



**KEYNOTE ADDRESS**

**BY**

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**AT**

**THE 3RD NATIONAL SUMMIT ON DIMINISHING CORRUPTION IN THE  
PUBLIC SECTOR**

**Corruption and the Cost of Governance: New Imperative for Fiscal  
Transparency**

**ON**

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**@**

**STATE HOUSE BANQUET HALL**

**ASO VILLA, ABUJA**

## **PROTOCOL,**

1. On behalf of the Federal Ministry of Finance, Budget and National Planning, I am glad to be in your midst today to deliver the keynote address, with the presence of His Excellency, President Muhammadu Buhari, GCFR; members of the National Assembly; representatives of the Judiciary; Heads of Ministries, Departments and agencies; Special Guests; eminent traditional and religious leaders; members of the civil society; members of the media and other distinguished resource persons here present.

2. I am honored to be chosen as one of the Speakers at this 3<sup>rd</sup> National Summit on **Diminishing Corruption in the Public Sector** put together by the Independent Corrupt Practices and Other Related Offences Commission (ICPC). We, at the Federal Ministry of Finance, Budget and National Planning, are proud to be part of this year's Summit. Permit me therefore, to use this medium to commend the leadership of the ICPC for the sustained national efforts in fighting the scourge of corruption.

3. I would like to use this medium to appreciate His Excellency, President Muhammadu Buhari and the various stakeholders for setting the tone for discussions at this Summit. Let me state that the theme of this Summit: **Corruption and the Cost of Governance: New Imperative for Fiscal Transparency** is profoundly relevant and timely as we continue to navigate the challenging issues of corruption in our dear country.

Your Excellency, Ladies And Gentlemen,

4. Allow me to begin this key note address with this rhetorical question: **What is Corruption?** Corruption has been defined in numerous ways and can be understood as the use of a position of trust for dishonest (often times – personal) gain. Several definitions for corruption are acceptable, including a distinction between petty corruption, which involves specific acts of abuse of power by individuals or groups for personal and sectional gain, and grand corruption, which is defined as the widespread corruption of entire political systems.

5. Public sector corruption is dishonest behavior by those in positions of power or authority, such as managers or government officials. Corruption includes giving or accepting bribes or inappropriate gifts, double-dealing, under-the-table transactions, manipulating elections, diverting funds, laundering money, and defrauding investors amongst others.

6. Corruption is multifaceted and comes in various dimensions and manners which ranges from electoral corruption, bureaucratic corruption, judicial corruption, to economic corruption, political corruption and moral corruption. It should however, be noted that most, if not all types of corruption have serious negative impact on the economic development of a country.

7. It is an undisputable fact that the issue of corruption in Nigeria has been endemic and pervasive over the years, costing the country trillions of naira that could have been channeled into economic development. Corruption is a hydra-headed monster which festers on every facet of the economy and national life, and if left unattended to - has the ability to cripple even the most viable economy.

8. Nigeria has had her fair share of the devastating effects of corruption and that explains why from the very inception of this administration in 2015, one of Government's primary concerns has been the reduction/eradication of corruption in public sector to its barest minimum. Corruption is a pressing issue in Nigeria which affects public finances, investments as well as standard of living.

9. Corruption leads to low governance effectiveness as a result of inefficient government expenditure and leakages. It leads to weak support for Foreign Direct Investment since it makes it increasingly difficult for investors to predict and make good business decisions under an economy burdened by corruption. Also affected is lower human capital as fewer people, especially the poor, are able to access healthcare and education.

10. Poverty and unemployment of our youthful population are the tragic consequences of corrupt practices since the resources which could have been ploughed into socio-economic development are diverted to private use. This scenario poses a grave danger to the country because an idle hand is the devil's workshop.

11. The efforts of this administration to tackle corruption have focused on two (2) key measures: **implementing good governance measures and ramping up indictments - including of high-profile cases.**

This Government has worked continuously in diminishing corruption in Nigeria. So far, the Government has pushed for a corruption-free country on various ends, including

- a. The Federal Government has successfully conducted the audit of key Federal revenue generating agencies under the approval and watchful eyes of the National Executive Council (NEC), which has led to the recovery of large sums of monies that were hitherto not remitted to the Federation account.
- b. This administration has sufficiently signed agreements and Memorandum of Understanding (MOUs) with various countries to boost international

