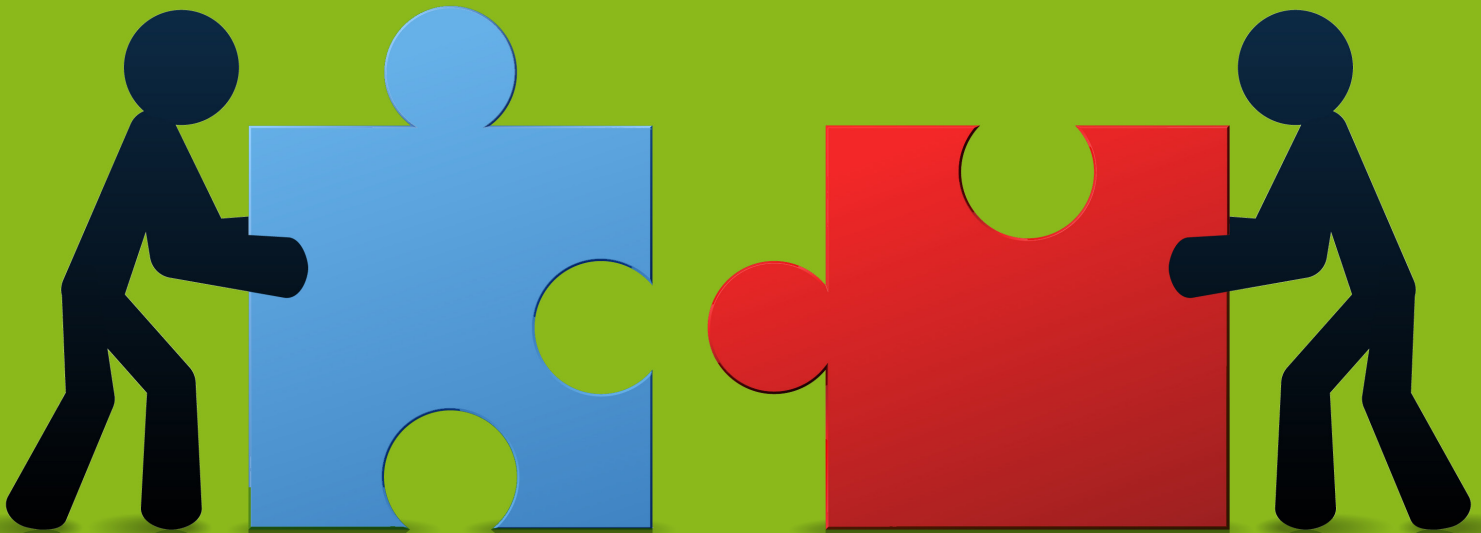


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# STRATEGIC PLAN 2017 – 2021



## SCALING UP IMPACT AND RELEVANCE



**NEITI** Nigeria  
Extractive  
Industries  
Transparency  
Initiative



# THE NEITI STRATEGIC PLAN 2017 – 2021

## **SCALING UP IMPACT AND RELEVANCE**

This strategic plan was developed with the support of the Facility for Oil Sector Transformation (FOSTER), a DfID project.



# FOREWORD

A strategic plan is very important for the effective and efficient functioning of any organisation. This strategic plan is formulated to provide strategic direction for the Nigeria Extractive Industries Transparency Initiative (NEITI). NEITI as an organization occupies a pivotal position in the administration of President Muhammadu Buhari. The Administration is determined to advance the vision of transparency and accountability, which led to the establishment of NEITI in 2004. The mechanics of doing this is what this strategic plan is all about.

This strategic plan has drawn inspiration from the NEITI Act and the immediate past NEITI Strategic Plan from 2012-2016. This strategic plan is therefore about continuity and change. There are issues that were addressed by the last strategic plan that have taken new dimensions.

It is our desire that NEITI will become more self-sustaining and contribute more to a greater accountability quotient in the country. It is our hope that the new strategy will position NEITI to achieve its mandate in the context of the economic challenges facing the country.

The process of crafting a strategy is as important as the content hence there is the need to ensure ownership of strategy development process. I am glad that the process of development of this strategy is participatory, involving NEITI's key stakeholders.

I am confident that effective and efficient implementation of this strategy will contribute to the vision of our government in tackling insecurity, improving the economy and promoting transparency and accountability.

**Kayode Fayemi**

Chairman, NSWG  
March 2017



# ACKNOWLEDGEMENT

After I assumed office as the Executive Secretary of NEITI, one of the issues that engaged my attention was the imperative of rethinking the strategy of NEITI. For me, repositioning NEITI to be more effective requires focusing on public value, operational capacity, legitimacy and public support, what Mark Moore of Harvard University calls the “Strategic Triangle.” I am happy that this framework was incorporated in the process of crafting this strategy. The process of formulating this strategy was also inclusive and participatory.

The development of this strategic plan was preceded by a review of NEITI Strategic Plan (2012-2016). Useful lessons from the review have been incorporated into this strategic plan.

I am grateful to the NEITI Strategic Committee members—Fatima Ciroma (Chairperson), Abdulmumin Abubakar (Secretary), Mohammed Buba (Member), Lameed Kazeem (Member), Bosede Oguntuberu (Member), and Garba Imam (Member)—who provided guidance for the review of the previous strategic plan and the development of this new strategic plan. We are grateful to Board members, management, staff and stakeholders of NEITI who participated in key informant interviews, focus group discussions, and retreats during the process of producing this strategic plan.

Our special thanks go to the Facility for Oil Sector Transformation (FOSTER), a DFID project, for supporting the review and strategic plan development. We are grateful to the consultants, Dr. Otive Igbuzor, Mr Godwin Okpene, and Mr Rajan Soni, for their dedication and professionalism.

Finally, we express our gratitude to the Chair of the National Stakeholders’ Working Group, Dr. Kayode Fayemi, for his commitment, support and insight in formulating this strategic plan.

## **Waziri Adio**

Executive Secretary  
March 2017

<sup>1</sup> Mark Moore is Hauser Professor for Nonprofit Organizations and Faculty Chair of the Hauser Center for Nonprofit Organizations at the John F. Kennedy School of Government at Harvard University. He is the author of ‘Creating Public Value’, and is widely credited for introducing the notion of ‘public value’ in contemporary management discourse. The term is increasingly understood to mean the creation of common good from entrepreneurial activity in public, not-for-profit and for-profit organizations.



