 km
New breakwater (Terminal 3)	3.5 km

[34]The 2019 ENACT Organised Crime Index reports identified Europe, Middle East, and the Far East as the main threats for transhipment of cocaine and heroin through Ghana.

2.2 Outcomes of Infrastructural Modernisation Initiatives

Firstly, the growth in performance, measured by increased cargo throughput and vessel calls, could be explained by the modernisation and improvements that have seen the Tema Port acquire more business. Since 2010, container traffic cargo throughput at the Tema Port has increased from 590,147 TEU in 2010 to 1,000,926 TEU in 2019, representing a compounded annual growth rate (CAGR) of 6% over the period. The Tema Port is the biggest collection point, followed by the Kotoka International Airport, Takoradi, Elubo and Aflao, Hamle, Paga, and other smaller ones scattered across the country.

In 2019, the Port handled 84% of imported goods into Ghana and 24% of its exports (Figure 2). The Tema Port accounts for 58% of Ghana's total seaborne trade by volume, with the Takoradi port accounting for the remaining 42%. Since 2010, container traffic cargo throughput at the Tema Port has averaged 6% annual growth. Ghana's seaborne imports come from all over the world. 2019 statistics indicate that 27% of imports came from Mediterranean Europe, followed by Africa (22%), Far East (20%), Northern Continental Europe (14%), Others (13%) and North America (4%). Regarding the export trade, 64% of the country's exports go to the Far East, followed by Others (16%), Northern Continental Europe (10%), Africa (3%), North America (3%), and Mediterranean Europe (3%).

According to official statistics, Ghana's ports currently serve 119 shipping lines and charters. Cumulatively, 63 shipping agents transported more than 20 million MT of seaborne cargo comprising both exports and imports. Notable names in the liner trade are Maersk Line and Mediterranean Shipping Company, with 21% and 16% market share. The dry bulk market is dominated by IMT (54%) and Others with 12%. The top two market players within the break bulk segment are Maersk Line (20% market share) and Others (16% market share). In the Liquid Bulk Trade, BP Oil International Ltd lifted has a market share of 46%, followed by Others (18%). Figure 3 below illustrates the cargo type and volume.

Secondly, the integration of the systems, particularly the Ghana National Single Window (GNSW) implemented by WestBlue Consulting Limited, has reduced the opportunities for physical inspections from previously sixteen (16) agencies to three (3). In addition, a further 60% of goods are reportedly cleared within the 48 to 72 hours, as of 2018-2019. The reduction of the port inspection agencies means that importers, exporters, or their agents, using their Unique Consignment Codes (UCR), can apply for permits on imports from regulatory agencies such as the FDA, Vestiary Services, Ghana Standards Authority (GSA) and other state bodies without having to physically meet them.

Additionally, the information provided by the Customs Division of GRA also indicates that the introduction of the National Integration Risk Management System (NIRMS) had reduced the mandatory inspection from a hitherto 100% to 59% while also abolishing the Customs "Long Room", as of 2018. For example, clearing agents for transit goods were previously required to physically submit payment receipts covering "Transit Bond Risk" to the Compliance officer whose name is on the Declaration at the Customs Long Room, creating an avenue for bribery and corruption.

Figure 2 Tema Port Performance

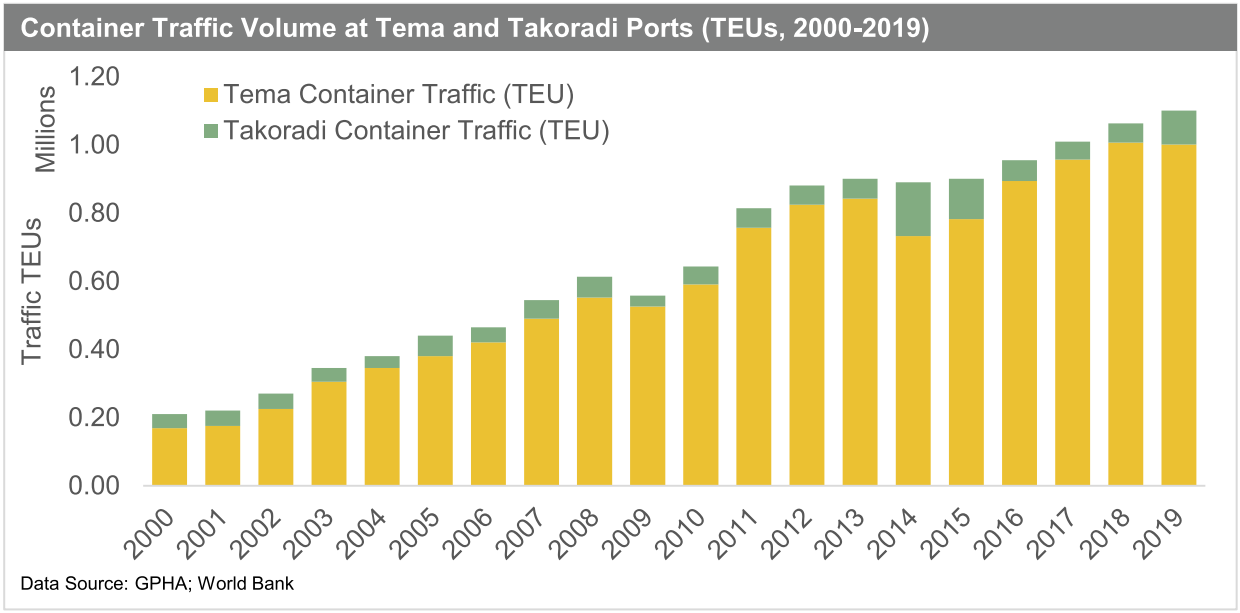
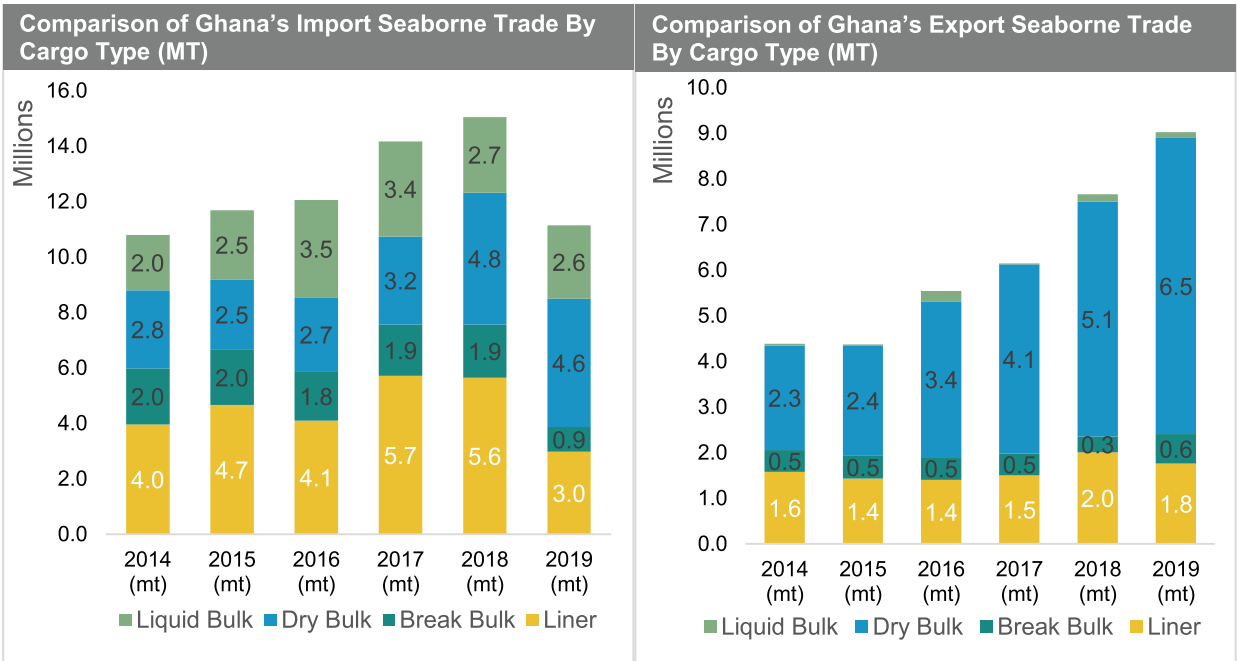


Figure 3 Comparison of Seaborne Trade by Cargo Type



[35] https://www.graphic.com.gh/news/politics/ghana-news-mps-refunds-payments-on-unopened-red-containers.html
[36] https://www.facebook.com/Ghanatradehub/photos/a.373940739483571/787948934749414
[37] https://shippers.org.gh/index.php/import-clearance-process-seaports/

Despite the improvement in cargo volumes and system efficiency enhancement, the Tema Port lags on several efficiency indicators compared with other high-performing ports in Africa such as the Port of Durban in South Africa and the Port of Mombasa in Kenya. While the ICUMS procedure suggests a seamless flow of information and transaction at the Port, its impact on port congestion has been minimal due to factors such as regulatory incoherence, intrusive searches by Customs, and the lack of technology to manage bulk cargo. Effectiveness in this context measures the quality of service rendered to port users, and efficiency relates to how well the resources available at the Port are utilised. The Tema Port has been marked by relatively low performance against efficiency standards such as ship turnaround and cargo dwell times.

In 2019, the median number of days for non-containerised vessels stay at the Port in Ghana was between 4-5 days, while South Africa recorded approximately two days (Table 4). Despite this, MPS, the firm that operates two out of the 12 berths at the Tema Port in the Jubilee Container Terminal, has demonstrated some success in improving their operations and made efficiency gains as compared to the GPHA by recording a median time spent at Port of between 1-2 days. This is similar to the current performance of South Africa for containerised cargo. **Also, in 2019, the Ghana Shippers Authority's half-year report indicated a cargo dwell time of 10 days for containerised cargo (managed by MPS) and 22 days for bulk cargo at the Tema Port, and an overall average of 14 days (Table 2)**. Cargo dwell time, which measures the time it takes cargo to leave the Port, is a key indicator of port efficiency in transportation duration and cost. In contrast, the Port of Mombasa reported a cargo dwell time of 4 days in 2021, while the Durban Port in South Africa recorded a dwell time of 4 days (Table 2).

While long cargo dwell times affect consumers and business competitiveness, the congestion creates incentives for port authorities and private terminal managers interested in storage facilities to increase storage fees or engage in other illegal or unethical activities, increasing the cost to importers. Additionally, the delays and disruptions to supply chains could incentivise importers to collude with port authorities, customs officials, and private terminal owners to compromise on the implementation of port regulations. Thus, overemphasising the technical (infrastructural) challenges as the cause of delays at the Port risks overlooking the political and economic incentives that keep perpetuating the problem.

Also, the 2018 World Bank Aggregate International Logistics Performance Index (another indicator) ranks **Ghana 101 out of 167 countries with a mean score of 2.60 out of 5 (in the third quintile) despite year-on-year improvement since 2007.** In contrast, South Africa's score is 3.51 and ranks 29. Ghana's scores are relatively weaker on customs, infrastructure, logistic quality, c**ompetence, tracking and tracing, and timeliness (Figure 4). Moreover, the 2019 Global Competitiveness Index ranked Ghana 114 out of 141 countries on the efficiency of seaport sub-indicator with a score of 3.1 out of 7, while Kenya and South Africa were ranked 66th and 50th** with a score of 4.2 and 4.5 respectively, indicating relatively higher seaport efficiency. Finally, the 2019 Business Climate Report survey by the UK-Ghana Chamber of Commerce found delays in importing and exporting as a key non-tariff barrier to trade in Ghana.

