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June 2023 Edition

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INTRODUCTION

Dear readers,

We excited to share the June edition of our Monthly Transparency Watch, a compendium of our work every month, with you.

This month's edition is special for many reasons, but most importantly, we are glad to announce our first breakthrough with the Transparency and Integrity Index Africa (TIIA) with the successful presentation of the methodology handbook for 2023 Assessment in Liberia led by the Liberia CSOs Anti-Corruption Coalition (LCACC).

The Center had envisaged the TII becoming a tool for measuring public sector transparency, and compliance with local and international laws and commitments that promotes openness and accountability, and we are pleased at the steps we are taking towards making this a reality. Over the month also, in efforts to deepen the TII at subnational level, we met with the Association of Local Government of Nigeria (ALGON) in preparation for our first assessment of the 774 local government areas. You will find all the exciting details in this edition.

As we look to diversify our work into organized crime, we are happy to bring you some of our advocacy efforts in preparation for the first organized crime symposium in Nigeria slated for 5th & 6th October, 2023. Our visit to a former Inspector General of Police, and Chairman of the Police Service Commission, IG Solomon Arase, CFR (rtd.) was a major step, and we enjoin you to keep a tab with us as we plan for this symposium.

This edition also feature our visit to the Registrar of the Corporate Affairs Commission (CAC), Mr. AG Abubakar to improve transparency in the use of the Beneficial Owners register; our participation in the Bureau of Public Service Reforms (BPSR) lunchtime seminar with conversation focusing on Nigeria's blue economy plan and its connection with our advocacies around protecting life below water (Sustainable Development Goals 14), plastic pollution and improper disposal of hazardous wastes, illegal fishing, among others.

We trust that you will find this edition resourceful, as we look forward to your continuous support in our effort to entrench best practices in the nation's public service and collectively fight corruption.

Victor Agi
Public Relations Lead

Transparency and Integrity Index Africa: Liberian CSO Lead Drive, Presents Assessment Methodology for 2023



In efforts to mainstream the Transparency and Integrity Index (TII) as a tool for measuring public sector transparency, and compliance with national and international laws and commitments that promote openness and accountability, the Center for Fiscal Transparency and Integrity Watch (CeFTIW) in partnership with the Liberia CSOs Anti-Corruption Coalition (LCACC) presented the 2023 methodology handbook for adoption by stakeholders in Liberia.

The Center's Executive Director, Umar Yakubu, while addressing representatives of government, civil society and media at the presentation, said that the collective expertise and dedication of both organizations led to the development of the robust and reliable assessment framework that will serve as a guide for all stakeholders involved in promoting transparency and accountability in Liberia.

Yakubu said that the methodology accurately captures the current landscape of transparency and integrity in

Liberia, providing a comprehensive guide for the implementation of the index across six variables viz: website integrity, fiscal transparency, open procurement, anti-corruption, citizens engagement/responsiveness and human resources & inclusion.

He said: "This handbook outlines 6 variables, assessment and scoring criteria and most importantly the local laws and international principles that underpins the variables we would use for assessing government institutions. With this methodology, we can objectively evaluate government institutions, identify areas for improvement, and establish baselines for future progress."

Read more here:
<https://www.fiscaltransparency.org/transparency-and-integrity-index-africa-liberian-cso-lead-drive-presents-assessment-methodology-for-2023/>



Countering Organized Crime: PSC Chairman Receives Center, Promises Support for Organized Crime Program

In line with the Center's program on countering organized crime, the Center for Fiscal Transparency and Integrity Watch (CeFTIW) was received by the former Inspector General of Police, Solomon Arase, CFR (rtd) who is the Chairman of the Police Service Commission (PSC), the body responsible for the formulation and implementation of policies aimed at improving the efficiency of the Nigeria Police Force.

Receiving the team led by the Center's BoT Chairman, Ambassador Angela Nworgu, the PSC Chairman commended what he described as Center's "universal approach" to the fight against organized crime and pledged to support civil society partners that are willing to support Nigeria's criminal justice system for enhanced delivery.

The former IGP said that data from the Center's crime mapping tool will assist law enforcement agencies with information that will support existing mechanisms on crime prevention.

The Center's approach to countering organized crime include advocacy on prevention, crime mapping, and research on areas of drug trafficking, arms trafficking, maritime crimes, auto theft, cybercrime, environmental crimes, terrorism, human trafficking, grand corruption, and financial crimes. Activities would also include a symposium slated for October 5th 6th, 2023, which will bring together relevant stakeholders to share knowledge and best practices, identify gaps, challenges in current responses, and explore new strategies to combat organized crime.



