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**Mid-Term Independent Evaluation of UNODC Project  
NGA/S08: “Support to the Economic and Financial Crimes  
Commission (EFCC) and the Nigerian Judiciary”**

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### Acronyms

ADR –Alternative Dispute Resolution  
EFCC – Economic and Financial Crimes Commission  
FTR – Financial Transaction Reports  
FATF – Financial Action Task Force  
ICPC – Independent Corrupt Practices and Other Related Offences Commission  
ICT – Information and Communications Technology  
ITS – Information Technology Service, UNODC, Vienna  
NFIU – Nigerian Financial Intelligence Unit  
NJI – National Judicial Institute  
PMU – Project Management Unit  
Profi - Programme and Financial Information Management System  
STR – Suspicious Transaction Reports  
TRI – Training and Research Institute (of the EFCC)  
UNCAC – The United Nations Convention Against Corruption  
UNIDO - United Nations Industry and Development Organisation  
UNODC - United Nations Office on Drugs and Crime

## Executive Summary

This report is the result of a mid-term evaluation of the Project NGA/S08: “Support to the Economic and Financial Crimes Commission (EFCC) and the Nigerian Judiciary”. It is a large, complex and important *project* addressing corrupt practices and other economic and financial crimes in Nigeria. The project that runs for four years and will come to an end in December 2009 is executed by the UNODC. The European Union funds 97.24 per cent of the project budget, US\$ 32.2 million, which accounts for 85 per cent of the external support to the EFCC. As of June 2008 expenditure was about 53 per cent of the budget.

The overall *objective* of the project is to enhance good governance and financial accountability, and to reduce the incidence of fraud, waste and corruption in Nigeria through support to the EFCC and the Judiciary/National Judicial Institute (NJI), and to other relevant institutions. The project is aimed at enhancing operational and knowledge capacity of the EFCC and the judiciary/NJI and the public’s awareness of the damaging effects of corruption. Its expected outcomes are reduced corruption and other economic and financial crimes, more efficient use of Nigerian resources, a better image of Nigeria abroad, increased investments and in the long run economic growth.

The Nigerian *context* in which the project is located is hostile, to say the least. The supply of basic infrastructure (e.g. electricity) is uncertain at best or not available at worst. Some observers doubt if the government is indeed fully committed to the fight against corruption and economic and financial crimes.

The project document did not specify the kind of *counterpart funding* and other contributions expected from the Nigerian government. This explains why the government - apart from the provision of three part-time NJI staff - has not gone beyond the provision of office space for the project. Even here it could not guarantee basic infrastructure like electricity and the project had to use part of its resources for office space. The issue of counterpart funding was, however, addressed in the Contribution Agreement between the EC and the UNODC in terms of a requirement that the Government of Nigeria continue to support EFCC's recurrent budget of at least € 5 million throughout the implementation period. The Government has honoured this obligation. An adequate upfront commitment in form of counterpart funding and other contributions would ensure smooth transfer of the project to the EFCC upon its completion.

The independence and impartiality of the EFCC are questioned by various observers. The political leadership of Nigeria must ensure that the Commission operates without *political interference*. One way of ensuring this is to find a mechanism for guaranteeing its annual budgetary allocation that is free from the annual budgetary process.

The project has made and continues to make an *important contribution* to the EFCC in most areas of its work. Its major achievements are in the building the IT capacity of the Commission, strengthening the Financial Intelligence unit (NFIU) in a way that it will be able to monitor corrupt practices and crimes in the financial sector and delivering training to enhance human resources of the EFCC. The installed capacity and the training of staff that accompanied that capacity would go a long way in enhancing the ability of the EFCC to detect, investigate and prosecute corrupt practices.

The Nigerian *Judiciary* has made considerable progress over the last years. It is not easy to know how much of the progress that is attributable to the project, but stakeholders are very satisfied with the results of the project. We are confident that the project has had a catalytic effect on the whole judiciary.

In order to make a judgment on the project, a *rating* of its achievements was carried out with the help of the UNODC Evaluation Assessment Questionnaire. While the questionnaire is not well suited to a midterm evaluation and many items of it could not be filled up we conclude that the project performed well as of the time of its mid-term evaluation (Annex 6). We have also rated the project's achievements using the five key evaluation criteria of our terms of reference and the UNODC Evaluation Handbook. (Rating scale: highly satisfactory 4, satisfactory 3, unsatisfactory 2, highly unsatisfactory 1). Subjecting the criteria to this four-point rating scale, we make the following rating: relevance 4; effectiveness 3; efficiency 3; potential impact 3; sustainability 2, which gives an average score of 3.

We do not find evidence that the *cost* for goods or services of the project was too high. Goods and services are relevant and have been procured in international competition. The overhead cost (17.5 per cent) may seem to be on the high side in view of the magnitude of the project and its huge share of expensive equipment. On the other hand the Nigerian context is hostile and costs are high in Nigeria. Other similar projects allocate still less to operations. For these reasons we find the overhead cost acceptable.

The project document offered very little by way of explanation why the mode of intervention it chose was the ideal one. For example, what is the balance between enforcement, prevention and awareness or between transparency, accountability and integrity? While project emphasis on accountability and integrity is in line with good practice, a preventative element should have been considered, turning the EFCC into a more proactive organisation. For instance, a capability of the EFCC to help Nigerian institutions identify their corruption vulnerabilities would empower those institutions to reduce opportunities for corruption.

The choice of the *UNODC* as the executing agency no doubt has added much needed expertise and safe-guards to the implementation of the project, but it is obvious as well that certain UNODC processes have affected the pace of execution and still cause frustration among stakeholders. These processes need to be reviewed. It is beyond the scope of this evaluation to go into detail but we recommend the UNODC to identify bottlenecks and other shortcomings regarding human resources, procurement and general administration that have affected the implementation of the project.

Overall *implementation* was vested in the Project Management Unit (PMU) located within the EFCC. On the average the office is doing a good job and the project implementation modality also has as a side-effect transfer of management capacity. The PMU keeps a firm grip of the implementation. This is not in agreement with the trend to have the beneficiary playing the major role in implementing the activities. Such ownership would not be fully possible in this case, in particular regarding IT, but it should have been possible to have more responsibility vested with beneficiary institutions without compromising quality or protection of funds. The handover of activities to the Commission is being planned, e.g. EFCC staff have been trained, the PMU and the External Cooperation Unit share premises, a twinning approach between the two units is

being prepared, but not much has happened on the ground. The operational units of the EFCC should be more involved and the role of the External Relations Unit should increasingly be to facilitate the *transfer of ownership* to those units. The EFCC should through the Unit be given room for more involvement without compromising quality or protection of funds. Only the IT component has reasonably involved the Commission. It has worked well, thereby reducing the fear associated with the imminent handover. The IT model could be adopted for other components.

The project is not well known among some of the EFCC,. There are also misunderstandings floating, for instance about procurement. The PMU should be more inclusive in its dealings with key stakeholders, thus ensuring greater EFCC ownership. It would be desirable to have a system to communicate basics, news, progress etc. with staff.

The problems reported mostly centre around slow and inflexible procedures. The main complaint regarding the project and its management is the slowness of *procurement*. There are also several cases of a variety of suppliers, some of which do not have facilities in Nigeria, which makes maintenance difficult and expensive. However, a radical improvement has taken place over the last year. The use of so-called systems contracts and the appointment within the Procurement Unit of a staff member have enhanced UNODC's capacity for timely and accurate procurement. Anyway, the UNODC should review its procurement processes. They should be more flexible and localized to take advantage of the items available nationally and subsequent after sales service.

There was no formal *monitoring* system outlined in the project document, but the financial monitoring and reporting works well, whereas the substantive monitoring and reporting (verifying results and quality of performance) is not as systematic as the financial monitoring; the ProFi narrative reports are descriptive with very few analytical elements. However, in its daily work the PMU is monitoring the quality.

There have been and still exist various instances of equipment stored for long periods because of limited space or equipment having no users because of staff shortages (e.g. a generator, Forensic Laboratory, TRI gym, print shop). For the same reason equipment has not been procured (Finger Print Identification System). Equipment is now being delivered at a grand scale. We understand that the PMU has made plans for how to attend the deliveries, installation and use of goods and services in cooperation with External Cooperation Unit and Substantive Units of the EFCC. Anyway, the EFCC must take action to overcome its *capacity constraints*. Capacity has regularly been enhanced through trainings, but in addition staff could be seconded to manufacturers or other institutions abroad to acquire hands-on experience and mentors could come and work with EFCC staff for short periods.

