

NARRATIVE REPORT ON PUBLISH WHAT YOU PAY (PWYP) CAMPAIGN, NIGERIA

SUBJECT: *FIXED OBLIGATION GRANT NO. 6015-001-1000*

USAID COOPERATIVE AGREEMENT: *620-A-00-02-00139-00*

MSI PROJECT NO. *6015-001*

GRANTEE: *ANEEJ*

PROJECT TITLE; *PUBLISH WHAT YOU PAY (PWYP)*

HISTORICAL BACKGROUND:

This report is a narrative report of the activities carried out by the PWYP Nigeria coalition, with its secretariat at African Network for Environment and Economic Justice (ANEEJ).

This project was conceptualized by the need to improve upon Nigeria economic policy, public expenditure tracking and combating corruption by bringing transparency and accountability in the extractive industrial sector of Nigeria, in order that the civil society organizations actively participate, through constructive engagement in the development and monitoring of the federal budget. The participation of the civil society organizations in collaboration with community-based organizations will make the budgetary process more people oriented.

The new federal budget must be drive by the new economic policy and must aim at poverty reduction in line with Prospect-USAID vision of the Economic Transition from “secrecy to transparency”.

The PWYP campaign is a brainchild of the British Prime Minister, Tony Blair’s proposed prudent economic policy in the extractive industries (EI) proposed during the Johannesburg Summit on Sustainable Development, in 2002.

PWYP Nigeria Coalition was launched in Port Harcourt on February 17, 2004. The coalition has a membership of over 70 civil society organisations drawn from the six geo-political regions and representing a wide-range of socio-economic and cultural interests. The coalition is part of an international network of organisations calling for mandatory disclosure of the payments made by the oil, gas and other mineral development companies to governments, and for governments to publicly reveal its revenues from these

sectors so that citizens can hold them accountable for their management of such revenues.

The Transparency International (TI) ranks Nigeria number three most corrupt country in the world. Though Nigeria is very rich in natural resources, and is said to have generated about \$280 billion from oil and gas development since the discovery of oil in Oloibiri, Nigeria is still one of the most impoverished nations in the world.

The wealth generated from the oil and gas sectors do not translate to reprieve for the citizens. Instead most of the revenue generated from the sector is stolen and hidden in foreign bank accounts.

The reasoning advanced by some people to explain this illegal transfer of funds support the argument that if the government and the extractive industries are transparent and accountable, the rate of corruption will be reduced drastically. This can be achieved through economic transition from secrecy to transparency.

USAID believes that promoting stakeholder participation in economic transition is a key coordinated intervention strategy to strengthen economic stakeholder organizations and encourage their responsible and effective participation in the economic policy reform and oversight processes in Nigeria.

In February 19, 2004 the Federal Republic of Nigeria launched its EITI tagged “Nigeria Extractive Industries Transparency initiatives (NEITI)” to assist in fighting corruption and monitoring its revenue resources from the extractive industries.

The NEITI has a mandate to work for enhanced transparency in the extractive industries. Also, major development partners and donor agencies such as Prospect Nigeria, MSI and USAID among others are in support of the transparency initiative in Nigeria.

The interest shown by the CSOs, the government and the development partners in the war against corruption makes the PWYP campaign a good cause to pursue.

PROJECT OBJECTIVES

The objectives of this project include:

- To build a core of civil society actors interested in, and making inputs into PWYP and EITI on an ongoing basis and offer civil society actors the potential and inputs to strengthen transparency process
- To strengthen civil society's understanding and capacity to engage in the PWYP and EITI campaigns
- To conduct action research with a view to engaging in informed advocacy
- To work for transparency, accountability and popular participation in the PWYP and EITI process
- To advocate for changes in laws and policies and to elicit civil society's intervention / responses on developments in this area.
- To raise awareness levels of civil society and the wider public on PWYP policy issues and processes from the pro-poor and rights perspectives

Project Activities Proposed

In order to achieve the objectives set forth above, PWYP campaign Nigeria proposed to achieve the following milestones.

Milestone 1: To complete research plan / work plan and budget / cost share and institutional support by the 15th of November 2004.

Milestone 2: To engage in advocacy outreach / EITI interaction by the 15th of February 2005.