Beneficial Ownership Register: Center to Collaborate with CAC to Improve Transparency

Nigeria was one of the countries that participated in the UK Anti-Corruption Summit in 2016. The summit was aimed at tackling corruption globally. Nigeria made several commitments at the summit, including the establishment of a central register of beneficial owners of companies operating in Nigeria and the implementation of measures to prevent corruption in the public sector. These commitments were further re-echoed at the United Nations Convention against Corruption Conference of State Parties in 2021.

The Corporate Affairs Commission (CAC) launched the register on the 24th of May, 2023 aimed at promoting transparency and accountability in the country's business environment by providing information on the true owners of companies operating in Nigeria. The Center welcomes the launch of the BO register which is a fulfilment of the nation's commitment at the UK Anti-Corruption Summit 2016.

Further to the recent launch of the Nigeria's open register of Beneficial Owners, the Center was received in courtesy call by the Registrar General of the Corporate Affairs Commission (CAC), Mr AG

Abubakar to discuss ways to strengthen the operationalization of the register.

Our discussion centers on ways to improve transparency in the use of the BO portal through provision of advocacy tools and access to politically exposed persons database to support implementation so as to enhance government contract and procurement processes.

While welcoming collaborations with the Center, the Registrar noted that the portal will address concerns raised by the Financial Action Task Force (FATF) and the United Nations Convention against Corruption (UNCAC).

As the sub-Saharan representative of the UNCAC Coalition, the Center commends the CAC on this achievement and will continue to monitor the implementation of national and international commitments related to transparency, anti-corruption and access to information. We therefore look forward to working with all stakeholders for effective utilization of this instrument to combat public sector corruption.



Some Sights and Scenes from June 2023



Presentation of TII Africa



During a courtesy call on the ED, Agora Policy, Waziri Adio



At BPSR June 2023 Lunchtime Seminar



Courtesy Call on the DG, ALGON to promote TII

2023 TII Assessment: ALGON to Mobilize Support for LGA



mandated by local laws and other international commitments the country has signed up.

Yakubu said that the LGA assessment will be carried out based on five variables including: website integrity, fiscal transparency, open procurement, anti-corruption and

In the Center's drive to deepen transparency at subnational levels through mainstreaming of the Transparency and Integrity Index (TII) as a tool for measuring public sector transparency, the 2023 edition is set to assess the 774 local government areas (LGAs) in Nigeria.

This was as the Association of Local Governments of Nigeria (ALGON) pledged to mobilize LG for the assessment during the Center's courtesy visit on the Director General, Mrs. Binta Bello.

Speaking during a courtesy, the Executive Director of the Center for Fiscal Transparency and Integrity Watch (CeFTIW) said that the Index aims to draw attention to issue of transparency and accountability at local government level which has been overlooked over the years.

Yakubu emphasized the imperative of spotlighting governance at local government, and importance of proactive disclosure in the administrative processes of LGAs as

citizens engagement.

In her response, Mrs Bello commended the Center's efforts to promote fiscal transparency and entrenching a culture of accountability in the public service. She looked forward to the outcome of the assessment, and pledged support on ways to improve fiscal transparency in the local level of governance.

ALGON is the umbrella Association for the 774 LGAs in Nigeria. The Association has over the years act as a unified voice on socio-political issues in Nigeria. It is hoped that the Association will drive fiscal transparency in Nigeria's LG administration.



President Tinubu, beware of corrosive capital

By Victor Agi

"The nation's fiscal handlers under the current administration must beware of and retrace their steps to avoid slipping deeper into a debt trap."



In November 2021, arising from the impact of the COVID-19 on global economies, multiple reports alluded to the fact that the government of Uganda was set to forfeit its only international airport to China due to the alleged failure to pay back a loan of about \$207 million from the Export-Import Bank of China (Exim Bank), which the country obtained in 2015 to finance the expansion and facelift of the Entebbe International Airport. Although, the Chinese and local authorities swiftly denied the reports, the clandestine nature and conditions of Chinese loans were accentuated at the time and they remain a source of concern for experts.

The lack of scrutiny and due diligence by officials and authorities, amidst claims of "toxic clauses", and the indifference of the Chinese government, despite knowledge of the fiscal crisis and unsustainability of loans in the recipient countries, have led to claims of a deliberate foreign policy on the part of the Chinese government to set a "debt trap" for African countries (debt diplomacy) in order to expand its dominance and influence in the region.

