



Access Nigeria and Access Sierra Leone 001 05-29-14

Analysis of 2014 Appropriation Bill for Anticorruption Agencies

Key Findings:

- The budget of the three agencies combined is less than half the budget of The Ministry of Niger Delta at N111bn or the N100bn allocated to National Assembly for constituency projects without details on how the funds will be spent.
- In the last 3 years, the yearly total allocations for all the anticorruption agencies is less than half of the allocation to the Niger Delta Amnesty program or the Ministry of Niger Delta.
- The 2014 EFCC capital votes are mainly administrative in nature e.g. purchase of computers, security equipment, motor vehicles and furniture and construction of office buildings gulping the largest share of capital votes at N1.2bn.

Key Recommendation:

- Government should prioritise the fight against corruption and make intervention funds like Sure-P also available to them
- civil society groups should be encouraged to monitor the implementation of allocations to these agencies to gauge effective utilisation of resources
- anticorruption agencies should be adequately funded to enable them address the magnitude of corruption in the country
- The agencies should prioritize allocations to items that would enhance their ability to fight corruption.

Access Nigeria and Access Sierra Leone

The Access Nigeria and Access Sierra Leone is an Accountable Governance for Justice and Security (AGJS) project. The project is being implemented by a consortium made up of CLEEN Foundation (Nigeria), a nongovernmental organisation that promotes public safety, security and justice; Partners for Democratic Change (United States), a global organization with over 23 years of experience at the forefront of civil society capacity building and good governance promotion; and Campaign for Good Governance Sierra Leone (CGG). Other members of the consortium are Institute for War and Peace Reporting (United States); and BudgIT Nigeria. The Consortium is aimed at building more accountable institutions in Nigeria and Sierra Leone by enhancing institutional transparency, preventing impunity and reducing transaction cost of transnational organised crime (TOC) in both countries.

Introduction

In response to the endemic corruption in Nigeria, the government in the last two decades instituted different anti-corruption agencies to deal with the problem. These agencies include the

1. Economic and Financial Crimes Commission (EFCC),
2. Independent Corrupt Practices Commission (ICPC) and the
3. Code of Conduct Bureau and Tribunal (CCB and CCT).

The performances of these agencies have largely been questioned by Nigerian citizens and international development partners. It is often observed that despite the years of investment in the activities of these bodies, corruption in the country has continued to surge. In the last few years especially since 2009 it has been one financial scam or scandal involving senior politicians and officials of government. The culture of impunity which permeates the system also gives a cause for concern. Some of those accused seemingly go unpunished and remain in government. Consequently Nigeria has continued to receive poor ranking in corruption index. In 2013, Nigeria ranked 144th out of 177 countries surveyed corruption index.

The surge in corruption cases in the country has been linked to lack of political will by successive governments to deal with the challenge. Institutions responsible for tackling the issues have practically been comatose. The anti-corruption agencies are set up by and dependent on government for funding, they are not autonomous, sometimes lack the will to investigate public officials whom they perceive to be powerful.

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Part of the challenges faced by the Anti corruption agencies include poor funding and There lack of the necessary expertise, tools and equipment to effectively carry out their mandates.

Objective of Analysis

- To gauge the effectiveness of the 2014 Appropriation Bill in empowering the Anti Corruption agencies to carry out their mandates.
- To assess the commitment of government to fighting corruption in the country.

Mandate of Anticorruption Agencies in Nigeria

Established by the **Economic and Financial Crimes Commission (EFCC)** Act in 2004, the EFCC's mandate is to prevent, investigate, prosecute and penalise economic and financial crimes. It is also expected to enforce the provision of laws and regulations relating to economic and financial crimes.

The **Independent Corrupt Practices Commission (ICPC)** was set up by an Act in 2000 and its mandate includes the following:

- To receive and investigate reports of corruption and in appropriate cases prosecute the offender[s].
- To examine, review and enforce the correction of corruption prone systems and procedures of public bodies, with a view to eliminating corruption in public life.
- Educating and enlightening the public on and against corruption and related offences with a view to enlisting and fostering public support for the fight against corruption.

The Code of Conduct Bureau and Tribunal (CCB&T) Act of 1990 confers on the bureau the mandate to establish and maintain a high standard of public morality in the conduct of government business and to ensure that the actions and behaviour of public officers conform to the highest standards of public morality and accountability.

