



A-Z about elections in your country and the world.

Party and Electoral Financing in Nigeria

February 2020
Review



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Introduction

Money drives politics, elections and democracies around the world. It also determines who gets to participate in electoral politics or who remains. In Nigeria, we see how this comes to play in the political landscape and much more during election seasons. The problem is not that money is being spent on campaigns, but that they are mostly unregulated and unaccounted for despite laws that require them to do so.

The Olisa Metuh Example

On February 25, 2020, Olisa Metuh the former National Publicity Secretary of the Peoples Democratic Party (PDP), Nigeria's main opposition party was sentenced to jail on seven counts of money laundering and funds misappropriation to the tune of 400million naira which he had received from the office of the former security adviser.

Why does this matter?

The money laundered by the former publicity secretary was used to fund party campaigns and activities. The judge who ruled insisted the evidence pointed to the fact that the money was deliberately laundered to brighten the chances of the PDP during the general elections in 2015. "It is, therefore, manifestly clear that the defendant converted the money for PDP campaign activities and I find him guilty and is hereby convicted accordingly," the judge declared.

When it comes to funding political parties in Nigeria, the constitution provides little guidance. While the law makes provisions for limits in electoral campaigns, there is no evidential enforcement from the INEC who has the authority, accordingly to monitor campaign finance, audit the accounts of political parties and make the information available to the public.

What the Law Says About Financing Elections

The Electoral Act of 2010 allows individuals contesting for office, expenses as follows:

Office	Spending Limit
Presidential Election	N1,000,000,000
Governorship Election	N200,000,000
Election to the Senate	N40,000,000
Elections to the House of Representatives	N20,000,000
Election to the State Assembly	N10,000,000
Chairmanship election to an Area Council	N10,000,000
Councillorship election to an Area Council	N1,000,000
Donations from Individual or Entity	N1,000,000

The laws governing political party funding, leaves the limit of funding to the discretion of INEC, with no amount limit stipulat-

What the Law Says About Financing Elections

or source of funding determined. According to the Electoral Act of 2010 92(2) “Election expenses incurred by a political party for the management or the conduct of an election shall be determined by the Commission in consultation with the political parties”. The absence of effective and structured political party financing makes all sorts of private sponsorship feasible in Nigerian politics (INEC, 2005). This leaves funding in the hands of unregulated individuals mostly known as godfathers (Human Rights Watch, 2007). Also, the current limits are double what they were in 2015 and do not include other costs like purchasing the forms from their parties, or “expressing interest”.

Who is Tracking INEC's spending



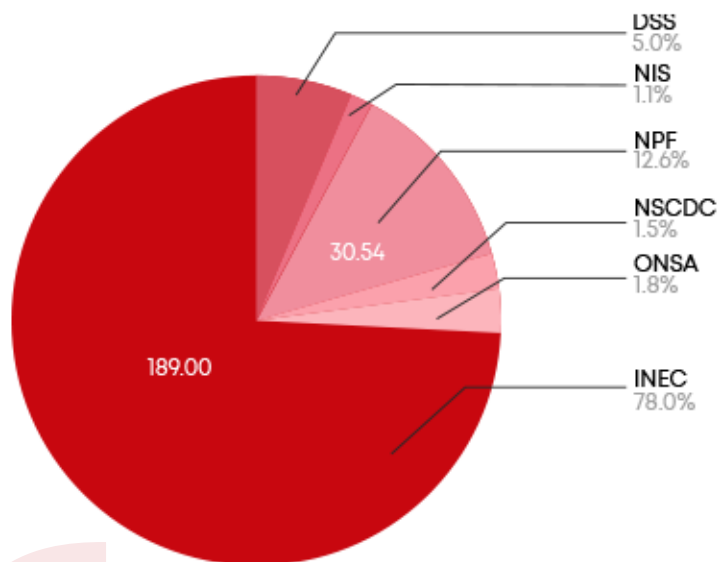
While there exist unaccountability of funds used by parties or individuals seeking office, the spending by Nigeria's electoral body has also soared over time with little results to justify the rising costs.

The 2019 elections were the most expensive since Nigeria became a democracy, soaring from a little above N1 billion in 1999 (Nigeria's first democratic election year) to over N100 billion in 2015. In 2018, a budget of N242 billion was approved by the National Assembly for the 2019 general elections.

Between 1999 and 2018, INEC received a total of N730.99 billion as budgetary allocations from the federal government, according to official documents reviewed by Daily Trust. Of this sum, N450 billion was captured under 'electoral expenditure,' while N191.8 billion was cited for 'personnel cost,' N36.9 billion 'overhead cost' and N54.7 billion was logged under 'capital expenditure projects.' The electoral expenditure started with N1.5bn in 1999 to N29bn in 2002, N45.5bn in 2006, N111bn in 2010, and down to N87.8bn in 2014. With all of these numbers, there is no open information that exists about how money is spent.

