

Anti-Corruption Reforms

The Problem

In 2007 the Transparency International Corruption Perception Index (CPI) ranked Nigeria as the 32nd most corrupt of 147 countries assessed. This was an improvement from its respective 2005 and 2006 rankings as the 3rd and 17th most corrupt of 146 countries. This improvement was credited to the activities of anti-corruption institutions such as the Economic and Financial Crimes Commission (EFCC), the Independent Corrupt Practices and Other Related Offences Commission (ICPC), and the National Extractive Industries Transparency Initiative (NEITI). In spite of these efforts, the level of corruption is significantly high and remains a great challenge.

The debilitating effect of pervasive corruption adversely affects national and human capacity development, as well as the standard of living and quality of life. All sectors of the economy and facets of life are weakened by its ramifications, some of which include widespread poverty, unemployment, decay of infrastructure, deplorable level of essential service delivery of education, health, and housing. Corruption has also reduced government revenue, acted as disincentive to investment, and eroded the moral fabric of the society. These are serious negative consequences that have retarded the development of the nation.

Reform Actions

Although Nigeria has had anti-corruption laws dating back to 1944 with the enactment of the criminal code, a lot of measures have been adopted to curb corruption since 1999 and these include:

1. The Corrupt Practices and Other Related Offences Act 2000 which established the Independent Corrupt Practices and Other Related Offences Commission (ICPC) was mandated to prohibit and prescribe punishment for corrupt practices and other related offences which “includes bribery, fraud and other related offences”

Under the provisions of Section 6 (a-f) of the Act, the Commission three-pronged approach to fighting corruption are in three areas: Enforcement, Prevention and Education:

- To receive and investigate reports of the conspiracy to commit, attempts to commit or the commission of offences under this Act and, in appropriate cases; prosecute offenders (Enforcement)
 - To examine and review corruption-prone systems and procedures of public bodies; as well as assist, advice and instruct and officer, agency or parastatal on ways to eliminate or minimise corruption (Prevention)
 - To educate the public on and against bribery, corruption and related offences; as well as enlist and foster public support in the fight against corruption (Enlightenment and Mobilisation)
2. *The establishment of the Economic and Financial Crimes Commission (EFCC) in 2002.* The EFCC was set up to lead the fight against financial and economic crimes in Nigeria, which includes coordinating the domestic effort of the global fight against money laundering and terrorist financing. In addition to enforcing the provisions of its own laws, the EFCC was empowered to enforce the provisions of other laws dealing

with economic and financial crimes, including those that were in place before its creation such as:

- a. The Banks and other Financial Institutions Act, 1991
 - b. The Failed Banks (Recovery of Debts) and Financial Malpractices in Banks Act, 1994
 - c. The Money Laundering Act, 1995
 - d. The Miscellaneous Offences Act, 2004 (Federal Government of Nigeria, 2004a)
 - e. The Money Laundering (Prohibition) Act, 2004 (Federal Government of Nigeria, 2004b)³ now The Money Laundering (Prohibition) (Amended) Act 2012
 - f. The Advance Fee Fraud and Other Fraud Related Offences Act, 2006
 - g. Any other law or regulation relating to economic and financial crimes, including the Criminal Code and the Penal Code
3. *The setting up of the Nigerian Financial Intelligence Unit (NFIU)*: This is an autonomous Unit in the EFCC which, *inter alia*: (a) receives and collects currency transaction reports, suspicious transaction reports, and other information relevant to the laundering and terrorist financing activities from financial institutions and designated and non-financial institution; (b) receives reports on cross border movement of currency and mandatory institutions; (c) analyses and assesses the information and reports received; and (d) maintains a comprehensive financial intelligence database for information collection and exchange with counterpart FIUs and law enforcement agencies around the world.
 4. *The establishment of the Nigerian Extractive Industries Transparency Initiative (NEITI)*: This was inaugurated in February 2004 and was mandated by its Act, the Nigeria Extractive Industries Transparency Initiative Act 2007, to promote due process and transparency in extractive industries.
 5. *Bureau for Public Procurement (BPP)*: This bureau was established in 2007 to restore and maintain due process in the award and execution of federal government contracts. BPP is the regulatory authority responsible for the monitoring and oversight of public procurement and harmonising the existing government policies and practices by regulating, setting standards, and developing the legal framework and professional capacity for public procurement in Nigeria.
 6. *The establishment of the Code of Conduct Bureau (CCB)*: This was set up in 1979 to 'establish and maintain a high standard of 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'.
 7. *Enactment of the Freedom of Information Act*: This Act was enacted in 2011 to make public records and information freely available; provide public access to public records and information; protect public records and information to the extent consistent with public interest and 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; and for related matters.
 8. *Enactment of the Pension Reform Act (2004)*: This Act led to the implementation of the contributory pension system that replaced the old scheme that was bedevilled by

³ It is key to note here that money laundering offences are no longer the exclusive preserve of the EFCC by virtue of the Money Laundering Act 2011. Other law enforcement agencies such as the ICPC can prosecute offences of money laundering

corruption and the ghost workers' syndrome and related fraud within the pension scheme.