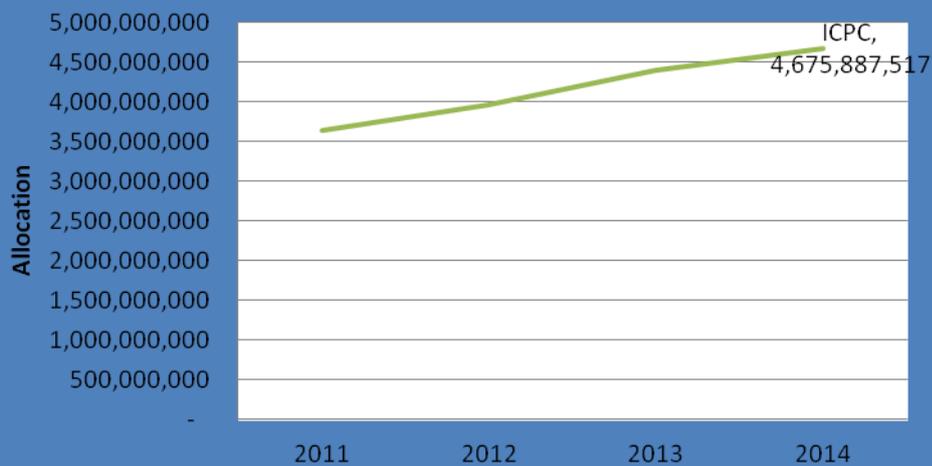
Funding Trend Analysis of Anticorruption Agencies

The graphs below show allocations to the various anticorruption agencies from 2011 to 2014. The funding pattern reveals a regression in public funding to these agencies. With the increase in the trends of corruption in the country, it would have been expected that the funding of these agencies would improve over time rather than decline, as the case is presently.

