ASSESSMENT OF THE NIGERIA EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (NEITI) IN CURBING CORRUPTION IN THE NIGERIAN EXTRACTIVE INDUSTRY

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A DISSERTATION SUBMITTED TO THE SCHOOL OF POSTGRADUATE STUDIES, AHMADU BELLO UNIVERSITY, ZARIA, IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF MASTER OF SCIENCE (M.SC) DEGREE IN PUBLIC ADMINISTRATION

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OCTOBER, 2015

DECLARATION

I declare that the work in this dissertation entitled "Assessment of the Nigeria Extractive Industries Transparency Initiative (NEITI) in Curbing Corruption in the Nigerian Extractive Industry" has been carried out by me in the Department of Public Administration. The information derived from the literature has been duly acknowledged in the text and a list of references provided. To the best of my knowledge, no part of this thesis was previously presented for another degree or diploma at this or any other institution.

Kolawole Saheed ADEGOKE _____ _____

Name of Student Signature Date

CERTIFICATION

This dissertation entitled "ASSESSMENT OF THE NIGERIA EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (NEITI) IN CURBING CORRUPTION IN THE NIGERIAN EXTRACTIVE INDUSTRIES" by Kolawole Saheed ADEGOKE meets the regulations governing the award of the degree of Master of Science in Public Administration of the Ahmadu Bello University, Zaria and is approved for its contribution to knowledge and literary presentation.

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ABSTRACT

This study assessed the Nigeria Extractive Industries Transparency Initiative (NEITI) in curbing corruption in Nigerian Extractive Industry. The high incidence of corruption, lack of accountability and transparency in the extractive industry in spite of the establishment of the NEITI possess a great challenge to good governance and the socio-economic well being of the people and has therefore, become an issue of public concern. The major objective of this study is to assess the performance of NEITI in curbing corruption and ensuring transparency and accountability in the extractive industry for the period 2007 – 2013. The Evaluation Theory by Edward Suchman was employed to underpin the study. Both primary and secondary data were used. The data collected through the questionnaire were analysed using the frequency tables and simple percentage and also complemented by the interview. Data from the NEITI's Audit Report and other official publication of governmental and non-governmental anti-corruption watchdogs constituted the secondary data. The qualitative data from the interviews and other secondary data were descriptively analyzed. The hypotheses were tested using the correlation analysis and chi-square distribution, which serves as an important ingredient for measuring the performance of the NEITI. The study revealed that the NEITI Act, 2007 did not empower the NEITI to investigate and prosecute the offenders which has adversely affected the performance of the NEITI. The low level of participation of the civil society in EITI process has also affected the performance of the NEITI. The study concludes that the NEITI has been found to be ineffective in curbing corruption and ensuring transparency and accountability in the Nigerian Extractive Industry. The study recommends, amongst others, that the Act establishing the NEITI should be strengthened by according her power of investigation and prosecution. Building the capacity of the civil society should be a priority of the NEITI and its partner so that Civil Society Organisations can translate the information from the audit reports into evidence-based advocacy and campaign.

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CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

Corruption is a global threat and inimical to the existence of any polity. It is a practice that is neither unique to a particular society nor limited to any country; though, the degree of its effects on socio-economic and political development varies from one country to another. However, its alarming pervasiveness in Nigeria in general and her extractive industry in particular have been militating against the country's quest for accelerated socio-economic and political development, thus becoming a matter of public concern. Therefore, the challenges of corruption remain a major devastating issue facing Nigeria since independence, and this phenomenon has become a cankerworm that has eaten deep into the fabrics of her system.

In Nigeria, corruption has undermined democracy and legitimacy of government by subverting formal processes. Corruption in elections and in electoral bodies has reduced accountability and representation in policy making; corruption in the judiciary undermines or suspends the rule of law; and corruption in public administration has resulted to ineffective service delivery (African Diaspora Initiative, 2007). Generally, it has remained the major obstacle that has eroded the institutional capacity of government as procedures are disregarded, resources are siphoned off, and contracts are awarded to cronies and political associates who were incompetent to handle such contracts. It has continuously drifted the nation into an abyss of poor institutional and infrastructural decadence.

Perhaps, no sector in Nigeria is corruption, lack of accountability and transparency more evident than in the extractive industry particularly the oil and gas sector (Okeke & Aniche, 2013; 99). Given the strategic importance of this industry to the Nigerian economy, one can only

imagine the enormity of the impact of these on the lives of ordinary Nigerians and the Nigerian economy as a whole. In Nigeria extractive industry, the multinational companies connive with some of the government agencies to underpay the government (NEITI Handbook, 2006). The oil and gas sector in Nigeria has been largely seen as an avenue to fuel corruption and enrich a few privileged and parasitic elite at the expense of ordinary citizens. It is also documented that over $400 billion of the country's oil money has been stolen by Nigerian present and past leaders from independence in 1960 to 2005 (London Daily Independent, 2006 cited in Ikubaje, 2010). This sector has in the past few years typically (though this fluctuates) accounted for about 80% of fiscal revenues, 90-95% of export revenues, and 30-35% of Gross Domestic Product (GDP). Nigeria's production capacity is about 2.5m barrels per day, making it Africa's largest producer of crude oil (Shaxson, 2009; 15). On daily basis, this country makes millions of dollars as proceeds from oil but the irony of it all is that on daily basis, Nigerian are being ravaged by poverty and hunger.

Though, Nigeria is richly endowed with a vast reservoir of human and natural resources, relatively good access to skills, capital, fertile land, and mineral resources but has not been able to realize its full potentials and take its rightful position among the comity of nations. Unfortunately not much seem to have been achieved despite the endless opportunities that abound in Nigeria. Its citizens are yet to enjoy the basic amenities or afford the basic necessities of live-food, cloth, and shelter. In fact Nigeria has a very high incidence of poverty with a low human development index ranked 158th among 182 countries surveyed on 2013 Human Development Index (UNDP, 2013). All these are attributed to a monster called corruption, lack of public accountability and transparency.

With the return of democratic governance to Nigeria in 1999, the Nigerian government has taken a number of measures to address the problems of corruption and bad governance in the country. Part of these measures was the establishment of the Nigeria Extractive Industries Transparency Initiative (NEITI) in February 2004 by former President, Olusegun Obasanjo when he set up the National Stakeholders Working Group (NSWG) under the leadership of Mrs. Obiageli Ezekwesili. In order to give a legal backing to the work of NEITI, a bill was introduced to the National Assembly on December 2004. The NEITI bill was eventually passed and harmonized by the two chambers of the National Assembly and subsequently signed into law by the President Olusegun Obasanjo on May 28, 2007 making Nigeria the first Extractive Industries Transparency Initiative (EITI) implementing or compliant country with a statutory backing for its operations (NEITI Handbook; 2013.). Therefore, the Nigeria Extractive Industries Transparency Initiative (NEITI) was set up by NEITI Act, 2007 as the national version of the Extractive Industries Transparency Initiative (EITI), which is a global movement aimed at ensuring that extractive resources aid sustainable development.

Therefore, the NEITI Act of 2007 gives the NEITI the necessary legal backing and the mandate to promote due process and transparency in extractive revenues paid to and received by government as well as ensure transparency and accountability in the application of extractive revenues. It is also mandated by law to eliminate all forms of corrupt practices in the determination, payments, receipts and posting of revenue accruing to the federal government from extractive industry companies. In other words, the NEITI is mandated to promote transparency and accountability in the management of Nigeria's oil and gas and mining revenues being a major component of the on-going anti-corruption reform in Nigeria.

1. 2 Statement of the Research Problem

The return to democratic governance in 1999 aroused the government's quest to combating corruption and instituting accountability and transparency in the extractive industry. Pursuant to this, the NEITI was established with the primary objective of ensuring due process, transparency and accountability and eliminating all forms of corrupt practices in the extractive industry. In spite all these important mandates aimed at preventing and checkmating corruption in the Nigerian Extractive Industry, corruption still remains the fastest way of getting anything done in Nigeria as observed by Idris (2011) reiterating the view of Ali (2007). There are still lingering issues of non remittance of royalties to the government and high rate of discrepancy in the quoted figures. For instance, the underpayments for recovery within the period under review amounted to $1.8 billion as reported by NEITI Audit Report (2009-2011). It is important here to note that Section 16 Sub-section (1) a & b of NEITI Act 2007 provides that any extractive industry company which gives false information or renders false statement of account resulting in the under payment or non-payment of revenue accruable to the federal government commits an offence and such company is liable on conviction to a fine not less than ₦30, 000,000. So far no company has been reported to be sanctioned or penalized despite the discrepancy in the quoted figures as shown in the report.

Over the years, information about revenue flow in the extractive industries has been kept secret. This created mistrust, mutual suspicion, hostility and conflict that frustrated peaceful business environment for companies, the government and the people (NEITI Audit Report, 2005). There is lack of knowledge especially on the part of citizens on how much companies are paying to government for the oil, gas, mining and other mineral resources they extract, how much government receives and how much of this money is channeled to development.

There seemed to be high rate of corruption, lack of accountability and transparency in the Nigerian extractive industry. The corruption in Nigerian extractive industry seems to be characterized by under-payment of taxes, royalties, bribery, oil sabotage and theft. For instance, the NEITI Audit Report (2009-2011) revealed that Nigeria lost over 11 billion dollars to pipeline vandalism between 2009 and 2011. Also, more than 136 million barrels of crude oil estimated at 10.9 billion US dollars have been lost to theft and sabotage within the period under review. This amount which was 7.7% of the total revenue accrued to the federation in the audit period is considered significant.

Prior to enactment of NEITI Act in 2007, NEITI has relied on persuasion, dialogue and consensus building to attain or achieve its objectives and perform its functions, but with this enactment, the implementation of NEITI principles has moved from voluntary to obligatory. The Act gives the NEITI the necessary legal backing and the mandate to promote due process and transparency in the extractive industry. But in spite of this, the culture of impunity and corruption continued unabated resulting to insignificant improvement in Nigeria's Corruption Perception Index, and little or no effects on the quality of living of Nigeria citizens. The NEITI seems to be ineffective in compelling multinational companies to carry out remediation of their account. For instance, Igwe (2011) point out that Sections 3(d) and (e) of the NEITI Act is crafted to accommodate the issue of confidentially clauses "… provided such information shall not be used in any manner prejudicial to the contractual obligation or proprietary interests of the extractive industry company". Many companies operating in Nigeria hide under the umbrella of this clause to fail to comply in declaring or disclosing their activities in the exploration and production of oil and gas.

The level of participation of the Civil Society in the NEITI's activities also comes to question. There seemed to be poor public awareness of the EITI process in Nigeria as many Nigerians are yet to understand the functions of NEITI, its objectives, methods, principles, processes and procedures, even among the otherwise educated Nigerians. People still ask the question: "what is NEITI, what do they do?" after a decade of its establishment. For instance, Igbuzor (2009; 7) enunciated that there is low participation of the civil society in the activities of the NEITI as the information garnered from the three audits that have been carried out have not been sufficiently utilized by civil society in evidence based advocacy and campaign that can lead such that resources freed will be channeled to provide infrastructure, jobs, security and the welfare of Nigerians. Also the EITI process seems not to have making more money available for poverty eradication as a result of low participation of the civil society in the EITI's process. For example, in 2004 when the implementation of the EITI process started, the percentage of Nigerians living below poverty line was 54.4% but by 2010 the percentage of people living below the poverty line has increased to 65.1% (National Bureau of Statistics; 2012).

1.3 Research Questions

This study seeks to provide answers to the following research questions:

i. To what extent has the Nigeria Extractive Industries Transparency Initiative (NEITI) curbed corruption and ensured transparency in the extractive industry?
ii. How effective is the NEITI Act, 2007 in ensuring transparency in the extractive industry and how has that affected the performance of NEITI?

iii. To what extent are the Civil Society Organisations participated in the NEITI's activities and how has that affected the performance of the NEITI in curbing corruption in the extractive industry?

iv. What are the challenges facing the NEITI in ensuring transparency and accountability in the extractive industry?

1.4 Research Objectives

The study:

i. assessed the Nigeria Extractive Industries Transparency Initiative (NEITI) in curbing corruption and ensuring transparency in the extractive industry;

ii. examined the effectiveness of the NEITI Act 2007 in ensuring transparency in the extractive industry and its effect on the performance of the NEITI;

iii. find out the extent of participations of the Civil Society Organisations in NEITI's activities and its effect on the performance of the NEITI in curbing corruption in the extractive industry; and

iv. identified the challenges facing the Nigeria Extractive Industries Transparency Initiative (NEITI) in ensuring transparency and accountability in the extractive industry.

1.5 Hypotheses of the study.

The hypotheses postulated in this study states that;

Ho_1: There is no significant relationship between the effectiveness of the NEITI Act, 2007 and the performance of the NEITI in curbing corruption in the extractive industry.

Ho_2: The level of participation of the Civil Society Organisations in the NEITI's activities has not affected the performance of the NEITI in curbing corruption in the extractive industry.

1.6 Significance of the Study

This research work will add value to the existing body of knowledge in the area of corruption in the Nigerian Extractive Industry. The issue of corruption in the extractive industry particularly oil and gas sector constitutes a great concern to all, because of the strategic importance of this sector to Nigerian economy. One can only imagine the enormity of the impact of these to the lives of ordinary Nigerians and the Nigerian economy as a whole. The study is significant because it will expand the frontier of knowledge by identifying factors that are responsible for lack of transparency and accountability in the extractive industry. These factors when clearly identified will go a long way in providing answers to questions like why there is still high rate of corruption in the sector despite EITI's implementation in Nigeria.

Notwithstanding, this study is different as its specific focus is different from other previous research works on the same area. A number of research work have been embarked upon by a number of researchers on issues related to corruption in the public sector and the assessment of an anti-graft institutions established by the government to combat same in the public service. Majority of these work focused on curbing corruption in the Nigerian Public Service, emphasizing mostly on the Economic and Financial Crimes Commission (EFCC), Code of Conduct Bureau (CCB), Code of Conduct Tribunal (CCT), and the Independent Corrupt Practices and Other Related Offences Commission (ICPC). For instance, the previous studies on corruption by Adagba (2012) centred on CCB and CCT in combat corruption, Obuah (2010)

assess the EFCC in curbing corruption in a failed state while Idris (2011) though, assessed the effectiveness of anti-graft institution but limited his scope to the CCB, EFCC and ICPC. None of these scholars assessed how effective is the NEITI Act, 2007 and how has that affected the performance of the NEITI in curbing corruption and ensuring transparency and accountability in the Nigerian extractive industry. The study therefore covered this gap.

Finally, the study, being an assessment study stands to find out what have been the changes since the implementation. That is, how the EITI's implementation has curtailed the menace and ensure accountability and transparency in the Nigerian extractive industry with respect to the issues raised in the statement of the problem.

1.7 Scope and Limitations of the Study

Corruption comes in various forms and dimensions. It has eaten deep in every aspect of our national life (both public and private sectors). However, this study cannot embark on studying the whole of it due to time and resource constraints. To this end therefore, this study, relates only to corruption in the extractive industry and an assessment of the NEITI, a body established by the government to combat same in the extractive industry. Although, the Extractive Industries are those companies that involved in oil prospecting and exploration, mining companies, forestry, fishing, agriculture, animal husbandry, or any others that might be involved with resources of a regenerative nature but the study is limited only to oil, gas and solid mineral sectors. The choice of these sectors can be justified on the ground that crude oil forms a large portion of the Nigeria's economic activity, typically, accounted for sixty-six percent of her income (Ndan, 2013; 65). It also justified on the ground that NEITI has so far covered only these two sectors in the extractive industry.

In terms of time period, the study spans from 2007 to 2013. The choice of this time frame can be justified on the ground that though the NEITI was set up in 2004 but not until 2007 before it was signed into law. This time frame is considered appropriate by the researcher because the period marked the very time the agency was given a legal backing in its operation. Hence, there is need to assess the effect of this Act on the performance of NEITI in order to point out lapses which in the final run, will help redefine strategies for more purposeful results. Therefore, only audit report published within this period was taken into consideration.

This study no doubt is bound to have some limitations. The study has its target population, the staff of NEITI, and representative of some civil society organisations. It also includes the Companies (staff of Nigeria LNG, Bonny and the CIBI Nigeria Limited, Kaduna). Others include the Government Agencies (staff of the Department of Petroleum Resources (DPR) and Petroleum and International Tax Department (PITD). The choice of these two departments can be justified on the ground that the DPR (part of Ministry of Petroleum) has overall responsibility of regulating as well as monitoring and collecting royalties in the sector while the PITD (a department in the FIRS) is responsible for assessing and collecting Petroleum Profit Tax.

The researcher used members of Civil Society Steering Committee which partners with NEITI on outreach activities to represent the Civil Society Organisations. The memberships of this committee are drawn from various NGOs which represent the conscience of the society. These NGOs includes Environmental Rights Action, National Youths Council, Niger Delta Budget Monitoring Group, Women's Right to Education, Nigeria Union of Journalists, National Union of Petroleum and Natural Gas Workers (NUPENG), Nigerian Bar Association (NBA), Nigeria Society of Engineers, Miners Association of Nigeria, Publish What You Pay (PWYP),

Institute of Chartered Accountants of Nigeria (ICAN), National Association of Persons with Disability, and Coalition for Accountability and Transparency in Extractive Industries, Forestry and Fisheries in Nigeria (CATEIFFN).

1.8 Operational Definition of Concepts

The attempt here is to operationally define some of the concepts used in the study to give the reader a clear focus. The concepts are defined by the researcher in the way they fit to the study which may be different from the ordinary dictionary meaning. Therefore, the following concepts are operationally defined thus:

1.8.1 Corruption: For the purpose of this study, corruption refers to;

- under-payment of taxes and royalties by the companies;
- false declaration of financial statement;
- non compliance with the auditors requests for information;
- bribery, forgery, embezzlement, vandalism and oil theft; and
- operators connive with the political leadership and some of the government agencies to underpay the government.

1.8.2 Transparency: For the purpose of this study, transparency refers to;

- public disclosure of companies' financial information;
- public disclosure of revenue received by the government;
- maximum corporation of the covered entities with the auditors;
- proper dissemination of audit report; and
- public availability to information.

1.8.3 Accountability: Accountability was used in this work to means;

- responsibility to account for stewardship of a resource;
- citizens holding government to account for revenue received; and
- citizens holding operators to account for revenue paid.

1.8.4 Performance:

Performance is the extent to which an institution's objectives are achieved, or expected to be achieved, taking into consideration their relative importance. It deals with effect criteria that measure the results of effort. In essence, performance assessment is the degree of achievement of the goals and objectives for which an organisation is established. For the purpose of this study, the performance of the NEITI therefore, is the rate of it achievement in terms of;

- Prevention of corrupt practices in the extractive industry;
- ensuring transparency and accountability in the extractive industry;
- recovery of underpayment of royalties by the covered entities;
- prosecution of alleged corrupt entities; and
- reduction in the level of corruption in the extractive industry.

CHAPTER TWO

LITERATURE REVIEW AND THEORETICAL FRAMEWORK

2.1 Introduction

This chapter attempts to review various literatures relevant to the study. These include the concept and forms of corruption, the perceived causes and effects of corruption. Others include; the concept of accountability, the concept of transparency and the participation of the Civil Society Organisations in the EITI's process in Nigeria as well as the review of the empirical study on the effectiveness of the NEITI Act 2007. Meanwhile, in exploring existing literature, the scholarly works of Moseley (1999), Igbuzor (2009), Igwe (2011), Imhonopi (2013), and Idris (2014) were predominant. However, the second part of this chapter discusses the theoretical framework using the Evaluation Theory as propounded by Edward Suchman (1967).

