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**April 2023 Edition**

# T A B L E O F C O N T E N T S

Introduction	-02
ACFE Lagos Chapter Lauds Center's Effort in the Fight Against Crimes, Seeks Collaboration	-03
Center Urges More Transparency, Sustainability Plan in Govt. Skill Acquisition Programs to Stem Rising Unemployment	-04
Rethinking Civic Space Engagement	-05
April Photos Speak	-06
Additional \$800 million to our Sovereign Debt Crisis	-07
April Infographics Corner	-08
Press release: Center Expresses Concern Over Country's Fiscal Condition, Calls for Suspension of Further Borrowing for Consumption	-09
Corruption Poem	-12

# INTRODUCTION

Dear readers,

We are delighted to present another exciting edition of our Monthly Transparency Watch which captures our work to entrench best practices that promotes transparency and accountability in the nation's public service.

Working with key stakeholders, we continue to advocate for government businesses to be more transparent in line with local laws and international commitments the country has sign up to. We are pleased to share that our work is being recognized by key anti-corruption players, as we receive in courtesy call the Association of Certified Fraud Examiners (ACFE). The association which has a global mission to reduce the incidence of fraud and white-collar crime and to assist the membership in fraud detection and deterrence commended the Center's efforts in the fight against corruption through its project.

This edition also features our participation at the Bureau of Public Service Lunchtime seminar where we urged for more transparency and sustainability elements in government's skill acquisition programs to stem rising unemployment. You will also find our intervention on the nations fiscal condition, where we called for suspension of further borrowing for consumption in wake of recent World Bank Macro Poverty Outlook for Nigeria which described the nation's fiscal condition as "a more fragile position than before the late 2021 global oil price boom," among others.

May we seized this opportunity to specially invite you to the presentation of the 2023 Transparency and Integrity Index Methodology Handbook on Thursday 11th of May, 2023. Further details will be communicated via our official platforms.

Thank you for your continuous support.

**Victor Agi**  
Head, Public Relations

## ACFE Lagos Chapter Lauds Center's Effort in the Fight Against Crimes, Seeks Collaboration

The Association of Certified Fraud Examiners (ACFE) Lagos chapter has lauded the contributions of the Center for Fiscal Transparency and Integrity Watch (CeFTIW) in the fight against crimes and corruption in the country. This was as the body sought collaboration with the Center to effectively tackle the endemic nature of crimes and corruption in the country.

Speaking while on a courtesy call at the Center's office in Abuja, the president of the Association, Donatus Ogbonnaya said that digitization has made crime more prevalent, and therefore requires joint efforts of stakeholders to adequately stem occurrences.

To tackle crimes and corruption, Ogbonnaya called on stakeholders to continuously invest in the right knowledge in order to match the sophistications of crime actors who are now organized and spread across the globe.

Given the Center's interest and works in the fight against corruption, the president said that the visit was to also seek the support of the Center in promoting campaigns against fraud and corruptions in all its dimensions.

While decrying the lack of coordination and isolated efforts in the fight against corruption, the Association's Secretary, Dr. Pius Edobor urged stakeholders to collaborate more, share knowledge and expertise if the

country must make progress in the fight against the monster (corruption) that threatens societal growth and development.

In his response, the Executive Director of the Center, Umar Yakubu welcomed and pledged to work with the Association in the fight against crimes and corruption. He said that the Center's rich data and knowledge will be made available in all genuine effort to counter organized crime.

While adding that most of the Center's projects align with the works of the Association, the ED looks forward to working with the ACFE in the fight against fraud and corruption.

The visit was marked by a presentation of award of recognition to the Executive Director of the Center on his accomplishments and contribution to the fight against corruption in Nigeria

The Association of Certified Fraud Examiners (ACFE) has a global mission to reduce the incidence of fraud and white-collar crime and to assist the membership in fraud detection and deterrence.





## Center Urges More Transparency, Sustainability Plan in Govt. Skill Acquisition Programs to Stem Rising Unemployment



Faced with an unemployment rate which according to the recent KPMG report is estimated at 37.7 percent in 2022 and will rise further to 40.6 per cent in 2023, the April edition of the Bureau of Public Service Reforms (BPSR) lunchtime seminar was apt and timely as it focusses on developing a “Road Map” for combating unemployment and promoting skill acquisition.