9. *Fertiliser Management Reforms*: This has significantly reduced corruption and rent seeking in fertiliser distribution. Currently fertiliser access is reported to be 94%, a significant improvement from 11% prior to the reform.
10. *The inauguration of the Committee on Verification and Reconciliation of Fuel Subsidy Payments in 2012*: This led to discovery of a number of transactions where documents and records were falsified to obscure the fact that petrol was neither discharged into on-shore tanks nor sold in Nigeria.
11. *The inauguration of the Presidential Committee on Ports Monitoring (Port Reform) 2011*. This committee was tasked with monitoring all presidential directives on port reform, identifying key issues affecting Nigerian ports, identifying the cause(s) of persistent bottlenecks despite previous efforts, ensuring a competitive environment in the ports, identifying and minimising the risk to potential investors as well operators, among others, and the establishing a 48 hours' clearance of goods procedure in all ports in the country.

Main Achievements

Existence of Enabling Laws: Nigeria now has enabling laws, policies, and programmes aimed at addressing corruption, including EFCC, ICPC, BPP, NFIU, NEITI, and FOIA. While these commissions/agencies are not eliminating corruption, they are nonetheless a prerequisite to addressing corruption.

Collaboration of anti-corruption bodies with non-state organisations to fight corruption: Various anti-corruption bodies work together, share information, and engage with non-state actors such as media and the civil society organisations. For instance, the EFCC has an ANCOR programme through which it collaborates with civil society organisations and media to fight corruption. Technical Unit on Governance and Anti-Corruption Reforms (TUGAR) is the federal government's dedicated monitoring and evaluation unit of anti-corruption initiatives that works with civil society organisations to generate and disseminate data on corruption related issues in Nigeria. The ICPC also partners with non-state organisations through programmes like:

- **National Anti-Corruption Volunteer Corps (NAVC)** with over 120,000 volunteers across the nation who serve as foot soldiers in the anti-corruption crusade;
- **National Anti-Corruption Coalition (NACC)** with 298 registered Civil Societies in the anti-corruption crusade.
- **Anti-corruption clubs** in 442 secondary and primary schools
- **Anti-corruption Vanguard**s in universities and other tertiary institutions.
- **The National Values Curriculum** designed to teach Civics and Ethics as core subjects in primary and secondary schools.
- ICPC Intervention **through** several social media platforms utilising twitter, facebook, BBM, YouTube and toll-free gsm lines to collaborate with the citizenry and non-state organizations.
- **Integrity First Initiative (IFI)** is an initiative aimed at infusing integrity into the business community. Business enterprises are invited for screening on integrity based issues and upon satisfaction of compliance, enlisted as integrity first

organizations. This is done on a continuous basis to ensure that enlisted organizations are true to their status at all times.

- **NYSC/ICPC Anti-Corruption Community Development Service:** This programme was inaugurated in September 2002 and has continued till date. It involves the delivery of anti-corruption lectures at NYSC orientation camps throughout the country during each campaign season. The effort has led to the formation of NYSC Anti-Corruption Community Development (CD) groups among NYSC members during the service. The Commission has produced and made available Integrity Guide for National Youth Service Corps members nationwide.
- **Chairman's Guest Forum:** This is a forum where society stalwarts that have distinguished themselves in their various vocations, particularly in curbing corruption, are invited to share their experiences with select members of the public in attendance. Three of such fora have held to date.
- **Chairman's Governor's Forum:** Similar to the Guest Forum, this is aimed at State Governors that have performed creditably well on issues bothering on transparency and accountability in respective states. Four state Governors, each at different times have participated in this forum.
- **Local Government Integrity Initiative/Local government Training:** This platform is targeted at Local Government Officials and is aimed at institutionalizing integrity in local government administration. Thirteen runs of training sessions have taken place across 32 states as at 2013 covering five hundred and fourteen (514) Local Government Areas.
- **Legislative Conferences:** the fight against corruption has been taken to the legislative arm of government through National Conferences on topical issues on the basis geo-political zones. Thirty (30) of such conferences have held in thirty (30) different venues with impressive attendance and participation.
- **Religious Leaders' Workshops:** as the name suggests, leaders of the two major religions are the target for this initiative. Eight (8) workshops have held in eight (8) States.