2.2 Literature Review

2.2.1 The Concept of Corruption

Quite a lot has been written on what constitutes corruption, but one common conclusion is that corruption has no single, universal accepted and comprehensive definition. It is therefore being offered according to each writer's personal understanding and perception of the subject matter. Generically, corruption can be defined as a dishonest or immoral behaviour which is not in line with the generally accepted standards (Ogiri, 2004). Closely related to this, Scott (1972) asserts that corruption involves a deviation from certain acceptable standard of behaviours. According to Oyovbaire (2000) corruption involves "behaviour which deviates from the normal duties of a public actor because of private-regarding (family, close clique) pecuniary or status

gain; or which violates rules against the exercise of certain types of private-regarding influence". The above definitions by Ogiri, Oyovbaire and Scott enhanced our understanding of the concept of corruption to mean any acts that is contrary to the norms and values of any given society or nation.

Imhonopi, (2013) opines that corruption covers a broad spectrum of activities ranging from fraud (theft through misrepresentation), embezzlement (misappropriation of corporate or public funds) to bribery (payments made in order to gain an advantage or to avoid a disadvantage). Along a similar line of reasoning, World Bank (1997) cited by Obuah (2010) defined corruption as "the abuse of public office for private gains". This includes when public officials accept, solicit or extort bribes to subvert or circumvent public policies and processes for competitive advantage and profit. Also the Transparency International, the world's most reputable anti-corruption watchdog defines corruption as "the abuse of entrusted power for private gain which eventually hurts everyone who depends on the integrity of people in a position of authority". Another definition worth mentioning here too is the one by Nye (1997). Nye asserts that "a deviation from the 'normal duties' of a public role for private pecuniary or status gains. Such violations of duties or rules include bribery (use of reward to pervert the judgment of a person in a position of trust), nepotism (appointment by ascription rather than by merit) and misappropriation of public resources for private use".

UNDP (2004) also defines corruption as the "misuse of public power, office, and authority for private benefit through bribery, extortion, influence peddling, nepotism, fraud, speed money or embezzlement". Olaopa (2013) quoted in Idris (2014) asserts that corruption is manifested in the form of bribery, embezzlement, fraud, extortion and abuse and conflict of interest. Others are insider trading, favouritism and nepotism.

Going through the above definitions as submitted by different scholars and practitioners in the field, the researcher realized that many of them see corruption as a practical problem involving outright theft, embezzlement of funds or other appropriation of state property, nepotism and favouratism, the granting of favours to personal acquaintances, and the abuse of public office, power or authority to exact payments and privileges. Also their submissions are based on the operational definitions which better explain the concept of corruption.

Other scholars have tried to define corruption and distinguish it along political, bureaucratic, economic, moral and even religious perspective. However, in reality, the different categories are not more than different manifestation of the same phenomenon. Oyovbaire (2000) distinguish between political and bureaucratic corruption. To him, the latter involves efforts by civil servants to enrich themselves through illegal means; while the former is used by the political actors and coalitions to capture the apparatus of state or to maintain a monopoly of power. Political corruption usually includes activities such as vote-rigging, registration of unqualified, dead, or nonexistent voters, purchase and sale of votes, and the falsification of election results, and outright seizure or capture of the entire electoral process. Gboyega (2002) cited in Adagba (2012) equally identified two variant definitions of corruption viz: traditional and political definitions. To him, the traditional definition or connotation of corruption involves the giving or taking of bribes or illegal acquisition of wealth using the resources of a public office including the exercise of discretion. The political definition according to him is any decision, act or conduct that was perverse to democratic norms and values. It also includes any decisions, act or conduct that subverted the integrity of people in authority or institutions, charged with promoting, defending or sustaining the democratisation process, thereby undermining its effectiveness in performing assigned roles.

Going through above definitions, it could be reasonably argued that none is without problems. It should be noted that these problems vary in the contents and scope of each of them covers. For instance, the following writers Nye (1997), UNDP (2004), Obuah (2010), Olaopa (2013), tied the core and scope of their definitions to public officials in government institutions as the main target of corruption to the neglect of the possibility of corruption involving people or institutions other than those connected with the government. It is however worth to note that corruption is not only undertaken for personal gain, as it can also be undertaken for the benefit of a third party or both.

Nigeria has been vulnerable to official venality. It has been projected by the EFCC that between 1960 to 1999 about $220 billion has been plundered and squandered by public officials in Nigeria (Okoi-Uyouyo; 2008). With the return of democratic governance to Nigeria and the establishment of many anti-corruption agencies nothing seems to have changed. A research conducted by the Human Rights Watch in 2007 estimated that Nigeria lost between $4 billion to $8 billion annually to corruption during the eight years period of Obasanjo administration (1999-2007). State Governors and other politicians allegedly embezzled $250 million hidden in Western Banks and other offshore financial centres between 2005 and 2007 alone (Shehu, 2011 cited in Idris, 2014).

Furthermore, Nigeria lost over 11 billion dollars to crude oil theft and pipeline vandalism between 2009 and 2011. More than 136 million barrels of crude oil estimated at 10.9 billion dollars have been lost to theft and sabotage within the period under review. This amount which was 7.7% of the total revenue accrued to the federation in the audit period is considered significant. The report said that the nation recorded over 2.5 billion barrels of crude oil

production amounting to total revenue of 143.5 billion dollars from equity crude sales, royalty, signature bonuses and taxes within the period under review (NEITI Audit Report 2009-2011).

The Transparency International (TI), a global Civil Society Organisation leading the fight against corruption, has consistently scored Nigeria very low in its Corruption Perception Index (CPI). For instance, Nigeria's Corruption Perception Index range from the lowest of 2.2 (22% transparent and 78% corrupt) in 2007 to the highest of 2.7 (27% transparency and 73% corrupt) in 2008. The 2008 score could neither be improved upon nor maintained as the country's CPI fell back to 2.4 in 2010 and 2011. Although, Nigeria's CPI again moved to its 2008 level of 2.7 in 2012 but shipped back to 2.5 (25% transparency and 75% corrupt) in 2013 (Transparency International's CPI 2007-2013 Editions). This indicates that the level of corruption in Nigeria (extractive industry inclusive) still remains high in spite of government's efforts to curtail the menace over the years. It also suggests that there is lack of transparency and accountability in the Nigerian Extractive Industry.

2.2.2 Forms of Corruption

There are numerous types of corruption which can be manifested in a variety of ways. According to Shleifer and Vishny (1993), corruption may take the form of "corruption without theft" or "corruption with theft." He asserts that the former takes place when an official demands bribe but passes on the regular payment to the government. The latter occurs when regular payments for goods or services are not made to the government.

Bribery is another form of corruption which can be manifested in a variety of ways. Bribery is the payment (in money or kind) that is taken or given in a transaction (Dike 2002). In

the public sector, bribery is prevalent in the execution of government services such as, lower taxes, licenses, and legal outcomes. Bribes can influence the government's choice in contracting, in the allocation of government benefits, such as subsidies to private companies or individuals and access to pensions or unemployment insurance. Bribes can vary in size, type, and how much the public official will benefit from such a transaction (Moseley 1999).

Corruption may also take the form of grand or petty corruption. Moseley, (1999) asserts that grand corruption refers to international business transactions, and involves bureaucrats and politicians. On the other hand, petty corruption occurs when individuals seek a license or a service from the government. This too can ultimately influence a nation as a whole because a pooled group can retain bribes in an elaborate sharing arrangement. He enunciated that parties involved in grand corruption may make the media headlines, but often the total cost of petty corruption - economical and political distortions - are of great if not greater than grand corruption.

Market imperfection and extortion is another type of corruption. Market imperfection occurs where bureaucrats are paid low wages but the commissions they hope to earn through corruption are effectively the competitively determined supply price for their services. While extortionary corruption occurs when an official, who exercises monopoly power, to pay a bribe for a service, asks a person seeking a government service (Gire, 1999 cited in Obuah, 2010). Another form of corruption is favouritism. Bureaucrats often use favouritism as a tool of power abuse, this occurs when there is a highly biased mechanism in the distribution of state resources. In Nigeria, some public officials see this as a means to favour their friends, family and people of their own ethnic group. A form of favoritism that is widely common in Nigeria is nepotism. Gire (1999) quoted in Obuah (2010) asserts that nepotistic corruption involves the offering of

preferential treatment or unjustified appointment to friends, cronies or relatives of public officials, in violation of official guidelines.

Fraud is also another form of corruption. Public sector fraud is where individuals seek to take advantage of government grants and services for their personal gain. This type of fraud involves stealing public funds, which affects all taxpayers. Public officials who partake in such schemes exploit public funds and hinder the delivery of appropriate goods and services to citizens (Moseley, 1999). Also, bureaucratic embezzlement is when public officials steal resources from the public institution where they are employed. In Nigeria, the embezzlement of public funds is one of the most common ways in which individuals accumulate national wealth which can be attributed to the lack of strict regulatory systems in the country. Closely related to this, Olaopa (2013) quoted in Idris (2014) asserts that corruption is manifested in the form of bribery, embezzlement, fraud, extortion and abuse and conflict of interest. Others are insider trading, favouritism and nepotism.

Going through above forms of corruption as outlined by different scholars, it could be argued that none is without problems. For instance, Gire (1999) and Moseley (1999) tied their forms of corruption to bureaucratic corruption which occurs in the public sector or in the execution of policies as if it does not occur in the private sector. This however fit our study. But it is worth to note that corruption can also takes the form of corporate and electoral. Corporate corruption occurs in the relationship between private business corporations and their clients. While electoral corruption occurs when people try to buy influence through illegal payoffs such as illegal funding of campaigns, illegal campaign contributions, bribes, buying of votes for cash or other inducements (i.e. paying voters to vote, thereby influencing their choices), promise of contracts or other favours etc.

2.2.3 The Causes of Corruption

Corruption is one of the greatest challenges that impede development and democratic governance in Nigeria. Since 1996 Transparency International has consistently rated Nigeria among the most corrupt countries (Wiel, 2007). Although, Nigerian leaders in the last twenty to thirty years have made an attempt at fighting corruption, it does not appear that any serious effort has been made to address the real causes of corruption. Various scholars and practitioners in the field of public administration have variously tried to diagnose the causes of corruption, with particular reference to Nigeria where the cankerworm seems to be more perverse and endemic. But why is corruption a viable enterprise in Nigeria? What indeed are the domestic causes of corruption in one of the world's most corrupt countries?

Bryce (1921) as reiterated by Nye (1967) in Otite (1982) has aptly summarized these causes as they affect countries like Nigeria. He states that 'behaviour that will be considered corrupt is likely to be more prominent in less developed countries because of variety of conditions involved in their underdevelopment-great inequality in the distribution of wealth; conflict between changing moral codes; the weakness of social and governmental enforcement mechanism, and the absence of a strong sense of national community". Looking at it from the political perspective, Aboyade (1971) asserts that the great difficulty in financing political parties causes corruption. To him, in a society like ours, the time lags between new regulations and their enforcement, and the loopholes discovered in laws and rules, create conditions for corrupt practices. Also where people use their wealth to 'buy' political power or to occupy formal or informal positions of political influence, there is often a desire to corruptly replenish spent wealth and to re-convert such a political position to an economic resource. Finally, citizens are prone to be corrupt in a system such as ours where the fact of being wealthy is acclaimed,

accepted and respected, without an examination of the means by which such wealth was acquired.

However, the non-inclusion of poor remuneration (in terms of salary and other incentives) weakens Aboyade and Otite's assertions. The researcher criticized their submissions on the ground that, they over-looked the major causes of corruption in Nigeria. Corruption in Nigeria can be better explained in terms of low salary and strong kinship ties. The public officials are corrupt because their salaries are so low that they cannot make ends meet by depending solely on their meager salaries. Also strong kinship ties characteristic of our society place pressure on public officials. Hence, they resort to corrupt activities to make ends meet and help their relatives. Though this might be applicable to the medium and low levels public officials, it does not explain why highly paid public officials in addition to other benefits accruing to their offices partake in corrupt activities.

Diagnosing the causes of corruption with particular reference to the Nigerian Public Sector, the African Capacity Building Foundation (2007) cited in Imhonopi, etal (2013) asserts that corruption in the service can be traced to one or a combination of the following;

- Low salary/ wage;
- Lack of social security and the facilities needed to guarantee decent living at the old age;
- National values condone and promote corrupt behaviour, as those who acquire affluence and buy influence through corrupt enrichment also command national and local respect and honors;
- Structurally weak control mechanisms which create a variety of loopholes that have tended to facilitate and sustain corrupt practices;

- Lack of access to markets and lack of funding support to engage in self-employment activities compel many to take up appointments in the public sector. They believe it provides the greatest opportunity for amassing wealth, which can then be used to establish a business or acquire income-earning assets. This objective might also be achieved through bloated government contracts and other forms of patronage.

The causes of corruption in Nigeria cannot deviate significantly, if at all, from the above factors mentioned by different scholars and practitioners alike in the field of public administration. However, it is necessary to observe that aside from these, there are some systemic conditions in the Nigerian polity that promote corruption. To start with, it is unfortunate that power is concentrated in the hands of decision makers who in reality are not directly accountable to the people but rather their political god-father as is often seen in non-democratic regimes. This is a direct result of Nigeria's inability since independence to always conduct credible, free, fair and uncontroversial elections to political offices in the country. With political office holders acquiring power through disputable if not illegitimate methods, the situation is not helped by perennial lack of government transparency in decision making.

Again, the researcher agreed with Aboyade's submission that where people use their wealth to buy political power or to occupy formal or informal positions of political influence, there is often a desire to corruptly replenish spent wealth and to re-convert such a political position to an economic resource. Costly political campaigns in recent times in Nigeria, with expenses exceeding normal sources of political funding mean that elected officials' first priority on assuming office is to recoup their election expenses. This is facilitated by the design of marginally relevant prestige projects requiring expenditure of large amounts of public capital. In

the subsequent award of contracts for these projects, friends, ethnic and family members are favoured.

Finally, the weak rule of law in the land, the absence of adequate controls to prevent bribery, the abject poverty, job insecurity, ostentatious life style, the quest to get rich quick, obsession with materialism, approbation and glorification of ill-gotten wealth by the general public, are among the reasons for the persistence of corruption in Nigeria. The societal moral standards become debased, as people no more care for probity, honesty, and integrity. The society no longer cares to know how one makes his wealth. Whoever that is able to defraud and become rich is honored and reverend rather than being castigated as it was in the olden days.

2.2.4 The Effects of Corruption

Corruption has remained the key obstacle to our national development. It is a cankerworm that has eaten deep into every sector of the Nigerian society. Its devastating blow is felt more in education, extractive industry, healthcare, infrastructure development, job creation, environment, foreign investment and economy, which are considered to be the symptoms of Nigeria's underdevelopment. It should be noted however that corruption contributed substantially to the destruction of Nigeria image and led to the down turn in the economy of the country. The former Minister of Information and Communication, Late Professor Dora Akunyili opines that "pervasive corruption is the bane of our national development. It was fed for a long time by past governments that paid lip service to the fight against it. Because of our reputation as a corrupt country, the Nigerians state has become a liability to its citizens abroad. So we need to rebrand because the current brand as corrupt state is hard to sell".

Okoye, (2005) has here succinctly summed up the negative impact of corruption looking at it from the aspects of political, legislative, judiciary and administrative (i.e. bureaucrats) when he asserts thus:

> *Corruption poses a serious development challenge. In the political realm, it undermines democracy and good governance by subverting formal processes. Corruption in elections and in legislative bodies reduces accountability and fair representation in policymaking; corruption in the judiciary undermines or suspends the rule of law; and corruption in public administration results in the unequal provision of services. More generally, corruption erodes the institutional capacity of government as procedures are disregarded, resources are siphoned off, and officials are hired or promoted without regard to performance.*

The pervasive nature of poverty in Nigeria in the midst of abundant human and materials resources has also been traced to a monster called corruption. Nigeria has a very high incidence of poverty with a very low human development index ranked 158th among 182 countries surveyed on 2013 Human Development Index (UNDP; 2013). This is similar to the view of Mogae, (2010) who traced the causes of the state of poverty in the country to amongst other things corruption. He asserts that corruption exacerbates poverty in that it effectively transfers resources from the state coffers to the few rich and powerful. On daily basis this country earns billions of dollars from the export of liquefied natural gas. But in spite of this, over seventy percent of Nigerians wallow in abject poverty and Nigeria remains highly underdeveloped. He also asserts that a corrupt bureaucracy can ruin the integrity of a nation, retard development and impede service delivery. Greedy, selfish, and corrupt public officers and that includes politicians are a danger to development and law and order.

Idris (2011) reiterates the view of Osoba (1998) who asserts that corruption subverts public institutions and their capacity to perform their assigned tasks efficiently, thereby damaging the substantive interest and endangering the lives of citizens whom these institutions

are meant to serve. This is because of diversion of resources earmarked for running and maintaining public institutions such as hospitals, schools, public utilities, the judiciary, the police, and even the armed forces.

Regarding the environment, corruption has a negative impact due to the actions of public officials. Okoye (2005) also argues that in a corrupt society, there are evidence of ravages and degradations on infrastructures and communities as a result of the exploitation of resources. In Nigeria, the citizens of the Niger Delta area have experienced negative environment impact since the discovery of oil in their region. These conditions occurred because of the improper drilling of oil and not adhering to the environment policies of the area. This has raised concerns over the health of the people living in the region but the owners of these oil companies bribe some public administrators to allow them to drill without properly implementing the necessary measures to protect the citizens. Although there have been some compensations, the corruption of public servants make it almost impossible for the victims to receive this money and the community is left with nothing to protect their health or their land.

As identified by Osoba (1998), Okoye (2005), and Mogae (2010), the effects of corruption are many and varied. They are economic, political, social, administrative and environmental. All the challenges of development (such as poverty, insecurity, collapse of infrastructure, economic instability, sectoral imbalances, power instability, and ecological malaise, among others) that we have in all areas of life in Nigeria are as a result of corrupt practices by our past and present leaders who should have done better. Though, it will be difficult to quantify the effects of corruption, while the economic cost of corruption may be quantifiable, the political, social, environment and administrative cannot be quantified. It is however believed that trillions of naira was stolen by past Nigerian leaders. Waziri, the former

EFCC Chairman, underscores this point when she said that since independence, Nigeria has lost more than $300billion to corrupt leaders (Zero Tolerance; 2009). Therefore, in Nigeria today, the most important issue to be addressed is corruption because it undermines good governance, retards development, endangers security, weakens public bureaucracy and ultimately destroyed our society.

2.2.5 The Concept of Accountability

Corruption cannot be adequately diagnosed and discussed without reference to the concepts of accountability and transparency. The three concepts have become popular parlance in both public and private sectors. Adamolekun (2011) opined that the demand for accountability and transparency has been aggravated by the sharp decline in resources available to state in the face of rising expectations in the late 1980s and 1990s and has brought tremendous pressure on governments to ensure that they give citizens maximum possible value for their money. Also news of large scale corruption has further fueled these demands. What is accountability and why it is such an important concept in public administration?

Conventionally, accountability refers to answerability for one's actions or behaviour and formally, it involves the development of objectives standards of evaluation to assist the owners of an organization to evaluate the performance of duties by individuals and units within the organisation (Olowu, 2002). He reiterates that this concept has three crucial components: a clear definition of responsibility, reporting mechanisms, and a system of review, rewards and sanctions. Accountability to United Nation Manual for Government, Accounting and Budget Execution, UN (1952) cited in Adamu (2006) is a legal liability involving the establishment of a pattern of control over receipts and expenditures that permits a determination either by the executive or by the legislature or both, that public moneys have been used for public purposes.

