



Imperative of Strengthening Nigeria's Transparency and Accountability Measures

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THE AGORA POLICY REPORT 4, APRIL 2023



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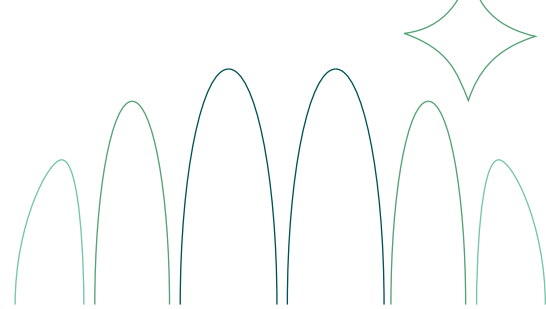
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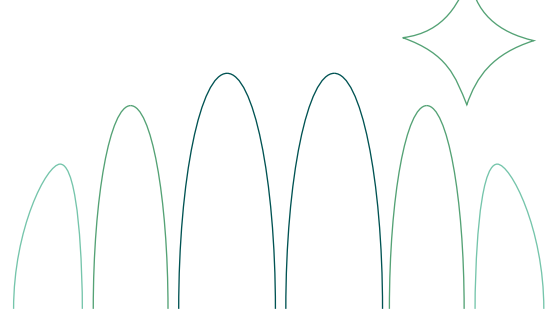
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List of Acronyms



ACAs:	Anti-Corruption Agencies	NASS:	National Assembly
AGF:	Accountant-General of the Federation	NBS:	National Bureau of Statistics
APRM:	Africa Peer Review Mechanism	NCC:	National Communications Commission
AuGF:	Auditor-General of the Federation	NCI:	National Corruption Index
BMPIU:	Budget Monitoring and Price Intelligence Unit	NCoA:	National Chart of Account
BO:	Beneficial Ownership	NCPP:	National Council of Public Procurement
BoF:	Budget Office of Federation	NCS:	Nigeria Customs Service
BPE:	Bureau for Public Enterprises	NDLEA:	National Drug Law Enforcement Agency
BPP:	Bureau of Public Procurement	NEC:	National Economic Council
BPSR:	Bureau for Public Service Reforms	NEITI:	Nigeria Extractive Industries Transparency Initiative
BVN:	Bank Verification Number	NEPC:	Nigerian Export Promotion Council
CAC:	Corporate Affairs Commission	NERC:	National Electricity Regulatory Commission
CAMA:	Company and Allied Matters Act	NFIU:	Nigeria Financial Intelligence Unit
CBN:	Central Bank of Nigeria	NGOs:	Non-Governmental Organisations
CCB:	Code of Conduct Bureau	NHCN:	National Human Rights Commission
CCT:	Code of Conduct Tribunal	NHF:	National Housing Fund
DMO:	Debt Management Office	NHIS:	National Health Insurance Scheme
EFCC:	Economic and Financial Crimes Commission	NHRC:	National Human Rights Commission
EITI:	Extractive Industries Transparency Initiative	NNPC:	Nigerian National Petroleum Corporation
FAAC:	Federation Account Allocation Committee	NOA:	National Orientation Agency
FATF:	Financial Action Task Force	NOCOPO:	National Open Contracting Portal
FCC:	Federal Character Commission	NPC:	National Population Commission
FCSC:	Federal Civil Service Commission	NPF:	Nigeria Police Force
FCT:	Federal Capital Territory	NRDF:	Natural Resource Development Fund
FEC:	Federal Executive Council	NSIWC:	National Salaries, Incomes and Wages Commission
FIRS:	Federal Inland Revenue Service	NSPSR:	National Strategy of Public Service Reform
FMFBNP:	Federal Ministry of Finance, Budget and National Planning	NUC:	National Universities Commission
FMoJ:	Federal Ministry of Justice	NYSC:	National Youth Service Corps
FOI:	Freedom of Information	OAGF:	Office of the Accountant-General of the Federation
FRA:	Fiscal Responsibility Act	OAuGF:	Office of the Auditor-General of the Federation
FRC:	Fiscal Responsibility Commission	OBS:	Open Budget Survey
FRSC:	Federal Road Safety Commission	OCDS:	Open Contracting Data Standard
FSP:	Fiscal Sustainability Plan	OGP:	Open Government Partnership
GDP:	Gross Domestic Product	OHCSF:	Office of the Head of Civil Service of the Federation
GIFMIS:	Government Integrated Financial Management Information System	OPDS:	Open Proprietary Data Standard
IATT:	Inter-Agency Task Team	OTP:	Open Treasury Portal
ICPC:	Independent Corrupt Practices and other Related Offences Commission	PACAC:	Presidential Advisory Committee against Corruption
IRM:	Independent Reporting Mechanism	PCC:	Public Complaints Commission
IPPIS:	Integrated Payroll and Personnel Information System	PEPs:	Politically Exposed Persons
JV:	Joint Venture	PFA:	Pension Fund Administrators
KYC:	Know Your Customer	PFM:	Public Financial Management
MDAs:	Ministries, Departments and Agencies	PPDC:	Public-Private Development Centre
MFA:	Ministry of Foreign Affairs	R2K:	Right to Know
MTEF:	Medium Term Expenditure Framework	RMAFC:	Revenue Mobilisation Allocation and Fiscal Commission
		SAI:	Supreme Audit Institution
		SAP:	Structural Adjustment Programme

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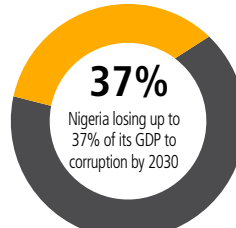
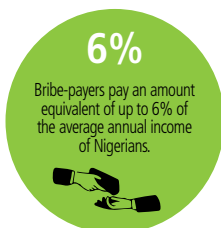


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Executive Summary

Transparency and accountability are widely acknowledged as fundamental to the actualisation of good governance and sustainable development. Despite the widespread perception about the prevalence of corruption in Nigeria, successive administrations over time have introduced many transparency and accountability measures to check the menace of corruption and enable good governance in Africa's most populous country and biggest economy. There has been an uptick of these sunshine and restraining measures since the return of democracy in 1999. The surge has been attributed to demands of openness and accountability embedded in democratic practice as well as the increased interest and support by reformers, citizens, civic groups and development partners. As Nigeria prepares for a new government, a stocktaking of the transparency and accountability measures is desirable. This is to ensure that the zeal for transparency and accountability is sustained and that the prevailing measures are fit for purpose, and further strengthened and institutionalised. Whether now or in the future, Nigeria clearly needs more transparency and accountability, not less.

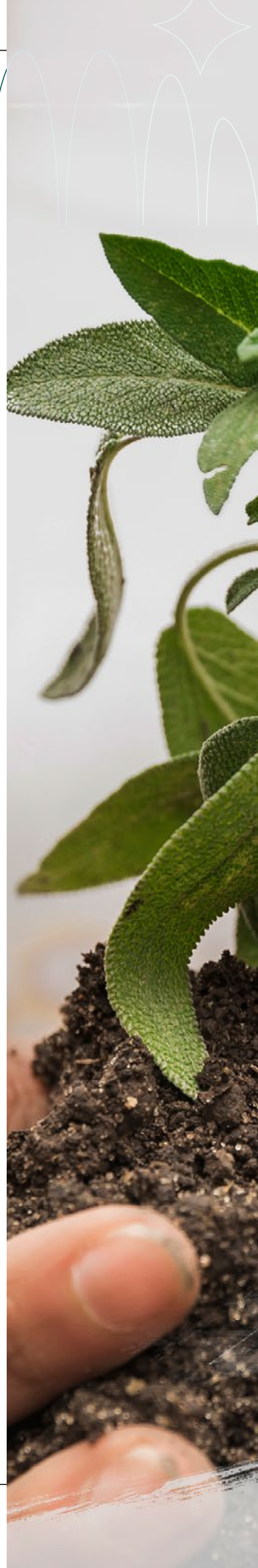
Transparency and accountability measures are put in place to enthrone good governance in general and, specifically, to curtail corruption, which has been rightly described as the bane of the Nigerian society. Though a few derive disproportionate benefits from it, corruption stifles development and imposes a high cost on individuals, businesses, and the country at large. The heavy cost that corruption inflicts on Nigeria has been well documented in various studies, three of which are worth highlighting. The first which is a 2019 study conducted by the National Bureau of Statistics (NBS) which revealed that "on average, bribe-payers pay an amount equivalent of up to 6% of the average annual income of Nigerians."¹ The second is a 2009 African Peer Review Mechanism (APRM) report that identified corruption as the greatest and most troubling challenge to Nigeria's ability to realise its huge development potential.² The third is a 2016 report by PriceWaterhouseCoopers's which estimated that Nigeria risks losing



¹UNODC (2019). Corruption in Nigeria: Patterns and Trends. Vienna: United Nations Office on Drugs and Crime. P. 5.

²Abdullahi Olajide (2009). Nigeria: Corruption is the Nation's Greatest Challenge – APRM." Daily Trust (Abuja), 17 December.

³PriceWaterHouseCoopers (2016). Impact of Corruption on Nigeria's Economy. P.8. Available at: <https://www.pwc.com/ng/en/assets/pdf/impact-of-corruption-on-nigerias-economy.pdf>





up to 37% of its GDP to corruption by 2030, if the scourge is not dealt with immediately.³

The scope of transparency and accountability breaches in Nigeria is expansive and its prevalence straddles both colonial and post-colonial eras. Various governments have responded differently to the threats posed by these breaches. Some of the solutions indicated in different policies, legal frameworks, institutions and enforcement procedures have succeeded, while others have failed because of political interference and poor implementation.

In addition to acknowledging these threats, various administrations in Nigeria since 1999 have also identified transparency and accountability as priority interventions to manage and overcome these threats. At the core of these interventions are various measures and approaches that have resulted in different policies and practices mainstreamed in social norms and values, public financial management, open disclosure requirements, and punitive enforcement. On the approach of social norms and values, assets declaration by public officers and routine audits and oversight of public accounts have been a core focus of many administrations, all of these intensifying since the return to civil rule in 1999.

The renewed attention on the operations of the institutions saddled with these responsibilities—i.e., the Code of Conduct Bureau (CCB) and the Office of the Auditor-General of the Federation (OAuGF)—has made evident some of the challenges these institutions face in delivering their mandates, as well as inefficiencies that need to be addressed before Nigeria can attain a high level of transparency and accountability. Among such challenges are the vexed issues of non-disclosure and non-verification, by the CCB, of assets declared by public officials. Yet, these are necessary preconditions for transparency and accountability. It is important to fix these challenges, in addition to the perennial problem of poor budgetary allocations.

Like assets declaration, the practice of routine audit and public accounts oversight has not maximally benefitted the country. It is curious as well that Nigeria still operates a colonial audit law passed in 1956. The connotation aside, contemporary audit challenges have moved beyond what the law can sufficiently handle, prominent among which are requirements of independence and the powers to sanction erring MDAs by the Auditor-General of the Federation (AuGF).

Impelled, more or less, by the exigencies of public financial management (PFM), the government devised a number of transparency- and accountability-inspired policies aimed at redressing highly volatile and poorly managed fiscal policy practices that were both inconsistent with budgetary frameworks/processes, and reflected a lack of value for public spending. Based on the National Strategy of Public Service Reform (NSPSR) developed by the Bureau of Public Service Reform (BPSR), the government set out to strengthen governance and accountability through improved budgetary, fiscal and monetary planning, and to enhance implementation through innovative policies and enforcement mechanisms. This commitment led to new policies, legislations, institutions and practices under which fiscal responsibility, public procurement and e-payment were emphasised. The resulting Government Integrated Financial Management System (GIFMIS), Integrated Payroll and Personnel

Information System (IPPIS), Treasury Single Account (TSA) and Bank Verification Number (BVN) and Know-Your-Customer (KYC) policies brought significant improvement to PFM practice, though with some pains as expected of every change.



52,000

Creation of a central salary payment platform led to a reduction in federal workforce

Technology was also leveraged to deliver several initiatives of open disclosure and punitive enforcement, including publication of sub-national disbursements, extractive revenue earnings, access to information and beneficial ownership in the extractive sector, open treasury portal and whistleblowing. Like the reforms in the PFM, there have been remarkable successes recorded, especially in terms of leakages blocked and revenues saved. For instance, the creation of a central salary payment platform led to a reduction in federal workforce by 52,000, while the introduction of TSA has witnessed a significant increase in government revenue. Like others, the open disclosure reforms have had their challenges, from flimsy to major. With regard to the latter, the policies have been beset by claims of absence of certitude relating to payment sums, susceptibility to errors and questions of congeniality to conditions of employment, and irregularities and delayed release of government information.

On a practical note, however, the complementary measures deployed to foster and institutionalise transparency and accountability have produced significant results, even as they have thrown up challenges and, in a few instances, complicated old problems.



open disclosure

This report reviews and examines interventions in the four domains of transparency and accountability in Nigeria: norms and values approach; public financial management approach; open disclosure approach; and consequence management approach. The overall goal is to make a case for the need to strengthen these measures and proffer suggestions on what to do. The report concludes that for Nigeria to achieve its developmental outcomes it needs more effective and more impactful transparency and accountability measures, not less.

A commonly held notion amongst a vast number of Nigerians is that the government is not quite committed to improving public welfare. This cynicism drains the government of the social trust required to initiate and effectively execute programmes and projects that can transform the lives of the citizens and stabilize the polity. It also denies government the feedback and participation required to make the best decisions. Lack of transparency and accountability damages legitimate and effective governance and often leads to possible collapse of democratic governance and sustainable development. To avoid these outcomes, the Nigerian governments at all levels should focus efforts at:

- ◆ communicating effectively to citizens all policies and programmes promoting good governance, democracy and sustained economic growth;
- ◆ communicating effectively, the expected challenges faced in the administration's effort to deliver on its promises as to mobilize citizens for remedial work;
- ◆ building trust between the governed and the government, and to begin the process of collaborative partnership in the nation-building process; and
- ◆ promoting good governance by allowing for accountability, transparency, and participation in all government processes.

Despite its chequered political history, Nigeria has made some significant social and economic progress. But that progress could be much bigger. In order to catalyse this process, there is need to create a framework that inspires a civic renaissance in Nigerians to collaborate with the government in fulfilling their own part of the social contract, and by adhering to the rule of law.



The history of failed economic and social development in Nigeria makes the widespread mobilisation of Nigeria's natural and human resources even more exigent. It also calls for greater degree of commitment to development process by the political elites. To enhance popular support for government, the importance of restoring the people's confidence in the machinery of public governance as well as the integrity and commitment of public officials cannot be gainsaid. The distrust of government mostly derives from a lack of transparency and accountability in the governance process.

In furtherance of the goal and the conclusion, the report makes the following recommendations:

A. Federal Government Only

Prioritizing legislation and legal reforms:



◆ *Passage of the Whistleblowing Law:* Government should push for the passage of the bill on whistleblowing with utmost diligence and urgency. The bill, when enacted, should be complemented by the deployment of electronic portals for independent and confidential reporting of infractions. Also, there should discreet and robust mechanisms for investigating and acting on the claims.



◆ *Amendment of the provision of Paragraph 3(c) of the First Schedule of the Constitution of the Federal Republic of Nigeria is required.* The provision empowers the CCB to make assets declared to it "available for inspection by any citizen of Nigeria" only on "terms and conditions as the National Assembly may prescribe". An amendment is needed to ensure that CCB can make public details of assets declared by public officials. This will serve as a check against false declaration, and increase the transparency value of the asset declaration process. The amendment, however, should accommodate best practices in privacy and data protection as done for beneficial ownership disclosures.



◆ *Verification of declared assets to the CCB to ascertain the veracity of claims by the declarant should be considered an essential component of the quest to strengthen transparency and accountability.* Ideally, verification of declared assets should leverage complementary efforts of members of the public under a potent whistleblowing and whistleblower protection regime.



◆ *President Muhammadu Buhari should sign the Federal Audit Service Bill into law before he leaves office.* The bill, which was passed by the National Assembly on 29 March 2023, repeals the Audit Ordinance of 1956. The bill strengthens the operations and independence of the Office of the Auditor General of the Federation (AuGF). It aligns with the present times and with global best practices by Supreme Audit Institutions (SAI) and it enhances the utility of auditing as a powerful transparency and accountability mechanism. President Buhari refused assent to an earlier version of the bill passed by the 8th National Assembly. He should quickly assent to the 2023 version once he receives a clean copy from the 9th National Assembly. Whatever misgivings the president may have can be accommodated in subsequent amendments. President Buhari should see the law as one of his parting gifts to the country.

Nudging a little more beyond legislation by Ministries, Departments and Agencies



◆ *Motivational Factors and incentives need to get deserved priority:* Beyond enacting and amending laws, the push for transparency and accountability must explore motivational factors and incentives for compliance, bearing in mind that the transaction cost for complying with the law is as important as the damage to non-compliance. This is what the experiences at CCB and OAuGF show. Thus, to make compliance with the law less expensive and more efficient, procedural and institutional reforms are necessary to minimise administrative hurdles that provide opportunities or even the attraction to breach transparency and accountability rules.



◆ *Continuous investment in technology and training needed:* As challenging as its deployment across the different intervention spaces may appear, technology remains the greatest enabler of transparency and accountability. Depending on the sophistication of the technology and the expertise of the managers, e-payment platforms are near-accurate output delivery facilities best suited for realising a well functional PFM system. This is similarly true of other technology-driven open disclosure platforms such as BO and OTP. Thus, rather than contemplate the idea of going back on technology-driven platforms such as GIFMIS, IPPIS and the rest, the focus should be on how to improve their deliveries and build capacity for more effective use to strengthen transparency and accountability.



◆ *Capacity development should be prioritised as cross-cutting.* Across the board, training is needed to improve capacity in: the CCB where verification of assets declared is needed, the OAuGF where a repeal and re-enactment of a new audit law is required, the diverse PFM and open disclosure clusters where e-payment and electronic collection and dissemination of information have become a huge issue of concern, and the punitive cluster spaces of the EFCC and ICPC where anti-corruption data are not up in record time. Capacity building to bridge gaps in technical knowledge and skills will go a long way to enhance the effectiveness of the relevant personnel in these institutions and, ultimately, strengthen transparency and accountability.

◆ Launch a comprehensive and well-thought-out national value reorientation programme that creatively seeks to change the dysfunctional values, attitudes, and narratives that wittingly and unwittingly enable public corruption. The impact of the current emphasis on systems and sanctions will be limited without changes in societal values.

◆ Undertake rigorous background checks on the boards, leaderships and staff of institutions with anti-corruption mandates and institute adequate safeguards on the exercise of oversight powers. These measures are needed to ensure that there is a symmetry between the mandates of these critical institutions and the values of those who work in and lead them, that there are measures for 'watching the watchdogs', and that the anti-corruption institutions are not undermined by the same ills that they were set up to tackle.

B. Federal-State Governments' Collaboration

Prioritizing policy harmonization among the federating units by Federal Executive Council and Governors' Forum



◆ Notwithstanding the structure of Nigeria's federalism, policy harmonisation around transparency and accountability is still possible. Beyond demonstrable efforts in the enactment of fiscal responsibility and public procurement legislations, subnational governments, especially those currently implementing OGP, can better leverage automation to strengthen transparency and accountability. In other words, national and subnational governments should consider exploring commitments under the OGP to use technology as a major plank for strengthening governance and transforming service delivery in health, education and security. The net result will be greater value for money, better public services, improved business environment and increased public trust. Beyond OGP, the National Economic Council (NEC), chaired by the Vice President, is an appropriate place to bring subnational government into a learning process on transparency and accountability reforms. Such efforts will enable coherence and reduce the gaps that the criminally-minded often exploit to the disadvantages of society. To achieve this, negotiations should start from what is common and binding to the different tiers of government (e.g., joint tax board and income tax) across laws, to leveraging platforms and practices such as NEC, National Chart of Account (NCoA) and the World Bank-supported States Fiscal Transparency, Accountability and Sustainability (SFTAS) Performance for Result (PforR) programme.

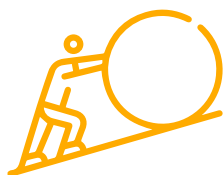
C. Non-State Actors and Development Partners

Redefining transparency and accountability to align with insights about social habits and collective action:

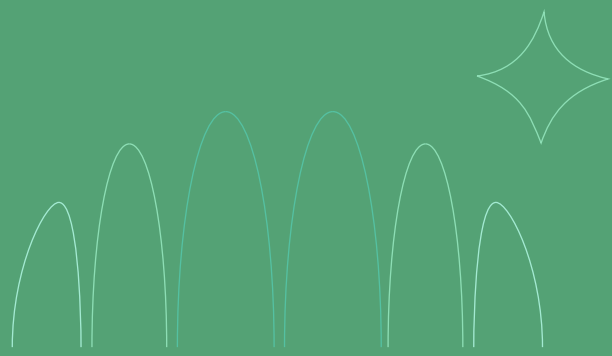


◆ There is need to seek a sociological approach to enthrone transparency and accountability, an approach that is more nuanced, targeted and contextual. This requires a deeper analysis of the different features of transparency and accountability breaches and corruption challenges within and outside of the rubrics of official procedures and structures. This will provide a good lever for a deeper understanding of the diverse issues and different nuances on the lack of transparency and accountability in the public sector and help in designing and implementing solutions that are feasible and effective.