The Ministry of Agriculture's Growth Enhancement Scheme (GES): Under the Growth Enhancement Scheme, the Ministry works with farmers and provides seedlings and fertilisers directly to them across the country. This has significantly reduced fertiliser scam and corruption in the agricultural sector and has been widely commended as an effective policy.

Ongoing Related Reforms: Several reforms are ongoing as enumerated above. Though the level of success is currently slim, these reforms are avenues for other interested parties to constructively engage the federal government and advocate laws, programmes, and policies for addressing the problem of corruption.

Specific achievements of the anti-corruption institutions:

1. **ICPC:**

- As at August 2014, the Commission had filed 365 cases, charged to court 691 persons and secured several convictions. In 2013, the Commission published a maiden edition of the ICPC Law Report which contains many of the convictions secured by ICPC. The second edition of the ICPC Law Report is ready (will be delivered by the publishers very soon);
- The Commission's investigations are specifically targeted at ensuring quick-wins in the areas of education, health, recruitment, pension administration, tax, Local Government

- and lands Administration, ports administration, contract awards, visa and internet scams involving forgeries of official documents, etc;
- Apart from non-investigation based System reviews these investigations have also triggered review of processes that aid corruption. Two hundred and eight (208) Ministries, Departments and Agencies have been reviewed thereby eliminating or highly reducing incidents of corruption and loss of government funds and assets. For example the System Study of the National Pension Commission (PENCOM) was most beneficial as this led to the remitting of N34.5billion out of N107billion lying fallow into 97,842 Retirement Savings Accounts of employees of 226 MDAs in 2012;
 - ICPC has stepped up the tracing, monitoring and seizures of assets (cash, estates, vehicles, etc.) of public and civil servants which were not in consonance with their earnings or circumstances in life;
 - A comprehensive Universities' System Studies and Review (USSR) is ongoing in collaboration with the National Universities Commission (NUC) and the Tertiary Education Trust Fund (TETFund) to reduce or eliminate corruption-processes;
 - A major outcome of the USSR has been ICPC's closure of 21 illegal degree mills across the country and the arrest and prosecution of their proprietors. The integrity of academic degrees and certification from institutions in Nigeria, especially in the international community has improved tremendously.
2. **EFCC:** The EFCC is reported to have investigated over 12,000 cases, recovered more than US\$4billion (₦560 billion) assets, and confiscated several landed properties, private jets, oil tankers, and exotic automobiles. The Commission's development and deployment of 'Eagle Claw' software has improved the results in the fight against cyber crimes in Nigeria. 1200scam email addresses and websites have been shut down, while 18 suspected syndicated leaders have been arrested and s tried.
 3. **NFIU:** This Unit is credited to have:
 - a. Contributed to the country's removal from the list of Non Cooperating Countries and Territories in June, 2006
 - b. Progressed from observer to full member status in Egmont Group by the first quarter of 2007
 - c. Promoted enhanced quality of Suspicious Transaction Reports (STRs) submitted by reporting entities
 - d. Implemented online reporting systems for STRs and Cash Transaction Reports (CTRs)
 - e. Achieved increased awareness of FIU activities within designated non-financial institutions
 - f. Contributed to the seamless exchange of intelligence information with FIUs worldwide
 - g. Contributed to increased number of Money Laundering/Terrorist Financing Investigations and prosecutions through quality intelligence
 4. **NEITI:** This initiative is credited with implementing the financial, physical, and process audits of Nigeria's petroleum industry from 1999 to 2004. This was the first comprehensive audit of this strategic industry since the country's oil discovery in 1956.
 5. **Freedom of Information Act (FOIA):** The enactment of the Freedom of Information Act is a laudable achievement.

Sectoral Anti-Corruption Reforms

Pension Reforms:

The government outlined its successes with this reform to include:

8. Recovery and saving of over ₦225 billion from two pension offices
9. Discovery of over ₦2.7 billion fraud by the Nigeria Union of Pensioners
10. Seizure of about 200 properties including choice hotels and cash worth billions of Naira from corrupt public officials,⁴ amongst other highlights by the government.

Fertiliser Reforms:

As at 2013, fertiliser access was reported to be 94%, which is a significant improvement from 11% prior to the reform.