The project has a good potential of contributing to a reduction of corrupt and other criminal practices in Nigeria, and contribute to a better use of Nigerian resources and also *impact* favourably on Nigeria's international image. According to the TI Global Corruption Barometer 2007 62% of Nigerian respondents think that in the next three years corruption will decrease whereas 29% think that it will increase. Similarly 64% of Nigerian respondents think that their government efforts to fight corruption are effective whereas 23% think that they are ineffective. In terms of perceptions of a range of Nigerian institutions, EFCC ranked first with 90 per cent of

respondents declaring that the Commission was performing well. The atmosphere in Nigeria is becoming more hostile towards corruption. The project is part of this atmosphere.

*Sustainability* is the major concern regarding the support of the EFCC. The project accounts for 85 per cent of the external support to the EFCC. The project's annual contribution of about US\$ 8 million corresponds to about one quarter of the regular budget of the organization; its contribution to training accounts for a very high percentage of EFCC's funds for training. The closure of the project in 2009 will create a financial vacuum which has to be filled if the work of the Commission were to proceed without hindrance. This raises serious questions about the financial sustainability of the achievements. Other reasons for concern are doubts concerning the political commitment to fight corruption, the perceived politicization and insufficient independence of the EFCC, capacity constraints and the problems with electric power, lack of highly trained staff that can take command of the activities, insufficient incentives for key staff to stay in the EFCC, etc. The high turn-over at management level is also a concern. There should be an improvement of the EFCC *institutional memory* that mitigates effects of senior management changes, e.g. mechanisms for transfer of knowledge.

A key issue for impact is obtaining full and accurate *reporting of transactions* by banks and other financial houses. It is disputed with which degree these institutions do comply. The software goAML is at the heart of efforts to track the movements of funds within the Nigerian financial system. We heard conflicting reports on the status of this software. As time is of the essence, efforts should be made to ensure that this software is working effectively in Nigeria and that financial houses comply in reporting regularly as required by law.

The project has delivered a huge amount of training, but there is still a demand for continued *training* in all areas of the project: IT, investigation, intelligence, forensics, courts, etc. The government and States should be encouraged to make resolute efforts to meet all these important needs. Such training should take advantage of the methodologies used by the project (gap analysis; didactics; development of courses, curricula and syllabi; evaluation of training sessions; examination and certification, etc.). Along with the constant electric power breaks staff retainment is the major difficulty of the TRI. There are as of yet few substitutes at the TRI that can take on the responsibilities now being assumed by the training adviser. There is a need for additional training of trainers who can assume a leadership role, develop courses, instruct trainers, put material into use, etc.

Developments in the Justice sector, including anti-corruption efforts, call for concerted donor action - avoiding duplication and creating synergies – in close cooperation with beneficiaries and other stakeholders. It would be desirable that a *coordination forum* be entrusted to deal with all donor funded justice sector and anti-corruption activities in support of the EFCC, the Judiciary/NJI, prosecutors, bailiffs, etc. Its constituents should be the EFCC and other governmental bodies, the Judiciary/NJI, other Justice sector institutions, NGOs, and donors.

There is need for a comprehensive *bridging strategy* that secures the sustainability of project activities. For each of the four components there should be a plan describing what should be done to sustain activities, who is responsible, time frame and costing. The strategy that should include all major measures, commitments of resources and actions to be taken by the UNODC, the EFCC and the NJI/Judiciary, should specify the dates for the EFCC taking on various responsibilities,

etc. The strategy, that should be guided by the OECD/DAC Paris Declaration, should be drafted by the UNODC, the EFCC and the NJI/Judiciary jointly and be subject to endorsement by the EC and approved by the Project Steering Committee, preferably at its meeting in March 2009.

Funds have been used for IT training that have far exceeded what was anticipated at the time of the preparation of the project document and the project has had to install generators, cables, etc., which was not budgeted either. Five zonal offices still lack this basic infrastructure. There is also office space still missing, e.g. for the library of the TRI and for the print shop. *Additional funds* are needed. In the first place it is for the government to allocate such funds.

The EFCC should be turned into a more proactive institution putting still more emphasis on prevention and mobilizing civil society and the business community. A special unit should be established for strategic thinking. We propose that the initiation of such a *strategic unit* be added to the project. It could develop new work methods, review the EFCC capacity building, monitor the EFCC performance, etc.

A *survey* on perception of corruption was supposed to take place prior to the commencement of this project but it did not take place. A survey was later undertaken by the National Bureau of Statistics. We have reviewed the document but we are not sure of its usefulness as basis for EFCC action. In order to fight corruption and economic crimes the EFCC needs the kind of strategic knowledge just mentioned. But the business survey might be useful in the context of the business integrity project that is underway.

The support of the *Judiciary* has been successful and we endorse plans to continue the support in this field.

### Summary of recommendations

<i>Action</i>	<i>Responsible</i>	<i>Reference</i>
1. Strengthen the EFCC political and budgetary independence	Nigerian government	10.2, 11.2
2. Increase the funding of the EFCC and the Judiciary	Nigerian government	10.2, 11.3, 11.14, 11.18
3. Make the EFCC more proactive and add a preventative element to the project	EFCC, UNODC, EC	5.1, 9.4, 11.6, 11.13
4. Increase counterpart funding and fill financial gaps of the project budget	Nigerian government, other donors	5.1, 11.3, 11.6, 11.18, 11.19
5. Identify shortcomings of human resources, procurement and general administration	UNODC	5.2, 8.3, 11.7, 11.10
6. Increase beneficiary ownership	EFCC, NJI/Judiciary, UNODC	5.2, 10.8, 11.7
7. Make the PMU dealings	UNODC	8.2, 11.7

more inclusive		
8. Examine possibilities to decentralise procurement	UNODC	8.3, 11.10
9. Make ProFi narrative reports more analytical	UNODC	8.4, 11.11
10. Strengthen the institutional memory of the EFCC	EFCC	10.3, 11.14
11. Address staff and space shortages and other capacity constraints of the EFCC	EFCC	8.5, 11.15
12. Ensure effective working and use of the goAML and banks' compliance with their reporting obligations	EFCC/NFIU, UNODC	9.2, 11.16
13. Make use of training methodologies developed and train trainers of the TRI	EFCC/TRI, UNODC	10.5, 11.17
14. Strengthen aid coordination in the justice sector	EFCC, NJI, UNODC, EC, other donors	5.3, 11.8
15. Draw up a bridging strategy to ensure transfer of ownership and sustainability	EFCC, NJI/Judiciary, UNODC ,	11.14, 11.18
16. Strengthen the strategic capacity of the EFCC	EFCC, UNODC	11.13, 11.20
17. Prepare a future justice sector intervention	EFCC, NJI/Judiciary, UNODC	11.22
18. Review the UNODC handbook and questionnaire	UNODC	11.23

## **1 Introduction**

This report is the result of a mid-term evaluation of the Project NGA/S08: “Support to the Economic and Financial Crimes Commission (EFCC) and the Nigerian Judiciary”, henceforth referred to as the project. It is a large, complex and important project addressing corrupt practices and other economic and financial crimes in Nigeria. The project that runs for four years and will come to an end in December 2009 is executed by the UNODC. The European Union funds 97.24 per cent of the project budget, US\$ 32.2 million, which accounts for 85 per cent of the external support to the EFCC. There is also a non-earmarked contribution by the UK /DFID (€350,000). The project’s annual contribution to the EFCC corresponds to about 25 per cent of the regular budget of the EFCC or 20 per cent of EFCC total budget resources. The government direct contribution to the project that is given in kind is estimated at US\$ 117,000 (0.41 per cent of total budget). The government has, however, also undertaken to continue to support EFCC's recurrent budget of at least €5 million throughout the implementation period.

A study commissioned by the EC Delegation in Nigeria is taking place in parallel. The EC study has a wider scope: it is a mid-term evaluation but is also laying the ground for a possible future project. No joint report is produced but the two teams have had consultations.

## **2 Background**

### 2.1 National context

Nigeria suffers a high incidence of corruption and economic and financial crimes. Corruption is manifested in the deliberate looting of the public Treasury while economic and financial crimes come in the form of advance fee fraud, money laundering, drug-related crime and human trafficking. Corruption in Nigeria has its roots in the economic difficulties of the 1980s and subsequent draconian reform measures aimed at solving those difficulties; a poor reward system; lack of opportunities for self-actualization; pressures and obligations of extended family system and other socio-cultural practices; provision of lucrative opportunities for illicit enrichment of the power elite by the oil industry; laxity in moral codes; inefficient law enforcement and rule of law; and penchant for dictatorship as a carry over of prolonged military rule. The combination of all these factors has created a vicious cycle of corruption and other financial and economic crimes in Nigeria. - For a comprehensive account of the national context reference is made to Annex 1.

### 2.2 The EFCC

Successive governments have shown concern for the prevalence of corruption and economic and financial crimes in Nigeria but, nevertheless, such crimes have continued unabated and it was felt there was a need for a new body to address the problems. Thus was born the Economic and Financial Crimes Commission (EFCC) that started its work in April 2003. In January 2005 the NFIU was set up as its intelligence arm, a semi-autonomous entity within the EFCC.