According to Abdulsalami (2004), in everyday popular parlance, to be accountable means to be responsible to somebody or for something. He justifies the notion that "accountability" and 'responsibility" could be used interchangeably or even as synonyms; because a person or an official is responsible, if he is expected to render an account or an explanation in respect of an assignment. Along similar line of reasoning, McKinney and Howard (1978) cited in Adamu (2006), they see accountability as 'responsibility' to account for stewardship of a resource or authority.

Igbuzor (2010) identified four forms of accountability: political accountability, administrative accountability, professional accountability and democratic accountability. Political accountability requires government to act following the political and programmatic provisions adopted by the government. In practice, these positions are usually encapsulated in the annual budgets. It involves vertical accountability where officials are supervised and controlled by higher offices in accordance with the institutions' hierarchy; and horizontal accountability which is the accountability of the executive to the legislature. Similarly, administrative accountability involves vertical accountability where inferior administrative positions account to superior positions through a wide set of internal mechanisms of control and supervision including inspectorates, audits etc; and horizontal accountability where administrative positions are accountable to citizens and oversight bodies including ombudsman. Professional accountability refers to the existence of a set of norms and practices of a technical and professional nature that governs the behaviour and performance of members of a certain profession. Democratic accountability is a direct relation between government and civil society where civil society takes active role in ensuring accountability through popular participation, evaluation of government project and activities.

Despite all the above submissions by different scholars and practitioners, accountability remains a most misunderstood concept. It has always been defined narrowly within the framework of financial management. Meanwhile the concept of accountability goes beyond the management of public funds but also the management of public trust. In fact, the issue of accountability is so sacrosanct that even political scientists concurred that state must be self-accountable on the basis of the constitution and the laws of the country, while those who occupy positions of authorities and exercise powers must unconditionally be accountable all actions taken on behalf of the state during the period of stewardship.

The important of accountability cannot be over-emphasized; it is essential for the efficient functioning of all organizations most especially governmental organisation. Accountability places a responsibility on government to acquire the necessary ability to perform; the obligation to provide information, explanations and justifications and the necessity to absorb the consequences of unaccountable actions including disciplinary measures. Where there is no accountability, there will be mismanagement of national resources. In fact, it absence in an organisation or society would open the floodgate to massive corruption. Accountability and transparency are very important concepts to this study because in the Nigeria Extractive Industry, Nigerians hardly knew how much money companies pay to government in form of royalty, tax, bonus etc. and how government disbursed this money to better the lives of people.

2.2.6 The Concept of Transparency

It has earlier been stated that the concept of transparency and accountability constitute a key element of good governance. These two concepts are commonly used interchangeably. In the affairs of nations striving for rapid development, transparency matters hugely. It is the

indispensable basis for national transformation. It builds trust, prevents corruption and enriches debate on strategies for national development. It is a prerequisite for building the capacity of citizens and the legislature to hold their government to account in the use of natural resource wealth.

Igbuzor, (2009) asserts that the concept of transparency goes with openness which requires government to provide the citizen with a right to know what is going on in governance. With regards to fiscal transparency this includes clarity of roles and responsibilities, public availability of information, open budget preparation execution and reporting and independent assurances on integrity. Along a similar line of reasoning, Akpa, (2005) cited in Adamu, (2006; 16) sees transparency as a process of ensuring that there exist open channels of communication between the public and government to enable the citizens understand and monitor government performance.

To Asobie, (2012), transparency is what you do first and foremost to yourself, by yourself, for the benefit of the public. He further disclosed that transparency is action that produces results; not the intention to act. In recent years, the concept of transparency gained immense popular application in its usage. Transparency International (T.I) a leading international non-governmental organisation dedicated to fighting and eliminating corruption worldwide, in its universal and local usage, the term 'transparency' refers to the level of corruption in the political and administrative institutions in countries across the world.

On the basis of the foregoing, the researcher realized from the submissions of Igbuzor, (2009) and Akpa, (2005) that government must let people know what is going on in governance. For instance, government must let people know from time to time the position of all revenues flowing into its coffers from all approved sources and how they have been allocated to deliver

value to the society. The concept of the transparency is very important because it forces government to be more careful so as to stand public scrutiny. One can also say that people's participation is a pre-condition for transparency and openness. Therefore accountability and transparency constitute the brain box for good governance.

In the context of this study, transparency is disclosing honestly what you produce and earn or what you pump and pay, what you allocate, disburse and spend. It is putting information and data freely in the public domain, about you and your activities and operations. It also entails reconciliation of the data obtained from various sources, being frank and honest about any difficulties and challenges in achieving perfect reconciliation and disclosing the reasons for the discrepancies. It is not the setting up of committees to verify payments and receipts. It is the actual disclosure of receipts (by government) and payments (by companies) based on data from accounts audited to international standards.

The report of the House of Representatives Committee on the Management of Petroleum Subsidy in Nigeria reveals how politicians, bureaucrats and interest groups in rent-seeking collaborated in defrauding the nation. The committee established that the actual subsidy paid out by the Federal Government from January to December 31st 2011 was ₦2.587 trillion which is 90% higher than the ₦304 billion appropriated for 2011. Over ₦230.184 billion was also paid to marketers on 3.262 billion litres of petrol which was not supplied. The Petroleum Products Pricing and Regulatory Agency (PPPRA) on its part paid itself ₦158 billion in 2009 and ₦157 billion in 2011 from subsidy payments (Tell, 2012 cited in Idris, 2014; 20).

It has been revealed that the sum of $22.8 billion was not disclosed by the Nigerian National Petroleum Corporation (NNPC) in NEITI's audited financial statement. The Hon. Muraino-led House of Representatives joint Committee of Justice, Petroleum (Upstream), and

Petroleum (Downstream) has already commenced investigation on the report of the Swiss-based Non-Governmental Organisation, Berne Declaration, involving the Nigerian National Petroleum Corporation (NNPC) over the allegation of fraud. The Executive Secretary of NEITI, Mrs. Zainab Ahmed even disclosed before the committee that the NNPC connive with some Swiss oil dealers to deprive the Federal Government of oil revenue of $6.8billion that should have accrued to it as a result of the crude oil lifting contract the corporation granted the companies (Retrieved from Thisday Newspaper 27th February, 2014).

Furthermore, data from the NETI Audit Report clearly demonstrates that there is high rate of discrepancy between revenues reported as being received by the Central Bank of Nigeria (CBN) on behalf of the government and those reported as being paid by the companies as a result of lack of accountability and transparency in the extractive industry. For examples, the multinational companies claimed paying $1.596 million higher than what CBN received while the CBN reported receiving a total of $3.554 million higher than the companies reported paying for the period under review. The negative differences in the balance indicate that the multinational companies connive or bribe some of the government agencies (like NNPC and CBN) to under pay the government. No wonder that the underpayments for recovery within the period under review amounted to $1.8 billion as reported by NEITI Audit Report (2009-2011).

2.2.7 Review of Empirical Studies on Effectiveness of the NEITI Act, 2007

Although, the NEITI was inaugurated in February 2004 by former President, Olusegun Obasanjo, it was not until May 28, 2007, more than three years later that the NEITI was signed into law by the former President, Olusegun Obasanjo in order to give it a legal backing. Prior to enactment of NEITI Act in 2007, NEITI has relied on persuasion, dialogue and consensus

building to attain or achieve its objectives and perform its functions, but with this enactment, the implementation of NEITI principles has moved from voluntary to obligatory.

NEITI Act of 2007 gives the NEITI the necessary legal backing and the mandate to promote due process and transparency in extractive revenues paid to and received by government as well as ensure transparency and accountability in the application of extractive revenues. In other words, the NEITI is mandated by law to promote transparency and accountability in the management of Nigeria's oil and gas and mining revenues being a major component of the on-going anti-corruption reform in Nigeria. Therefore, the Nigeria Extractive Industries Transparency Initiative (NEITI) was set up by NEITI Act, 2007 as the national version of the Extractive Industries Transparency Initiative (EITI), which is a global movement aimed at ensuring that extractive resources aid sustainable development (NEITI's Handbook, Retrieved from *http://www.neiti.org.ng*).

However, since the enactment of the NEITI bill into law in 2007, not a few have identified the defects and the shortcomings of the enabling Act. For example, Igwe (2011) points out that the objectives of the NEITI may be too ambitious and open-ended like in Section 2(c); the Act empowers NEITI to "eliminate all forms of corrupt practices in the determination, payments, receipts and postings of revenue accruing to the Federal government from extractive industry companies". He asserts that this particular clause gives a very broad range of responsibilities to NEITI. NEITI is designed as a lean bureaucracy and so will be unable to carry out these functions.

Igwe (2011) further observes that Sections 3(d) and 3(e) of the NEITI Act is crafted to accommodate the issue of confidentially clauses "… provided such information shall not be used in any manner prejudicial to the contractual obligation or proprietary interests of the extractive

industry company", which is now outdated or anachronism in the oil and gas industry. Many extractive industry companies operating in Nigeria insist on partial disclosures and argue that complete disclosures may harm proprietary interests. However such confidentiality clauses no longer apply in line with industry best practice. The retention of these clauses in the NEITI Act is generally seen to make NEITI a toothless bulldog as some of these companies would hide under the umbrella of these clauses to fail to comply in declaring or disclosing their activities in the exploration and production of oil and gas.

Some aspects of the NEITI Act dealing with offences, convictions, penalties and sanctions, as provided in Section 16 of the Act, are in conflict with what anti-corruption agencies like Economic and Financial Crimes Commission (EFCC) and the Independent Corrupt Practices and other related offences Commission (ICPC) are statutory expected to do (Udo, 2011 cited in Okeke, 2013). Though the NEITI Act stipulates certain sanctions for offences relating to violations of the EITI principles, the law is silent on the procedure to prosecute and punish the violators. Also the sanction clause as contained in Section 16 stipulates a fine of thirty million naira for any company that does not comply with the act.

NEITI Act of 2007 provides in the Section 14 that "the NEITI shall cause the account of total revenue accruing to the Federal Government from all extractive industry companies, its receipts, payments, assets and liabilities to be audited not later than six months after the end of each year by independent auditors appointed by the National Stakeholders Working Group (NSWG) of NEITI. The independent auditor shall submit the report with comments of the audited entity to the NEITI which shall cause same to be published the information for the benefit of the public (see Appendix VI). This Section unfortunately contained the clause of

confidentiality or the provision that the contents of the report shall not be published in a manner prejudicial to the contractual obligations or proprietary interests of the audited entity.

Another obvious weakness in the Act as observed by Igwe is contained in Section 7 which states that "a person appointed as a member of NSWG shall hold for four years and no more". He asserts that there is a slim chance for transfer of knowledge. During the four year tenure, it will be expected that board members of NEITI will learn more about EITI and the oil and gas industry. This institutional knowledge will be lost as there will be no chance of reappointing any of them. This will mean that every four to five years, NEITI will witness a change in leadership with may not be in the overall benefit of a new regulatory institution.

Going through the study conducted by Igwe (2011), the researcher realized the weaknesses in the NEITI Act in the areas of sanctions and penalties. For instance, the act stipulated a fine of thirty million naira for any entities that does not comply with the act. This is small amount for a multi-billion dollar industry. No wonder the former Chairman NSWG of NEITI itself demanded that NEITI needs constitutional powers to enforce its sanctions against defaulting operators in Nigerian extractive industry if the principles of transparency and accountability are to be realized in Nigeria. The researcher also agreed with Igwe that the issue of confidentiality clause as contain in the NEITI Act render NEITI a toothless bulldog. The act did not give NEITI the necessary power to bite as it is supposed to; being an anti-corruption watch dog and this has hampered the performance of the NEITI in curbing corruption in the extractive industry.

Furthermore, most of the objectives and functions of the NEITI as provided in Section 2 and 3 of the NEITI Act, 2007 are already being carried out by other statutory government agencies such as National Petroleum Investment Management Service (NPIMS), Federal Inland

Revenue Service (FIRS), Central Bank of Nigeria (CBN) etc. The Act does not give NEITI a clear coordinating roles, thus puts it in collusion cause with other governmental agencies.

2.2.8 Civil Society Participation in the EITI's Process in Nigeria

The success of any social accountability and transparency initiative is dependent on the extent of interaction, synergy and deliberate interface between the civil society and the government (NEITI Handbook; 2013). Civil Society represents the conscience of any society. CSOs are non-governmental organisations primarily involved in advocacy for free, equitable and better society. These include organised labour, professional associations, student unions and others working in specific thematic areas of interest. The roles of the CSOs are critical to the success of NEITI audit before and after the exercise. The CSOs are expected to promote participation of companies and relevant government agencies in the audit through advocacy, sensitization, monitoring and oversight. They are also expected to read the audit reports, digest and analyze the content and use the information from audit findings to hold government to account. Apart from having members of Civil Society on its governing board, NEITI also has a Civil Society Steering Committee which partners with NEITI on outreach activities. To what extent are the CSOs involved in the EITI's processes in Nigeria?

The Executive Secretary of NEITI, Mrs. Zainab S. Ahmed asserts that there is poor public awareness of the EITI process in Nigeria as many Nigerians are yet to understand the functions of NEITI, its objectives, methods, principles, processes and procedures. Closely related to this, Igbuzor (2009) confirmed that there is low participation of the civil society in the activities of the NEITI as the information garnered from the three audits that have been carried out have not been sufficiently utilized by civil society in evidence based advocacy and campaign

that can lead such that resources freed will be channeled to provide infrastructure, jobs, security and the welfare of Nigerians. According to a draft paper, a Nigeria case study prepared by Dauda Garuba for the World Bank cited in Shaxson, (2009; 30) assert that in view of the task before it, there is every tendency to conclude that, so far, local people are yet to start any serious frontal engagement of the NEITI. This is due to the fact that much is still required to create the needed awareness.

Finally, it is clear that the EITI process has not led to making more money available for poverty eradication as a result of low participation of the civil society in the NEITI's activities. For instance, in 2004 when the implementation of the EITI process started, the percentage of Nigerians living below poverty line was 54.4 percent but by 2010 the percentage of people living below the poverty line has increased to 65.1 percent (National Bureau of Statistics; 2012). Generally, there is poor awareness of the NEITI and its activities even among the otherwise educated Nigerians. People still ask the question: "what is NEITI, what do they do?" after a decade of it establishment.

Going through the above submissions by different scholars, the researcher realized that an essential premise of EITI has been that transparency would help citizens to 'call their rulers to account', leading to better accountability and governance. But civil society has not been influential in calling Nigeria's leaders to account, even with access to significantly improved data and analysis from NEITI. Shaxson, (2009) identified technical and political as the two major weaknesses that are responsible for this. He enunciated that civil society is heavily divided and that the civil society that is most visible to donors tends to be the part that is most dependent on donors which has weakened its legitimacy and its sense of purpose.

2.3 Theoretical Framework

The theoretical framework for this study is Evaluation Theory. Edward Suchman (1967) is often referred to as the founder of the Evaluation Theory. Others include Greenberg (1968), Carol Weiss (1972), Thomas Cook (1978), Peter Rossi (1979) and Lee Cronbach (1980). The justification for this theory is hinged on the fact that the study is an assessment of performance of the NEITI in curbing corruption in the extractive industries, as such evaluative theories is considered appropriate. It can also be justified on the ground that it provides a good analytical framework for the analysis of the topic under study.

The idea of Evaluation Theory was first used by Edward Suchman in Colombia to evaluate public health programmes in 1960s (Shadish, Cook & Leviton, 1991). Suchman considered that evaluation must be approached with the logic of scientific method. He recognizes the role of judgment in evaluation, nothing that values and assumptions affect the formulation of goals. Evaluation is the procedure by which programs are studied to ascertain their effectiveness in the fulfillment of goals (Greenberg; 1968). It is the systematic, data-based inquiry to determine the merit or worth of a programme, product, organisation, intervention, or change effort. In essence therefore, the theory is concerned with the performance evaluation of public institutions or programmes. Hatry (2002; 352) asserts that "it certainly desirable that institutions at any level of government periodically undertake a comprehensive review of what they are doing and how they are doing it".

However, the Suchman's Evaluation Theory consists of five different performance criteria for assessing organisations or programmes. First is the effort; which relates to the quantity and quality of activity that takes place or the input/energy and the attention given with more emphasis on the output. Second is the performance; which deals with effect criteria that

measure the results of effort. Third is the adequacy of performance; which concerns with degree to which performance is adequate to the total amount of need. The fourth is the efficiency; which examine the alternative paths or methods in terms of human and monetary costs, and the last criteria is the process; which deals with how and why organisation or a programme works or does not work. It is this last criterion (i.e. the process) that is relevant to the study. The processes according to Suchman start with the 'value formation' which he sees as the any aspect of a situation, event or object that is invested with a preferential interest of being good, bad, desirable or undesirable. The next stage is goal-setting, follow by measuring attainment, and proper planning stage. The last stage is evaluation; this is where assessment is made to see if the objectives have been achieved.

In relation to this study, the establishment of the NEITI by the government is the 'value formation' because it will go a long way in ensuring that huge revenues accruing to government from payments made by companies are managed transparently to promote development, reduce poverty and disease. The goal-setting in this study is the objectives of the NEITI which are to ensure due process, transparency, accountability and to eliminate all forms of corrupt practices in the extractive industry. Under the proper planning stage, the government must put goal attainment activities into action in order to improve the performance of the NEITI. This will include adequate funding, lack of government interference and strengthening of the NEITI Act. The last stage is the evaluation; this is where assessment is made to see if the objectives of the NEITI have been achieved or not. Therefore, the concept of the relevance of the activities and efforts of the NEITI examines how it's preventive, investigation, conviction and punishment of the affected cover entities or corrupt officers are compatible with the objectives of the NEITI.

Evaluation theory is not without criticisms. It has been criticized on the ground that most techniques used in evaluation are borrowed from others fields. The theory is therefore faulty because of its heterogeneous mix of borrowed techniques. Guba and Stufflebeam, (1970) cited in Weiss, (1972) also observes that the theory is useful only for making decisions after a project or programme has run full cycle and not during its planning and implementation. Finally, by try to control too many conditions, the theory makes the programs so aseptic i.e. ungeneralizable to the real world. In spite of these shortcomings, the evaluation theory will help in assessing the performance of the NEITI in curbing corruption in the Nigerian extractive industry.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

Research methodology is one of the most critical aspects of a research work because it determines the success of the study and provides the basis for drawing up inferences and conclusions. Therefore this section outlines and explains the methodology adopted in the study under the following captions; research design, population and sample size and sampling technique. Others are sources of data, administration of instrument, and method of data analysis. Finally, the chapter also explained the reasons for adopting the tools in testing the validity or otherwise of the hypotheses formulated in chapter one of the work.

3.2 Research Design

The research design used for the study was mainly survey research. This consists of the use of questionnaire and interview methods. Documentary research was also used to compliment the survey research. The use of survey research was justified on the ground that it enables the researcher to generalize from a sample to a population so that inferences and conclusions can be made.

The research was designed to assess the performance of the NEITI in curbing corruption in the Extractive Industry. The independent variables relating to the performance of the NEITI are the effectiveness of the NEITI Act 2007 and the level of participation of the Civil Society Organisations in the NEITI's activities. The perception of the respondents was expressed in quantitative terms. The responses of the respondents was also measured based on five point

Likert scale of strongly agree, agree, disagree, strongly disagree and undecided as well as very effective, effective, ineffective, very ineffective and undecided.