The Chinese government today is the largest creditor for infrastructure projects in Africa. Chatam House, in December last year, reported that Chinese lenders currently contribute to 12% of Africa's private and public external debt, "which increased more than fivefold to \$696 billion from 2000 to 2020." Across the continent, there is a wave of repayment crises, with some countries asking for renegotiations of terms and deferment of interest payments as a result of the global economic meltdown and growth contraction occasioned by

the Russia/Ukrainian war. This is also attributed to the slow recovery from the impact of COVID-19. The devaluation of local currencies against the US dollar and other legal tenders, which were used to obtain the loans, has also exacerbated the crises.

For instance, the Ghanaian economy ran into its worst crisis in 2022, with the Cedi becoming the worst performing currency in the world, after reportedly losing 45.1% of its value to the US dollar. Part of the causative factors of the crisis were unsustainable Chinese loans for large scale projects. This put the nation at risk of ceding its future energy sales and earnings from mineral resources to the Chinese government, if the conditions for the country's eight collateralised loans are unmet, according to the International Monetary Fund (IMF).

Nigeria is not left out of the concentration of corrosive capital in the continent. By the way, corrosive capital, an initiative popularised alongside constructive capital by the Center for International Private Enterprise, are inflows either in the form of loans, foreign direct investment (FDI) or aid generally characterised by opacity, the lack of due diligence and accountability frameworks, and which are usually not market oriented.

Also, in late May 2023, in what was seen as an attempt at gaining information on the volume of debt owed to Beijing, Reuters reported what it described as "years-long series of digital intrusions against key ministries and state institutions" in Kenya by the Chinese government. The report noted that further "compromises may occur as the requirement for understanding upcoming repayment strategies becomes needed," which is expected, owing to the straining revenue crisis in the country.

Nigeria is not left out of the concentration of corrosive capital in the continent. By the way, corrosive capital, an initiative popularised alongside constructive capital by the Center for International Private Enterprise, are inflows either in the form of loans, foreign direct investment (FDI) or aid generally characterised by opacity, the lack of due diligence and accountability frameworks, and which are usually not market oriented. The overriding goal of corrosive capital is to feed corruption in both the receiving and originating countries, and to ultimately weaken democratic institutions in the receiving country.

...continues on page 10

"With a debt profile of N77 trillion, Nigeria is the sixth largest recipient of Chinese loans in the continent. A 2022 World Bank International Development Association report shows that China accounts for 66% of debt-service payments by Nigeria, and the total bilateral debt owed China, according the Debt Management Office, as of 30th June, 2022, was about \$3.9 billion. This was as the nation reportedly 6.3% of its revenue on debt servicing same year."

With a debt profile of N77 trillion, Nigeria is the sixth largest recipient of Chinese loans in the continent. A 2022 World Bank International Development Association report shows that China accounts for 66% of debt-service payments by Nigeria, and the total bilateral debt owed China, according the Debt Management Office, as of 30th June, 2022, was about \$3.9 billion. This was as the nation reportedly spent 96.3% of its revenue on debt servicing same year. It was also projected, during the presentation of the 2023-2025 Medium Term Expenditure Framework (MTEF) and Fiscal Strategy Paper (FSP), that the government will spend N6.31 trillion on debt servicing in 2023, accounting for about 74.6% of the nation's projected revenue of N8.46 trillion.

The point of this intervention is not to say that all Chinese loans are outright corrosive, but one must be wary of the lack of transparency and due diligence surrounding the inflow of capital into the country. The point must also be noted that no creditor wants a bad debt, hence the opacity and non-disclosure of clauses, with little consideration for the capacity of the receiving country to pay back, is not in any party's best interest, and we should all be bothered by and interrogate the fact that collateralisation clauses are inserted into conditions for these loans.

The nation's fiscal handlers under the current administration must beware of and retrace their steps to avoid slipping deeper into a debt trap. To neutralise corrosive capital, the new administration must entrench transparency measures in its operations. It must strengthen the public procurement process and encourage the participation of stakeholders, especially the civil society, in monitoring its activities.

In fairness to the Chinese government and other lenders, African leaders are not forced into obtaining these loans, and loan credit in itself is not a bad economic choice, but the lack of a sustainability plan

built into these loans, with some of them obtained to fund recurrent expenditure and feed the corruption of leaders, is disturbing.

