



WHAT EVERY NIGERIAN NEEDS TO KNOW ABOUT THE USE OF THE \$322.5 MILLION ABACHA LOOT

Over the last week or so, there has been heightened interest amongst Nigerians about the use of the most recently repatriated \$322.5 million Abacha loot. The questions raised around the issue include the choice of using the money for the conditional cash transfer programme of the Federal Government, the fairness of the choice of states benefitting from the programme, the usefulness of a monthly transfer of N5,000 to poor Nigerians and concerns about the re-looting of the funds.

As a CSO that has been primarily involved in the processes for the repatriation of the loot and the ongoing monitoring of the use of the funds, we find it expedient to provide clarity on most of these issues from the perspective of civil society – based on our engagement with all the stakeholders in the process - to avoid misinformation and ensure meaningful engagement with the issue. So, let us deal with these questions sequentially:

❖ WHY ARE THE FUNDS BEING USED FOR THE CASH TRANSFER PROGRAMME?

As civil society, we share the concerns of most Nigerians about the use of the \$322.5 million dollars for the conditional cash transfer programme, instead of a legacy project with more visibility and impact. However, the use of the funds for cash transfers is an outcome of months of negotiation that enabled the repatriation of the funds in the first place.

The court order in Switzerland that commenced the repatriation process was made conditional on the involvement of the World Bank in supervising the use of the funds to prevent their mismanagement and re-looting, as has been the case in the past. To enable the mandatory involvement of the World Bank in the process, the money had to be used in a subsisting programme of the Bank in Nigeria to enable it to use its existing monitoring and broader institutional resources to monitor the use of the funds. Since the Bank already had a social investment programme running in the country, the decision was taken to channel the funds to the cash transfer component of this programme. This would also mean that the funds would be “*used for the benefit of the people of Nigeria*”, which was another condition in the MOU.

The use of the funds for the cash transfer programme is therefore largely a result of the preconditional involvement of the World Bank. Whilst we advocate for and hope that the meaningful use of these funds would make such conditions unnecessary in the future, this is now the case and the conversation needs to move towards ensuring a transparent, accountable and equitable use of the funds for the designated purpose; providing safety nets for the poorest Nigerians amongst us. It is worth noting that this objective to use the funds transparently and accountably would be no less expedient if the funds were used for a legacy project, especially

in the light of the issues of corruption that continue to plague procurement processes of such projects.

❖ HOW FAIR AND RELIABLE IS THE PROCESS FOR CHOOSING THE POOR BENEFICIARIES OF THE CASH TRANSFER PROGRAMME?

The beneficiaries of the cash transfer programme are households contained in the National Social Register which is developed by the National Social Safety-Nets Coordinating Office (NASSCO) in collaboration with and support from the World Bank. This register is built employing three targeted mechanisms to identify poor and vulnerable people across the country.

The mechanisms include Geographical Targeting (using a poverty map of existing classifications of poverty across all states of the Federation), Community-Based Targeting (using community members and leaders to decide local eligibility for the poorest and vulnerable households in their communities) and Proxy Mean Test (using observable household individual characteristics such as location and quality of the household's dwelling, education and occupation of its adult members, etc). For more details on this process, please visit the social media page of the NASSCO at <https://web.facebook.com/notes/nassco-national-social-safety-nets-coordinating-office/overview-of-the-process-of-identifying-the-poor-and-vulnerable-on-the-programme/266368647438679/>.

It is the households identified through these processes and included in the National Social Register that are eligible to receive the cash transfers from the National Cash Transfer Office (NCTO).

❖ WHY ARE ONLY 19 STATES BENEFITTING FROM THE CASH TRANSFER PROGRAMME?

It is our understanding that 19 states are currently benefitting from the cash transfer programme and that plans are in place to ensure that all 36 states and the Federal Capital Territory will benefit from the programme by the end of July 2018.

The inclusion of States in the programme is dependent on a number of preconditions, including the readiness of the social register for each state following the processes described above, and the state government providing basic infrastructure and manpower for the implementation of the programme in the State. Unfortunately, certain states have been slow in fulfilling the latter condition, whilst the NASSCO has also been unable to complete the process of getting the social registers for all states ready in satisfactory time.

In accordance with the momentum generated by the recent heightened interest in this issue and the ongoing advocacy of civil society nationally on the subject matter, we will be holding the NCTO accountable on its promise that the programme will be implemented in all states of the Federation by the end of July, 2018. There is also ongoing advocacy in states that have not met requisite conditions to do so and sign onto the cash transfer programme, to ensure its citizens start benefitting.

❖ HOW USEFUL IS N5,000 FOR POOR HOUSEHOLDS IN NIGERIA?

This is a question that has been of major concern to many Nigerians since the introduction of the cash transfer programme. The relevant institutions of government implementing this programme such as the NCTO and the National Social Investment Office (NSIO) has rationalized the choice of this amount by reference to empirical research which informed the choice and the real impact being made by the amount on the ground. Reference has also been to other donor-funded cash transfer programmes in certain parts of the country with similar sums that has had an obvious positive impact on poor people.

As civil society involved in monitoring the use of these funds, we are not only concerned about the transparent and accountable use of the funds but also ascertaining the impact the utilization of the funds is making on the lives of Nigerians. On the premise that these funds are being transferred to the poorest Nigerians who are often more rural than urban dwellers, we are keeping an open-minded and cautious attitude towards this question and will look to ascertain the real impact of this sum as the programme progresses. Importantly, rather than viewing impact from our own perspectives, we will need to focus on directly capturing the views of the beneficiaries themselves.

❖ WHAT SHOULD BE THE ROLE OF CIVIL SOCIETY GOING FORWARD?

There are a number of events that have taken place with respect to the repatriation and utilization of this Abacha loot that could have been done better, including the mandatory involvement of the World Bank and seemingly forced choice for the use of the funds. This can be attributed to a number of factors, including the unaccountable use of previously repatriated funds.

However, the most important factor that has led us here is the lack of an established legal and institutional framework for the recovery and management of looted assets. Exerting our efforts in trying to undo most of what has been done so far with regard to the current tranche of repatriated \$322.5 million will achieve little if the framework built on transparency and accountability is not established.

Going forward therefore, as civil society, our interest will be best served in proactively monitoring the use of these funds for the purpose for which they have been appropriated to ensure that the money actually gets to the poorest Nigerians as expected. Social safety-net programmes like conditional cash transfers have proven to raise people out of poverty and positively impact the lives of poor people in other parts of the world. The use of the Abacha loot for this purpose will also provide a good case study of this in the context of Nigeria.

Questions about the selection and “poor” status of the people benefitting, the impact of the money, the fairness of the distribution, sustainability of the programme, etc can all be interrogated from this month of July when the use of the Abacha loot in the cash transfer programme is expected to commence. Our role as civil society in monitoring this process is

prominently recognised in the MOU signed for the repatriation of the funds, providing a strong foundation for doing so.

Furthermore, we should leverage on the awareness and momentum created by the return and use of these funds to advocate for the passage of the Proceeds of Crime Bill and other complementary legislation that will establish the requisite institutions and enhance the overall framework for the recovery and management of looted assets in Nigeria. The result from civil society's role in strengthening domestic accountability and transparency will be the extent to which we can help improve trust and confidence in Nigeria's ability to manage recovered assets, without conditions being imposed by other countries and international institutions.

NOTE: *ANEEJ is implementing the MANTRA Project to independently monitor the utilization of the returned \$322.5 million Abacha loot in the cash transfer programme in all the 36 states of Nigeria. For more information, enquiries and possible involvement in the process, please email: mantra@aneej.org or call 08187674339 .*