3.3 The Population of the Study

The population for this study consisted of the four broad categories of key stakeholders to the implementation of Extractive Industries Transparency Initiative in the Nigeria Extractive Industry. These stakeholders include; the Government Agencies (to be represented by the staff of the Department of Petroleum Resource (DPR) and the Petroleum and International Tax Department PITD), the Companies (represented by the staff of Nigeria NLG, Bonny and CIBI Nigeria Ltd, Kaduna), the Civil Society and the NEITI staff. This is because they were directly involved and have an in-depth knowledge of NEITI and its activities. Though the Civil Society Organization comprises of so many non-governmental organisations, for the purpose of this study, the researcher only focused on the sixteen members of Civil Society Steering Committee. This is because the memberships of this committee are drawn from various NGO which represent the conscience of the society. These NGOs include Environmental Rights Action, National Youths Council, Niger Delta Budget Monitoring Group, Women's Right to Education, Nigeria Union of Journalists, National Union of Petroleum and Natural Gas Workers (NUPENG), Nigerian Bar Association (NBA), Nigeria Society of Engineers, Miners Association of Nigeria, Publish What You Pay (PWYP), Institute of Chartered Accountants of Nigeria (ICAN), National Association of Persons with Disability, and Coalition for Accountability and Transparency in Extractive Industries, Forestry and Fisheries in Nigeria (CATEIFFN).

Furthermore, not all the staff of the Nigeria NLG Limited, Bonny and that of the Department of Petroleum Resource was conversant with NEITI and its activities. Thus, only the

staff of those departments that are conversant with NEITI and its activities constituted the population size of these organisations. Therefore the total population for the study was 2,017.

3.4 Sample Size and Sampling Technique

Since the researcher cannot cover the whole population, the idea of sampling comes to play, in which case a certain portion of the entire population was selected to represent the whole population. The details of the population and sample size for the questionnaire respondents are presented in the table 3.1

Table 3.1: Population and Sample Size of the Study

Organisation	**Population Size**	**Sample Size**	**Percentage**
Nigeria Extractive Industries Transparency Initiative (NEITI)	59	37	11
Department of Petroleum Resources (DPR)	811	94	28
Petroleum and International Tax Department (PITD)	314	63	19
Nigeria NLG Limited, Bonny	750	84	25
CIBI Nigeria Ltd Kaduna	67	43	13
Civil Society Organisations	16	13	4
Total	**2,017**	**334**	**100**

Source: survey research 2015.

In determining the sample size of the population for the study, Yamane's (1967) formula as expressed by Israel (1992) was used thus;

$$\mathbf{n = \frac{N}{1+ N (e)^2}}$$

Where n = Sample size

N = Total population

e = Level of significance (5%)

$$n = \frac{2,017}{1 + 2,017 (0.05)^2}$$

$$= \frac{2,017}{1 + 2,017 (0.0025)}$$

$$= \frac{2,017}{1 + 5.0425}$$

$$= \frac{2,017}{6.0425}$$

= 333.802

n = 334 (approximately)

Therefore, the sample size for the study was 334 respondents represent 16.6% of the total population of 2,017. Since the staff strength of the Civil Society Organizations and the NEITI was just75, and the other four organizations have a larger population of staff put together at 1,942. Thus, the study took the percentage as indicated in the table above to arrive at each of the organization's sample size. The choice of this percentage was judgmental because the researcher considers a particular category of organization relevant to this study. Also, a total of four hundred (400) questionnaires were administered to all categories of the stakeholders as against the three hundred and thirty-four (334) indicated in the table 3.1 above. This was to enable the researcher get the substantial rate of questionnaire that will be representable of the population under study as provided by the Yamane formula.

Since the population for the study was known, probability sampling technique was adopted. The choice of this technique was basically to avoid bias or absence of systematic variance. In a random sampling, every subject in the population is given equal and independent chance of being included in the sample.

3.5 Sources of Data

This research work strictly used the data generated during the research to test the hypotheses. It is to be noted that both primary and secondary data are needed in every valid research. Therefore, both primary and secondary sources of data were utilized in this study. This was justified on the basis of its validity and reliability as the data obtained from the secondary source complimented the one generated from the field.

3.5.1 Primary Sources of Data

This is the first hand data which were generated from field work by the researcher. The two major instruments used in generating these data are questionnaire and interview. Through these, both qualitative and quantitative data was captured. The use of questionnaire was justified on the bases of its reliability, convenience, preserving anonymity and lower rate of reactivity.

The questionnaires were structured in a close ended question for easier analyses. The questionnaire was of three types reflecting the key stakeholders to the implementation of NEITI. The first set of questionnaire was administered to the staff of NEITI. The second was directed to the Civil Society Organisations while the third set was restricted to the staff of the selected Government Agencies and the Companies.

The questionnaire was divided into two Sections (A and B). Section 'A' consists of questions relating to the respondents personal data such as; Gender; Age; Educational Qualification, Length of Service and Name of Organisation. Section 'B' of the questionnaire consists of questions relating to the hypotheses. Sub-section I of this section relates to the hypothesis on the relationship between the effectiveness of the NEITI Act, 2007 and the performance of the NEITI. Subsection II relates to the second hypothesis on the relationship between the level of participation of the Civil Society Organisations and its effect on the performance of the NEITI.

Also in order to obtain more information, the researcher conducted structured interview focused on key individuals who have direct involvement and knowledge of the Nigeria Extractive Industries Transparency Initiative (NEITI) and its activities. The use of interview was intended to complement the questionnaire and to enable the researcher to investigate further and make follow-up.

3.5.2 Secondary Sources of Data

This is the second hand data already generated and stored in texts, files or even in published form. The secondary sources of data used in this study include information from textbooks, journals, newspapers, and internet materials retrieved and reviewed. Others include official publications of Governmental and Non-Governmental Anti-Corruption Watchdogs like NEITI, TI, EITI, EFCC, ICPC, etc. The secondary data generated in this study helped immensely because most of these documents (especially the NEITI's Audit Report) provided source of evidence that supported data from the questionnaire and interview.

3.6 Administration of Instrument

A total of four hundred (400) questionnaires were administered to all categories of the stakeholders as against the three hundred and thirty-four (334) indicated in the table 3.1 above with the aid of research assistants. This was to enable the researcher get the substantial rate of questionnaire that will be representable of the population under study as provided by the Yamane formula. The questionnaire was of three types reflecting the key stakeholders to the implementation of EITI. Forty-four (44) questionnaires were administered to the staff of NEITI; sixteen (16) questionnaires were directed to the Civil Society Organisations; one hundred and twelve (112) questionnaires were forwarded to the staff of the Department of Petroleum Resource (DPR) and seventy-six (76) to the staff of the Petroleum and International Tax Department (PITD), while one hundred (100) and fifty-two (52) questionnaires were administered to the staff of the Nigeria LNG, Bonny and the CIBI Nigeria Limited, Kaduna respectively.

The questions on the questionnaire were expected to elicit responses from the respondents on the effectiveness of the NEITI Act 2007 and the performance of the NEITI. Others include the level of participation of CSOs in the EITI's processes and the assessment of the NEITI's performance in curbing corruption in the extractive industry. The responses of the respondents was measured based on five point Likert scale of strongly agree, agree, disagree, strongly disagree and undecided; and very effective, effective, ineffective very ineffective and undecided.

However, a total of eight interviews were also conducted. The interviewees were purposively selected from the key stakeholders in the Nigerian Extractive Industry. Two leaders of the Civil Society Organisations, two Senior Staff of NEITI, two Government Agencies and

two Companies were interviewed by the researcher. The information generated from was basically the same as the ones from the questionnaires. The researcher spent the period of one month for both questionnaire administration and interview.

3.7 Method of Data Analysis

Both descriptive and inferential statistical tools were employed for the test of the hypotheses earlier postulated in chapter one. The descriptive statistical tools include the use of frequency tables and simple percentages, in analyzing and interpreting the data collected. The interview and other secondary data were descriptively analyzed.

The study also adopted the Correlation analysis and the Chi-square distribution as inferential statistical tools to statistically test the first and second hypotheses respectively using Statistical Package for Social Science (SPSS). The choice of these tools was justified on the ground that they measures the relationship between variables of interest. The choice of SPSS was also justified on the basis of it accuracy as compare with manual computation.

Decision Rule

The decision rule states that: if chi square calculated value is greater than chi square critical (tabulated) value, the null hypothesis should be rejected but if otherwise it should be accepted. Therefore, the earlier formulated hypothesis stands to be rejected if chi square calculated is greater than chi square tabulated at 5% level of significance but it shall be accepted if the result shows otherwise.

CHAPTER FOUR

AN OVERVIEW OF THE OPERATIONS AND ACTIVITIES OF THE NIGERIA EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (NEITI) IN THE NIGERIAN EXTRACTIVE INDUSTRIES.

4.1 Introduction

This chapter examined the relevant provisions and activities of the NEITI in combating corruption in the Nigerian Extractive Industry. Specifically, the chapter discussed the history, objectives, powers and functions of the NEITI as well as the achievements and the challenges facing the NEITI. It also analyzed the unresolved financial flows, crude oil theft and sabotage and other important parts of the NEITI Audit Report. Finally, the chapter also examined the Nigeria's Corruption Perceptions Index (CPI) scores from 2007-2013 as obtained from the Transparency International (TI) in order to aid in determining the rate of the performance of the institution.

4.2 Historical Background of the NEITI

Over the years, information about revenue flow in the extractive industries has been kept secret. This created mistrust, mutual suspicion, hostility and conflict that frustrate peaceful business environment for companies, the government and the people (NEITI Audit Report, 2005). There is completely lack of knowledge especially on the part of citizens on how much companies are paying to government for the oil, gas, mining and other mineral resources they extract, how much government receives and how much of this money is channeled to development.

Pursuant to these, the Federal Government enacted the Nigeria Extractive Industries Transparency Initiative (NEITI) in February 2004 by former President, Olusegun Obasanjo when

he set up the National Stakeholders Working Group (NSWG) under the leadership of Mrs. Obiageli Ezekwesili. In order to give a legal backing to the work of NEITI, a bill was introduced to the National Assembly on December 2004. The NEITI bill was eventually passed and harmonized by the two chambers of the National Assembly and subsequently signed into law by the former President, Olusegun Obasanjo on May 28, 2007 making Nigeria the first Extractive Industries Transparency Initiative (EITI) implementing or compliant country with a statutory backing for its operations (NEITI Handbook; 2013). The NEITI is mandated by law to promote transparency and accountability in the management of Nigerian oil and gas and mining revenues. Therefore, NEITI is a national version of the EITI, a global movement or initiative aimed at ensuring that exploitation of extractive resources aid or facilitate sustainable development through open and transparent reporting or auditing of what extractive industries pay the government under the slogan "publish what you pay".

Meanwhile the Extractive Industries Transparency Initiative (EITI) was set up in September 2002 at the World Summit on Sustainable Development held in Johannesburg, South Africa as a global initiative to help improve the management of oil, gas and mining revenues in resource rich countries. The objective is to ensure that huge revenues accruing to government from payments made by extractive companies are managed transparently to promote or facilitate development, reduce poverty, conflict, ignorance, deprivation and disease. The EITI operates on two basic principles, one, is for companies to disclose publicly, payments made to government and for government to disclose publicly revenues received from companies, and two, is for an independent audit to be conducted to verify and reconcile these figures under the management of a multi-stakeholder committee (NEITI Audit Report; 2005).

4.3 Objectives of the NEITI

The primary objectives of the NEITI as provided in Section 2 of the NEITI Act 2007 are:

a) To ensure due process and transparency in the payments made by all Extractive Industry Companies to the Federal Government and statutory recipients.

b) To monitor and ensure accountability in the revenue receipts of the Federal Government from Extractive Industry Companies.

c) To eliminate all forms of corrupt practices in the determination, payment, receipts and posting of revenue accruing to the Federal Government from Extractive Industry Companies.

d) To ensure transparency and accountability by government in the application of resources from payments received from Extractive Industry Companies.

e) To ensure conformity with the principles of Extractive Industries Transparency Initiative.

4.4 Functions / Powers of the NEITI

The functions of the NEITI are provided for in Section 3 (a-j) of the NEITI Act, 2007. These are;

a) develop a framework for the transparency and accountability in the reporting and disclosure by all extractive industry companies of revenue due to or paid to the Federal Government;

b) evaluate without prejudice to any relevant contractual obligations and /or sovereign obligations the practices of all extractive industry companies and government respectively regarding acquisition of acreages, budgeting, contracting, materials

procurement and production cost profile in order to ensure due process, transparency and accountability;

c) ensure transparency and accountability in the management of the investment of the Federal Government in all extractive industry companies;

d) obtain as may be deemed necessary, from any extractive industry company an accurate record of the cost of production and volume of sale of oil, gas or other minerals extracted by the company at any period; provided that such information shall not be used in any manner prejudicial to the contractual obligation or proprietary interests of the extractive industry company;

e) request from any company in the extractive industry, or from any relevant organ of the Federal, State or Local Government, an accurate account of money paid by and received from the company at any period, as revenue accruing to the Federal Government from such company for that period; provided that such information shall not be used in a manner prejudicial to contractual obligations or proprietary interests of the extractive industry company or sovereign obligations of Government;

f) monitor and ensure that all payments due to the Federal Government from all extractive industry companies, including taxes, royalties, dividends, bonuses, penalties, levies and such like, are duly made;

g) identify lapses and undertake measures that will enhance the capacity of any relevant organ of the Federal, State or Local Government having statutory responsibility to monitor revenue payments by all extractive industry companies to the Federal Government;

h) disseminate by way of publication of records, report or otherwise any information concerning the revenues received by the Federal Government from all extractive industry companies, as it may consider necessary;

i) promote or undertake any other activity related to its functions and which, in its opinion, is calculated to help achieve its overall objectives as enumerated in section 2 of this Act;

j) Ensure that all fiscal allocations and statutory disbursements due from the Federal Government to statutory recipients are duly made.

Prior to enactment of NEITI Act in 2007, NEITI has relied on persuasion, dialogue and consensus building to attain its objectives and perform its functions, but with this enactment, the implementation of NEITI principles has moved from voluntary to obligator. However, since the enactment of the NEITI bill into law in 2007, not a few have identified the defects of the Act in terms of NEITI's objectives and functions. Igwe, (2011) points out that the objectives of the NEITI may be too ambitious and open-ended like in Section 2(c); the Act empowers NEITI to "eliminate all forms of corrupt practices in the determination, payments, receipts and postings of revenue accruing to the Federal government from extractive industry companies". He asserts that this particular clause gives a very broad range of responsibilities to NEITI. NEITI is designed as a lean bureaucracy and so will be unable to carry out these functions. Moreover, most of these functions are already being performed or carried out by statutory government agencies such as the Federal Inland Revenue Service (FIRS), the Central Bank of Nigeria (CBN), the Office of the Accountant General of the Federation (AGF) among others. This does not give NEITI a clear coordinating role, and therefore, duplicates the roles and puts the NEITI in collusion cause with these other governmental agencies in the cause of performing its statutory duties or functions.

Furthermore, the fourth objective of NEITI as stated above to "ensure transparency and accountability by government in the application of resources from payment received from extractive industry companies" raised a number of complex issues. For instance, the unbundling or the interpretation of the word government will mean the federal, state and local governments, but the 1999 Constitution does not allow Federal Government agencies, and NEITI is not an exception, to operate beyond the federal level. It is therefore almost impossible for NEITI to implement its fourth objective as it is crafted by the Act (Okeke & Aniche, 2013). Thus, there have been renewed calls for state governments to voluntarily queue into the EITI model in the area of expenditure transparency as has already been adopted in Bayelsa State which will provide entry points for NEITI to work with such states.

4.5 The Organizational Structure and Functions of the Departments/Units of the NEITI

(a) Organizational Structure of the NEITI

Administratively, NEITI is made up of the National Stakeholders Working Group (NSWG) and the NEITI Secretariat. There are three departments in the Secretariat headed by a Director. Each department is made up of Team Leaders and other categories of staff with diverse responsibilities.

(1) The National Stakeholders Working Group (NSWG)

The National Stakeholders Working Group (NSWG) is the governing body of the NEITI. The NSWG is constituted by the President of Nigeria and is made up of fifteen (15) members (serve on part-time basis) drawn from the Extractive Industry, Civil Society, Labour unions in the extractive sector, and representatives of the six (6) geo-political zones of Nigeria as provided in Section 6 of the NEITI Act 2007. The NSWG functions are as follows:

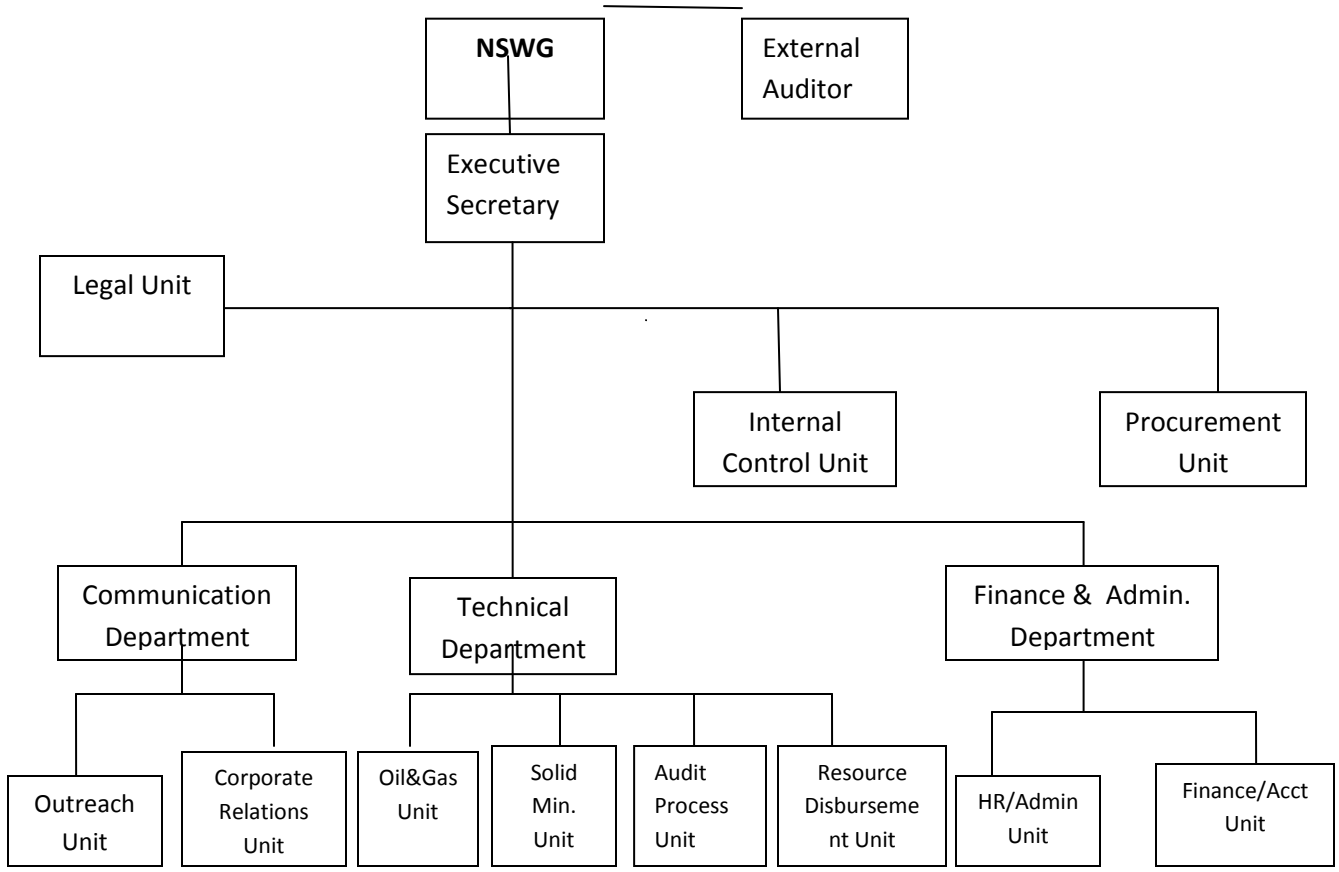
- Formulates policies, programmes and strategies for effective implementation of the objectives and functions of NEITI.
- Approves annual budgets and work-plans of the NEITI Secretariat.
- Provides policy direction, guidance and ensures periodic review of programme performance of the secretariat.
- Constitutes such Special Committees as it considers fit to deal with different aspects of its responsibilities.
- Creates departments and engages services of such staff and consultants, as it may consider necessary for effective administration of NEITI.
- Ensures engagement of reputable audit firms for the purpose of annual NEITI audits.
- Regulates the functions and responsibilities NEITI.