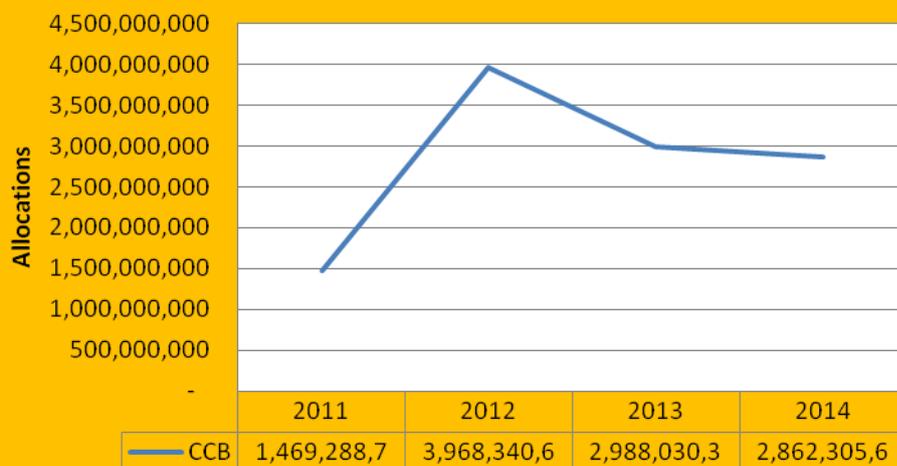
EFCC Funding Trend



ICPC Funding Trend

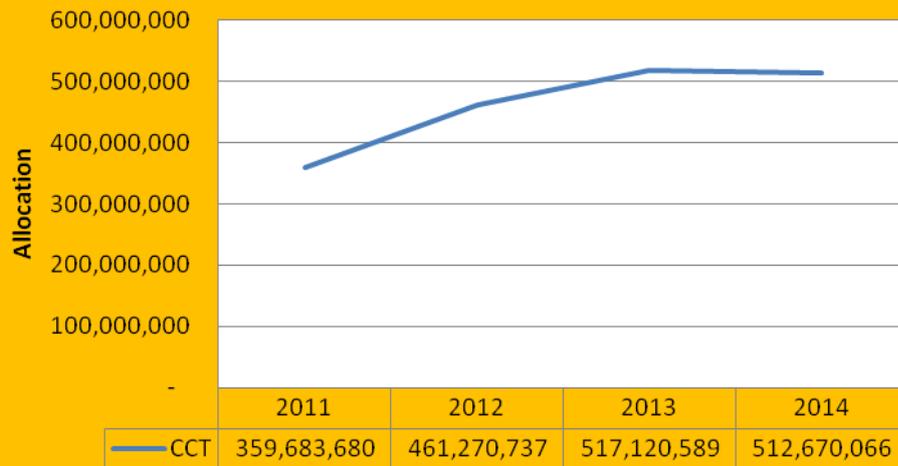


CCB Funding Trend



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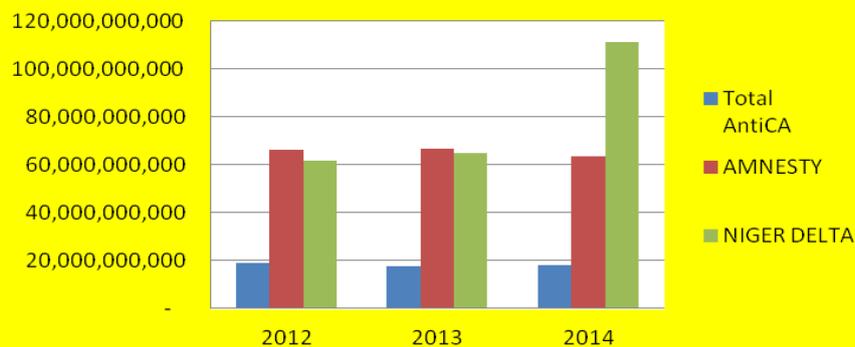
CCT Funding Trend



Analysis of the allocation of the Anticorruption agencies compared to other agencies:

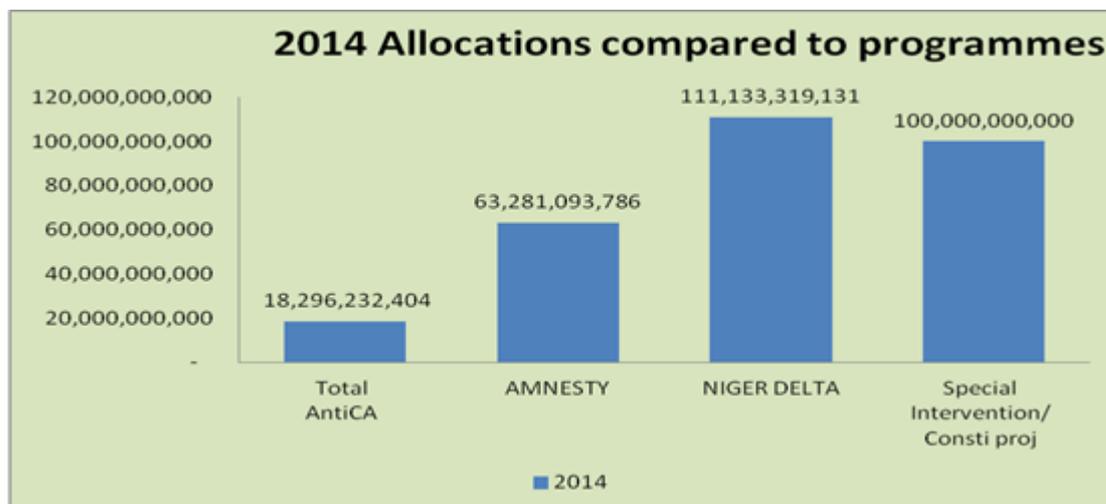
In the last 3 years the yearly total allocations for all the anticorruption agencies is less than half of the allocation to the Niger Delta Amnesty program¹ or the Ministry of Niger Delta.

Comparing Allocations with other Agencies



The budget of the three agencies combined is less than half the budget of The Ministry of Niger Delta at N111bn or the N100bn allocated to National Assembly for constituency projects without details on how the funds will be spent.

¹ The Niger Delta Amnesty programme was established in 2009 by late president Musa Yar'Adua. It is aimed at transforming and reintegrating ex-militants of the Niger Delta through nonviolence training and equipping them with Vocational skills



While most agencies suffer from inadequate funding, there are indications that some allocations are wasteful.

Analysis of 2014 Budget Allocations to Anticorruption Agencies

The budget formulation process in Nigeria typically follows four stages: Formulation and Preparation, Legislative Approval, Implementation, Monitoring and Evaluation (including Audit).

