

Before Nigeria Is Returned To Highly Indebted Poor Countries (HIPC) Status

- 1. How \$672Billion(N134trillion) Was Appropriated And Squandered Since 1999**
- 2. How Buhari Administration Emerged The Highest Debtor Government Since 1960**

(Intersociety, Onitsha Nigeria, 28th October 2016)-The leadership of **International Society for Civil Liberties and the Rule of Law: INTERSOCIETY**, has received with shock the moves by the Administration of Gen Muhammadu Buhari to further mortgage Nigeria and its future into chronic and harmful indebtedness; by legislatively seeking to borrow a whopping sum of \$30Billion or N9.12Trillion, using the current official exchange rate of N283 per US\$. The Buhari Administration has in the past one year, covering 30th June 2015 to 30th June 2016; according to the Debts Management Office-DMO, borrowed a total of N2.25trillion or \$11billion. This numerically translates to average of \$10.3billion in a year; out of 2016, 2017 and 2018 fiscal periods; the first of its kind in the history of Nigeria.

The most alarming and shocking part of it all, in practical reality, is that the borrowings are not capable of yielding dividends for their repayment including payment of principal sums, their possible penalties and agreed interests. Nigeria leaders are notoriously known worldwide as serial and crooked borrowers; using public infrastructures and other public reasons as a cover to obtain such loans; only to channel them into wasteful *overheads and personnel costs squander-mania*; otherwise called “recurrent expenditures”; with the most crooked of them being *overheads and allowances*.

There is no difference between the moves by the Administration of Gen Muhammadu Buhari to borrow the loans under reference; reasons so adduced and the country’s previous borrowings. Reasons given for seeking such harmful loans (i.e. social and infrastructure developments) are not different from “borrowing to run government or offset government overheads and personnel costs”. This is because such borrowings and their expenditures are unproductive; incapable of generating requisite outputs for the liquidation and servicing of the loans.

Borrowing, traditionally and scientifically speaking, is productive centered and any loan not capable of generating output for its repayment is not worth borrowing. Nigerian public borrowings since 1999 have been hugely *stomach or consumption oriented*. Lies and cover-ups have successfully been applied by successive and present political leaders in Nigeria in connivance with crooked agents or officials of the borrowing countries or institutions to deceive Nigerians so as to secure such loans which end up in private pockets; thereby plunging Nigeria in the quandary of perpetually indebtedness and associated chronic under-development and “highly indebted poor countries status”.

Just like official fraud inherent in government currency exchange management; chronic fraud also abounds in the so called “debts servicing management”; where, for instance and according to the DMO, a whopping sum of \$47.99Million was spent between 30th of June 2015 and 30th of June 2016 in servicing the country’s foreign debts; which currently stands at \$11.26Billion.

This is more so when the amount budgeted by Federal Government in its 2016 debts servicing (N1.47trillion or \$5.02billion) is slightly lower than the sum allocated for capital projects (N1.8trillion or about \$6.5billion; using the current official exchange rate of N283 per US\$) meant for the general welfare of 174million citizens of the country. That is to say that a whopping sum of N1.47trillion or \$5.02billion is already squandered to service the Federal Government's foreign and local debts, which currently stand at \$45.08billion or N12.73trillion (as calculated by DMO using the new official exchange rate of N283.00 per US\$); out of the country's total debts of \$61.4billion or N16.29trillion (see DMO records of 30th June 2016).

Globally, government borrowings are on steady decline. This follows the increased influences and roles of *Information Computer Technology (i.e. mental wealth creativity and revolution) and Private Sector or independent entities or institutions*. Through *governance prudence and decency*; recurrent oriented borrowings are drastically cut; and through robust *Public-Private-Partnership*; capital oriented borrowings are drastically reduced, if not eliminated. That is to say that Nigeria ought not and does not have to borrow; because it is *a land flowing with milk and honey*. To governmentally go borrowing in Nigeria, clearly shows governance ineptitude, failure, armchair, incompetence, confusion, misdirection and parasitism.

For the purpose of records and public awareness, the Federal Government of Nigeria, the 36 States, the Federal Capital Territory (FCT), the Niger Delta Region and the country's 774 Local Government Areas (LGAs) had in the past 17years or since June 1999; appropriated and squandered a total sum of not less than \$672billion or N134trillion; out of which Federal Government appropriated and squandered \$266billion or N53.8trillion; while the FCT and the 36 States including the Niger Delta Region appropriated and squandered \$300billion or N59.2trillion.

The 774 LGAs received and squandered \$75.1 billion or N15.2trillion. The figures respectively attached to the FCT, the 36 States including Niger Delta Region and the 774 LGAs did not include the appropriated and squandered sums covering 1999 (June), 2000, 2001 and 2002 fiscal periods; but the calculated block expenditures of the said periods, approximated at N6.3trillion or \$31billion was added; using the former official exchange rate of N197.00 per US\$. The total appropriated and squandered public funds of \$672billion or N134trillion in the past 17years or since June 1999 is arrived at when the Federal Government's sum of \$266billion or N53.8trillion is added.

