



**POLICY BRIEF:**  
**Strengthening  
Accountability  
in the Nigeria  
Defence Sector  
(SANDS)**

*A publication of*



## Addressing corruption risks in Nigeria's defence sector

Recent scandals surrounding arms procurement have highlighted how corruption in the Nigerian defence sector is threatening Nigerian security. Billions of dollars of equipment meant for soldiers to fight Boko Haram have allegedly been misappropriated by top-level defence and security officials, eroding the armed forces' ability to respond to conflict and endangering the lives of Nigerian soldiers and citizens.

The 2016 Government Defence Anti-Corruption Index, published by Transparency International UK in January 2016, reveals significant pressing weakness in the institutional controls on corruption. Nigeria was placed in Band E (A: the best, F: the most vulnerable), indicating that there is very high risk of corruption in the defence sector.

The administration is taking encouraging steps to address corruption in the defence sector. Several top-level defence officials have been arrested and prosecuted. A presidential investigations committee has been established to investigate arms procurement decisions under the previous administration, and the Economic and Financial Crime Commission (EFCC) has become a key player in the fight against corruption.

### The way forward

Notwithstanding the recent positive steps, more systemic reforms are needed if the Nigerian people are to be protected by well-equipped defence forces that operate with integrity. Defence budgets should be subject to open and robust scrutiny to ensure limited resources are spent wisely, particularly given that defence takes up approximately 20% of the overall budget per year. Procurement should be based on a clearly defined national defence strategy, and where possible, should be held through open competition to ensure that the armed forces receive the equipment they need. Personnel systems should reward capability to ensure that those troops that are the highest performers rather than those with connections or money rise to the top.

The Ministry of Defence needs to be at the forefront of the fight against corruption in Nigeria. The MoD needs to address urgently the total absence of anti-corruption policies within defence institutions and commit to strong and sustainable anti-corruption reforms. One first step could be the creation of a high-level steering committee within the MoD, tasked with developing an

anti-corruption policy and monitoring the implementation of reforms, in collaboration with the Anti-Corruption and Transparency Unit (ACTU). Such a committee would ensure that anti-corruption reforms are enacted and reviewed on a regular basis and that there is sustained commitment to fight defence corruption at the highest political level.

In addition to this high-level anti-corruption steering committee, Transparency International and the Civil Society Legislative Advocacy Centre recommend that the below actions are implemented to address corruption risks identified by the index. They fall into three main categories: first, a lack of transparency and accountability in the defence policy, budget and procurement; second, inefficient and compromised oversight of defence budgets and policies; and third, weak personnel systems that encourage predatory behaviour by troops.

### 1. Lack of transparency and accountability in the defence policy, budget & procurement

The National Defence Policy is a key document which must define and rank a country's security threats and risks and outline effective approaches and responses to address them. It should be clear and comprehensive enough to guide military procurement decisions and reviewed regularly to take into account new security threats. Developing a security policy should be an inclusive process, involving defence and security experts but also parliamentarians and civil society organisations.

The Nigerian 2006 National Defence Policy is outdated. The 2014 review came too late and was not properly scrutinised by the National Assembly. The review process was not inclusive and did not involve civil society organisations.

#### Recommended action:

- \* The Nigerian Defence Policy should be reviewed at least every 5 years. The next review should be carried out in 2018.
- \* It should be developed in collaboration with civil society organisations (not only by a Presidential Committee)
- \* Any changes or reviews of the policy should be submitted to Parliament for debate and approval.

#### There are significant irregularities with regards to the defence budget.

The federal budget in its current form makes it impossible for Nigerian citizens to know how their money is spent. The defence budget in particular is not sufficiently detailed for adequate scrutiny. The bulk of military hardware is not

included in the annual budget on the grounds of national security, but sourced from off-budget sources which are never reflected in the budget. Some military revenues (referred to as “policy matters”) are also excluded from the budget.

**Recommended action:**

- \* The Ministry of Defence should publish a fully detailed defence budget, aiming in the long-term to spend 1% or less on secret items.
- \* Subject secret spending to scrutiny by the Public Accounts Committee and the Auditor General.
- \* There should be full publication of all sources of income, the money received, and the destination. There should be mechanisms of audit in place, through the Office of the Auditor General.