In his remarks, the BPSR Director General, Dasuki Arabi pointed out that skill acquisition has become imperative if the country must reduce the high level of unemployment and increase the standard of living of Nigerians, adding that that the National Directorate of Employment (NDE) is a critical agency of

government saddled with the responsibility of equipping Nigerians with requisite skills.

The DG of the NDE, Mallam Abubakar Nuhu Fikpo, while addressing the seminar, among others urged youths to jettison the pursuit and preference for non-existent white collar jobs, but rather acquire skills that will make them job providers rather than seekers.

The Center holds that there is the need to infuse transparency in government sponsored efforts to promote skill acquisition and the ease of doing business for sustainability. Currently, Nigeria ranks 131 position out of 190 economies in the global ease of doing business index, and explains the regulatory bottlenecks in the country’s business environment.

We also recommend that subsequent skill acquisition programs by the NDE and similar agencies should build and factor in sustainability elements in order to guarantee continuity and survival of entrepreneurship ideas.



## Rethinking Civic Space Engagement

During the Nigeria cohort of the civic space protection training organized by the West Africa Civil Society Institute (WACSI) and partners, stakeholders were unanimous in stating that a free and participatory civic space remain the cornerstone of functioning democracy. Participants were however concerned about the shrinking civic space as a result of actions of authorities, policies and negligence and flawed approaches adopted by civil society players themselves over the years.

In the spirit of co-creation and the Open Government Partnership (OGP) commitments, civic society players must therefore rethink their approaches by balancing collaboration with confrontation. The hackneyed approach of confronting every government decision and policy has not been so successful in efforts to open up the civic space, hence, the need to reconsider engagement approach that would bring about the best result.

This has been our approach at the Center, where we have effectively combined advocacy with collaboration to promote transparency, participation, inclusion and accountability in the system.

While we must not relent in holding government accountable and demanding citizens' rights to speech, association, assembly and access to information, citizens must equally be aware of their responsibilities and obligations to the state as provided by law.





## April Photos Speak



Center visited Aso Radio/TV to seek partnership on how to deepen advocacy on fiscal transparency and mobilize citizens participation in the fight against corruption



Center received in courtesy call delegates of the Association of Certified Frauds Examiners (ACFE), Lagos Chapter led by its President, Donatus Ogbonnaya



Center participated at the April edition of the Bureau of Public Service Reforms (BPSR) Lunchtime seminar



## Additional \$800 million to our Sovereign Debt Crisis

*"Incompetence may be harmful, but misplaced objectivity is lethal" - Sandeep Sahajpal*



Since they know we are a disengaged public and are assured that there are no consequences for poor or ill-timed decisions that negatively affect the commoner, they have come again! They just informed us, without consultations, that they are borrowing another \$ 800 million as a palliative to cushion the effects of fuel subsidy removal. Because they have little value for citizen engagement in a democracy, especially on fiscal matters that border around national debt, they are just informing us on the pages of newspapers or after those preposterous contract-awarding sessions called FEC meetings.

Before addressing the need for the debt, let's analyze our debt issues under democratic regimes within an eight-year bracket from 1999. President Obasanjo met our external debt at \$ 29 billion. By 2007, it was down to \$15 billion. Between President Yaradua and Jonathan, they ballooned it to \$ 32 billion by 2015. By the end of 2022, President Buhari shot our total public debt to \$103 billion, which comprises Federal, State, FCT, and domestic components. So, Obasanjo decreased it by \$ 14 billion, Yaradua increased it by \$17 billion, and Buhari boomeranged it by \$ 73 billion! Reuters projects that at the current rate, it will rise to \$172 billion this year after a loan swap and new borrowing to fund the 2023 budget.