Increasing active and participatory citizenship by Civil Society and Media



◆ Active and participatory citizenship is a key ingredient of transparency and accountability. The greater interest shown by the civil society, media, and citizens in the work of the institutions handling the interventions reviewed in this paper provided the pointer to their shortcomings and the challenges they face. It is true that Nigeria's grim experience with military rule may have entrenched a culture of exclusion of citizens in governance. However, over two decades after the return to civil rule, it is expected that public officials would have realised the harm opacity and corruption inflict on development, especially efficient service delivery and high quality of life. More efforts are required to mainstream and sustain transparency in a sense that assesses the initiatives reviewed against the milestones and challenges discussed in this paper, while appreciating new vistas created and how best to navigate and deploy solutions to attain them.



PART 1:

THE AGORA POLICY REPORT 4, APRIL 2023

Introduction And Conceptual Framework

1. Background and Methodology

Transparency and accountability are widely acknowledged as fundamental to the actualisation of good governance and sustainable development. Despite the widespread perception about the prevalence of corruption in Nigeria, successive administrations over time have introduced many transparency and accountability measures to check the menace of corruption and enable good governance in Africa's most populous country and biggest economy. There has been an uptick of these sunshine and restraining measures since the return of democracy in 1999. The surge has been attributed to demands of openness and accountability embedded in democratic practice as well as the increased interest and support by reformers, citizens, civic groups and development partners. As Nigeria prepares for a new government, a stocktaking of the transparency and accountability measures is desirable. This is to ensure that the zeal for transparency and accountability is sustained and that the prevailing measures are fit for purpose, and further strengthened and institutionalised. Whether now or in the future, Nigeria clearly needs more transparency and accountability, not less.

Transparency and accountability measures are put in place to enthrone good governance in general and, specifically, to curtail corruption, which has been rightly described as the bane of the Nigerian society. Though a few derive disproportionate benefits from it, corruption stifles development and imposes a high cost on individuals, businesses, and the country at large. Nigeria has had a troubled history of (mis)governance characterised by deficits in transparency and accountability. The deficits have had far-reaching implications for corruption in the country. For instance, a 2017 report on public experience of bribery revealed that approximately one-third of Nigeria's adult population (32.3%), who had contact with public officials had either paid or were requested to pay bribes for services provided by public institutions.⁴ A much earlier study on Nigeria's corporate sector in 2002 revealed that 70% of firms surveyed indicated they paid bribes to obtain trade permits; 83% reportedly paid bribes to access utility services; 65% paid bribes while remitting taxes; and 90% paid bribes to facilitate procurement.⁵ In the same vein, 70% acknowledged the need to pay bribes to secure favourable judicial decisions, while 100% acknowledged the widespread problem of the diversion of public funds into private use, compared to 78% and 45% of firms in Russia and South Africa respectively.⁶



⁴ UNODC (2017). *Corruption in Nigeria: Bribery: Public Experience and Response*. Vienna: United Nations Office on Drugs and Crime. P. 5.

⁵ Okonjo-Iweala, Ngozi and Philip Osafo-Kwaako (2007) *Nigeria's Economic Reforms: Process and Challenges*, Working Paper No. 6, Brookings Global Economic Development, Washington DC: The Brookings Institution.

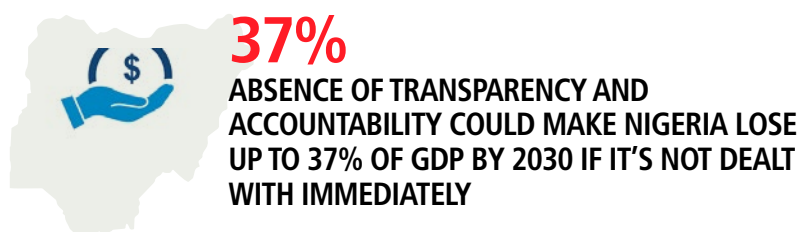
⁶ Danny Kaufmann et al. (2005), "Nigeria in Numbers – the Governance Dimensions: A Preliminary and Brief Review of Recent Trend on Governance and Corruption", a presentation for the President of Nigeria and his Economic Management Team (Mimeo).

Although a later survey in 2019 showed a decrease in the prevalence of bribery, it still highlighted that the frequency of bribe-paying has not altered much. It added that, "on average, bribe-payers pay an amount equivalent of up to 6% of the average annual income of Nigerians", thus confirming the 2009 African Peer Review Mechanism (APRM) report that identified corruption induced by absence of transparency and accountability as the greatest and most troubling challenge to Nigeria's ability to realise its huge development potential,⁸ including the threat of losing up to 37% of GDP by 2030 if it's not dealt with immediately."⁹

The scope of transparency and accountability-induced corruption in Nigeria is expansive and has straddled both colonial and post-colonial eras. The government often tended to respond to the threat posed with various policy and legislative instruments, including diverse public service rules and procedures designed to strengthen transparency and accountability as well as reduce the pervasiveness of corruption. Sometimes, these solutions were weakened by politics and public sentiments.

Despite these shortcomings, successive administrations in Nigeria have always designed legal frameworks, established institutions, developed policies and procedures to address issues of transparency and accountability and corruption. Having identified these issues as the country's major bane, it is understandable that the government would prioritise transparency and accountability as the solutions, using different approaches like the focus on norms and values, the strengthening of public financial management policies and practices, the adoption of open disclosure policies, and the punitive enforcement of such rules to engender compliance. These efforts have recorded significant successes, even if they have as well thrown up challenges and, in a few instances, complicated old problems. Amidst the milestones recorded, policymakers have realised that merely mouthing a commitment to transparency and accountability does not translate to a solution to the challenges of corruption. Ironically, they seem to fester and attain more complexity in spite of efforts to contain them.

As it approaches the 24th anniversary of the return to democracy, Nigeria requires deliberate steps to sustain the gains of the multi-faceted transparency and accountability measures initiated over the years, while the search for new ways to redress the old challenges continues. Ordinarily, elections and transitions provide opportunities for stakeholders, including political parties, office seekers, and the citizens of a country, in any democratic process to engage in debates about policies and agendas ahead of a new administration and governance. It is against this backdrop that this policy paper was conceived. Its purpose is to appraise the diverse policy measures adopted by government to promote transparency and accountability in Nigeria. The paper's focus on transparency and accountability underscores their importance as necessary precursors to good governance and economic development. It further explains the role that transparency and accountability can play in sustaining democracy and enhancing the effectiveness of the Nigerian government towards the provision of social and economic goods and services. It undertakes a historical analysis of the various incremental efforts by various governments to entrench transparency and accountability and audits their impact in promoting the quality of governance. It also critically reviews the progress made in promoting good governance and delivering public goods and services through anti-corruption initiatives. As an advisory, the paper proposes practical steps to entrench transparent and accountable governance that will consolidate democracy and ensure rapid and sustained economic development in Nigeria.



⁷ UNODC (2019). Corruption in Nigeria: Patterns and Trends. Vienna: United Nations Office on Drugs and Crime. P. 5.

⁸ Abdullahi Olajide (2009). Nigeria: Corruption is the Nation's Greatest Challenge – APRM." Daily Trust (Abuja), 17 December.

⁹ PriceWaterHouseCoopers (2016). Impact of Corruption on Nigeria's Economy. P.8. Available at: [https:// www.pwc.com/ng/en/assets/pdf/impact-of-corruption-on-nigerias-economy.pdf](https://www.pwc.com/ng/en/assets/pdf/impact-of-corruption-on-nigerias-economy.pdf)

1.2 Methodology

This study relied on data collected from both primary and secondary sources. Materials from secondary sources provided the conceptual insight for transparency and accountability in democratic governance, in a sense that enabled the research team to define and determine the depth of the Nigerian context and focus of the study. They also provided the research team with information about the various policy initiatives, laws and programmes initiated by different administrations to promote transparency and accountability and curb corruption in the country.

The research team relied on Key Informant Interviews (KIIs) for its primary data collection, while leveraging the diverse educational backgrounds and career trajectories of its members which traverse development economics, history/political science, law/legal practice, technocracy and technical advisory across governments, businesses, and not-for-profit organisations.

However, the data collection process was not without challenges. Perhaps the biggest challenge encountered by the research team was access to relevant and current data. While some agencies (e.g., EFCC and ICPC) proactively disclose data on their websites, others do not. Visits to some government agencies to request such data barely yielded any positive results, except for narrative responses to non-data related questions. It is necessary to note that as laudable as it seemed for the agencies that willingly disclosed their data on their websites, there was an issue with the currency of such data. More specifically, NGOs obviously had more current (2021-2022) data than did the government agencies. For instance, among the aggregated data proactively disclosed by any government agencies used for the research, only NEITI had the most current covering up to 2020, while EFCC and ICPC only had up to 2019. To bridge this observed gap, the research team sought additional data from media reports on the relevant agencies.



2. Conceptual Underpinnings and Clarifications

Transparency and accountability are critical norms that define a democratic model of governance, with both having intrinsic as well as extrinsic values for the legitimacy and effectiveness of public governance. The Carnegie Endowment for International Affairs notes that "Accountability, transparency, participation, and inclusion represent vital embodiments of the opening to politics that occurred in development work in the 1990s. They bridge three distinct practitioner communities that emerged from this new direction—those focusing on governance, on democracy, and on human rights."¹⁰ The interactions and integration of human rights, democracy and governance are the pillars and crossbars of public administration in the modern times. While accountability and transparency could be described as the pillars, participation and inclusion represent the foundations.

But how really can we appropriately define transparency and accountability? These words are more of concepts that describe a large variety of experiences and expectations that cut across international relations, public administration, and even international development. They have become the two most dominant lexicons for describing good governance. They are now the closest coordinates to a free market-oriented democratisation. As Finel and Wood argue, "Transparency comprises the legal, political, and institutional structures that make information about the internal characteristics of a government and society available to actors both inside and outside the domestic political system. Transparency is increased by any mechanism that leads to the public disclosure of information, whether a free press, open government, hearings, or the existence of nongovernmental organisations with an incentive to release objective information about the government."¹¹

Some scholars emphasise the added dimension of transparency as a support to good decision-making. Apart from its relationship to the democratic norms of equality and self-determination, transparency imports the idea of functionality in that it emphasises the centrality of information sharing for effective decision-making. Hence transparency even improves decision-making by citizens as well, in response to the demands of public policy, as they have better access to critical information conceived as raw materials for decision-making.¹²



TRANSPARENCY
ENHANCES ACCESS TO INFORMATION
BY CITIZENS AND IMPROVES DECISION
MAKING BY POLICY MAKERS

¹⁰ Carother, Thomas & Brechenmacher, Saskia (2014). *Accountability, Transparency, Participation, and Inclusion: A New Development Consensus?* Washington, DC: Carnegie Endowment for International Peace.

¹¹ Finel, Bernard I. & Kristin M. Lord (1999). "The Surprising Logic of Transparency." *International Studies Quarterly*, 43(3) 2, pp. 315–339

¹² Finkelstein, Neal D. (ed.). (2000). *Transparency in Public Policy: Great Britain and the United States*. New York: St. Martin's Press.






¹³ Schedler, Andreas (1999). "Conceptualizing Accountability", in Andreas Schedler, Larry Diamond, Marc F. Plattner: *The Self-Restraining State: Power and Accountability in New Democracies*. London: Lynne Rienner Publishers, pp. 17.

Accountability relates to the relationship between two persons or entities. Schedler defines accountability more broadly thus, "A is accountable to B when A is obliged to inform B about A's (past or future) actions and decisions, to justify them, and to suffer punishment in the case of eventual misconduct."¹³ Accountability can be vertical or horizontal. Vertical accountability refers to external accountability on government from its citizens or external institutions or actors. When citizens engage in the electoral process, it is a form of vertical accountability. Horizontal accountability occurs when the government has to respond to other institutions and rules of public administration. For example, accountability institutions like the Office of the Auditor-General, the Judiciary and Parliamentary Ombudsman are all institutions of horizontal accountability.¹⁴

As the public sector interacts deeper with the private sector, the challenge of transparency and accountability becomes more severe. Traditionally, the notion of accountability is much more entrenched in the corpus of administrative law and practice than transparency. Transparency goes together with accountability. Transparency is required because the work of public agencies is for the public. The public, therefore, needs to know. The need for transparency is thus obvious. "Public administrators' involvement in the public policy circle makes policies far more salient in the public sector than in the private enterprises. Public administrators are perforce required to build and maintain political support for the policies and programmes they implement.

The relationship between transparency and accountability is that the former is required to make the latter effective. Also, without the latter, the former is almost valueless. Citizens need good and timely information to hold those who lead them accountable for both their actions and obligations. If citizens cannot hold those who exercise power on their behalf accountable, what then is the value of information they receive about the management of public affairs? So, there is a synergistic relationship between transparency and accountability.¹⁵

Transparency and accountability are synergistic both in intrinsic and instrumental ways. Democracy is inconceivable unless we acknowledge the right of the people to know and also hold the elected accountable. In his classic treatise on democracy, renowned political scientist, Robert Dahl, asks: "Within the enormous and often impenetrable thickets of ideas of democracy, is it possible to identify some criteria that a process for governing an association would have to meet in order to satisfy the requirement that all members are equally entitled to participate in the association's decision about its policies?". He answered his question by providing some criteria for assessing the degree to which a system of governance can be deemed democratic. He listed these as follows:

- ◆ effective participation 
- ◆ equality in voting 
- ◆ gaining enlightened understanding 
- ◆ exercising final control of the agenda 
- ◆ and inclusion of adults.¹⁶ 

A close examination of the criteria shows that they require a high dose of transparency and accountability. Unless citizens have access to important information, they cannot participate effectively in the political process, including being able to exercise final control over the agenda of statecraft. Unless citizens have a means of compelling leaders to be accountable on the use of public resources and discharge of public responsibility, effective participation and political equality will be impaired.

TRANSPARENCY IS REQUIRED BECAUSE THE WORK OF PUBLIC AGENCIES IS FOR THE PUBLIC. THE PUBLIC, THEREFORE, NEEDS TO KNOW.

¹⁴ O'Donnell, Guillermo (1999). "Horizontal Accountability in New Democracies", in Andreas Schedler, Larry Diamond, Marc F. Plattner: The Self-Restraining State: Power and Accountability in New Democracies. London: Lynne Rienner Publishers, pp. 29-51.

¹⁵ Fox J. (2007). The uncertain relationship between transparency and accountability. Development in Practice 17: 663-671.

¹⁶ Robert A. Dahl, On Democracy 1998, Yale University Press page 39.

The instrumental synergy reflects the manner in which the two concepts support each other in ensuring effective service delivery. Democracy fails when it does not produce enough goods and services. A measure of its utility and durability consists in its legitimacy and effectiveness. . Whereas the intrinsic value of democracy relates to the promotion of political equality and self-determination of citizens, the instrumental value lies in the effectiveness of the state in catering to the well-being and security of its citizens. Adam Przeworski has argued about the tenuous proposition that electoral democracy would lead to better economic performance. He admits to this possibility partly because "the system in which governments are elected admits of more information into the public sphere, private investors have information to choose better projects and government to quickly correct their errors."¹⁷ This is similar to Amartya Sen's argument that China, a non-democracy has fallen into famine,¹⁸ while India, a chaotic democracy never falls into famine. The reason is that the right to information enables leaders to have early warning of disasters on the horizon.

Transparency and accountability are determinants of state effectiveness, especially in delivering public services and goods. But the nature of changing dynamics of public administration is such that the effectiveness of service delivery is not enough. As the authors of *The Connected Republic: Changing the Way We Govern* put it, modern governance must focus on putting citizens at the center, connecting people, empowering citizens, and delivering public value.¹⁹ The European Institute of Public Administration rightly argues that "... modern governance is not just about delivering services. The notion includes democratic and cooperative policy formulation, citizen and civil society involvement, transparent and participative implementation of policies..."²⁰

The institutional framework for transparency and accountability is good *governance*, not necessarily good *government*. These are two different concepts. There is increasing recognition in the policy community of the great difference between the concepts of 'government' and 'governance' and the critical difference it makes. Transparency and accountability as critical drivers of an inclusive society require a focus on governance rather than government. The difference between the two important concepts of public leadership can be stated as follows. Government relates to the formal and hierarchical system for the exercise of political power. In the conventional sense, government means the public sector institutions of the Executive, the Legislature, and the Judiciary. The key notions are 'hierarchy' and 'formality'. According to the 2017 World Development Report on Law and Governance, governance is "a process through which states and non-state actors interact to design and implement policies ... within a given set of formal and informal rules that shape and are shaped by power..."²¹ The Commission on Global Governance defined governance as "the sum of ... many ways individuals and institutions, public and private, manage their common affairs. It is a continuing process through which conflicting or diverse interest may be accommodated and cooperative actions may be taken".²² Robert Keohane and Joseph Nye further defined it as "the processes and institutions, both formal and informal, that guide and restrain the collective activities of a group."²³ What is important about these definitions is that governance focuses on networks and interactions and not necessarily on hierarchies.



TRANSPARENCY AND ACCOUNTABILITY ENHANCE THE LEGITIMACY AND EFFECTIVENESS OF GOVERNANCE.

¹⁷ Adam Przeworski (2019). Why Bother with Elections? Polity. P. 100.

¹⁸ Amartya Sen, Development as Freedom

¹⁹ Cisco Systems (2004). The Connected Republic: Changing the Way We Govern. P. 9.

²⁰ European Institute of Public Administration (2003). E-Government in Europe: The State of Affairs, July.

It is important to understand the complexities and intricacies of governance to appreciate how transparency and accountability enhance the legitimacy and effectiveness of governance. Governance is a process, not just an act; it involves exercise of power; it happens within the context of formal and informal rules and involves both state and non-state actors. 'Governance' is rather the management of the public good through rules and procedures that are more defined by the relationship between the public and private sectors. The emphasis is on processes and interactions and how they are managed. The highlighted words show the characteristic of governance such that we can understand how to make it transparent and accountable.

As Nigeria prepares for a new administration after its 7th electoral cycle in the Fourth Republic, it is important to highlight the importance of transparency and accountability as the cornerstone of a stable and effective social order that supports an effective and efficient administration, and to also propose approaches and instruments that will firmly root the country's governance within the institutional and normative structure of transparency and accountability.

The lack of development and good governance in Nigeria and many other African countries has again resulted in increased attention on governance-related issues in Nigeria and the African continent. This is not a new phenomenon. During the earlier period of Structural Adjustment Programme (SAP) when the African economies collapsed in the midst of military dictatorship in many of the countries, attention was also paid to good governance as part of the panacea.²⁴ What is new is that there is a growing consensus around the world and among African leaders, that good governance is an underlying factor or component of sustained economic growth and development.²⁵ Nations of the world now accept that good governance is a prerequisite for political, economic and social development. In other words, it is impossible to separate good governance from sustained economic growth and development.



<https://2017-2020.usaid.gov/nigeria/economic-growth>

²¹ The World Bank (2017). *The World Development Report on Law and Governance*, 2017.

²² The Commission on Global Governance, *Our Global Neighborhood*, Oxford University Press, 1995, page 4

²³ Robert Keahan and Joseph Nye, 'Introduction' in Joseph Nye jr. and Donald Donahue, edited, *Governance in a Globalizing World*, Washington DC, Brookings Institution, 2000 page 12

²⁴ Akbar Noman, Kwesi Botchwey, Howard Stein, & Joseph E. Stiglitz (2012). *Good Growth and Governance in Africa* Oxford: Oxford University Press.

²⁵ Tom Forest (2019), *Politics and Economic Development in Nigeria* (Routledge 2019).

Since independence, Nigeria has struggled to cater to the welfare of its populace, a shortcoming that created a haphazard development due to the weak foundation of good governance. A close observation of governance in Nigeria, whether it is in the military or democratic era, reveals a poor attempt at promoting democracy, good governance and stable politics. National and International studies and analysis show an abysmal performance of office holders in the provision of good governance and better living conditions for the people they govern.

Over the years, Nigeria has suffered from a battered economy, impoverishment of a large number of people, corruption and mismanagement of funds, infrastructural decay, and worse of all, a lack of trust from the governed. Many see government in Nigeria as something distant from their interest. Governance has become for them an oppressive machine that they would rather not have anything to do with.²⁶

Previous democratic governments seemed to appreciate the importance of the general idea of good governance to economic and social development. In the first post-military administration in the current republic, President Olusegun Obasanjo articulated an economic reform programme that essentially combined macroeconomic stability with good governance reforms. These resulted in the establishment of such anti-corruption and accountability agencies like the Independent Corrupt Practices Commission (ICPC) and other related offences and the Economic and Financial Crimes Commission (EFCC). The Yar'Adua administration sought to deepen the institution of good governance by articulating a seven-point agenda with the rule of law as its pivot. Thereafter, the succeeding Jonathan administration acknowledged that a right-based and rule-based governance provides the basis for optimising other factors of development to build a durable foundation for other factors of development, i.e. health, education, infrastructure, democracy and economic growth to flourish. It realised that good governance is not about the nature or form of government (federal, parliamentary, etc), but about the efficiency and effectiveness of government institutions and relevant agencies in promoting and improving the living standards of the governed. On this understanding, the administration developed the Transformation Agenda.