The EFCC has grown rapidly over the last few years. It had 200 staff at the start, barely 400 in 2006 but has today 1,350 staff members (of which 51 at NFIU). The budget has expanded in a rapid pace as well (billion Naira): 2003 0.4 million; 2004 0.75; 2005 1.2; 2006 1.7; 2007 2.7; 2008 4.0. In US dollar terms the budget has increased tenfold, from 3.4 million (2003) to 34 million (2008) which can be compared with the project budget which is about US\$ 8 million per

year (US\$ 32 million over four years).

### 2.3 The Judiciary

A major challenge for anti-corruption work in Nigeria is also many courts' inexperience of financial and economic crimes and the Judiciary's very small economic resources. Many courts have not been positioned to manage anti-corruption and similar cases, they have lacked competence and court procedures in general are slow.

### 2.4 The rationale for the project

The present project was conceived against this background (2.1-2.3), in particular the ineffectiveness of the various institutional and legislative efforts that the Nigerian government has made. The creation of the EFCC is a step forward but it is obvious that the capacity of the EFCC to deter, detect, investigate and prosecute economic and financial crimes is inadequate. Similarly the Judiciary is not able to perform its duties as effectively as desired.

## **3 The project**

### 3.1 General

The project has a budget of US\$ 32,236,600 of which US\$ 17,040,269 (53 per cent) had been spent as of June 2008. 60 per cent of the budget is allocated to equipment whereas 11 per cent goes to training. IT solutions (infrastructure, software, training) account for 41.7 per cent of the budget. The EFCC takes about US\$ 23.5 million and the Judiciary/NJI about US\$ 3.8 million of the budget, whereas US\$ 5.4 million (17.5 per cent) is reserved for the UNODC (US\$ 1.5 million is charged by the UNODC for over-head and US\$ 3.9 million for the project administration). The tables enclosed give an overview of the project budget and its pace of implementation (Annex 2).

The *overall objective* of the present project is to enhance good governance and financial accountability, and to reduce the incidence of fraud, waste and corruption in Nigeria through support to the EFCC and the Judiciary/NJI, and to other relevant institutions. The project is aimed at enhancing operational and knowledge capacity of the EFCC and the judiciary/NJI and the public's awareness of the damaging effects of corruption. Its expected outcomes are reduced corruption and other economic and financial crimes, more efficient use of Nigerian resources, a better image of Nigeria abroad, increased investments and in the long run economic growth. The project has four immediate objectives (3.2 – 3.5).

### 3.2 Objective 1: To enhance the operational and institutional capacity of the EFCC including the NFIU and the Training Centre

The project will assist the EFCC in implementing a five-year plan for state-of-the-art forensic and scientific laboratory. There are four units of this support—photographic; document questioning; fingerprint analysis and computer forensics. A print shop is being established to allow the EFCC to print documents in-house, which should lead to cost savings as well as greater security.

A press room and an audio/video recording facility and other equipment for the production of video, radio and print campaigns will be established within the Media and Publicity Unit. The legal and prosecution library will be equipped with literature on crime and investigative techniques and with access to Nigerian case law and legal documents. The support of training consists mainly of the Training, training packages and curricula; Management training; Training

Plan; and IT and training equipment.

A total of US\$ 9,844,741 or 32 per cent of the project cost is allocated to this component.

3.3 Objective 2: To develop sustainable state of the art substantive and administrative IT solutions for the EFCC, the NFIU and TRI, including the provision of IT training, to enhance national, regional and international cooperation

Objective 2 is aimed at providing IT solutions for the EFCC including the NFIU and the Training Centre. The total budget of this component is US\$ 12,800,036 or 41.7 per cent of total project cost, making it the largest component. It will provide three fully equipped data centres, communication among all 8 EFCC locations nationwide together with servers, PCs, VSAT, fibre optic conference facilities and associated hardware and software. Two major substantive IT softwares (goAML and goCASE) are to be provided. goAML will assist in tracking money laundering and terrorist financing while goCASE is financial investigation case management software. There will also be IT capacity building through focused training programmes. The IT training consists mainly of end-user training; advance user training; workshops; expert training for IT; and training of IT Staff. The budget of Objective 2 also provides funding for the judicial IT budget (see below 3.5).

3.4 Objective 3: To support advocacy and increase public awareness about the EFCC, the NFIU and their efforts to reduce economic and financial crimes including corruption

This component, which has a budget of US\$ 1,664,701 (5.4 per cent), is intended to provide support to the media and publicity unit of the EFCC and the NFIU in order to increase capacity for public and stakeholder sensitization. By mobilizing and reorienting the population, and lowering tolerance level towards corruption, an enabling environment for the prevention and enforcement of action against corruption and financial crime will be stimulated. A new unit of the EFCC, the Strategy and Reorientation Unit, will coordinate EFCC awareness activities. A business survey on corruption awareness has been carried out. The World Bank has financed a media strategy for the Unit but funds have not been made available for development of the strategy and its implementation.

3.5 Objective: 4 To develop and pilot the implementation of a comprehensive framework to strengthen judicial integrity and capacity in Nigeria at federal and (selected) state levels

The component, that is a follow-up to a prior judicial project implemented by the UNODC, strengthens the judiciary in ten pilot states and the NJI. It consists mainly of the following: The preparation of a National Strategic Framework for Strengthening the Judiciary on the basis of Working Group and Federal Integrity Meetings; Preparation of two judicial assessment reports; the preparation of Action Plans in the pilot states on the basis of State Integrity Meetings; implementation of (part of) Action Plans; grant to the NJI for training; Town hall meetings and PR events enhancing public trust in the judicial system; ADR and ethics training; corruption casework training; provision of court recording equipment.

The project has developed an IT support strategy for the NJI and the Judiciary of the ten states outside the judicial component as originally designed. US\$ 2,486,285 is allocated to this objective (8.1 per cent of total budget). In addition comes from the Objective 2 budget (ITS) US\$

1.3 for judicial IT, which makes about US\$ 3.8 million (and possibly US\$ 0.5 million more if funding can be secured).

For a more comprehensive account of the project reference is made to Annex 3.

## **4 The mid-term evaluation**

### ***4.1 Purpose and scope of the evaluation***

The unit of evaluation is the project described in section 3, NGA/S08. The main purpose of the evaluation is to conduct a mid-term review, taking stock of the situation of the project and proposing changes, where appropriate. The terms of reference (Annex 4) are very wide in view of the limited time for the evaluation. The usual quality criteria (relevance, effectiveness, efficiency, impact, and sustainability) guide us. We have identified a number of key evaluation questions for the evaluation to address: Is the design of the project appropriate to meet the expected outcomes? Are implementation, procurement, etc. efficient? Is sustainability secured? Are there changes or additions to be made? Is it a good project? Since this is a mid-term (not terminal) evaluation lessons learned of a general character are not a major issue for us; the evaluation is rather decision-oriented.

### ***4.2 Evaluation methodology***

Ordinarily, an evaluation should proceed with an evaluability study, but time constraints precluded this. A general survey of corruption in Nigeria that was planned for the project, and which could have provided baseline data for a subsequent evaluation, did not materialize. But there were data, on which the evaluation could build, among other things assessments that were conducted in a number of areas. A Project Logical Framework document attached to the project document was useful in that it provided insight into project overall objective, expected outputs, verifiable indicators and means of verification. A large number of documents have been made available to us. Some 60 persons were interviewed in Nigeria during three weeks in August and at UNODC headquarters in September 2008 (Annex 5). Site visits were made in Abuja, Lagos and Karu.

In conducting our evaluation due regard is paid to the norms of evaluation methodology as proposed by the Evaluation Cooperation Group of Multilateral Development Banks (OECD; see “Good Practice Standards for Evaluation of MDB Public Sector Projects”, May 2002). These standards have been adopted by most donors including the United Nations Evaluation Group (UNEG). The terms of reference for this evaluation is based on these standards. The good practices methodology identifies key criteria to be addressed by an evaluation (relevance; effectiveness or efficacy; efficiency; impact; sustainability), all of which are explained in detail in the UNODC Evaluation Handbook and in our terms of reference. Each of them has more than one dimension. For example, efficiency can go beyond costs to include the timeliness of project implementation, capacity utilization and disbursement issues. Fulfilment of each of these criteria has been rated on a 4-point rating scale (see 11.4).

A *rating* of the project’s achievements was also carried out with the help of the UNODC Evaluation Assessment Questionnaire. While the Questionnaire is not well suited to a midterm evaluation and many items of it could not be filled up we conclude that the project performed well as of the time of its mid-term evaluation (Annex 6).

## **5 Design and institutional arrangements**

### **5.1 Design of the project**

A survey of corruption in Nigeria was supposed to take place prior to the commencement of this project; the results of such a survey would have constituted the baseline data. But it did not take place because time was scarce and there was a good deal of data available from other surveys including standing surveys providing considerable insight into public attitudes both to corruption and to EFCC. Following discussion with and the approval of EC it was decided to rather conduct a business survey.