The nation's fiscal handlers under the current administration must beware of and retrace their steps to avoid slipping deeper into a debt trap. To neutralise corrosive capital, the new administration must entrench transparency measures in its operations. It must strengthen the public procurement process and encourage the participation of stakeholders, especially the civil society, in monitoring its activities. Data from the Center for Fiscal Transparency and Integrity Watch's (CeFTIW) Transparency and Integrity Index (TII) has shown the paucity of information on government's procurement processes, which has become a

conduit for public sector corruption. Digitisation must therefore be a top priority.

The government must urgently seek ways of generating revenue internally, and only obtain constructive and market oriented foreign capital. To demonstrate commitment to fighting corruption, the administration must expedite an e-procurement drive, which remained a rhetoric during the last administration.



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You can read full article on Premium Times here: <https://www.premiumtimesng.com/opinion/603210-president-tinubu-beware-of-corrosive-capital-by-victor-agi.html>



Skeptics Some figures from NNPC Turnaround Maintenance

In March 2021, the Federal Executive Council approves \$15 billion for the repairs of Port Harcourt refinery.
26 months later, the refinery is yet to produce

Despite not refining, NNPC 2020 audit report revealed that three of the nation's four refineries recorded **N164 trillion** cumulative losses between 2014 to 2018



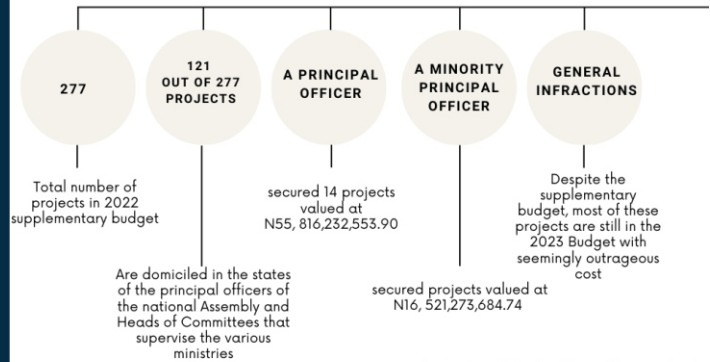
In the 2020, 2021 and 2022 appropriation, the sum of **N100bn, N100bn and N109.326bn** respectively were approved by the National Assembly for maintenance of the refineries

In June 2020, despite not producing, the NNPC reported **N10.27 billion** as operating expenses for the nation's refineries, leaving the corporation with operating deficit of **N10.23 billion**

www.fiscaltransparency.org



EFCC uncovered phantom projects in the N819 billion 2022 Supplementary Budget



budget padding is a form of corruption!

www.fiscaltransparency.org

Data Source: Nation Newspaper



CENTER FOR FISCAL TRANSPARENCY & INTEGRITY WATCH
in partnership with
HUMAN AND ENVIRONMENTAL DEVELOPMENT AGENDA

Join the conversation on Spaces

Setting Anti-Corruption Agenda for the New Administration

This Friday 9th June 2023 @FTTransparencyNG 4.00 pm

Umar Yakubu
Executive Director,
Center for Fiscal Transparency and Integrity Watch

Olanrewaju Suraju
Chairman, Governing Board
HEDA Resource Center

Mohammed Mustapha
Public Affairs Analyst

CENTER FOR FISCAL TRANSPARENCY & INTEGRITY WATCH

Join the conversation on Spaces

Setting Security Agenda for the New Administration

Tuesday 13th June 2023 @FTTransparencyNG 4.00 pm

AIG Austin I. Iwar, rtd.
Security Sector Consultant

Prof. Adoyi Onoja
Nasarawa State University, Keffi

Nnamdi Odo
Development Expert

Stakeholders Support Development of Anti-Corruption Performance Public Reporting Template

At a stakeholders' inception meeting on the Nigeria's anti-corruption performance public reporting organized by the Center for Media, Policy and Accountability (CMPA), participants supported the need for a template for reporting the country's anti-corruption efforts.

The workshop organized by the Center was part of an ongoing effort to develop a harmonized template for reporting and measuring the impact of anti-corruption efforts by anti-corruption agencies (ACAs). The forum also provides an opportunity for participants to assess efforts of ACAs owing to concerns about the dissonance between perception and reality in the work ACAs and other stakeholders.

The Africa's Director, MacArthur Foundation, Dr. Kole Shettima decried the impact of corruption on living standards of the people, noting that it is the reason the Foundation continues to commit resources towards ridding the nation of corruption.

He explained that the Foundation's intervention is four-fold including helping to improve and strengthening the criminal justice system, effecting behavioral change by working with faith leaders and entertainment industry, support for civil society groups and support for the independence of the media to foster accountability.