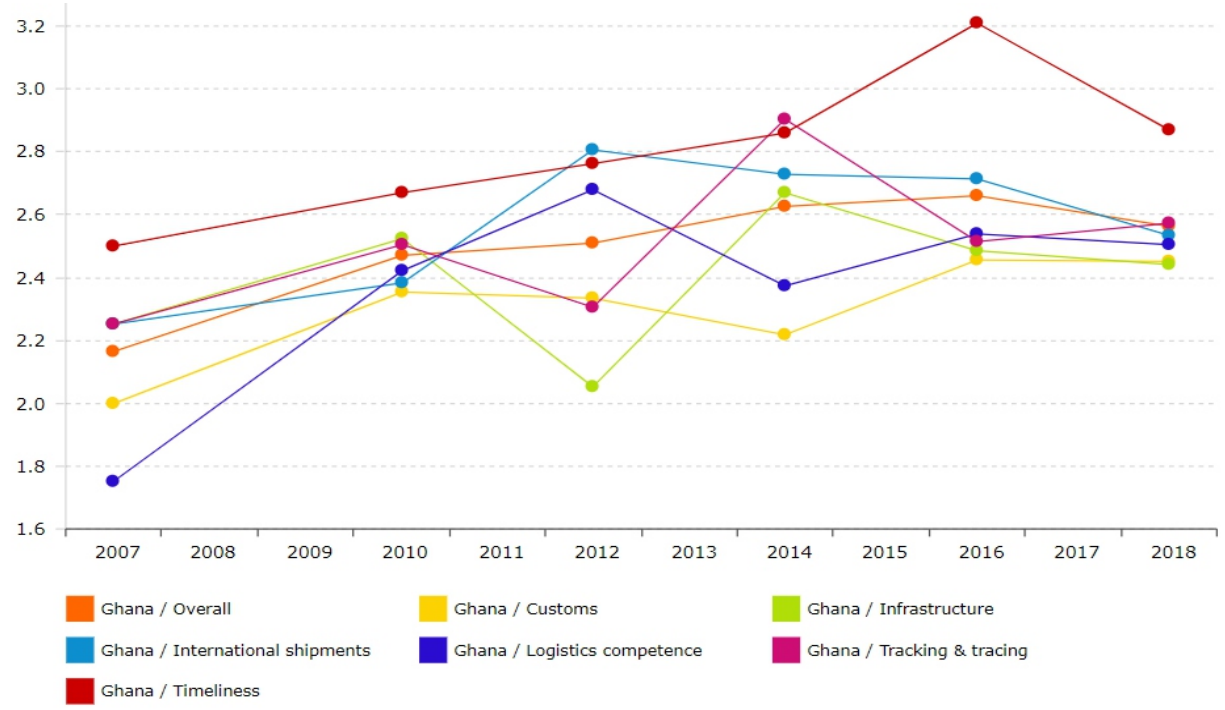
[38]''''IMANIs Efficiency Report on Operations at Ghanas Tema Sea Port; More Needs Doing - IMANI (imaniafrica.org)
https://shippers.org.gh/wp-content/uploads/2020/05/2019-Report-inside-Final.pdf
Arvis J.F., Raballand G., & Marteau J.F. (2010). The Cost of Being Landlocked: Logistics Costs and Supply Chain Reliability. Washington, DC: World Bank.
CARGO dwell time at Mombasa port lessened to 4 days | Business News Africa (financialfortunemedia.com)
No time to dwell - MarineTraffic Blog
*LPI2018.pdf (worldbank.org)
WEF_TheGlobalCompetitivenessReport2019.pdf (weforum.org)
Business Climate Report Launch. - UK-Ghana Chamber of Commerce (ukgcc.com.gh)

Table 2 Port Efficiency Indicators

Indicator	Ghana	South Africa	Kenya	Nigeria	Cote d'Ivoire
Median number of days non-containerized vessels stay	4-5 days (GHPA); 1-2 days (MPS)	2 days	4 days	N/A	N/A
Cargo dwell time - the time it takes cargo to leave the Port (indicator of port efficiency in terms of transportation duration and cost)	10 days (containerised cargo); 22 days (Bulk cargo) 14 days (average)	4 days	4 days	19-25 days	14 days
Liner shipping connectivity index - captures how well countries are connected to global shipping networks (max value: 100)	19.8	34.6	17.0	21.4	18.8
Mean Logistics Performance Index Ranking 2012, 2014, 2016, and 2018 (out of 167 countries). See figure 8 below for trend analysis of Ghana's performance	101	29	63	110	66
2019 Global Competitiveness Index efficiency of seaport services sub-indicator (out of 141 countries)	114	50	66	122	74

Source: Author's Construct

Figure 4 Ghana's Performance on the Logistic Performance Index



Source: World Bank Logistic Performance Index

2.3 Cargo Traffic and SOC Vulnerabilities at the Tema Port

The evidence shows that historical efforts in combating trade irregularities and the movement of illicit goods at the Tema Port have focussed on containerised cargo from the liner trade - ships providing services to designated ports within a particular schedule. The United Nations Office on Drugs and Crime (UNODC) in 2013 assessed that criminal groups have moved into using containerised consignments and maritime shipping to convey cocaine from South America to Europe via West Africa. This is in addition to traditional methods of air couriering and postal shipments. Previous and ongoing programmes to contain SOC activities at the Tema Port include the UNODC and World Customs Organisation (WCO) Container Control Programme – in operation since 2006 in Ghana, the programme seeks to provide support for states, strengthen trade facilitation, and minimise the exploitation of maritime trade by narco-traffickers and illicit trade.

The 2019 report of the UNODC-WCO Container Control Programme indicates that there were, for example, 35 seizure cases in Ghana in 2019, compared with 55 in Benin, 8 in Senegal and 1 in Togo. The significant seizures in 2019 involved 1.7 tonnes of cocaine, 48 tonnes and 4 containers of chemicals, 10 million packs and 11 containers of cigarettes, and 58 tonnes and 5,000 boxes of medicines.

These seizures indicate that several quantities of illicit goods are flowing through the ports without formal detection, suggesting that there is likely to be far more corruption taking place to facilitate their clearance than is currently known. Alternatively, it could be that the criminal networks involved in such activities have changed their modus operandi by re-routing their goods through other Ports due to increased surveillance at the aforementioned West

[46] The UNODC-WCO Container Control Programme Annual Report 2019. See page 55
[47] Fighting the spread of fake drugs in Africa

African Ports. However, the latter assessment is unlikely to be the case as several reports show increased threats from trafficked containers. The 2020 UNODC- WCO report notes that challenges and threats from trafficked containers include expired pharmaceutical and consumable medical products (including Tramadol). The World Health Organisation (WHO) estimates that at least 30% of the imported medicines circulating in Ghana (and West Africa), including antibiotics and anti-malaria medicines, are estimated to be fraudulent, with a serious threat to public health and safety. These pharmaceuticals are imported into the country through the Tema Port, and to a lesser extent, as air freight and via the country's land borders. They also noted that their surveillance teams seized stolen vehicles, customs

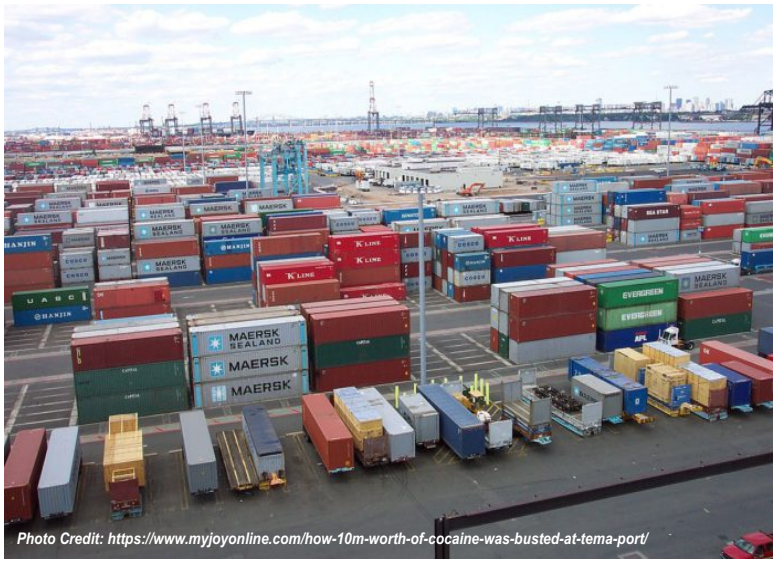


Photo Credit: https://www.myjoyonline.com/how-10m-worth-of-cocaine-was-busted-at-tema-port/

violations, cannabis, and cocaine.

Several sources indicated the increasing evidence of SOC vulnerabilities at the Tema Port despite the preceding programmes. Sources note that some OCGs are conniving with actors within the Port and further up the political hierarchy to hide anything from arms to narcotics in bulk cargoes. That is, hidden among these bulk shipments could be illegal drugs, counterfeits and/or deadly weapons, which could be used to commit transnational crime in Ghana and the wider sub-region. T**he bulk cargo section is one of the most vulnerable parts of the Port that is suspected to be used by the criminal actors due to the non-existent technology to properly inspect, weigh, and manage the movement of bulk items like rice, sugar, and clinker.** Sources mentioned several incidents of traders importing bulk cargo that had concealed items such as firearms. In the case of smuggling explosive devices, one source indicated that the said items did not arrive at the Tema port as a full complement of explosive devices; however, they were concealed as separate parts within the bulk cargo.

In another instance, illicit goods were concealed with heterogeneous cargo cleared through the yellow and red containers as precursors/inputs for the manufacturing of explosive items. Such items are concealed in household goods, industrial equipment, and sometimes agricultural products with containerised cargo. The yellow and red containers go through physical examination; however, the volumes of cargo may not permit the officers to undertake examinations of all consignments. In 2020, firearms intercepted through physical examination by Customs were concealed in a container with household items and other goods. Even where there is a full physical examination by a Customs official, the use of human discretion and collusion between traders and officers makes it highly possible for illicit goods to be cleared. There are instances where traders specifically prefer

[48]The UNODC-WCO Container Control Programme Annual Report 2020. See page 49
Africa Union (2014). Comprehensive Assessment of Organised Crime in West and Central Africa. https://au.int/sites/default/files/documents/30220-doc-organized_crime_in_west_and_central_africa_-_july_2014_-_abridged_summary_english.pdf; Aning, K. and Pokoo, J., 2014. Understanding the nature and threats of drug trafficking to national and regional security in West Africa. Stability: International Journal of Security and Development, 3(1); Rousseau, R., 2017. West Africa–the Region's Pivotal Role in International Drug Trafficking; Adeyanju, C.G., 2020. Drug Trafficking in West Africa Borderlands: From Gold Coast to Coke Coast. J. Liberty & Int'l Aff., 6, p.70.

their goods be moved to specific terminals for inspection, likely because they have their networks operating at these terminals, which will ensure that there is less scrutiny.

Furthermore, another channel vulnerable to smuggling is through transit consignment. Tema Port is a transit point to countries such as Burkina Faso, Niger, and Mali. We found that transit consignments are not subjected to strict examination because they are not destined for the Ghanaian market. In addition, since the GoG makes no revenue from transit cargo, Customs does not inspect such consignment unless there is security intelligence about a particular cargo. Sources reported incidences where Customs intercepted cocaine and cash amount of US$200,000 on a consignment transiting Ghana through the Aflao border. In recent times, many of these countries have been saddled with terrorist attacks and armed conflict. **We assess that if criminal networks can manage to get illicit drugs like cocaine and cash through the transit channel undetected, it is highly likely that these networks are using these channels for other illicit activities that are not being detected – such as smuggling firearms and explosives.** This is corroborated by past reports and academic studies, which identified Ghana as a transit hub for illicit markets in West Africa (See Rousseau, 2017; Adeyanju, 2020; and the AU Comprehensive Report in Transnational Organize Crime, 2014).