A “Business Survey on Crime, Corruption Awareness of EFCC in Nigeria, 2006/2007” has been conducted by the National Bureau of Statistics (published in December 2007). It has, however, not served as a baseline for the project but might be useful in the context of the business integrity project that is underway. A very comprehensive assessment of the Judiciaries of three States was conducted in 2002, which has been very useful for the design of the judicial component.

There was a Project Logical Framework which spelt out the overall project objective, the expected outputs and verifiable indicators and means of verification. While outputs were unambiguously defined, this was not so with respect to verifiable indicators and means of verification. Indeed the indicators and means of verification were couched in very general and vague terms. There were no critical values attached to them.

The project document offered very little by way of explanation why the mode of intervention it chose was the ideal one. For example, what is the balance between enforcement, prevention and awareness or between transparency, accountability and integrity? While project emphasis on accountability and integrity is in line with good practice, a preventative element should have been considered, turning the EFCC into a more *proactive* organisation. For instance, a capability of the EFCC to help Nigerian institutions identify their corruption vulnerabilities would empower those institutions to reduce opportunities for corruption (cf. 9.4).

The project document did not specify the kind of counterpart funding and other contributions expected from the Nigerian government. This explains why the government has not gone beyond the provision of office space for the project. Even here it could not guarantee basic infrastructure like electricity and the project had to use part of its resources for this. We found that even the office space provided is not adequate (cf. 8.5). An upfront commitment in form of counterpart funding and other contributions would ensure smooth transfer of the project to the EFCC upon its completion, thus guaranteeing full ownership.

### **5.2 Institutional arrangements**

There were three major options for the institutional arrangement of the EU funded project: in-house implementation by the EFCC, implementation by a national (Nigerian) partner and implementation by a third, outside partner. The latter solution was opted for. UNODC’s experience of the substantive field and IT was considered as crucial as well as the protection of funds it could provide.

The institutional arrangements correspond to what is common in many development projects. A few aspects need, however, consideration. The choice of UNODC as the executing agency no doubt has added much needed expertise and safe-guards to the implementation of the project, but

it is obvious as well that certain UNODC processes have affected the pace of execution and still cause frustration among stakeholders. These processes need to be reviewed. We are convinced that the UNODC must reconsider some of its procedural rules to be applied to future projects of this kind. It is beyond the scope of this evaluation to go into detail but we recommend the UNODC to identify bottlenecks and other shortcomings regarding human resources, procurement and general administration that have affected the implementation of the project.

The EFCC departments play a relatively limited role. Since long efforts are made to prepare a handover, e.g. EFCC staff have been trained, the Project Management Unit (PMU) and the External Cooperation Unit of the EFCC share premises and a twinning approach between them is being prepared. But the PMU keeps a firm grip. This is not in line with the trend to have the executing agency in the back-seat giving advice, monitoring, etc., and the beneficiary playing the major role in implementing the activities. Such ownership would not be fully possible in this case, in particular regarding IT, but it should have been possible to have more responsibility vested with beneficiary institutions without compromising quality or protection of funds. For instance, EFCC staff has had Profi user training, not relating to reporting management expenditure, and the development of knowledge in this area should feature in plans to transfer responsibility in 2009.

### 5.3 Aid coordination

External support of the EFCC as well other donor activities in the justice sector need to be coordinated. The EC, UNODC, WB, UNDP, UNICEF, USAID, ABA, the Netherlands, the Commonwealth Secretariat, the British Council, UK/DIFID all provide assistance in this area. Implementation of a UNODC/UNIDO-executed project is being commenced and UK/DFID has advanced plans to launch a multi-sectoral programme (possibly in the range of £ 20 million). Others are planning initiatives in this sector, such as the EU. This development calls for concerted action avoiding duplication and creating synergies.

At the first Project Steering Committee meeting (June 2006) the EFCC agreed to set up and manage a donor coordination mechanism as soon as possible. But in spite of repeated efforts to establish such a donor mechanism it has not materialized. However, on the 26<sup>th</sup> of August a first meeting of this kind took place. It would be desirable that such forum be entrusted to deal with all donor funded justice sector and anti-corruption activities in support of the EFCC, the Judiciary/NJI, prosecutors, bailiffs, etc. Its constituents should be governmental bodies, the Judiciary/NJI, other Justice sector institutions, NGOs and donors. Another coordination mechanism would be to have more or less identical Project Steering Committees for the various projects.

The UNODC has proposed the use of a web-based system, Automated Donor Assistance Mechanism Nigeria (ADAM-N), developed on the basis of such a tool being used for assistance to Afghanistan. This system has a good potential but it remains to be seen whether it will be used. It is most welcome that a 4<sup>th</sup> Judicial Working Group Meeting for exchange of views, re-strategizing, building motivation, etc., in the Judiciary is planned for later this year.

Another matter is the fact that the project accounts for 85 per cent of all external support to the EFCC. It would be very helpful if other donors could come in and possibly take over or expand some activities, e.g. filling the gap of the IT component of the Judiciary of US\$ 0.5 million (see 3.5 above).

It should be observed that the need for IT training has far exceeded what was anticipated at the time of the preparation of the project document. This training must to a high degree commence with the most elementary things (using a mouse). Nor was it understood that the physical infrastructure did not exist. The project has had to supply electric power, cabling, etc. Five zonal offices still lack this basic infrastructure. The efforts so far to have other donors contribute have not been very resolute, as far as we can judge.

## **6 Relevance**

### *6.1 The EFCC*

It soon became obvious at the beginning of its short life that the Commission was lacking in both the human and institutional capacity to carry out its responsibilities. Thus an institutional support programme which is aimed at filling the human and institutional capacity gaps is considered highly relevant. It is relevant to the needs of the country as well as those of the EFCC, including the NFIU. It is also relevant to the programme of support defined by the EC for Nigeria. The provision of IT and other equipments to be made available to the EFCC, including the NFUI, will give these bodies access to modern tools of technology. Similarly the transfer of knowledge to these bodies will make them more efficient in the discharge of their functions.

### *6.2 Judiciary*

Needs of the Judiciary were well identified thanks to the judicial assessment that was conducted in 2002 and other documents. The Action Plans that were prepared under the judicial component by stakeholders in the pilot states have a content that corroborates the relevance of the intervention in support of the Judiciary. The support is also in agreement with various conclusions made at the All Nigerian Judges Conference held in 2007. Improvement of court performance has a good potential to contribute to the overall objective of the project. Thus, it can safely be said that the judicial component is of high relevance.

### *6.3 Training and equipment*

The training and other knowledge capacity building is the major tool of the project next to the IT and other equipment provided. The training component accounts for much less than the equipment in terms of funds - 11 per cent compared to about 60 percent - but is crucial to the use of the equipment. In fact, the training needs of the EFCC, the NFIU included, and the Judiciary are very extensive. The EFCC staff has grown rapidly and personnel are constantly recruited. Training needs of the courts have been neglected for a long time because of the weak position that they had until 1999. The relevance of the content of the training has been secured thanks to some gap analyses that have been conducted.

## **7 Effectiveness**

The project under review still has about 15 months to run its effective lifespan. Thus any evaluation of the effectiveness of its achievements must be tentative as many aspects of the project are still under active implementation or at various stages of completion. As of June 2008 expenditure was 53 per cent of the budget.

*Objective 1: To enhance the operational and institutional capacity of EFCC including the NFIU and the Training Centre*

Capacity building is to be carried out within the Forensic Facility for purposes of investigation, support to the Media and Publicity Unit, the provision of a research library to the Legal and Prosecution Unit, the enhancement of the operational capacity of the EFCC itself including training of its staff. According to a report by the head of the PMU, most of the items in the work programme are on track to be achieved, with major items of equipment under procurement. About 36 per cent of the budget for this component of the project had been disbursed as of June 2008. Anticipated delivery in 2008 is 89 per cent.

The main project resource for *training* is the services provided by the international training adviser at the TRI, who has developed five basic Instructor Manuals (“course packages”), developed course content, and conducted tandem teaching, etc. He has held about 25 training sessions for cadets and for officers asking for refreshment, addressing 500-600 participants. His services have been very much appreciated. He has submitted two reports (in September 2007 and January 2008) containing a general analysis of needs but there has been no detailed needs analysis since the courses are basic starting from the very beginning. No formal evaluation (e.g. completion of questionnaires) of the training activities or material is done and no examination of participants has taken place. There are examinations at the Institute but they are mere formality; also cadets who fail graduate. Management training has been conducted as planned and is continuing.

The five themes developed by the adviser form the basis of the TRI curricula. A consultant has been commissioned to develop curricula; the result will be delivered in 2009. No training strategy or corresponding training plan has been prepared, but there is a detailed programme for training abroad during the 2<sup>nd</sup> and 3<sup>rd</sup> quarters of 2008.