(2) The Secretariat

The Secretariat is head by the Executive Secretary who is also the Chief Executive Officer of the NEITI. He also serves as secretary to the NSWG on full-time appointment. The Secretariat under the Executive Secretary is responsible for the day-to-day administration of NEITI.

Therefore, the organizational structure of the NEITI is presented in the diagram below:

Figure 4.1: The Organogram of the Nigeria Extractive Industries Transparency Initiative (NEITI).



Source: NEITI Handbook, 2013 pg.40

(b) Functions of the Departments (Units) of the NEITI

(i) Communications Department

The functions of this department as provided in the NEITI Handbook 2013 include:

- Develops and ensures the implementation of an effective/comprehensive communications strategy, policies and procedures for grass root understanding of NEITI in Nigeria.
- Defines overall operational plan for the management of the day-to-day communication related issues.

- Provides professional advice and guidance to NEITI on communications and public relations issues.
- Manages cross-functional relationships with other stakeholders such as the Mass Media, Print Media, Consultants, Subcommittees, and CSOs.
- Provides advice on communication and public relation issues across the country.
- Shares collaborative case studies, Audit findings, issues, policy analysis results and other research that informs policy of critical issues in NEITI's thematic areas in terms of transparency, accountability, service delivery and its design.
- Develops and monitors corporate communication plan country wide with the aim of achieving the NEITI's set objectives.
- Coordinates and acts as the central communication anchor point for national media activities in NEITI.
- Documents all NEITI activities library services and publications.
- Provides Feedback channels between NEITI and its diverse publics.

(ii) Technical Department

The Department is saddled with the following responsibilities:

- Implements the Secretariat's technical policies and procedures in the extractive sector.
- Develops strategies for data capturing, system strengthening, and revenue management tracking.
- Provides expertise and technical support in the conduct and management of NEITI audits and develops / supervises remediation master plan.
- Designs and coordinates the planning and implementation of the technical component of the audit.

- Designs, develops and monitors the implementation of a technical capacity building strategy to enhance understanding and interpretation of technical issues indentified in NEITI annual audits.
- Supports the NSWG in creating a strategic plan for remediation, which is updated and extended following on from each annual audit.
- Responsible for the facilitation of the development of new and existing technical processes and procedure to ensure the secretariat is abreast with the continuous changes in the sector and prompt generation of Management Information report as at when due.

(iii) Finance & Administration Department

This department provides qualitative support services to NEITI's operations through effective implementation of business policies and procedures governing finance and administration.

Other functions of the department include but not limited to the following:

- Effective support to the Secretariat as regards Human Resources Planning (staffing, promotion, compensation and succession).
- Ensures effective and optimal utilization and allocation of resources to all arms of the Initiative;
- Defines overall operational plan for the management of the day-to-day support related issues;
- Reviews and updates administrative procedures and accounts manuals and protects NEITI Assets;
- Develops and implements financial information systems, management policies and procedures;

- Co-ordinates budgetary processes and controls;
- Facilitates and co-ordinates external audits.

(iv) Executive Secretary's Office

- The office is managed by the Secretary/General counsel who also provides secretariat functions for all NSWG meetings. Among other functions, the office performs the following key responsibilities;
- ensures that NEITI complies with appropriate legal requirements for its continued existence and effectively mitigate its legal exposure;
- provides advice on all legal aspects of NEITI's activities with the aim of promoting its corporate image and managing the interface with other corporate entities and the public/ society at large; and
- provides strategic and operational support to the Executive Secretary.

4.6 Offences and Penalties

Sections 16 of the NEITI Act, 2007 provides for offences and their penalties. These were summarized and presented in table 4.1 below

Table 4.1: Offences and Penalties

S/N	Offences	Penalties
1	Giving false information or report.	A fine not less than thirty million naira.
2	Rendering false statement of account or fail to render statement of account.	A fine not less than thirty million naira.
3	Government officials who renders false statement of account or fail to render statement of account.	Two years imprisonment or a fine not less than five million naira.
4	Operators who delay in giving the information or willfully or negligently fail to perform its obligation.	A fine not less than thirty million naira.
5	Any Extractive Industry Company commits an offence against the Act.	Every Director in the management of the company is liable on conviction to two years imprisonment or a fine not less than five million naira.

Source: Researcher's Computation from the NEITI Act, 2007.

The penalties stipulated for the different offences will forever remain elusive if the offences cannot be investigated, prosecuted and enforced. This is one of the major challenges facing the agency as the NEITI does not have the necessary power to prosecute, investigate and punish the offenders. The penalties for the various offences are also light. A fine of the thirty million naira for example, is a small amount for multi-million dollar industries. Udo (2011) quoted in Okeke (2013) asserts that some aspects of the NEITI Act dealing with offences, convictions, penalties and sanctions, as provided in Section 16 are also in conflict with what anti-corruption agencies like Economic and Financial Crimes Commission (EFCC) and the Independent Corrupt Practices and other related offences Commission (ICPC) are statutory expected to do.

4.7 Overview of the Un-reconciled Financial Flows

The NEITI Act of 2007 provides in the Section 14 that "the NEITI shall cause the account of total revenue accruing to the Federal Government from all extractive industry companies, its receipts, payments, assets and liabilities to be audited not later than six months after the end of each year by independent auditors appointed by the National Stakeholders Working Group (NSWG) of NEITI. The independent auditor shall submit the report with comments of the audited entity to the NEITI which shall cause same to be published the information for the benefit of the public.

Therefore Section 14 of the Act empowers NEITI to publish the report of its independent auditors. Towards performing or carrying out the provisions of this Section, NEITI therefore appoints the Hart Group (a foreign chartered firm based in London) in association with Chris Morgan Associates and SS Afemike and Co. to carry out financial, physical and process audits of oil and gas multinationals operating in Nigerian oil and gas sector. NEITI conducted the first ever comprehensive audit in oil and gas sector retroactively to cover a period of six years starting from 1999 to 2004 but not within the scope of this study. The 2006, 2007 and 2008 financial reports were conducted and published simultaneously by the same companies and it was published on the 19th of July 2011. Another audit report covering the year 2009 to 2011 was conducted and also published on the 29th of April 2013. This time around, the audit report was handled by a different company- Sada, Idris & Co.

The detail analysis and reconciliation of material payments and receipts made by specified covered entities in the fiscal years 2006 to 2008, as well as the information on unresolved and net differences on Petroleum Profit Tax, Royalty, Signature Bonus and gas flare penalty are presented in table 4.2:

Table 4.2: Summary of Petroleum Profit Tax, Royalty, Signature Bonus and other Oil and Gas Specific Flows to the Federation Account, 2006-2008

Year	Government (US$m)	Company (US$m)	Difference (US$m)
2006	15,682.9	13,791.4	1,891.5
2007	12,640.5	13,795.8	-1,115.3
2008	14,717.0	15,062.0	-345.0
Total	**43,040**	**42,649.2**	**391.2**

Source: NEITI Audit Report 2006-2008, Simplified.

The table above summarises the royalty, petroleum profit tax and the signature bonus that flows to the Federation Account and the main discrepancies between revenues reported as being received by the Central Bank of Nigeria (CBN) and those reported as being paid by oil and gas companies. The numbers indicate the size of the discrepancies in US$ million. Negative net differences indicate that companies reported paying higher revenues than CBN reported receiving. Positive net differences indicate that the CBN reported receiving higher revenues than the companies reported paying. The report reveals that the companies claimed paying $1,460.3 million higher than what CBN received for the period of 2007 and 2008 financial years. The negative differences in the balance indicates that the oil and gas companies connive or bribe some of the government agencies (like NNPC and CBN) to under pay the government. This is a complete lack of accountability and transparency in the sector.

It is important here to note that Section 16 Sub-section (1) a & b of NEITI Act 2007 provides that any extractive industry company which gives false information or report or renders false statement of account resulting in the under payment or non-payment of revenue accruable

to the Federal Government commits an offence and such company is liable on conviction to a fine not less than N30, 000,000.

So far no oil and gas multinationals have been reported to be sanctioned or penalized despite gross violations or breaches of the NEITI Act, 2007 as shows by the differences in accounts between the records of oil and gas companies audited and CBN records; and other forms of underpayment and product losses as shown in the table 4.2 above. Okeke (2013; 10) asserts that some of the oil and gas multinationals are yet to remediate their accounts, yet NEITI has not been able to sanction or penalize them, nor has it been able sanction the non collaborating government agencies or officials of erring government agencies who are accomplice in underpayment or non-payments of revenue accruable to the Federal Government or statutory recipients like state and local governments.

4.8 The Summary of Crude Oil Theft and Sabotage for 2009-2011

The crude oil theft and sabotage in the oil and gas industry have become very serious concerns for the Nigerian Government and its communities, the international community as well as the covered entities because all stakeholders suffer from the effects of crude oil theft and sabotage (NEITI Audit; 2009-2011). The table 4.3 below summarizes the theft and sabotage for the period of 2009-2011:

Table 4.3: Summary of Crude Oil Theft and Sabotage for 2009-2011

Year	SPDC (bbls)	Chevron (bbls)	NAOC (bbls)	Values (US$)
2009	42,228,680	23,753,037	3,510,874	4,309,930,494
2010	17,732,370	3,781,871	6,793,612	2,290,671,465
2011	29,878,639	794,536	7,935,954	4,392,174,515
Total	**89,839,689**	**28,329,444**	**18,240,440**	**10,992,776,474**

Source: NEITI Audit Report 2009-2011.

The data in table 4.3 above indicates that the government lost over $10.993 billion to crude oil theft and sabotage within the period of 2009-2011. This amount which is 7.7% of the total revenue accrued to the federation in the audit report is considered significant. This analysis also questions the effectiveness of the NEITI in curbing corruption in the extractive industries.

4.9 Validation of the Petroleum Profit Tax (PPT)

This covers the validation of PPT returns submitted by the covered entities in accordance to relevant laws and legislations existing during the period 2009-2011. As a follow up to reconciliation of financial flows, the validation exercise is concerned with establishing whether the information provided in the returns were in accordance with the audited financial statement, transactions ledger of the respective covered entities and the relevant laws and regulations. The summary of understatement of fiscal value of chargeable oil was presented in table 4.4 below:

Table 4.4: Summary of Understated Fiscal Value for 2009-2011

Item	2009	2010	2011	**Total (US$)**
Fiscal Values	548,195,863	405,625,394	367,139,218	**1,320,960,475**

Source: NEITI Audit Report 2009-2011.

The data in table 4.4 indicated that the understated fiscal value resulting from the non-application of Official Selling Price amounted to $1.320 billion for the period of 2009-2011. Also according to the report as indicated in Appendix VII, almost all the covered entities selected for review understated their fiscal value of chargeable oil. This constituted an additional loss of revenue to the federation. So far no covered entities have been reported to be sanctioned or penalized despite gross violation of Section 16 of the NEITI Act, 2007.

4.10 The Achievements of the NEITI

- Since inception, about $2 billion have been recovered into the Federation Account. NEITI audit reports has also exposed and identified the sum of $9.6 billion as debt owed by companies and potential revenue to the Federation (NEITI's Handbook; 2013).
- The NEITI audit reports has increased public awareness about revenue flows in the extractive sector especially the oil and gas sector which were earlier treated as information reserved for a privileged few.
- Several ongoing internal reforms among government agencies that are responsible for management of the extractive industries revenues are direct impacts of the NEITI operations. For instance, the introduction of Software Application Project (SAP) by NNPC, and the development of Upstream Operational Manual by the Federal Inland Revenue Service are direct benefits of NEITI activities following recommendations to the agencies from findings in NEITI Reports.
- NEITI's activities have led to growing partnership and collaboration between the legislature, civil society and the media on the extractive revenues transparency and good governance. The Petroleum Industry Bill which is a government response to public demands for reforms in the oil and gas sector is a direct product of NEITI operations in that sector.
- The enactment of legislation on the extractive revenues transparency and governance, the NEITI Act, 2007. The NEITI operations over the years has succeeded in opening up the hitherto opaque oil and gas sector to wider public knowledge and exposed the sector to greater scrutiny by the public, industry experts and other stakeholders.

4.11 The Problems of the NEITI

- One of the major problems of the NEITI is that it has no power to investigate and prosecute the offender of the Act. Most covered entities are reluctant to implement the recommendations of NEITI's Audit Reports capitalizing on some perceived gaps in the NEITI Act, 2007. This has rendered the commission a toothless bulldog in the Nigerian Extractive Industries.
- Another challenge facing the agency as expressed by the Executive Secretary of the NEITI in Open Audit, 2012 is the slow pace of implementation of findings and recommendations contained in series of its audit reports since 1999. There are several recurring remedial actions recommended by the four audit reports published so far (1999-2004, 2005, 2006-2008 & 2009-2011 Reports), but to date the corrective measures have not been taken by the government.
- One critical challenge that has been hindered the performance of the NEITI is inadequate funding. The Federal government has not committed the required resources to the initiative. The present level of funding is dismally poor as an important input to bring any reasonable output.
- Ikubaje, (2010) also identifies the problems of the NEITI to be; inadequate staff, deficiencies in the NEITI law and gender insensitivity in the composition of its board.

The view of the interviewees was not different from the above challenges obtained from the secondary data. The majority of those interviewed opined that the issue of funding is major factors affecting the performance of the NEITI. NEITI is no doubt a government institution and as such, it is funded solely by the government without any means of internally generated revenue. Inadequate funding affects the execution or

implementation of NEITI's programmes and policies. It is therefore constitutes a major impediment to the NEITI's performance.

4.12 Transparency International Corruption Perception Index (CPI) for Nigeria, 2007-2013.

It is also important to cite the perception of international non-governmental anti-corruption watchdog Transparency International (TI) established in 1993 on the level of corruption in Nigeria. The organization uses Corruption Perceptions Index (CPI) to reflect the perceived levels of corruption in the public sector (extractive industries inclusive). The Transparency International uses the perception of knowledgeable respondents, local and expatriate residents, business elites, scholars and country analysis in arriving at the CPI. The index measures the perceived levels of corruption in countries worldwide. The closer a country's CPI is to zero (0), the more corrupt is the country. On the other hand, the closer a country is to ten (10), the more transparent (very clean) is the country. The Nigeria's Corruption Perceptions Index scores according to Transparency International are presented in table 4.5 below:

Table 4.5: Transparency International Corruption Perception Index (CPI) for Nigeria, 2007-2013.

Year	CPI	Transparency (%)	Corruption (%)
2007	2.2	22	78
2008	2.7	27	73
2009	2.5	25	75
2010	2.4	24	76
2011	2.4	24	76
2012	2.7	27	73
2013	2.5	25	75

Source: Transparency International's CPI 2007-2013 Editions.

The data in table 4.5 indicated that the Nigeria's Corruption Perception Index (CPI) range from the lowest of 2.2 (i.e. 22% transparent and 78% corrupt) in 2007 to the highest of 2.7 (27% transparency and 73% corrupt) in 2008. The 2008 score could neither be improved upon nor maintained as the country's CPI fell back to 2.4 in 2010 and 2011. Although, Nigeria's CPI again moved to its 2008 level of 2.7 in 2012 but shipped back to 2.5 (25% transparency and 75% corrupt) in 2013. This analysis therefore questions the effectiveness of the NEITI in the Nigerian Extractive Industry.

CHAPTER FIVE

DATA PRESENTATION AND ANALYSIS

5.1 Introduction

This chapter presents and analyses the data collected through primary and secondary sources. Data collected through the questionnaires are presented in tables and analyzed using frequency counts and percentages. The secondary data and the responses of the interviewees complemented the responses from the questions. Based on the responses, the hypotheses earlier postulated in chapter one were tested using correlation analysis and chi-square distribution in order to draw inferences and establish relationship between the dependent and independent variables. Also in this chapter, the major findings of the study are further highlighted.

5.2 Data Presentation and Analysis

5.2.1 Administration of Questionnaire

A total of four hundred (400) questionnaires were administered to the respective respondents, out of which, the researcher got 334 questionnaires duly filled and returned for analysis as indicated in table 3.1 in chapter three of this work. This represents 83.5% of the total number of questionnaires administered. Therefore, the sample size of 334 was used for the purpose of data presentation and analysis. The rate of return of the questionnaires by each of the organisations/stakeholders was presented in table 5.1 below:

Table 5.1: Distribution and Return of Questionnaire

Organisations	**Total No. of Questionnaires Administered**	**Total No. of Questionnaires Returned**	**Percentage of Questionnaires Returned**
Nigeria Extractive Industries Transparency Initiative (NEITI)	44	37	84.1
Department of Petroleum Resources (DPR)	112	94	83.9
Petroleum and International Tax Department (PITD)	76	63	82.9
Nigeria NLG Limited, Bonny	100	84	84.0
CIBI Nigeria Ltd Kaduna	52	43	82.7
Civil Society Organisations	16	13	81.3
Total	**400**	**334**	**83.5**

Source: Researcher's Survey, 2015

Table 5.1 above shows the number of questionnaires distributed and returned. 284 out of 334 questionnaires returned representing 85.0% were from the staff of Government Agencies and the Companies involved. The balances of 50 questionnaires representing 15.0% were from the staff of the NEITI and members of the Civil Society Steering Committees. The questionnaire was of three types reflecting the key stakeholders to EITI's implementation in Nigeria. The views of these staff were expected to present a more balanced opinion on the questions contained in the questionnaire. However, of all the categories of respondents, the NEITI's staff had the highest rate of questionnaire returned (84.1%) even though the return from other categories was also substantial. This is because they were more conversant and have in-depth knowledge of NEITI and its activities.

5.2.2 Sex Distribution of Respondents

The respondents were asked to indicate their sex with the aim of determining a fair representation of both sexes in the sample population. Their responses were presented in table 5.2 below.

Table 5.2: Sex Distribution of Respondents.

Sex	**Frequency**	**Percentage**
Male	259	77.5
Female	75	22.5
Total	**334**	**100.0**

Source: Researcher's Survey, 2015

The table 5.2 above shows the sex distribution of sample respondents. The data in the table indicates that the majority (77.5%) of the respondents were males while the remaining 22.5% were females.

5.2.3 Age Distribution of Respondents

The respondents were asked to indicate their age bracket in the options provided in the table below. Age bracket of sample respondents was used to explore whether the respondent is matured enough and well informed about the NEITI and its activities in the Nigerian Extractive Industries. The age bracket of the respondents was presented in table 5.3 below.

