Use of Returned Assets to Compensate Victims and Support SDG Goals and Addis Ababa Action Agenda: A Perspective from Nigeria

By

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- General concern: Conversation about managing assets that are not yet returned amounts to putting cart before horse or building castle in the air but we can excuse this as a forward looking approach. Nigeria desires that unconditional asset return be prioritised even as the management of returned assets.
- Concerns about use of assets should be defined not just by generalised rules or conditions tied to return but the also based on integrity of the requesting government and its commitment to the social development of its people.
- Focus on return of assets should be expanded to cover other illicit outflows such as tax evasion, shifting of profits, and illicit capital outflows linked to the operations of multinational corporations.
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- Using recovered asset for social development aligns with UNCAC principle of restorative justice that focuses on compensation for victims of crime and not just the overriding power of the state
- For developing countries, using returned asset to meet SDG is a welcome option and renewed hope of getting resources to pull the state out of the poverty threshold
- On the other hand cooperation from requested state also serves as moral purgatory for countries whose financials systems and institutions encouraged the looting of public resources in the first place.

- As stated in various literatures, those often affected by poverty/ vulnerability to poverty in usually include
    - Young children
    - Pregnant mothers
    - The elderly
    - Inhabitants of rural areas and marginal urban zones or the urban poor; and
    - People who have not been integrated into the society
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- Nigeria's social development programs have always focused on these category of people. Examples of previous social welfare development programs in Nigeria are -
    - - National Poverty Eradication Program – NAPEP, which focused on poverty reduction, unemployment and cash transfers – e.g. in Care of the People (COPE), a conditional cash transfer program

designed to improve human capital development of the poor by incentivizing them to utilize education and health care facilities. The program has been recently scrapped
  - National Directorate of Employment, to address unemployment in all ramifications
  - Fadama development – donor assisted project focused on creating economic infrastructure for income generation for groups in agriculture and related activities at both the upstream and downstream of the sector.
  - Community and Social Development Project – CSDP a donor sponsored project for facilitating access of the poor to social and natural service infrastructure.
  - Subsidy Reinvestment and Empowerment Program (SURE-P) interventions, Community Services, Women and Youth Empowerment/Graduate Internship Scheme/Federal Emergency Road Maintenance Agency/Maternal and Child Health (CSWYE/GIS/FERMA/ MCH) which tried to use proceeds from removal of fuel subsidy to address broad ranging issues, poverty, job creation, improved access to health, social infrastructure and transportation among others.
  - Universal Basic Education (UBE) aimed at ensuring that all children of school age have at least nine years of basic education free.
  - National Program on Immunization focuses on maternal and child health with emphasis on immunizing children between 0 and 5 years against child killer diseases.
  - Other poverty reduction and social safety net programs operate at state and local government levels by NGO/CSO in formal and informal ways

- Due to varying challenges including coordination, oversight and monitoring some of these programs that are not linked to statutory obligations have been reviewed or scrapped

- The present Nigerian government has since designed a robust social safety net and development framework that will benefit from returned assets and contribute to SDG and development agenda of the government. This framework is centralised and coordinated in a way that guarantees transparency and accountability and also impact.

- In light of the very weak economy and lean purse that the government inherited in 2015, government's policy for social development required all available avenue for resource mobilization including through returned and confiscated assets

- The new social investment and development policy focuses generally on the poor, unemployed youths, the marginalised and the socially excluded.

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- The major social investments programs are -
    - N-Power designed to train 500,000 unemployed graduates and artisan; 200,000 already employed
    - Home grown school feeding program targeting 5.5m children ; 3,448,657 already reached
    - direct cash transfers of N5,000 monthly to 1m beneficiaries; 69,870 already reached
    - Enterprise and Empowerment Program for financial inclusion and access to credit for 1.66m beneficiaries; 23,790 already reached
    - Bursary program for 100,000 tertiary students in education, science, technology and engineering

- All these programs have commenced.