- cooperation for the investigation, tracking, freezing and return of stolen assets including Executive Order 8 (Voluntary Assets Regularization Scheme, Switzerland).
- c. The Presidential Initiative on Continuous Audit (PICA) has also been introduced with the aim of strengthening controls over government finances through a continuous internal audit process across all MDAs, particularly in respect of payroll.
  - d. The implementation of budget reforms which now ensures that all budgets of all Government Agencies are prepared in line with International Public Sector Accounting Standards (IPSAS).
  - e. The Efficiency Unit in the Federal Ministry of Finance was also created to review all government overhead expenditure. The efforts of the Unit have brought about drastic reduction of wastages and ensured quantifiable savings for the country.
  - f. Still in a bid to explore all constitutional avenues to diminish corruption, this administration in 2016 attended and participated in the International Anti-Corruption Summit organized by the Government of the United Kingdom while in July 2016, Nigeria enlisted in the Open Government Partnership (OGP), an international transparency, accountability and citizen engagement initiative.
  - g. The introduction of the whistleblowing policy by the Federal Ministry of Finance under this administration has achieved appreciable level of success. In its first two months of operation, this policy led to the recovery of over \$160 Million and N8 Billion, respectively.

### **Good Governance and the fight against corruption is vital for Sustainable Development**

12. This Administration has demonstrated its strong commitment to sustainable development, governance and the fight against corruption not only through global commitments and statements by His Excellency, Mr. President but also by the allocation of financial resources. The security and anti corruption agencies are prioritised in the allocation of our limited revenues and as an example, about 86 percent of the 2021 Supplementary Budget was dedicated to the capital and recurrent expenditure needs of the security agencies to supplement the allocations in the 2021 Amended Budget. Several initiatives to promote good governance are also funded through the Federal Budget supplemented with the assistance of development partners.

For the rest of this discussion, I will focus on some key governance and anti corruption initiatives spearheaded by the Federal Ministry of Finance, Budget and National Planning and its agencies. I will begin with the Treasury Single Account .

#### **a. Treasury Single Account (TSA) –**

- The TSA is a unified structure of government bank accounts which enables consolidation and optimum utilization of government cash resources. It gives the Ministry of Finance, Budget and National Planning oversight of all government cash flows, improving budget control and monitoring.
- The implementation of the TSA has generated enormous savings for Government and significantly improved our cash management capabilities.
- Government Integrated Financial Management Information System (GIFMIS).
- GIFMIS is an IT based system for budget management and accounting being implemented to improve Public Financial Management processes and enhance accountability and transparency across all Ministries, Departments and Agencies of government.
- It has the capability to cover the entire financial management cycle, end-to-end and additional modules are being activated on an ongoing basis.

#### **b. Project Lighthouse –**

- Project Lighthouse is a data driven artificial intelligence engine that provides the Federal Ministry of Finance, Budget and National Planning with an intelligence and profiling platform to aid in policy formulation, implementation and impact assessment. It enables the aggregation of data from a variety of sources to give us the capability to develop an intelligent data-driven revenue mobilisation model.
- The second phase of implementation of Project Lighthouse has been approved by the Federal Executive Council and so far, we have been able to aggregate N5.2 trillion worth of debts owed to Government by third parties, of which N49.7 billion of this amount has been recovered.

**c. TaxPro Max -**

- The Federal Inland Revenue Service (FIRS), as part of its efforts at modernising tax administration in Nigeria, introduced TaxPro Max, an online platform to ease tax administration and compliance.
- TaxPro Max is designed to ease registration, filing and payment by tax payers and its implementation is ongoing.

**d. E-Customs -**

- The e-Customs Project will fully automate administrative processes of the Nigeria Customs Service by introducing innovative measures that eliminate paper-based functions.
- Its implementation will enhance accurate tax and duties collection for the Government and facilitate the transfer of goods and shipments through ultra-modern clearance processes.

**e. Road Infrastructure Tax Credit Scheme (RITCS) -**

- The RITCS was launched by His Excellency, President Muhammadu Buhari through Executive Order Number 7 signed on the 25th of January 2019. It is designed to leverage private sector capital, efficiency and expertise to construct, repair and maintain critical road infrastructure in key economic corridors and industrial clusters in Nigeria. The scheme relieves Government of the burden of funding significant outlays for road projects through the Annual Budget.
- Essentially, the RITCS utilizes tax expenditures, by way of tax credits, to finance the construction of critical road and bridge infrastructure through an innovative PPP mechanism that incentivises private sector participation. Since inception, His Excellency, Mr President has approved a total of thirty-three (33) Road Projects, totalling 1,564.95 km being undertaken in nineteen (19) States across the six (6) geo-political zones of the country. Construction has commenced on four road projects undertaken by three (3) corporate investors with more underway for construction in the near term.

**f. Open Government Partnership -**

- The OGP is an international multi-stakeholder initiative focused on improving transparency, accountability, citizen participation and

government responsiveness to citizens through technology and innovation.

- Since joining the partnership in July 2016, Nigeria has made progress in deepening transparency, accountability and openness in the management of public resources, especially in terms of the budget process. Nigeria is currently implementing 16 commitments from its 2019-2022 Action Plan. These commitments relate to fiscal transparency, anti-corruption, extractive transparency, inclusiveness and public service delivery.