Training of trainers has so far been modest. The UK Government instituted a train the trainers program and a cadre of trainers was developed outside of the project. In addition, there is a mentoring programme, developing trainers to deliver courses developed in-house. But it is a problem that most trainers are not motivated because they usually want to leave the Institute. Some further training of trainers by the adviser is, however, planned.

*Objective 2: To develop sustainable state of the art substantive and administrative IT solutions for the EFCC, the NFIU and TRI, including the provision of IT training, to enhance national, regional and international cooperation*

Most of the information technology infrastructure has been delivered, while two major substantive software solutions (goAML and go CASE) as well as administrative support applications have been provided. Capacity building has also taken place via focused training

programmes, while additional support has been forthcoming in forensics and the judiciary. Disbursement on this component was 68 per cent as of June 2008. In 2008 a 100% delivery is expected to be achieved.

As to the IT training outputs the following can be noted. There have been 731 training sessions for EFCC staff (incl. NFIU) staff and 35 training sessions for each of the IT staff. The end-user training has produced a very large amount of training sessions but this is still not enough due to the huge and unanticipated amount of training needed and staff turnover. The same can be said about the advance user training. International workshops have been held back for a while; the policy is to have training abroad only when it cannot be conducted locally. Expert training on substantive applications as well as training of IT staff is progressing but at a slow pace. The IT training events have been preceded by skill gap analyses to establish staff needs for conducting their jobs. All IT training sessions have been evaluated by the participants and certifications examinations have taken place (International Computer Driving License, ICDL). Evaluations by the staff attending the training have received about 75-80 per cent satisfied.

*Objective 3: To support advocacy and increase public awareness about the EFCC, the NFIU and their efforts to reduce economic and financial crimes including corruption*

A Business Survey on Crime and Corruption has been carried out by the National Bureau of Statistics. Materials for strategic visibility are being developed to raise awareness while some individual public relations events have taken place. Anti-corruption Day activities are also being organized. Disbursement for this component is at about 19 per cent as of June 2008.

*Objective 4: To develop and pilot the implementation of a comprehensive framework to strengthen judicial integrity and capacity in Nigeria at federal and (selected) state levels*

The National Strategic Framework for Strengthening Judicial Integrity and Capacity is being prepared and will hopefully be completed in autumn 2009. The assessment report on Delta, Lagos and Borno States, which was conducted in 2002, was published and disseminated in 2007. The second assessment covering all pilot states was conducted in 2007 and its finalization is ongoing.

Action Plans for all ten pilot States are developed on the basis of State Integrity Meetings. All Action Plans have been developed by the stakeholders in each State. The Action Plans, which are all very similar, are well conceived, including time tables, costing, expected outcomes and indicators for measuring impact but no real prioritization is made. For this reason work plans have been drafted that establish what should be done and in what order of priority. The implementation of the plans has started in the four original pilot states but is not yet launched in the new pilot states. Some activities have been conducted to enhance public trust in the justice system but rather few of those planned.

Enhancing the capacity of judges and prosecutors has developed well. For instance, ADR and ethics training has taken place and corruption casework training has been initiated. Training on ADR is conducted also for traditional rulers and community leaders.

All ten pilot states as well as the NJI (for training purposes) have received two electronic court

recording equipments, which has been installed in most states. The equipments speed up proceedings but are important for the legal certainty of those standing trial as well. Some IT systems are being installed and some IT training conducted but at a limited level. Legal Resource Centres are to be established in all pilot states by 2009.

In general terms, the judicial component has performed very well and as of June 2008 55 per cent had been spent. Also non-pilot courts have to some degree benefited – although not receiving equipment – because they have participated in workshops and been inspired by the project. The National Judicial Institute (NJI) has proven to be an effective partner for the judicial component.

## **8 Efficiency**

### 8.1 Cost

In the absence of information on comparable or similar projects elsewhere particularly in Africa, it is difficult to say whether the budget for the project (US\$ 32 million) was a reasonably efficient budget or not. Similarly, we do not have access to market prices or quotations to be able to answer the question as to whether the costs of the equipment bought for the project were the least costs. However, we do not find evidence that the cost for goods or services of the project was too high. Goods and services are relevant and have been procured in international competitive bidding.

The overhead cost (17.5 per cent) may seem to be on the high side in view of the magnitude of the project and its huge share of expensive equipment. On the other hand the Nigerian context is hostile and costs are high in Nigeria. Other similar projects allocate still less to operations. For these reasons we find the overhead cost acceptable but we are of the view that future projects should consider alternative modalities of implementation in order to permit a cost-efficient choice of implementation.

### 8.2 Implementation

Disbursement took time to take off on account of the slow start up of the project and because of the slow procurement procedures. But the overall disbursement was 53 per cent as of June 2008, which is satisfactory.

Overall implementation was vested in the PMU located within the EFCC. As of June 2008 59 per cent of its budget for project operations had been spent. While on the average the office did a good job, we found evidence of lack of communication/and or coordination with units of the EFCC. Management of the Media Unit (its new head and a senior staff member), for example, was not aware of the project until a day before our visit to the Unit. Similarly most staff interviewed in the Lagos office were not aware of the project. Our view is that a more inclusive approach on the part of the PMU would ensure greater ownership of the project by staff of the EFCC and thereby facilitate future transfer to the Commission. Project staff has briefed EFCC management meetings on numerous occasions but a newsletter or similar may assist this process but it will also require the External Cooperation Unit and Department Heads to better inform their own staff.

The problems reported mostly centre around slow procedures. The implementation has, however, become more flexible and has had a high beneficiary responsiveness. An example is that an IT

element was added to the judicial component even though no IT support was provided for in the original project document. Also, measures have been taken to speed up procurement. A revision of the project has been undertaken; the flexibility and beneficiary responsiveness it demonstrates should be commended.

### 8.3 Procurement

The main complaint regarding the project is the slowness of procurement. Various examples are cited, for instance, it took 14 months to buy 10 motor cars and 13 months to buy gym equipment and requests for participation in overseas training were approved after the training had taken place. The centralization of decision-making and the cumbersome procedures required under UN rules are aimed at creating effective international competition as well as fairness, integrity and transparency. The centralization - due to the difficult Nigerian environment and lack of local capacity to carry out the procurements as stipulated - has contributed to the slowness but there were also other reasons, e.g. the need for specifications (terms of reference) before tendering processes could start, which has not always been well understood by EFCC staff.

Procurement has not only been slow. There are several cases of a variety of suppliers, some of which do not have facilities in Nigeria, which makes maintenance difficult and expensive. However, a radical improvement has taken place over the last year. The use of so-called systems contracts and the appointment within the Procurement Unit at Headquarters of a staff member have enhanced UNODC's capacity for timely and accurate procurement. In addition, the country representative was in August 2008 authorized to take procurement decisions up to US\$ 30,000. For instance, lap tops can now be delivered within a couple of weeks under systems contracts and cars can be received within three months. Anyway, the UNODC should review its procurement processes. They should be more flexible and localized to take advantage of the items available nationally and subsequent after sales service.

### 8.4 Monitoring and reporting

The PMU provides annual project reports, quarterly narrative and monthly financial reports that are fed into the Programme and Financial Information Management System (ProFi), which is the main monitoring tool of UNODC. ProFi provides staff, beneficiaries, donors and others detailed monthly data on budgets, expenditures, forecasts, implementation status, etc. However, the system has its shortcomings; only a substantial and prolonged effort by PMU staff could produce the financial overview (Annex 2).

The Work Plan, which is very detailed with each budget line costed, is a useful tool; it shows where there is money available, where implementation is lagging behind, etc. The LFA has indicators that support the monitoring. The Project Steering Committee meetings - so far there have been four of them - give an opportunity for a wide circle of stakeholders to comment on the performance of the project. Its supervision is, however, not very forceful. The EC has engaged two monitoring missions and two mid-term evaluations are carried out.

It is our understanding that monitoring and reporting have been conducted according to the EC requirements. The original project document stipulated that a project implementation review would be conducted after 12 months. We have not been able to find such a review but we take it that our mid-term evaluation is this review.

There was no formal monitoring system outlined in the project document, but the financial monitoring and reporting works well, whereas the substantive monitoring and reporting (verifying results and quality of performance) is not as systematic as the financial monitoring; the ProFi narrative reports are descriptive with few analytical elements. However, in its daily work the PMU is monitoring the quality.

#### 8.5 Capacity constraints of the EFCC

There have been and still exist various instances of equipment stored for long periods because of limited space or equipment having no users because of staff shortages (e.g. a generator, Forensic Laboratory, TRI gym, print shop). For the same reason equipment has not been procured (Finger Print Identification System). Equipment is now being delivered at a grand scale. We understand that the PMU has made plans for how to attend the deliveries, installation and use of goods and services in cooperation with External Cooperation Unit and Substantive Units of the EFCC (cf. 5.2 above). Anyway, the EFCC must take action to overcome its capacity constraints. Capacity has regularly been enhanced through trainings, but in addition staff could be seconded to manufacturers or other institutions abroad to acquire hands-on experience and mentors could come and work with EFCC staff for short periods.