The outgoing Buhari administration's Economic Growth and Recovery Programme which also aims at institutionalising good governance through policies that entrench transparency and accountability, especially in public procurement, was no less shaped by the knowledge of Nigeria's decades of uninspiring economic development. The highpoint of this approach is the signing of the Open Government Partnership (OGP) and various efforts to ensure transparency in different sectors.



OGP Steering Committee Co-Chair Aidan Eyakuze and OGP Chief Executive Officer Sanjay Pradhan present President Buhari with Nigeria's 2021 OGP Impact Award at the OGP Support Unit's High-Level Visit to Nigeria PHOTO: OGP Nigeria

A commonly held notion amongst a vast number of Nigerians is that most of these administrations are not quite committed to improving public welfare. This cynicism drains the government of the social trust required to initiate and effectively execute programmes and projects that can transform the lives of the citizens and stabilise the polity. It also denies government the feedback and participation required to make the best decisions. Lack of transparency and accountability damages legitimate and effective governance and often leads to possible collapse of democratic governance and sustainable development. To avoid these outcomes, the Nigerian governments at all levels should focus efforts at:

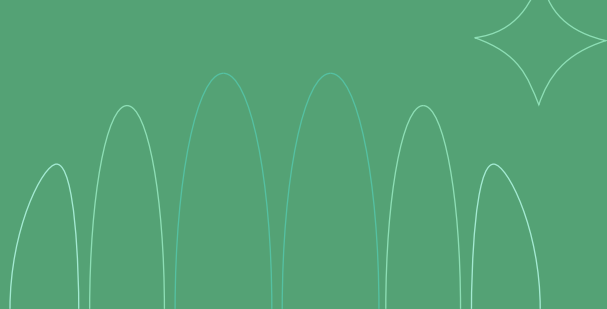
- communicating effectively to citizens all policies and programmes promoting good governance, democracy and sustained economic growth;
- communicating effectively, the expected challenges faced in the administration's effort to deliver on its promises as to mobilise citizens for remedial work;
- building trust between the governed and the government, and to begin the process of collaborative partnership in the nation-building process; and
- promoting good governance by allowing for accountability, transparency, and participation in all government processes.

Despite its chequered political history, Nigeria has made some significant social and economic progress. But that progress could be much bigger. In order to catalyse this process, there is need to create a framework that inspires a civic renaissance in Nigerians to collaborate with the government in fulfilling their own part of the social contract, and by adhering to the rule of law.

The history of failed economic and social development in Nigeria makes the widespread mobilisation of Nigeria's natural and human resources even more exigent. It also calls for greater degree of commitment to development process by the political elites. To enhance popular support for government, the importance of restoring the people's confidence in the machinery of public governance as well as the integrity and commitment of public officials cannot be gainsaid. The distrust of government mostly derives from a lack of transparency and accountability in the governance process.



**THE IMPORTANCE
OF RESTORING THE PEOPLE'S CONFIDENCE IN
THE MACHINERY OF PUBLIC GOVERNANCE AS
WELL AS THE INTEGRITY AND COMMITMENT OF
PUBLIC OFFICIALS CANNOT BE GAINSAID.**



PART 2:

THE AGORA POLICY REPORT 4, MARCH 2023

Assessment of Key Transparency and Accountability Measures in Nigeria

3. Categories of Transparency and Accountability Measures

At the return to civil rule in 1999, Nigeria was classified by Transparency International (TI) as one of the most corrupt countries in the world,²⁷ ranking 98th out of 99 countries. By 2000, Nigeria was ranked the most corrupt country in the world, coming 90th out of the 90 countries surveyed. From 1999 to 2021, Nigeria's ranking on the index has been mainly dismal, notwithstanding a few years with significantly better results. Nigeria made slight improvements between 2006 and 2008, but has been on a general decline since then as shown in Table 1.

Table 1: Nigeria's ranking on Corruption Perception Index, 1999 to 2022.

Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Score	16	12	10	16	14	16	19	22	22	27	25	24	24	27	25	27	26	28	27	27	26	25	24	24
Position	98	90	90	101	132	144	152	142	147	121	130	134	143	139	144	136	136	136	148	144	146	149	154	150
Countries Covered	90	91	91	102	133	146	159	163	179	180	180	178	183	176	177	175	168	176	180	180	180	179	180	180

Source: Compiled from Transparency International's Corruption Perception Index from 1999 to 2022

Reports from TI are often poorly received by the government which either treats them with contempt,²⁸ rationalisation or outright rejection.²⁹ Notwithstanding this posture, various administrations have made the fight against corruption a top priority. In his inaugural address in 1999, President Obasanjo raised concerns regarding official corruption, alleging that norms and procedures for conducting official business were knowingly disregarded or circumvented to support corrupt actions, and that citizens were made to pay bribes to access government services. The speech, while emphasising integrity as a priority with a specific focus on the behaviour of civil servants and the review of civil service regulations, highlighted the significance of enacting and enforcing laws as a fundamental tool for strengthening transparency and accountability and combating corruption.³⁰

²⁷ 1999 - CPI. Transparency.org. Retrieved August 29, 2022, from <https://www.transparency.org/en/cpi/1999>

²⁸ Adebani, W. and Obadare, E. (2011). When corruption fights back: democracy and elite interest in Nigeria's anti-corruption war. *The Journal of Modern African Studies*, 49(2), pp.185–213. doi:10.1017/s0022278x11000012.

²⁹ Sanni, K. (2021). Again, Nigerian govt rejects Transparency International's corruption rating. *Premium Times Nigeria*. Available at: <https://www.premiumtimesng.com/news/top-news/451086-again-nigerian-govt-rejects-transparency-internationals-corruption-rating.html>

³⁰ (2022). Dawodu.com. <https://www.dawodu.com/obas1.htm>

Former President Yar'Adua may have made no specific statement on the deficits of transparency and accountability at his swearing-in ceremony in May 2007, but he nonetheless cited the link between corruption (induced by the absence of transparency and accountability) and poverty, and then promised to build on the foundation laid by the Obasanjo administration.³¹ President Jonathan followed in this vein when he solicited collective efforts against corruption in his inauguration speech in 2011,³² while President Buhari's speech in 2015 specifically highlighted key values of public trust, integrity and accountability as essential ingredients for strengthening transparency and accountability and anti-corruption.³³ Buhari explicitly mentioned the importance of the judiciary in the quick dispensation of corruption cases. Instructively, this was against the backdrop of what became a popular maxim adopted from his campaign address in Port Harcourt ahead of the 2015 presidential election that *"if we don't kill corruption in this country, corruption will kill Nigeria."*

The policy pronouncements and actions by past and present presidents have facilitated the introduction of broad transparency and accountability programmes aimed at strengthening transparency and accountability in Nigeria's public service. These have led to the enactment of legislations and the establishment of anti-corruption agencies (with coordinating platforms and frameworks)³⁴, and prosecution of suspected offenders (including high-profile ones),³⁵ and the deployment of transparency and accountability-enhancing technology³⁶ as cross-cutting measures. These measures and approaches are better discussed in thematic clusters, namely: Normative/Value, Public Financial Management, Open Disclosure, and Enforcement. Analyses of the specific initiatives highlight their histories, objectives, effectiveness in terms of budgetary allocation, human capacity development and positive results, as well as challenges. Context-specific recommendations are made thereafter to reflect how to sustain and strengthen transparency and accountability in governance.

³¹ <https://nairametrics.com/wp-content/uploads/2012/01/Inaugural-Address-of-Umaru-Musa-Yar.pdf>

³² <https://www.vanguardngr.com/2011/05/over-40-heads-of-state-witness-jonathans-inauguration-amid-tight-security/>

³³ <https://guardian.ng/features/president-muhammadu-buharis-inaugural-speech/>

³⁴ Ayuba, L., Tangshak, & Elijah, Y., Izang. (2021). Anti-graft Institutions and Corruption in Nigeria (1975-2016): A Historical Perspective. *Asian Journal of Education and Social Studies*, 56–67. <https://doi.org/10.9734/ajess/2021/v19i230462>; 20 YEARS OF ANTI-CORRUPTION EFFORTS IN NIGERIA: A CRITICAL LOOK: Report of the Center for Democracy and Development

³⁵ Waziri-Azi, F. (n.d.). AN EVALUATION OF THE NIGERIAN NATIONAL ANTI CORRUPTION STRATEGY. Available at: <https://www.idpublications.org/wp-content/uploads/2017/09/Full-Paper-AN-EVALUATION-OF-THE-NIGERIAN-NATIONAL-ANTI-CORRUPTION-STRATEGY.pdf>

³⁶ Ibid

4. Assessment of Norms and Values Approach

The norms and values approach to transparency and accountability relates to shared standards of behaviour for public servants. These standards will be viewed from the perspectives of asset declaration and routine audit/public accounts oversight.

4.1. Asset Declaration

Asset declaration by both career civil servants and political appointees constitutes a top public policy issue of governance in Nigeria. The practice proceeds from a law requiring every declarant to document his/her assets and liability and those of their spouse(s) and children below 18 years. Its practice derived from past measures adopted to fix Nigeria's widespread ethical issues and corruption challenges in the 1970s,³⁷ which culminated in the creation of the Federal Assets Investigation Panel by General Murtala Mohammed in 1975. The panel found 10 of the 12 military governors that served under the previous regime guilty of non-declaration of their assets. They were dismissed from service and their properties suspected to have been acquired through fraudulent means were confiscated by the government. The experience informed the inclusion of Assets Declaration in the 1979 and 1999 constitutions. Successive governments thereafter have implemented it, albeit with different degrees of commitment.

The goal which has not changed since its introduction is to ensure that government business is conducted in the highest possible standards of ethics, morality and accountability, devoid of conflict of interest and abuse of responsibilities. Career public officials, elected officials and political appointees across the different tiers of government are mandated to declare their assets shortly after their employment or assumption of office.³⁸ In addition, the career civil servants are mandated to update their declaration every four years while the elected and appointed officials are required to declare their assets every four years and at the end of their tenure in office. Asset declaration forms are collected from the Code of Conduct Bureau (CCB) either on an individual or organisational basis for due completion and submission. Asset declaration is a crucial tool with strong anti-corruption pillar and accountability mechanisms for promoting national values, norms and for checking unethical behaviours in public service.

The policy's noble intent notwithstanding, its implementation is hindered in several ways. Prominent among this is its muted powers to sanction bad behaviours. Deriving from its 'quasi-administrative' powers and the fact that its sanctions are not subject to prerogative of mercy, the CCB and its prosecutorial and punitive arm – the Code of Conduct Tribunal (CCT) – is surprisingly muted about the use of its powers, including the more damaging one which empowers it to bar erring public officers (including appointees) from holding public offices.

Also of concern is the limited budgetary allocation and release to the CCB. As an agency responsible for monitoring

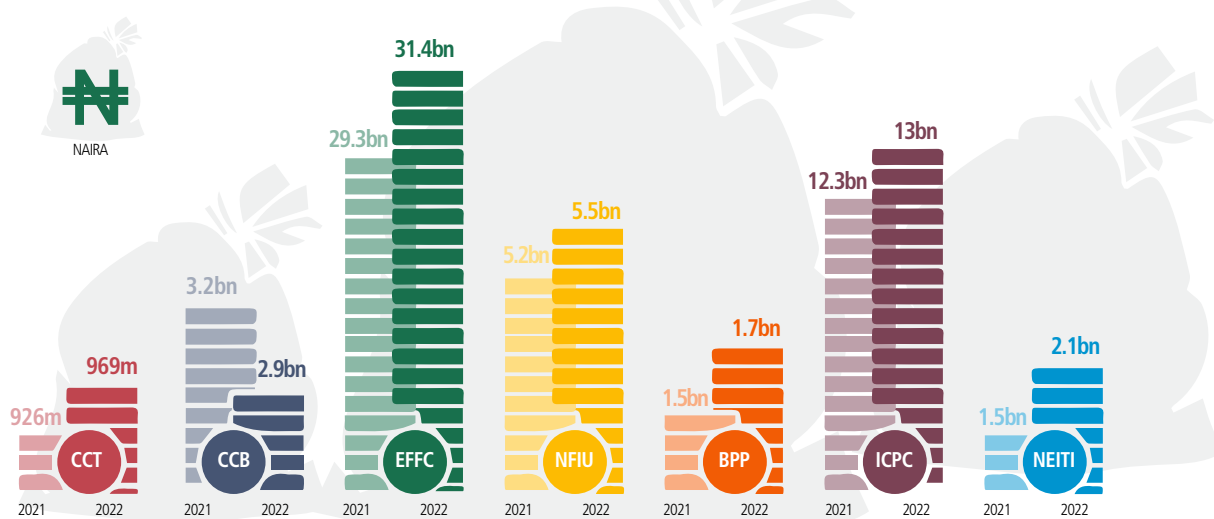
³⁷ Military Government in Nigeria Begins a Campaign Against Corruption and Is Purging the Civil Service. (1975, October 19). The New York Times. Available at: <https://www.nytimes.com/1975/10/19/archives/militarygovernment-in-nigeria-begins-a-campaign-against-corruption.html>

³⁸ Chapter 6, Part 1. Section 185 of the Constitution of the Federal Republic of Nigeria 1999 (As amended)

compliance, the CCB is heavily underfunded. As a result, it is limited by a lack of basic tools to work with. Aside from its office at the Federal Secretariat, Abuja, where its Chairman is domiciled, the CCB has the unenviable record of being among a number of government agencies without permanent office buildings. The ICT facilities in many of its offices occupied by an estimated 800 staff are not at par with the requirements of its mandate. A source puts the Bureau’s total recurrent expenditure (minus personnel cost) for its Head Office and those of the 36 states of the federation and Abuja at just N416,275,374, adding that this translates to a paltry sum of N83.26 per declarant, using the estimated five million people expected to declare their assets as a yardstick.³⁹ Over the years (i.e., 2010-2020), the annual budgetary envelop of the CCB is hardly enough for it to implement its statutory mandate. This budgetary inadequacy has seriously constrained the Bureau’s capacity to deliver its mandate, especially with regard to the “verification” of assets declared – an area the CCB personnel currently have limited manpower and technical capacity. To this extent, verification is a missing link in the accountability target of assets declaration policy, resulting in claims about anticipatory declaration and under-declaration by some public officers. This funding deficit is responsible for the near-absent record of prosecution and conviction of breaches. In recent history, only a few public officers, namely Senator Bola Ahmed Tinubu, Senator Bukola Saraki and Senator Peter Nwaoboshi, have been prosecuted for breach of asset declaration provisions in the law. Tinubu was prosecuted during the Jonathan administration, while Saraki and Nwaoboshi were prosecuted during the administration of President Muhammadu Buhari. All three cases were construed as politically-motivated, thus casting a shadow over the credibility of the charges against them.

Similarly, poor funding raises questions about remuneration of staff CCB and CCT vis-à-vis their counterparts in other agencies in the anti-corruption space. A promise by the Senate to seek a special salary scale for CCB and CCT personnel to align them with their counterparts in EFCC and ICPC in 2021⁴⁰ has not produced any positive result. Among Nigeria’s six anti-corruption agencies, the CCB was the only agency that had its budgetary allocation reduced from N3.2 billion in 2021 to N2.9 billion (a decrease of 9.4%)⁴¹ against observed marginal increase for others in the 2022 budget (see Figure 1).

Figure 1: Budgetary Allocation to Selected Anti-Corruption Agencies 2021 and 2022



Source: Kunle Sanni (2022). 2022 Budget: Buhari increases allocations to key anti-corruption agencies, but underfunding persists. Premium Times, 11 November. Available at: <https://www.premiumtimesng.com/news/headlines/494743-2022-budget-buhari-increases-allocations-to-key-anti-corruption-agencies-butunderfunding-persists.html>

³⁹ The Nation Online (2022). Increase Funding for the Code of Conduct Bureau 2022. Available at: <https://thenationonlineng.net/increase-funding-for-code-of-conduct-bureau/>

⁴⁰ Sunday Aborisade (2021). Senate wants CCB, CCT personnel to earn same salaries as EFCC, ICPC. Blue Print, 26 November. Available at: <https://punchng.com/senate-wants-ccb-cct-personnel-to-earn-same-salaries-asefcc-icpc/>

⁴¹ Kunle Sanni (2021). 2022 Budget: Buhari increases allocations to key anti-corruption agencies, but underfunding persists. Premium Times, 11 November. Available at: <https://www.premiumtimesng.com/news/headlines/494743-2022-budget-buhari-increases-allocations-to-key-anti-corruption-agencies-butunderfunding-persists.html>

Thus, beyond undermining the incentive to compel public servants to comply with assets declaration, the question of publication of assets declared and the impact of that on assets verification have also been a matter for public debate. No law compels any public officer to make public his/her declared assets to the CCB. Neither is the CCB mandated to make public assets declared to it by public officials. The Constitution of the Federal Republic of Nigeria (as amended) predicates public disclosure of declared assets on the "terms and conditions as the National Assembly may prescribe."⁴² The National Assembly has not deemed it fit to prescribe such terms and conditions. This clause has been the reason for the refusal of several FOI requests for access to assets declared to CCB by public officials. The "the Bureau never honoured citizens' requests for such information because the National Assembly had yet to give the guidelines for such public disclosure as provided for in the constitution"⁴³ A court judgement has been given in support of the CCB against Socio-Economic Rights and Accountability Project (SERAP) to this extent.

What this means is that besides the National Assembly, the only person with the express right to make public or authorise the public disclosure of the declared assets by a public official is the declarant. In history, only a handful of Nigerians have made voluntary disclosure of their declared assets. These persons include late President Umaru Musa Yar'Adua in 2007; Dr. Kayode Fayemi (Governor Ekiti State) and Olayinka Oluwafunmilayo Adunni (Deputy Governor, Ekiti State) in 2010; Dr. Chidi Anselm Odinkalu (Chairman, Board of National Human Rights Commission) in 2011; President Muhammadu Buhari and Professor Yemi Osinbajo in 2015 and 2019; Dr. Joe Abah as the Director-General of the Bureau of Public Service Reforms (BPSR) in 2016; and Waziri Adio (Executive Secretary, Nigeria Extractive Industries Transparency Initiative – NEITI) in 2016.

As public service in Nigeria thrives on official secrecy, even under the freedom of information regime, several tiers of governments and public servants have not demonstrated sufficient will to internalise the norms and values of honesty which assets declaration is intended to promote and instil. Consequently, the problem of transparency and accountability remains largely a political, socio-economic and law enforcement problem, while emerging knowledge points to behavioural science as not only its drivers, but also how it can be better addressed.⁴⁴

There is the need for a complete social re-engineering of the way Nigeria currently handles the issue of asset declaration. Within the context of ethical and norm-driven approach to accountability delivery, implementation of the policy must go beyond its present traditional/legal approach to evidence-based approach that targets social behaviour. Concrete steps should be taken to review upward budgetary allocations to CCB and CCT to facilitate their access to requisite trainings and work tools. By virtue of their mandates, both agencies should expectedly be technology and ICT savvy. Apart from the fact it would ease their work, access to modern ICT facilities will imbue both agencies with the requisite knowledge that their job demands and enable them to seamlessly accomplish tasks such as record-tracking and monitoring. Lastly, amidst growing demand for probity, the issue of public disclosure of declared assets and insistence on asset verification should be taken more seriously. An amendment of the CCB Act for the mandatory open and public declaration of assets to strengthen accountability in Nigeria is strongly advocated.

⁴² Paragraph 3(c), First Schedule, Constitution of the Federal Republic of Nigeria.

⁴³ Kunle Sanni (2022). Rising Concerns over Secrecy of Public Officials' Asset Declaration, CCB Roles. 3 January. Available at: <https://www.premiumtimesng.com/news/headlines/503817-analysis-rising-concerns-oversecrecy-of-public-officials-asset-declaration-ccbs-role.html>

⁴⁴ Collective action on corruption in Nigeria. (2021, March 26). Chatham House – International Affairs Think Tank. Available at: <https://www.chathamhouse.org/2021/03/collective-action-corruption-nigeria>

4.2. Routine Audit and Public Accounts Oversight

The push for transparency and accountability in Nigeria has received renewed interest in the routine audit and legislative oversight of public accounts. Like in other climes, Audits are by no means new in Nigeria. They date back to colonial times. They cover more ground than the work of the Anti-Corruption Agencies (ACAs), given that every financial transaction of the government undergoes an audit as against reliance on petition or detection in the case of the former.

An audit regulates public sector expenditure and accounting. Its importance is defined in both internal and external perspectives. With regard to internal process, MDAs are structured to have internal audit units entrusted with the responsibility to review and certify that all proposed expenditures comply with standard practices before the approval and release of funds. More specifically, an internal audit unit ensures that expenditures are budgeted for, and requisitions for spending and money quoted for such spending comply with rules and procedures before recommendation are made to the approving authority. An internal audit is thus a quality assurance practice for MDAs ahead of annual reconciliations conducted in external audits.

While internal audits are an internal control measure, external audits as the name implies, are conducted by independent professionals on an annual basis with reports submitted to the Office of the Auditor-General of the Federation (OAuGF). Its key role in Nigeria's public financial management setting is to promote public accountability by ensuring compliance with financial rules and regulations and due process in public expenditure to minimise incidences of corruption.