#### **g. Open Treasury Portal -**

- In December 2019, the Federal Ministry of Finance, Budget and National Planning launched the Open Treasury Portal under the Office of the Accountant General of the Federation.
- The Open Treasury portal is a platform that aims to enhance the accountability of Government by detailing and tracking Federal Government spending data through the publishing of monthly fiscal accounts, as well as daily treasury and payment reports amongst others by Federal MDAs.

#### **h. The Safe Schools Initiative -**

- Education is critical to sustainable development and for this reason, efforts have been renewed to galvanise financing support across stakeholders, which include donor communities, the private sector and Federal and State governments to ensure safety in schools across Nigeria.
- The Safe Schools Initiative was launched in response to the abduction of the Chibok Girls in 2014 to ensure the safety of children in and out of school.
- This Administration has restated its commitment to creating safe learning communities across the country. I chaired a high-level forum in May 2021 where stakeholders from the private sector, donor community and Government committed to the development of a roadmap for the design and implementation of the 'Abuja Financing Safe Schools Compact'. Once finalised, the roadmap will be swiftly financed and implemented as the safety of our children is a top priority.

## **Whole of Government Approach and All Hands on Deck:**

- 13.** The constraints imposed by corruption, insecurity and misgovernance on sustainable development are multi-faceted and require an 'all-hands-on-deck' approach. The Ministry of Finance, Budget and National Planning under my leadership plays a critical role in ensuring the funding requirements for the various MDAs involved in achieving this objective, including the anti corruption and security agencies, are met in a timely and predictable fashion. However, at the Ministry we envision our role as extending beyond facilitation to actively engaging in the design and delivery of initiatives which directly contribute to building the superstructure of good governance and security in Nigeria, all within the mandate of our Ministry and its agencies.
- 14.** Although good governance security and the fight against corruption are instrumental to sustainable development, I believe that causality also runs in the other direction with growth and economic development creating a safe and secure environment where all Nigerians can pursue their livelihoods. The most recent GDP data which reports real GDP growth of 5.01% in the second quarter and 4.03 in the third quarter of 2021 are very encouraging news as it indicates the Nigerian economy is on a solid path to recovery. It is important to note that much of the growth was driven by the expansion of the non-oil sector of the economy where most Nigerians are employed
- 15.** We recognize there is still much to be done and will continue to work closely with all the relevant stakeholders in Nigeria, to ensure an environment conducive to sustainable development.

## **Recommendations: Tackling corruption in order to stimulate sustainable development in Nigeria.**

- 16.** Any national effort at curbing corruption must be holistic and all inclusive. It requires the active participation of State and local governments as well as the private sector as the Federal government cannot win the battle alone. The legal framework in tackling corruption must be strengthened. A situation where corrupt government officials exploit legal loopholes and technicalities to undermine their corruption cases in an effort to escape justice must be seriously redressed. The judiciary, legislature and other stakeholders within the Judicial system should take deliberate steps to eliminate legal loopholes in our legal system which corrupt officials tend to exploit in order to evade justice.

The rule of law, the adoption of the right legal framework and the necessary legislation as well as the predictable implementation of the law are crucial.



The war against corruption is a continuous one. There is the need for the Executive to continue to strengthen the existing agencies fighting corruption such as the Independent Corrupt Practices Commission (ICPC) and the Economic and Financial Crimes Commission (EFCC) in order to make them more formidable, functional and effective. These agencies should be supported to adopt innovative methods of preventing officials from stealing public funds through the deployment of Information Technology (IT). There should be judicial reforms aimed at improving the capacity of the judiciary to speed-up the dispensation of justice as far as corruption cases are concerned. If possible, special courts and expedited trials can be introduced/adopted for corruption cases. We must design our Judicial sector to meet our peculiar challenges and the ever changing face of corruption.

There is the need to also embark or increase the tempo on reorientation amongst Nigerians; to change the attitude and psychology of the people towards corruption.

- 17. Conclusion:** Without controversy, Nigeria has suffered under the burden of corruption with such negative impacts such as, infrastructural problems (lack of good roads, inadequate electricity and pipe borne water, etc), Institutional decay and moral decadence.

Combating corruption in public service is the key to Nigeria's continuing relevance in the global stage and sustainability in our efforts towards becoming a developed nation. We cannot and must not relent in the fight against corruption. And I trust that the ICPC will continue to deliver on its mandate and rise to the evolving challenges of corruption in our public institutions.

We recognize there is still much to be done and will continue to work closely with all the relevant stakeholders in Nigeria, to ensure an environment conducive to sustainable development.

While the Government is doing its best to sanitize the public service and rid the country of corruption, may I conclude by calling on everyone to do our bit, from our various spates to ensure a corruption-free Nigeria.

Thank you.