In addition, we found that money laundering has become a key transnational organised crime activity that the Customs Division is dealing with at the Tema Port. The criminal actors were identified as politically connected individuals and general trading communities. The actors are not directly concealing cash in the containers; however, the proceeds of illicit trade were used to purchase high-value items such as luxury vehicles, which attract expensive duties. The actor pays the high duties but later resells the high-value item in the market at a higher price or mark-up. Through this medium, they manage to move the proceeds of an external illicit transaction into Ghana.

Another channel of smuggling goods into the country is through the blue channel in the clearance process. These traders are allowed to clear goods in the first instance but require post-clearance audits to be conducted to ascertain the appropriate duties. Owners of private warehouses often connive with Customs officers at the bonded private warehouses to smuggle goods meant for warehousing into the market. In several instances, some of these goods were pharmaceutical products awaiting certification but were allowed to clear to reduce congestion at the Port. Additionally, some goods left bonded warehouse facilities without completing the appropriate ex-warehouse inventories. The 2019 ENACT Africa Index Report raised serious concerns about drug trafficking (synthetic drugs and heroine) in Ghana, and these channels contribute to this form of SOC.

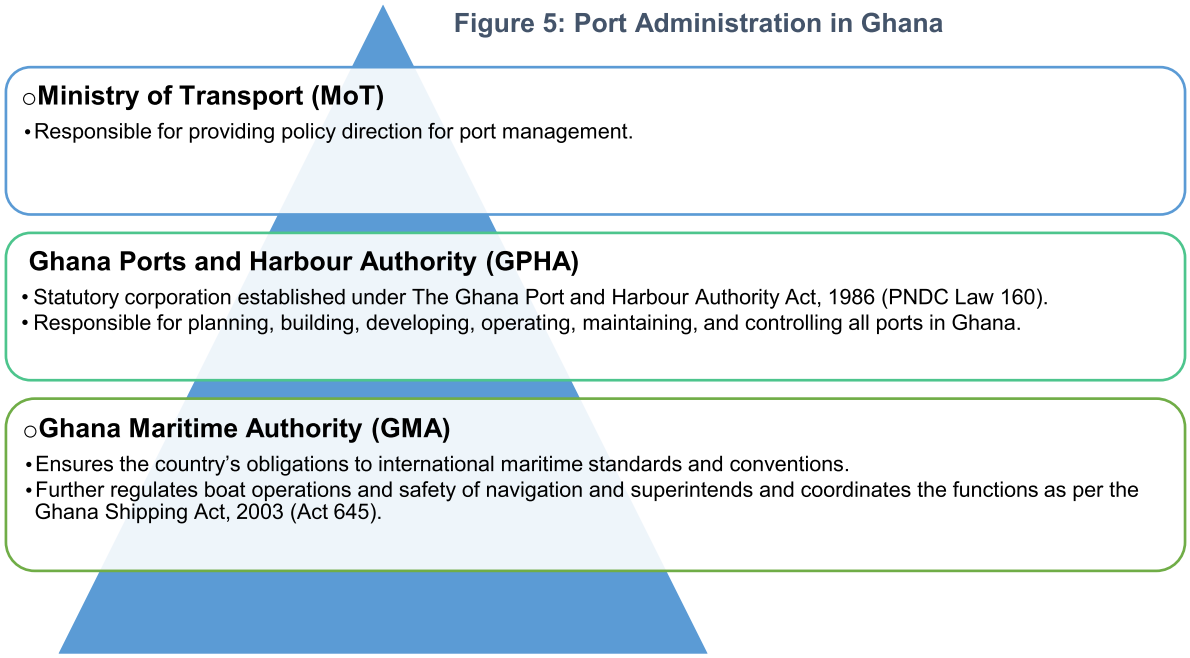


Port Governance and SOC Vulnerabilities

3.1 Tema Port Institutional Framework

Ghana's maritime sector is handled by the Ministry of Transport (MoT), the Ghana Maritime Authority (GMA), and the Ghana Ports and Harbour Authority (GPHA), as outlined in Figure 5 below. MoT is in charge of policy direction while GMA executes Ghana's obligations concerning maritime-related international conventions. Also, GPHA's mandate is to plan, build, develop, manage, maintain, operate, and control Ghana ports. The GPHA is the principal player in port governance in Ghana. The GPHA plays the dual role of regulator and a commercial player for all ports in the country, creating a conflict of interests depending on the issue at stake. Nevertheless, GPHA has sought to play more of a regulatory and coordinating function in the past few years. As an operator of the Tema Port, GHPA owns key infrastructure, such as wharves, cranes, warehouses, and specialised handling equipment, and provides key shore handling services to small stevedoring companies. Additionally, the GPHA has a joint venture with MPS to run off-dock storage facilities such as the Golden Jubilee Container Terminal situated outside the main Port environs.

Figure 5: Port Administration in Ghana



Source: Authors Construct

As is pertinent to Ghana's Fourth Republican political economy, the over-concentration of executive power to the President has created a situation whereby heads of many state institutions, including those in the maritime sector, are treated as part of the political establishment. Ghana's post-1992 'competitive clientelist' political environment, characterised by intense electoral competition between the New Patriotic Party (NPP) and the National Democratic Congress (NDC), has resulted in a 'winner takes all' mentality to governance. Thus, both political parties are ultimately interested in capturing Executive Power (the Presidency) to perpetuate clientelist privileges, including patronage distribution to reward local elites and other transnational actors. Interviews with key informants indicate that the country has progressively seen a weakening of institutions, leading to greater political corruption, including in the maritime sector and at the Tema Port.

Ago, T.E., Yang, H. and Enam, T.D., 2016, March. A review of port governance in Ghana. In 2016 Eighth International Conference on Measuring Technology and Mechatronics Automation (ICMTMA) (pp. 26-31). IEEE.

> *"Ghana's political settlement tends to undermine state institutions, including the Tema Port; thus, Port governance and operations remain highly politicised, creating avenues for corruption, insider manipulation, and criminality to fester."*

Weakening of institutions in the maritime sector and at the Tema Port has entrenched rentier social groups – business or political elites – and criminal groups that have sabotaged the process of institutional reform to create conditions that favour rent-capture and criminality. The criminality includes under-invoicing, under-declaration, and misclassification of goods by politically exposed importers, and customs officials facilitate fraud, theft, and smuggling. Also, this weakening of institutions means that several reform initiatives at the Port ultimately become victims of the underlying politics.

Ghana's political settlement tends to undermine state institutions, including the Tema Port; thus, Port governance and operations remain highly politicised, creating avenues for corruption, insider manipulation, and criminality to fester. GPHA being a state-owned enterprise (SOE) means that its governing Board, including the Chair, consist of persons nominated by the ruling administration and other stakeholders. This Board has always been headed by a person appointed by the Minister of Transport (a political appointee), who is also responsible for inaugurating the other Board members and has oversight responsibility for them. Both the Board and the Director-General (also appointed by the President) run the Port's operations. Political appointment of key regime officials to serve on the Board means that in various instances, the Board or rather Board Chair is even more powerful than the CEO and Senior Management; this prevents efficient decision-making.

A major governance challenge is that the Ministerial policymaking role often overshadows the Port Authority's planning mandate as per the GPHA Act (PNDC Law, 160). This means that certain governance and investment decisions are sometimes taken without regard to GPHA or seeking their input. An example of this was the State awarded contract to Lonrho Ports Ghana Limited to construct the Atuabo Free Port in the Western Region to serve Ghana's oil and gas industry when the Takoradi Port could have been easily upgraded to serve the same purpose and was the GPHA's preference according to sources. Secondly, the CEO and senior management at the Tema Port (and the country at large) and the Board are often dismissed or retired when a new government is elected – 'a new sheriff is in town'. This cycle is then repeated with successive elections – every four or eight years. The new government often perceives these appointees, some of whom have several years' experience, as not being 'one of them' and belonging to an 'opposition camp'. The country's political elites view the Tema Port as a money-making vehicle for the ruling party and thus always want their own trusted person in charge.

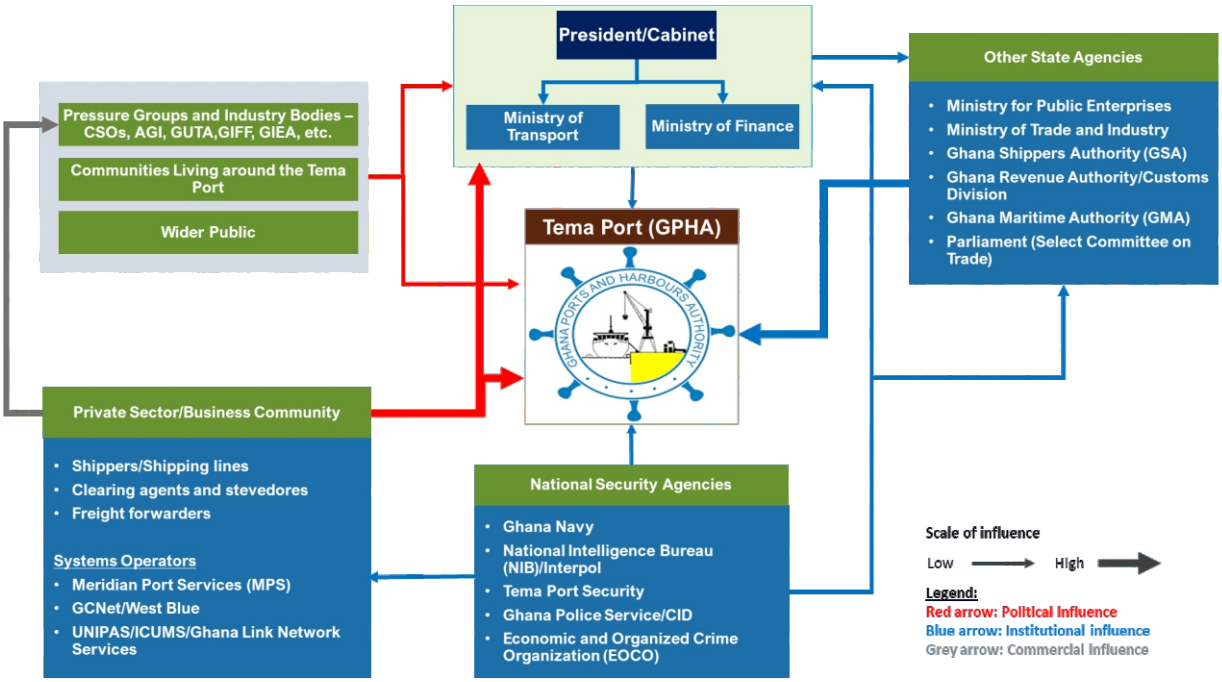
Such personnel changes often result in the loss of institutional memory and compromise the efficiency and effectiveness of such SOEs and state institutions. The lack of effectiveness and efficiency is heightened when new appointees are selected and compounded by their lack of technical expertise and competence to run such institutions. Furthermore, such political appointments enable businesses and/or political elites to create conditions favouring rent-capture, corruption, criminality, and insider manipulation. For example, **there is evidence from past investigative reports and our sources, which points to the existence of criminal networks operating in and out of the Tema Port.** These groups are involved in c**ommodities smuggling** (such as gold to the UAE and India, and rosewood exports to China); **printing counterfeit cargo invoices** to clear goods, enabling criminal actors to pay less duties (fraud); cargo theft at the Port and bonded warehouses; legal and illegal drugs trafficking (cocaine, heroin, fake antimalarials and antibiotics); misclassification of goods (fraud), and tampering with weighbridges for bulk cargo, among others.