#### 8.6 Audit and control

As far as we have been able to find out the mechanisms for control of project expenses have been satisfactory. One reason is that it is very rare that money is transferred to beneficiaries. One exception is an amount of US\$ 260,000 (granted under a specific agreement to the National Judicial Institute for training). The transfer of that money has, however, been delayed because of alleged mismanagement within the Institute. Since those involved have been dismissed the money will be released. Some minor problems regarding claims for per diem have been reported.

### **9 Outcomes and potential impact**

#### 9.1 The EFCC

Within two years of the project's operations, Nigeria has been admitted as a full member to the Egmont Group and been removed from the FATF list of 'non-cooperative countries'. There have been more than 250 convictions, less than 50 persons indicted have been acquitted, and 300 more cases are at present being processed. The Commission claims that it has identified over US\$ 5 billion to be recovered from offenders. The country moved up 26 places (from 147 to 121) on the Transparency International's Corruption Perception Index from 2007 to 2008.

According to the TI Global Corruption Barometer 2007 62% of Nigerian respondents think that in the next three years corruption will decrease whereas 29% think that it will increase (worldwide these figures are 20% and 54%). Similarly 64% of Nigerian respondents think that their government's efforts to fight corruption are effective whereas 23% think that they are ineffective (worldwide these figures are 28% and 54% respectively). In terms of perceptions of a range of Nigerian institutions, EFCC ranked first with 90 per cent of respondents declaring that the Commission was performing well. While all this may not necessarily be the consequence of the project, its successful implementation can only serve to reinforce this finding.

In the area of awareness, journalists now have free access to the activities of the EFCC. This has reduced rumour mongering. They have access to charge sheets and they also cover all court proceedings. As a result of all these, Nigerians now have a better perception of the activities of the Commission. In the business survey, carried out by the National Bureau of Statistics in 2007, it was found that 99 per cent of companies surveyed had heard about the EFCC.

### 9.2 Bank reporting

A key issue for impact is obtaining full and accurate reporting of transactions by banks and other financial houses. It is disputed with which degree these institutions do comply. The software goAML is at the heart of efforts to track the movements of funds within the Nigerian financial system. We heard conflicting reports on the status of this software. As time is of the essence, efforts should be made to ensure that this software is working effectively in Nigeria and that financial houses comply in reporting regularly as required by law. Financial houses should connect to the goAML-system and the NFIU should upload and analyse this information in a professional way. Without such intelligence the potential of the project will not be realised.

### 9.3 Judiciary

Courts are now better positioned to address economic and financial crimes with the result that trust in the justice system has improved. The timeliness is for instance much better, which means that opportunities for corruption are reduced, and coordination between the various justice sector bodies enhanced (police, prosecution, courts, penitentiary authorities). There is evidence that part of this improvement is to be attributed to the project (and to the previous judicial project). Other contributing factors are a significant increase of salaries of higher court judges in 2003 and 2006 as well as state and government provision of equipment and material and more hostile attitudes towards corruption.

Two highly interesting assessments of the judicial system in Nigeria, conducted in 2002 and 2007, have been produced. The two assessments should be given wide circulation internationally and in the research community because of their impressive design, scope, number of respondents, etc. The results emanating from the assessments are encouraging because there is clear progress reported in the *original pilot states* when the situation in 2002 is compared with that of 2007. Most striking is perhaps the reduction of months of prisoners on remand: from 30 to 9 months. It is, however, conspicuous that the *new pilot states* on the average are not performing worse than the original pilot states, in some regards even better. For instance, prisoner awareness of the possibility to apply for bail is higher and prisoner access to legal assistance is better in the new pilot states.

The good performance of the new pilot states may seem to put in doubt the impact of the former judicial project, i.e. how much of the improvement in the original pilot states that is attributable to the project. We can hardly pass judgment on this issue, but we are confident that the project has had a *catalytic effect* on the whole judiciary. All have been influenced to take action and some sequel money is being released by Nigerian authorities in order to reinforce courts' resources.

### 9.4 Prevention

The general trend in anti-corruption thinking is to put increased emphasis on preventative action. An example of what the EFCC could do is to enhance its capacity to identify risks for corruption

in public institutions. Its role would then be to instruct public institutions how to conduct assessments of their own vulnerabilities that create opportunities for corruption (cf. 5.1). Such a strategy would meet the requirement of the prevention chapter of the UNCAC that States Parties adopt measures, which reduce vulnerabilities to corruption of the public sector. The project could support strategic developments of this kind.

### 9.5 Conclusion

The project has a good potential of contributing to a reduction of corrupt and other criminal practices in Nigeria, and contribute to a better use of Nigerian resources and also impact favourably on Nigeria's international image. It is a general opinion that the atmosphere in Nigeria is becoming more hostile towards corruption. The project is part of this atmosphere.

It should be noted that funding of activities in one area is supportive of others. For instance, quicker court procedures and better judgments facilitate prosecutorial work of the NFIU of the EFCC. IT support facilitates securing convictions,; convictions increase public awareness, which makes people go more to court, etc. These synergies increase impact.

The impact may be jeopardized, however, because the independence and constitutional position of EFCC is not as solid as desired. If the power of EFCC is not used properly but is politicized the impact may be negative and this will damage the international image of Nigeria.

## **10 Sustainability**

### 10.1 General

Sustainability is the major concern regarding the project's support of the EFCC. The reasons for this concern are, among other things, doubts concerning the political commitment to fight corruption, the perceived politicization and insufficient independence of the EFCC, capacity constraints and the problems with electric power, some corrupt and other dubious practices within the EFCC, lack of highly trained staff that can take command of the activities, high turnover at the management level of the EFCC, insufficient incentives for key staff to stay in the EFCC, etc.

### 10.2 Financial sustainability

The project accounts for 85 per cent of the external support to the EFCC. The project's annual contribution of about US\$ 8 million corresponds to about one quarter of the regular budget of the organization and its contribution to training accounts for a very high percentage of EFCC's funds for training. The closure of the project in 2009 will create a financial vacuum which has to be filled if the work of the Commission were to proceed without hindrance. This raises serious questions about the financial sustainability of the achievements. One way of compensating the EFCC in its anti-corruption work and hence to some extent guarantee financial support, is to allow the organization to keep a certain percentage of money recovered from offenders (this is a statutory issue that will require the National Assembly to decide). Such a compensation system would encourage the Commission to intensify its efforts and increasingly make it less dependent on government budgetary allocations. Yet another and more robust suggestion has been made to the effect that the EFCC may seek legislation that guarantees certain percentage of the Consolidated Revenue Fund on annual basis. It ensures annual subvention to the Commission and independence of the Commission as this approach means insulation from political interference in

the discharge of its responsibilities. This is not a new approach in Nigeria as the Federal Inland Revenue Service receives its annual budgetary allocations in much the same way.

### 10.3 Management and staff: institutional memory

Rapid turnover of staff poses a threat to the sustainability of the project. About 50 key staff are expected to leave by the end of 2008, whose departure constitutes a brain drain for the EFCC. A general problem is that salaries are not merit-based. To be able to retain key staff, IT and others, a salary rise would be desirable.

The EFCC has had a high management turn-over during the last year. All managers except for the Secretary and the Director for the NFIU are new in their posts. Several managers said that they were new and for this reason had no or very limited knowledge of the project. This is an example of poor *institutional memory* of the institution.

### 10.4 IT

From the standpoint of technology, we have been assured that the equipment that was used is of the highest industry standard which can stand the test of time. The sustainability of the installed capacity also rests on the fact that UNODC will continue to assist the installed soft wares and their upgrading, thus ensuring the sustainability of installed capacity. Before the expiration of the Project, UNODC will prepare a budget for the EFCC which will detail the financial requirements for sustaining the IT achievements of the project. It will then be left to the EFCC leadership to secure political support for it from the government in terms of adequate funding.

### 10.5 Training

Training at the TRI is at risk for the reason that the project accounts for 80 per cent of the EFCC budget for training. It is unlikely that government money will fill up the vacuum that will follow upon the end of the project. There is a continuing need for training. By the end of 2008 it is estimated that 175 new persons will come in.

The training has developed well and much has been achieved, but there are as of yet no substitutes at the TRI that can take on the responsibilities now being assumed by the training adviser. There is a need for extensive training of trainers who can assume a leadership role, develop courses, instruct trainers, put material into use, etc. The faculty of the Centre is small (14-15 persons) and there has been no hurry to appoint trainers for these duties. However, the adviser's mentoring of trainers will hopefully leave a legacy of staff able to deliver quality training.