Table 5.3: Age Distribution of Respondents

Age Bracket	Frequency	Percentage
21 – 30	40	12.0
31 – 40	173	51.8
41 – 50	100	29.9
51 – 60	21	6.3
61 and above	0	0
Total	**334**	**100.0**

Source: Researcher's Survey, 2015

The data in table 5.3 above shows that the 12.0% of respondents are between the age brackets 21 - 30, 51.8% are between the ages brackets 31 - 40, 29.9% are between the age brackets 41 - 50, while the remaining 6.3% fell between 51 - 60 years of age. The result indicates that the majority of the respondents were between 31 – 40 years of age. This was followed by those between 41 – 50 years of age with 29.9% of the sample population. Thus, the sample respondents was aged enough to have in-depth knowledge of the NEITI and its activities in the extractive industries.

5.2.4 Educational Qualifications of Respondents

The researcher wanted to know the educational qualification of the sample respondents. Thus, the respondents were asked to each indicate their highest educational qualification. This is because; the level of educational qualification of the respondents is an important factor in making enlightened opinions on the assessment of the NEITI in curbing corruption in the Nigerian Extractive Industries. The education qualifications of the respondents were presented in table 5.4 below.

Table 5.4: Educational Qualification of Respondents

Highest Education Qualification	Frequency	Percentage
First School Leaving Certificate	0	0
WASC/ GCE/ SSCE	0	0
NCE/ ND	34	10.2
First Degree/ HND	118	35.3
Postgraduate	182	54.5
Total	**334**	**100.0**

Source: Researcher's Survey, 2015

The table above shows the highest educational qualification of the sample respondents, 10.2% of the respondents had the National Certificate in Education (NCE) or National Diploma (ND) as their highest educational qualification while 35.3% possessed either the First Degree or Higher National Diploma (HND). Those with Postgraduate Qualifications had 54.5%. Thus, the majority of the respondents (most especially the NEITI's staff) possessed Postgraduate Qualifications. This was closely followed by those with a first Degree or a Higher National Diploma. Therefore, the sample respondents were capable of having an informed opinion on the on the assessment of the NEITI and its activities in the Nigerian Extractive Industries.

5.2.5 Classification of Respondents According to Length of Service

The sample respondents were asked to indicate their length of service in the organisation/anti-corruption agency in the options provided in the table below. This was used to explore whether the respondents were familiar with the NEITI and its activities. Their responses were presented in table 5.5 below:

Table 5.5: Classification of Respondents according to their Length of Service

Length of service	NEITI		DPR		PITD		NLG		CIBI		CSO		Grand Total	
	F	**P**	**F**	**P**	**F**	**P**	**F**	**P**	**F**	**P**	**F**	**P**	**F**	**P**
1 – 5	30	81	37	40	43	68	63	75	23	53	4	31	200	60
6 – 10	7	19	34	36	20	32	17	20	15	35	7	54	100	30
11 – 15	0	0	17	18	0	0	4	5	5	12	2	15	28	8
16 – 20	0	0	6	6	0	0	0	0	0	0	0	0	6	2
21 & above	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	**37**	**100**	**94**	**100**	**63**	**100**	**84**	**100**	**43**	**100**	**13**	**100**	**334**	**100**

Source: Researcher's Survey, 2015

Key:

F = Frequency

P = Percentage (%)

The data in table 5.5 shows that 60% of the sample respondents had spent 1 - 5 years in their various organisations while 6 – 10 years, 11 – 15 years and 16 – 20 years in service had 30%, 8% and 2% respectively. However, the NEITI had a greater percentage (81%) of its staff within the 1 – 5 years of service. This can be attributed to the fact that the agency was established in the last ten years. Thus, most of the staffs of the NEITI were employed upon the establishment of the agency. Therefore, we can conclude that the majority of the sample respondents had spent at least 1 – 5 years in the service. Hence, they were expected to be familiar with the NEITI and its activities.

5.2.6 Classification of Respondents According to Rank/Designation

The sample respondents were asked to indicate their rank or designation in the options provided in the table below. Their responses were presented in table 5.6 below:

Table 5.6: Classification of Respondents According to their Rank/ Designation

Designation	**Frequency**	**Percentage**
Management Staff	24	7.5
Senior Staff	229	71.3
Junior Staff	68	21.2
Total	**321**	**100.0**

Source: Researcher's Survey, 2015

The question above is applicable to all category key stakeholders in the sector except the members of the Civil Society Steering Committee. This is because members of this committee cannot be classified into the options provided in the table above. The data in table 5.6 above indicates that 7.5% of the sample respondents were management staff while 71.3% and 21.2 of the sample respondents were Senior and Junior Staff respectively. Since the majority of the respondents were below the management cadre, their perception of the issues may dominate the perception of the management staff.

5.3 The Effectiveness of the NEITI Act, 2007 and the Performance of the NEITI.

The legal framework is one of the major factors that could enhance the effective performance of any anti-corruption agency. The legal framework of the Nigeria Extractive Industries Transparency Initiative (NEITI) was provided for by the NEITI Act, 2007. The Act provides for the establishment of the NEITI with the primary objectives of ensuring due process, transparency and accountability and to eliminate all forms of corrupt practices in the extractive

industries. The Act also stipulates the powers, functions and composition of the agency. Now, the question is, how effective are the provisions of this Act in enhancing the effective performance of the NEITI?

5.3.1 Level of Awareness of the Act Establishing NEITI

The respondents' opinions were sought on whether the provisions of the NEITI Act, 2007 constitute a major constraint to the effective operation and performance of the NEITI. But first we sought for their level of awareness concerning the Act establishing the NEITI i.e. if they are conversant with the Act and their responses are contained in the table 5.7 below.

Table 5.7: Level of Awareness of the Act Establishing NEITI

Response	**Frequency**	**Percentage**
Very Conversant	91	27.2
Conversant	119	35.6
Just Conversant	40	12.0
Undecided	29	8.7
Not Conversant	55	16.5
Total	**334**	**100.0**

Source: Researcher's Survey, 2015

The data in table 5.7 above shows that 27.2% of the sample respondents agree that they are very conversant with the Act establishing the NEITI, 35.6% and 12.0% of the respondents are conversant and just conversant with the Act respectively. Only 16.5% of the respondents opine that they are not conversant with the Act while the remaining 8.7% were undecided most of who were staff of the companies involved. Thus, the majority of the respondents especially the staff of the NEITI and members of the Civil Society Steering Committee are conversant with

the Act establishing the NEITI. This can be seen from 74.8% (cumulatively) agreement responses.

5.3.2 The Act Empower NEITI to Arrest, Prosecute and Punish the Offender.

Prosecution and punishment of alleged corrupt entities/individuals has been one of operational activities of the anti-corruption institutions. The sample respondents were therefore asked how the Act establishing NEITI has empowered her in the areas of arresting offenders, their prosecution and punishment of offenders. Their responses are presented in table 5.8 below.

Table 5.8: The Act Establishing NEITI Empower Her to Arrest, Prosecute and Punish the Offender.

Response	**Frequency**	**Percentage**
Strongly Agree	42	12.6
Agree	86	25.7
Undecided	64	19.2
Disagree	52	15.6
Strongly Disagree	90	26.9
Total	**334**	**100.0**

Source: Researcher's Survey, 2015

From table 5.8 above, 25.7% of the sample respondents agreed with the assertion that the Act establishing the NEITI empowers her to arrest, prosecute and punish the alleged corrupt entities. Also, another 12.6% of sample respondents strongly agreed. 15.6% and 26.9% of the respondents disagreed and strongly disagreed respectively that the Act does not empowers the NEITI to arrest, prosecute and punish the alleged corrupt entities while the remaining 19.2% were undecided.

Though opinions differed among the sample respondents of all category key stakeholders in the sector, but majority of the staff of the NEITI and members of the Civil Society Steering Committee (42.6%) disagreed with the assertion that the Act establishing NEITI empowers her to arrest, prosecute and punish the offender of the Act.

The opinion of many interviewed have indicated that even though NEITI is mandated by law to promote transparency and accountability in the management of Nigerian oil and gas and mining revenues, it has only the powers to ensure that the extractive companies operating in Nigeria disclose what they pay, and government to disclose what it receives and to appoint an independent auditor to reconcile the figures and publish this figures for the media, civil society and legislature to use and hold government and companies to account. Hence, NEITI has no power to arrest, prosecute or detain violators of the Act. In fact, during the course of interview with one of the senior staff of the NEITI, the researcher found out that NEITI signed Memorandum of Understanding with other anti-corruption institutions (EFCC and ICPC) on enforcement of the provisions of the NEITI Act 2007. Therefore from all indications, NEITI does not have the necessary capacity to investigate or prosecute the offenders.

5.3.3 The Level of Effectiveness of the NEITI in Enforcing Her Mandate in the Extractive Industries.

The respondents were asked to rate the level of effectiveness of the NEITI in enforcing her mandate in the Nigerian extractive industries. This particular question was directed to the staff of the covered entities. Their responses were presented in table 5.9 below:

Table 5.9: The Level of Effectiveness of the NEITI in Enforcing Her Mandate in the Extractive Industries.

Response	**Frequency**	**Percentage**
Very High	4	1.4
High	56	19.7
Undecided	64	22.5
Low	99	34.9
Very Low	61	21.5
Total	**284**	**100.0**

Source: Researcher's Survey, 2015

The data in table 5.9 above indicates that 1.4% of the sample respondents rated the effectiveness of the NEITI very high in enforcing her mandate in their organisations and 19.7% rated them high, while 22.5% were undecided. However, 21.5% of the respondents rated the agency very low and 34.9% low in enforcing her mandate in their organisations. Thus, the NEITI has been ineffective in enforcing her mandate in the extractive industries.

`The view of the interviewees was not different from that shared by the respondents. The majority of those interviewed opined that the agency has been ineffective in enforcing her mandate in the Nigerian extractive industries. One of the NEITI's staff interviewed said: government hardly implements its recommendations on accountability in the extractive industry. He blamed the federal government for NEITI's inability to enforce her mandate in the extractive industries. He asserts that there are several recurring remedial actions recommended by the four

audit reports published so far, but to date the corrective measures have not been taken by the government.

5.3.4 The Act Establishing NEITI is Adequate for its Effective Performance.

Prior to enactment of NEITI Act in December 2007, NEITI has relied on persuasion, dialogue and consensus building to attain or achieve its objectives and perform its functions, but with this enactment, the implementation of NEITI principles has moved from voluntary to obligator. The NEITI Act of 2007 gives the NEITI the necessary legal backing and the mandate to promote due process and transparency in extractive revenues paid to and received by government as well as ensure transparency and accountability in the application of extractive revenues. Thus, the respondents' opinions were sought on whether the Act establishing NEITI is adequate for its effective operation and performance. Their responses were presented in table 5.10 below:

Table 5.10: The Act Establishing NEITI is Adequate for its Effective Performance.

Response	**Frequency**	**Percentage**
Strongly Agree	0	0
Agree	71	21.3
Undecided	56	16.7
Disagree	164	49.1
Strongly Disagree	43	12.9
Total	**334**	**100.0**

Source: Researcher's Survey, 2015

From the data in table 5.10 above, 21.3% of the sample respondents agreed that the Act establishing NEITI is adequate for its effective operation and performance while 16.7% were

undecided. However, 49.1% of the sample respondents assert that the Act is not adequate for its effective operation and performance and 12.9% strongly disagreed. Thus, it can be inferred from the data that the Act establishing NEITI is not adequate for its effective operation and performance. In interviews conducted with some senior staff of the NEITI and member of the CSOs, the interviewees also shared the same opinion that the Act establishing NEITI does not guarantee her effective performance. A typical example is the provisions of Sections 3(d) and 3(e) of the NEITI Act which crafted to accommodate the issue of confidentially clauses "… provided such information shall not be used in any manner prejudicial to the contractual obligation or proprietary interests of the extractive industry company", which is now outdated or anachronism in the oil and gas industry. Many extractive industry companies operating in Nigeria insist on partial disclosures and argue that complete disclosures may harm proprietary interests. The retention of these clauses in the NEITI Act is generally seen to make NEITI a toothless bulldog as some of these companies hide under the umbrella of these clauses to fail to comply in declaring or disclosing their activities in the exploration and production of oil and gas.

5.3.5 The Prevention of Corrupt Practices in the Extractive Industry

One of the major mandates of the NEITI is the prevention of corrupt practices in the Nigerian Extractive Industries through education public enlightenment by placing vital information in the public domain so that the average Nigerian can use data generated from the audit to ask informed questions and hold government to account. The respondents were therefore, asked to rate the performance of the NEITI in terms of prevention of corrupt practices in the Nigerian extractive industries. Their responses were presented in table 5.11 below:

Table 5.11: The Rate of Performance of the NEITI in Terms of Preventive Activities.

Response	NEITI		Companies		Govt. Agencies		CSOs		Grand Total	
	F	**P (%)**	**F**	**P (%)**	**F**	**P (%)**	**F**	**P (%)**	**F**	**P (%)**
Very Effective	3	8.1	9	7.1	11	7.0	2	15.4	25	7.5
Effective	34	91.9	19	15.0	68	43.3	4	30.8	125	37.4
Undecided	0	0	24	18.9	16	10.2	0	0	40	12.0
Ineffective	0	0	46	36.2	52	33.1	7	53.8	105	31.4
Very Ineffective	0	0	29	22.8	10	6.4	0	0	39	11.7
Total	**37**	**100.0**	**127**	**100.0**	**157**	**100.0**	**13**	**100.0**	**334**	**100.0**

Source: Researcher's Survey, 2015

From the data in table 5.11, 7.5% of the sample respondents rated the performance of the NEITI in terms of preventive activities as very effective, 37.4% effective while 12.0% were undecided. However, 31.4% of the respondents rated the preventive duties of the NEITI as ineffective and 11.7% very ineffective. Thus, we can infer that the NEITI have been effective in the discharge of its preventive duties. The data on the table also shows that a greater percentage of the NEITI's staff and government agencies staff agreed with this position when compared with the staff of the covered entities.

5.3.6 Ensuring Transparency and Accountability in the Extractive Industries

In the affairs of nations striving for rapid development, transparency and accountability matters hugely. It builds trust, prevents corruption and enriches debate on strategies for national development. It is a prerequisite for building the capacity of citizens and the legislature to hold their government to account in the use of natural resource wealth. No wonder Section 2 of the NEITI Act, 2007 charged NEITI with the responsibility among other things, to ensure transparency in the payments made by all extractive industry companies to the government and also to ensure accountability in the revenue receipts of the government from the extractive industry companies. It is for this reason that the respondents were asked to rate the performance of the NEITI in terms of ensuring transparency and accountability in the Nigerian Extractive Industry. Their responses were presented in table 5.12 below.

Table 5.12: The Rate of Performance of the NEITI in Terms of Ensuring Transparency and Accountability in the Extractive Industries.

Response	**Frequency**	**Percentage**
Very Effective	35	10.5
Effective	104	31.1
Undecided	44	13.2
Ineffective	121	36.2
Very Ineffective	30	9.0
Total	**334**	**100.0**

Source: Researcher's Survey, 2015

The data in table 5.12 above indicates that 10.5% of the sample respondents rated the performance of the NEITI very effective in ensuring transparency and accountability in the Extractive Industries and 31.1% rated it effective, while 13.2% were undecided. However, 36.2%

of the respondents rated the performance of the NEITI ineffective and 9.0% very ineffective in terms of ensuring transparency and accountability in the extractive industries. Thus, we can infer that NEITI has been ineffective in terms of ensuring transparency and accountability in the Nigerian Extractive Industries.

This view has also been corroborated by the Revenue Watch Institute (RWI) in its global Resource Governance Index (RGI) report, which measured quality of the Extractive industries governance in 58 resource-rich countries across the world, ranked Nigeria 40th out of 58 resource rich countries (Revenue Watch Institute, 2013). This score shows that the country extractive industries governance (i.e. NEITI) is very weak in terms of ensuring transparency and accountability as well as preventing corrupt practices in the extractive industries.

5.3.7 Recovery of Underpayment of Royalties, Taxes and Others by the NEITI.

Corruption in Nigerian Extractive Industries especially the oil and gas sector has been characterized by under-payment of taxes, royalties, bribery, oil sabotage and theft. Recovery of underpayment and ensure that all payments due to the Federal Government from all extractive industry companies, including taxes, royalties, dividends, bonuses, penalties, levies and such like, are duly made is one of the responsibilities of the NEITI as contained in Section 3 (f) of the NEITI Act, 2007. The sample respondents were therefore asked to rate the performance of the NEITI in terms of recovery of underpayment of royalties, taxes and others. Their responses were presented in table 5.13 below.

Table 5.13: The Rate of Performance of the NEITI in Terms of Recovery of Underpayment of Royalties, Taxes and Others in the Extractive Industries.

Response	NEITI		Companies		Govt. Agencies		CSOs		Grand Total	
	F	P (%)	F	P (%)	F	P (%)	F	P (%)	F	P (%)
Very Effective	14	37.8	10	7.9	22	14.0	0	0	46	13.8
Effective	23	62.2	22	17.2	56	35.7	9	69.2	110	32.9
Undecided	0	0	34	26.8	25	16.0	0	0	59	17.7
Ineffective	0	0	42	33.1	39	24.8	4	30.8	85	25.4
Very Ineffective	0	0	19	15.0	15	9.5	0	0	34	10.2
Total	**37**	**100.0**	**127**	**100.0**	**157**	**100.0**	**13**	**100.0**	**334**	**100.0**

Source: Researcher's Survey, 2015

From the data in table 5.13, 13.8% of the sample respondents rated the performance of the NEITI in terms of recovery of underpayment of royalties, taxes and others in the extractive industries as very effective, 33.9% effective while 17.7% were undecided. However, 25.4% of the respondents rated the recovery of underpayment of royalties and taxes by NEITI as ineffective and 10.2% very ineffective. Thus, we can infer that the NEITI have been effective in terms of recovery of underpayment of royalties, taxes and others. The data on the table also shows that the majority (100%) of the NEITI's staff agreed with this position when compared with the staff of the covered entities.

In conformity with the above data, the Executive Secretary of the NEITI, Hajia Zainab Ahmed asserts that "since inception, NEITI has been able to make recoveries of about $1.1 million being underpayment of taxes and royalties as a result of the 1999 to 2004 Report, and a

recovery of $550 million as a result of the 2005 Report, and NEITI has in its 2006-2008 Report the potential to recover $2.6 billion…" (Open Audit; 2012).

5.3.8 Prosecution of Offenders by the NEITI.

The prosecution of alleged corrupt entities/individuals been one of operational activities of the anti-corruption institutions, the respondents were therefore asked to rate the performance of the NEITI in terms of prosecution of the offenders. Their responses were presented in table 5.14 below.

Table 5.14: The Rate of Performance of the NEITI in Terms of Prosecution of Alleged Corrupt Entities.

Response	**Frequency**	**Percentage**
Very Effective	0	0
Effective	9	2.7
Undecided	107	32.0
Ineffective	136	40.7
Very Ineffective	82	24.6
Total	**334**	**100.0**

Source: Researcher's Survey, 2015

The data presented in table 5.14 above indicates that only 2.7% of the sample respondents rated the performance of the NEITI effective in terms of prosecution of offenders while 32.0% were undecided. However, the majority (40.7%) of the sample respondents rated the performance of the NEITI ineffective and 24.6% very ineffective in terms of prosecution of alleged corrupt entities. Thus, we can say that NEITI have been ineffective in the prosecution of alleged corrupt entities.

In consonance with the response generated from the questionnaire as shown in table 5.14 above, the interviews conducted with some management staff of the NEITI also revealed that

NEITI has no power of prosecution. They assert that though NEITI Act 2007 empowers the agency to impose sanctions on erring covered entities, but NEITI does not have the necessary capacity to investigate or prosecute offenders. According to them, NEITI is facing difficulties in enforcing the recommendations from its various Audit Reports and most covered entities are reluctant to implement the recommendations of NEITI's Audit Reports capitalizing on some perceived gaps in the NEITI Act, 2007.