Shettima said that the fight against corruption is a collective responsibility, and pointed out that the Foundation interventions are not aimed at pressing punitive actions or sending perpetrators to jail, but mostly about getting those in power and the system to operate justly in order to improve the quality of lives of the ordinary people.

In his goodwill remarks, Prof. Sola Akinrinade noted

that ACAs should do more in reporting their performances, noting that the advocacy led by the CMPA will be helpful in developing a reporting template.

On his part, the Executive secretary of the Presidential Advisory Committee Against Corruption (PACAC), Prof. Sadiq Radda drew attention to the need to fight corruption at subnational levels. He noted that the overconcentration on the executive and federal level (and over-governmentalization) may continue to misrepresents ACAs efforts; adding there is an urgent need to decentralize efforts to the private sector.



Professor Radda urged Nigerians to be wary of demonizing politics and actively get involved in order to elect upright leaders to power.

The Center for Fiscal Transparency and Integrity Watch (CeFTIW) is committed to supporting CMPA with technical expertise that will assist in the development of the harmonize template. It is hoped that this will contribute to efforts at improving the nation's fight against corruption.

BPSR Lunchtime Seminar: Center Welcomes Environmental Sustainability Built into Nigeria's Blue Economy Plan

At the monthly lunchtime of the Bureau of Public Service Reforms (BPSR) to discuss opportunities and potentials of the Nigeria's blue economy, the Director General of the Nigeria Maritime Administration and Safety Agency (NIMASA), Dr. Bashir Jamoh has said that the nation's strategic plan to harness potential of blue economy adequately cater for environmental sustainability.

The Center welcomes the drive for blue economy, especially as it factored environment sustainability. Some of the components of the Center's Countering Organized Crime Program (COCP) are environmental and maritime crime.

The Center promotes advocacies around protecting life below water (SDG 14), plastic pollution and improper disposal of hazardous wastes, illegal fishing among others, and provide data that will enable state actors deal with environmental and maritime crimes.

Speaking to the theme of the seminar; "Banking on Blue Economy for Nigeria's Economic Development" Jamoh said that Nigeria's with a coastline bordering the Atlantic Ocean from Badagry to Bakassi should be one of the leaders in blue economy which is reportedly valued at \$24 trillion and would have been the 7th largest economy in the world if it were a country.

He said that at a time the world is working hard to phase out fossil fuel industry, the government is diversifying into blue economy through a Strategic Roadmap, and enjoined Nigerians to explore the rich economic potential of the oceans.

The DG noted that one of the interventions the Agency has embarked on is the "Waste to Wealth Programme / Employment Generation" which has empowered about 1,190 Marine Litter Marshals as means of addressing plastic pollution and other human induced crimes.

He called on citizens to be "Blue Economy Ambassadors" by rethinking "our waters" from a ceremonial to a commercial view.

In his remarks, the Director General of the BPSR, Mr. Dasuki Arabi said that the seminar is put together as part of the Bureau's steadfast commitment to explore avenues for sustainable economic development for the country. He noted that the blue economy which encompasses the sustainable use of marine resources and the preservation of marine



environment holds significant promise for unlocking vast opportunities that lie on waters.

The DG pointed out that the concept of the blue economy goes beyond traditional maritime activities, and involve a holistic approach that balances economic growth, environmental sustainability, and social inclusivity.

"By exploring innovative strategies and policies, we can maximize the economic benefits derived from our maritime resources while preserving the delicate balance of our ecosystems and uplifting the lives of our people," the DG added.

The Center looks forward to working with stakeholders and monitoring the execution of the government's blue economy plan to ensure that the ecosystem is protected and preserved.





Excerpt from interview with

BBC News Hausa

In our kind of democracy, the electoral system is too dependent on funds. Money is the dominant factor that grants access to political position and most of it is allegedly from public sector corruption. So any agency that will impede that access to state resources will face resistance from the system



Umar Yakubu
Executive Director
CeFTIW



PROBES MONITOR PORTAL

The Center's probes monitor portal hosts information on grand corruption-related investigations that were made public from 1999 till date. The project is designed to draw the attention of relevant stakeholders to advocate and promote the conclusion of the avalanche of abandoned legislative, executive and judicial probes, while also serving as a platform for citizens to demand accountability

595

Total number of cases in the Probes Monitor Portal

03

Total number of concluded probes

592

Total number of ongoing/inconclusive probes

351

Probes ongoing for over 1000 days

visit <https://www.fiscaltransparency.org/probesmonitor/current-probes> to access the probes



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