Even if allowances (housing and transport) are added to the salary, staffs at the TRI hardly reach 400,000 N and opportunities for extra income are small. This makes retainment of trainers difficult, because they are attractive to financial houses and other private sector businesses. Staff retainment is the major difficulty of the TRI along with the constant electric power breaks.

### 10.6 Public awareness

While the inclusion of public awareness/advocacy in the project is a good one, the effort must be sustained and institutionalized as a means of permanently changing Nigerians' perception about corruption and its adverse consequences. Thus raising the level of awareness must be sustained over a long time period.

### 10.7 Judiciary

The project component regarding the Judiciary is smaller, less vulnerable and likely to be viable in the future. Courts in other states than the pilot states are asking for the kind of services that the project produces. They would hardly do so unless the results reported were commended by judges and staff attending the training and profiting from the IT support and other activities of the project. Retainment of judges and staff is not a problem.

The national government and the pilot states have funded some costs, e.g. states funding a share of the costs for integrity meetings, they are expanding some project activities by funding more equipment and training and there are states that have committed themselves to increasing the funds for the Judiciary. The grant of US\$ 260,000 to be provided to the NJI is a way of increasing Nigerian ownership.

### 10.8 Ownership

There is high awareness in host institutions of the needs to secure the sustainability of the benefits. Steps have been taken to increase EFCC ownership, but not much has happened on the ground (cf. 5.2). The operational units of the EFCC should be more involved and the role of the External Relations Unit should increasingly be to facilitate the transfer of ownership to those units.

## **11 Findings and conclusions**

### 11.1 Context

The Nigerian context in which the project is located is hostile, to say the least. The supply of basic infrastructure (e.g. electricity) is uncertain at best or not available at worst. Most establishments have to make provision for the supply of their own infrastructure. In addition, several years of corruption has established a culture of poor work ethic, thus making project implementation more difficult. Widespread corruption has also forced the UNODC to take measures to avert potential corruption practices in its financial dealings through a process of stringent controls. This slows down project implementation.

### 11.2 Political will

Political will plays a critical role in sustaining anti-corruption results. However, some observers doubt if the government is indeed fully committed to the fight against corruption and economic and financial crimes. This observation is based in part on the limited funding of the EFCC and other institutions working in the same field. Also the independence and impartiality of the EFCC are questioned.

The political leadership of Nigeria must ensure that the Commission is removed from political interference. One way of ensuring this is to find a mechanism for guaranteeing its annual budgetary allocation that is free from the annual budgetary process. The leadership of the Commission must in turn perform in a way that can earn it the respect of all Nigerians through impartiality and openness. The independence of the EFCC would be strengthened if the chairperson was not part of the management and hence the Board fully independent of management.

### 11.3 Nigerian contribution

The project document did not specify the kind of *counterpart funding* and other contributions expected from the Nigerian government. This explains why the government has not gone beyond the provision of office space for the project. Even here it could not guarantee basic infrastructure like electricity and the project had to use part of its resources for office space. The issue of counterpart funding was, however, addressed in the Contribution Agreement between the EC and the UNODC in terms of a requirement that the Government of Nigeria continue to support EFCC's recurrent budget of at least € 5 million throughout the implementation period. The Government has honoured this obligation. It has also contributed to the project by staffing, e.g. three members of the NJI staff working on the judicial component of the project.

The EFCC claims that it has exposed about US\$ five billion since it started operations. Part of this amount will hopefully be recovered, most of which goes back to its owners, but a significant amount may go to the government's coffer. If the Government is not prepared to offer a substantial contribution, its commitment to anti-corruption work must be doubted. Assistance can, principally, come as capital (hardware), knowledge and policy advice. It would be advisable that future interventions have less focus on capital.

An adequate upfront commitment in form of counterpart funding and other contributions would ensure smooth transfer of the project to the EFCC upon its completion.

### 11.4 Results and rating

The project has made and continues to make an important contribution to the EFCC in most areas of its work. Its major achievements are in the building the IT capacity of the Commission, strengthening the NFIU in a way that it will be able to monitor corrupt practices and crimes in the financial sector and delivering training to enhance human resources of the EFCC. The installed capacity and the training of staff that accompanied that capacity would go a long way in enhancing the ability of the EFCC to detect, investigate and prosecute corrupt practices.

The Nigerian Judiciary has made considerable progress over the last years. Stakeholders are very satisfied with the results of the project. It is not easy to know how much of the progress that is attributable to the project (cf. 9.3), but we are confident that the project has had a *catalytic effect* on the whole judiciary. All have been influenced to take action and some sequel money is being released by Nigerian authorities in order to reinforce courts' resources.

In order to make a judgment on the project, a *rating* of its achievements was carried out with the help of the UNODC Evaluation Assessment Questionnaire. While the Questionnaire is not well suited to a midterm evaluation and many items of it could not be filled up we conclude that the project performed well as of the time of its mid-term evaluation (Annex 6).

A rating of the project's achievements was also carried out by subjecting the key evaluation criteria (under our TOR) to a four-point rating scale; it can be concluded that the project has performed well with a score of 3.

<i>Rating Criterion</i>	<i>Rating</i>
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Relevance	4
Effectiveness	3
Efficiency	3
Potential impact	3
Sustainability	2
Average project rating	3

Highly satisfactory: 4, Satisfactory: 3, Unsatisfactory: 2 Highly unsatisfactory: 1

### 11.5 Cost

We do not find evidence that the cost for goods or services of the project was too high. Goods and services are relevant and have been procured in international competitive bidding. The overhead cost (17.5 per cent) may seem to be on the high side in view of the magnitude of the project and its huge share of expensive equipment. On the other hand the Nigerian context is hostile and costs are high in Nigeria. Other similar projects allocate still less to operations. For these reasons we find the overhead cost acceptable but are of the view that future projects should consider alternative modalities of implementation in order to permit a cost-efficient choice of implementation.

### 11.6 Design

The project document offered very little by way of explanation why the mode of intervention it chose was the ideal one. For example, what is the balance between enforcement, prevention and awareness or between transparency, accountability and integrity? While project emphasis on accountability and integrity is in line with good practice, a preventative element should have been considered, turning the EFCC into a more proactive organisation. For instance, a capability of the EFCC to help Nigerian institutions identify their corruption vulnerabilities would empower those institutions to reduce opportunities for corruption.

The need for IT training has far exceeded what was anticipated at the time of the preparation of the project document. Nor was it understood that the physical infrastructure did not exist. The project has had to supply electric power, cabling, etc. Five zonal offices still lack this basic infrastructure. Hence, there is a financial gap to be filled.

### 11.7 Institutional arrangement, ownership

The choice of UNODC as the executing agency no doubt has added much needed expertise and safe-guards to the implementation of the project, but it is obvious as well that the bureaucracy of the UNODC has been an obstacle to various processes and still causes frustration among stakeholders. We are convinced that the UNODC must reconsider some of its procedures to be applied to future projects of this kind. It is beyond the scope of this evaluation to go into detail but we recommend the UNODC to identify bottlenecks and other shortcomings regarding human resources, procurement and general administration that have affected the implementation of the project.

The PMU keeps a firm grip of the implementation. This is not in agreement with the trend to have the beneficiary playing the major role in implementing the activities. Such ownership would not be fully possible in this case, in particular regarding IT, but it should have been possible to have more responsibility vested with beneficiary institutions without compromising quality or protection of funds.

The project is not well known among staff. Some people within the EFCC, even management, are hardly aware of the project. There are also misunderstandings floating, for instance about procurement. The PMU should be more inclusive in its dealings with key stakeholders thus ensuring greater EFCC ownership. It would be desirable to have a system to communicate basics, news, progress etc. with staff, perhaps over the e-mail.

The handover of activities to the Commission is being planned, e.g. EFCC staff have been trained, the PMU and the External Cooperation Unit share premises, a twinning approach between the two units is being prepared, but not much has happened on the ground (further see 5.2). The operational units of the EFCC should be more involved and the role of the External Relations Unit should increasingly be to facilitate the transfer of ownership to those units.

#### 11.8 Aid coordination

Developments in the Justice sector, including anti-corruption efforts, call for concerted donor action - avoiding duplication and creating synergies – in close cooperation with beneficiaries and other stakeholders. It would be desirable that a coordination forum be entrusted to deal with all donor funded justice sector and anti-corruption activities in support of the EFCC, the Judiciary/NJI, prosecutors, bailiffs, etc. Its constituents should be the EFCC and other governmental bodies, the Judiciary/NJI, other Justice sector institutions, NGOs, and donors.

#### 11.9 Implementation

Overall implementation was vested in the PMU located within the EFCC. On the average the office is doing a good job and the project implementation modality also has as a side-effect transfer of management capacity. As of June 2008 expenditure was about 53 per cent of the project budget.