3.2 Stakeholder Mapping and Core Influence Dynamics

At the very top is the Presidency and Cabinet, which exerts influence through the two main ministries: the Ministry of Transport (MoT) and the Ministry of Finance (MoF). Other state agencies with institutional influence over the Port include the Ministry of Trade and Industry, Parliament (Select Committee on Trade), Ghana Revenue Authority (Customs Division), Ghana Shippers Authority (GSA) and Ghana Maritime Authority (GMA), among others. For example, the Ministry of Trade and Industry is the government institution in charge of trade and industry policy formulation and implementation while the GSA is in charge of promoting and facilitating trade, which includes ensuring that Ghana's Ports are not subject to unnecessary bureaucratic bottlenecks, corruption and red-tape, which constrains doing business. GMA is the agency responsible for monitoring, regulating, and coordinating policy implementation in the maritime industry. GRA collects taxes and tracks all forms of illegal activities, resulting in tax evasion at the ports. They are also involved in the Port's operational and customs management systems – ICUMS, and hitherto GCNet. The select committee makes laws and influences policy concerning port regulation, trade, and Ghana's business environment.

[52] Ago, T.E., Yang, H. and Enam, T.D., 2016, March. A review of port governance in Ghana. In 2016 Eighth International Conference on Measuring Technology and Mechatronics Automation (ICMTMA) (pp. 26-31). IEEE.
The other two were Akosombo Dam and the Tema aluminium smelter
Political appointment of GNPC, VRA, ECG heads compromising efficiency – CBOD Report (2021). Available at: https://www.ghanaweb.com/GhanaHomePage/NewsArchive/Political-appointment-of-GNPC-VRA-ECG-heads-compromising-efficiency-CBOD-Report-1189495 (Accessed: 28 March 2021).
JoyNews uncovers smuggling syndicate illegally shipping out tons of gold - MyJoyOnline.com (2021). Available at: https://www.myjoyonline.com/joynews-uncovers-smuggling-syndicate-illegally-shipping-out-tons-of-gold/ (Accessed: 28 March 2021).; How Lack Of Weighbridges Cause Tema, Takoradi Ports To Lose Over $100m In Import Duties (2021). Available at: https://www.modernghana.com/news/965312/how-lack-of-weighbridges-cause-tema-takoradi-ports-to-lose.html (Accessed: 28 March 2021).
See Section 4 for detailed analysis of the customs management system

Figure 6 Core Influence Dynamics of Tema Por



Source: Authors Construct

Security agencies such as National Intelligence Bureau (NIB)/Interpol and Economic and Organised Crime Office (EOCO) exert institutional influence on port operations and policy influence via the Presidency or Cabinet, among others. EOCO is a specialised agency that monitors the incidence of economic crime and SOC in Ghana. National security is the state agency with specialised units like the Criminal Investigation Department (CID), that investigates SOC and other related offences. The Naval Service supports the intelligence and surveillance work of the GMA. The private sector and business community, comprising the shippers, clearing agents, destination inspection companies and others, exert direct commercial influence on the Port. Freight forwarders, for example, play a key role in the organisation of cargo, documentation and linkage between sellers and buyers. They are likely to provide practical information on the factors that may influence organised crime in the existing port infrastructure and institutional framework. They also exert quasi-commercial influence through the pressure Groups (CSOs, AGI, among others) and influence policy at the ministerial level. For example, Ghana Importers and Exporters Association could provide information to track the activities of informal importers and exporters. Finally, these Pressure groups and Communities living around the Tema Port exert direct political influence on port policy and related operations, directly to GPHA and the Presidency or Cabinet.

3.3 Linkages between the Political Economy Drivers and SOC Incidence at the Tema Port

To demonstrate the linkages between political economy drivers of corruption and criminality at the Tema Port and organised crime, it is crucial to collect information on the prevalence of organised crime, the criminal actors, markets, and the level of resilience. Figure 7 shows our framework for analysing SOC issues at the Tema Port. The Figure illustrates our view that SOC and other illicit activities at the Tema Port are undertaken by multiple criminal actors (i.e., criminal networks and embedded State-actors) leveraging the underlying political settlement and power dynamics. For example, fraud through under-invoicing, under-declaration, and misclassification of goods by politically exposed importers and customs officials being used in cargo theft or their facilitation in the movement of narcotics or illegal rosewood exports. The criminal actor typologies and features representing the potency and pervasiveness of these actor types at the Tema Port are based on the ENACT Organised Crime Index Methodology definitions.

The underlying political settlement and power dynamics interact with the Port's technology and infrastructure systems to create a set of institutionalised (formal) and informal rules which are vulnerable to exploitation by organised crime networks (OCNs). Within this setup, certain economic sectors, based on the cargo type classification (for example, imports/liner, dry bulk, liquid bulk, and break bulk), become vulnerable to exploitation by these OCNs and other actors.

- **Criminal networks** are the chain of connection between traders (importers and exporters), clearing agents, freight forwarders, shipping agents, security personnel and the broader Port community (communities outside the Port) that facilitate different forms of criminality, some of which may be SOC orientated. These criminal networks are often part of a syndicate operating at the Port with a group structure. Such a structured group is "not randomly formed for the immediate commission of an offence, and that does not need to have formally defined roles for its members, continuity of its membership or a developed structure". In other instances, they could also be dominated by the trader (importer or exporter) who could be a politically exposed person (PEP) or leading businessman, although other members of syndicate are not aware of this. These PEPs or leading business people are not physically present at the Port. However, they have associates who operate and carry out such illicit activities at the Port, often for financial gain. Payments for services rendered in facilitating illicit activity flow top-down from the importer/exporter to the shipping/clearing agents (usually the middlemen) to other persons such as state-embedded actors or communities outside the Port who facilitate the movement of such goods.
- **State-embedded** actors are persons working in state agencies such as Customs, GHPA,

> ***"Criminal networks are the chain of connection between traders (importers and exporters), clearing agents, freight forwarders, shipping agents, security personnel and the broader Port community (communities outside the Port) that facilitate different forms of criminality, some of which may be SOC orientated"***

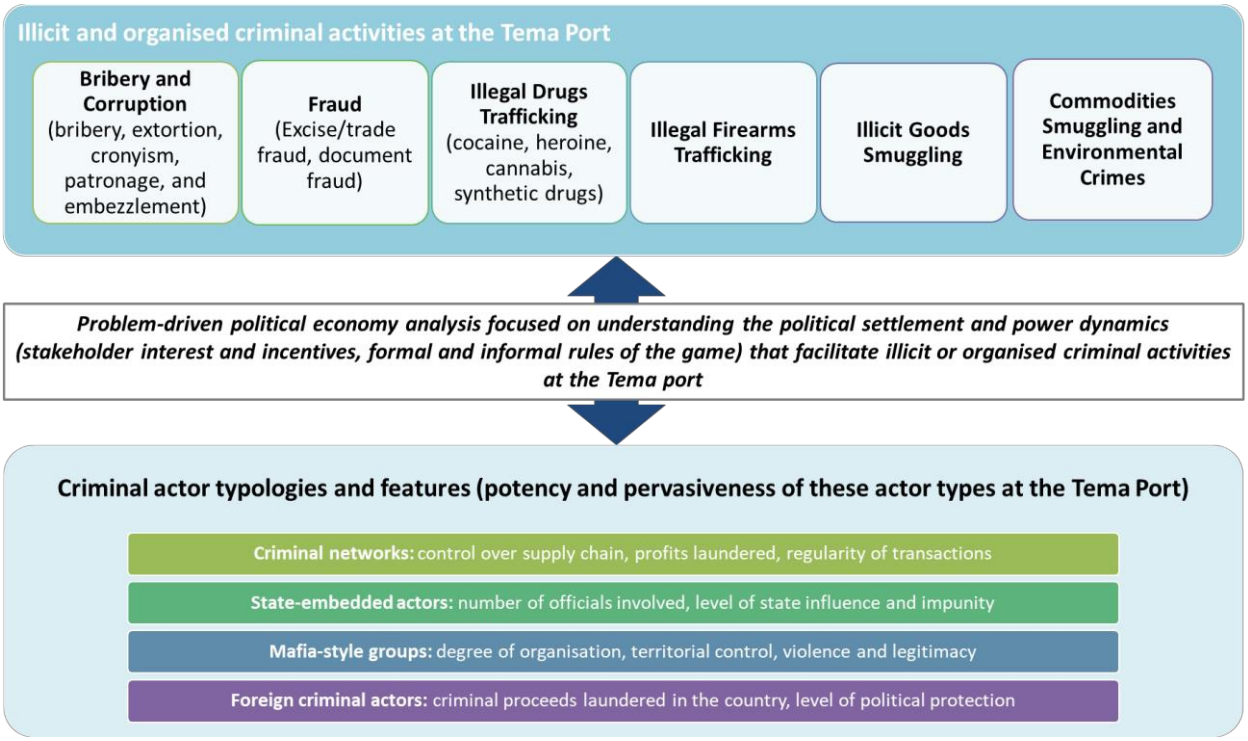
Narcotics Control Commission (NACOC), GRA, Food and Drugs Administration (FDA), Ghana Standards Authority (GSA) and the likes who have influence and collude or facilitate various forms of SOC at the Port. This includes allowing the movement of illicit goods, economic fraud such as fake invoicing and under-invoicing, and manipulating customs operating systems for financial gain, among others. The criminal networks rely on these state-embedded enablers to facilitate corrupt transactions and to create the necessary infrastructure to pursue their illicit schemes, such as illegal rosewood exports, cocaine transhipment, under-invoicing and tax fraud among others.

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- **Foreign criminal** actors are criminal groups that have formed a loose or close alliance across the world and use that alliance or network to undertake different forms of criminal activities, usually transnational crimes. Foreign criminal actors may sometimes work with their local agents (criminal networks) to carry out illicit activities such as drugs and human trafficking.

- **Mafia style-groups:** These have control and exploitation of territory and community using the concepts of family, power, respect and territory - that is, they exert power in areas in which they operate. These are fundamental to understanding mafia dynamics. Mafias can install their people in administrative positions even in places far from the territories they control and use their immense ill-gotten financial assets to infiltrate the legitimate economy easily. They are engaged in multiple criminal markets, from drugs, money laundering to environmental crimes.

Figure 7 Proposed Framework for Analysing SOC Issues at the Tema Port



Source: Author's Construct

[56]op cit. (n2)
Arsovska, J., 2014. Organized Crime. The Encyclopaedia of Criminology and Criminal Justice, pp.1-9.
Mafia-Structured Organised Crime Groups (OCG) (2021). Available at: https://www.europol.europa.eu/crime-areas-and-trends/crime-areas/mafia-structured-crime-areas-and-trends-groups-ocg (Accessed: 26 April 2021).

Recently reported SOC incidences at the Tema Port reflect how criminal networks leveraged political power and patronage networks to undertake different forms of criminal typologies. Thus, the framework helps to understand better the mechanisms through which the political economy at the Tema facilitates the incidence of SOC.