**The defence procurement process is opportunistic and lacks proper planning.**

Defence procurement is not guided by a comprehensive and up-to-date National Defence Policy. This means that military purchases are made without a clear understanding of what purpose the equipment will serve. The Public Procurement Act does not cover defence procurement, and this prohibits the Bureau of Public Procurement from exercising its oversight functions in the defence sector. Moreover, the National Council on Public Procurement is yet to be established.

**Recommended action:**

- \* The Ministry of Defence should develop a clear process of acquisition planning, based on the needs identified in the 2014 review of the National Defence Policy and the 2015 National Security Policy.
- \* The Federal Government should provide a legal framework for defence procurement and asset disposals under the Public Procurement Act.
- \* The Federal Government should establish the National Council on Public Procurement as soon as possible, as set out in the 2007 Public Procurement Act.

**2. Inefficient and compromised oversight institutions**

Parliamentary oversight is weak.

Parliamentary committees in both the National Assembly and Senate are

failing to scrutinise defence-related policy and budgetary proposals. The Public Accounts Committee (PAC) and the Appropriation Committee (AC) do not adequately scrutinise the defence budget while the Defence and Security committees do not effectively play their oversight role. There are widespread allegations of corruption among MPs, who are not requested to declare their commercial interests. There are also allegations of collusion between MPs and senior public officials, preventing fair and unbiased assessments of policies. The high turnover in committees' membership means that MPs generally lack expertise and are unable to question decisions behind military procurement. There are very few public hearing of defence officials and defence committee proceedings are restricted on the ground of national security.

#### Recommended actions:

- \* MPs should be required to declare and publish their commercial interests online, to reduce allegations of corruption within the National Assembly and the Senate.
- \* The President should strongly encourage public officials to attend public hearings in Parliament.

#### On defence and secret budgets:

- \* Parliamentary committees should question the non-disclosure of certain parts of the defence budget and request additional information on gaps in the defence budget.
- \* The Parliament should work more closely with the Office of the Auditor General, by providing a forum for the presentation and discussion of the results published in the Auditor General's annual report.

#### On policy oversight:

- \* Parliamentary committees should hold public officials to account through regular hearings and veto defence policy if deemed necessary.
- \* Parliament should publish transcripts from parliamentary proceedings and invite CSOs to attend defence committee hearings.

#### On procurement:

- \* Parliamentary committees should systematically question the strategy behind major military procurement decisions and organise hearings with procurement officials.

The Office of the Auditor General (AG) lacks resources, independence and expertise to carry out its mandate.

Parliament relies on the Auditor-General to provide independent assurance that public resources are effectively managed and accounted for, in consistence with parliamentary intentions. Currently, the Office of the Auditor General is ill-equipped with modern auditing skills, lacks expertise and is not fully independent. This prevents the AG to effectively scrutinise defence spending. In addition, there is no willingness from the Parliament to implement the Auditor General's report.

**Recommended actions:**

- \* The Auditor General should be empowered to oversee off-budget spending, as well as the national budget.
- \* The Auditor General's Office should be provided with training and capacity-building to understand its functions and follow international best practices.

**3. Weak military personnel systems that encourage predatory behaviour**

There is a high risk of ghost soldiers (a soldier who is enlisted or placed on active duty but does not serve) within the army, despite the establishment of the Integrated Personnel and Payroll Information System (IPPIS).

**Recommended action:**

- \* The Ministry of Finance and the Accountant General's office should strengthen capacity of handlers of the IPPIS scheme and improve on the system that regularly mixes up details, causing delays in the payments to workers' bank accounts via the Nigeria Inter Bank Settlement System.

The recruitment process of military personnel at all levels is defective.

Selection, promotions and appointments are informed by ethnic, religious and political considerations rather than by a set of objective criteria. This is reinforced by the absence of a functional and published vetting system, allowing to track military personnel's qualifications, experiences and behaviours. This creates opacity in the system and can lead to dangerous situations where military equipment end up in unqualified hands.

#### Recommended action:

- \* A rigorous system of selection, appointment and promotion should be put in place for all personnel (including at the highest level).
- \* Whistle-blowers should be protected from reprisal in law and practice. The MOD should consider setting up a hotline for individuals to report corruption, possibly in coordination with a local NGO.