The timing of the budget process begins midway in the preceding year with a call circular to Ministries, Departments and Agencies (MDAs) to send in budget proposals. By October, a draft bill is prepared by the Federal Ministry of Finance

(FMoF) and sent to the National Assembly (NASS) by the President.

	Recurrent	Capital	Total
ICPC	4,542,989,874	132,897,643	4,675,887,517
CCB	1,856,158,560	1,006,147,091	2,862,305,651
CCT	460,229,424	52,440,642	512,670,066
EFCC	8,838,694,493	1,406,674,677	10,245,369,170
Agencies Total	15,698,072,351	2,598,160,053.00	18,296,232,404

Source: Extract from 2014 FGN appropriation bill

The National assembly should ideally approve the Bill before the end of December and the President signs it into law in January. This has rarely been the practice as the approval process suffers major delays due to contentions between the Executive and the Legislative arm.

Although this is expected in a democracy however the situation far exceeds the norm thus impacting negatively on the timely release of the enacted budget. For instance the 2008 budget was approved in mid-April, approvals for 2010 and 2011 budgets were around March and in 2012 the budget approval was in mid-April, while in 2013 an amended budget was signed in to law in July. The 2014 Appropriation Budget was signed on 21st May.

The share of the total budget of all the four anticorruption agencies reviewed –ICPC, CCB, CCT and EFCC sums up to N18.2bn. The allocation to the agencies is seemingly inadequate compared to enormity of the corruption

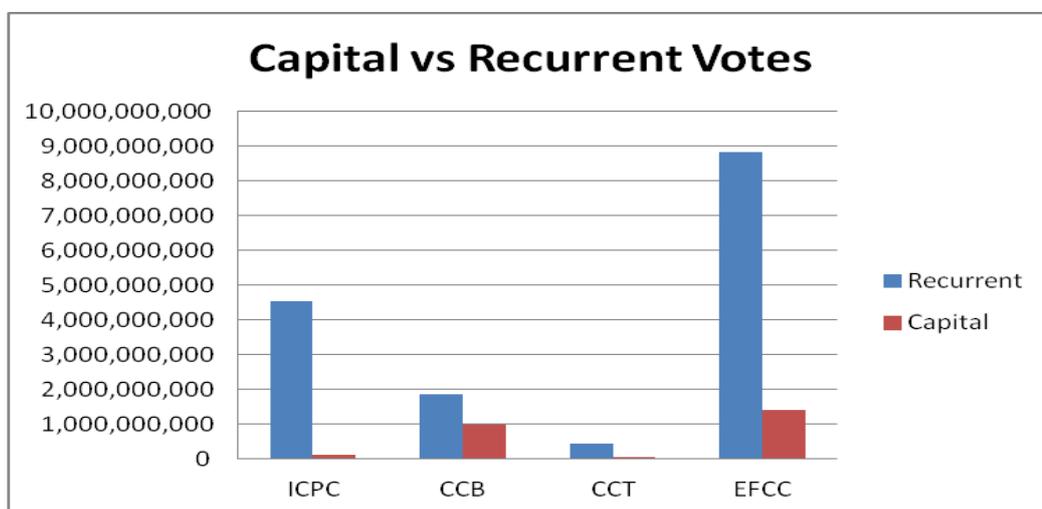
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and the work that the agencies need to carry out within the country. With approximately 3million² public service workers, the per capita budget expenditure assuming the entire budget of all the agencies were directed to fight corruption would amount to N6,000. This is a huge reflection of the level of underfunding of anti-corruption agencies and reinforced the increasing perception that the government is not committed to the fight against corruption.

Capital and Recurrent Votes of Anticorruption Agencies

The entire capital budget of the three agencies amounts to N2.5b, about the same amount allocated to the Ministry of information (N2b) from SURE –P funds³ to carry out publicity on Sure - P activities.