Milestone 3: To conduct a PWYP annual meeting / capacity building workshop by March 2005.

Project Activities Carried Out

Milestone 1

Pursuant to the implementation of "PWYP" campaign Nigeria, PWYP Nigeria coalition in line with set objectives, consulted an expert to conduct research in this area. With the result of the research the steering committee met and developed work plan for the campaign.

The work plan developed covered the following areas:

- The development of a constitution for the operation of the network
- Detailed work plan and budget submitted to Chief of Party, and
- Development of indicators and monitoring and evaluation plan

- Plans to engage with elected officials and senior civil servants in the targeted areas
- Position papers presented to key policy-makers
- Plans for PWYP annual summit taking place with approximately 50 - 72 participants, and
- Plans to engage officials of the legislative and executive branch of the federal government and other civil society representatives (labour, media, OPS etc.) as contained in the contractual agreement.

Equally, V-sat was acquired and a staff (Project Officer) was hired. Also, there was a meeting of the steering committee held in Abuja to harmonize plans for effective administration of PWYP Nigeria coalition.

The milestone was completed and submitted to the Chief of Party on November 15, 2004.

See annexure 1 for detail report.

Milestone 2:

This milestone requires the PWYP Nigeria coalition to engage in advocacy outreach / EITI interaction.

There were meetings held between members of the legislature and the PWYP coalition; the executive branch and the coalition; and the EITI National Stakeholders Working Group and the PWYP coalition. Equally, there was a two-day summit held at the Petroleum Training Institute (P.T.I), Effurun between December 21 - 22, 2004.

PWYP Nigeria coalition met with the National NSWG-NEITI on Tuesday November 2005 at Gubabi Royal Hotel Abuja to consider issues relating to civil society engagement with NSWG of the EITI.

Members discussed the following issues:

- Modalities of participation of the PWYP coalition in the EITI process
- EITI/PWYP consultation facilitated by DFID
- Representation in the NSWG
- Communication strategies between the EITI Secretariat and the PWYP coalition, and other civil society organizations
- Capacity building for PWYP coalition
- Draft EITI Bill, and funding.

After exhaustive discussion, participants agreed among other things, that there is need to restructure the composition of the NSWG; increase civil society representation, and introduce more transparency. Equally, there is need for increased communication between the Secretariat and the EITI NSWG; urgent need for capacity building.

Please see annexure 2 for detail report.

Present at this very summit were representatives of the legislative and the executive arms of government, other CSO organisations who were not members of the PWYP coalition, and the organised private sector among others.

The theme of the advocacy workshop on “Oil Revenue Management and Budget Monitoring in the Niger Delta States” is “Building the Capacity of Civil Society for Effective Tracking of Oil Revenue Flow to the Niger Delta.

Apart from the above achievements, the result of the Abuja Steering Committee conference was published. Also, the report of the Port Harcourt meeting was published. Both the Abuja and Port Harcourt reports were edited and printed in book form for onward distribution to the public.

Further, there was a newsletter publication in the March Edition. Also an Internet website was developed with monthly subscription, to facilitate advocacy process.

This milestone was completed on February 15, 2005 in line with contract requirement.

See annexure 3 for detail report.

Milestone 3

This milestone calls for a PWYP Annual Meeting / Capacity Building Workshop in March 2005. Nigeria Coalition PWYP held its First Anniversary and Annual Workshop at Gubabi Royal Hotel, Abuja from February 28 - March 4, 2005.

About 77 representatives of the PWYP Nigeria Coalition, OPS, NLC, Labour, the Extractive Industries, Legislative and Executive arms of the government, and other civil society organisations attended the capacity building workshop.

At this workshop, issues bordering on the effective and efficient administration of the coalition were discussed. To this end there was PWYP Nigeria Institutional Development Framework (IDF). Members of the coalition went through the training on how to run the coalition more efficiently.

Also position papers were presented and discussed among coalition members. Freedom of Information Bill, and NEITI Bill before the National Assembly were analyzed with recommendation for the amendment of some provisions of the Bill.