There are allegations that Nigerian troops deployed in the North East to fight Boko Haram are extorting money from the population, demanding bribes and at times involved in smuggling activities (arms and drugs). This is reinforced by the absence of anti-corruption guidelines for soldiers, who are not trained to operate in corrupt environments. This leads to significantly reduced public trust in the armed forces as soldiers are seen as being corrupt or condoning corruption where they operate.

#### Recommended action:

- \* A Transparency, Accountability and Counter-Corruption (TACC) framework should be developed to guide efforts early on in military operations. This should include integration of TACC into military doctrine, policy and plans. Counter-corruption training, exercises, and tactical guidance should also be provided to deploying troops. Additionally, anti-corruption experts should be deployed on domestic and regional military operations to monitor corrupt behaviour amongst troops and to take appropriate actions.

#### Annex: The Government Defence Anti-Corruption Index's methodology

The Government Defence Anti-Corruption Index measures levels of corruption risk in national defence establishments and scores each country from A (the best) to F (the most vulnerable). Each country band is derived from a technical assessment of 76 questions all related to institutional protocols and practices and divided between 5 principal risk areas: political risk, financial risk, personnel risk, operations risk and procurement risk. For each question, the government receives a score from 0-4. The percentage of marks determines both the overall risk band the government receives, as well as the band specific to each risk area.

Table: Transparency International's Defence and Security Typology

POLITICAL	PERSONNEL	PROCUREMENT
DEFENCE AND SECURITY POLICY	LEADERSHIP BEHAVIOUR	TECHNICAL REQUIREMENTS / SPECIFICATIONS
DEFENCE BUDGETS	PAYROLL, PROMOTIONS; APPOINTMENTS, REWARDS	SINGLE SOURCING
NEXUS OF DEFENCE & NATIONAL ASSETS	CONSCRIPTION	AGENTS / BROKERS
ORGANISED CRIME	SALARY CHAIN	COLLUSIVE BIDDERS
CONTROL OF INTELLIGENCE SERVICES	VALUES & STANDARDS	FINANCING PACKAGES
EXPORT CONTROLS	SMALL BRIBES	OFFSETS
FINANCE	OPERATIONS	CONTRACT AWARD, DELIVERY
ASSET DISPOSALS	DISREGARD OF CORRUPTION IN COUNTRY	SUBCONTRACTORS
SECRET BUDGETS	CORRUPTION WITHIN MISSION	SELLER INFLUENCE
MILITARY-OWNED BUSINESSES	CONTRACTS	
ILLEGAL PRIVATE ENTERPRISES	PRIVATE SECURITY COMPANIES	

Each country is researched by an expert assessor using a standard set of questions and model answers. The assessment is then independently reviewed by up to two peer reviewers and, where possible, the local chapter of Transparency International. We also invite the government to conduct a review of the assessment and submit additional information.



## About CISLAC

Civil Society Legislative Advocacy Centre (CISLAC) is a non-governmental, non-profit, advocacy, information sharing, research, and capacity building organisation. Its mission is to strengthen the link between civil society and the legislature through advocacy and capacity building for civil society groups and policy makers on legislative processes and governance issues. CISLAC was integrated as a corporate body (CAC/IT/NO22738) with the Nigeria's Corporate Affairs Commission (CAC) on the 28th December 2006. Prior to this incorporation, however, CISLAC had actively been engaged in legislative advocacy work since 2005. The organisation is also compliant with the Anti-Money Laundering Act 2007. The Organisation reports to SCUML, any transaction that is above One thousand dollars, detailing the payee, purpose and the other KYC (Know Your Customer) requirements. This is done on a weekly or monthly basis depending on the volume of transactions and to ensure appropriate compliance with anti-money laundering laws.

## NPC Certified

CISLAC is registered organisation under the National Planning Commission.

## ECOSOC Status

In recognition of its broad perspective the CISLAC was granted an ECOSOC status by the United Nations in 2011 giving it the mandate and the instrumentality of the UN.

## EFCC Anti-Money Laundry Compliance

CISLAC is duly registered in accordance with the provisions of Section 5(1) (a) of the Money Laundering (Prohibition) Act, 2011 of the Economic and Financial Crime Commission (EFCC).

## CISLAC/TI Partnership

CISLAC is the national partner to Transparency International (TI). Also, CISLAC is registered organisation under the National Planning Commission.