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# ACRONYMS AND ABBREVIATIONS

<b>ALGON</b>	Association of Local Governments of Nigeria
<b>ATR</b>	African Traditional Religion
<b>BPSR</b>	Bureau of Public Service Reforms
<b>CBN</b>	Central Bank of Nigeria
<b>CSO</b>	Civil Society Organisation
<b>DFID</b>	Department for International Development (of the UK Government)
<b>DPR</b>	Department of Petroleum Resources
<b>EFCC</b>	Economic and Financial Crimes Commission
<b>EITI</b>	Extractive Industries Transparency Initiative
<b>ES</b>	Executive Secretary
<b>FASD</b>	Fiscal Allocation and Statutory Disbursement
<b>FCT</b>	Federal Capital Territory
<b>FGD</b>	Focus Group Discussion
<b>FIRS</b>	Federal Inland Revenue Service
<b>FOSTER</b>	Facility for Oil Sector Transformation
<b>GDP</b>	Gross Domestic Product
<b>GSM</b>	Global System for Mobile Communication
<b>ICT</b>	Information, Communication and Technology
<b>IMTT</b>	Inter-Ministerial Task Team
<b>M&amp;E</b>	Monitoring and Evaluation
<b>MCO</b>	Mining Cadastral Office
<b>MDAs</b>	Ministries, Departments and Agencies
<b>MDGs</b>	Millennium Development Goals
<b>MoU</b>	Memorandum of Understanding
<b>NBS</b>	National Bureau of Statistics



# ACRONYMS AND ABBREVIATIONS

<b>NEITI</b>	Nigeria Extractive Industries Transparency Initiative
<b>NGF</b>	Nigeria Governors' Forum
<b>NNPC</b>	Nigeria National Petroleum Corporation
<b>NOA</b>	National Orientation Agency
<b>NSWG</b>	National Stakeholder Working Group
<b>OAGF</b>	Office of the Auditor General of the Federation
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>OGP</b>	Open Government Partnership
<b>SP</b>	Strategic Plan
<b>TI</b>	Transparency International
<b>ToC</b>	Theory of Change



# EXECUTIVE SUMMARY

## 1 Background

- 1.1 NEITI was established in 2004, as the Nigerian chapter of the EITI, following a commitment by the then President Olusegun Obasanjo to adhere to the principles and standards of this global initiative. The statutory foundations of the organisation, its legal standing, objectives and purpose, followed three years later in the Nigeria Extractive Industries Transparency Initiative (NEITI) Act, passed by the National Assembly of the Federal Republic of Nigeria in 2007. The Act stipulates that the governing body of NEITI shall be the National Stakeholders Working Group (NSWG), which will be responsible for the formulation of “policies, programmes and strategies for the effective implementation of the objectives and the discharges of the functions of the NEITI.”
- 1.2 This 2017-2021 Strategic Plan was commissioned by the NSWG (also referred to here as the Board) in line with this provision, and was motivated by two considerations: the imperative of replacing the now obsolete 2013-2016 Strategic Plan (SP); and the opportunity this presents to fundamentally review and re-interpret the strategic direction of NEITI taking into account the appointment of a new NEITI Board and Executive Secretary by President Buhari in February 2016.

## 2 Methodology

- 2.1 The development of a new Strategic Plan commenced with the review of the previous Strategic Plan to identify strategic and functional gaps, and outstanding issues and lessons learnt from its implementation.

Two processes ensured the depth and objectivity of the historical review and the viability of ideas to take forward:

- i. Desk research: Beginning with the NEITI Act and then covering annual NEITI reports, operational manuals, and other relevant documents such as EITI Standards.
- ii. Stakeholder consultation and validation: The desk review was conducted alongside Focus Group Discussions (FGD) and interviews with key members of staff of the NEITI Secretariat. Initial findings, in the form of a draft review report, were presented to the strategic plan committee of NEITI, the management of the NEITI Secretariat, the Board in its capacity as the top governance organ of NEITI, and at a retreat involving an expanded range of stakeholders beyond those in the NSWG. Feedback from these consultative processes was taken into account in revising and producing the draft final report, which has provided the basis for the new strategy.

<sup>2</sup> President Buhari approved the appointment of the present National Stakeholders Working Group (NSWG) otherwise known as Governing Board for the Nigeria Extractive Industries Transparency Initiative (NEITI), and the new Executive Secretary Mr. Waziri Adio in February 2016.

### 3 Review of Previous Strategic Plan: Key Findings

- 3.1 The review found that NEITI has conducted regular audits of the extractive sector for over a decade and has disseminated the results to an increasingly larger audience since the first audit was undertaken in 2006, covering the period 1999 – 2004. Since then the organisation has played a significant role in opening up the extractive sector to greater public scrutiny. NEITI's extractive industry audits have stimulated internal improvements in reporting, governance and institutional procedures in the ministries, departments and agencies (MDAs) covered, resulting in improved revenue collection.
- 3.2 However, the review also revealed operational shortcomings, notably that NEITI has been unable to deliver timely audits in a way that would maximize the currency and relevance of its audit reports. The organisation's engagement with sector-stakeholders has been restricted to a limited group of partners, thereby limiting NEITI's impact. Remediation is the weakest aspect of NEITI's operations, with most of the issues raised in the audit reports yet to be properly resolved.
- 3.3 Critically the review also exposed weaknesses in the theory of change (ToC) underpinning NEITI's work. The current ToC is based solely on the assumption that 'greater transparency leads to greater accountability.' This assumption was found to be too narrow. NEITI's performance so far suggests that while there is a valid causal link between transparency and accountability, a more sophisticated ToC is required to properly understand the vitality of connections and causality between these two conditions: that is the range of forms of transparency, and the focusing of this information on particular points in the institutional and public landscape, to effectively stimulate public accountability. Understanding this dynamic better is essential for achieving NEITI's ultimate objectives.

### 4 NEITI's Theory of Change

NEITI's new Strategic Plan defines a more sophisticated ToC that takes into account the range of pathways and processes for translating empirically sound data to effectively leverage and institutionalize public accountability. The following measures are important to translate transparency to accountability:

- a) Audit reports need to be regular and timely, and the information presented needs to be accurate and reliable.
- b) The material – data and evidence - in the audit reports needs to be presented in a focused and accessible manner to selected partners in government, governance institutions and civil society organisations (CSOs). This material should be especially targeted at partners and platforms with the incentives and capacity to use this information optimally to advance the cause of public accountability.
- c) NEITI should continue with its efforts at deepening and broadening public understanding so that the public dissemination of successive cycles of information leads to more informed public discourse; more people asking more meaningful and searching questions of the custodians of oil and gas resources and revenues.
- d) Transparency efforts, the targeted use of data from NEITI audits, should be strategically linked to pro-accountability policies and reforms being considered by MDAs.

Supporting conditions to translate transparency to accountability, and the effective utilization of oil

revenues for equitable development and addressing the resource curse.