A communiqué was issued at the end of the workshop calling on the legislative arm of the government to continue to work on the approval of the Freedom of Information Bill. Also, to pass the NEITI Bills among other things. Further, the communiqué called on the executive arm of the government to have open door policy for the CSO for effective engagements in policy development and implementation.

The Senior Adviser to the President on Budget Monitoring and Price Intelligence Unit and National Coordinator of National Stakeholders Working Group (NSWG) promised to always keep the civil society especially the PWYP coalition within the loop when decisions affecting the general public, especially in areas of fiscal policies are made.

Equally, she will continue to work very closely with the CSOs to harmonize some basic policies. This milestone was completed in line with the contractual agreement with Prospect Nigeria and submitted to Chief of Party on March 14, 2005.

See annexure 4 for detail report.

ANALYSIS AND CRITICAL ASSESSMENT OF RESULTS ACHIEVED BY THE PROJECT

Regrettably, Transparency International rated Nigeria as the third most corrupt country in the world. These corrupt tendencies are ever present in the three levels of government - federal, state and local.

Indeed both local and international experts agree that Nigerian citizens have over \$107 billion stashed away in foreign banks. This money is enough to pay off Nigeria external debt. Some of the funds were stolen by both past and current government officials. This incivility of government officials is a great challenge to the civil society.

No wonder when the issue of transparency and accountability in the extractive industries came up African Network for Environment and Economic Justice

(ANEEJ) spearhead a campaign of the civil society organisations that will make sure that the extractive industries report their payments to the government.

Under the leadership of ANEEJ a coalition of NGOs dubbed “Publish What You Pay” was formed to advocate for judicious and transparent accountability of all moneys paid to the government by the extractive industries.

The PWYP provided the platform for civil society engagement with representatives of the Federal Government of Nigeria, the Media, Labour, organised Private Sector and International Community among others.

The outcome of this project has been widely reported in leading newspapers, local, national and international television channels. This has brought increased awareness of the issue to the greater society.

Also, a strong working relationship with the Executive and Legislative arms of the government has been established.

SETBACKS, CHALLENGES / EXPLANATIONS

Despite the efforts of the PWYP Nigeria to build strong working relationship with government, there is still quite some problematic areas that really need to be addressed properly. One of such areas is the inability of the government to release public information. This led the coalition to sign on to the movement for the passage of Freedom of Information Bill into law. The bill is currently before the House of Senate.

Other setbacks include the continued foot dragging by most oil companies to open up to current challenges of publishing what they paid to the government.

This is still an area the CSO organisations still need to continue their advocacy and lobbying to get full cooperation from both government and the extractive industries.

OVERALL RESULTS

Quite a number of results have been achieved by the PWYP Nigeria coalition among which are:

- Formation of civil society coalition to constructively engage government on fiscal transparency.
- More opportunities for constructive engagement between CSO and government

- Recognition of CSO by the government
- Expansion of the PWYP Campaign beyond national boundaries to international levels
- Series of meetings with foreign governments
- More awareness of the issue at national and global levels

FUTURE ACTIVITIES AND RECOMMENDATIONS

Though PWYP Nigeria coalition has made some progress to constructively engage the government and extractive industries in areas of transparency and economic policy reform, there is still a Herculean task to be done in this area.

Being rated number three in the world among the most corrupt nations, Nigeria has become a pariah country worldwide and its corrupt tendencies is everly present.

But thanks to God for the wisdom and commitment of USAID, MSI, and Prospect Nigeria for identifying the need for economic reform in Nigeria and championing the cause of such reforms.

The support of the above mentioned donor partners and guarantors have made it possible that government agencies are beginning to understand the need for transparency and fiscal discipline in its financial management.

Though a few agencies are beginning to engage CSO in discussions, many are still back trading.

Therefore, there is need to continue and sustain this campaign to achieve concrete results in line with the EITI process advocated by the British Prime Minister, Tony Blair, and supported by the IMF, G8 countries, EU, the World Bank and other international bodies.

There is an urgent need for continuous engagements with resource people like Yemi Oke on the NEITI bill and to follow up on the recommendations of the IDF. Equally, there is need to continue working on the implementation of the IDF to sustain the PWYP campaign. This campaign is already yielding some results and the pressure needs to be sustained.