Sources: **Intersociety's national investigation on the state of public expenditures in Nigeria following a public disclosure by the Attorney General of the Federation, Abubakar Malami, SAN that "EFCC has recovered over \$2trillion since its inception in 2003"; leading to our letter to his office, demanding for full public clarifications, dated 5th of February 2016 and referenced: Int./Soc/002/02/016/FMJ/ABJ/NG:[http://www.intersociety-ng.org/site-map/staff/item/76-re-over-\\$2trillion-loot-recovered-by-efcc-in-twelve-12-years](http://www.intersociety-ng.org/site-map/staff/item/76-re-over-$2trillion-loot-recovered-by-efcc-in-twelve-12-years); 2. Debts Management Office; 3. Federal Ministry of Finance; 4. Media Reports and Intersociety Records.**

Buhari Administration As The Highest Debtor Government In Nigeria: With the latest moves by the Administration of Gen Muhammadu Buhari to secure loans amounting to \$30billion or N9.12trillion (at current official exchange rate of N283.00 per US\$), for a period of 2017-2018, the Administration has surpassed all the successive military and civilian governments in Nigeria as the highest debtor Government since 1960. It is also projected that by the time Gen Buhari Administration expires in 2019, it must have borrowed a total of at least \$45billion-\$50billion in four years and doubled the Federal Government's share of Nigerian public debts, which currently stands at \$45billion or N12.7trillion; comprising local debts of \$37.4billion and foreign debts of \$7.6billion.

For the avoidance of doubt, the Obasanjo civilian administration left in June 2007 total debts of \$16.5billion; comprising foreign debts of \$3.5billion and local debts of N1.8trillion or about \$13billion, using the then official exchange rate of about N140.00 per US\$. That is to say that the Yar'Adua/Jonathan Administration(s) inherited \$16.5billion debts from the Obasanjo Administration in the same June 2007 and by 30th of June 2015 when the Administration ended per Dr. Goodluck Jonathan; the Federal Government's share of total public debts in Nigeria was \$7.2billion for foreign debts and N8.39trillion or \$42billion (using pre June 2016 official exchange rate of N197.00 per US\$); totaling \$49.2billion or N9.8trillion. This is out of Nigeria's current total public debts of \$61.4billion or N16.29trillion (as calculated and presented by the DMO as at 30th of June 2016).

But as at 30th June 2016, the Federal Government's public debts figures has increased from \$7.2billion for foreign debts to \$7.6billion; and from N8.39trillion for local debts to N10.6trillion; totaling N12.1trillion or \$60billion (using pre June 2016 official exchange rate of N197.00 per US\$). The difference seen in the dollar version of the current public debts as captured by the DMO (i.e. \$45B instead of \$45B) is as a result of the adoption by the DMO of the new official exchange rate of N283.00 per US\$; whereas we calculated ours using pre June 2016 official exchange rate of N197.00 per US\$.

The above breakdown clearly shows that the Buhari Administration had in the past one year (June 2015 to June 2016), borrowed and lavishly spent a total of at least N2.25trillion or \$11billion without any tangible thing to show for it; other than propaganda, falsehood, deceit and destructive policies of militarization and militarism.

When the sum of \$16.5billion share of the Federal Government's public debts inherited from the Obasanjo Administration is deducted from the sum of \$49.2billion being the total public debts of the Federal Government as at 30th of June 2015, it simply means that a total of \$32.5billion was borrowed and left to the Buhari Administration by the Yar'Adua/Jonathan Administration from June 2007 to June 2015; while the Buhari Administration, in turn, had borrowed and expended lavishly the whopping sum of \$11billion.

As we earlier observed, by the time the Buhari Administration completes its \$30billion external borrowing plans for 2017 and 2018 fiscal seasons and possibly effect another borrowing for 2019 fiscal year, the Administration may most likely end up bequeathing to Nigeria and Nigerians total Federal debts of \$45billion to \$50billion in its name. This excludes the sum of \$49.2billion inherited from the Obasanjo and the Yar'Adua/Jonathan Administration(s); thereby making the Administration the country's arch borrower and highest debtor Government since 1960.

Till date, Nigerians are still wallowing in hopelessness and confusion as per whether there is a government in the country presently. The whopping sum of \$11billion borrowed in the past one year by the Administration of Gen Muhammadu Buhari has already gone the way of others (i.e. expended lavishly); yet another staggering sum of \$30billion is being sought for borrowing under cheapish and provocative excuses. For more information, see the 30th of June 2016 official records of the Debts Management Office (DMO).

The Buhari Administration's provocative and unwarranted journey to illegitimate borrowings started in the last quarter of 2015 when he magisterially sought and obtained a **loan based recurrent supplementary appropriation of N575billion** from the National Assembly; signaling his war mongering and other divisive and harmful policies that have pushed the country back to age of the Yore and intractable backwardness till date. Till date, the Buhari Administration has not told Nigerians the performance records of the loan infested 2016 budget of N6.07trillion; particularly its capital project provisions and the state of revenue generation. The Administration's war mongering policy has dangerously backfired and thrown up almost 20 recalcitrant armed groups of various forms and sizes. The spate of traditional crimes has also risen and gone viral. Nigeria has fully been returned to the **butcher jungle** of yesteryears.