Based on the findings arising from every audit exercise (including routine audits by staff of AuGF), an annual report that details the level of compliance and/or non-compliance to rules and procedures, and recommendations to strengthen systems, is often generated and submitted to the National Assembly and State Houses of Assembly (as the case may be) by the OAuGF and its counterparts at state levels. The report, by statutory practice, is forwarded to the Public Accounts Committee of the legislative chamber which, by tradition and intention for independence and thoroughness, is usually chaired by an opposition party member. Public account committees are expected to scrutinise the reports submitted by the auditor generals and give further direction for legislative oversight.

Notwithstanding the advantage of the routine audit and public accounts oversight mechanisms in promoting accountability and mitigating corruption in public service, the experience at both federal and state levels in Nigeria is that many MDAs are in default as regards complying with the tradition of submitting their annual financial statements to the OAuGF and their counterparts in the states. In 2020, the OAuGF reported that "65 MDAs had not submitted their financial statements for audit since January 12, 2017."⁴⁵ A number of reasons can be adduced for such level of non-compliance. First is that while the Auditor-General of the Federation has a responsibility to eradicate corruption from Nigeria's public finance system, this responsibility is limited to the extent that the country's audit law permits. Nigeria operates an audit law/ordinance enacted in 1956. Changes in structure, size and type of government spanning several decades have encumbered its implementation, requiring a repeal and fresh law that guarantees independence and powers to sanction for the AuGF in line with established standard of the International Organisation of Supreme Audit Institutions (SAI). Without the powers to sanction, the AuGF is more or less a toothless bulldog.⁴⁶



AuGF
WITHOUT THE POWERS TO SANCTION,
THE AuGF IS MORE OR LESS A TOOTHLESS
BULLDOG

⁴⁵ BudgIT (2021). Audit in Nigeria: Is The Old Law Tackling The "New" Corruption? Available at: [https:// yourbudget.com/audit-in-nigeria-is-the-old-law-tackling-the-new-corruption/](https://yourbudget.com/audit-in-nigeria-is-the-old-law-tackling-the-new-corruption/)

⁴⁶ The audit bill passed by the 8th Assembly was not assented to by President Buhari.

The second reason relates to the associated challenges of understaffing and compensation. These two problems affect the depth and quality of the OAuGF's work, especially in terms of the desired thoroughness. There are indications that undue personal and political motives are gradually crowding out the professionalism expected from public accounts audits process. Increasing cases of untoward practices such as certain staff being "favoured" over others for field assignments in the hope for "returns", insistence by field staff to interface directly with chief executive officers of MDAs, pandering to audited-MDAs' offer of accommodation and other forms of gratification by staff of OAuGF are gradually eroding confidence in public audits. The situation, if left unchecked, is capable of ironically making many audit personnel in the OAuGF the face of public sector corruption.

Perhaps, the biggest challenge to routine audit and public accounts' oversight is the seeming kid-glove with which oversight is exercised by public accounts committees at NASS and State Houses of Assembly. These committees have not done better in ensuring due diligence in their oversight role. Despite being statutorily chaired by members of opposition parties for reason of independence and checks and balances, these special committees in NASS and State Houses of Assembly could be said to have aided opacity and corruption in many MDAs. Members of the committees are perceived to raise issues or infractions only when MDAs have not "settled" the committees.⁴⁷ This overarching pecuniary philosophy has increased cases of lobbying to chair or serve in the committees, given that serving in them apparently opens the door of extortion of MDAs by their members. From contract awards to employment for friends and relations, Public Accounts Committees at both the NASS and State Houses of Assembly are, for many legislators, considered "one of the most lucrative" places to serve because of the perks that come with it.

The situation is not entirely hopeless though. As bad as things may seem, the routine audit and public accounts oversight mechanisms can be better reformed to promote accountability and address corruption in public service through the repealing and re-enacting of a new audit law that meets contemporary challenges for the country. Further work needs to be put into an earlier bill passed by NASS on which presidential assent was declined, to get an agreeable one with the requisite provisions for independence and powers of the OAuGF, so it doesn't simply bark, but also bites harder. Beyond enacting a new audit law, the Public Accounts Committee should cultivate the culture of holding regular public hearings to keep citizens abreast of compliance level in the MDAs. There should also be improved staffing and remuneration for personnel in the OAuGF and its counterparts in the states. It is counterproductive for OAuGF personnel to be paid poor salaries and emoluments amidst unfettered access to tempting gratifications dangled before them by the MDAs whose expenditure they are detailed to audit and monitor. Equally important is the need to activate the full complement of the Freedom of Information Act, 2010 and the Open Government Partnership (OGP) policy to expose proceeds of crime wherever they are located with the overall goal of promoting accountability and anti-corruption. The recently approved Whistleblowing and Whistleblower Protection Bill by the Federal Executive Council (FEC) should be given accelerated hearing and passage by the National Assembly for necessary assent into law and implementation.



PUBLIC ACCOUNTS COMMITTEES AT BOTH THE NASS AND STATE HOUSES OF ASSEMBLY ARE, FOR MANY LEGISLATORS, CONSIDERED "ONE OF THE MOST LUCRATIVE" PLACES TO SERVE BECAUSE OF THE PERKS THAT COME WITH IT.

⁴⁷ This is the view expressed by many public sector staff interviewed.

5. Public Financial Management Approach

At the dawn of civil rule in 1999, Nigeria's economy presented a highly volatile and poorly managed fiscal policy with inconsistent budgetary frameworks/processes and a lack of value for public spending.⁴⁸ This was further compounded by an over US\$30 billion inherited debt, induced by volatility in the oil market and non-oil exports, poor infrastructure, high levels of corruption as well as low transparency and accountability. While it was obvious that the situation needed bold reforms, the most compelling of these reforms only came after the renewal of the electoral mandate of President Olusegun Obasanjo in 2003.

Accordingly, the administration developed a National Strategy of Public Service Reform (NSPSR), facilitated by the Bureau of Public Service Reforms (BPSR). The strategy had several objectives which included: to strengthen governance and accountability through improved budgetary, fiscal and monetary planning and implementation; to reduce corruption through innovative policies and enforcement mechanisms; and to facilitate effective service delivery.⁴⁹

Public Financial Management (PFM) was at the core of the four pillars formulated to drive the NSPSR, the others being governance and institutions, social and economic policies, and civil service administration. As a concept, PFM refers to a body of laws, rules, systems and processes that central and/or sub-national governments of a country adopt to regulate revenue collection, allocation and utilisation with a view to improving the lots of the citizens.⁵⁰ To the extent to which it commits to principles of fiscal discipline, transparency and accountability, a good PFM system is one of the institutional foundations and frameworks for ensuring accountability and efficiency in the use of public financial resources as against a weak and significantly wasteful system in the midst of scarce resources.



OVER US\$30 BILLION INHERITED DEBT, INDUCED BY VOLATILITY IN THE OIL MARKET AND NON-OIL EXPORTS, POOR INFRASTRUCTURE, HIGH LEVELS OF CORRUPTION AS WELL AS LOW TRANSPARENCY AND ACCOUNTABILITY

⁴⁸ Okonjo-Iweala, Ngozi (2012). *Reforming the Unreformable: Lessons from Nigeria*, MIT Press, Cambridge.

⁴⁹ Dauda Garuba, "Domestic Revenue Mobilisation for Sustainable Development: Policy and Implementation Gaps in Nigeria's Extractive Sector." A report prepared for Africa Centre for Energy Policy, Accra, Ghana.

⁵⁰ Andrew Lawson, *Public Financial Management*. Professional Development Reading Pack No. 6. Birmingham, UK: GSDRC, University of Birmingham

In Nigeria, the government took a holistic approach to the PFM reforms which included the creation and/or amendment of legal and regulatory frameworks for all key steps taken. Across successive governments, the interventions made in the areas of legal and regulatory frameworks were the amendment of the 1999 Constitution of the Federal Republic of Nigeria, the Finance (Control & Management) Act of 1958 as well as the enactment of new financial accountability laws.⁵¹ Without any intention to focus on the institutions created and the personalities that have either headed or are heading the institutions, we will analyse the numerous initiatives and practices they birthed and how they have advanced and/or retarded transparency and accountability in Nigeria, as well as how they can be strengthened and sustained. Some of the PFM initiatives include: Fiscal Responsibility, Public Procurement, and E-payment policies.

5.1 Fiscal Responsibility

The Fiscal Responsibility policy was formulated to promote a prudent, transparent and accountable financial management framework for Nigeria. Adopted alongside the Public Procurement Policy, it was a response to the observed volatility and fiscal policy challenges which manifested in inconsistent budgetary frameworks/processes and value for public spending at the return of civil rule. The policy was at the core of government's promise of good governance to Nigerians, underpinned by the belief that good fiscal practices must complement good democratic practices for effective resource management and sustainable development. It was conceived to assess, on a regular basis, government revenue and expenditure with a view to collaborating with the other relevant public sector authorities (including the Ministry of Finance and then Budget Office) to seek and effect necessary adjustments for achieving desirable effects. It thus functions in the realm of revenue-generating policies, resource allocation decisions and debt management in the most prudent and transparent way. To this extent, the policy derived from an attempt to understudy Nigeria's macroeconomic environment and adopt micro-economic responses to the realities they posed. Leveraging legislative oversight work of the National Assembly and effective control over the entire architecture of public finance and overall economy, this is done within the context of Medium Term Expenditure Framework (MTEF), the Fiscal Strategy Paper⁵² and the Revenue and Expenditure Framework all of which are developed with the best available data sets.

Fiscal responsibility has helped Nigeria and sub-national governments to establish and take effective control of the fiscal direction of government. In particular, it has become a routine for National Assembly (NASS) and the Federal Executive Council (FEC) to engage in debates over the rationale for proposals (e.g. oil price benchmark) contained in MTEF, FSP and budget proposals, thus attesting to the positive milestones it has brought to governance. The policy has also helped Nigeria to make considerable savings which culminated in the country's \$18 billion debt buy-back from its Paris and London clubs of creditors.

However, despite the noble objectives intended and the milestones achieved with its implementation, Nigeria's fiscal responsibility policy still experiences challenges, prominent among which are rising debt profile and non-remittance of revenues to the Federation Account by revenue-generating MDAs. For instance, Table 2 highlights a near 10-year

⁵¹ The laws were Debt Management Office Act (2004), Independent Corrupt Practices and Other Related Offences Commission Act (2000), Code of Conduct Bureau & Tribunal Act (CAP C15, LFN 2004), Economic and Financial Crimes Commission Act (2004), Public Procurement Act (2007), Fiscal Responsibility Act (2007), Federal Inland Revenue Service (Establishment) Act (2007), Central Bank of Nigeria Act (2007), Nigeria Extractive Industry Transparency Initiative (NEITI) Act (2007), Financial Reporting Council of Nigeria Act (2011) and Finance Act 2019. Other instruments adopted to strengthen transparency and accountability was the Financial Regulations (2009) and (occasional) finance circulars.

⁵² The legal and regulatory instruments included Debt Management Office Act (2004), Independent Corrupt Practices and Other Related Offences Commission Act (2000), Code of Conduct Bureau & Tribunal Act (CAP C15, LFN 2004), Economic and Financial Crimes Commission Act (2004), Public Procurement Act (2007), Fiscal Responsibility Act (2007), Federal Inland Revenue Service (Establishment) Act (2007), Central Bank of Nigeria Act (2007), Nigeria Extractive Industry Transparency Initiative (NEITI) Act (2007), Financial Reporting Council of Nigeria Act (2011) and Finance Act 2019. Other instruments adopted to strengthen transparency and accountability was the Financial Regulations (2009) and (occasional) finance circulars.

data of Nigeria's external debt figures, showing a steady progression from US\$64.5 billion in 2013 to \$101.9 billion in September 2022.

Table 2: Nigeria's Debt Profile 2006-Sept 2022

Year	Outstanding Debt in USD (m)	Outstanding Debt in NGN (m)
2013	64,509.95	10,044,198.82
2014	67,726.28	11,243,120.22
2015	65,428.53	12,603,705.28
2016	57,391.53	17,360,009.58
2017	66,634.27	20,373,428.59
2018	79,436.72	24,387,071.74
2019	84,053.32	27,401,381.29
2020	86,392.54	32,915,514.85
2021	95,779.64	39,556,032.50
Sept-2022	101,913.43	44,064,310.79

Source: Compiled from website of Debt Management Office

As a press release issued by the Debt Management Office (DMO) in September 2022 shows that US\$40.06 billion (N16.61 trillion) external debt stock are concessional and semi-concessional loans obtained from multilateral lenders, while the remaining N26.23 trillion (USD63.24 billion) domestic debt stock were incurred through borrowings by the Federal Government as well as other borrowings by state governments and the Federal Capital Territory administration.

While borrowing is not an entirely bad economic decision, especially when tied to infrastructural projects, there are indications that not all borrowings are exclusively for infrastructure. Very worrying is that the limit set by the law for borrowing is being breached. Fiscal Responsibility Act, 2007 states that: "aggregate expenditure and the aggregate amount appropriated by the National Assembly for each financial year shall not be more than the estimated aggregate revenue plus a deficit, not exceeding three percent of the estimated Gross Domestic Product or any sustainable percentage as may be determined by the National Assembly for each financial year." In 2021, Nigeria's Presidency invoked the "National Security" reason to borrow 3.05% to implement 2022 budget of N7.35 trillion deficits. The 2023 budget proposal has just repeated the same by raising the proposed percentage of borrowing to estimated GDP to 4.78% to implement a N10.98 trillion deficit.⁵³

In the face of mounting debt, revenue generating MDAs have flagrantly violated government's regulations to remit revenue collected to the Federation Account, while budgeting and accountability have not been enhanced by timely audits and reporting standards provided for in Sections 49 and 50 of the Fiscal Responsibility Act 2007.⁵⁴ Many sub-national governments have followed suit by flouting the orders of the supervising Fiscal Responsibility Commission (FRC) which sets the rules for borrowing, knowing that the latter has no power to prosecute suspected offenders, but only statutorily defers to the Attorney-General to do so. While effectively exercising control on states' foreign borrowing by leaning on the National Assembly to do that, the FRC has been unable to fully curb sub-national governments' excessive borrowing from commercial banks.

It is thus recommended that ongoing efforts to amend the Fiscal Responsibility Act 2007 to address the gaps in fiscal policy, including the powers of prosecution of violations across the different tiers of government by FRC should be expedited.

⁵³ Oladeinde Olowoyin (2022). Again, Nigeria's borrowing plan breaches fiscal responsibility mark. Premium Times, 22 October. Available at: <https://www.premiumtimesng.com/news/headlines/559446-again-nigeriasborrowing-plan-breaches-fiscal-responsibility-mark.html>

⁵⁴ T.O. Okegbe (2019). Effect of Fiscal Responsibility Act on Budgeting and Accountability Practice in Nigeria. International Journal of Trend in Scientific Research and Development, Vol 3(5), August 2019, pp.1124-1138.uploads/2019/09/Pages-12-38-2018-3196.pdf

5.2 Public Procurement

Public procurement reform complements the fiscal responsibility policy of government. It is a process by which governments buy inputs (i.e. civil works, goods and services) for vital public-sector investments which come in both physical infrastructure and in institutional and human capacities. It seeks to give bidders for government contracts equal and transparent opportunities to compete in a sense that meets public needs for national development.

Current public procurement practices in Nigeria are a culmination of an assessment conducted by the World Bank in 1999 which established significant correlation between weak public procurement procedures and corruption and its associated consequences – i.e. poverty, infrastructural deficits and underdevelopment. The assessment put government's revenue loss to underhanded transactions at 60%, averaging US\$10 billion annually. Sources of leakage in public contracting were identified as inflation of contract costs, absence of procurement plans, poor project prioritisation, poor budgeting processes, lack of competition and value for money, and manipulations of procurement and contract award processes.⁵⁵

As a fallout from this, reforms in public procurement were conceived to minimise abuses, restore sanity and professional behaviour and to institutionalise due process and standards in the award and execution of federal government contracts. The reforms started with the creation of the Budget Monitoring and Price Intelligence Unit (BMPIU) located in the Presidency, but grew into a procurement commission when it became institutionalised with the passage of the Public Procurement Act, 2007. Premised on a framework aimed at building and sustaining an efficient procurement system that would meet international best standard, Nigeria's public procurement policy was designed to harmonise existing government's procurement rules, procedures and practices with a view to ensuring transparency, efficiency, competition, integrity and value for money.⁵⁶ It prioritises the establishment of pricing standards and benchmarks for the purpose of attaining cost effectiveness and professionalism under the trust and supervision of the National Council on Public Procurement (NCPP) – a high level multi-stakeholder body intended to approve all procurement operational policies, and the Bureau of Public Procurement (BPP), which oversees procurement policy formulation and implementation across the public sector.

Procedurally, public procurement is defined by open competitive bidding. Its rule, as approved by the federal government, consists of nine essential steps, namely:

- A need assessment that is initiated at the level of the procuring or disposing MDA;
- Adequate appropriation for jobs to be procured in the budget;
- Advertisement of the job to allow for equal opportunity to contractors with interest, the requisite qualification and capacity to decide whether or not to express interest;
- Transparency and openness in pre-qualification/tenders ahead of shortlisting for submission of complete proposals;
- Submission and opening of bid documents in the presence of all, including interested observer groups (e.g. civil society);
- Bid evaluation (Technical and Financial) by an appointed committee who shortlists the best bids (sometimes three) from which a final choice could be made based on demonstrated technical capacity, experience, affordability of amount quoted for the job, and demonstrated clarity of all knotty issues on which clarifications may be sought;
- Tender Board/Federal Executive Council approval of contract, depending on the approval threshold;
- Contract award for execution by procuring/disposing MDA in close collaboration with the BPP; and
- Project implementation in line with the relevant guidelines and regulations agreed for project monitoring and payment milestones accompanied with certificate of "No Objection."

⁵⁵ See Bureau of Public Procurement, Background History. Available at: <https://www.bpp.gov.ng/background/> (Retrieved 30 August 2022).

⁵⁶ Ibid.

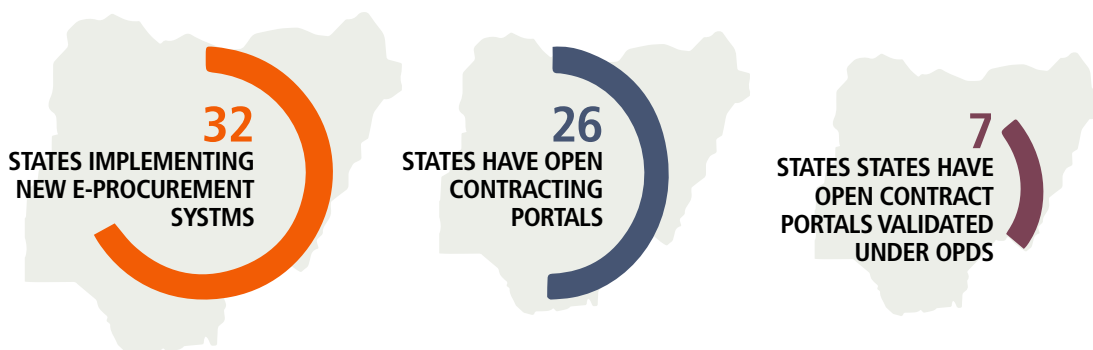
Contractors, consultants or MDAs not satisfied with the outcomes of any procurement process are, in accordance with the provisions of the Public Procurement Act, 2007, entitled to demand for necessary investigation and action. Like the procedure for the award and execution of jobs, the recourse mechanism for complaints, which may be in writing or representation in person, are also in nine steps starting from the complainant who initiates the process through the Accounting Officer of the procuring/disposing entity, the BPP and up to the Federal High Court where whatever decision taken on the matter shall be final as stipulated in the procurement law. To ensure that the wheel of justice is not obstructed nor delayed, all constituencies saddled with the responsibility of attending to any complaint initiated, except the Federal High Court, are required to treat and dispose of such complaints brought before them within the duration periods of 15, 10 and 30 working days respectively.

The public procurement process has seen an upgrade in the form of introduction of Open Contracting – i.e. “publishing and using open, accessible, and timely information on public contracting to engage citizens and businesses to fix problems and deliver results.”⁵⁷ Following a decade of implementing public procurement reforms to enshrine transparency, competitiveness and value for money, the upgrade was anchored on Nigeria’s commitment to open government principles in a sense that promotes conversion of procurement data to Open Contracting Data Standard (OCDS) for ease of comparative review and tracking of public services. Through the established Nigerian Procurement Portal, citizens can monitor government procurement processes.

The above procedural and professional process has introduced sanity to public procurement at the federal level. The capacities built have facilitated professionalism, including opportunities for the creation of an impressive pool of Certified Procurement Professionals. However, the milestones achieved have not completely eliminated misconduct in the procurement process. Across notable public sector entities, stories are still told of how people are circumventing the system. For instance, many have exploited the provisions of thresholds in the public procurement law and regulations to engage in contract-splitting to evade approval requests from higher authorities. While some people have been prosecuted and some jailed for this offence, several others have escaped the arm of the law.