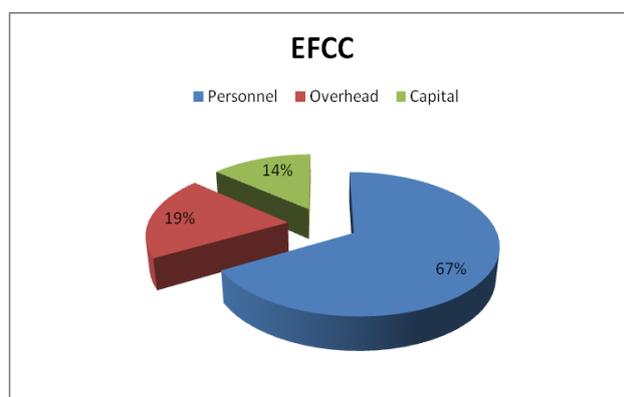
Substantial parts of the allocations to these agencies are for recurrent expenditure, particularly personnel salaries and emolument. As a result most of the agencies have little or no resources for operational work.



EFCC

EFCC will spend 14% of its budget on Capital, 19% on overhead and 67% on Personnel. Under the classification of Overheads, Legal services get the highest votes of N198.5m followed by security votes of N177m while publicity and advertisement is allocated N128m the same as the cost of fuelling their generators.

It is not clear how many corruption cases can be handled with a paltry sum N198.5m, when some of the financial scams run in billions of Naira, this is



² <http://el-rufai.org/reforming-our-dysfunctional-public-service>

³ Sure-P is a government programme on employment generation. The programme is funded by savings of the partial removal of subsidy on Petroleum products on 2012

possibly the reason these agencies take the easiest way of plea bargains.

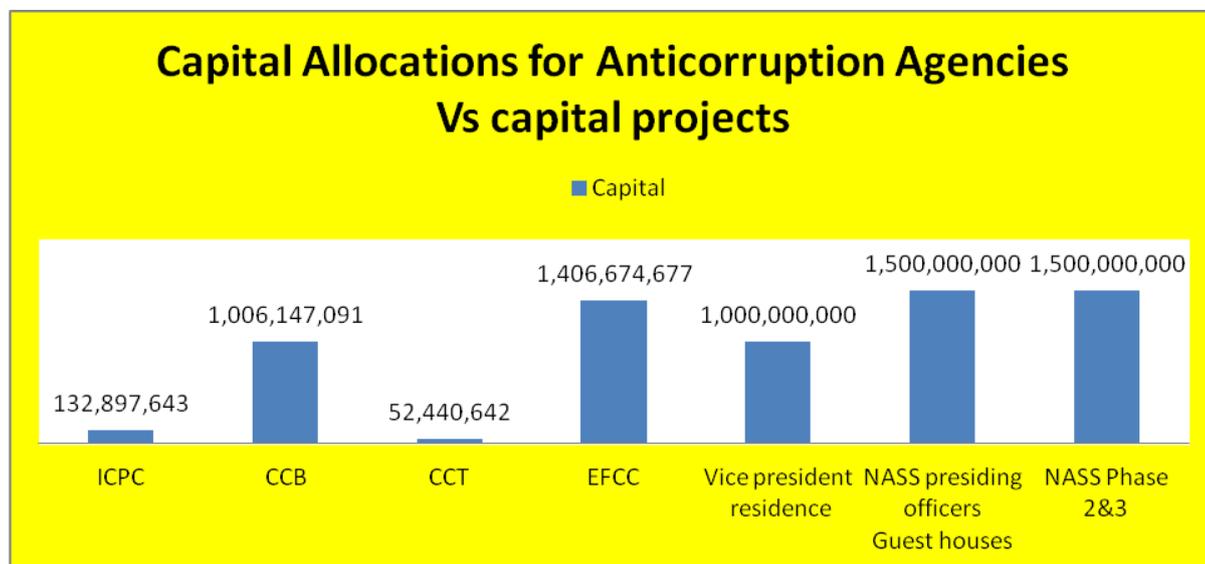
However a peep into the Ribadu years reveal that in 2009, EFCC's budget was N26b, while capital votes was N10.3b, then publicity got as much as N500m! 5 years later EFFC's budget has reduced by more than a half.

The 2014 EFCC capital votes are mainly administrative in nature e.g. purchase of computers, security equipment, motor vehicles and furniture and construction of office buildings gulping the largest share of capital votes at N1.2bn.

The budget details does not provide for special facilities and programmes directed at the fight against corruption.

ICPC

For ICPC, recurrent costs takes 97% of its meagre budget of about 4.5bn. However 3 projects within the Federal Capital Territory Development Authority is equivalent to ICPC's entire one year budget (for instance, construction of Vice President's residence at N1bn, NASS presiding officers guest house at N1.5bn and Construction of NASS complex at another 1.5bn).