Neo-liberal economists will haste to argue that there is nothing wrong with debt and use illogical arguments of debt to GDP ratio as if GDP can pay debt. What use is the GDP size if your revenues are inefficient in servicing the economy through robust economic output - and service the debt? Debt-to-GDP is an excuse by some officials who support the borrowing jamboree, and we have now reached the level where by December 2022, our debt service-to-revenue ratio was at 80.6 percent — a figure far above World Bank's suggested 22.5 percent for low-income countries like Nigeria. The International Monetary Fund (IMF) has said Nigeria

may spend almost 100 percent of its revenue on debt servicing by 2026. But we still go there to borrow. And really, what is there to show for all we have borrowed so far? Just last week, the Ministry of Aviation bought 12 firefighter trucks for N 1 billion each.

Away from the debt since they always get the approval of the National Assembly to mortgage our future. The \$800 million is because they want to remove "price modulation" since that's the voodoo term they formulated around 2016 to deceive Nigerians that they were not paying subsidies on PMS.

Discussing their inability to solve the criminal activities around the oil industry is pointless. But it's necessary for context because most of the splurge for borrowing is hinged on low revenue generation. So the facts are: they can't solve the oil theft problem, can't fully liberalize NNPC, can't prosecute oil thieves, nor monitor distribution to reduce smuggling. Evidently, they can't fix four refineries nor create the enabling environment for new ones to be built by investors. They sold them in 2007 and reversed it a few years later. To date, they are paying salaries for refineries that have not worked for two decades. They borrowed a billion dollars to fix them last year after several turn-around maintenance that gulps millions of dollars. So their only option is to remove the subsidy to finance budget deficits, 65% of which is recurrent expenditure. To affirm impudence, they sometimes tell us that NNPC is remitting nothing! This is the same NNPC that is supposed to be a player in the industry but still operates with regulatory and supervisory functions.

To ease the pain of the removal, they will distribute \$ 800 million to 50 million Nigerians. What criteria were used to select 50 million out of the 133 million that are multidimensionally poor? That leaves you with a balance of 83 million. What happens to them? Which database are they using to distribute the funds? If they diligently distribute every dime of the \$800 million at the exchange rate of N750 to the dollar, each recipient will receive \$16/N12,000 ! With the current Consumer Price Index by the National Bureau of Statistics on food inflation at 24,32 %, what relief does N12,000 bring and for how long? Also, when you pump in that amount, especially within a short period, the purchasing power of the N12,000 will drop because of inflation -and wipe out at least 20% of that N12,000. That brings the amount to about N9600 to alleviate the poverty of one who lives on less than \$ 2 per day!

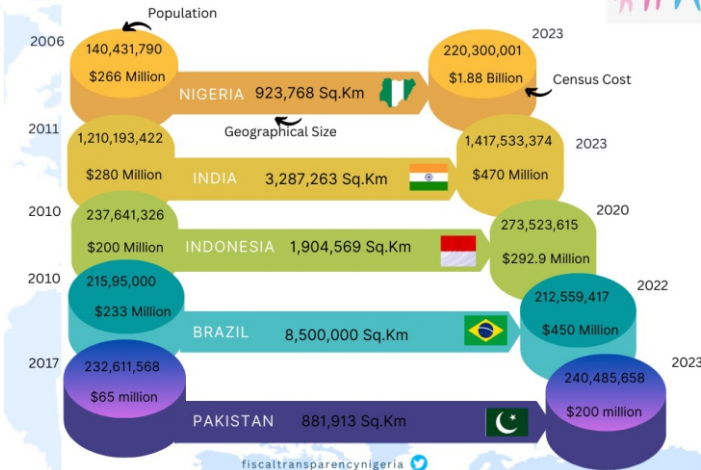
They first misinformed us it was a grant until BusinessDay newspaper and BudgIT established that it's a loan that will be paid between 2027 and 2051. For whatever it's worth, they should please desist from taking that loan. But they won't heed such advice since there will be vested interest through consultants and other avaricious public officers. They should therefore lend the funds to Dangote to speed up the completion of the refinery. If they are too jealous to do that, they could give each local government \$ 1 million to insist it is invested in education, healthcare or agriculture. In the long run, the returns on investment will be more than N9600 per person.