- Under the cash transfer program mapping of beneficiaries was carefully done using WB community based targeting method (CBT) to develop a social register. The method relied on WB activities and experience in Tanzania, Pakistan and Ethiopia

- The government's conditional cash transfer program is based on a model where government engaged states and selected communities directly in order to secure buy-in
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- The identification of poor and vulnerable is carried out through geographical targeting; community based targeting and developing a social register. This activity is led by State Operations Coordinating Units. The project uses android devices to capture household data, since that is much faster and more efficient

- The aggregate of social registers from states is uploaded into the database of National Social Register in NASSCO which is the national coordinating office for social intervention projects for consolidation and warehousing as national data on the poor and vulnerable households.

- This database is used for other social welfare interventions and projects by national and state governments

- Selected beneficiaries are referred to banks to enrol and open accounts for the beneficiaries. Account information is also uploaded on the Social Register of State Ministries of Budget and Planning and on the NIBSS server before payments.

- NIBSS verifies the beneficiaries enrolled as an initial verification step, before payment. All cash transfer beneficiaries are mined from the National Social Register.

- The CBTT process has commenced in over 10 States while others are compiling Registers.

- In anticipation of revenue from asset recovery FG budgeted in 2016 and 2017 N350b each year to accommodate returned asset in the federal budget for deployment to social welfare projects. Projects follow governments priorities as expressed in its Medium Term Expenditure Framework (MTEF) which is a condition precedent to presenting the budget to parliament.

- By including a line item for asset recovery in the budget the government opens the process to scrutiny and monitoring by the legislature, public procurement process, auditor-general of the federation, civil society and the general public. In spite of these, government still welcomes monitoring by international development partners and the civil society.

- The negative consequence of including a line item in the budget for asset recovery is that where the anticipated amount is not recovered as asset the budget stands the risk of failing wth regard to the intended projects. Government anticipated this and hedges against such by prioritising these projects based in revenue raised in the fiscal year.

- Returning assets to victims in a federal system can throw up constitutional challenges where the requested state asset attempts to bypass national governments to deal directly with sub national bodies. In the recent past Britain returned some assets directly to Plateau and Bayelsa states in Nigeria. However, there is no record of any agreement on what socials development projects these returns were to be applied to. This example underscores the need for Federal authorities to be involved in negotiations even if ultimate beneficiaries of returned assets are at sub national levels.
- With regard to the management of returned assets Nigeria is moving away from the regime of individual law enforcement agencies managing recovered assets to a system of central management. The country adopted in 2016 a framework for the management of recovered stolen assets.
- As recommended in the framework the country set up an inter agency Central Assets Management Committee to take stock of and manage assets recovered by anti corruption agencies. The Minister of Finance chairs this committee in her capacity as the legal custodian of government assets. This interim administrative measure is used pending

the passage of the Proceeds of Crime Act (POCA).

- Furthermore, the government has a high level Presidential Committee on Assets Recovery (PCAR) chaired by the Vice-President whose office also supervises social investment programs. PCAR comprises the Minister Justice, Minister of Finance, Minister of Information, NSA, DG of State Security Service, Inspector-General of Police, Chairman of EFCC, Chairman of ICPC, and the Executive Secretary of the Presidential Advisory Committee Against Corruption. The committee takes reports from anti corruption agencies, fosters inter agency cooperation, oversights the anti-corruption agenda and generally gives political will and policy directions.

- **Conclusion**: The government has demonstrated its determination for transparency and accountability in the management of national resources including returned stolen assets. The government opened a single account into which recovered stolen assets are paid before transfer into the constitutionally recognised federation account. Money can only be spent from the federation account based on legislative approval and appropriation by the legislature. Use of such appropriations are open to legislative scrutiny, public monitoring and audit by the Auditor-General of the Federation.

- Thank you bowasanoye@yahoo.com