5.3.9 Reduction in the Rate of Corruption in the Extractive Industry by the NEITI.

One of the major criteria for assessing the performance of the NEITI is its ability to reduce corruption in the Nigerian Extractive Industries. Hence, the respondents were asked to rate the level of performance of the NEITI in reducing the rate of corruption in the Nigerian Extractive Industries. Their responses were presented in table 5.15 below.

Table 5.15: The Rate of Performance of the NEITI in Reducing the Level of Corruption in the Extractive Industries.

Response	**Frequency**	**Percentage**
Very Effective	32	9.6
Effective	85	25.4
Undecided	52	15.6
Ineffective	106	31.7
Very Ineffective	59	17.7
Total	**334**	**100.0**

Source: Researcher's Survey, 2015

The data in table 5.15 above indicates that 9.6% of sample respondents rated the performance of the NEITI very effective in reducing the rate of corruption in the Extractive

Industries and 25.4% effective while 15.6% were undecided. However, the majority of the sample respondents (31.7%) rated the agency ineffective and 17.7% very ineffective. Thus, base on the data above, we can say that the NEITI have been ineffective in reducing the rate of corruption in the Nigerian Extractive Industry. The data on the table also shows that the majority (100%) of the NEITI's staff rated their agency effective in reducing corruption in the extractive industries. However, there was contradiction in the information obtained from the interview, while the information from the staff of the NEITI indicated an effective performance in reducing corruption in the sector; the members of the CSOs opined that the agency had a marginal reduction in the rate of corruption in the Nigerian extractive industry.

5.3.10 Factors affecting the Performance of the NEITI by Respondents.

In addition to the performances' rating of the NEITI by the respondents, their opinion was also sought on factors affecting the performance of the NEITI. Their responses indicated that factors affecting the performance of NEITI in curbing corruption in the Extractive Industry include the weak legal framework within which the NEITI operates. The Act establishing NEITI did not give her the necessary powers to bite as it is supposed to, being an anti-corruption watch-dog.

Another factors adduced to affect the performance of NEITI is the lack of political will and support by the government to the agency. For instance, lateness and lack of implementation of recommendations to correct the lapses in the industries is one of the major challenges facing NEITI. There are several recurring remedial actions recommended by the four Audit Reports published by the NEITI so far (1999-2004, 2005, 2006-2008 and 2009-2011 Reports), but to date the corrective measures have not been taken. A government that sets out to establish such an

agency with such a sensitive mandate should be seen to be giving her all the necessary political support for effective operation and performance.

Also, from the respondents' opinion it was revealed that the issue of funding is another major factor affecting the performance of the NEITI. NEITI is no doubt a government institution and as such, it is funded solely by the government without any means of Internally Generated Revenue. Inadequate funding affects the execution or implementation of NEITI's programmes and policies. Some of the staff interviewed also agreed to the fact that inadequate funding constitutes a major impediment to the NEITI's performance.

The other factors' affecting the performance of the NEITI as provided by the respondents is the delay in passage of Petroleum Industry Bill (PIB). This is because all the reforms prescribed in the proposed Petroleum Industry Bill are anchored on compliance to the NEITI Act. This Act is therefore too important to be left loose. Some of the staff of the NEITI interviewed asserts that if the National Assembly can pass this bill, it will enhance the effective operation and performance of the NEITI.

Against the background of these major factors that impede the effective performance of the NEITI as identified by the sample respondents, their opinion was also sought on what should be done to make the performance of NEITI more effective. Amongst others, they responded that the law establishing NEITI should be strengthened. In fact, majority (100%) of the NEITI staff asserts that NEITI needs constitutional powers to enforce its sanctions against defaulting operators in Nigerian Extractive Industries if the principles of transparency and accountability are to be realized in Nigeria. A member of the Civil Society Steering Committee interviewed also responded that NEITI needs power of enforcement to prosecute and punish the offenders to serve as deterrent to others.

The respondents also suggested that fund given to the agency is too meager and so it should be increased for effective operation and performance. This will also enable the agency to carry out more outreach programmes in enlightening the general public of its activities in the Extractive Industries. Suggestion also indicated that since the NEITI is an anti-corruption watch dog with a sensitive mandate of ensuring transparency and accountability in the Extractive Industries, it should be granted greater autonomy to effectively carry out her mandate. Finally, some sample respondents especially the NEITI's staff also responded that the passage of the proposed Petroleum Industry Bill will enhance the effective operation and performance of the NEITI.

5.4 The Level of Participation of the Civil Society Organisations in the NEITI's Activities and the Performance of the NEITI.

The success of any social accountability and transparency initiative is dependent on the extent of interaction, synergy and deliberate interface between the civil society and the government. Civil Society represents the conscience of any society. CSOs are non-governmental organisations primarily involved in advocacy for free, equitable and better society. The roles of the CSO are critical to the success of NEITI audit before and after the exercise. The CSOs are expected to promote participation of companies and relevant government agencies in the audit through advocacy, monitoring and oversight. They are also expected to read the audit reports, digest and analyze the content and use the information from audit findings to hold government to account. Now, the question is, to what extent are the CSOs involved in the NEITI's activities and how has that affected the performance of the NEITI?

5.4.1 The Participation of the CSOs in the NEITI's Activities is Critical to the Success of the NEITI

The respondents' opinions were sought on whether the role of the Civil Society Organisations in the NEITI's activities is critical to the success of the NEITI. Their responses are contained in the table 5.16 below.

Table 5.16: the Participation of the CSOs in the NEITI's Activities is Critical to the Success of the NEITI.

Response	**Frequency**	**Percentage**
Strongly Agree	85	25.4
Agree	156	46.7
Undecided	51	15.3
Disagree	42	12.6
Strongly Disagree	0	0
Total	**334**	**100.0**

Source: Researcher's Survey, 2015

From table 5.16 above, majority of the sample respondents have asserted i.e. agreed or strongly agreed that the role of the Civil Society in the NEITI's activities is critical to the success of the NEITI. This category of respondents represented 72.1% of the sample respondents. 12.6% of them however disagreed with the assertion while the remaining 15.3% were undecided.

Most if not all interviewees agreed that the participation of the CSOs in EITI's process is important to the success of the NEITI. According to the NEITI's Handbook, (2013), the role of

the Civil Society is key and unique from the elementary stage of disclosure through dissemination to the stage of validation. In each of these stages in the NEITI/EITI process, the civil society roles are summarized as: advocacy, sensitization, whistle-blowing, monitoring and agenda setting.

5.4.2 The Involvement of the CSOs have Promoted the Participation of the Covered Entities in the NEITI's Audit.

One of the major benefits of involvement of the civil society in the NEITI's activities is to promote the participation of the covered entities in the NEITI's audit. Thus, the respondents' opinions were sought on whether the involvement of the Civil Society in the EITI process has promoted the participation and compliance of the covered entities. Their responses were presented in table 5.17 below:

Table 5.17: the Involvement of the CSOs in the EITI's Process has promoted the participation of the covered entities in the NEITI's Audit.

Response	**Frequency**	**Percentage**
Strongly agree	46	13.8
Agree	85	25.4
Undecided	61	18.3
Disagree	99	29.6
Strongly Disagree	43	12.9
Total	**334**	**100.0**

Source: Researcher's Survey, 2015

From the data in table 5.17 above, 25.4% of the sample respondents agreed that the involvement of the CSOs in the EITI's process has promoted the participation of the covered

entities in the NEITI's Audit and 13.8% strongly agreed while 18.3% were undecided. However, 29.6% of the sample respondents assert that the involvement of the CSOs in the activities of the NEITI has not promoted the participation of companies and relevant government agencies in the NEITI's audit and 12.9% strongly disagreed. Thus, it can be inferred from the data that though the role of the Civil Society in the EITI's process is critical to the success of the agency but their involvement have not really improved the participation of the covered entities in the NEITI's audit. In interviews conducted with some senior staff of the NEITI, the interviewees also shared the same opinion that though the civil society is a major stakeholder in the EITI process and plays some critical roles but there is low participation of the CSOs in the EITI process. They lamented that there are capacity gaps in the Civil Society Organisations and lack of financial support for those that have the capacity.

5.4.3 The CSOs use the Information from the Audit Findings to Hold Government to Account.

One of the six EITI criteria is that the Civil Society Organisations utilize the data and information, now placed in the public domain, analyze and simplified it, and stimulate public discourse about the use and application of the revenue development. They also use the data and information, made public, to hold government to account in terms of translation of the resources into citizens' welfare. Thus, the respondents' opinions were sought on whether Civil Society uses the information from the audit findings to hold government to account. Their responses were presented in table 5.18 below:

Table 5.18: The CSOs use the Information from the Audit Findings to Hold Government to Account.

Response	Frequency	Percentage
Strongly Agree	49	14.7
Agree	84	25.1
Undecided	53	15.9
Disagree	127	38.0
Strongly Disagree	21	6.3
Total	**334**	**100.0**

Source: Researcher's Survey, 2015.

From the data in table 5.18, 14.7% of the sample respondents strongly agreed that the CSOs uses the information from the audit report to hold government to account and 25.1% agreed while 15.9% were undecided. However, 38.0% of the respondents disagreed that CSOs uses the information from the audit findings to hold government to account and 6.3% strongly disagreed. Thus, we can infer that the Civil Society have not been able to use the data and information from the NEITI's audit report to hold government and other covered entities to account. The data on the table also shows that the majority (100%) of the NEITI's staff and members of the Civil Society Steering Committee agreed with this assertion when compared with the staff of the covered entities.

To further justify the responses of the respondents as regards the uses of the NEITI audit report by the civil society, Igbuzor (2009; 7) asserts that the information garnered from the three audits that have been carried out have not been sufficiently utilized by civil society in evidence based advocacy and campaign that can lead such that resources freed will be channeled to provide infrastructure, jobs, security and the welfare of Nigerians.

The view of the interviewees was not different from that shared by the respondents. The majority of those interviewed opined that the civil society have not been able to use the information from audit reports to hold both government and companies account. One of the members of the Civil Society interviewed lamented that though NEITI has informed, but has not meaningfully empowered civil society to enable her hold both government and companies accountable. This cannot be achieved simply by providing civil society with information including the publication of a popular audit to make otherwise hard-to-understand audit reports comprehensible to a much broader audience. In view of the task before it, there is every tendency to conclude that, so far, local people are yet to start any serious frontal engagement of the NEITI. This is due to the fact that much is still required to create the needed awareness.

5.4.4 The Participation of CSOs have Improved the Performance of the NEITI in Curbing Corruption in the Extractive Industries.

The CSOs plays an important role in EITI implementation by putting pressure on both government and the companies to give account of their transactions to the people of Nigeria. Thus, conceptual framework sees their active involvement in EITI process as a way of enhancing the performance of the NEITI. Thus, the sample respondents were asked whether the involvement of the Civil Society have improved the performance of the NEITI in curbing corruption in the extractive industries. Their responses were presented in table 5.19 below:

Table 5.19: The Involvement of the CSOs in EITI Process has Improved the Performance of the NEITI in Terms of Curbing Corruption in the Extractive Industries.

Response	**Frequency**	**Percentage**
Strongly Agree	31	9.3
Agree	88	26.3
Undecided	54	16.2
Disagree	139	41.6
Strongly Disagree	22	6.6
Total	**334**	**100.0**

Source: Researcher's Survey, 2015.

The respondents' opinion on the table above indicates that 26.3% of them agreed that the involvement of the CSOs in the EITI process have improved the performance of the agency in curbing corruption in the extractive industries and 9.3% strongly agreed while 16.2% of the respondents were undecided. However, 41.6% of the respondents disagreed that the involvement of the CSOs in the EITI process have improved the performance of the NEITI and 6.7% strongly disagreed. Thus, based on the analysis, we can infer that the involvement of the CSOs in the EITI process have not improved the performance of the NEITI in curbing corruption in the Nigerian Extractive Industries.

The staff of the NEITI interviewed are of the view that even though, the involvement of the Civil Society in EITI's process have not really improve the performance of the NEITI as expected, but more covered entities are now afraid of engaging in corruption and reluctant to disclose their information than before since it has more than ever before became a matter of public concern.

5.4.5 The Rate of the Level of Participation of CSOs in the NEITI's Activities.

The sample respondents were further asked to rate the level of participation of the CSOs in the NEITI's activities. Their ratings are tabulated below.

Table 5.20: The Rate of the Level of Participation of CSOs in the NEITI's Activities.

Response	Frequency	Percentage
Very High	0	0
High	116	34.7
Undecided	45	13.5
Low	137	41.0
Very Low	36	10.8
Total	**334**	**100.0**

Source: Researcher's Survey, 2015.

The data in table 5.20 above indicates that 34.7% of the sample respondents rated the level of involvement of the CSOs in NEITI's activities high while 13.5% of the respondents were undecided. However, 41.0% of the respondents rated the level of involvement of the CSOs in NEITI's activities low and 10.8% very low. Thus, we can infer that there is low level of involvement of the civil society in EITI process in Nigeria.

5.5 Test of Hypotheses

In this section, we used both correlation analysis and chi-square distribution to test the hypotheses earlier postulated in chapter one. This is to test the validity of the hypotheses, using some of the data collected. In chapter one of this study, two (2) hypotheses were put forward as guide for data collection and analysis.

5.5.1 Test of Hypothesis One

The hypothesis was stated in Null (H_0) because only the H_0 was tested. Therefore, once the H_0 is accepted, the H_1 is rejected and vice-versa. Thus;

H_0: There is no significant relationship between the effectiveness of the NEITI Act, 2007 and the performance of the NEITI in curbing corruption in the extractive industry.

The independent variable (X) for the study is the effectiveness of the NEITI Act, 2007 while the dependent variable(Y) is the performance of the NEITI in curbing corruption in the extractive industry. To test the hypothesis, data and responses to questions in table 5.10 and 5.15 are adopted using the SPSS. The computer print-out of the SPSS was presented in table 5.21 below:

Table 5.21: Correlation Analysis Result between the Effectiveness of the NEITI Act, 2007 and the Performance of the NEITI in Curbing Corruption in the Extractive Industries.

The Effectiveness of the NEITI Act, 2007 and the Performance of the NEITI in Curbing Corruption in the Extractive Industries		Effectiveness of the NEITI Act, 2007	Reducing the Level of Corruption in the Extractive Industries.
Effectiveness of the NEITI Act, 2007	Pearson Correlation	1	.904**
	Sig. (2-tailed)		.000
	N	334	334
Reducing the Level of Corruption in the Extractive Industries.	Pearson Correlation	.904**	1
	Sig. (2-tailed)	.000	
	N	334	334

**. Correlation is significant at the 0.01 level (2-tailed).

Source: Computer Product of SPSS.

The results indicate a strong positive correlation for the choice variable tested at one percentage significance level. The correlation value (0.904) is above 0.500. This shows that there is a strong correlation between Effectiveness of the NEITI Act, 2007 and Performance of the

NEITI in Curbing Corruption in the Extractive Industry. This also indicates that if the Act is adequate, it will enhance the performance of the NEITI in reducing the level of corruption in the extractive industry.

Hence, in this case, the H_0 which states that "There is no significant relationship between the effectiveness of the NEITI Act, 2007 and the performance of the NEITI in curbing corruption in the extractive industry" is rejected. Therefore, we can conclude that there is significant relationship between the effectiveness of the NEITI Act, 2007 and the performance of the NEITI in curbing corruption in the Nigerian extractive industry.

5.5.2 Test of Hypothesis Two

The second hypothesis for the study was also stated in Null (H_0) as stated below;

H_0: The level of participation of the Civil Society Organisations in the NEITI's activities has not affected the performance of the NEITI in curbing corruption in the extractive industry.

The independent variable (X) for the study is the level of participation of the Civil Society Organisations in the NEITI's activities while the dependent variable (Y) is the performance of the NEITI in curbing corruption in the extractive industry. The values of the independent and dependent variables in tables 5.17 and 5.19 respectively were cross-tabulated in order to test the hypothesis using the SPSS. The computer print-out of the SPSS was presented in table 5.22, 5.23, and 5.24.

Table 5.22 Responses on the Participation of the CSOs in the EITI's Process. (Independent variable)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	46	13.8	13.8	13.8
	Agree	85	25.4	25.4	39.2
	Undecided	61	18.3	18.3	57.5
	Disagree	99	29.6	29.6	87.1
	Strongly Disagree	43	12.9	12.9	100.0
	Total	334	100.0	100.0	

Source: Computer Product of SPSS.

Table 5.23: The Responses on the Performance of the NEITI in Curbing Corruption in the Extractive Industries. (Dependent Variable)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	31	9.3	9.3	9.3
	Agree	88	26.3	26.3	35.6
	Undecided	54	16.2	16.2	51.8
	Disagree	139	41.6	41.6	93.4
	Strongly Disagree	22	6.6	6.6	100.0
	Total	334	100.0	100.0	

Source: Computer Product of SPSS

For purpose of performing chi-square operations on the computer for hypothesis two, responses for independent variable (participation of the Civil Society Organisations in the EITI's process), and dependent variable (performance of the NEITI in curbing corruption in the extractive industry) were coded and the computer using S.P.S.S. 20 package cross tabulated the responses to produce the output presented on the table 5.24 below:

Table 5.24

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	784.579[a]	16	.000
Likelihood Ratio	679.771	16	.000
Linear-by-Linear Association	293.360	1	.000
N of Valid Cases	334		

a. 5 cells (20.0%) have expected count less than 5. The minimum expected count is 2.83.

Source: Computer Product of SPSS

The calculated chi-square (X^2) value as shown in table 5.25 above was 784.579 while the critical or tabulated value was 26.296. The calculated X^2 value was greater than the critical or tabulated value.

Decision Rule; Reject Null Hypothesis (H_0) at 0.05 level of significance if calculated value is greater than critical value.

Hence, in this case, the H_0 which states that "The level of participation of the Civil Society Organisations in the NEITI's activities has not affected the performance of the NEITI in curbing corruption in the extractive industry" is rejected. Therefore, we can conclude that the level of participation of the Civil Society Organisations in EITI's process has affected the performance of the NEITI in curbing corruption in the Nigerian Extractive Industry.

5.6 Major Findings.

From the literature reviewed above as well as the data presented and analysed, the study arrived at the followings as the major findings:

i. The Act did not empower the NEITI to investigate and prosecute the offenders which has adversely affected her performance in curbing corruption and ensuring transparency and accountability in the Nigerian Extractive Industry. The Act did not give her the necessary powers to bite as it is supposed to, being an anti-corruption watch-dog.

ii. Though the participation of the Civil Society Organisations in NEITI's activities cannot be quantified, but the level of their involvement was low in the areas of dissemination of the information contained in the audit report, enlightenment of the public on the nature and benefits of the EITI implementation as well as the use of the findings in the reports to hold both companies and government accountable. This has negative impact on the performance of the NEITI in curbing corruption in the extractive industry.

iii. Though NEITI was found to be more effective in its recovery activities, but the agency was however ineffective in terms of investigating and prosecuting offenders as well as enforcing her mandate in the extractive industry. In all, NEITI has been found to be ineffective in terms of curbing corruption and ensuring transparency and accountability in the Nigerian Extractive Industry. The study found out that the extractive industry particularly the oil and gas sector have not been as transparent as it supposes to be, in spite of the activities and operations of the NEITI.

iv. The other challenges facing the NEITI as identified by the respondents include inter-alia; lack of political will on the part of the government to implement the findings and recommendations of NEITI's Audit Reports. Others were delay in passage of the

Petroleum Industry Bill (PIB) and institutional resistance to bring about transparency and accountability in the extractive industry.