- a) Unequivocal political support of institutional reforms to support transparency and public accountability
- b) Stable, long-term macro-economic policies aimed at inclusive economic growth, based on the transparent management of oil revenues transparently.

## 5 NEITI's Revised Strategic Objectives Proposed in the New Strategic Plan

**Strategic Goal / Desired Impact:** NEITI should be an active and effective facilitator of the reversal of the effects of resource curse in Nigeria”

**Vision:** A Nigeria whose extractive sector is transparent, accountable, and beneficial to all Nigerians.

**Mission:** To institutionalise accountability mechanisms and processes aimed at instilling a culture of transparency in Nigeria’s extractive sector for the benefit of all.

To achieve these aims, four objectives have been defined, with related proposed actions.

- I. **Strategic Objective 1:** Deepen openness in the extractive sector through timely audits and other impactful studies.
- II. **Strategic Objective 2:** Shape extractive sector and overall governance reforms through policy engagements, thought leadership and inter-agency coordination.
- III. **Strategic Objective 3:** Strengthen demand for accountability in the use of extractive revenues through strategic communication with critical stakeholders and empowerment of accountability actors.
- IV. **Strategic Objective 4:** Increase operational capacity, legitimacy & support through effective financial, administrative and human resource management and adequate funding.

## 6 Organisational Structure and Implications

The organisational implications of the new strategic direction are:

- a) Organisational Development: build capacity of board, management, staff and stakeholders,
- b) Establish a new Policy, Planning and Strategy (PPS) department to carry out NEITI’s second objective, i.e. “to shape extractive sector and overall governance reforms”. The new department will comprise the existing Planning, Monitoring and Evaluation unit and the fledging Policy and Strategy unit. However, the number of departments in the secretariat will remain the same.
- c) Financial Sustainability: expand and diversify funding base,
- d) Strengthen monitoring, evaluation, learning and dissemination systems. Carry out studies to enable evidence-based policy advocacy.
- e) Influencing and Communications: Strengthen and deepen engagement with stakeholders, support initiatives by state and non-state actors towards institutional and governance reforms, review,

develop and implement a robust communication and mobilization strategy, deploy information and communication technology towards enhanced engagement with stakeholders and citizens

## **7 Monitoring And Evaluation**

The implementation of this strategic plan will consolidate NEITI's commitment to manage for result at all levels.

In line with this, NEITI has developed a comprehensive monitoring and evaluation (M&E) framework that specifically spells out hierarchy of results, including performance indicators at every level, a risk analysis and risk management matrix. A performance measurement system will also be developed.

# INTRODUCTION

## 1.1 Background: Rationale For NEITI

Oil is the predominant mineral resource and revenue earner in Nigeria. The country derives 95 per cent of export earnings and 70 per cent of government revenue from the oil sector. Nigeria is potentially the largest oil producer in Africa, with a production capacity of 2.5m barrels a day and an OPEC-approved quota 2.2 barrels a days. If it were to produce oil in line with its OPEC quota, Nigeria would be the 8th largest producer of crude oil in the world.

Most of the proven oil and gas reserves are in the ‘South-South’: in the Niger River Delta and offshore in the Bight of Benin, the Gulf of Guinea and the Bight of Bonny. These known fields can maintain output at 2.2 billion barrels p/d for at least another 40 years. However these reserves have not translated into development gains. The scale of the developmental challenge confronting Nigeria can be gauged through three inter-related dimensions: indicators of poverty and social development, and demographic projections.

Poverty and Social development: The country failed to achieve its modest Millennium Development Goals (MDGs) by 2015 , and the National Bureau of Statistics reports that “despite the fact that the economy has paradoxically grown, the proportion of people living in poverty is increasing every year.” The table below summarises NBS data:

	Poverty Incidence	Estimated Population (Millions)	Population in poverty (Millions)
1980	27.2%	65	17.1
2010	69.0%	163	112.47

Source: National Bureau of Statistics HNLSS2010

Demographic pressures: Nigeria’s population growth rate is 3.2% per annum , and projections suggest the population is projected to more than double and reach 390 million by 2050. (Applying NBS’s 2010 poverty incidence rate this would translate to over 269 m people in poverty). Further, the country faces a ‘youth bulge’, with nearly 43% of the population currently under fourteen years and over 62% under the age of 24.

Nigeria’s failure to translate its oil wealth into inclusive development is generally attributed to two inter-related factors:

- a) Weak governance and oversight: Endemic and widespread corruption, especially pronounced in the oil industry at the heart of its economy. Transparency International has consistently rated Nigeria among the most corrupt countries in the world in its Corruption Perception Index. Nigeria also performs poorly on the Resource Governance Index (RGI), which measures the quality of governance in the oil, gas and mining sectors of minerals producing countries. The country also recorded a ‘weak’ score in the Natural Resource Charter Analysis Framework, a tool also for evaluating the quality of governance of natural resources.
- b) The resource curse. Oil is the main revenue source for the country, and in the absence of prudent economic management policies, this makes the country susceptible to the ‘resource curse’ or the ‘Dutch disease’ . Essentially, in economic terms this is understood as the tendency of the earnings from oil (or indeed from any dominant mineral resource) to draw in large flows of foreign currency, leading to the appreciation of the local currency. Consequently because it is now easier to use these foreign reserves to import goods, domestic productive sectors of the economy are undermined; thereby further entrenching the country’s dependence on oil.

There is a second, associated venal dimension to the resource curse, the tendency for the increasingly dominant and lucrative natural resource to stimulate rapacious rent seeking, testing the strength of local systems of good governance. Transparency is critical in these conditions to shine a light on existing institutional structures and mechanism of accountability.

## 1.2 Extractive Industries Transparency Initiative (EITI)

Addressing this challenge provided the rationale for the establishment of EITI in June 2003. It remains a central platform of the organisation today.

*“A country’s natural resources, such as oil, gas, metals and minerals, belong to its citizens. Extraction of these resources can lead to economic growth and social development. More openness and public scrutiny of how wealth from a country’s extractive sector is used and managed is necessary to ensure that natural resources benefit all.”*

– EITI Progress Report 2016

Essentially the ‘EITI Standard’ requires information along the extractive industry value chain from the point of extraction, to how the revenue makes its way through the government, to how it benefits the public. This includes how licenses and contracts are allocated and registered, who the beneficial owners of those operations are, what the fiscal and legal arrangements are, how much is produced, how much is paid, where those revenues are allocated, and what the contribution to the economy is, including employment. The EITI Standard is implemented in 51 countries around the world.

<sup>3</sup> Source: National Ministry of Budget and Planning.

<sup>4</sup> Recent conflict in the Nigeria Delta has impacted on production. In 2014 oil production reached nearly 2.2 barrels, but since then it has been at 50%-70% of that level.

