

# Political Integrity Country Case:

Capture of State Resource Allocation – Nigeria

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**International Online & Onsite Conference on State Capture and Crony  
Capitalism in Anti-Corruption, Hanoi, Viet Nam, 2021**

# 1. Political corruption in Nigeria - *power-preserving or extractive corruption* ?

#Ganduje Gate, #Datsuki Gate...



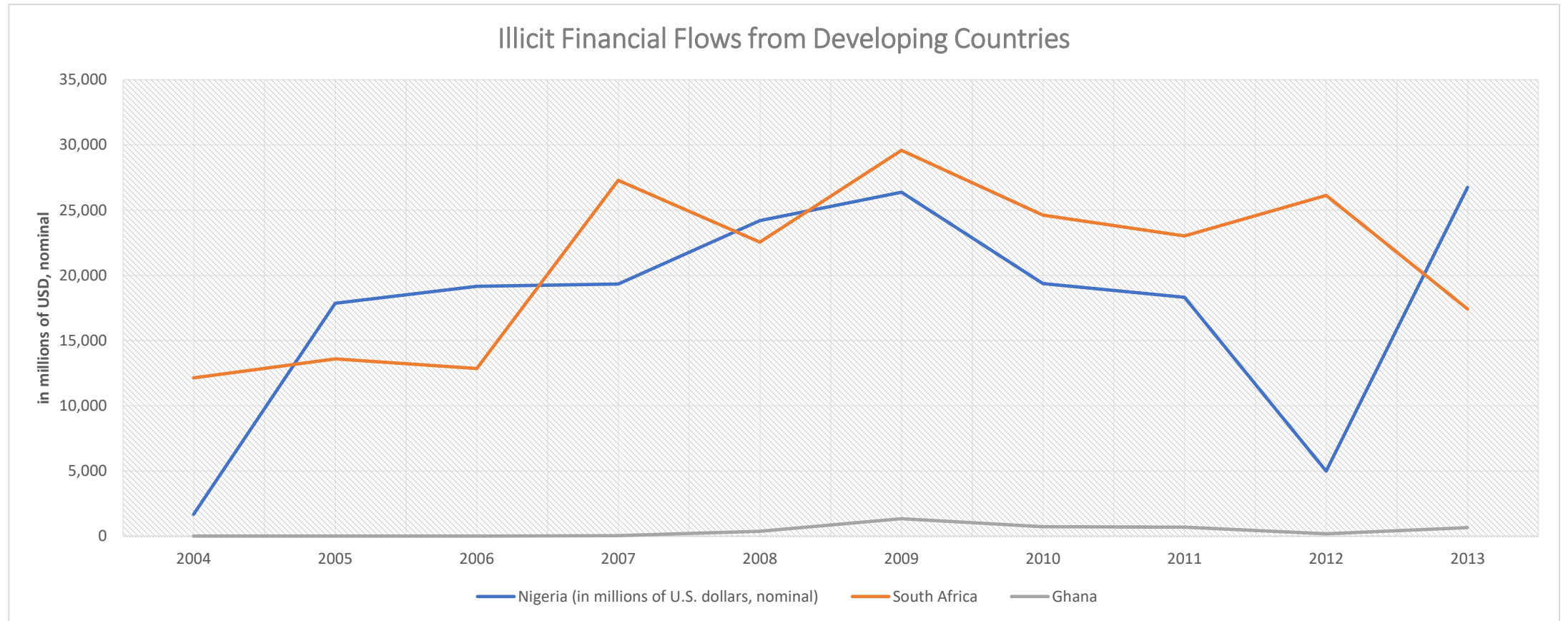
# Example: resource capture in the Nigerian Air Force 2009-2015

## Arms procurement audit findings:

- **\$137mn** provided for two new Mi-35P helicopters
  - Two unserviceable Mi-24V delivered, including lacking rotors.
  - **\$77mn** inflation on market price
  - NAF bolted rotors on from a different helo, leading to 2x deaths
- **\$7.2mn** provided for 4x Alpha jets
  - Only two delivered, unsuitable for deployment to NE
- **~\$45mn** expended on aircraft maintenance
  - **\$12mn** paid for contracts not executed.

...etc

# Illicit Financial Flows / Anti Money Laundering



Source: GFI 2016



## 2. Enabling factors of resource capture

- Political, military and business elite is detached from the population and not accountable to the population;
- Political parties are platforms to consolidate power and enrich individuals and patronage networks;
- There is no functional internal oversight (Parliament, anti-corruption agencies, internal auditing)
- Population is impoverished and divided along ethnics and religious lines – there is no vertical demand for accountability
- External oversight exists but is either inefficient or corrupt (media, CSOs,...)

### 3. Drivers of change - what can be done to counter state capture

- Improve detection ability – how much is captured by whom and how;
- Strengthen legislative framework to acknowledge state capture and penalize it;
- Improve internal oversight – Anti-corruption agencies, Ombudsman, Audit Institutions,....;
- Enable external oversight – Media, Parliament, CSOs, 'extraterritorial' oversight, etc.
- Enable publicity condition and contestability – politicians, population and institutions need to be able to operate freely and advocate for reforms

## 4. Short term 'quick-wins' vis-à-vis long-term reform: lessons for anti-corruption stakeholders

### **Quick wins:**

- Produce analytical 'audit' of resource capture (internal/ external);
- Create 'pockets' of reform-minded and (relatively) corrupt-free insiders and outsiders;
- Start with reforms which do not have 'political significance'

### **Long term reforms:**

- Reform internal oversight institutions;
- Enable public to contest state capture;
- Pursue corruption and other charges against state capture/ confiscate assets

# Thank you

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