CHAPTER SIX

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

6.1 Introduction

This chapter presented the summary of study and conclusions reached on the bases of the hypotheses tested. Recommendations were also proffered on the bases of the findings in chapter five.

6.2 Summary

Posing as a major challenge in the Nigerian Extractive Industries are the issues of corruption, lack of transparency and accountability which has became a matter of public concern. In response to this, the Federal Government of Nigeria established the Nigeria Extractive Industries Transparency Initiative (NEITI) aimed at ensuring transparency and accountability as well as fighting corruption in the Extractive Industry. This study attempted to assess the performance of the NEITI in curbing corruption in the Nigerian Extractive Industry. The study specifically examined the effectiveness of the provisions of the NEITI Act 2007 in ensuring transparency in the extractive industry and how has that affected the performance of the NEITI. It also determined the extent of involvements of the Civil Society Organisations in NEITI's activities and its effect on the performance of the NEITI in curbing corruption in the extractive industry.

Two hypotheses were postulated for the study. The hypotheses centered on the determining whether or not the effectiveness of the provisions of the NEITI Act 2007 and the level of participation of the Civil Society Organisations in NEITI's activities have affected the performance of the NEITI in curbing corruption in the Nigerian Extractive Industry. The

significance of the study to research, policy and practice of governance has been stressed. The limitation of the study has also been acknowledged. The study covered the period 2007 - 2013 and was limited only to corruption in the extractive industry and an assessment of the NEITI, a body established by the government to combat same in the extractive industry. Some terms and concepts used in the study were defined operationally. These include the concepts of corruption, transparency, accountability, and performance.

The literature relating to the study was critically reviewed. These include the concept of corruption, the perceived causes and effects of corruption. Others were the concept of accountability and transparency, the Civil Society participation in the EITI process and the overview of the NEITI Act, 2007. Finally in this chapter, the study explained the theoretical framework adopted for this study which is the Evaluation Theory and gave justification for it.

The research design for the study was mainly survey research consisting of the use of questionnaire administered on the staff of the four broad category key stakeholders to EITI implementation and also the interview. These were complemented with content analysis of data from official documents of relevant institutions. The total population for the study was 2,017. The sample size for questionnaire respondents was 334 representing 16.6% of their population. Both primary and secondary sources of data were explored. These were presented in tables and frequencies using the chi square distribution for the test of the hypotheses.

The operations and activities of the NEITI were reviewed under chapter four. These consist of a brief background, objectives, composition and functions. Others include the organisation structure, functions of the departments/units of the agency as well as the achievements and problems of the NEITI as contained in the relevant publications.

The data obtained from the field representing the views of the respondents were presented in tables and analysed using frequencies and percentages. The correlation analysis and chi-square distribution were also used to test the validity or otherwise of the hypotheses already formulated in chapter one. From the data presented and analysed, the study revealed that there is significant relationship between the effectiveness of the NEITI Act, 2007 and the performance of the NEITI in curbing corruption in the extractive industry. In addition, the study also found that the low level of participation of the Civil Society in EITI process has affected the performance of the NEITI in curbing corruption and ensuring transparency and accountability in the extractive industry.

6.3 Conclusion

In view of the data presented and analysed as well as the hypotheses tested in chapter five, the study concludes that the NEITI has been found to be ineffective in curbing corruption and ensuring transparency and accountability in the Nigerian Extractive Industry. The first hypothesis tested indicated that there is significant relationship between the effectiveness of the NEITI Act, 2007 and the performance of the NEITI in curbing corruption in the extractive industry. The inadequate of the Act, 2007 has affected the performance of the NEITI in curbing corruption in the extractive industry. Hence, the legal framework within which the agency operates was a constraint to her effective operation and performance.

Based on the second hypothesis tested, the study also concluded that though the participation of the Civil Society Organisations in NEITI's activities cannot be quantified, but the level of their participation was low in the areas of dissemination of the information contained in the audit report, enlightenment of the public on the nature and benefits of the EITI

implementation as well as the use of the findings in the report to hold both companies and government to account.

The study also concluded that lack of political will on the part of the government to implement the recommendations of NEITI's Audit Reports, delay in passage of the Petroleum Industry Bill (PIB), institutional resistance, as well as the weak legal framework within which the agency operates were among other factors affecting the performance of the NEITI in curbing corruption as well as ensuring transparency and accountability in the Nigerian Extractive Industry.

6.4 Recommendations

In view of the research findings made in chapter five, the study recommends that;

i. The Act establishing the NEITI should be strengthened by according her power of investigation and prosecution. This will adequately empower NEITI to curb corruption and ensure transparency and accountability in the extractive industry. As the new National Assembly will comes on stream after the forthcoming March, 2015 general election, the review of the NEITI Act and suggest amendments must be made to come on the agenda. A strong legal framework that is comprehensive and constantly reviewed to meet current realities and powers of the agency will enable NEITI to covers grey areas where culprits could manipulate and escape justice.

ii. Building the capacity of the civil society should be a priority of the NEITI and its partners by providing the financial, training and technical assistance to help CSOs better understand their roles and responsibilities, especially in the area of translating the information from the audit reports into evidence based advocacy and campaigns.

iii. For performance of the NEITI to be effective, government should demonstrate its own political will to curbing corruption in the extractive industry by commencing the prompt implementation of the findings and recommendations contained in the various NEITI's audit reports. This will enhance the performance of the agency in ensuring transparency and accountability in the extractive industry.

iv. Finally, the study also recommended among others that, the Petroleum Industry Bill (PIB) should be passed and signed into an act in a timely manner to facilitate transparency and accountability in the Nigerian Extractive Industry particularly, the oil and gas sector. NEITI also needs constitutional powers to enforce its sanctions against defaulting operators in Nigerian extractive industry if the principles of accountability and transparency are to be realized in Nigeria.

There is no doubt that if these recommendations are faithfully implemented, then the performance of the NEITI will help to achieve the purpose for establishing it.

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APPENDIX I

QUESTIONNAIRE: LETTER TO THE RESPONDENTS

Department of Public Administration,

Faculty of Administration,

Ahmadu Bello University,

Zaria.

27th November, 2014.

Dear Respondent,

I am a M.Sc. student in the Department of Public Administration, Ahmadu Bello University, Zaria, undertaking a research on "Assessment of the Nigeria Extractive Industries Transparency Initiative (NEITI) in curbing Corruption in the Nigerian Extractive Industries".

This questionnaire is designed to elicit your response to the questions that are contained therein. Please be informed that the information obtained is purely for academic purpose and will not be used for any other purpose except this research endeavour. The information provided by you would be strictly used for research purpose and shall be treated with confidentiality.

Your prompt response to the questions would be highly appreciated.

Yours faithfully,

Kolawole Saheed ADEGOKE

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APPENDIX II

STAFF QUESTIONNAIRE: (NEITI'S STAFF)

SECTION A: PERSONAL DATA OF RESPONDENTS

Instructions
Please tick [√] from the list of options what represents your opinion.
(1) Sex of Respondent:
(a) Male [ ]
(b) Female [ ]
(2) Age of Respondent
(a) 21 – 30 years [ ]
(b) 31 – 40 years [ ]
(c) 41 – 50 years [ ]
(d) 51 – 60 years [ ]
(e) 61 years and above [ ]
(3) Highest educational qualification of Respondent
(a) First School Leaving Certificate [ ]
(b) WASC/ GCE/ SSCE [ ]
(c) NCE/ ND [ ]
(d) First Degree/ HND [ ]
(e) Postgraduate [ ]
(4) Length of service in NEITI.
(a) 1 – 5 years [ ]
(b) 6 – 10 years [ ]
(5) Classification of the respondents according to the rank/ designation
(a) Management Staff [ ]
(b) Senior Staff [ ]
(c) Junior Staff [ ]

SECTION B

(i) Questions related to Hypothesis one; the effectiveness of the provisions of NEITI act, 2007 and the performance of the NEITI.

(6) You are very conversant with the law (Act) establishing your organisation.
(a) Very Conversant [ ] (b) Conversant [ ]
(c) Just Conversant [ ] (d) Undecided [ ]
(e) Not Conversant [ ]
(7) Do you agree that the Act establishing the NEITI empowers her to arrest, prosecute and punish offender of the Act.
(a) Strongly Agree [ ] (b) Agree [ ]
(c) Undecided [ ] (d) Disagree [ ]
(e) Strongly Disagree [ ]

(8) The Act empowers the NEITI to enforce compliance of her mandate.
(a) Strongly Agree [ ] (b) Agree [ ]

(c) Undecided [ ] (d) Disagree [ ]
(e) Strongly Disagree [ ]

(9) Do you agree that the law (Act) establishing the NEITI is adequate for its effective performance?
(a) Strongly Agree [ ] (b) Agree [ ]
(c) Undecided [ ] (d) Disagree [ ]
(e) Strongly Disagree [ ]

(10) Please rate the performance of the NEITI in terms of the following:

Performance Criteria	**Very Effective**	**Effective**	**Undecided**	**Ineffective**	**Very Ineffective**
Prevention of Corrupt Practices					
Ensuring Transparency and Accountability					
Recovery of Underpayment of Royalties by the Covered Entities					
Prosecution of Alleged Corrupt Entities					
Reduction in the Level of Corruption in the Extractive Industry					

(11) What in your opinion are the major factors affecting the performance of NEITI in curbing corruption in the Extractive Industries?

_____
_____
_____
_____

(12) What in your opinion should be done to make the performance of NEITI more effective?

_____
_____
_____
_____

(ii) Questions Related to Hypothesis Two; the level of involvement of the Civil Society Organisations in the NEITI's activities and the performance of the NEITI.

(13) Do you agree that the role of the Civil Society in the NEITI's activities is critical to the success of the NEITI?

(a) Strongly Agree [ ] (b) Agree [ ]
(c) Undecided [ ] (d) Disagree [ ]
(e) Strongly Disagree [ ]

(14) Do you agree that the involvement of CSOs have promoted the participation of companies and relevant government agencies in the NEITI's audit?

(a) Strongly Agree [ ] (b) Agree [ ]
(c) Undecided [ ] (d) Disagree [ ]
(e) Strongly Disagree [ ]

(15) Do you agree that the CSOs use the information from the audit findings to hold government to account?

(a) Strongly Agree [ ] (b) Agree [ ]

(c) Undecided [ ] (d) Disagree [ ]

(e) Strongly Disagree [ ]

(16) Do you agree that the participation of CSOs has improved the performance of the NEITI in curbing corruption in the extractive industry?

(a) Strongly Agree [ ] (b) Agree [ ]
(c) Undecided [ ] (d) Disagree [ ]
(e) Strongly Disagree [ ]

(17) How would you rate the level of participation of the CSOs in the NEITI's activities?

(a) Very High [ ] (b) High [ ]
(c) Undecided [ ] (d) Low [ ]
(e) Very Low [ ]

APPENDIX III

QUESTIONNAIRE: (MEMBERS OF CSOs)

SECTION A: PERSONAL DATA OF RESPONDENTS

Instructions
Please tick [√] from the list of options what represents your opinion.
(1) Sex of Respondent:
(a) Male [ ]
(b) Female [ ]
(2) Age of Respondent
(a) 21 – 30 years [ ]
(b) 31 – 40 years [ ]
(c) 41 – 50 years [ ]
(d) 51 – 60 years [ ]
(e) 61 years and above [ ]
(3) Highest educational qualification of Respondent
(a) First School Leaving Certificate [ ]
(b) WASC/ GCE/ SSCE [ ]
(c) NCE/ ND [ ]
(d) First Degree/ HND [ ]
(e) Postgraduate [ ]
(4) Number of years of membership _____
(5) Name of NGO you are representing _____

SECTION B

(i) Questions related to Hypothesis one; the effectiveness of the provisions of NEITI act, 2007 and the performance of the NEITI.

(6) You are very conversant with the law (Act) establishing the NEITI.
(a) Very Conversant [ ] (b) Conversant [ ]
(c) Just Conversant [ ] (d) Undecided [ ]
(e) Not Conversant [ ]
(7) Do you agree that the Act establishing the NEITI empowers her to arrest, prosecute and punish the offender?
(a) Strongly Agree [ ] (b) Agree [ ]
(c) Undecided [ ] (d) Disagree [ ]
(e) Strongly Disagree [ ]
(8) The Act empowers the NEITI to enforce compliance of her mandate.
(a) Very High [ ] (b) High [ ]
(c) Undecided [ ] (d) Low [ ]
(e) Very Low [ ]

(9) Do you agree that the law (Act) establishing the NEITI is adequate for its effective performance?

(a) Strongly Agree [ ] (b) Agree [ ]
(c) Undecided [ ] (d) Disagree [ ]
(e) Strongly Disagree [ ]

(10) Please rate the performance of the NEITI in terms of the following:

Performance Criteria	**Very Effective**	**Effective**	**Undecided**	**Ineffective**	**Very Ineffective**
Prevention of Corrupt Practices					
Ensuring Transparency and Accountability					
Recovery of Underpayment of Royalties by the Covered Entities					
Prosecution of Alleged Corrupt Entities					
Reduction in the Level of Corruption in the Extractive Industry					

(11) What in your opinion are the major factors affecting the performance of NEITI in curbing corruption in the Extractive Industry?

_____
_____
_____
_____

(12) What in your opinion should be done to make the performance of NEITI more effective?

_____
_____
_____
_____

(ii) Questions Related to Hypothesis Two; the level of involvement of the Civil Society Organisations in the NEITI's activities and the performance of the NEITI.

(13) Do you agree that your role in the NEITI's activities is critical to the success of the NEITI?

(a) Strongly Agree [ ] (b) Agree [ ]
(c) Undecided [ ] (d) Disagree [ ]
(e) Strongly Disagree [ ]

(14) Do you agree that your involvement in the NEITI's activities have promoted the participation of companies and relevant government agencies in the audit?

(a) Strongly Agree [ ] (b) Agree [ ]
(c) Undecided [ ] (d) Disagree [ ]
(e) Strongly Disagree [ ]

(15) How often do you use the information from the audit findings to hold government to account?

(a) Very Often [ ] (b) Often [ ]

(c) Undecided [ ] (d) Seldom [ ]

(e) Very Seldom [ ]

(16) Do you agree that your involvement in the NEITI's activities has improved the performance of the NEITI?

(a) Strongly Agree [ ] (b) Agree [ ]
(c) Undecided [ ] (d) Disagree [ ]
(e) Strongly Disagree [ ]

(17) How would you rate your level of involvement in the NEITI's activities?

(a) Very High [ ] (b) High [ ]
(c) Undecided [ ] (d) Low [ ]
(e) Very Low [ ]

(18) Please indicate, in your own opinion, the challenges you face in providing support to the NEITI implementation.

_____
_____
_____
_____

APPENDIX IV

(STAFF OF THE COMPANIES AND GOVERNMENT AGENCIES)

SECTION A: PERSONAL DATA OF RESPONDENTS

Instructions
Please tick [√] from the list of options what represents your opinion.
(1) Sex of Respondent:
- (a) Male [ ]
- (b) Female [ ]

(2) Age of Respondent
- (a) 21 – 30 years [ ]
- (b) 31 – 40 years [ ]
- (c) 41 – 50 years [ ]
- (d) 51 – 60 years [ ]
- (e) 61 years and above [ ]

(3) Highest educational qualification of Respondent
- (a) First School Leaving Certificate [ ]
- (b) WASC/ GCE/ SSCE [ ]
- (c) NCE/ ND [ ]
- (d) First Degree/ HND [ ]
- (e) Postgraduate [ ]

(4) Length of service in the organisation.
- (a) 1 – 5 years [ ]
- (b) 6 – 10 years [ ]
- (a) 11 – 15 years [ ]
- (b) 16 – 20 years [ ]
- (b) 20 years and above [ ]

(5) Classification of the respondents according to the rank/ designation
- (c) Management Staff [ ]
- (a) Senior Staff [ ]
- (b) Junior Staff [ ]

SECTION B

(i) Questions related to Hypothesis one; the effectiveness of the provisions of NEITI Act, 2007 and the performance of the NEITI.

(6) You are very conversant with the law (Act) establishing the NEITI.
(a) Very Conversant [ ] (b) Conversant [ ]
(c) Just Conversant [ ] (d) Undecided [ ]
(e) Not Conversant [ ]

(7) Do you agree that the Act establishing the NEITI empowers her to arrest, prosecute and punish the offender?
(a) Strongly Agree [ ] (b) Agree [ ]
(c) Undecided [ ] (d) Disagree [ ]
(e) Strongly Disagree [ ]

(8) How would you rate the effectiveness of the NEITI in enforcing her mandate in your organisation?
(a) Very High [ ] (b) High [ ]
(c) Undecided [ ] (d) Low [ ]
(e) Very Low [ ]

(9) Do you agree that the law (Act) establishing the NEITI is adequate for its effective performance?
(a) Strongly Agree [ ] (b) Agree [ ]
(c) Undecided [ ] (d) Disagree [ ]
(e) Strongly Disagree [ ]
(10) Please rate the performance of the NEITI in terms of the following:

Performance Criteria	**Very Effective**	**Effective**	**Undecided**	**Ineffective**	**Very Ineffective**
Prevention of Corrupt Practices					
Ensuring Transparency and Accountability					
Recovery of Underpayment of Royalties by the Covered Entities					
Prosecution of Alleged Corrupt Entities					
Reduction in the Level of Corruption in the Extractive Industries					

(11) In what areas has the performance of the NEITI affect your organisation?
_____
_____
_____
_____
(12) What in your opinion are the major factors affecting the performance of NEITI in curbing corruption in the Extractive Industry?
_____
_____
_____

(ii) Questions Related to Hypothesis Two; the level of involvement of the Civil Society Organisations in the NEITI's activities and the performance of the NEITI.

(13) Do you agree that the role of the Civil Society in the NEITI's activities is critical to the success of the NEITI?

(a) Strongly Agree [ ] (b) Agree [ ]
(c) Undecided [ ] (d) Disagree [ ]
(e) Strongly Disagree [ ]

(14) The participation of CSOs in the NEITI's activities has improved your level of compliance with NEITI's mandate.

(a) Strongly Agree [ ] (b) Agree [ ]
(c) Undecided [ ] (d) Disagree [ ]
(e) Strongly Disagree [ ]

(15) Do you agree that the CSOs use the information from the audit findings to hold companies/ government to account?

(a) Strongly Agree [ ] (b) Agree [ ]

(c) Undecided [ ] (d) Disagree [ ]

(e) Strongly Disagree [ ]

(16) Do you agree that the participation of CSOs has improved the performance of the NEITI?

(a) Strongly Agree [ ] (b) Agree [ ]
(c) Undecided [ ] (d) Disagree [ ]
(e) Strongly Disagree [ ]

(17) How would you rate the level of participation of the CSOs in the NEITI's activities?

(a) Very High [ ] (b) High [ ]
(c) Undecided [ ] (d) Low [ ]
(e) Very Low [ ]

APPENDIX V

INTERVIEW GUIDE

(1) Do you agree that the Act establishing the NEITI constitutes a constraint to her effective operation and performance?

(2) In what specific ways or areas do you think it affects the NEITI?

(3) Will you subscribe to a review of the Act for more effective operation and performance?

(4) What is your perception of the performance of NEITI so far (and why)?

(5) Suggest ways of enhancing the NEITI's performance?

(6) What roles are expected of the Civil Society Organisations in the NEITI's activities?

(7) To what extent has the involvement of CSOs improved the performance of the NEITI?

(8) What are the challenges you face in providing support to the NEITI implementation?

(9) How has the NEITI affected the discharge of your normal duties?