# April Infographics Corner



## COMPARATIVE ANALYSIS OF CENSUS BUDGETS



## TII RANKING DATA: 2021 AND 2022 COMPARED OIL AND GAS FREE ZONE AUTHORITY

	2021	2022
WEBSITE INTEGRITY	0.00%	58.33%
FINANCIALS	0.00%	0.00%
HUMAN RESOURCES	0.00%	12.50%
PROCUREMENT	0.00%	75.00%
CITIZENS ENGAGEMENT	57.14%	75.00%
<b>General Ranking</b>	<b>358/430</b>	<b>13/466</b>
<b>Total Score</b>	<b>57.14</b>	<b>208.33</b>
<b>Sector Ranking</b>	<b>7/7</b>	<b>1/6</b>
<b>Score (%)</b>	<b>7.14</b>	<b>35.83</b>

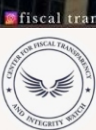
VISIT [WWW.FISCALTRANSPARENCY.ORG](http://WWW.FISCALTRANSPARENCY.ORG) FOR MORE INFORMATION



## Has the CBN Become a Toothless Bulldog?

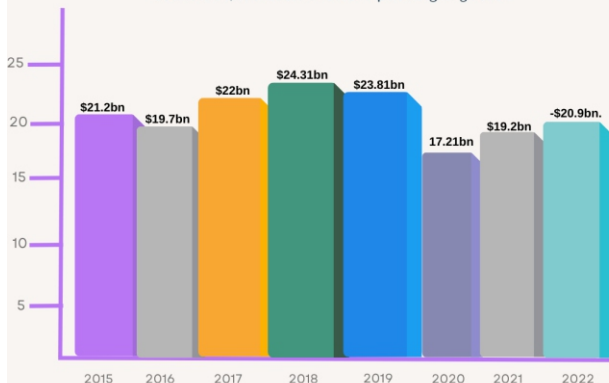
Amidst surge in e-payment transactions in the first quarter of the year, Guardian reported that about 40 percent of failed transactions have not been resolved. This is a sharp violation of the CBN 2020 regulations on disperse errors.

The circular stipulates that starting June 8, 2020, the reversal period for failed "On-Us" (intrabank), "Not-On-Us" (Interbank) and POS/web transactions shall be INSTANT, 48HRS and 72HRS respectively.



## Diaspora Remittances

According to Punch Newspaper Analysis, World Bank analyses indicated that Nigerian Diaspora community has remitted \$168.33bn over the past eight years

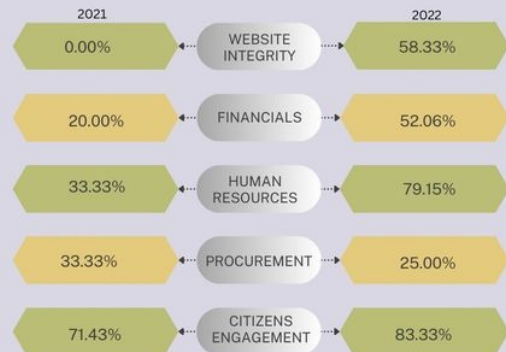


Data source: Punch Newspaper

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## TII RANKING DATA: 2021 AND 2022 COMPARED DEVELOPMENT BANK OF NIGERIA



Year	General Ranking	Sector Ranking	Total Score	Score (%)
2021	4/430	1/8	158.10	30.60
2022	1/466	1/9	347.87	58.74

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## SKEPTICS

### Do you know?

The Minister of Aviation, Hadi Abubakar Sirika on the 2nd of April tweeted that he commissioned 10 firefighting trucks purchased by the Federal Airport Authority of Nigeria (FAAN) valued at over N12 billion, with each costing over N1.2 billion

#fiscaltransparency  
#accountability

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## CENTER FOR FISCAL TRANSPARENCY AND INTEGRITY WATCH

Open Governance | Transparency | Anti-Corruption | Research | Technology | Advisory | Capacity Development

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19<sup>th</sup> April, 2023

### Press release

#### Center Expresses Concern Over Country's Fiscal Condition, Calls for Suspension of Further Borrowing for Consumption

The Center received with grave concern the World Bank Macro Poverty Outlook for Nigeria which described the nation's fiscal condition as "a more fragile position than before the late 2021 global oil price boom," putting the country's National poverty rate at 41.1%, and revealed that the country used 96.3 percent of its revenue generated in 2022 to service debt, consequently worsening the nation's public debt profile.