Box 1 – Some recent news reports of SOC activities at the Tema Port and criminal actor typologies

11 October 2020 – "Six Arrested in Connection with Illegal Arms Importation into Ghana... The Marine Police Unit in Tema has picked up six people in connection with an alleged attempt to import arms and ammunition into the country from Turkey illegally... The container described on arrival at the Tema port as containing Personal Effects, Household Goods and a Carding Machine was flagged as 'Red Channel". These include 436 Pistols (Side Arms), 26 packs of 50 pieces of ammunition and one (40 ml) piece of pepper spray."[59,60] **[This case indicates criminal networks and foreign criminal actors likely working together]**

19 September 2020 - "Personnel of the Narcotics Control Commission (NACOC) and National Security operatives at Tema Port have discovered and seized a 40-foot container of rice and sugar which had a 100-kilogram package in it suspected to be a pack of cocaine. The street value of the powdery substance is pegged at US$10 million". The suspect container was one of over 50 consigned to Taj, a company that imports rice and sugar in large quantities to Ghana. The consignment was assigned to Global Cargo and Commodities Ltd, a local clearing agent of shipments to Ghana...the 'coke' was concealed as part of a consignment of 50 containers of sugar and was meant to be cleared at the Meridian Ports Services (MPS)-operated Terminal Three of the Tema Port. [61,62] **[This case indicates Criminal networks, State-embedded actors and Foreign criminal actors likely working together]**

10 June 2019 – "Customs Officer, 4 Others Busted For 10 Missing Containers at Tema Port. Five persons including a customs officer have been accosted by the Marine Police, for their alleged involvement in the disappearance of 10 tonnes of containers of tomato paste from the Tema Port...Custom has recovered four in Kumasi and four others in Accra... One of the arrested persons was a freight forwarder. Another was a custom officer and the other a National Security operative. Two businesswomen were also involved."[63] **[This case indicates a Criminal network and State-embedded actors likely working together]**

[59] https://www.peacefmonline.com/pages/local/crime/202010/429541.php
[60] https://gra.gov.gh/news/seizure-of-arms-and-ammunition-at-the-tema-port/
[61] https://www.ghanaweb.com/GhanaHomePage/NewsArchive/Suspected-cocaine-worth-US-10-million-busted-at-Tema-Port-1064200
[62] https://www.ghanaweb.com/GhanaHomePage/NewsArchive/Inside-story-How-10m-worth-of-cocaine-was-trailed-busted-at-Tema-1066999
[63] https://www.modernghana.com/news/938113/customs-officer-4-others-busted-for-10-missing.html



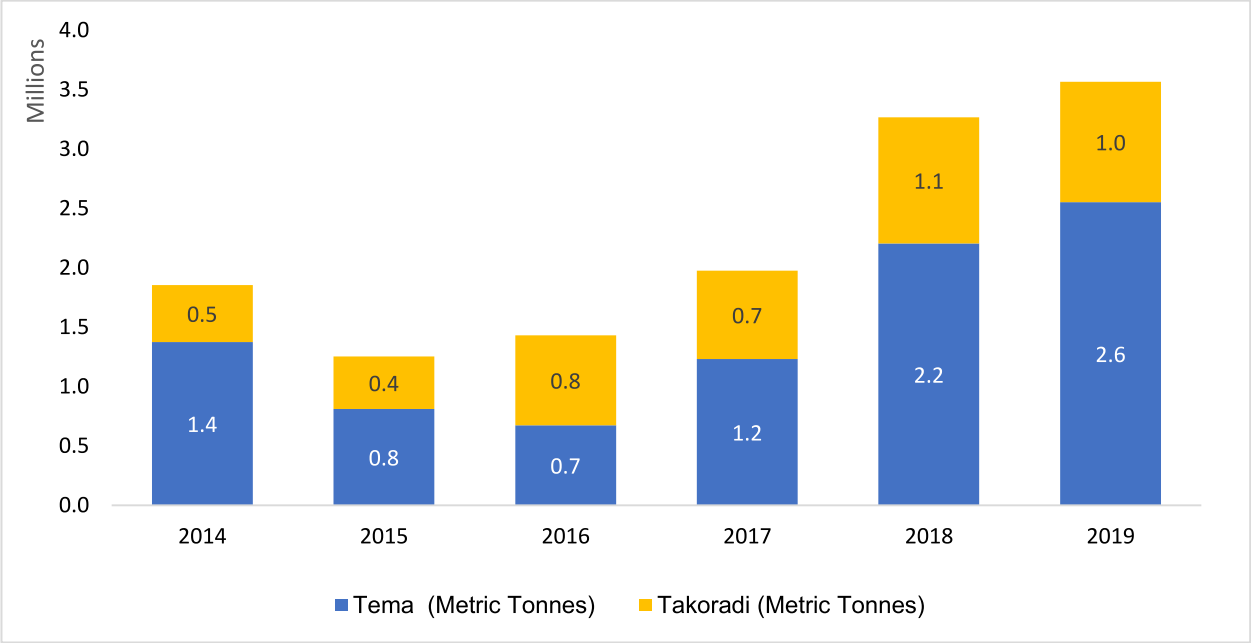
Case Studies: How Infrastructure and Institutional Vulnerabilities are Exploited to Undertake SOC at the Tema Port

Two case studies of key economic value chains at the Port are used to demonstrate the different criminal groups and the criminal typologies occurring at the Tema Port due to the vulnerabilities in the institutional and infrastructural systems. The Rice and Clinker value chains were examined to illustrate the SOC incidence at the Port.

4.1 Case Study 1: Clinker Imports at the Tema Port

Cement is essential to the construction and housing sector of Ghana. With a national production capacity of 7.5 million tonnes and annual consumption of about 5 million tonnes (4.5 million domestic production and 500,000 imports), and eight production facilities, it is expected that the growing housing demand due to rapid urbanisation, and infrastructural development would lead to increased consumption of cement in Ghana. Clinker is the main raw material used in the production of cement. Clinker is mainly imported from many parts of the world and is Ghana's dominant dry bulk import. The Ghana Shippers Authority estimates that clinker imports increased from 1.9 million metric tonnes in 2014 to 3.6 million metric tonnes in 2019. More than 70% of clinker imports come through the Tema Port.

Figure 8 Trends of Clinker Import at the Tema and Takoradi Port



Source: Authors' Construct based on Ghana Shippers Authority data

Despite the prospects of increased clinker supply, **technical inefficiencies, and competing interests at the Port, have led to informal rules in the clearing process and created opportunities for corruption and insider manipulation in recent times.** Clinker is imported as bulk cargo and offloaded at the berths/wharves operated by the GPHA because the MPS Terminal 3 deals with containerised cargo. The study found that the many berths/wharfs operated by the GPHA have not undergone any significant development for several years and do not utilise modern technology systems like the Westminster Scanport Technology adopted by MPS on the T3 platform. As a result, bulk cargo at the Tema Port is not subjected to strict inspection and monitoring.

Poor inspection of bulk cargo at the Tema port affects the validation of declaration by importers against the consignment's actual weight. We found four main factors enabling insider manipulation, crime, and corruption of the clinker value chain at the Tema Port. These are: (**1) broken weigh bridges, (2) the use of draught survey/tallying, (3) lack of due diligence on the part of Customs officials, and (4) declining sensitivity of the weighing bridges in importers warehouses/factories.** We found that the existing weighing bridges at the Tema port malfunction and cannot accurately measure the weights and volume of clinker imported. As indicated by respondents, **the process for handling bulk cargo is not fit for purpose because the tools are primitive and below current technology.** As a result, the importers of clinker have constructed weighing bridges at their own warehouses and factories to report to Customs and determine duties. The Customs Division at the Port does not have any alternative mechanism for verifying the accuracy of the importer's readings except the officer at the receiving facility endorsing a company's declaration form.

Respondents add that several heavy cement factories deliberately under-declare the volumes, type, and weight of the clinker to pay relatively lower duties, effectively committing trade fraud. In 2017, the Cement Manufacturers Association of Ghana petitioned Customs to reduce the cost per ton of clinker from US$44/ton to the international benchmark price of US$34/ton because the cost of clinker constitutes about 80% of the cost of manufacturing. It can be inferred that the best alternative pathway for the cement producers to reduce the duties on clinker is to under-declare using their weighing bridges.

Additionally, we found that the **weak sensitivity rate of the weighing bridges at the receiving facilities also significantly accounts for the under-declaration of clinker imports at the Tema Port.** Respondents confirmed that the weighing bridges, in many instances, cannot pick the accurate weights of the clinker, and the reporting officials have had to rely on discretion to determine the duties. **This is because the receiving facilities, in many instances, do not comply with the Ghana Standard Authority's regulation of recalibrating the weighing bridges monthly to ensure accuracy.** This could partly be attributed to the **irregular monitoring, inspection, and integration of the weighing bridges** at the receiving facilities into the existing Customs Management System and the deliberate tempering of the importers' weighing bridges. Also, the study found that the draught survey approach adopted to weigh the clinker when the weighbridges fail is saddled with inaccuracies and inefficiencies. This creates opportunities for importers to abuse the system.

Key informants reported that the **under-declaration of clinker imports in the Tema Port is supported by an increase in under-invoicing and utilisation of fake invoices regime that has permeated different Port modernisation regimes. The study found that some public officials, particularly from the Customs Division, collude with importers to under-declare their goods** by amending the details on the manifest or issuing fake invoices to importers. Since 2010, **importer groups at the Port have protested against several initiatives to enhance the declaration of cargo** and connect the GRA system to the originating Port. The importer groups and agents campaigned against the introduction of Advance Shipping Information, Cargo Tracking Note, and the COSCA D-11 Manifest that sought to enhance transparency and support Customs to determine appropriate duty. While their arguments stem from cost considerations, it is glaring that these initiatives would not work to their illegitimate interests.

The study also found that **Custom Officials assigned to the receiving clinker facilities have been complicit**

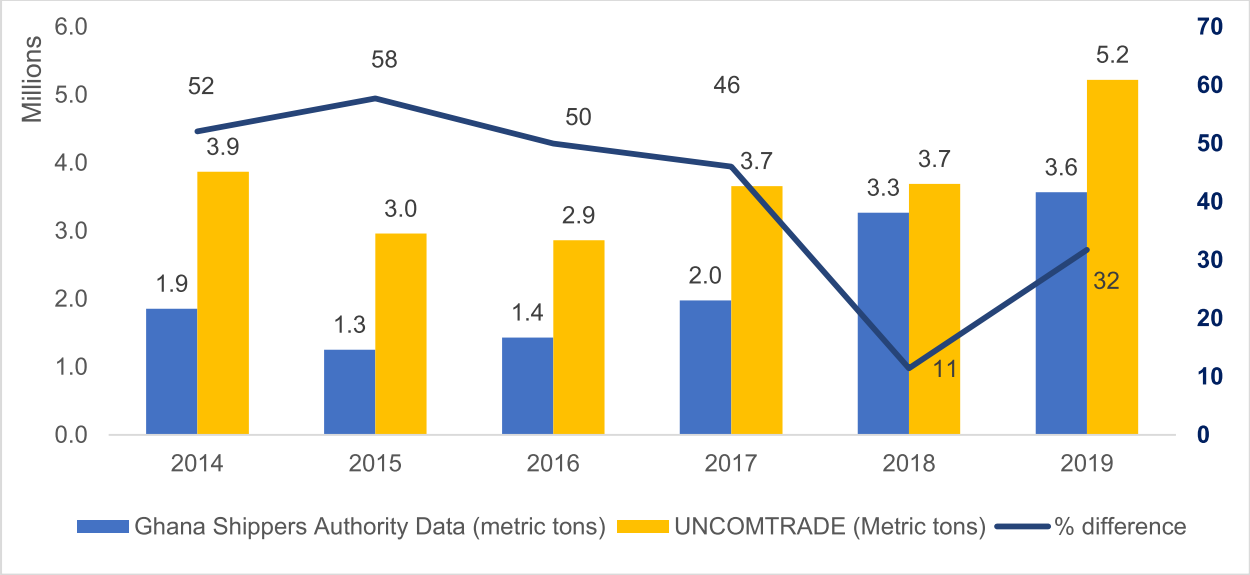
[66] Urgent action required on Ghana's imported clinker valuation (cemnet.com)

in the under-declaration of clinker imports. The Customs Division has officers at bonded warehouses and weighing facilities whose mandate is to monitor and authenticate the information that the importer shares with the Division and guarantee the calculation of appropriate duties. The study received reports of officers colluding with the importers to under-declare in exchange for money or commodities like cement. In 2016, a government taskforce conducted inspections at the various bonded warehouses and factories to ascertain compliance with the regulations. The report concluded that some Customs officials had given their keys to the receiving facility, making it easy for the importer to under-declare their cargo and other illicit activities.

Additionally, the information suggests that the annual reports on clinker imports could be compromised due to the lack of resources to weigh and record the Port's consignment. Thus, it is not surprising that the Ghana Shippers Authority's official publication is at variance with the international official trade repository on the UN Comtrade (a platform managed by the UN Statistics Division where countries report international trade data, partners and commodities) platform (Figure 9).