Public procurement reform has cascaded down to the sub-national level of government, resulting in the enactment of public procurement and fiscal responsibility acts in many states in Nigeria. The fact that a huge chunk of the Federation Account revenue (about 47%) is spent at the sub-national level, coupled with the fact that a majority of Nigerians truly deserving of protection and welfare are located at that level of government, makes this replication imperative and justified. As of October 2021, almost all state governments are implementing procurement reforms, with 26 state-driven open contracting portals now publishing some form of contracting data. Seven out of those state-driven open contracting portals publish validated data under the Open Proprietary Data Standard (OPDS) alongside the BPP. In addition, 32 states

PROCUREMENT PROGRESS...



⁵⁷ Present Lab, Public and Private Development Centre & Open Contracting Partnership (2021). Open Contracting Compliance Ranking Project: Landscape Report Analysis. Abuja: Present Lab, Public and Private Development Centre & Open Contracting Partnership.

are implementing new e-procurement systems. With this, progress has been fostered through continual advocacy to the leadership of the procurement agencies and bureaus, capacity building for all government actors involved in procurement processes, and peer learning from states like Kaduna and Edo that had already implemented an Open Contracting Portal. It is particularly instructive that Edo State is quoted as remarking that "our biggest win so far is being enlisted as an OCDS publisher, which is a true reflection of our commitment to promoting fiscal transparency and accountability."⁵⁸ This follows the leadership provided by the Bureau of Public Procurement's National Open Contracting Portal (NOCOPO), and provision of continuous technical assistance to the states for the implementation of their respective open contracting portals.

Despite these advances and other efforts being made by the Nigerian government, corruption still poses a challenge to efficient and effective procurement in the country. For instance, without the creation of a National Council of Public Procurement (NCP) provided for in the law, the BPP's role in harmonizing procurement policies with other public finance policies is limited. Findings of a 2021 desk research on Open Contracting at the sub-national levels using the World Bank's SFTAS framework which focused on five states – Akwa Ibom, Cross River, Delta, Imo and Rivers - revealed that "all but Rivers have not fully complied with the public procurement law", including publishing contract awards online (open contracting).⁵⁹

The situation could be worse in other states, given the relative distance between the country's anti-corruption watchdog and sub-national governments. Barring the OGP and its sub-national programming around open contracting, not much progress has happened to offer a glimpse of how well fiscal and procurement policies and revenue spending at the sub-national level of government meet standards established at the national level.

Civil society organisations that would have provided monitoring support are challenged by shrinking funding and capacity deficit. BudgIT is about the only civil society organisation that currently monitors PFM across the 36 states and the Federal Capital Territory in its annual report on State of the States. Others, such as Centre for Social Justice (CSJ), Public Private Partnership Centre (PPDC), Accountability Lab, Policy Alert, Centre for Information Technology and Development (CITAD) also work in designated catchment regions and/or specific thematic areas. Arising from these limitations, some civil servants at the state and, in some cases federal offices, have themselves become the very face of the corruption they are appointed to help fix with PFM. In many instances, these civil servants source multiple bid proposals from favoured contractors and award jobs to them for some negotiated returns. Some of these civil servants even award contracts to their personal companies registered specifically to make money in violation of regulations against conflict of interests.

An innovative and enduring mechanism for reporting corruption in procurement without having to insist on the disclosure of the identity of the whistleblower should be deployed. This is necessary because people with information on corruption in the system tend to be discouraged by inadequate protection. On a more general note, there is also the need for improvement in remuneration in the public service. It is tempting when the people with the power to process the kind of huge contracts awarded in government receive paltry salaries and emoluments and are denied any incentives capable of sustaining the principles and values of honesty, morality and patriotism.



SOME CIVIL SERVANTS AT THE STATE AND, IN SOME CASES FEDERAL OFFICES, HAVE THEMSELVES BECOME THE VERY FACE OF THE CORRUPTION THEY ARE APPOINTED TO HELP FIX...

⁵⁸ Open Contracting (2021). Subnational Open Contracting Reforms: Lessons from Nigeria's State Governors. Washington, DC: Open Contracting Partnership. Available at: <https://www.open-contracting.org/2021/11/10/subnational-open-contracting-reforms-lessons-from-nigerias-states/>

⁵⁹ Nancy Odimegwu (2022). Open Contracting in Nigeria: Are States Making Progress or Not?. Available at: <https://yourbudgit.com/open-contracting-in-nigeria-are-states-making-progress-or-not/>

5.3. E-Payment Technology

E-payment occupies a central place in the PFM policy reforms in Nigeria because of the value of transparency, accountability and timeliness it brings to transactions and sustainable economic development. E-payment derives from several efforts that crystallised in the enactment of the Public Procurement Act (2007), the Fiscal Responsibility Act (2007) and the Financial Reporting Council of Nigeria Act (2011). The policy manifests in different initiatives such as Government Integrated Financial Management System (GIFMIS), Integrated Payroll and Personnel Information System (IPPIS), Treasury Single Account (TSA) and CBN policy of Bank Verification Number (BVN) and KnowYourCustomer (KYC) aimed at accelerating and improving transaction processes and promoting inclusion. It is necessary to highlight their focus and how they have enhanced transparency and accountability under the PFM reform regime adopted by the Nigerian federal government. A general discussion about their challenges is therefore necessary before solutions are recommended.

5.3.1. Government Integrated Financial Management System (GIFMIS):

The Government Integrated Financial Management System, simply known by its acronym – GIFMIS – is a web-based budget and financial management PFM tool adopted as part of the broader National Strategy for Public Service Reforms (NSPSR) to improve public expenditure management processes. It is a transparency and accountability tool jointly developed by the Office of the Accountant-General of the Federation (OAGF), Budget Office of the Federation (BOF), Debt Management Office (DMO), Central Bank of Nigeria (CBN), and Federal Inland Revenue Service (FIRS) to increase the capacity of government's access to financial information, revenue receipts and expenditure, as well as internal controls against potential and actual fraud. The scope of GIFMIS covers broad issues of budget preparation, execution, accounting and reporting. It is used to support medium term planning in MTEF as well as to assess operational performance of MDAs.

When fully deployed, GIFMIS covers the entire financial management, including budget preparation and execution, treasury management and reporting, procurement, support for e-procurement, revenue collection and management, fixed asset management, and project accounting. A lot of ground has been covered already with revenue flow codes generated for MDAs.



E-PAYMENT OCCUPIES A CENTRAL PLACE IN THE PFM POLICY REFORMS IN NIGERIA BECAUSE OF THE VALUE OF TRANSPARENCY, ACCOUNTABILITY AND TIMELINESS IT BRINGS TO TRANSACTIONS AND SUSTAINABLE ECONOMIC DEVELOPMENT.

5.3.2. Integrated Payroll and Personnel Information System (IPPIS)

The Integrated Payroll and Personnel Information System (IPPIS) was adopted in 2006 as an ICT management reporting tool to facilitate and improve effectiveness and efficiency in the payment of salaries and wages to public sector workers. Built through the World Bank support to the Bureau of Public Service Reform (BPSR), IPPIS assists government in tracking and eliminating revenue leakages caused by the corrupt culture of populating the payroll system with ghost workers which has been a common practice in the civil service.

IPPIS was first piloted for use in April 2007 in seven MDAs⁶⁰ that had a combined staff strength of 32,000, after which the management of the platform was transferred to the Office of the Accountant General of the Federation (OAGF) in October 2008, and later upgraded to accommodate 11 MDAs and used in 2009 to optimise an initial 55,000 licenses paid for by the World Bank. It has since grown in size.

IPPIS works in close concert with the Federal Ministry of Finance, Budget and National Planning (FMFBNP), Office of the Head of Service (OHCSF), Federal Civil Service Commission (FCSC), Office of the Auditor General of the Federation (OAGF) and all MDAs enrolled on its platform to pay salaries and wages directly into employees' bank accounts. It also makes relevant deductions and remittances due to 3rd parties such as Federal Inland Revenue Service (FIRS), National Health Insurance Scheme (NHIS), National Housing Fund (NHF), Pension Fund Administrators (PFA), Cooperative Societies, Trade Unions' Dues, Association Dues, Bank Loans, and State Boards of Internal Revenue (SBIR).

Through IPPIS, the Federal Government has been able to weed out over 52,000 ghost workers from government payrolls, and many more since it started leveraging the Bank Verification Number (BVN) policy which was introduced by the Central Bank of Nigeria for all account holders in 2013.

5.3.3. Treasury Single Account (TSA)

As a concept, the Treasury Single Account (TSA) is "a unified structure of government bank accounts that gives a consolidated view of government cash resources."⁶¹ Within the context of the PFM reform agenda, it is used by countries with fragmented banking arrangements to consolidate and manage cash resources.⁶² As part of the broader goal of advancing zero tolerance for corruption and reducing the intense pressure on government's cash flows in the face of dwindling revenues and the need to meet increasing statutory and social responsibilities, the government adopted the TSA policy to unify the "structure of Government Bank Accounts, in a single account or a set of linked accounts for ALL Government payments and receipts."⁶³ Through its platform, payments are made directly into the account of the Federal Government to redress the prevalence of corruption and abuses perpetrated through manual payments and the practice of multiple bank accounts by MDAs.

⁶⁰ The MDAs were Ministries of Education, Finance, Foreign Affairs, Information, Transportation (works arm) as well as Budget Office of the Federation and the National Planning Commission.

⁶¹ Sailendra Pattanayak and Israel Fainboim (2010). Treasury Single Account: Concept, Design and Implementation Issues. Washington, DC: International Monetary Fund, p.4.

⁶² Ibid.

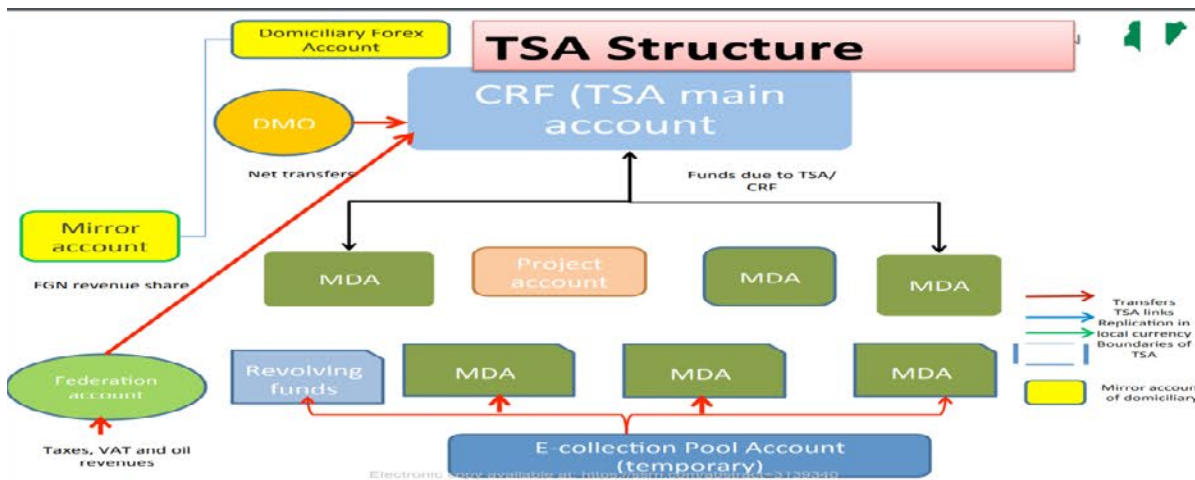
⁶³ Central Bank of Nigeria (2026). Guidelines for the Operation of Treasury Single Account (TSA) by State Government in Nigeria. Abuja: Central Bank of Nigeria, p.2. Available at: <https://www.cbn.gov.ng/out/2016/ bpsd>

An essential feature of Nigeria’s TSA practices is that government’s banking arrangement is unified. No agency of government (except NNPC Ltd and the security sector) operates outside of the central treasury, and implementation is comprehensive. In practice, TSA warehouses all government revenues, incomes and inflows in one single account maintained by the Central Bank of Nigeria (CBN) in line with the provision of Section 161(1) of the Constitution of the Federal Republic of Nigeria which states that:

The Federation shall maintain a special account to be called "the Federation Account" into which shall be paid all revenues collected by the Government of the Federation, except the proceeds from the personal income tax of the personnel of the armed forces of the Federation, the Nigeria Police Force, the Ministry or department of government charged with responsibility for Foreign Affairs and the residents of the Federal Capital Territory, Abuja.

Although a phased withdrawal of public sector funds from commercial banks was billed to start in July 2004 ahead of a bank consolidation policy that reduced the number of banks in the country⁶⁴, the real push for its implementation started in 2012, while its final implementation with threat of sanctions came in 2016. At this last phase, the government insisted that all MDAs which had accounts in various commercial banks comply with the marching orders of the CBN, with stern warnings that no government agencies should “operate ANY bank account under any guise, outside the purview and oversight of the Treasury.”⁶⁵ A payment portal – REMITA – designed by *SystemSpecs* has been in charge of the revenue collection. All payments due to government are made directly into government account through search and selection of codes created and assigned to MDAs by GIFMIS. One percent of the payment sum paid into the TSA goes to *SystemSpecs* as commission for the design and maintenance of the portal. Figure 2 shows a schematic structure of the TSA.

Figure 2: Schematic Structure of the TSA



Source: Salawu Adeku Zubairu Public Financial Management Reforms in Nigeria. A presentation at the 23rd ESAAG Annual International Conference held at the Kenyatta International Conference Centre, Nairobi, Kenya from 7-10 March 2016.

With the results of the pilot (NGN500 billion saved from reckless spending by MDAs) which started with 217 MDAs, it was not difficult for the government to appreciate its demonstrable capacity to deliver transparency and accountability in revenue generation, eliminate delays in financial transactions, and minimise leakages. Hence, government intensified full implementation of the initiative.

⁶⁴ The minimum capitalisation balance prescribed to be considered qualified to operate as a bank was N25billion. The policy prompted bank mergers and strengthened their financial base and powers to serve the country better. See Address by Charles Chukwuma Soludo, Governor of the Central Bank of Nigeria, at the Special Meeting of the Bankers’ Committee, Abuja, 6 July 2004.

⁶⁵ Op Cit, p.2.

Barring deliberate efforts to push back implementation and a few other challenges, the e-payment products have enhanced fiscal transparency and accountability, resulting in "the consolidation of more than 17,000 bank accounts previously operated by MDAs with a monthly saving of N4 billion on bank charges."⁶⁶ With the use of finance circulars, it has delineated what and how MDAs should remit funds to government, depending on the status of their funding – i.e. fully funded, partially funded or self-funded.

5.3.4. Bank Verification Number (BVN) and KnowYourCustomer (KYC) Policies

The banking sector was not left out in the PFM policy push for transparency and accountability in Nigeria. The context in which banks became conduits for moving illicit and corruptly acquired money, while playing the game of 'hear no evil, see no evil, and say no evil', underlines the focus on them. In driving the anti-corruption reforms therefore, the government established the Special Control Unit against Money Laundering (SCUML) in September 2005 in compliance with provisions of the Money Laundering (Prohibition) Act 2004, which was repealed and amended as Money Laundering (Prohibition) Act 2011 (as amended), to implement the Financial Action Task Force (FATF) recommendations on anti-money laundering and terrorism financing in Nigeria. While money laundering, especially its transnational boundary features, have been the central focus of the AML/CFT, the introduction of BVN and KYC in 2013 only expanded the dragnet of the possible sources of evidence for the Nigeria Financial Intelligence Unit (NFIU) which was initially domiciled in EFCC, but later moved to the CBN upon the passage of the NFIU Act in 2018.

The BVN and the *KnowYourCustomer* bank practices are a biometric and innovative technology policy that reinforces and consolidates interests aimed at promoting identity and proof of residential addresses of customers and financial inclusion. The policies also promoted an opportunity for the establishment of a central BVN database that is interoperable between banks. The roll out guidelines of the policies, especially the latter, pointed to the fact that they will work "in addition to the provisions of the CBN's AML/CFT Regulation 2009 (as amended)", including the transparency and accountability provisions relating to daily transaction limits by different categories of customers. The policies are jointly implemented by the deposit money banks, leveraging NFIU/SCUML and other anti-corruption agencies – EFCC and ICPC – which have unfettered access to financial records of all customers.

But despite the reforms yielded by the central coordination of the e-payment policy of Nigeria's PFM, there have been attempts to discredit it alongside the technology deployed. Some of the criticisms trailing the policy include delayed releases of money to MDAs for running costs. Some public officials have behaved in a manner that suggests that they deliberately sabotaged the e-platforms to subvert transparency and accountability and foster corruption. A typical example is the common practice in the Nigeria Immigration Service (NIS) whose online passport application platform hardly functions effectively. Frustrated applicants are often forced to pay bribes to officers for assistance. The diaspora community has been the biggest victims of this challenge. Across several diplomatic missions, applicants for the Nigerian passport have protested poor treatment by Immigration units, alleging that even when they passed the herculean hurdle of successfully applying for passports online, they are made to bribe immigration officials to do data capture and be issued passports.

⁶⁶ Abiodun Sanusi (2022). TSA saves N4bn, IPPIS uncovers 54,000 payroll scams. The Punch, 10 September. <https://punchng.com/tsa-saves-n4bn-ippis-uncovers-54000-payroll-scams/>

Also, officials of the Federal Road Safety Corps (FRSC) have frequently preyed on the 'I-don't-have-time' or 'I am-in-a-hurry' psychology of drivers accosted for traffic offences to obtain bribes and facilitate their escape from the "stress" of e-payment. Even though under a privatized regime, staff of electricity distribution companies (DisCos), are still reluctant to process electronic applications made for the supply of electricity meters in order to corruptly access the pecuniary benefits that come with disconnection of services to customers under the estimated billing arrangement.

In such circumstances, it is not out of place to say that the huge investment made on the e-payment technology by the federal government may not be fully addressing the problem of non-remittance of revenues to the Federation Account. This is evident in the revelations by the Senate Committee on Finance which put the Consolidated Revenue Fund's loss to non-remittance at N3 trillion between 2014 and 2020. In May 2021, the Chairman of the Committee, Solomon Adeola, rebuked the MDAs so accused, adding that they were operating in violation of the Fiscal Responsibility Act, 2007. He said:

From submissions already made and calculations from the Fiscal Responsibility Commission, about 60 Government-Owned Enterprises (GOEs) may have about N3 trillion of government revenue still unremitted in their coffers, or already spent on frivolous expenditure contrary to the Constitution and FRA 2007.⁶⁷

A report released in July 2022 which focuses on the revenue remittance compliance of Federal government by MDAs, using data collected from the Fiscal Responsibility, also revealed that non-remittance of revenue generating surplus as stipulated by the FRA 2007 has fuelled government revenue crisis.⁶⁸

IPPIS is understandably the most vilified of the different e-payment platforms of the Federal Government, perhaps, because it interfaces with almost all public service workers. It is alleged that it lacks effectiveness and efficiency, and is not amenable to quick error fixes. Among the complaints associated with it are erratic deductions from salaries and emoluments of workers, disruptions associated with bank mergers/acquisitions, and fears about compromised security.

There is also the issue of plain resistance and/or reluctance to change to automated processes. Some employees (i.e., military, para-military, judiciary, medical institutions and universities) have, either on constitutional grounds or on the strength of the peculiarity of the functions they perform, not seen the need to embrace payment through the IPPIS platform. A recent example was how university lecturers have been visibly vociferous and obstinate on their refusal to be paid through the IPPIS platform. They argue that while they are not opposed to the transparency and accountability policy of the government, the payment system is "uncongenial with the modus operandi of the university system, given the peculiarities of universities."⁶⁹ They thus developed and offered the University Transparency and Accountability System (UTAS) as an alternative, "insisting that UTAS mode of employment, retirement age, sabbatical leave, adjunct engagements, part-time engagements, contract engagements, and others are concepts that are unique to the university, and obviously alien to IPPIS."⁷⁰

But even amidst the debate on the offer of UTAS by ASUU as the alternative payment platform that meets the peculiarity of compensation of academics in the university system, the Minister for Communications and Digital Economy, Isa Ali Pantami, came out with the revelation that there are loopholes in the TSA, GIFMIS and IPPIS system that are being exploited to siphon government revenues. Coming on the heels of an ongoing prosecution of a sitting Accountant General of the Federation, Ahmed Idris, over an alleged money laundering and diversion of N109 billion, it would seem that the conversation about the reliance on existing e-payment tools to eradicate corruption and entrench transparency and accountability is largely unsettled.

⁶⁷ William Ukpe (2021). MDAs did not remit N3 trillion to Consolidated Revenue Fund in 6 years – Senate. Available at: <https://nairametrics.com/2021/05/10/mdas-did-not-remitted-n3-trillion-to-consolidated-revenue-fund-in-6-years-senate/>

⁶⁸ The Gi? Nigeria Project implemented by Order Paper Advocacy Ini7a7ve, Centre for Transparency and Advocacy HipCity innova7on Centre, CLICE Founda7on and the Nigeria Ins7tute of Quan7ty Surveyors. Where is the Money: A Revenue Remi0ance Compliance Index of Federal Government Ministries, Departments and Agencies (Vol. 1). Abuja.