ICPC allocations are traditionally skewed as any other ministry. For instance, the agency is expected to use its entire capital budget for the year to purchase office building at N122m while purchase of security equipment gets N10m, training gets N48m and publicity gets N90m.

It's obvious with this budget that ICPC can only perform its mandate on publicity. The task of prevention, investigation and prosecution of offenders will be very difficult on the current funding arrangement.

Code of Conduct Bureau and Code of Conduct Tribunal

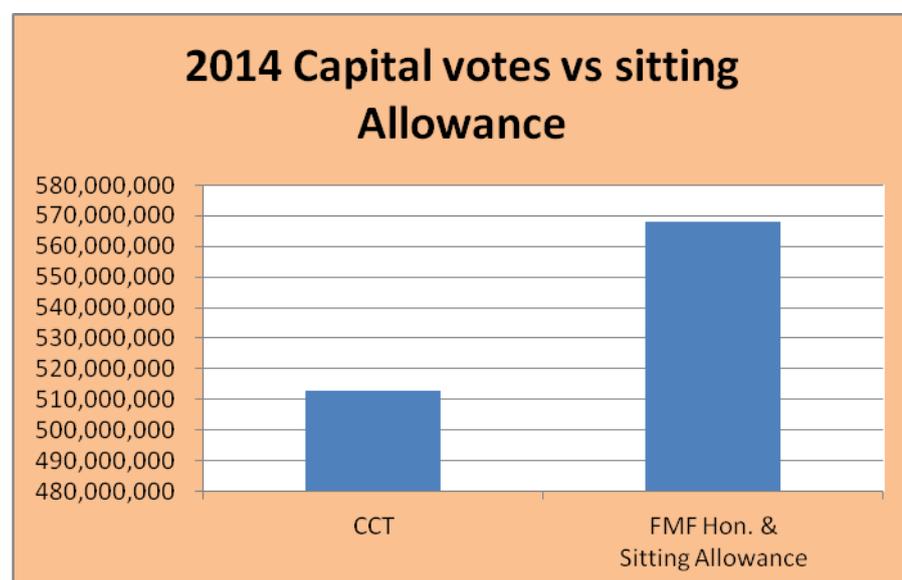
Reports from the CCB have always cited inadequate funds to properly execute their mandate. The agency lacks the resources and capacity to verify declaration made by public officers. It is even worse when they are expected to investigate cases and prosecute offenders.

Despite this, 35% of CCB's budget will be expended on capital projects while 65% will be for recurrent. Allocations within the capital budget that support CCB delivery are mainly public enlightenment at N120m in the 36 states and FCT, capturing of completed asset declaration forms at N70m. As with virtually all the MDAs, there are allocations for office buildings, purchase of library books etc. Of interest also is N230m voted for

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monitoring, if shared among the 36 states and FCT evenly each state will have a little above N6m. This amount may not effectively support development of Monitoring and Evaluation systems as well as logistics of the process.

For the Code of Conduct Tribunal, its entire budget of N512m is less than the N568m the Ministry of Finance HQ will spend on honorarium and sitting allowances in 2014.



Conclusion

The allocations to anticorruption agencies are mainly used for salaries and overheads of public servants while items that would assist agencies to meet their mandate are negligible.

The present allocations to the anticorruption agencies cannot address the magnitude of corruption in the country. The agencies are challenged by the enormity of cases and the daring nature of some of the cases.

Relying on donors and bilateral collaborations to support programs aimed at fighting corruption shows government insincerity in addressing the problem. If the government wants to tackle corruption then it must be seen to be allocating adequate resources to the agencies responsible for tackling corruption.

Recommendations

- Corruption is endemic and can be likened to an epidemic thus the government of Nigeria should prioritize these agencies and make intervention funds like Sure –P also available to them.
- Anticorruption agencies should be funded adequately to enable them to address the magnitude of corruption in the country.
- Civil Groups should be encouraged to monitor the implementation of allocations to these agencies to gauge effective utilisation of resources.
- The agencies should prioritize allocations to items that would enhance their ability to fight corruption rather than following the path of traditional ministries that vote large amounts for sitting allowances, maintenance etc

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- Although collaboration with international Development Partners is welcome, as they help to build the capacity of these agencies, it is important that government continues to play the lead role and demonstrates political will to end the problem.