For example, the UN Comtrade data on clinker imports since 2014 have recorded an average of 42% higher clinker import volumes for Ghana than what has been officially declared by the Ghana Shippers Authority. In 2019, there was a 32% variation with UN data showing 5.2 million MT of imports compared to 3.6 million MT from the Ghana Shippers Authority. **This clearly indicates that actual volumes of these goods coming into the country are being under-reported, leading to significant revenue losses for the State.**

Figure 9 Clinker Imports- Ghana Shippers Authority v UN COMTRADE



Source: Ghana Shippers Authority & UN COMTRADE

Draught survey is the primitive method of computing the quantity of goods being loaded unto a vessel. DRAUGHT SURVEYS (loadmastermarine.com)

What is UN Comtrade? (Introduction, UN Comtrade, Web browser)

We do not own the right to the cover images used in this report. Appropriate references are provided in the footnote

The information available to this study suggests competing interest and rent-seeking behaviour of stakeholders due to the technical and management inefficiencies at the Tema Port. While some of these reports remain anecdotal, they explain the potential factors driving corruption and illicit activities in the clinker value chain. The combined effect of these inefficiencies is not only the revenue loss to the State from the corruption and economic fraud, and threats from organised crime as criminal groups could be colluding with the same state-side actors to allow illicit goods to pass through. If corruption and economic fraud are happening due to these weak checks and balances in the bulk cargo chain, then it is highly likely that several other criminal activities such as drugs transhipment may be taking place, being enabled by the same underlying corruption.

4.2 Case Study 2: Rice Imports

Rice is one of the major imported commodities in Ghana. In 2018, Ghana imported $425million in rice, becoming the 16th largest importer of rice in the World and the third top import commodity in Ghana. According to the Observatory of Economic Complexity, the major import origin of rice to Ghana are Vietnam, Thailand, India, Burma, and Pakistan. In 2018, Ghana imported $243 million from Vietnam, making it the topmost rice origin to Ghana. While official international reported data have demonstrated an increasing trend of rice imports, the Ghana Shippers Authority's domestic data shows the contrary (Figure 4). Again, what is obvious from cross-validation of the data is that significant volumes of imported goods are not being captured in the official customs systems, as is indicated with rice imports. Also, there have been several reports of insider manipulation by importers, particularly among importers from Asia. The study examined the factors driving corruption and insider manipulation of rice imports at the Tema Port.

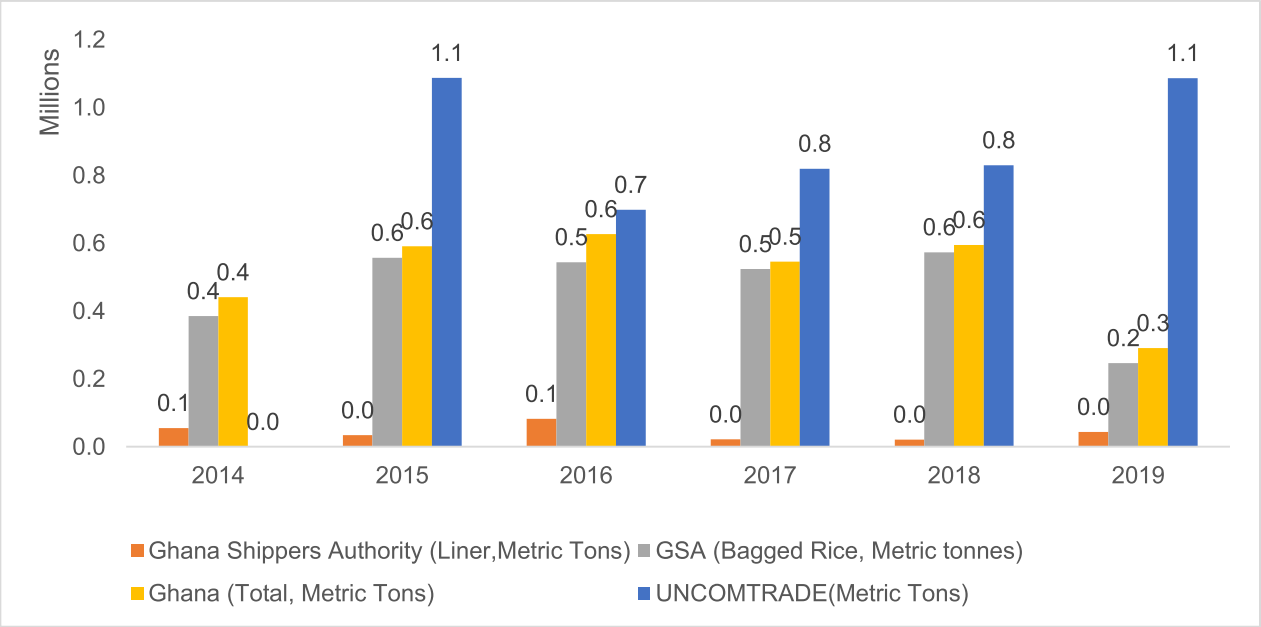
We found under-declaration of rice at the Tema Port through under-invoicing, rice reclassification, and Customs officers compromising on their duties at the private warehouses. The study found that some importers were under-declaring the imported rice volume by amending the manifest forms. The absence of technology drove the under-declaration at the Tema Port to validate the manifest declared against the information from the originating Port. Respondents observed that the major rice importers in Ghana were third-party agents for their parent companies purchasing the rice and reselling it to the Ghanaian subsidiary. This was made possible because of the benchmark price Customs apply in the valuation of rice imports. The findings reveal that major rice importers do not accurately declare the price they paid at the rice's originating Port in order not to attract high duty in Ghana.



Photo Credit: saharareporters.com

Rice in Ghana | OEC - The Observatory of Economic Complexity
saharareporters.com

Figure 10 Rice Imports- Ghana Shippers Authority v UN COMTRADE



Source: Ghana Shippers Authority & UN COMTRADE

We found evidence of a major rice importer whose prices at the originating Port were high, but they failed to declare the price in Ghana so as to pay the benchmark price. This practice was very common in circumstances where the benchmark price at Tema was lower than the price of the originating Port. For example, if the customs benchmark price for rice volume is US$50, a high price at the originating Port would lead to an increase in the prices the importer will pay in Ghana. As a result, they do not declare the accurate price on the manifest. The findings further revealed t**hat some major rice importers reclassified the rice to attract lower port duties.** In the manifest, the importers declared long-grain perfume rice as small grain rice and paid low duties. The importers also declared low broken rice as high broken rice to evade the right duties. The challenge at the Port is that the **current manifest and infrastructure, in many instances, is unable to tell the difference.**

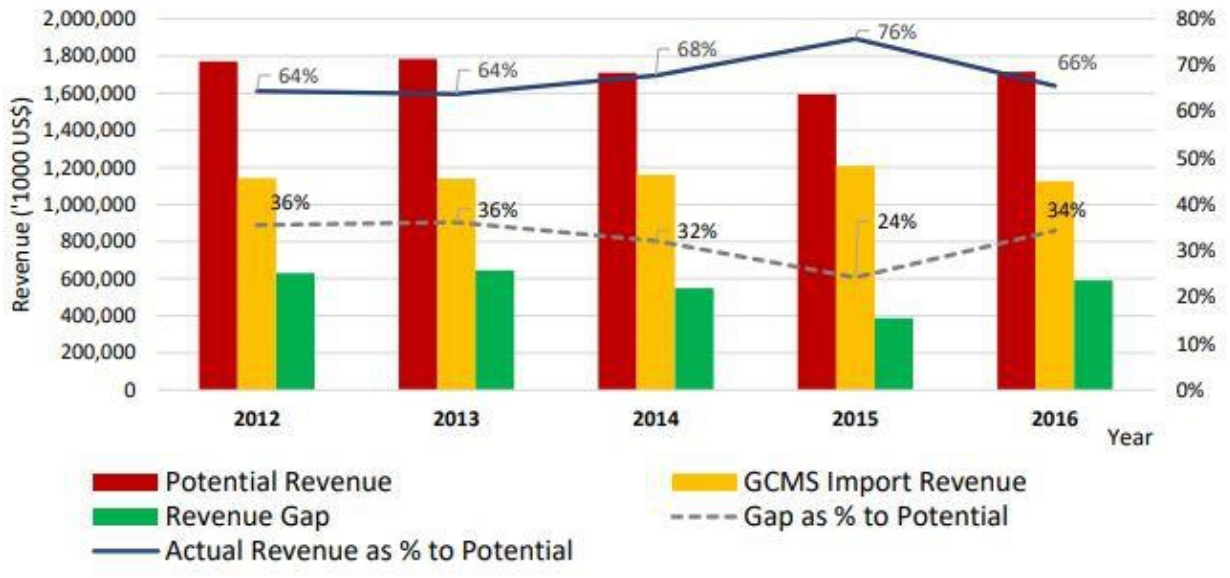
The findings also revealed a deliberate attempt by Customs officials in charge of the risk selectivity technologies and x-ray image scanning analysts unable to ask or detain items due to abuse by politically connected importers. For example, key informants reported instances where the image analyst or the risk selectivity information was ignored, and the importer cleared the goods. In addition, respondents observed instances where the risk selectivity information signal was red. However, no officer could impound the container and request physical examination due to the political connection of the importer or relations with Custom Officers.

We also found that customs officials at the private warehouses were complicit in the illegal movement of rice into the market. Due to the low capacity of government warehouses, the laws allow the use of private warehouses; however, Custom officials are assigned, and only the officials and the owner of the warehouse can open the facility. Key informants revealed the Customs officials in some selected warehouses were wilfully negligent and allowed the owners of the facilities to bring in more goods into the country without performing the necessary ex-warehouse entries. This helped the owners to under-declare the volume of rice they were importing.

4.3 Reconciling Value Chains with Import Tax Gap Analysis and SOC Vulnerabilities

The above value chain case studies indicate that actual volumes of these goods coming into the country are being under-reported, leading to significant revenue losses for the State. Our conclusion here is further supported by a 2020 World Bank Study on Ghana's tax gap analysis. The report shows that Ghana's import tax gap between 2012 and 2016 —estimated based on detailed information on trade between Ghana and her trading partners—was about 33% (Figure 11). The major contributors are China, Thailand, Nigeria, and the EU. China is reported to have the largest contributor, with a 67% import tax revenue gap in Ghana. That is, only 33% of the potential import tax revenues from China is being collected. In terms of commodity types, the study further indicates that apparel and clothing accessories, knitted or crocheted, are more susceptible to import tax evasion (import tax gap of 92% or can be read as only 8% of potential import tax revenue on the apparel and clothing is collected). This is followed by precious or semi-precious stones and precious metals with an import tax gap of 88%. Others include Footwear, gaiters and the like, parts of such articles (80% import revenue gap as a share of potential revenue); textile articles, sets, worn clothing and worn textile articles, rags (62% import revenue gap as a share of potential revenue); furniture, bedding, mattresses (60%); and beverages, spirits, and vinegar (46%) – see Table 6. These are areas that any future donor support or government programme could easily target to plug the loopholes — that is, an economic focus.