The problems reported mostly centre around slow and inflexible procedures, e.g. concerning procurement. The implementation has, however, become more flexible and has had a high beneficiary responsiveness. An example is that an IT element was added to the judicial component even though no IT support was provided for in the project document. A revision of the project has been undertaken; the flexibility and beneficiary responsiveness it demonstrates should be commended. However, as mentioned, slowness in transferring responsibility to the EFCC prevails.

#### 11.10 Procurement

The main complaint regarding the project is the slowness of procurement. The centralization of decision-making and the cumbersome procedures required under UN rules are aimed at creating effective international competition as well as fairness, integrity and transparency. The centralization - due to the difficult Nigerian environment and lack of local capacity to carry out the procurements as stipulated – has contributed to the slowness but there were also other reasons, e.g. the need for specifications (terms of reference) before tendering processes could

start, which has not always been well understood by EFCC staff. Procurement has not only been slow. There are several cases of a variety of suppliers, some of which do not have facilities in Nigeria, which makes maintenance difficult and expensive.

However, a radical improvement has taken place over the last year. The use of so-called systems contracts and the appointment within the Procurement Unit at Headquarters of a staff member have enhanced UNODC's capacity for timely and accurate procurement.

#### 11.11 Monitoring

There was no formal monitoring system outlined in the project document, but the financial monitoring and reporting works well, whereas the substantive monitoring and reporting (verifying results and quality of performance) is not as systematic as the financial monitoring; the ProFi narrative reports are descriptive with few analytical elements. However, in its daily work the PMU is monitoring the quality.

#### 11.12 Outcomes and potential impact

Within two years of the project's operations, Nigeria has been admitted as a full member to the Egmont Group and been removed from the FATF list of 'non-cooperative countries'. There have been more than 250 convictions and 300 more cases are at present being processed. The Commission claims that it has identified over US\$ 5 billion to be recovered from offenders. The country moved up 26 places (from 147 to 121) on the Transparency International's Corruption Perception Index from 2007 to 2008. According to the TI Global Corruption Barometer 2007 62% of Nigerian respondents think that in the next three years corruption will decrease and 64% of Nigerian respondents think that their government efforts to fight corruption are effective. In terms of perceptions of a range of Nigerian institutions, EFCC ranked first with 90 per cent of respondents declaring that the Commission was performing well. The atmosphere in Nigeria is becoming more hostile towards corruption. The project is part of this atmosphere.

The project has a good potential of contributing to a reduction of corrupt and other criminal practices in Nigeria, and contribute to a better use of Nigerian resources and also impact favourably on Nigeria's international image. It should be noted that funding of activities in one area is supportive of others. For instance, quicker court procedures and better judgments facilitate prosecutorial work of the EFCC. IT support facilitates securing convictions; convictions increase public awareness, which makes people go more to court, etc. These synergies increase impact.

#### 11.13 Prevention

The general trend in anti-corruption thinking is to put increased emphasis on preventative action. This includes turning the EFCC into a more *proactive institution*. An example of what the EFCC could do is to enhance its capacity to identify risks for corruption in public institutions. Its role would then be to instruct public institutions how to conduct assessments of their own vulnerabilities that create opportunities for corruption. Such a strategy would meet the requirement of the prevention chapter of the UNCAC that States Parties adopt measures, which reduce vulnerabilities to corruption of the public sector. The project could support strategic developments of this kind.

#### 11.14 Sustainability

Sustainability is the major concern regarding the support of EFCC. The project accounts for 85

per cent of the external support to the EFCC. The project's annual contribution of about US\$ 8 million corresponds to about one quarter of the regular budget of the organization and its contribution to training accounts for a very high percentage of EFCC's funds for training. The closure of the project in 2009 will create a financial vacuum which has to be filled if the work of the Commission were to proceed without hindrance. This raises serious questions about the financial sustainability of the achievements.

Other reasons for concern are doubts concerning the political commitment to fight corruption, the perceived politicization of and insufficient independence of the EFCC, capacity constraints and the problems with electric power, lack of highly trained staff that can take command of the activities, insufficient incentives for key staff to stay in the EFCC, etc.

The high turn-over at management level is also a concern. There should be an improvement of the EFCC *institutional memory* that mitigates effects of senior management changes, e.g. mechanisms for transfer of knowledge.

#### 11.15 Capacity constraints of the EFCC

There have been and still exist various instances of equipment stored for long periods because of limited space or equipment having no users because of staff shortages (e.g. a generator, Forensic Laboratory, TRI gym, print shop). For the same reason equipment has not been procured (Finger Print Identification System). Equipment is now being delivered at a grand scale. We understand that the PMU has made plans for how to attend the deliveries, installation and use of goods and services in cooperation with External Cooperation Unit and Substantive Units of the EFCC (cf. 5.2 above). Anyway, the EFCC must take action to overcome its capacity constraints.

#### 11.16 Bank reporting

A key issue for impact is obtaining full and accurate reporting of transactions by banks and other financial houses. It is disputed with which degree these institutions do comply. The software goAML is at the heart of efforts to track the movements of funds within the Nigerian financial system. We heard conflicting reports on the status of this software. As time is of the essence, efforts should be made to ensure that this software is working effectively in Nigeria and that financial houses comply in reporting regularly as required by law. Financial houses should connect to the goAML-system and the NFIU should upload and analyse this information in a professional way. Without such intelligence the potential of the project will not be realised.

#### 11.17 Training

The training has developed well and much has been achieved, e.g., five comprehensive "course packages", but there is still a demand for continued training in all areas of the project: IT, investigation, intelligence, forensics, courts, etc. The typology of financial crimes is evolving which requires training of staff. The government and states should be encouraged to make resolute efforts to meet all these important needs. Such training should take advantage of the methodologies used by the project (gap analysis; didactics; development of courses, curricula and syllabi; evaluation of training sessions; examination and certification, etc.).

Along with the constant electric power breaks staff retainment is the major difficulty of the TRI. There are as of yet no substitutes at the TRI that can take on the responsibilities now being assumed by the training adviser. There is a need for extensive training of trainers who can assume

a leadership role, develop courses, instruct trainers, put material into use, etc.

#### 11.18 Bridging strategy

There is need for a comprehensive bridging strategy that secures the sustainability of project activities. For each of the four components there should be a plan describing what should be done to sustain activities, who is responsible, time frame and costing.

The strategy that should include all major measures, commitments of resources and actions to be taken by the UNODC, the EFCC and the NJI/Judiciary, should record the UNODC preparedness to continue to support the software applications after project closure, specify the dates for the EFCC taking on various responsibilities, etc. The strategy, that should be guided by the OECD/DAC Paris Declaration, should be drafted by the UNODC, the EFCC and the NJI/Judiciary jointly and be subject to endorsement by the EC and approved by the Project Steering Committee, preferably at its meeting in March 2009.

#### 11.19 Additional funds

Funds have been used for IT training that has far exceeded what was anticipated at the time of the preparation of the project document and the project has had to install generators, cables, etc., which was not budgeted either. Additional funds are needed. In the first place it is for the government to allocate such funds. This matter should be addressed in the bridging strategy (1118).

#### 11.20 Strategic capacity of the EFCC

The EFCC needs full knowledge of the nature and extent of corruption, the institutions engaged in it, their mode or mechanism of operation, etc. It must develop its strategies and methods of work, e.g. turning the EFCC into a proactive institution putting more emphasis on prevention and mobilizing civil society and the business community (cf. 11.12). The Chairman suggested to us that a special unit be established for strategic thinking. We support that the initiation of such a strategic unit be added to the project. It could propose new work methods, review the EFCC capacity building, monitor the EFCC performance, etc

#### 11.21 Survey

A survey on perception of corruption was supposed to take place prior to the commencement of this project but it did not take place. A survey was later undertaken by the National Bureau of Statistics. We have reviewed the document but we are not sure of its usefulness as basis for EFCC action. In order to fight corruption and economic crimes the EFCC needs the kind of knowledge mentioned (11.13). Such knowledge can only be gathered through a process of research. But the business survey can be useful in the context of the business integrity project that is underway.

#### 11.22 Future Justice sector intervention

The support of the Judiciary has been successful and we endorse plans to continue in this field. The first issue to decide is whether it should be a justice sector programme rather than a judicial system programme. The former approach is in many instances a more effective use of money because the most pressing needs are not in the Judiciary but in other parts (prosecutors, bailiffs, prisons, etc.). Secondly, it should be decided whether the programme should basically target corruption and other similar crimes or be wider in scope building more institutional capacity of

the justice sector/Judiciary than the present programme has been doing. We recommend the following on the basis of our findings: Replication of the present support in more states and Federal Courts; strengthening the capacity of the NJI; support of the implementation of the ten Action Plans; reform of some key legislation, such as the procedural law; enhancement of users' awareness of courts and their workings; continued computerization; a third judicial assessment, possibly in 2010.