As indicated above, the organisation emerged from the need to address the gaps in legislative advocacy work of civil society and government access to civil society groups. CISLAC's engagement with Federal Ministries, National and State Assemblies, Local Government Administrations, private sector interests, and non-government organisations, has opened a window through which the public and policy officials can interact and collaborate.

CISLAC through its engagement of the governance processes in Nigeria has contributed towards the passage of several primary legislations such as the Fiscal Responsibility Act, Public Procurement Act, and Nigeria Extractive Industry Transparency Initiative Act which promotes transparency and accountability in governance as well as the domestication of international conventions at the Federal and state levels in Nigeria through advocacies, presentation of memoranda and public enlightenment programmes and media engagement. CISLAC along with other civil society organizations campaigned and advocated for passage of the Freedom of Information Act. CISLAC is among the movement advocating for the passage of such pieces of legislations as the National Tobacco Control Bill, National Health Bill, Disability Bill, Gender and Equal Opportunity Bill, Violence against Persons Prohibition Bill, Whistleblower Protection Bill, Prison Reform Bill, etc.

CISLAC has created civil society awareness through the publication and dissemination of a monthly newsletter Legislative Digest and Tobacco Control Update which have been in circulation for both public and legislative consumption since October 2006 and June 2013 respectively. It has been a central medium of accountability, as it provides citizens a platform to monitor the performance of their Legislators, and a channel for Civil Society Organizations advocacy on critical issues that require legislative intervention. Also, CISLAC has a wide range of publications such as Textbooks and Policy Briefs, which examines policies requiring amendment and providing recommendations.

As a renowned CSO in Legislative advocacy in the region, CISLAC has on several occasions shared its experience on best practises for legislative advocacy on invitation from its international partners such as the World Bank Parliamentary Forum and the United Nations Millennium Campaign in African countries such as Kenya and Zimbabwe. Similarly, Ghana, Kenya, and Democratic Republic of Congo have also requested support from CISLAC for replication of their work in Legislative advocacy. In many West African countries such as Liberia, Sierra Leone, Ghana, Cameroon, Niger, Togo and Benin Republic, CISLAC has carried out experience sharing and advocacy exercises on the Extractive Industry Transparency Initiative processes through supporting the passage of extractive industry initiative laws in these countries. CISLAC has also undertaken capacity building for legislators, CSOs and Media on policy engagements in the above countries.

CISLAC's sub-granting experience includes grants to national organisations. With skilled, committed, experienced and proactive leadership and employees, particularly in the areas of coalition building, tenacious advocacy, community mobilization and the clout needed to engage lawmakers at all levels, the organization proven capacity to attract international solidarity, engage policy makers and mobilize local civil society groups and communities into action.

### **GOAL**

"To make legislature accessible and responsive to all".

### **VISION**

"A Nigeria in which citizens are participating in governance; the government is safeguarding the rights and welfare of the people; and non-state actors are providing space for citizens to demand accountability".

### **MISSION/PURPOSE**

"To increase the legislature and CSOs' impact in the legislative process".

### **ADVOCACY VISITS**

CISLAC has successfully engaged key members of the National Assembly in order to wield their influence in ensuring that civil society positions are accommodated. In 2006, for instance, CISLAC targeted key players and created public awareness on draft legislation and questionable provisions incorporated by the National Assembly. Such efforts improved the levels of discipline, transparency, and accountability in the management and openness of fiscal responsibility, public procurement, and the nation's extractive Industry sector in Nigeria.

Through such efforts, CISLAC has empowered communities mostly affected by the extractive industry sector, improved the levels of information dissemination, and ensure due process and transparency in the payments made by extractive industry companies to the Federal Government and its agencies. It has also educated State and Federal legislators, their advisory staff, CSOs, the media, and key stakeholders on their oversight roles in legislation and has reviewed their commitment in implementation.

### **PUBLICATION OF MONTHLY NEWSLETTERS**

CISLAC has strengthened civil society intervention by the publication of a monthly newsletter Legislative Digest and Tobacco Control Update which have

been in circulation for both public and legislative consumption since October 2006 and June 2013 respectively. It has been a central medium of accountability, as it monitors the performance of Legislators, and a channel for advocacy on critical issues that need legislation. Also, CISLAC has a wide range of publications such as Textbooks and Policy Briefs.