<sup>5</sup> Nigeria Millennium Development Goals (MDG) End Point Results 2015

<sup>6</sup> Ibid

<sup>7</sup> There is a further twist to these figures, which reflects one of many social indicators pointing to the widespread gender inequities in Nigeria. Internationally, Nigeria ranks 118 of 134 on the Gender Equality Index, based on a national averaging of statistics, which disguises the particularly poor position of women in the north. E.g., in eight northern states, over 80% of women are unable to read. Nigeria has the second highest maternal mortality in the world (2% of the world’s population and over 10% of maternal deaths).

<sup>8</sup> See NEITI Policy Brief, “The Urgency of a New Petroleum Sector Law”; Issue 02, October 2016.

<sup>9</sup> Dutch disease is the negative impact on an economy of anything that gives rise to a sharp inflow of foreign currency, such as the discovery of large oil reserves. The currency inflows lead to currency appreciation, making the country’s other products less price competitive on the export market.

### 1.3 Foundations of NEITI and Mandate for Strategic Plan

In 2003, Nigeria voluntarily committed to the global EITI, making it one of the first countries to do so. The decision to sign on to EITI and establish the NEITI was taken in the context of the comprehensive socio-economic reform programme embarked upon by the Federal Government of Nigeria at the time.

NEITI was formally established in 2004, as the Nigerian chapter of the EITI, by then President Olusegun Obasanjo, committing Nigeria to adhere to the principles and standards of this global initiative. The statutory foundations of the organisation, its legal standing, objectives and purpose, followed three years later in the Nigeria Extractive Industries Transparency Initiative (NEITI) Act, passed by the National Assembly of the Federal Republic of Nigeria in 2007. The Act stipulates that the governing body of NEITI shall be the National Stakeholders Working Group (NSWG), which will be responsible for the formulation of “policies, programmes and strategies for the effective implementation of the objectives and the discharges of the functions of the NEITI.”

This 2017-2021 Strategic Plan has been commissioned by the Board in line with these provisions and is motivated by two considerations: the imperative of replacing the 2012-2016 SP; and the opportunity this presents to fundamentally review and re-interpret the strategic direction of NEITI taking into account the appointment of a new NEITI Board and Executive Secretary by President Buhari in February 2016 as well as changes in the operational environment and national priorities of the country.

# THE NEW STRATEGIC PLAN (2017-2021)

## 2.1 Methodology for Strategy Formulation

The development of a new SP commenced with the review of the previous SP (2012-2016) to identify strategic and functional gaps, and outstanding issues and lessons learnt from its implementation.

Two processes ensured the depth and objectivity of the historical review and the viability of ideas to take forward:

- iii. Desk research: Beginning with the NEITI Act and then covering annual NEITI reports, operational manuals, and other relevant documents such as EITI Standards.
- iv. Stakeholder consultation and validation: The desk review was conducted alongside Focus Group Discussions (FGD) and interviews with key members of staff of the NEITI Secretariat. Initial findings, in the form of a draft review report, were presented to the strategic plan committee, the senior management and to the board of NEITI in its capacity as the top governance organ of NEITI, and at a retreat involving an expanded range of stakeholders beyond those in the NSWG. Feedback from these consultative processes was taken into account in revising and producing the draft final report, which has provided the basis for the new strategy.

## 2.2 Key Findings from Review of Previous Strategic Plan

- i. The review found that NEITI has conducted regular audits of the extractive sector for over a decade and has disseminated the results to an increasingly larger audience since the first audit was undertaken in 2006, covering the period 1999 – 2004. Since then the organisation has played a significant role in opening up the extractive sector to greater public scrutiny. NEITI's 'external' audits have stimulated internal improvements in reporting, governance and institutional procedures in the ministries, departments and agencies (MDAs) covered, resulting in improved revenue collection.
- ii. However, the review also revealed operational shortcomings, notably that NEITI has been unable to deliver timely audits in a way that would maximize the currency and relevance of its audit reports. The organisation's engagement with sector-stakeholders has been restricted to a limited group of partners, thereby limiting NEITI's impact. Remediation is the weakest aspect of NEITI's operations, with most of the issues raised in the audit reports yet to be properly resolved.
- iii. Critically the review also exposed weaknesses in the theory of change (ToC) underpinning NEITI's work. The initial ToC was based solely on the assumption that 'greater transparency leads to greater accountability'. This assumption was found to be too narrow. NEITI's performance so far suggests that while there is a valid causal link between transparency and accountability, a more sophisticated ToC is required to properly understand the vitality of connections and causality between these two conditions; that is the range of forms of transparency, and the focusing of this information on particular points



in the institutional and public landscape, to effectively stimulate public accountability. Understanding this dynamic better is essential for achieving NEITI's ultimate objectives.

## 2.3 Rationale for a New Theory of Change

Basically, EITI's foundational theory of change is that transparency of payments and receipts of revenues from the extractive sector will lead to demand for accountable use of these revenues, which will in turn lead to good governance and shared prosperity in those countries. However as Nigeria's experience shows, this simply formulated causal chain, that greater transparency will lead to increased accountability, thus ushering better governance, which will in turn lead to shared prosperity, has proved not to be so straightforward.

The mechanics behind this original EITI prescription and ToC, which NEITI has followed diligently, involves (1) undertaking and publishing audit reports, (2) broadly disseminating these reports, and (3) working with stakeholders to remedy the operational and governance lapses identified through this process. NEITI has done fairly well on the first two of these three steps.

Yet NEITI's better than average performance over 13 years has not prevented the damaging effects of the resource curse and the expected national developmental benefits of oil revenues have yet to be realised. Indeed, significantly, poverty and unemployment have continued to increase, and the country's failure to manage its oil revenues and resources judiciously has been a factor in Nigeria slipping into an economic recession in mid-2016.

The fact that these circumstances are not unique to Nigeria—no EITI-implementing country has escaped resource curse after more than one decade of implementation—only confirms the scale of the task confronting NEITI. This is not to dismiss the utility of EITI or the achievements of NEITI. Rather, it points to the need to craft a better ToC, one that befits the magnitude and complexity of the challenge, acknowledging that NEITI by itself cannot reverse the symptoms and economic consequences of resource curse. It illustrates a finding from the EITI community of countries, that while undertaking, publishing and disseminating audit reports and working on remediation are important, these actions are not in themselves sufficient to address the effects of a resource curse. In other words, NEITI's revised ToC needs to take into account the range of pathways and processes for translating empirically sound data to effectively leverage and institutionalize public accountability.