⁶⁹ Charles Ogwo, What is IPPIS? What is UTAS? BusinessDay, 19 March 2022. Available at: <https://businessday.ng/education/ar7cle/explainer-what-is-ippis-what-is-utas/>

⁷⁰ Ibid

6. Open Disclosure Approach

Open disclosure is a concept that has gained use in contemporary governance and the development sector. In the medical field where it first gained popularity, it refers to open and frank discussions of events that result in harm or have the potential of causing harm to a patient or consumer of services while receiving care. In the governance and development sector, it is designed to ensure that citizens are proactively informed about government policies, actions and inactions with a view to improving effective relations and the social contract between the leaders and the led. Open disclosure framework in the governance and development sector stresses honesty, compassion, empathy and timeliness in policy relations with the citizens. Its relevance in the practice of transparency and accountability is located in the central role of communication in partnership development, especially when proactively practised.

Over the decades, Nigeria has initiated and promoted a number of open disclosure policies and practices aimed at strengthening transparency and accountability in governance. Among these are publications of statutory revenue disbursement to sub-national governments, extractive revenue disclosure, access to information, beneficial ownership disclosure, Open Treasury Portal and whistle blowing policy. A review of these policies and practices provides useful insights on milestones and challenges.



**OPEN DISCLOSURE
FRAMEWORK IN THE GOVERNANCE
AND DEVELOPMENT SECTOR
STRESSES HONESTY, COMPASSION,
EMPATHY AND TIMELINESS IN POLICY
RELATIONS WITH THE CITIZENS.**

6.1. Publication of Subnational Disbursement

There is a consolidated Federation Account established by Section 161(1) of the Constitution of the Federal Republic of Nigeria into which the federal government collects and disburses revenue to the three tiers of government (federal, state and local government) in line with the revenue allocation formula proposed by the Revenue Mobilisation, Allocation and Fiscal Commission (RMAFC) and approved by the National Assembly. In the most accurate, fair and transparent manner, the Federal Government, 36 state governments and the 774 local government areas, after all deductions from the first charge of the consolidated account, share the remaining revenue to reflect 52.68%, 26.72% and 20.60% respectively. The formula for sharing subnational government proportions is anchored on equal share 40% for locality, 30% for population, 10% for social development needs, 10% for land mass, 10% for terrain and 10% for internal revenue generation.

Disclosure by publication of monthly disbursement to subnational government is neither a statutory policy nor a law, but a federal government effort to empower citizens to track finances and hold their elected officials to account at that level. Over the years, the practice has been received with mixed feelings both on the demand and supply sides of governance. While the citizens see the disclosure of the monthly allocation as a healthy development that enhances their ability to follow the distribution and use of public funds, the elected officials at the subnational levels see the publication of such information as a tool for inciting the citizens against subnational officials. They claim that the published figures are different from what they actually get after debt and concurrent finances with the Federal Government (e.g., Universal Basic Education) and others would have been deducted. On their part, local government chairmen also try to absolve themselves with the allegation that State-Local Government Joint Account practices have always denied them financial autonomy over their councils' share of the Federation Account.

Notwithstanding these limitations, the disclosure of monthly allocation and disbursement by the Ministry of Finance through the Federation Account Allocation Committee (FAAC) has, no doubt, kept the public informed about the vast sum from the federation account revenue spent at the two levels (47%) of government. It has, in addition, presented the citizens with opportunities to engage with government on revenue management. Table 3 below shows data of annual allocation to local government in Nigeria from 2011-2021.

Table 3: Annual Allocation to Local Governments in Nigeria 2011-2021

Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Allocation (N trillion)	1.459	1.583	1.709	1.521	1.205	1.011	1.263	1.667	1.651	1.586	1.772

Source: Matthew T. Page & Abdul H. Wando (2022). *the Kleptocratic Capture of Local Government in Nigeria*. Washington, DC: Carnegie Endowment for International Peace

As noted earlier, state governors were never quite keenly disposed to the wide publication of subnational disbursement, often interpreting it, much like local government council chairmen, as an incitement of the citizens against them. The practice, although still done, is now limited to the FAAC page on the website of the Ministry of Finance.

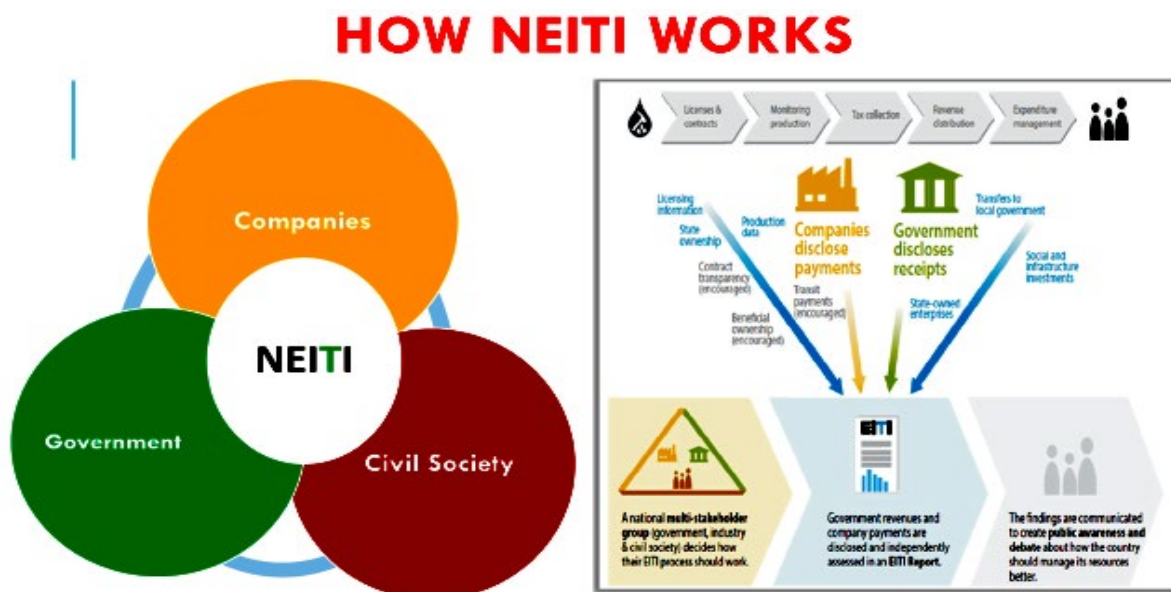
But the logical strength, or lack thereof, of the different positions taken by the different tiers of government is not as important as the fact that the practice was conceived with the intention to advance transparency and accountability in governance.

6.2. Extractive Revenue Disclosure

The push for transparency and accountability in governance in Nigeria was extended to the extractive sector when the country decided to implement the global Extractive Industries Transparency Initiative (EITI) in November 2003. The initiative was conceived to promote transparency in oil, gas and minerals governance through the public disclosure of payments by extractive companies and the receipts by government with the goal of achieving poverty reduction and human development in resource-rich countries.⁷¹ The EITI principles derives from the understanding that payments to governments by extractive companies must be disclosed, reconciled and communicated to the citizens of a country for debates and necessary remedial actions⁷² leveraging multi-stakeholders comprising governments, companies and civil society.

Premised on the anti-corruption agenda of the Obasanjo administration, the Nigeria subset of the global EITI (NEITI) was established via the inauguration of a National Stakeholder Working Group (NSWG) in February 2004 to complement other policies adopted by the administration to improve the macroeconomic environment, pursue structural reforms, strengthen public expenditure management and implement institutional and governance reforms.⁷³ Figure 3 shows an infographic representation of Nigeria’s EITI process.

Figure 3: The NEITI Process



Source: Nigeria Extractive Industries Transparency Initiative

⁷¹ Musa Abutudu & Dauda Garuba (2011). Natural Resource Governance and EITI Implementation in Nigeria. Uppsala: Nordiska Afrikainstitutet, p.9.

⁷² Dauda Garuba, Joseph Amenaghawon, Dayo Olaide & Obiageli Onuorah (2018). Extractive 101: A Basic and Comprehensive Companion. Abuja: Civil Society Legislative Advocacy Centre, p. 29.

⁷³ Ibid

In line with the NEITI Act, 2007, NEITI conducts three types of audits, namely oil and gas, solid minerals and Fiscal Allocation and Statutory Disbursement (FASD) audits. Beyond the financials which are the basic of the EITI process, NEITI audits also cover physical and process dimensions as well as the disbursement and utilisation of mineral revenues by the three-tiers of government.

Since inception, NEITI has conducted several cycles of audit covering oil and gas (1999-2020), solid minerals (2007-2020) and FASD (1999-2011). These audits and the increasing revenue disclosure which has earned Nigeria over \$740 billion from 1999-2020 and N680 billion from 2007-2020 in oil/gas and solid minerals, respectively, has understandably stoked citizens' interest in extractive sector revenue management.

Buoyed by the response to the dissemination of these audit reports, NEITI's open disclosure work would later expand into the country's policy space when it launched new products – Policy Brief, Quarterly Review, Occasional Paper and public convening – to bring diverse perspectives to debates and analyses, boost public awareness, and strengthen citizens' engagement on transparency and accountability in extractive industry governance. The new products complemented NEITI's oil/gas and solid minerals audit reports, inspiring further interest and public demand for reforms. Prominent among the reforms successfully pushed through are the Deep Offshore and Inland Basin Production Sharing Contract (Amendment) Act, 2019, the launch of Register of Beneficial Ownership Register for the extractive sector and the successful resolution of transparency and accountability issues associated with the Nigerian National Petroleum Corporation (NNPC). Across the board, the leverage that technology lent the effort was unmistakable. It is, in fact, evident in the results as well as plaudits and medals earned so far. Among these are the attainment of EITI Compliant Status in 2011, Best EITI Implementing Country 2013, Satisfactory Progress in EITI Validation and OGP's Best Beneficial Ownership Implementing Country in Oil and Gas. Its performance continues to serve as a reference for experience sharing and lessons learned by other EITI implementing countries in Africa.

The work of NEITI has opened up a sector previously renowned for opacity. NEITI's work has also resulted in the recovery of revenues in excess of \$3 billion for the country and the introduction of several reforms in the still strategic oil and gas sector.

Despite these milestones, NEITI's effectiveness is affected by delayed and/or non-implementation of recommendations as outlined in the reports and the agency's lack of enforcement powers.



**THE WORK OF
NEITI HAS OPENED UP
A SECTOR PREVIOUSLY
RENOWNED FOR OPACITY.**

6.3. Access to Information

The access to information policy was ingrained in the Freedom of Information Act, 2011 to provide for public access to and disclosure of information by public institutions. It derives from the widely shared belief that access to information is a core ingredient of transparency and accountability in governance. Free access to information was first provided by the United Nations General Assembly in 1946, shortly after the establishment of the United Nations. In the session, Resolution 49 was adopted, with Section 1 clearly affirming that freedom of information is a fundamental human right. Indeed, Article 19 of the Universal Declaration of Human Rights, adopted under UN Resolution 217 (111) in 1948 specifically itemises and portrays this as a fundamental human right including the right to freedom of expression and press freedom. This underscores the importance of free access to information as the cornerstone of sustainable development and involves the right to seek, receive, and impart information, as well as the right to access information held by public authorities (United Nations, 1999).

Apart from public hearing which is one of the procedures for the passage of a bill by the National Assembly, the FOI law enables citizens to be part of law-making, policy-making, and decision-making processes. This was the key factor that aroused the initial push by civil society for the enactment of a law that would guarantee free access to and disclosure of information beginning from the early 1990s to the early 2000s. For any democracy to thrive, there is a need to foster inclusiveness as a principle for good governance, where the citizens can participate effectively, and the government provides the means for them to participate. The drive to achieve this participation was birthed with the FOI Act.

Over the years, however, there has been a culture of secrecy in the Nigerian civil service arising from some laws that existed before the FOI Act. These included the Evidence Act, the Official Secret Act, the Federal Commissions Privileges and Immunities Act, Public Complaints Commission Act, amongst others. The Official Secret Act is the major statute, nay lifeblood of the culture of secrecy because it prohibits public officials from revealing specific types of information. Government officials normally do not release information and for some agencies, especially those with security-related service, most of the information is classified. Despite the FOI law, security institutions either prevaricate or simply do not divulge information except on specific requests which are usually done in writing. Non-disclosure of information by security institutions is often done based on confidentiality as an institutional principle.

Other government agencies that typically use the Official Secrets Act as a shield to parry scrutiny are the MDAs responsible for the management and regulation of the country's financial resources. The disclosure that occurs is often with other MDAs on a need-to-know basis. The practice of secrecy and non-disclosure contradicts section 39 (1) of the Constitution which gives every person the right to hold opinions and impart ideas and information without interference. Hence, those acts need to be amended or repealed.



2011
**THE FREEDOM OF
INFORMATION ACT
BECAME LAW.**

The FOI Act is a progressive law in the sense that it guarantees the right of citizens to access information, and imposes a duty on government officials to release such information. This is summarised in the preamble section: "An Act to make public records and information more freely available, provide for public access to public records and information, protect public records and information to the extent consistent with the public interest and the protection of personal privacy, protect serving public officers from adverse consequences of disclosing certain kinds of official information without authorisation and establish procedures for the achievement of those purposes and; for related matters". It also provides responsibilities for the parties involved in the sharing of information. Section 1 outlines the responsibilities of the person requesting information, including the right to institute proceedings in court to compel any institution that refuses to comply with the provision of the Act. Section 2 also mandates public institutions to ensure proper documentation, organisation, and maintenance of all information in its custody in a manner that will enable public access. Part of the challenges of public institutions is poor documentation or management of information despite the fact that civil service jobs provide for longevity and growth in the system.

As important as access to information is to transparency and accountability and the overall democratic governance project, the implementation of FOI has not been without its own challenges. Some of the factors that have impeded complete disclosure of information include:

The Official Secrets Act of the civil service prohibits public servants from providing information to the public. The Act was created to prevent sensitive information from reaching the public to avoid infiltrations, misinterpretations, or antagonism. However, this has led to the culture of secrecy in the civil service.

Poor documentation of information is also a major challenge among public institutions in Nigeria. Freedom of access to information or disclosure as provided in the FOI law without the availability of the information to be accessed is worthless. This also adversely affects institutional memory due to the absence of documents to back up success stories, accomplishments, staff information, etc.

Section 7 (1) of the FOI Act states "Where the government or public institution refuses to give access to a record or information applied for under this Act, or a part thereof, the institution shall state in the notice given to the applicant the grounds for the refusal, the specific provision of this Act that it relates to and that the applicant has a right to challenge the decision refusing access and have it reviewed by a Court". This poses a challenge because many institutions refuse to disclose information on the grounds of this provision. Such institutions are aware that their refusal has no implication once a written notice is given to the applicant and the applicant may not have the resources to challenge the institution's decision in court.

Most public institutions carry out manual documentation of information in libraries, office shelves, etc. This contributes to the poor access or disclosure of information because of the tedious process of finding or reaching the information needed. It also jeopardises the vitality of information – i.e. useful information will not be handy.

Over the years, many civil society organisations have worked as separate entities to monitor the implementation of FOI, using different benchmarking indices that align with their area of focus. These organisations include Public Private Development Centre (PPDC), International Centre for Investigative Reporting (ICIR), Budget, Basic Right Watch (BRW), Media Rights Agenda (MRA) and Right to Know (R2K). In pursuit of its focus on public procurement, PPDC has ranked MDAs according to the level of their public procurement. In 2009, the organisations decided to expand, complement and consolidate their collective strength to produce the Annual FOI Compliance Index. Leveraging their collective strengths, they used access to information to determine the level of MDAs' compliance to the FOI law. Table 5 presents a compilation of the top ten performing MDAs effective from PPDC-organised benchmarking exercises through the 2019 year collaborative ranking up to 2022. From the 66 MDAs ranked by PPDC in 2014, the number has since risen to 259 in 2022. The ranking methodology has three parameters, namely level of proactive disclosure, level of responsiveness to requests, and level of disclosure, all carefully coded in the traffic light colours of Red, Yellow and Green. Scoring is done on the basis of 100 points.

A cursory review of the ranking scores for 2019 shows that only six MDAs scored above 50 out of the obtainable 100 points. The MDAs in the order of their performance were Nigeria Electricity Regulatory Commission (67.50), ICRC (57.50), Nigerian Investment Promotion Council (57.50), Nigeria Press Council (53.75), National Orientation Agency (52.50) and Federal Ministry of Justice (52.50).

Table 5: Top Ten MDAs in the FOI Compliance Ranking 2014-2018

2014		2015		2016		2017		2018	
<i>MDA</i>	<i>Rank</i>	<i>MDA</i>	<i>Rank</i>	<i>MDA</i>	<i>Rank</i>	<i>MDA</i>	<i>Rank</i>	<i>MDA</i>	<i>Rank</i>
ICRC	1 st	NEPC	1 st	BPSR	1 st	BPSR	1 st	CAC	1 st
OAGF	1 st	VCN	1 st	NIC	2 nd	ICRC	2 nd	ICRC	1 st
FMoCT	3 rd	CPCN	1 st	NPenC	3 rd	ICPC	3 rd	NEITI	3 rd
FCSC	4 th	FCCN	1 st	TETFunD	4 th	NEITI	4 th	LRCN	4 th
NPlanC	5 th	NIC	1 st	NCS	5 th	NBS	5 th	BPSR	5 th
NHIS	6 th	EFCC	6 th	FMoF	5 th	FMoF	6 th	ICPC	5 th
UBEC	7 th	BPSR	7 th	ICRC	5 th	RMRDC	6 th	LAC	5 th
NSIWC	7 th	TRCN	8 th	NEITI	5 th	NERC	6 th	NHRC	5 th
FCTA	7 th	FRC	9 th	FMoBNP	5 th	FRSC	6 th	NOA	5 th
NUC	7 th	NSIWC	10 th	UBEC	5 th	LRCN	6 th	NERC	5 th

Table 6: Top Ten MDAs in the FOI Compliance Ranking 2014-2018/2019		2020		2021		2022	
MDA	Score	MDA	Score	MDA	Score	MDA	Score
NERC	67.50 1 st	BPSR	58.75 1 st	NIPC	68.50 1 st	BPSR	65.00 1 st
ICRC	57.50 2 nd	NIPC	54.00 2 nd	BPSR	60.50 2 nd	NEITI	64.00 2 nd
NIPC	57.50 2 nd	NEPC	43.50 3 rd	NOA	51.00 3 rd	DMO	58.25 3 rd
NPresC	53.75 4 th	DBN	40.75 4 th	NEPC	48.50 4 th	NOA	51.75 4 th
NOA	52.50 5 th	NCC	38.75 5 th	AIB	47.75 5 th	NIPC	50.75 5 th
FMoJ	52.50 5 th	NEITI	38.25 6 th	NERC	46.75 6 th	ICRC	50.67 6 th
NHCN	47.50 7 th	NYSC	37.25 7 th	NYSC	45.00 7 th	NCCE	50 7 th
NYSC	47.50 7 th	FMoJ	36.25 8 th	TeTFund	45.00 7 th	BPE	45.50 8 th
BPSR	46.67 9 th	PTAD	35.00 9 th	ICRC	44.50 9 th	CAC	45.50 8 th
FCC	46.67 9 th	PCC	34.00 10 th	FMoJ	42.00 10 th	NFVCB	43.33 10 th

The 2020 scores were the worst in the history of FOI ranking with only two agencies, Bureau for Public Service Reforms and Nigeria Investment Promotion Council scoring 58.75 points and 54.00 points respectively. An interview with a representative of the ranking CSOs pointed to COVID-19 pandemic as the reason. In 2021, only three agencies scored above 50 out of the possible 100 points with NIPC scoring 68.50, BPSR and NOA scoring 60.50 and 51.00 respectively. Seven MDAs – BPSR, NEITI, DMO, NOA, NIPC, ICRC, NCCE – topped the scores of the 2022 FOI Compliance Index involving 250 MDAs. Of the seven MDAs, BPSR came in highest with a score of 65.00, while National Commission for Colleges of Education scored 50.00.

Indeed, the bulk of scores obtained came by way of levels of responsiveness to requests and levels of disclosure, while levels of proactive disclosure among the ranked MDAs remain abysmal. Among the common reasons often cited by MDAs for denying access to information are claims that range from any of the following: that the information requested is already in the public domain, is injurious to national security and defence, outside of the jurisdiction covered by FOI, under oath of secrecy, under the care of other MDAs, and the subject matter of request in court. A close analysis also showed that most of the top-ten performing agencies were under the leadership of technocrats as against career civil servants, which explains the observed drop and/or instability in their performance as soon as the leaderships served out their term(s).

6.4. Beneficial Ownership Disclosure

Beneficial ownership (BO) information disclosure complements the numerous initiatives adopted by the Nigerian government to strengthen transparency and accountability in governance. It proceeds from the growing global interest to tackle corruption in corporate business, particularly its link with politically exposed persons (PEP). As a policy, it seeks "to trace criminals who hide under corporate structures to defraud countries through several guises, including undue favouritism, bribery, tax evasion, transfer (mis)pricing, money laundering and illicit financial flows.

Deriving from the Financial Action Task Force (FATF)'s principles aimed at promoting good corporate standards and practice, contemporary BO implementation stresses the establishment of a publicly accessible central register for warehousing personal information of natural persons (in real, life and blood) who own, control and benefit from the assets or contracts of a corporate entity – except for what is ordinarily withheld from public view. It is different from legal ownership, even though the two circumstances can be combined in one person.