By seeking to borrow a whopping sum of \$30billion external loans, the Buhari Administration has returned the country to its notorious inglorious past in the international borrowing chart during which Nigeria shamelessly shared international negative ratings with countries like battered Republics of Somalia and Afghanistan as *the world's most highly indebted poor countries* (HIPC); which took the ingenuities of former President Olusegun Obasanjo and his celebrated economic team led by Dr. Ngozi Okonjo-Iweala, to wriggle the country out of it till date; a priceless feat the Administration of Gen Muhammadu Buhari is working hard and dangerously to upturn; hiding under the cover of "economic recession".

Nigeria cannot afford to repeat its inglorious past of venturing into hellish international indebtedness, which it disastrously started in 1965, leading to a skyrocket increase in its foreign debts profile to the tune of \$970million in 1970, substantially owed to the IMF, from which it rose to a whopping sum of \$32.5billion in 2000; before a huge reprieve came in 2005/2006 by way of debt forgiveness, courtesy of the Paris Club of Creditors; upon which Nigeria's foreign debts stock was brought down to about \$3.5billion in December 2006, from its all time high of \$33.5billion in 2005. The debt forgiveness came by way of payment of \$12billion to get \$18billion liquidated.

Owing to similar mismanagement of public funds and executive recklessness, Nigeria's domestic public debts got raised disastrously from N28.44billion in 1986 to N1.8trillion in December 2007; and has further risen astronomically, as at 30th of June 2016 to N10.6trillion for Federal Government and N2.5trillion for the 36 States and the FCT; totaling N13.1trillion. The most shocking and annoying part of it all is that the same political class that mismanaged the country's public funds totaling \$672billion or N134trillion since 1999 are the same people loitering the corridors of power in the current political composition at the Federal and State levels; turn-coating from one political arrangement or affiliation to another with utter shamelessness and lack of conscience.

We, therefore, not only oppose with utter vehemence the moves by the Administration of Gen Muhaamadu Buhari to sink Nigeria and Nigerians into chronically harmful indebtedness by whatever guise, but also call on all Nigerians to demand accountability from the present and past State and Federal Administrations on how, where and when the staggering sum of \$672billion or N134trillion public funds were spent or squandered.

Such questions should include the following: ***why should Lagos State, as rich as it is owe over \$1billion foreign debts and N200billion local debts? Why should mega oil and IGR states like Delta, Rivers, Akwa Ibom, Ogun and Bayelsa owe hugely locally and internationally? Why should landlocked States like Kebi, Zamfara, Bauchi, etc receive more federated revenues than Anambra, Imo, Abia, Ebonyi, Cross Rivers and Enugu States?***

Others are: ***Where is the Buhari Administration's portion of the over \$2trillion, which the Attorney General of the Federation, Mr. Abubakar Malami, SAN, publicly disclosed that EFCC had recovered since its inception till date? What are the whereabouts of "recovered loots", which the Minister of Information, Alhaji Lai Mohammed publicly disclosed to have been recovered? Specifically, where is the N78.3billion portion of the "recovered loots". Where is the \$185.1million portion of same? Where is the 3.5Million British Pounds portion of same? Where is the 11.25Million Euros portion of same?***

The National Assembly and all Nigerians are called upon to be bold enough to save Nigeria from another round of loan bondage. President Muhammadu Buhari must be compelled to swallow his pride, profusely apologize to all Nigerians, change his disastrous leadership style, locate, find and embrace peace, bring all his murderer lieutenants to justice, appease the souls of the murdered innocent citizens and take genuine responsibility as ***the Papa of the nation*** and entrench the culture of ***negative peace (absence of violence against innocent citizens) and positive peace (absence of structural violence or ethnic cleansing and political exclusion)***.

Unless the President and his lieutenants wear the new and true garment of statesmanship and listener and learner-leadership; come back to their senses and kneel before Nigerians in a national network media and beg the oppressed, the suppressed, the murdered, the angered, the injured, the battered, the hungry, the balkanized, the abused, the cajoled, the jobless, the libeled, the slandered, the illegitimately detained, etc; and ask for forgiveness with firm assurance of non-repetition of all forms of regime atrocities, which this Administration is notoriously known for; otherwise Nigeria will continue perpetually to rigmarole in absurdities even if the President and his lieutenants are loaned \$10trillion by loaner institutions or countries.

The remorsefulness and change of leadership attitude under demand must be followed up with a presidential proclamation or a legislative enactment of an Act establishing a National Sorry Day and Compensation and Empowerment of surviving victims or close relatives of the slain victims of regime atrocities and other murdered innocent citizens particularly those killed or physically disabled by State agents.

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