To arrive at this new ToC, it is important to assess the effectiveness of the current model. A review of the present ToC revealed:

**Transparency and access to information:** Despite NEITI's efforts, transparency in the sector remains weak. It has not been possible to track revenues from the extractive sector across all parts of the value chain and in all the MDAs associated with the management of these funds. Ongoing government investigations and prosecutions confirm this point.

**Capacity of the demand side:** Citizens and accountability actors are not mobilised and empowered enough to make effective demands for prudent and equitable management of natural (and other) resources for the benefits of all Nigerians.

**The gap between recommendations and adoption:** Adoption of NEITI's recommendations by decision-makers in MDAs and governance bodies remains weak. NEITI of course has no authority over these institutions; it can only offer its counsel; acceptance and implementation of its recommendations are entirely beyond NEITI's control.

Political support: There is limited political support for NEITI's recommendations proposing fundamental reforms in the industry that would lead to greater transparency and accountability.

Macro-economic management: The inadequacy of sound, stable, long-term macro-economic policies aimed at balanced, inclusive economic growth, based on the transparent management of oil revenues transparently.

## 2.4 Elements of the Revised Theory of Change for NEITI

Measures, within NEITI's control important to translate transparency to accountability

1. **NEITI's Audit Reports** need to be regular and timely, and the information presented needs to be accurate and reliable.
2. **Contingent, Targeted Data:** The data and evidence in the audit reports needs to be presented in a focused and accessible form to selected partners in government, governance institutions and CSOs. This material should be especially targeted at partners and platforms with the incentives and capacity to use this information optimally to advance the cause of public accountability.
3. **Strengthen Understanding and Demand for Data:** NEITI should continue with its efforts at deepening and broadening public understanding so that the public dissemination of successive cycles of information can lead to more informed public discourse; more people asking more meaningful and searching questions of the custodians of oil and gas resources and revenues. Associated with this, NEITI needs to engage more with key CSO stakeholders to strengthen their voices to demand transparency and accountability.
4. **Alignment with Accountability Policies and Initiatives:** Transparency efforts and the targeted use of data from NEITI audits should be strategically linked to pro-accountability policies and reforms being considered by MDAs.

Supporting conditions to translate transparency to accountability, and the effective utilisation of oil revenues for equitable development and addressing the resource curse.

c) Unequivocal political support of institutional reforms to support transparency and public accountability

d) Stable, long-term macro-economic policies aimed at inclusive economic growth, based on the transparent management of oil revenues transparently.

## 2.5 NEITI's Strategic Objectives

The consultative processes and workshops used in developing this Strategic Plan were central in sharpening the strategic objectives of NEITI, taking into account the statutory mandate of NEITI and the economic and development challenges facing the country.

The reframed hierarchy of NEITI's strategic objectives that were agreed through this collective process are summarised below.

**Strategic Goal/Desired Impact:** NEITI should be an active and effective facilitator of the reversal of the effects of resource curse in Nigeria”.

**Vision:** A Nigeria whose extractive sector is transparent, accountable and beneficial to all Nigerians.

**Mission:** To institutionalise accountability mechanisms and processes aimed at instilling a culture of transparency in Nigeria's extractive sector for the benefit of all.

To achieve these aims four objectives have been defined, with related proposed actions.

- V. Strategic Objective 1:** Deepen openness in the extractive sector through timely audits and other impactful studies.
- VI. Strategic Objective 2:** Shape extractive sector policies and overall governance reforms through policy engagements, thought leadership and inter-agency coordination.
- VII. Strategic Objective 3:** Strengthen the demand for accountability in the use of extractive revenues through strategic communication with critical stakeholders and empowerment of accountability actors.
- VIII. Strategic Objective 4:** Increase operational capacity, legitimacy & support through effective financial, administrative and human resource management and adequate funding.

**Operational Values:** To achieve these objectives, NEITI shall be guided by the following core values:

- Legitimacy, requiring us to show a firm belief to take the right action based on laws, rules and regulations.
- Integrity, requiring us to match our words with action in honesty and truthfulness.
- Partnership, requiring us to work with and act with various stakeholders.
- Courage, requiring us to be bold in dealing with all stakeholders.
- Openness, requiring us to ensure that all our action are open to public scrutiny.
- Teamwork, requiring us to create a conducive environment that promotes team work among all staff.

**Strategic Objective 1:** Deepen openness in the extractive sector through timely audits and other impactful studies

	<b>Actions Required</b>	<b>Expected Results</b>
1.	Develop and deploy a framework for continuous data gathering and automation of data collection.	Strategies for continuous data gathering and automation formulated, tested and continuously improved.
2.	Conduct regular audit of the oil and gas and solid minerals sectors.	Audit reports published within 12 months of the end of each reporting period.
3.	Develop a framework for beneficial ownership reporting in the extractive sector.	Audit reports published, accompanied by Beneficial Ownership Reports.
4.	Develop a framework for enforcing provisions of NEITI Act on statutory and timely disclosure by relevant entities.	Institutional changes affected, leading to a more open and transparent extractive sector.
5.	Develop a framework for remediation with active participation of the Technical Unit on Governance and Anti-Corruption Reforms (TUGAR) and in collaboration with other relevant anti-corruption agencies.	Institutional changes affected, inter alia, leading to greater transparency in ownership information of companies in the extractive sector.
6.	Engage and enlist relevant committees of the National Assembly to comply with provisions of the NEITI Act on timely commencement of audits.	Majority of the issues flagged in audit remediated within a reasonable duration.
7.	Conduct regular empirical studies aimed at improving the management of mineral resources.	Greater public value from NEITI's activities.
8.	Publish Policy Briefs, Quarterly Reviews and Occasional Papers	Improved public understanding of the sector, leading to enhanced legitimacy and public support for NEITI.

**Strategic Objective 2:** Shape extractive sector policies and overall governance reforms through policy engagements, thought leadership and inter-agency coordination

	<b>Actions Required</b>	<b>Expected Results</b>
1.	Engage with relevant ministries, departments and agencies towards improving systems and processes in the extractive sector	Strategies for compliance management and enforcement
2.	Design strategy for engagement with the process of legislation and promulgation of extractive sector policy	
3.	Design strategy for engagement with the process of legislation and promulgation of extractive sector policies	Effective enforcement of audit recommendations on remediation
4.	Produce and publish policy papers on relevant government reforms	Greater influence of legislation and reforms
5.	Support initiatives by state as well as non-state actors towards institutional and governance reforms in the extractive sector	

<sup>11</sup> The Technical Unit on Governance and Anti-Corruption Reforms (TUGAR) is a research, monitoring and evaluation unit, set up to respond to the critical need for a rigorous approach to policy-making grounded on empirical data collection and analysis; and in-depth country specific diagnostics on corruption and related governance issues. The initiative is part of the Government of Nigeria's policy to design country specific strategies to monitor and evaluate anticorruption and other governance initiatives, and to implement corrective actions as needed.