Key Challenges (General)

1. The perceived increase in impunity across the country indicates that individuals and groups believe they can get away with engaging in corrupt practices. Although the long delay in prosecution and conviction is considered as a judicial issue in some quarters, prosecuting agencies should review their approach to evolve a process that is liable to quicken the pace of convictions.
2. Some of the anti-corruption agencies lack required resources to achieve their mandate. Recently the EFCC publicly claimed that it is seriously cash-strapped. This lack of resources could undermine the operational activities of anti-corruption agencies at a time when the war against corruption is heightened.
3. A large proportion of the public have remained cynical about government efforts at addressing corruption. The present reforms are perceived as approaching the eradication of corruption as an end in itself, rather than as a means to quality life. The increase in access to fertilisers, for instance, should encourage more young people to return to rural community to join farming. This is not the case as other necessary factors are not in place, including adequate access equipment to boost new farmers' interests.
4. The adherence of some anti-corruption agencies to dated and non-holistic methods to combat corruption remains an issue.
5. The poor monitoring of the anti-corruption agencies creates a challenge in ascertaining their effectiveness at eradicating corruption.

Key Challenges (Institutional/Specific)

ICPC:

ICPC and its Anti-Corruption Units' effectiveness are limited by terms spelt out in its Act. Examples of such terms are stated below:

1. Section 27 of ICPC or Corrupt Practices and other related offences Act 2000, 'the ICPC can only investigate information or petitions that it receives in writing. Where information or petition is made orally, it should be reduced into writing and endorsed by the petitioner before the ICPC can investigate it.' This has been interpreted by the ICPC to mean that it cannot proactively initiate investigations and has to wait for written petition. Therefore, even where there are grounds to believe that a breach of the Acts has occurred, the ICPC will not act on an issue until a written petition is received even when

there are grounds to believe a breach of the Act has occurred. The Commission has proposed an amendment of CPA 2000 granting it explicit powers to initiate investigations but the proposal has been pending since 2003.

2. CPA, in spite of its extensive remit and powers, is focused on public sector corruption. Its remit does not explicitly cover financial crimes such as bank fraud, money laundering, and obtaining funds or property under false pretences. However, section 6 of the ICPC Act 2000 provides that the Commission can prosecute offences created under the Act or any other law prohibiting corruption which in some instances include the Money Laundering Act, Advance Fee Fraud and other Related offences Act etc.
3. The ICPC's Act only covers crime committed since the Act was enacted and cannot be applied retroactively.
4. ICPC cases are subject to interlocutory injunctions and applications for stays of execution that can be used by defence lawyers to frustrate trials. However, this has reduced considerably over the years and it is expected that the Justice Reform Act will handle this.
5. ACTUs in MDAs are ineffective due to its mandate, some of the issues stated above, lack of proper orientation, lack of capacity to implement its responsibilities, lack of funding, and ineffective reporting lines within the MDAs. However, 389 ACTUs have been established in MDAs and the initial discrimination and identity problems faced by ACTUs in their various MDAs, who saw them as spies or Whistleblowers, is gradually giving way to a healthier relationship based on collaborative system studies. Secondly, Heads of ACTUs are now posted to MDAs other than their parent-MDAs by the Office of the Head of Service of the Federation to allow for functional independence.
6. The Commission has had limited accomplishments as several arrests and prosecutions, especially of high public servants, politicians, and unscrupulous business men/women, are entangled in legal imbroglios.
7. The improvement of funding could further consolidate the effectiveness of the Commission.

EFCC:

Some of the challenges of the Commission include its:

8. The perception that it is susceptible to political interference
9. The seeming inability of the Commission to progress the cases of indicted governors to their logical conclusions
10. Reputation as an agency that, although seen by many as effective, was also considered as a tool for political vendetta. It is sometimes accused of being selective in its administration of justice and has struggled to shake off this perception.
11. Reputation as an agency that, although seen by many as effective, was also considered as a tool for political vendetta. It is sometimes accused of being selective in its administration of justice and has struggled to shake off this perception.
12. Lack of funds to effectively perform its task

FOIA:

As a very recent intervention, the usage of the Act to access information for public good has not been as effective as expected. Members of the public are yet to access public information freely to obtain information that will assist in compelling government to be more accountable. It was observed that new bottlenecks are being placed on the paths of information seekers, including the civil society organisations and the media. Information, especially fiscal information on everyday government expenditures, is still largely shrouded in secrecy at all levels and arms of government.