Figure 11: Import Tax Gap Analysis



Source: World Bank, based on GRA Estimates

Table 3 The Import Revenue Gap as a Share of Potential Revenue by Commodity

HS Chapter	HS Chapter Description	2012	2013	2014	2015	2016
22	Beverages, spirits, and vinegar	32.29	49.08	44.83	46.03	55.81
63	Other made up textile articles, sets, worn clothing and worn textile articles, rags	62.33	60.05	61.58	57.01	68.85
85	Electrical machinery and equipment and parts thereof, sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles	28.82	37.93	37.43	31.31	55.40
71	Natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad with precious metal and articles thereof, imitation jewelry, coin	35.60	96.78	99.28	92.02	87.59
39	Plastics and articles thereof	48.57	41.94	47.44	52.98	50.64
64	Footwear, gaiters and the like, parts of such articles	78.77	71.50	79.59	86.71	84.79
02	Meat and edible meat offal	31.01	37.07	37.29	41.62	55.45
84	Nuclear reactors, boilers, machinery and mechanical appliances, parts thereof	25.07	25.87	32.11	30.86	37.72
61	Articles of apparel and clothing accessories, knitted or crocheted	91.31	92.60	92.12	92.41	91.23
94	Furniture, bedding, mattresses, mattress supports, cushions and similar stuffed furnishings, lamps and lighting fittings, not elsewhere specified or included, illuminated signs, illuminated name-plates and the like, prefabricated buildings	74.96	27.07	66.18	69.94	61.84

Source: World Bank

Secondly, it is glaring that illicit activities such as under-invoicing, under-declaration, manipulation of declaration/manifest, coupled with the political control over port agencies, and wilful misconduct of Customs Officers continue to increase SOC risks at the Tema Port. These activities tend to be obscured and permeate efficiency initiatives. A comprehensive approach that greatly enhances Customs integrity reduces human interactions, and controls the political interferences in port agencies would be relevant in resolving the challenges — that is, a security focus. Table 3 above shows the import revenue gap as a share of potential revenue by commodity, based on GRA estimates.



High-Level Findings, Conclusions & Key Recommendations

5.1 High-Level Findings

Institutional Analysis: Port Governance and underlying political settlement

1. Ghana's political settlement undermines state institutions, including at the Tema Port. Thus, Port governance and operations remain highly politicised—such as in the appointment of favoured contractors to work at the Port despite being unsuitable or inexperienced, e.g., stevedore companies—creating avenues for rent-seeking, corruption, insider manipulation, and criminality (CIMC) to fester. The licensing regime at the ports demonstrates the extent of influence of the political settlement in determining port outcomes. The political economy dynamic also creates an environment for exploitation by criminal actors (criminal networks and state-embedded actors) at the Tema Port. The state-embedded actors facilitate some of the illicit trade controlled by the former in exchange for bribes. These criminal actors are often loosely organised but highly stratified criminal networks depending on the commodity in question – for example at the high value end, rosewood and gold exports, illicit drugs, and high-value car imports involve organised collaboration between actors who provide enabling roles for the commission of the crimes. At the low end are individual criminal actors, who, for example, bribe local state actors such as customs officials to devalue a vehicle they are importing to minimise tax fees. Although there is criminal collusion, there is no organisation - it is opportunistic corruption.

2. **The under-declaration of imports is supported by increased under-invoicing and the utilisation of fake invoices.** Some public officials, particularly from the Customs Division, collude with importers to under-declare their goods by amending the details on the import manifest or issuing fake invoices to importers. Prices at the originating Port are often high, but importers fail to declare the price in Ghana, thereby paying a relatively lower benchmark valuation price. This practice was widespread in circumstances where the customs benchmark price at Tema is lower than the price of the originating Port. It is reasonable to suspect that illicit activities such as under-invoicing, under-declaration, manipulation of declaration/manifest, coupled with the political control over port agencies, and wilful misconduct of Customs Officers increase the risk of SOC networks utilising these enabling opportunities at the Tema Port.

3. **While several attempts have been made by the successive Ghanaian governments to identify, control, and address SOC incidence in the country, SOC vulnerabilities exist in Ghana for the following reasons:** Firstly, organised crime activities are not clearly delineated from other offences. Sources indicate that it is not always easy to operationalise enforcement as there is no clear strategy that identifies key vulnerability points, such as at the Ports and the critical multi-agency coordination needed to address this. Secondly, while the legislation provides a clear mandate for the Economic and Organised Crime Organisation (EOCO) to be at the centre of identifying, preventing, and addressing SOC in Ghana, EOCO does not have the mandate to be at the country's inland and sea borders. Thirdly, National security has taken over operational intelligence duties at the Tema Port and sometimes does not share complete information with EOCO or Ghana Revenue Authority (GRA), according to sources. Fourthly, the framing of issues at the Tema Port has often been couched as corruption rather than organised criminality, downplaying the gravity of the situation and resulting in ad-hoc strategies. These array of perceived strategies by the security agencies has led to ambiguities in the overall country strategy to addressing SOC.

4 **Ghana has benefited from several donor programmes to address SOC. However, the absence of a well-coordinated and evidence-based programme of action has resulted in these programmes not achieving their desired impact.** Additionally, the interventions were implemented on an ad-hoc basis.

Infrastructure Systems at the Tema Port

5. The need to reduce port congestion and improve turnaround time has created an opportunity for private capital to be involved in Port management. Completing the Tema Port Expansion project means that the Port can now handle three times more cargo from 1 million TEU to 3.5 million TEU, making Tema the largest container capacity of any West African port and one of the largest ports in Africa. Positive outcomes of these various modernisation programmes and initiatives at the Tema Port include

increased cargo throughput and reduced physical and mandatory inspection via the single national window (paperless Port).

6. **Nevertheless, the Port faces congestion challenges, leading to delays in clearing goods and service.** The Tema Port still lags on efficiency and effectiveness when benchmarked against other ports in the sub-region and continent. Some of these indicators include cargo dwell time and the efficiency of seaport services.

7. Regarding cargo traffic and criminal vulnerabilities — such as, illicit pharmaceuticals, economic fraud, arms trafficking and others—the evidence shows that historical efforts in combating trade irregularities and the movement of illicit goods at the Tema Port have primarily focussed on containerised cargo to the neglect of bulk cargo. However, not much is being done to address the serious vulnerabilities in bulk cargo which comprise 49% of all cargo cleared through the Port. Increasing volumes of bulk cargo trade in Ghana and transhipment to neighbouring countries increases such vulnerabilities if not addressed. The bulk cargo section is one of the most vulnerable parts of the Port suspected to be used by the criminal actors due to non-existent technology to properly inspect, weigh, and manage the movement of bulk items like rice, sugar, and clinker. This results in local actor level economic fraud being committed by importers and, on a SOC level, the concealment of items such as drugs and firearms. Transhipment cargoes are another channel vulnerable to smuggling as they are not subjected to strict examination. We assess that if criminal networks can pass illicit drugs like cocaine and cash through the transit channel, it is highly likely that crime networks are exploiting these channels for other illicit activities undetected.

8. Processes for handling bulk cargo such as clinker and grains are not fit-for-purpose as the tools used are primitive and below current technology. Many shipping berths have not undergone any significant development for several years and do not utilise modern technology systems. As a result, bulk cargo at the Tema Port is not subjected to strict inspection and monitoring. The main factors enabling insider manipulation, crime, and corruption in the bulk cargo trade the Tema Port include (1) broken and malfunctioning weighbridges, (2) the use of draught survey (tallying), (3) lack of due diligence on the part of Customs officials, and (4) declining sensitivity of the weighing bridges in importers warehouses/factories. Also, receiving facilities, in many instances, do not comply with the Ghana Standard Authority's regulation of recalibrating the weighing bridges monthly to ensure accuracy.

Technology Systems at the Tema Port

9. **Several initiatives have been implemented to improve the speed and efficiency of the clearance procedures,** chief among them the Ghana National Single Window (GNSW), which has been in operation by GCNet/WestBlue since 2002 and now replaced by The Integrated Customs Management System (ICUMS) (since 2020). Publicly available reports from the GRA indicates that there has been an upward trend in revenue performance at the Port since the introduction of ICUMS at the Port – that is, a 23% increase in year-on-year revenue.

10. **Nevertheless, the technology and customs systems reveal several vulnerabilities as follows: firstly, officials continue to use their discretion (manual inspections) to determine the quality of goods for cargoes flagged by the channel rating system, leading to bribery of Customs officers by importers and under-declaration.** Secondly, bulk cargoes do not go through the MPS systems for checks; this creates a vulnerability that criminal actors can use to smuggle any form of illegal goods (by concealing illicit products within break bulk cargoes like bagged rice and sugar) as they bypass proper inspection. GPHA does not have the appropriate technology needed to check bulk cargo contents digitally. Thirdly, imaging scanners are also used inconsistently and are likely being exploited by criminal groups for their illicit activities. Finally, some companies prefer to use particular scanners or terminal facilities; the former often faulty with the inability to differentiate between products and the latter with weak security protocols or safeguards.



5.2 Conclusion

> *"everyone is involved, and we are all playing the ostrich that we care, but we don't!"*

Notwithstanding the varying interpretations of SOC given its complexity, we find that organised crime is taking place at the Tema Port. That is, there is a planned and coordinated criminal behaviour and conduct by two or more persons working in concert, wholly or in part, for financial gain at the Tema Port. Primary SOC activities or offences taking place at the Port include tax and economic fraud, which is causing financial and/or economic loss to the Republic and allied State institutions. This has been demonstrated through the stakeholder interviews and other analysis, such as the economic value chains analysis and other cases throughout the report. That is, we were able to uncover substantial evidence which shows that the people or networks involved in "planned, coordinated criminal behaviour and conduct" at the Tema Port —a wide-range of profit-driven criminal actors at the Tema port. As one of the key informants remarked, "everyone is involved, and we are all playing the ostrich that we care, but we don't!"

The criminal actors comprise two typologies: mainly criminal networks (transnational and loosely organised local networks) and state-embedded actors (involving Customs, GPHA and other regulatory agencies at the Port) working in a dynamic and coordinated manner. This is further catalysed or enabled through the country's political settlements system whereby criminal networks, as well as state-embedded actors, are able to use patronage to exert influence due to weak accountability systems, making the Tema Port (and indeed the wider political process) vulnerable to corruption, criminality and insider manipulation. Such influences have resulted in the emergence of syndicates comprising state-embedded actors and criminal actors working together to facilitate illicit and illegal trade. The syndicate relationship may either be that of the former enabling the criminal intent of the latter, or both acting in partnership for the commission of the full offence.

Bribery and corruption (extortion, cronyism, patronage) of state-side actors throughout the Port value chain also serves as facilitator for criminal networks to commit other serious offences such as illegal drugs trafficking, illegal firearms trafficking, and other illicit goods smuggling using vulnerabilities in the cargo clearance chain at the Port. We could not fully corroborate the evidence on illicit commodities, illegal drugs, illegal firearms, or other smuggling chains — some of these were mentioned in our interviews by highly reputable sources, but they could not be fully backed up due to the opaque nature of such illicit activities. Nevertheless, the vulnerabilities identified in the **bulk cargo section** encompassing (1) non-compliant and politically appointed stevedoring firms; (2) manual inspections; (3) broken scanners and weigh-bridges, and (4) outdated manifests, among others, is a strong indicator that the bulk cargo is one of the weak links at the Port, and it's potential increases current and future criminal and SOC risks — more so with the anticipated increase of trading under the African Continental Free Trade Area (AfCFTA), which Tema Port is pivotal. While the intelligence is sketchy, we are inclined to believe that the bulk cargo section is highly likely being exploited by criminal groups,