**Strategic Objective 3:** Strengthen demand for accountability in use of extractive revenues through strategic communication with critical stakeholders and empowerment of accountability actors

	<b>Actions Required</b>	<b>Expected Results</b>
1.	Conduct stakeholder mapping with a view to determining which stakeholders are better suited for different objectives of NEITI	Production of a stakeholder map that clearly defines the roles of key stakeholders
2.	Review, develop and implement a robust stakeholder communication and mobilisation strategy	Formulation of differentiated communication strategies that engage the particular segments of the public, especially the grassroots.
3.	Mobilise grassroots support for implementation of NEITI mandate	Enhanced public demand and support for reforms pursued by NEITI
4.	Deepen engagement with policy makers and stakeholders.	Enhanced understanding and demand for accountability measures within MDAs
5.	Expand engagement to subnational levels including engagement with National Orientation Agency (NOA), Nigeria Governors' Forum (NGF) and Association of Local Government of Nigeria (ALGON)	Enhanced understanding and demand for accountability measures in government, supported by relevant sub-national bodies.
6.	Facilitate effective support to stakeholders in the implementation of the strategy	Greater accountability at the national, subnational and grassroots level

**Strategic Objective 4:** Increase operational capacity, legitimacy & support through effective financial, administrative and human resource management and adequate funding.

	<b>Actions Required</b>	<b>Expected Results</b>
1.	Review NEITI Act to strengthen enforcement and remediation.	Amended NEITI Act that improves capacity for enforcement.
2.	Expand and diversify funding base.	Improved and diversified funding base.
3.	Build capacity of board, management, staff and stakeholders.	Improved capacity of board, management, staff and stakeholders leads to more effective NEITI.
4.	Review and align Human Resource and Organisational development policies and plans	Improved human resource planning and management with open and transparent recruitment process, proper placement, regular promotion, training, discipline and welfare of staff.
5.	Promote organizational learning, and Institutionalise monitoring and evaluation	Effective implementation of NEITI's SP based on properly formulated workplans and operational plans, standardised operating procedures, and dynamic monitoring and evaluation to guide implementation.

# ORGANISATIONAL STRUCTURE

## 3.1 Governance and Staffing Structure

The framework for the structure of NEITI is provided for in the Nigeria Extractive Industries Transparency Initiative (NEITI) Act, 2007.

The Act stipulates the establishment of the National Stakeholders Working Group (NSWG) to act as the governing body of NEITI.

The NSWG is responsible for the formulation of policies, programmes and strategies for the effective implementation of the objectives and the discharge of the functions of the NEITI. It is made up of a chairman and fourteen other members including representatives of extractive industry companies, civil society and labour unions in the extractive industries as well as experts in the extractive industry and one member from each of the six geopolitical zones; and an Executive Secretary.

The Executive Secretary serves as Secretary to the NSWG and is responsible for the day-to-day administration of NEITI.

The secretariat is made up of five departments, namely:

- Human Resources & Administration,
- Finance & Accounts,
- TUGAR,
- Technical Department
- Communication.

The Executive Secretary's Office includes the Legal, Internal Audit, Procurement functions, and M & E unit.

In keeping with the proposed strategic direction, a new department will be created to reflect NEITI's work in the policy space. The new department will be called Policy, Planning and Strategy Department. It will be the equivalent of the Planning Research and Statistics departments in most MDAs. The new department will comprise Planning, M & E unit and the recently constituted Policy and Strategy unit.

Overall, NEITI will retain the same number of departments as the old structure. The new organogram is shown below:

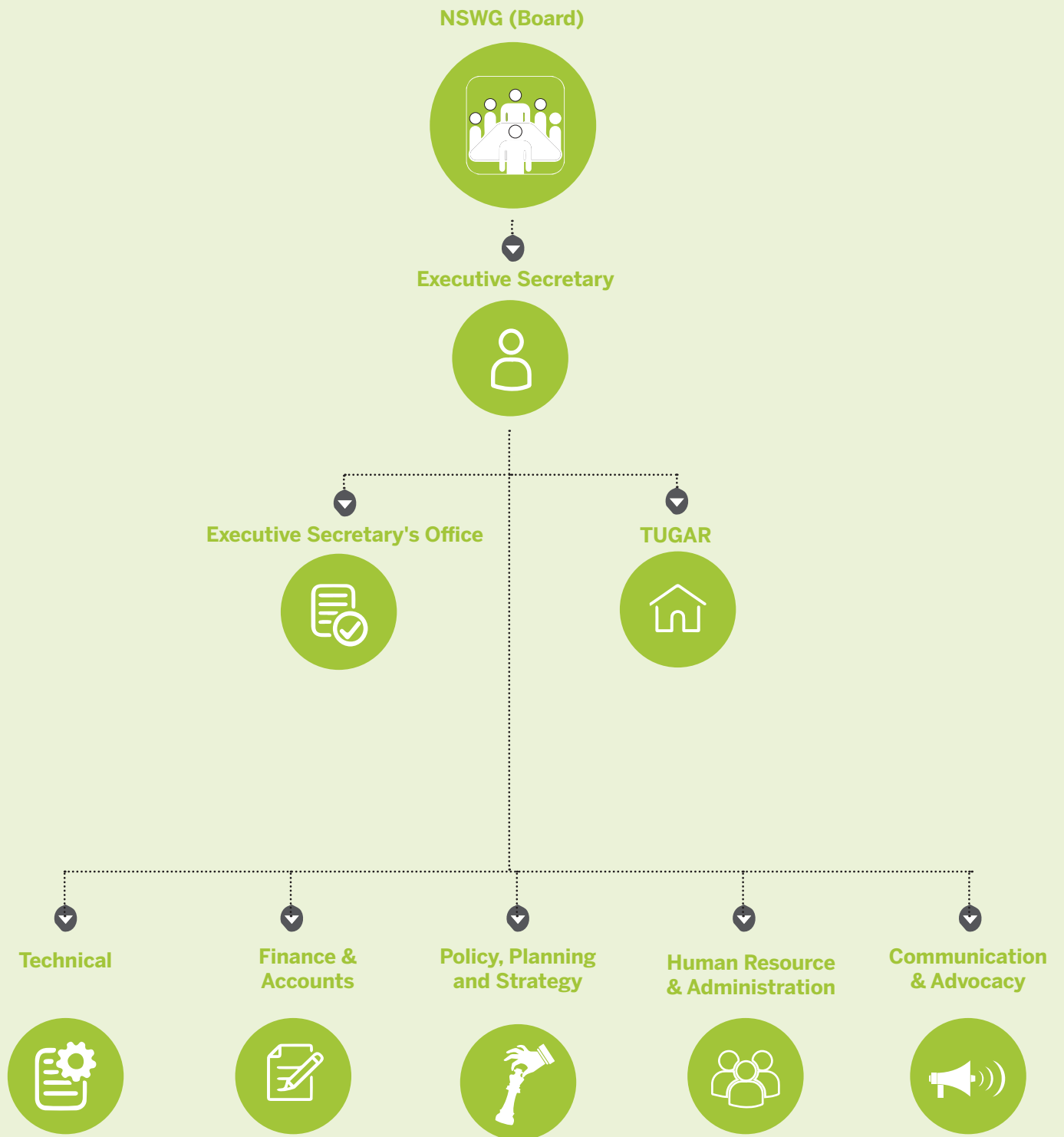


Figure One: NEITI Organogram

## 3.2 Organisational Functions

### 1. Governance

The NSWG will give strategic leadership and direction; and will be responsible for the formulation of policies, programmes and strategies for NEITI.