Code of Conduct Bureau and Code of Conduct Tribunal

The CCB is considered ineffective, in spite of being stated in all versions of the National Constitution since 1989, due to its lack of authority to compel public office holders to declare their assets and comply with its codes. It is also limited in its capacity to prosecute or institute proceeding against offenders at the Tribunal. Hence its codes are openly flaunted.

Sectoral Reforms

Fertiliser Management:

The success of this reform is yet to translate into an increase in yields of locally grown crops and food production as importation of wheat, rice, and sugar has not reduced considerably to reflect this achievement. For instance, importation of these items runs into trillions of Naira, which depletes foreign exchange earnings.

Pension Reforms:

The details of the police pension fraud of 2012 diminished the public's perception of the efficacy of the reform. It was considered disturbing that such atrocities could have occurred with all the measures in place to reduce corruption. Even more disturbing was the penalty for the offence. Again, the lack of a database and the presence of ghost workers in the system continue to create challenges for this reform.

Assessment of Reform Initiative

The Transparency International's rating of Nigeria on its Corruption Perception Index (CPI) over the years reveals remarkable improvements in spite of huge challenges confronting Nigeria in its fight against corruption. For example, the table below shows that Nigeria moved remarkably from being the most corrupt country in the world in 1996, 1997, and 2000, to occupy the 59th position on the table in 2008. However, the remarkable improvement could not be sustained as Nigeria went down to occupy the 42nd position in 2010, 36th position in 2011, 35th position in 2012, and 33rd position in 2013.

Year	CPI Score	Nigeria's Ranking	CPI	Remarks
1996	0.69	54/54		Most corrupt
1997	1.76	52/52		Most corrupt
1998	1.9	81/85		2nd most corrupt
1999	1.6	98/99		2nd most corrupt
2000	1.2	90/90		Most corrupt
2001	1.0	90/91		2nd most corrupt
2002	1.6	101/102		2nd most corrupt

Year	CPI Score	Nigeria's Ranking	CPI	Remarks
2003	1.4	132/133		2nd most corrupt
2004	1.6	144/146		2nd most corrupt
2005	1.9	152/159		3rd most corrupt
2006	2.2	142/163		5th most corrupt
2007	2.2	147/180		9th most corrupt
2008	2.7	121/180		59th most corrupt
2009	2.5	130/180		50th most corrupt
2010	2.4	134/178		42nd most corrupt
2011	2.4	143/183		36th most corrupt
2012	2.7	139/176		35th most corrupt
2013	2.5	144/177		33rd most corrupt

However, judged against the 10 criteria, the anti-corruption reforms are still far from achieving their objectives of reducing corruption significantly.

S/No.	Assessment Criteria	Result of Assessment
1.	Have the reforms improved the quality and quantity of the public services delivered?	Indirectly
2.	Do more people now have access to services, including disadvantaged groups such as women, young persons, and people with disabilities?	Not Applicable
3.	Have the reforms reduced the cost of governance?	Both EFCC and ICPC have jointly recovered more than ₦600 billion. The monies recovered by the various anti-corruption agencies have reduced what would otherwise have been the cost of governance.
4.	Have the reforms made the service more affordable for citizens?	In some cases, money is still being extorted from citizens for services that they should ordinarily receive as a matter of course.
5.	Have the reforms reduced corruption?	Yes
6.	Have the reforms reduced unnecessary bureaucracy	Not Applicable

S/No.	Assessment Criteria	Result of Assessment
	and red tape?	
7.	Are the reform initiatives likely to lead to improved development outcomes?	Yes, if efforts are intensified and sustained.
8.	Are things improving, staying the same, or getting worse?	Things appear to be staying the same but public perception, as evidenced by the CPI, is that things are getting worse.
9.	Where things are improving, will those improvements endure?	Not Applicable
10.	Where things are not improving, what should be done?	The anti-corruption agencies should better communicate their activities and successes to dispel the popular notion that nothing is being done. Anti-corruption agencies cannot afford to be shy about publicity.

Proposed Next Steps

These reforms collectively have put Nigeria in a better place than it was before. However, the public confidence in the anti-corruption agencies seems to have been lost. While it is important to stick to the rule of law and not try people on the pages of newspapers, it is important to inform citizens about current activities and to celebrate successes. An anti-corruption agency cannot afford to be shy about publicity and image. Also, it is important that high profile cases of political corruption continue to be investigated and prosecuted to win back the original confidence that 'no one is above the law'. Focusing efforts on high profile, high visibility cases will help to inspire the confidence of the citizenry.