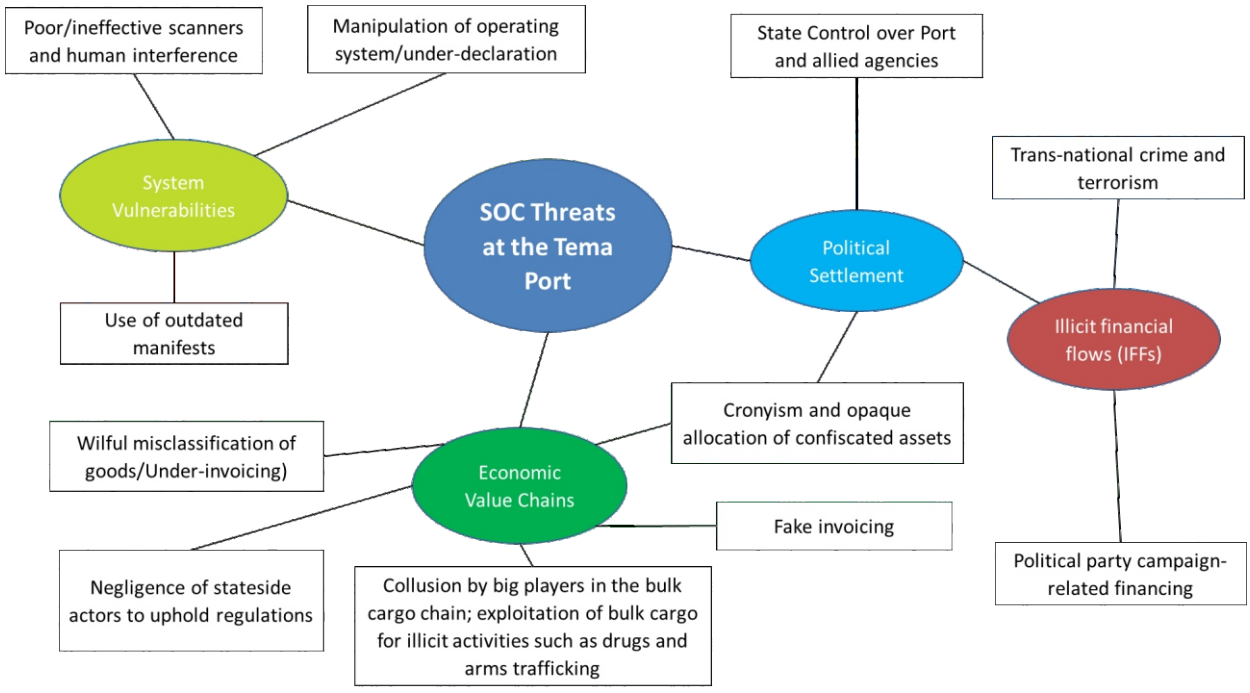
working in cahoots with their state-side actors, to pass drugs and firearms through the Port, as inferred by small seizures in the past. A trusted source stated that these seizures are only the tip of the iceberg.

The findings also indicate that quasi-political actors and politically-exposed persons leverage their excessive influence and interference of the Executive in Port administration to engage in corruption and manipulation to facilitate illegal businesses. This leads to revenue loss and potentially catalyses an already weak national security apparatus. Furthermore, sources suggest that the profits of these illegal activities may be used to support grassroots political party activities enabled by weak political party campaign financing laws. If we accept this hypothesis, it demonstrates a nexus between local criminal actors, SOC activities and the underlying local political economy at the Tema Port. Furthermore, local criminal actors benefiting from corrupt practices may also facilitate more extensive organised criminal activities by sharing their relationship with corrupted Customs officials.

The findings further indicate that Customs-type/economic fraud is very prevalent at the Tema Port. We were told several examples of direct and indirect manipulation of Customs systems by state actors taking advantage of inefficiencies in the existing technology infrastructure for direct financial gain. There is the prevalence of fake customs invoices being used to clear goods, manipulation of the duty (tax system), and clearance of banned products into the country, which potentially amount to widespread corruption and criminality. Some customs officials and Port security personnel also assist traders in manipulating the Port's security systems and benefit from the proceeds of these illegal activities. Customs is the keeper of the gates, and for any system manipulation to occur, there is a high likelihood of insider assistance. These intricate webs of illicit activities cannot be happening without facilitation and insider assistance. This is also the case reported in other African Ports such as Mombasa.

While the report cannot quantify the full extent of the scale of SOC threat at the Tema Port, the findings provide a clear signpost that there is an increasing threat of organised crime activities at the Port (Figure 12). This does not only affect efficiency, transparency, and revenue collection at the Port but feeds into other emerging evidence that Ghana is becoming a transit hub for illicit goods and financial flows in the West African sub-region.

Figure 12 SOC Threats at the Tema Port



Source: Author's Construct



5.3 Key Recommendations

It is increasingly clear that the political economy combined with the technological and institutional challenges at the Tema Port continues to create opportunities for criminal networks to undertake various forms of SOC. These contribute to worsening the trade facilitation and revenue generation capacity of the Tema Port, considering its immense contribution to overall broad GoG revenues and international trade in the ECOWAS sub-region. Additionally, continuous exploitation of SOC channels by criminal networks at the seaport will weaken the government's anti-terrorism efforts, increase the cost of addressing the economic cost of corruption at the Port, and render the seaport uncompetitive despite the increased technology and infrastructural improvements.
To address these, the study recommends the following (see also Figure 13):

[1] **In light of the recent development of the National Security Strategy Document, a well-structured SOC strategy and implementation plan has become imperative**. Evidence from the study indicates that comingling SOC issues with broader national security issues affect the ability of the state actors to deploy effective policies and directives that are efficient at identifying the nature of SOC, channels, and interactions between the networks of actors. This is because the existing institutional role ambiguities and duplication of functions that has characterised the identification of SOC issues at the Port. Thus, a well-structured SOC Strategy Plan would establish a well-coordinated institutional framework and the procedures for identifying, reporting and addressing SOC incidence at Ghana's seaports. It will also complement existing donor community efforts to improve SOC resilience.

[2] **Government must ensure the formalisation of the Joint Customs Consultative Committee to enhance both supply-side and demand-side accountability at the Tema Port.** Currently, the work of the JCCC is limited to advisory and as a feedback system between the Port management and the larger trading community. To ensure accountability and consistency in the implementation of decisions at the Tema Port, the JCCC must be empowered with supervisory powers. This would minimise the excessive control of the executive over the Port management and establish a system of formal consultation before the introduction and implementation of port reforms.

[3] **Government working can conduct a six-month intelligence-led cargo assessment leveraging technical assistance from its development partners and utilising the UN COMTRADE database as a starting point.** This could be done at the dry and bulk cargo section such as clinker

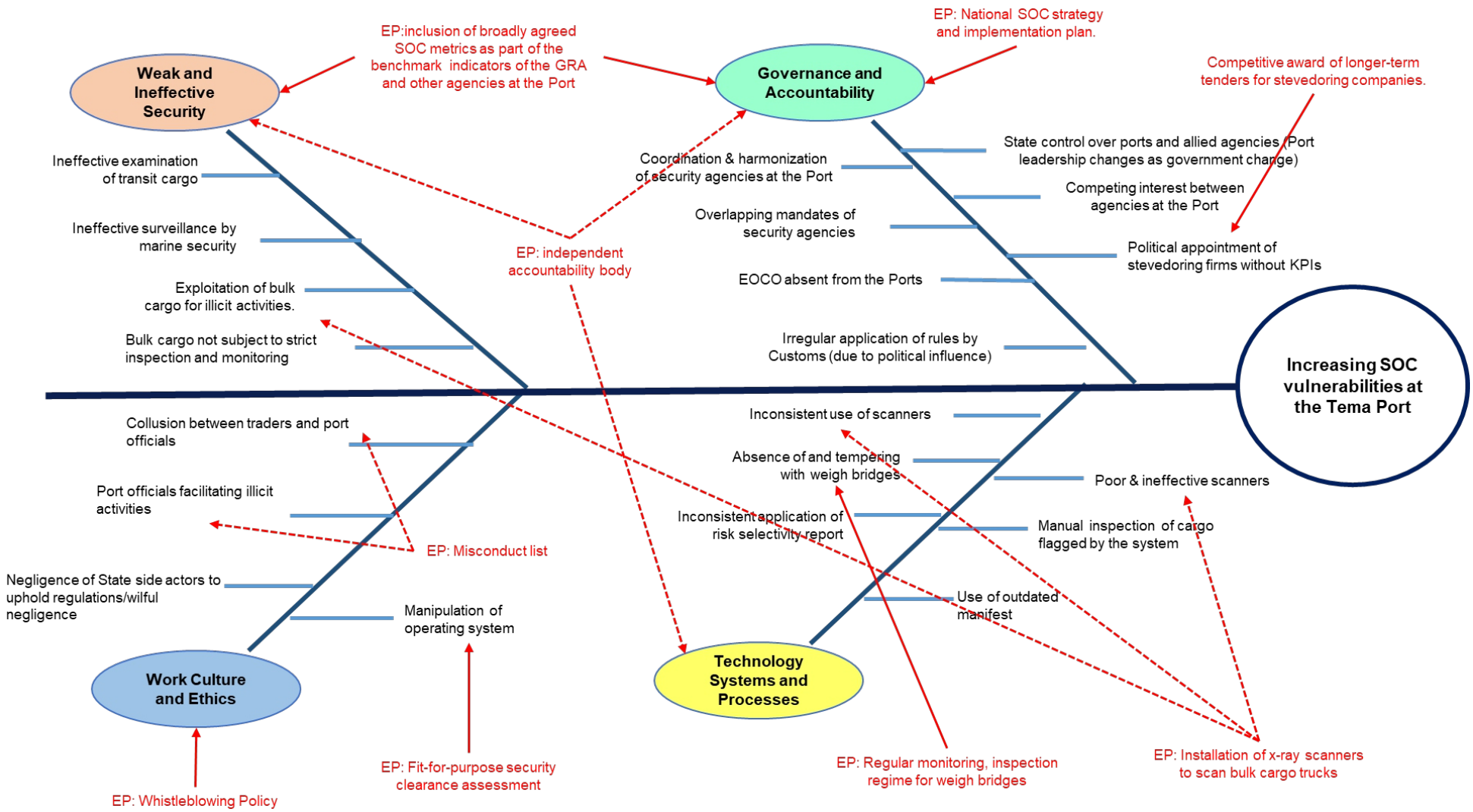
and rice, where vulnerabilities are high. Through this government can carefully understand the magnitude of proposed revenue leakages arising out of the weaknesses at the bulk cargo section of the Port. Also, the utilisation of the UN COMTRADE will complement efforts towards estimating the potential revenue, the current gaps, and efforts to address the existing gaps. The UN COMTRADE database can be effective in addressing under-declaration when it is implemented with the Advance Shipping Information that helps the GRA to access the original database from the originating country.

[4] **Government working with key stakeholders must ensure the inclusion of broadly agreed SOC metrics, which have been generated from ICUMS security modules (or any other new system put in place) as part of the benchmark indicators of the GRA and other agencies operating at the Port.** The current emphasis of most indicators at the Port is on increasing revenue generation and less on the connection with reducing SOC risks and vulnerabilities, which in turn can further increase Port revenues. Our research also evidenced that the challenges at the Tema Port are often viewed through a corruption lens and less so as SOC, which has wider ramifications for national security. This emphasis can lead to interventions, which fail to address the root causes of the problems at the Port, the latter of which are SOC-related. The use of broad SOC indicators as part of the performance management KPIs for both management of the Port and higher-up political leadership will bring the SOC emphasis squarely at the centre of the policy discussion.

[5] **Port management, together with state-side actors, must enforce Whistle Blower Policies that protect the identity of key informants.** SOC incidence at the Tema port is obscured and conducted under highly sensitive conditions. As a result, identifying SOC occurrence will rely on timely intelligence from key informants. Full implementation of the Whistle Blower Act and institutional informant protection programmes will incentivise port actors to volunteer information, which would lead to enhanced information gathering.

[6] **Targeted support should be provided to media coalitions within the maritime sector to increase demand-side accountability.** We identified a working group of journalists and independent researchers keen on developments at the Tema Port. Their interest's span; trade facilitation, criminality, and the wider organised crime issues in Ghana and coastal West Africa. This group can form the backbone of a potential demand-side accountability action. In due course, this group or members may form the start of a longer-term independent accountability body. This is an important outcome as not all of the issues at the Port are of a technical nature but are fundamentally driven by political interests and interferences.

Figure 13 Fish Bone Analysis and Key Entry Points Diagnostics



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