

# The NRC in Nigeria: The Process and the Role of CSOs

H.Assisi Asobie 29062012

# RATIONALE FOR INTRODUCTION OF NRC IN NIGERIA

- DFID and Support for the NEITI: The Gains and Pains
- The Idea of Facility for Oil Transparency in Nigeria (FOSTER)
- The engagement of CSEA + RWI(USA),OPM (UK) to implement FOSTER
- EITI vs NRC: Convergence and Divergence-Conversation in the NRC is around the key issues of overall sector governance; revenue management and expenditure
- The key instruments shall be technical analysis and policy advocacy in the context of domestication of global best practices

# The NEITI and the NNRC-I

- The NEITI functions that seem to make the NNRC irrelevant and superfluous: --evaluating, monitoring and repairing overall sector governance as in:
- Evaluate the practices of all extractive industry companies and government regarding acquisition of acreages; budgeting, contracting, materials procurement and production, cost profile in order to ensure due process, transparency and accountability
- Ensure transparency and accountability in the management of the investment of the Federal Government in all extractive industry companies

# The NEITI and the NNRC-II

- Identify lapses and undertake measures that shall enhance the capacity of any relevant organ of the Federal, State and Local Government having statutory responsibility to monitor revenue payments by all extractive industry companies to the Federal Government
- The Public Expenditure Monitoring Functions of the NEITI as in: Ensure transparency and accountability by government in the application of resources from payments received from extractive industry companies; and
- Ensure that all fiscal allocations and statutory disbursements due from the Federal Government to statutory recipients are duly made

# Challenges faced by the NEITI in performing its extra-EITI Functions

- Global EITI Board oversight does not really adequately cover extra-EITI functions of the NEITI
- There is subtle external pressure (including validation) on the NEITI to bite only what it can chew (i.e. concentrate on strict EITI mandate)
- Performance of extra-EITI functions by NEITI will require extraordinary display of autonomy and uncommon courage by NEITI political leadership and management
- Section 16 of the NEITI Act has not been activated; but when activated will be more difficult to enforce in respect of Federal, State and Local Governments, partly as a result of certain provisions of the 1999 Constitution

# The NRC in Nigeria: The Process-I

- FOSTER decides to adopt the NRC shall as a monitoring and evaluation tool for periodic assessment of the governance of the Nigerian oil and gas sector
- FOSTER decides to have CSEA serve, at least temporarily, as NRC Secretariat in Nigeria
- Constitutes an NRC Advisory (Expert) Panel for Nigeria
- The NRC Advisory Panel for Nigeria is to do the monitoring and evaluation through a biennial forum
- The Advisory Panel meets and takes a number of tentative decisions: First, an important opening for the NRC might be to build on the work and channels of the NEITI and the PIB

# The NRC in Nigeria: The Process-II

- Second have a dual audience: Government and Citizens. But engagement and participation by citizens has priority over Government buy-in, because citizens' pressure is critical
- Third, early briefing of key stakeholders is imperative; it should be done in parallel
- Fourth, there are challenges in respect of securing citizens' and government buy-in which should be recognized and addressed: for citizens the point is not merely to mobilize their consent, but more importantly to have them own the Charter and the process of its institution in Nigeria;
- And for Government, care should be taken to engage the government effectively without suffering loss of independence

# The NRC in Nigeria: The Process-III

- High-level path to achieve NRC Objectives in Nigeria:
- At international level, principles that mark best practices in the entire decision chain identified
- CSEA has started gathering data and information for each precept; It would also provide a taxonomy of institutions and actions to help discussions and decisions by the AEP
- A communication strategy will be developed for each precept or cluster of precepts
- Each precept is to anchored to specific institutions, specific regulations and specific processes that reflect the reality on the ground
- For each precept specific interest groups will be marked in terms of demand functions and supply functions
- The AEP has set up sub-groups(3) and a pilot team of 3 to drive the process



# The Role of CSOs in the NNRC

- Initial healthy skepticism will help: interrogate the relevant and the process vigorously
- When convinced, own the process, and participate actively in defining the scope, defining the audience, and institutionalizing the process
- Provide leadership in formulating communication strategy for the precepts
- Make informed inputs to technical analysis that will inform policy advocacy
- Participate actively in policy advocacy
- Provide leadership in mobilizing the citizenry for pressure on government for change.

# END

- Innovation and Pro-activeness constitute the watch word
- Think outside the box always
- THANK YOU