Work on BO implementation in Nigeria leveraged three international commitments made by the country, namely:

- The Financial Action Task Force's (FATF) 40 Recommendations on Money Laundering and Financing of Terrorism;
- Requirement 2.5 of the 2019 EITI Standard which mandates EITI-implementing countries to maintain a publicly accessible register of beneficial owners of the corporate entity(ies) that bid for, operate or invest in extractive assets, including the identity(ies) of their beneficial owner(s), the level of ownership, and the details about how ownership or control is exerted/exercised; and
- The declaration to join Open Government Partnership (OGP) and the establishment of a register of beneficial owners of corporate entities doing business in Nigeria.

Nigeria pursued the BO information disclosure on all three fronts, but with a faster push via the EITI which had a January 2020 deadline. Given that natural resources were the mainstay of the country's economy, lifting the veil of secrecy on ownership of companies operating in the sector, especially oil and gas, was seen as capable of going a long way in helping to deal with the challenges of corruption in the country. Thus, the decision to start and push harder from the EITI flank, by way of volunteering to participate in the 11-country pilot commissioned by the EITI International Secretariat. Findings and lessons learned were used in identifying stakeholders with whom to collaborate and develop the roadmap that was eventually used in driving the establishment and launch of the BO register for the extractive sector in December 2019.

A broader BO register of corporate business – also referred to as Persons with Significant Control) – was later developed by the Corporate Affairs Commission (CAC). The register was officially unveiled in November 2022. To this extent, the Registrar-General of the Corporate Affairs Commission (CAC), has mandated companies to disclose their beneficial owners at the point of registration to entrench transparency and accountability as well as support the anti-corruption initiative of government. Given its relative newness, it will certainly take a while to appraise how far beneficial ownership disclosure will impact transparency and accountability in Nigeria.

However, what is certain, barring the recent development in the European Union where a court judgement nullified its compulsion, is that it has the potential to connect with similar regimes in many countries of the world. As has happened with many past policies of government, the authorities may relax and lose guard on its implementation, but there is a sense in which implementation can be pursued beyond box ticking and swearing to an oath in an affidavit to incorporate verification of BO information supplied. Capacity building—including for verification and use of disclosed information—will be a critical success factor.

BO

A broader Beneficial Ownership register of corporate business – also referred to as Persons with Significant Control, was unveiled in Nigeria in November 2022.

6.5. Open Treasury Portal

The Open Treasury Portal (www.opentreasury.gov.ng) was inaugurated in December 2019 to ensure transparency in government spending by President Muhammadu Buhari, who directed that all Ministries, Departments and Agencies (MDAs) must publish on the portal daily summary statements of financial records above five million Naira (N5,000,000). Furthermore, the portal requires monthly updates from the Accountant General of the Federation and MDAs on their respective monthly budget performance reports, and all economic activities of the agencies within seven days to the end of each month.

The Independent Corrupt Practices Commission (ICPC) has revealed that through the monitoring of the Open Treasury Portal, the ICPC succeeded in blocking the diversion of a total of N189 billion unspent surplus in personnel costs across federal government establishments between 2019 and 2020. According to the head of ICPC, the money came about through budget manipulation by government officials that normally resulted in MDAs receiving allocations and releases beyond their actual needs.

The policy is however beset with implementation challenges. While it is a policy declared by the Federal Government and the key units of government as responsible for providing the needed information, a visit to the portal reveals that not all required information are constantly uploaded and updated. For instance, not all MDAs have their daily financial records summary on the portal. Also, Afeez Anafi⁷⁴ observed that as at Monday 11 April 2022, a few days after the portal came back online, having been shut down over the preceding week, the records of the Office of the Accountant General of the Federation (OAGF) which oversees the portal, were not available. It was also reported that the Presidency, the Nigerian Army and the Nigerian Navy were among those whose financial records were off the portal as at the time of the report.

Furthermore, 'Daily Treasury Statements' of the Federal Government on the portal only contained financial records for the months of October, November and December 2018, with some daily transactions not captured, while those of 2019, 2020, 2021 and 2022 were entirely missing. As for 'Daily Payment Reports', those of the Federal Government from January to August 2018 were missing, while several other gaps also exist in the figures that are also supposed to be hosted on the portal.

From the above examples, it is evident from the existing data gaps that although the policy has been declared and the MDAs are aware of the guidelines for keeping the portal active, updated and accessible, the portal still contends with a combination of factors. These factors include non-compliance by the officials whose duty it is to compile and upload the information; technical challenges arising from limitations of equipment and facilities; and outright sabotage. There are some commendations in spite of these ills, however. A civil society actor, Damilola Ogunidipe, has lauded the Open Treasury Portal as innovative and commendable, adding that much more should be done for the initiative to fully achieve its goal of enabling public transparency and accountability. Key among such measures is the timely update of information on the portal.

Professor Bolaji Owasanoye, Chairman of the ICPC, advocates stronger measures on the part of anticorruption agencies on the preventive side of the anticorruption campaign, where unspent government funds lie fallow and surplus appropriations are not mopped up. This presents opportunities for transparency and accountability breaches, including the diversion of such funds. It is therefore necessary to increase the preventive actions of the anticorruption campaign against the background of the time-tested wisdom that prevention is better than cure. Although the portal also presents opportunities for the tracking of corruption, backing the policy with legislation would probably give it more strength and potency. Such legal backing would allow for the prosecution of erring officers and all accomplices who have been found culpable in corrupt practices or hiding government financial information.

⁷⁴ Article in Daily Trust of 11 April 2022, titled "FG Restores Open Treasury Portal, Financial Records of Presidency, Army, Navy, MDAs Missing"

Equipment and facilities required by the information and communication technology specialists for the smooth hosting, updating, access and general running of the open treasury portal should also be provided. Dedicated power supply and the bandwidth for the hosting of the websites and other technical requirements should be provided to enhance the effectiveness and integrity of the portal.

6.6. Whistleblowing

Whistleblowing is a policy instituted by the government to facilitate the voluntary reporting of undetected instances of corruption and looting of government resources. The practice, as being promoted by the Federal Government, encourages citizens to reveal information about corruption known to them and get, in return, 5% of the sum of money recovered. Although not yet backed by law, the whistleblowing practice was instituted in 2016. The practice saw the recovery of monies by the government, including the \$9,772,800 and £74,000 found in the house of former Group Managing Director of NNPC, Andrew Yakubu, in February 2017⁷⁵ and the \$43.45 million found in an apartment rented in the name of the wife of the former head of the National Intelligence Agency (NIA) in October 2017.⁷⁶ The Presidential Advisory Committee against Corruption (PACAC) reports that N594.09 billion was recovered in three years between 2017 and 2020 through the implementation of the whistleblowing policy.

According to Makonde, the whistleblowing policy is a mechanism for fighting corrupt practices but has been a subject of constant debate among stakeholders, raising varying viewpoints about its effectiveness in the recovery of looted public funds, exposure of corrupt practices and assistance to anti-graft agencies in fighting corruption in Nigeria. Okafor et al (2020) found that whistleblowing is necessary to help stop the abuse of public office and the embezzlement of public funds, thereby stemming corruption. There seems to be many reasons for the establishment and relevance of the whistleblowing practice. They include: to catch those involved in fraudulent activities, to eradicate corruption, to improve the quality or standard of living of ordinary Nigerians.

However, it appears that citizens are caught between the contradiction of participating in corruption for survival and lamenting its adverse effects on their society. Like all other transparency and accountability policies, there are also institutional barriers to effective whistleblowing. A good number of respondents are of the view that several institutional obstacles confront government agencies currently responsible for whistleblowing implementation. These barriers include a compromised judiciary, lack of adequately trained staff, poor wages, political interference by politicians, and the risk to life and limb in working for these investigative agencies arising from the absence of adequate protection for agency employees and whistleblowers. Overall, as much as it is positive, whistleblowing must be reviewed in order to checkmate abuses, victimization and false accusations. Legal backing is required to give whistleblowing the teeth it deserves to effectively function.



N594.09 BILLION

PACAC reports that N594.09 billion was recovered in three years between 2017 and 2020 through the implementation of the whistleblowing policy

⁷⁵ EFCC (2017). How EFCC Recovered \$9.8million from Yakubu, Ex-NNPC GMD. 10 February 2017. Available At: <https://www.efcc.gov.ng/news/2311-how-efcc-recovered-9-8million-from-yakubu-ex-nnpc-gmd>

⁷⁶ Idris Ibrahim (2017). \$43 million Ikoyi money: EFCC summons ex-NIA chief Oke, wife. Premium Times. 1 November. Available at: <https://www.premiumtimesng.com/news/headlines/248041-43-million-ikoyi-moneyefcc-summons-ex-nia-chief-oke-wife.html>

6.7. Open Governance

The idea of open governance emerged from a global partnership of reformers within and outside of government of nine countries⁷⁷ who met in Washington, DC in mid-2011 and agreed to seek ways of making government more open, participatory and responsive to the needs of the citizens. Eight of the nine countries consummated the Open Government Partnership (OGP) which has since grown into a partnership of 78 member countries with several subnational governments and civil society organisations that work together to co-create and implement plans aimed at improving governance and public service. Though a voluntary body, the core eligibility criteria and value check assessment for OGP membership are Fiscal Transparency, Access to Information, Public Officials Asset Disclosure, and Citizen Engagement.

Nigeria joined OGP in mid-2016 as its 70th member. The country's intention to join, as explained in a statement by the leadership of the Office of Attorney General of the Federation and Ministry of Justice (the lead and coordinating ministry of the initiative in Nigeria), was "to put back our country on the spotlight by engaging with the public and the society on transparent, accountable and participatory governance."⁷⁸

Co-creation and implementation of action plans by stakeholders across government and civil society are at the core of participation in the OGP. A lead agency coordinates and exercises oversight across participating MDAs in open government matters, while the latter are enjoined to designate both a high-level (ministerial) and working-level (senior civil servant) point of contact (PoC) "with ability to coordinate across government and serve as the day-to-day contact for the Support Unit."⁷⁹ This structure is complemented by civil society (and in Nigeria, private sector) in equal capacity. Under the arrangement, Nigeria's first National Action Plan (NAP) of 14 commitments were clustered in four thematic areas, namely: fiscal transparency, anti-corruption, access to information and citizen engagement. The commitments were implemented from January 2017 to June 2019. The second NAP of 16 commitments covering July 2019 to June 2022 has also followed the same process, but leveraging the assessment report of the first NAP to re-cluster the thematic areas into seven, namely: Fiscal transparency, Extractive transparency, Anti-corruption, Access to information, Citizen engagement, Inclusiveness and Service delivery. Tables 8 and 9 are summaries of the two successive NAPs.



⁷⁷ The countries were Brazil, India, Indonesia, Mexico, Norway, Philippines, South Africa, the United Kingdom and United States.

⁷⁸ Tobi Soniji (2016). Nigeria Becomes Member of Open Government Partnership. ThisDay, 29 July. Available at: <https://www.thisdaylive.com/index.php/2016/07/29/nigeria-becomes-member-of-open-governmentpartnership/>

⁷⁹ OGP (2022). Joining OGP. Available at: <https://www.opengovpartnership.org/process/joining-ogp/>

Table 6: Summary of Nigeria's First National Action Plan Commitments by Thematic Areas January 2017-June 2019

Fiscal Transparency	
1	Ensure more effective citizens' participation across the entire budget cycle.
2	Full implementation of Open Contracting and adoption of Open Contracting Data Standards in the public sector.
3	Work together with all stakeholders to enhance transparency in the extractive sector through a concrete set of disclosures related to payments by companies and receipts by governments on all transactions across the sector's value chain.
4	Adopt common reporting standards and the Addis Tax initiative aimed at improving the fairness, transparency, efficiency and effectiveness of the tax system.
5	Improve the ease of doing business and Nigeria's ranking on the World Bank Doing Business Index.
Anti-Corruption	
6	Establish a Public register of Beneficial Owners of Companies,
7	Establish a platform for sharing information among Law Enforcement Agencies (LEAs), Anti-Corruption Agencies (ACAs), National Security Adviser (NSA) and financial sector regulators to detect, prevent and disrupt corrupt practices.
8	Strengthen Nigeria's asset recovery legislation including nonconviction-based confiscation powers and the introduction of unexplained wealth orders.
9	Take appropriate actions to co-ordinate anti-corruption activities; improve integrity and transparency and accountability.
Access to Information	
10	Improved compliance of public institutions with the Freedom of Information Act in respect of the annual reporting obligations by public institutions and level of responses to requests.
11	Improved compliance of public institutions with the Freedom of Information Act (FOIA) with respect to the proactive disclosure provisions and stipulating mandatory publication requirements.
Citizen Engagement	
12	Develop a Permanent Dialogue Mechanism on transparency, accountability and good governance between citizens and government to facilitate a culture of openness.
13	Government-civil society to jointly review existing legislations on transparency and accountability issues and make recommendations to the National Assembly.
14	Adopt a technology-based citizens' feedback on projects and programmes across transparency and accountability.

Source: Nigeria: OGP National Action Plan (January 2017–June 2019). Abuja: OGP Nigeria Secretariat.

Table 7: Summary of Revised Second National Action Plan Commitments by Thematic Areas 2019-June 2022

Fiscal Transparency	
1	To ensure more effective citizens' participation across the entire budget cycle, including audit process.
2	Full operationalization of Open Contracting and Effective Deployment and Use of Open Contracting Data Standards (OCDS) to Meet Diverse Stakeholders Needs.
3	Improving the fairness, transparency, efficiency and effectiveness of Nigeria tax and nontax revenue systems through the adoption of common reporting standards and other key revenue initiatives (TADAT, Addis Tax initiative, Strategic Revenue Growth Initiative and Financial System Strategies 2020)
Extractive Transparency	
4	Public disclosure of extractive sector contracts, licenses, permits, payment to government and revenue stream to improve transparency, fiscal terms and positively impact public finances.
5	Work together with all stakeholders (especially women, youth and vulnerable groups) to enhance transparency in the extractive sector through full implementation of EITI Standards and audit remediations.
Anti-Corruption	
6	To establish a public register of beneficial owners of corporate entities
7	To strengthen Nigeria's asset recovery legislation including non-conviction based confiscating powers and the implementation of unexplained wealth orders
8	To take appropriate actions to implement the National Anti-Corruption Strategy
Access to Information	
9	Improved compliance of public institutions with the Freedom of Information Act (FOIA) concerning the creation, storage, organisation and management of public records and strengthening the functions and responsibilities of record management officers in Public Institutions.
10	Improved compliance of public institutions with FOIA concerning the mandatory publication provisions requirement, annual reporting obligations to the AGF and increasing the level of responses to FOI requests
Citizen Engagement	
11	To implement the Permanent Dialogue Mechanism adopted in the first National Action Plan (NAP)
12	To synergise and co-ordinate technology-based citizens' feedback on programmes and projects across transparency and accountability.
13	To create the space for citizens and citizen organisations, human right defenders and the media to thrive, express themselves and participate in the different stages of the policy making process without fear or intimidation.

Inclusiveness	
14	To Increase the voice and enhance participation of the vulnerable (Women, young people, persons with disabilities and marginalized groups), thereby addressing systemic barriers, and improving inclusive services in governance and decision-making processes.
Service Delivery	
15	Contributing to the improvement in quality of public service delivery (availability, efficiency reliability, equitable without hidden costs, transparency and accountability) in six pilot Ministries of Health, Education, Agriculture and Infrastructure (Power, Works & Housing and Transportation) through initiatives to improve the performance and results.
16	Development/enactment of legal, legislative or executive instrument

Source: OGP (2019). Nigeria Open Government Partnership National Action Plan (2019-2022). Abuja: Nigeria

A critical review of the contents of the two NAPs above indicates that Nigeria's OGP was cleverly designed to complement and advance the diverse transparency and accountability measures articulated in different initiatives already discussed in this report. This approach is also underscored in the manner in which the second NAP reinforces the first one. The implementation of the first National Action Plan published under the Independent Reporting Mechanism (IRM) by the OGP revealed that of the 14 commitments co-created and implemented together by stakeholders in Nigeria, three (i.e. ease of doing business, open budget, and reviewing open government laws) were fully implemented; nine were partially implemented, while two did not even get to take off during the implementation period. The importance attached by the Federal Government to the commitments, coupled with the recognition and hope signaled by the progress recorded during the implementation of the first NAP encouraged the co-creating stakeholders to repeat most of the commitments in the second NAP with slight tweaks to their thematic groupings. Thus, the first and the second NAPs are not only closely linked to transparency and accountability measures of fiscal transparency, extractive transparency, anti-corruption and access to information, they also closely interact with technology and innovation.

Overall, OGP implementation has enhanced Nigeria's budgeting with the processes becoming "more open, citizens-centred and participatory."⁸⁰ Deriving from this is that Nigeria was ranked among the best-improved countries for transparency in the latest global Open Budget Survey (OBS).⁸¹

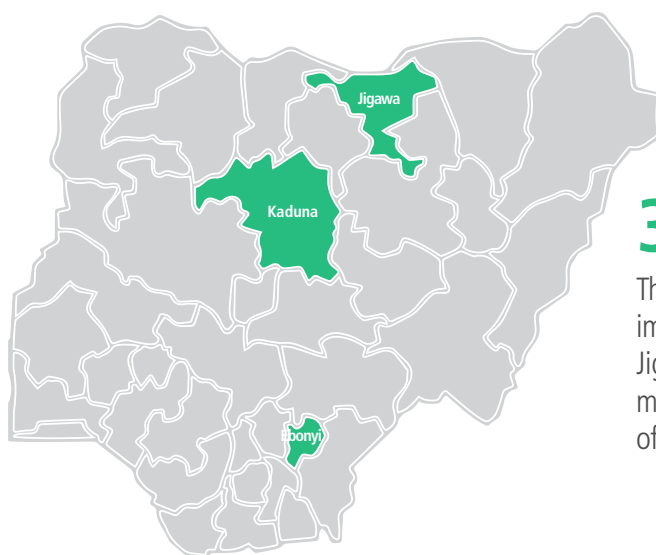
⁸⁰ Femi Adesina (2022). Buhari lists Nigeria's benefits from joining Open Government Partnership. 29 July. Available at: <https://www.premiumtimesng.com/news/more-news/545642-buhari-lists-nigerias-benefits-fromjoining-open-government-partnership.html>

⁸¹ BudgIT (2022). 2021 Open Budget Survey: Nigeria joins the league of biggest improvers among 120 countries, 14 June. Available at: <https://yourbudget.com/2021-open-budget-survey-nigeria-joins-the-league-ofbiggest-improvers-among-120-countries/w>

Also, the initiative has facilitated regular release of government data in remarkably transparent and reusable formats, including budget transparency at subnational government level. The World Bank's *States Financial Transparency, Accountability and Sustainability* (SFTAS) programme of support to Nigeria has made an immense contribution to the OGP success at, subnational level. SFTAS is a Performance for Result (PforR) programme designed to support Nigeria's effort to facilitate and encourage a common set of fiscal behaviour among subnational governments. It leverages selected actions from the Fiscal Sustainability Plan (FSP) and the Open Government Partnership (OGP) agenda aimed at improving transparency and accountability, public revenue generation, public expenditure, public financial management and sustainable debt management. There are currently 24 states implementing OGP out of which Jigawa, Kaduna and Ebonyi have made remarkable progress worthy of emulation by others.⁸²

OGP implementation has also enabled Nigeria to advance beyond being the first African country to establish Beneficial Ownership Register in the extractive industry in 2019 to passing a new law (CAMA, 2020) that, among other reforms, seeks to expand BO reporting to all sectors of the economy and redress illicit financial flows and terrorism financing, tax evasion and money laundering. The OGP Impact Award won by Nigeria in Seoul, South Korea, is a clear recognition and testimony of the stride Nigeria has made on its commitment and progress on BO transparency.

These achievements have not been devoid of challenges. More specifically, there have been limited participation of women, limited support for institutional and operational resources, and limited reporting on how civil society inputs are shaping decisions in the OGP process. While these observed challenges are already being addressed in the second NAP (as shown in the re-clustering of the thematic areas), they can still be re-echoed by recommending greater participation of women, donor support with operational and institution resources and restructuring of the OGP reporting to reflect how civil society inputs are shaping decisions and impacts of the process.



3 states

There are currently 24 states implementing OGP out of which Jigawa, Kaduna and Ebonyi have made remarkable progress worthy of emulation by others

⁸² Interview with a staff of OGP-Nigeria Secretariat, Abuja, 23 December 2022.

7. Sanctions Approach

Prosecution and asset seizure are at the core of the punitive measures that have been adopted by the government to drive transparency and accountability and push anti-corruption policy in Nigeria. Relying on anti-corruption agencies (ACAs), the government has deployed this approach to investigate and prosecute alleged offenders. While prosecution continues, prayers are also sought from the court to grant request for asset seizures, pending the determination of the case at hand. Since 2015, under the Buhari administration, the government has been forceful with the asset forfeiture push. Tables 8 and 9 show the operational statistics of ICPC and EFCC for different periods respectively.