This report stated that the number of Nigerians living below national poverty line will rise by 13 million between 2019 and 2025 in the baseline projection; and it is coming when government own data recently disclosed by the Director General of the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN), Olawale Fasanya, indicated that over two million businesses in Nano, Small and Medium Enterprises (nMSMEs) subsector were lost between 2017 and 2021 alone, rendering more than six million Nigerians unemployed. This is aside the 133 million other Nigerians living in poverty according to the National Bureau of Statistics (NBS) 2022 Multidimensional Poverty Index report. This would take the figure to 146 million Nigerians if nothing is done substantially to lift people out of poverty.

Again, this is also coming on the heels of the government recent decision to borrow another \$800 million as palliative to cushion the effects of fuel subsidy removal, adding to the public debt stockpile of \$103.11 billion or N46.25 trillion as at December 2022 according to figures by the Debt Management Office (DMO). The figure is projected to be N77 trillion before the end of the current administration if the Ways and Means Advances from the Central Bank of Nigeria are securitized, and other loans are included.

The Center is bothered by the consistent revenue shortfalls, and despite the deregulation of the oil sector, the cost of petrol import continues to rise with no solution in sight. This is amidst government several promises of revamping the refineries to boost local production; the country's inability to address the lingering cases of oil theft, diversify the nation's economy, and recent monetary policy somersault has put the country on edge.

Consequently, the Center recommends the suspension of the \$ 800 million loan which lacks proper accountability framework, and may not make any meaningful impact on ordinary citizens, but will only further aggravates the public debt stockpile. This position is made in view of our assessment of previous social investment programs such as the Covid-19 stimulus package which the government reportedly spent N2.3 trillion; also, the tradermoni, conditional cash transfer scheme, government enterprise and empowerment program (GEEP), school feeding program and other social investment programs is said to be costing the nation \$ billion annually according to the Minister of Humanitarian Affairs, Disaster Management and Social Development, Sadiya Umar Farouq, since the government came to power in 2015. The government has not demonstrated transparency and accountability in the implementation of past social investment programs, hence, the Center is not convinced that the planned payment of 5,000 to 10 thousand households over a period of six months will be any different from previous programs.

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We strongly recommend that the nation's fiscal handlers, especially the incoming government must ensure that future borrowings are strictly to fund capital projects and the production sector of the economy, rather than the current system of borrowing for consumption and fund recurrent expenditure.

As a Center, we cannot overemphasize the need for fiscal prudence in government's day-to-day activities. We suggest the entrenchment of transparency and accountability measures to curb public sector corruption and resource wastage. It could be noted that the current pressure on the fiscal side of the economy is linked to inefficient public spending, mismanagement of public resources and the lack of accountability which continue to affect investors' confidence and impacts on private sector growth.



**Victor Agi**

*Head, Public Affairs*



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## The Cost of Corruption

Corruption, the beast that lurks within  
A poison that seeps into every sin  
It claws at the fabric of our society  
And leaves behind a trail of anxiety

It's the cost of a life-saving surgery  
The cost of a child's education  
It's the price we pay for our security  
And the cause of our nation's stagnation

**@Peace Essien**

## STOP CORRUPTION

Stop corruption please,  
It's a contagious disease,  
That not only affects the persons,  
But also the whole nation.

Corruption is like cancer,  
Spreading from one part to another,  
And its movement is so fast,  
That almost nothing's left to be done at last.

The apparent patriots like the scared birds,  
Fly away to the distant lands,  
In search of a secured,  
And better life indeed.

If anyone dares to stand against corruption,  
The ones suffering from the very pollution,  
Throw him in the jail,  
Or bury under the soil.

As the sunset lets the dawn to appear,  
We shouldn't let our dreams expire,  
Since the expected moment isn't far away,  
Only you and I can bring that day.

**@Md. Ziaul Haque**





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