

I wish to thank the organizers of the NEITI Road Show and North-East Civil Society Interactive Session for inviting me as a Keynote Speaker. I consider this a privilege. The theme of this road show: “Operationalization and Implementation of the Nigeria Extractive Industries Transparency Initiative (NEITI) Act and its implication for Civil Society, Community and Wider Stakeholders” is both appropriate and timely. In focusing on extending lessons, I plan to simply share our implementation experiences, which hopefully will guide the leadership of NEITI.

For take-off, we phased implementation addressing financial crimes sector by sector and targeting kingpins in order to create maximum impact and destroy criminal networks. This was deliberate and strategic. Our first victims were 419ers: the Ajeduwes, the Ade Bendels, the Nwudes, etc. Next, we beamed our searchlight on the financial sector, particularly banks. I think the biggest deliverable from this effort was the successful implementation of the re-capitalization/consolidation programme of the Central Bank of Nigeria (CBN) under the leadership of Professor Charles Soludo. Thereafter, we focused on the illegal bunkering of crude oil. It is on record that our operatives reduced the activities of criminals in this sector. There were several other areas we worked on including public sector corruption by Politically Exposed Persons (PEPs) and well connected Nigerians. The lesson here is that priorities were defined and implementation was in phases.

NEITI is a major stakeholder in the anti-corruption fight. Except you think your law is comprehensive enough, as pioneer officers, my advise is that you immediately commence a thorough review of the law setting up the agency for the purpose of formulating amendments designed to enhance your operations. The EFCC (Establishment) Act, 2002 was defective in several areas. We worked closely with the Attorney General’s office and the leadership of the National Assembly to pass into law the EFCC (Establishment) Act, 2004 and the Money Laundering (Prohibition) Act, 2004. Today, the country’s anti-money laundering/combating of financing of terrorism regime is hinged on these two laws. And they in fact provided the basis for the removal of Nigeria from the Financial Action Task Force (FATF) list of Non-Cooperative Countries & Territories (NCCTs) in June, 2006.

The Explanatory Memorandum to the NEITI Act, 2007 clearly defines the task ahead “...the development of a framework for transparency and accountability in the reporting and disclosure by all extractive industry companies of revenue due to or paid to the Federal

Government.” The objectives and functions of NEITI which are covered under sections 2 and 3 respectively align completely with the ideas expressed under the Explanatory Memorandum. As a new agency, there is urgent need for the leadership to articulate “quick wins” and clear milestones drawing guidance from the Explanatory Memorandum, the objectives and functions enunciated under the Act.

After a cursory review of the NEITI 22-Section Statute, the most visible challenge in my mind is the absence of enforcement bite in the law. Section 16 provides for offences and stiff penalties against extractive industry companies and government officials. Any extractive industry company which gives false information or report to the Federal Government or its agency regarding its volume or production, sales and income, or renders false statement of account or fails to render a statement of account required...resulting in underpayment or non-payment of revenue...commits an offence and is liable on conviction to a fine of not less than N30million. This penalty is in addition to the actual revenue due. Delays or refusal to give information or report, or willful or negligent failure to perform an obligation are punishable offences under the Act. Directors or other management staff could be culpable under Section 16(5). Also, a government official who renders false statement of account or fails to render a statement of account under the Act resulting in the underpayment or non-payment of revenue accruable to the Federal Government or its statutory recipients could go to jail for as many as two (2) years or pay a fine not less than N5million.

In doing its work, heavy reliance is placed on independent auditors and the publication of auditors’ report and comments after dissemination to the Auditor-General of the Federal and the National Assembly. The proviso under Section 14 stating that the Auditors Report and Comments under Section 4 cannot be “... published in a manner prejudicial to the contractual obligations or proprietary interests of the audited entity” is in my view very limiting to the operations of NEITI.

This is apart from the fact that the law is silent on what further enforcement measures are to be taken by NEITI after reports have been published. Anyhow, Section 15 of the Act allows the governing body of NEITI, the National Stakeholders Working Group (NSWG) created under Section 5 of the same law to formulate policies, programmes and strategies for the effective implementation of the objectives and the discharge of its functions.

In putting the above together, it is important law enforcement agencies especially those with prosecution powers are accommodated as partners. Agencies with prosecution powers and applicable mandate must be sensitized to draft criminal charges and commence prosecution based on the NEITI Act, 2007. The lesson here is that this is a fight requiring the buy-in and cooperation of all stakeholders.

Another key implementation lesson I want to address is the building of an effective and efficient staff pool. Recruiting the right team is crucial to the success of any organization. The leadership must have vision and commitment in order to be able to correctly inspire other members of staff. The modest successes recorded at the EFCC are attributable to our college of dedicated officers. Welfare, job security, career opportunities, skill development, etc are basic and important morale boosters for employees.

Overall, we consider the NEITI Act, 2007 as an invaluable addition to the country's arsenal of regulatory tools designed to combat corruption and other financial crimes by institutionalizing transparency, accountability and the rule of law. Therefore, I wish to end this keynote address by assuring the leadership of NEITI that the Economic & Financial Crimes Commission (EFCC) under my Chairmanship is ready and eager to forge a partnership with you for the purpose of discharging your obligations under the Act.

Thank you.