### 2. Management

The Management of NEITI will be led by the Executive Secretary. The management team will be constituted by the Executive Secretary to include the heads of department. Human Resource and Administration will be given priority during the implementation of this strategic plan.

Human Resource Development (HR) and Organisational Development (OD) policies will be reviewed to ensure improved HR planning and management with an open and transparent recruitment process, proper placement, regular promotion, training, discipline and welfare of staff. Performance management will be strengthened.

The functions of all departments will be clearly delineated and defined during the OD process. A programme of action will be produced indicating lead departments and collaborative departments to promote co-operation and synergy. Joint planning, joint implementation and joint monitoring and evaluation will be encouraged.

### 3. Resource Mobilisation and Financial Management

This SP acknowledges the risk of declining funding for NEITI as a result of the economic recession and declining government revenue.

To address this risk two courses of action will be pursued:

- a) During this strategic plan period, NEITI will leverage on its public value to increase budgetary allocation from government.
- b) It will also seek to diversify its funding especially from development partners. NEITI will therefore conduct donor mapping and formulate and implement a fund-raising strategy.

Alongside this action will be taken to improve internal financial management and value for money. Budget planning and execution will be improved. Financial management will be improved with strict adherence to procurement and financial procedures.

### 4. Communication

The scope, quality, approach and timeliness of communication will be improved. Both internal and external communication will be enhanced, especially communication amongst departments. Departmental meetings will be institutionalised to enhance internal coordination and communication. Circulars, memos and emails will be utilised regularly to improve internal communication.

The approach to external communication will prioritise partnership with stakeholders and target policy makers, key stakeholders and the grassroots, using appropriate communication channels and building in adequate feedback and impact measurement mechanisms.

Deliberate efforts will be made to improve the public value of NEITI and make citizens to recognise the value of the organisation. Success stories will be documented and made available to improve public perception of NEITI. The value that NEITI brings to the life of ordinary citizens will be clearly communicated. Deliberate efforts will be made to promote the culture of transparency and accountability and empower citizens and



other accountability actors to play their parts.

## **5. Information Technology**

NEITI will improve on the procurement, deployment and utilisation of ICT in all its activities. The capacity of staff will be built on the use of ICT. The audit process will utilise fully the advantages that ICT provides.

## **6. Documentation**

The scope and quality of documentation will be improved. The capacity of staff to document activities and reports will be built.

## **3.3 Conditions for Success**

In order to achieve the objectives set out in this Strategic Plan, the following key success factors are required:

### **1. Organisational Capacity**

The ability of NEITI to achieve the objectives set out in this SP is clearly dependent on the appropriateness of the structure proposed here, and the requisite skills to fulfil the functions assigned to particular organisation roles.

A further organisation diagnosis will be undertaken to assess whether the structure proposed here, and the existing HR capacity are fit for purpose. This OD review will seek to further clarify NEITI's structure, roles and systems, identify gaps, and propose OD and HRD measure to improve organisational and individual performance.

### **2. Knowledge Resources**

In order to effectively exercise thought leadership, conduct evidence-based advocacy and increase impact, NEITI will need to constantly equip its staff and stakeholders with up-to-date information about the operations in the extractive sector.

This will be achieved through targeted research, relevant studies and regular scanning of the environment. In line with the paragraph above, NEITI will need to build the capacity of its staff and stakeholders to both deliver on its mandate and close the knowledge asymmetry in the sector.

### **3. Effective Stakeholder Engagement**

NEITI engages with a wide range of stakeholders in the performance of its duties. These include:

- The Executive (the Presidency)
- The National Assembly (NASS), that is the legislature
- The Judiciary
- State Governments
- Industry Operators, covered entities, including International Oil Companies (IOCs)
- Relevant government agencies (Nigerian National Petroleum Corporation (NNPC), Department of Petroleum Resources (DPR), Federal Inland Revenue Service (FIRS), Central Bank of Nigeria (CBN),

Office of the Auditor General of Nigeria (OAGF), Economic and Financial Crimes Commission (EFCC), Ministry of Mines and Steel Development, Mining Cadastral Office (MCO), Ministry of Budget and National Planning, Ministry of Finance, Ministry of Environment etc.

■ Civil society organisations (CSOs) including professional associations, media, development partners, trade unions, host communities and the general public.

The form and intensity of engagement will differ depending on the nature of the relationship with these stakeholders.

Some of the stakeholders have significant powers and have a high level of interest in the activities of NEITI such as the Presidency, Ministry of Mines and Steel and the legislature. As such NEITI will engage them fully in its decisions and actions.

Other stakeholders such as covered entities, relevant government agencies, development partners and civil society are crucial for particular aspects of NEITI's work, requiring appropriate contingent engagement.

Stakeholders such as citizens and media are 'constants' in the environment, crucial for fulfilment of NEITI's mandate and engagement with these stakeholders will be abiding, through regular communications.

#### **4. Role of Technology**

ICT can be a powerful catalyst in promoting transparency and accountability in the extractive sector. Social media have become very important for personal and organizational use. They are useful in dissemination, interactive communication and citizen engagement. The reach of the social media is unprecedented. Nigeria had more than 16 million active Facebook users by February 2016. NEITI can harness the vast opportunity offered by information and communication technology to expand its reach, deepen engagement and enhance the speed of dissemination.

#### **5. Funding Capacity**

NEITI will need to enhance its funding capacity to ensure that it conducts timely audits and deliver on other responsibilities. Going forward NEITI can leverage on key provisions of the Act to access funding for timely conduct of its audits.

#### **6. Political Authorization and Backing**

The NEITI Act formally establishes the organisation in the Presidency. The statutory foundations of NEITI, and its official home in the Presidency should be strong bases from which to draw political support for the fulfilment of the organisation's mandate.