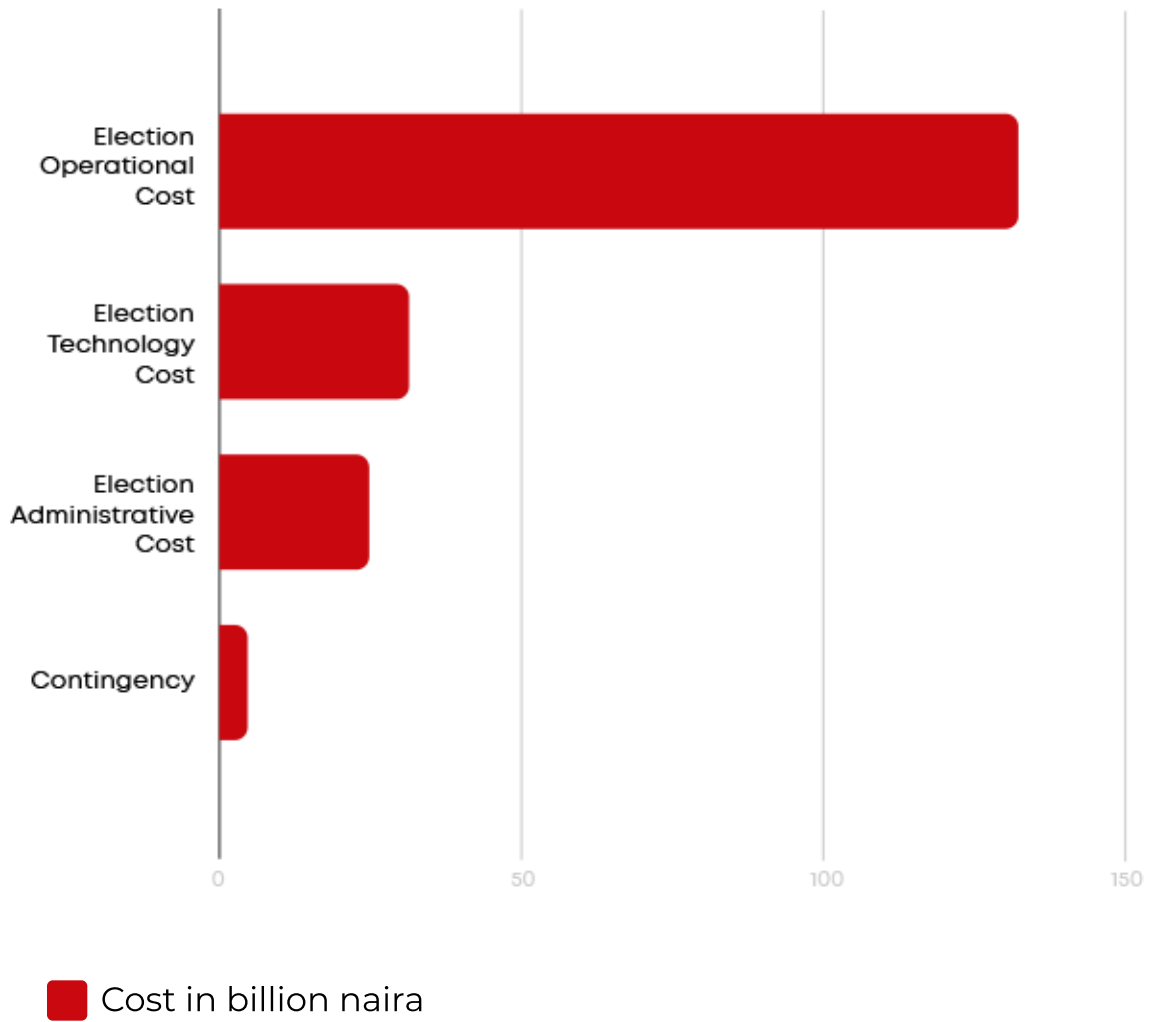
A Closer Look at 2019

President Muhamadu Buhari, on 17th July 2018, said in a letter addressed to the National Assembly that the 2019 general elections will cost N242 billion (\$672.35m at official exchange rate). He requested that the funds be taken from the 2018 and 2019 budgets. This request was granted and about 78% (N189 billion) of this sum was allocated to INEC, while the rest was given to 5 security agencies (Directorate of State Security- DSS, Office of the National Security Adviser- ONSA, Nigeria Security and Civil Defence Corps- NSCDC, Nigeria Immigration Service- NIS and the Nigeria Police Force- NPF) to police the voting process. This is the largest sum that INEC has received in an election since INEC was established in 1998.



INEC's 2019 election budget stated clearly that the N189 billion received will be spent in 4 sectors, the Election Operational Cost - N134.4 billion, the Election Technology Cost N27.5 billion, the Election Administrative Cost - N22.6 billion and Contingency - N4.6 billion.. While the sectors this money was allocated to were stated, we do not see how the money was spent or any post election report of what disbursed funds were used for. Also, the elections were generally characterised by irregularities and violence despite the allocations to security agencies.

Breakdown of INEC 2019 Budget



What Kenya Did

In 2016, the president of the republic of Kenya assented to a few bills that ushered new reforms and change into the way elections are conducted in the country. While Kenya is not the role model for how elections should hold in Africa, the Election Campaign Finance Regulation can give us a clue as to where to take off from. It is a bill for the regulation, management, expenditure and accountability of election campaign funds during election and referendum campaigns; and, for related purposes.

Significant changes, including donation and spending limits and increased reporting requirements, were introduced through this bill, it also makes provisions for direct public funding to political parties- except for the use of state resources.

This way, under the-table donations will be controlled. This bill also requires a candidate to have an expenditure account specifically meant for their campaigning so that spending can be tracked.



Conclusion

Electoral financing is a major electoral reform issue that should be reviewed. Opening data about electoral financing can help reduce abuse of funds, when citizens are engaged, they are able to ask questions and set the priorities of officials straight. Currently, there are no provisions requiring donations to go through the banking system or other systems where they can be tracked. Public funding for campaigns should be institutionalized and transparent as well, this way parties and individuals will not have to rely on “under the table” contributions or sponsorships from god father

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