Table 8: Statistics of ICPC on Assets Recovery

Year	Recovery (Cash & Assets) N	Petition/Investigation/Prosecution/Conviction	
2006	3,994,145,533.81	No of Petitions Received	15,129
2007	5,168,764,623.61		
2008	(64,166,678.48)		
2009	(164,121,934.12)	No of Petitions Assigned	7,389
2010	92,853,661.49		
2011	7,975,975,559.84		
2012	9,270,936,916.34	No of Petitions Fully Investigated	3,657
2013	2,828,217,645.58		
2014	141,189,049.11		
2015	695,326,741.87	No of On-going Cases in Court	304
2016	680,330,080.94		
2017	(635,700,412.32)		
2018	21,363,525,159.73	Number of Convictions in Determined Cases	93
2019	64,942,017.00		
TOTAL	51,412,217,964.40		

Source: Compiled from the ICPC website: <https://icpc.gov.ng/downloads/>

Table 9: Statistics of EFCC on Assets Recovery

YEAR	NO OF PETITIONS RECEIVED	NO INVESTIGATED	NO OF CASES FILED IN COURT	CONVICTIONS SECURED
2010	6,783	1,399	206	68
2011	7,737	2,606	417	67
2012	4,914	2,062	502	87
2013	6,089	2,883	485	117
2014	4,941	2,512	388	126
2015	5,979	2,662	462	103
2016	7,045	4,660	390	195
2017	8,251	5,662	501	189
2018	9,566	5,795	515	312
2019	12,644	8,729	1,902	1,280
TOTAL	73,948	39,970	5,767	2,544

Source: EFCC Operational Statistics (2010–2019). Available at: https://www.efcc.gov.ng/images/pdfs/EFCC_OPERATIONAL_STATISTICS_2010_2019.pdf

The EFCC statistics above, when added to the 750⁸³ and 1,220⁸⁴ figures of conviction recorded in 2020 and 2021 respectively puts the total at 5,514 convictions between 2010 and 2021. In recognition of a unified and coordinated strategy-driven approach by ACAs to transparency, accountability and anti-corruption work, the federal government created a 22-member Inter-Agency Task Team (IATT) through the support of UNDP and the World Bank.⁸⁵ The IATT is “structured to enhance coordination, information flow, experience sharing and data coordination” in a sense that addresses observed overlapping mandates and deficits of overarching strategy which have posed serious challenges to monitoring and assessment of progress.⁸⁶ The strategy of the Nigeria's Anti-Corruption approach and work plan targets prevention, public engagement, ethical re-orientation in the public and private sectors, enforcement and sanctions, and the recovery and management of the proceeds of corruption.

⁸³ Murtala Adewale (2020). EFCC secures 750 conviction in 2020. The Guardian. 10 December. Available at: <https://guardian.ng/news/efcc-secures-750-conviction-in-2020/>

⁸⁴ Kunke Sanni (2022). EFCC secured 2,220 convictions in 2021 – Spokesperson. Premium Times, 56 January. Available at: <https://www.premiumtimesng.com/news-top-news/504409-efcc-secured-2220-convictions-in-2021-spokesperson.html>

⁸⁵ Bureau for Public Service Reforms (BPSR), Bureau of Public Procurement (BPP), Central Bank on Nigeria (CBN), Code of Conduct Bureau (CCB), Corporate Affairs Commission (CAC), Economic and Financial Crimes Commission (EFCC), Federal Inland Revenue Service (FIRS), Federal Ministry of Finance (FMF), Federal Ministry of Justice (FMOJ), Fiscal Responsibility Commission (FRC), Independent Corrupt Practices and Other Related Offences Commission (ICPC), Ministry of Foreign Affairs (MFA), National Agency for the Prohibition of Trafficking in Persons & Other Related Matters (NAPTIP), National Drug Law Enforcement Agency (NDLEA), Nigeria Extractive Industries Transparency Initiative (NEITI), Nigeria Financial Intelligence Unit (NFIU), National Human Rights Commission (NHRC), The Nigeria Police Force (NPF), Office of the Auditor General for the Federation (OAuGF), Public Complaints Commission (Federal Cha), Special Control Unit against Money Laundering (SCUML) and Technical Unit on Governance and Anti-Corruption Reforms (TUGAR) [Secretariat to the IATT]

⁸⁶ TUGAR (n.d). Report of Scoping Survey on Anti-corruption Initiatives in Nigeria. Abuja: Technical Unit on Governance and Anti-corruption Reforms. Pp.8-9. Available at: <http://tugar.org.ng/wp-content/uploads/2016/01/scoping-survey.pdf>

The approach towards mainstreaming transparency and accountability as a panacea to corruption has largely vacillated between establishing more institutions and reforming existing ones.⁸⁷ The institutions created have also been bogged down by their own allegations of corruption and underhand dealings. For example, since inception in 2003, all the chief executives of the EFCC have been ousted from office under suspicious circumstances. There have also been allegations that the country's anti-corruption agencies are not well-capacitated and resourced to effectively investigate and prosecute transparency and accountability breaches and corruption cases. A classic example is the case of Chief Olabode George whose conviction for corruption-related contract was overturned by the Supreme Court because the law on the strength of which he was prosecuted did not exist at the time the offence was committed.⁸⁸ A former Chief Justice of Nigeria also had cause to admonish security agencies to be more thorough in their investigation by stating quite poetically that they should "carry out investigation-led arrests and not arrest-led investigations."⁸⁹

While there has been some improvement in the dispensation of corruption cases, largely due to the passage of the Administration of Criminal Justice Act, gaps still exist in the investigation and prosecution of cases linked to breach of transparency and accountability. Similarly, unlike in the past when high-profile cases of transparency and accountability breaches and corruption were considered novel and substantial, contemporary prosecution no longer serve as deterrence. This has made more compelling reasons to undermine public trust than there are to uphold it. Deriving from that, asset declaration has been a source of disputation over the years,⁹⁰ while a serving governor or an ex-governor investigated and prosecuted for embezzlement has less than 30% chance of conviction, and a 100% chance of a state pardon.⁹¹ The situation is no different from the legislature where a handful of legislators have been prosecuted with only very few convicted. Nobody from the bench has been convicted on charges of transparency and accountability breach(es) and corruption since 1999,⁹² despite widely reported rot in the Nigeria Corruption Index which for two consecutive years ranked the judiciary the most corrupt institution in Nigeria.⁹³

⁸⁷ Enweremadu, D. U. (2021, July 22). Civil society and the war against corruption. OpenEdition Books; IFRANigeria. Available at: <https://books.openedition.org/ifa/1674?lang=en>

⁸⁸ Tukur, S. (2013). Why Supreme Court freed Bode George. Premium Times Nigeria. Available at: <https://www.premiumtimesng.com/news/151428-supreme-court-freed-bode-george.html>

⁸⁹ Nnadozie, E and Nnochiri, I, (2015). EFCC, ICPC, others bungle crime cases - CJN. Vanguard News. Available at: <https://www.vanguardngr.com/2015/11/efcc-icpc-others-bungle-crime-cases-cjn/>

⁹⁰ <https://blogs.worldbank.org/voices/corruption-has-modernized-so-should-anticorruption-initiatives> Much ado about asset declarations of public officers. (2020, August 27). The Guardian Nigeria News - Nigeria and World News. <https://guardian.ng/opinion/much-ado-about-asset-declarations-of-public-officers/>

⁹¹ Sanni, K. (2022, August 20). SPECIAL REPORT: 11 forgotten cases of alleged corruption by former Nigerian state governors. Premium Times Nigeria. Available at: <https://www.premiumtimesng.com/news/549627-special-report-11-forgotten-cases-of-alleged-corruption-by-former-nigerian-state-governors-2.html>. According to this report, since the establishment of the EFCC it has arrested 31 Governors, secured conviction of only 7 out of the 31 arrested and none are currently in jail following the release of Joshua Dariye and Jolly Nyame by the Buhari administration.

⁹² Ibid. The writer notes that several judges have been found guilty by the National Judicial Council and/or dismissed/forcefully retired from office on allegations of corruption. No judge has gone to prison on conviction of corruption

⁹³ Nigeria's Judiciary Tops ICPC Corruption Index with \$25m Bribes. (2020, December 2). Arise News. <https://www.arise.tv/nigerias-judiciary-tops-icpc-corruption-index-with-25m-bribes/>



PART 3:

THE AGORA POLICY REPORT 4, MARCH 2023

Conclusion and Recommendations

8. Conclusion and Recommendations

8.1 Challenges and Implications for Reforms

There is enough evidence to show that various administrations in Nigeria have instituted numerous interventions to strengthen transparency and accountability in the country. Most of the interventions have been made since the return of the country to civil rule in 1999, and some of them have yielded some results and milestones. Despite the achievements, the problem of transparency and accountability remains, and corruption still thrives in the country. In point of fact, the extent of the perversion is as high and reckless as its permeation in every sector and institution, while the reported loss in monetary figures keeps climbing as much as in frequencies of occurrence. In January 2022, the National Assembly and 234 other MDAs were indicted for reckless financial expenditure (i.e. by factors of non-compliance and weak internal audit), amounting to N377.5 billion approved allocations for the execution of various capital projects under the 2019 budget.⁹⁴ The interest generated by the news is premised on the fact that, rather than be the bastion of transparency and accountability by virtue of their mandates and responsibilities, many due diligence and anti-corruption institutions have themselves become the subjects of transparency and accountability challenge and corruption. Similar situations and infractions at various levels already discussed have prompted concerns about not only the impact of the reforms, but also about the prospects of sustainability of the milestones as Nigeria prepares for a new administration.

Indeed, the implementation of the different reforms discussed above has not been without challenges. First, the reforms were conceived and anchored on the presumption that their implementation would automatically end corruption and entrench transparency and accountability. It was probably never anticipated, let alone conceived, that other intervening factors/variables could upset that flow. In other words, the assumption that transparency and accountability automatically lead to good governance did not take into account attendant challenges such as social behaviours in the forms of resistance and sabotage.



N377.5 BILLION

The National Assembly and 234 other MDAs were indicted for reckless financial expenditure (i.e. by factors of non-compliance and weak internal audit), amounting to N377.5 billion approved allocations for the execution of various capital projects under the 2019 budget.

⁹⁴ This is as reported in Bassey Udo (2022). Budget: How audit indicted NASS, 234 MDAs for financial recklessness over N377.51bn spending. Available at: <https://mediatracnet.com/budget-how-audit-indictednass-234-mdas-for-financial-recklessness-over-n377-51bn-spending/>

Also, the push for transparency and accountability in Nigeria has seen the enactment of many legislations. While the rising incidents of corruption may create the impression that there is no sure evidence that legislations alone have proved a sufficient push for transparency and accountability, their absence, half implementation and inadequacy have also proved a worse stumbling block to the realisation of the gains of their implementation. This is characteristic of the situation about asset declaration where verification of declared assets ends as a moot point. Routine audit and oversight have also been challenged because a dated audit law that leaves the Auditor General without the requisite independence and powers to sanction erring MDAs; while the absence of law sets the once popular whistleblowing policy on a declining momentum.

Technology is essential for a seamless transition to a robust and efficient fiscal transparency and accountability system. E-payment in the PFM sector and open disclosure practices across specific initiatives such as FOI, BO and OTP take a central place in the transparency and accountability reform policies of government, prompting the need for technological equipment and training on uses. However, across the board, the solutions intended with the introduction of e-payment and open disclosure technology remain challenged due to poor delivery of requisite technology and trainings, including power supply, and internet connectivity. It thus remains a key challenge in the quest to strengthen transparency and accountability system.

Down at the subnational level of government, several states have emulated the Federal Government to implement transparency and accountability reforms. However, not many have gone beyond the enactment of fiscal responsibility and public procurement laws to embrace e-payment, until very recently when some started embracing the Open Contracting commitment under the OGP implementation plan. In many states, revenue collection remains outsourced to friends, relations and political allies with agreements reached on what should be remitted to the government on a daily, weekly or monthly basis as the case may be. This practice has induced violence between revenue collectors and targeted payers. Thus, positive as the federal influence on states may seem, the relative fiscal independence of the latter constitutes a limit on how far the Federal Government can push transparency and accountability reforms on states. Thus, despite possessing financial accountability instruments such as fiscal responsibility and public procurement laws facilitated through the support of World Bank, UN institutions (UNDP and UNODC) and bilateral partners and foundations (USAID, FCDO, OSIWA, MacArthur Foundation and Ford Foundation), many states limited the implementation of the provisions in the laws to allow discretionary financial decisions and spending. Stories of prosecution and imprisonment of past state chief executives are a perfect pointer to the poor state of fiscal discipline and possible transparency and accountability breaches at subnational levels of governance in Nigeria.

In many situations, some civil society organisations which are well positioned to mobilise active citizenship on these issues are lame and denied access to basic information. Their lack of enthusiasm for PFM work lies in their weakness and subservience to political personalities, while other individuals with relevant information are challenged by fear of protection – a situation the current Whistleblowing and Whistleblower Protection Bill in the National Assembly stands to fix, if eventually passed into law.

8.2: Recommendations

Deriving from our analysis of the achievements and challenges of some of the diverse transparency and accountability measures adopted by the various governments over time, we recommend the following to make the measures more effective and to further strengthen transparency and accountability, and ultimately good governance, in the country:

A. Federal Government Only

Prioritizing legislation and legal reforms:

- **Passage of the Whistleblowing Law:** Government should push for the passage of the bill on whistleblowing with utmost diligence and urgency. The bill, when enacted, should be complemented by the deployment of electronic portals for independent and confidential reporting of infractions. Also, there should be discreet and robust mechanisms for investigating and acting on the claims.
- **Amendment of the provision of Paragraph 3(c) of the First Schedule of the Constitution of the Constitution of the Federal Republic of Nigeria is required.** The provision empowers the CCB to make assets declared to it "available for inspection by any citizen of Nigeria" only on "terms and conditions as the National Assembly may prescribe". An amendment is needed to ensure that CCB can make public details of assets declared by public officials. This will serve as a check against false declaration, and increase the transparency value of the asset declaration process.
- **Verification of declared assets to the CCB to ascertain the veracity of claims by the declarant should be considered an essential component of the quest to strengthen transparency and accountability.** Ideally, verification of declared assets should leverage complementary efforts of members of the public under a potent whistleblowing and whistleblower protection regime.
- **President Muhammadu Buhari should sign the Federal Audit Service Bill into law before he leaves office.** The bill, which was passed by the National Assembly on 29 March 2023, repeals the Audit Ordinance of 1956. The bill strengthens the operations and independence of the Office of the Auditor General of the Federation (AuGF). It aligns with the present times and with global best practices by Supreme Audit Institutions (SAI) and it enhances the utility of auditing as a powerful transparency and accountability mechanism. President Buhari refused assent to an earlier version of the bill passed by the 8th National Assembly. He should quickly assent to the 2023 version once he receives a clean copy from the 9th National Assembly. Whatever misgivings the president may have can be accommodated in subsequent amendments. President Buhari should see the law as one of his parting gifts to the country.



PRESIDENT MUHAMMADU BUHARI

should sign the Federal Audit Service Bill into law before he leaves office. The bill, which was passed by the National Assembly on 29 March 2023, repeals the Audit Ordinance of 1956.

Nudging a little more beyond legislation by Ministries, Departments and Agencies

- Motivational Factors and incentives need to get deserved priority: Beyond enacting and amending laws, the push for transparency and accountability must explore motivational factors and incentives for compliance, bearing in mind that the transaction cost for complying with the law is as important as the damage to non-compliance. This is what the experiences at CCB and OAuGF show. Thus, to make compliance with the law less expensive and more efficient, procedural and institutional reforms are necessary to minimise administrative hurdles that provide opportunities or even the attraction to breach transparency and accountability rules.
- Continuous investment in technology and training needed: As challenging as its deployment across the different intervention spaces may appear, technology remains the greatest enabler of transparency and accountability. Depending on the sophistication of the technology and the expertise of the managers, e-payment platforms are near-accurate output delivery facilities best suited for realising a well functional PFM system. This is similarly true of other technology-driven open disclosure platforms such as BO and OTP. Thus, rather than contemplate the idea of going back on technology-driven platforms such as GIFMIS, IPPIS and the rest, the focus should be on how to improve their deliveries and build capacity for more effective use to strengthen transparency and accountability.
- Capacity development should be prioritised as cross-cutting. Across the board, training is needed to improve capacity in: the CCB where verification of assets declared is needed, the OAuGF where a repeal and re-enactment of a new audit law is required, the diverse PFM and open disclosure clusters where e-payment and electronic collection and dissemination of information have become a huge issue of concern, and the punitive cluster spaces of the EFCC and ICPC where anti-corruption data are not up in record time. Capacity building to bridge gaps in technical knowledge and skills will go a long way to enhance the effectiveness of the relevant personnel in these institutions and, ultimately, strengthen transparency and accountability.
- Launch a comprehensive and well-thought-out national value reorientation programme that creatively seeks to change the dysfunctional values, attitudes, and narratives that wittingly and unwittingly enable public corruption. The impact of the current emphasis on systems and sanctions will be limited without changes in societal values.
- Undertake rigorous background checks on the boards, leaderships and staff of institutions with anti-corruption mandates and institute adequate safeguards on the exercise of oversight powers. These measures are needed to ensure that there is a symmetry between the mandates of these critical institutions and the values of those who work in and lead them, that there are measures for 'watching the watchdogs', and that the anti-corruption institutions are not undermined by the same ills that they were set up to tackle.



BEYOND OGP, the National Economic Council (NEC), chaired by the Vice President, is an appropriate place to bring subnational government into a learning process on transparency and accountability reforms.

B. Federal-State Governments' Collaboration

Prioritizing policy harmonization among the federating units by Federal Executive Council and Governors' Forum

- Notwithstanding the structure of Nigeria's federalism, policy harmonisation around transparency and accountability is still possible. Beyond demonstrable efforts in the enactment of fiscal responsibility and public procurement legislations, subnational governments, especially those currently implementing OGP, can better leverage automation to strengthen transparency and accountability. In other words, national and subnational governments should consider exploring commitments under the OGP to use technology as a major plank for strengthening governance and transforming service delivery in health, education and security. The net result will be greater value for money, better public services, improved business environment and increased public trust. Beyond OGP, the National Economic Council (NEC), chaired by the Vice President, is an appropriate place to bring subnational government into a learning process on transparency and accountability reforms. Such efforts will enable coherence and reduce the gaps that the criminally-minded often exploit to the disadvantages of society. To achieve this, negotiations should start from what is common and binding to the different tiers of government (e.g., joint tax board and income tax) across laws, to leveraging platforms and practices such as NEC, National Chart of Account (NCoA) and the World Bank-supported States Fiscal Transparency, Accountability and Sustainability (SFTAS) Performance for Result (PforR) programme.

C. Non-State Actors and Development Partners

Redefining transparency and accountability to align with insights about social habits and collective action:

- There is need to seek a sociological approach to enthroning transparency and accountability, an approach that is more nuanced, targeted and contextual. This requires a deeper analysis of the different features of transparency and accountability breaches and corruption challenges within and outside of the rubrics of official procedures and structures. This will provide a good lever for a deeper understanding of the diverse issues and different nuances on the lack of transparency and accountability in the public sector and help in designing and implementing solutions that are feasible and effective.

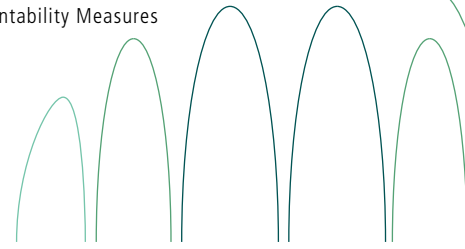
Increasing active and participatory citizenship by Civil Society and Media

- Active and participatory citizenship is a key ingredient of transparency and accountability. The greater interest shown by the civil society, media, and citizens in the work of the institutions handling the interventions reviewed in this paper provided the pointer to their shortcomings and the challenges they face. It is true that Nigeria's grim experience with military rule may have entrenched a culture of exclusion of citizens in governance. However, over two decades after the return to civil rule, it is expected that public officials would have realised the harm opacity and corruption inflict on development, especially efficient service delivery and high quality of life. More efforts are required to mainstream and sustain transparency in a sense that assesses the initiatives reviewed against the milestones and challenges discussed in this report, while appreciating new vistas created and how best to navigate and deploy solutions to attain them.



OVER TWO DECADES AFTER THE RETURN TO CIVIL RULE, IT IS EXPECTED THAT PUBLIC OFFICIALS WOULD HAVE REALISED THE HARM OPACITY AND CORRUPTION INFLICT ON DEVELOPMENT, ESPECIALLY EFFICIENT SERVICE DELIVERY AND HIGH QUALITY OF LIFE.

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About Agora Policy

Agora Policy is a Nigerian think tank and non-profit committed to finding practical solutions to urgent national challenges. We conduct policy research, facilitate frank and purposeful dialogues, and build capacity for governance, policy and advocacy.

About the IIAPP Project

The Informed, Inclusive and Accountable Public Policies (IIAPP) project is designed to achieve three things: one, to maximise the opportunity provided by the electioneering and transition periods and beyond to sustain attention on and further mainstream transparency, accountability, gender equity and social inclusion into policy and governance discourse in Nigeria; two, to generate original and credible evidence before, during and after the 2023 elections to focus the attention of the country on key policy areas and, ultimately, the adoption of sensible, inclusive and effective policies on key national challenges; and three, to deepen the capacity of state and non-state actors to undertake evidence-driven policy analysis, design, implementation and advocacy. The IIAPP is supported by the MacArthur Foundation.



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