However, evidence from the last few years suggests otherwise. NEITI's limited capacity over the years to effectively facilitate remediation of issues raised in the audit shows that NEITI has either not effectively leveraged on these political assets or that it needs to do more.

Going forwards, NEITI needs to use these political and institutional connections better. It needs to strategically locate itself within the governments overriding anti-corruption agenda and economic objectives and the current dominant global agenda on openness enhance its visibility, legitimacy and relevance.

## **4 Monitoring and Evaluation**

The implementation of this strategic plan will consolidate NEITI's commitment to manage for result at all levels.

In line with this, NEITI will develop a comprehensive monitoring and evaluation (M&E) framework that specifically spells out our hierarchy of results including performance indicators at every level, a risk analysis and risk management matrix.

### **4.1 NEITI's M&E Framework**

This framework will help to institutionalize monitoring and evaluation in NEITI through the lifespan of this Strategic Plan. In order to implement this plan, NEITI will invest in capacity building of all staff in the area of M&E, so that all departments can take ownership of the process. The proposed Policy, Planning and Strategy department will play a supervisory and co-ordinating role.

NEITI will collect routine monitoring data and determine what type of evaluation modality is feasible for each component and at any given time: rapid reviews or evaluations, performance audits, budget monitoring & expenditure tracking, cost-benefits analyses, or rigorous, in-depth impact evaluations. NEITI will also invest in development of a suite of M&E tools. A more systematic approach will be developed for measurement and attribution of NEITI's achievements.

Finally, NEITI will invest in data dissemination and use for decision-making at all levels. NEITI will institute a participatory monitoring and evaluation that will involve stakeholders.

## Key Results and Indicators for the NEITI Strategic Plan

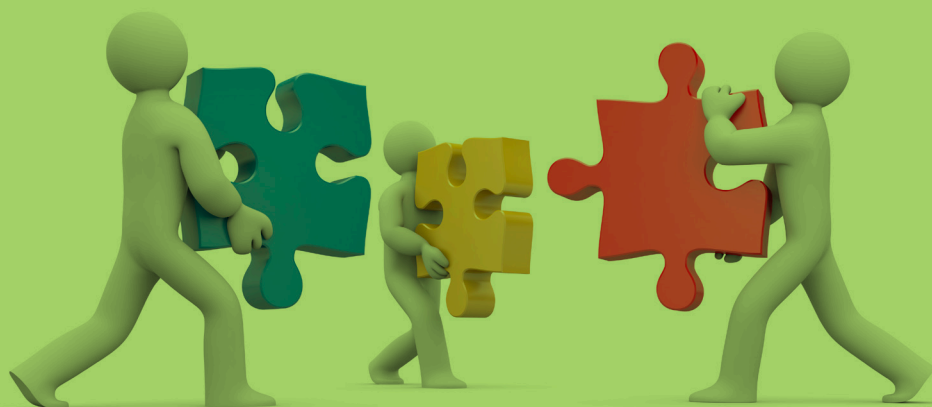
Objectives/key results	Indicators	Means of Verification (data source)	Assumptions/Risks
<b>Strategic Objective 1 – Deepen openness in the extractive sector through timely audits and other impactful studies.</b>			
Improved data gathering and collection and timeous audit report and stewardship	Evidence of improvement in the audit process Number of audit reports produced Number of studies produced Evidence of increased support from NASS and Presidency Framework for data collection	Framework for data collection Audit reports Research reports, policy papers and occasional briefs Newspaper reports	Willingness of stakeholders to use improved data gathering methods
<b>Strategic objective 2 - Shape extractive sector policies and overall governance reforms through policy engagement, thought leadership and interagency co-ordination.</b>			
Improved compliance in the extractive sector	Percentage of recommendations fully enforced. Number of collaborative actions on remediation taken with OAGF and anti-corruption	Framework for enforcement/ remediation Report of Remedial actions Policy papers Newspaper reports	Willingness of OAGF and anti-corruption agencies to work with and co-operate with NEITI.

Objectives/key results	Indicators	Means of Verification (data source)	Assumptions/Risks
<b>Strategic Objective 3 – To strengthen demand for accountability in the use of extractive revenues through strategic communication with critical stakeholders and empowerment of accountability actors</b>			
Effective Stakeholder engagement especially at the grassroots	Number of initiative indicating engagement with the grassroots Number of collaborative agreements with international agencies. Number of projects implemented with international agencies.	NEITI reports  MoUs Communication and Mobilisation strategy Project report	Willingness of Stakeholders to engage
<b>Strategic objective 4 - Increase operational capacity, legitimacy and support through effective administration and human resource management and adequate funding.</b>			
Improved compliance in the extractive sector	New NEITI Act Percentage increase in funding Increased motivation of staff and satisfaction by stakeholders	Annual Audit report of NEITI Staff Climate survey Beneficiary satisfaction survey reports	Implementation of Strategy is not impeded by external factors
Improved organizational effectiveness, management and delivery by NEITI  Improved the work environment and team work  Improved human resources management	Evidence of improved productivity and effectiveness, management and delivery of NEITI mandate (reports; press releases). Number of NEITI activities completed in time with schedule of workplan derived from SP. Availability of departmental workplans informed by the strategic plan	Staff Climate Survey Beneficiary satisfaction survey Interviews/FGDs with NEITI staff Copies of Workplans and corresponding evidence of work completed.	Implementation of Strategy is not impeded by external factors
Improved deployment and utilization of ICT	Proportion of staff who report improved access to and ability to utilise ICT Quantity and type of new ICT equipment procured and installed	Staff interviews Project documents showing evidence of use of ICT	No data leakage No external infrastructure issues impede on installation and utilisation of ICT
Improved scope and quality of documentation	Assessments recorded in external reviews undertaken by funders and comments by stakeholders	Relevant external reviews Relevant comments by stakeholders	

The table below shows an indicative risk analysis/management matrix that can be updated from time to time.

No	Risk	Probability	Impact	Comments/Mitigation Strategy
1.	Stakeholders who will lose from effective NE-ITI mobilising public opinion against NEITI	M	H	Effective Stakeholder engagement
<b>Strategic objective 4 - Increase operational capacity, legitimacy and support through effective administration and human resource management and adequate funding.</b>				
2.	Stability of the Political system	M	H	Maintain close relationship with key elements of government through Board
3.	Low capacity of Staff	M	M	Continuous Capacity building of Management and staff of NEITI
4.	Timely Project and financial report to donors	M	H	Capacity Building; Supervision and Performance Management
5.	Natural disaster	L	H	Disaster Recovery Plan
6.	Regulatory Capture by Stakeholders	L	H	Effective Stakeholder engagement





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