



FACTSHEET ON POLITICAL CAMPAIGN FINANCE IN NIGERIA

| S/N | ISSUE | FEATURE |
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| 1 | What is Political Campaign Finance? ¹ | <ul style="list-style-type: none">- The use of money or material resources for campaign activities or electioneering.- It involves the sources of finance and the means through which political campaigns are sponsored in a given polity.- It includes all monetary and in-kind contributions and expenditure collected by and incurred by candidates, their political parties or their supporters in electioneering.- The integrity of political campaign finance, like all aspects of the electoral process, is assessed against international standards and best practices. Most countries around the world regulate campaign finance in some way, in order to control the way money influences the electoral process. |

¹ACE (2022), Campaign Finance <https://aceproject.org/ace-en/focus/campaign-finance/main-approaches-to-campaign-finance-regulation>

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Types of ‘Corrupt’ Political Campaign Finance²

- “‘corrupt’ political finance involves behaviour on the part of a candidate or a party, in which they improperly or unlawfully conduct financial operations for the gain of a political party, interest group, or of an individual candidate”³
- Political contributions that are inconsistent or contravene existing and extant laws on political financing.
- The use of money that a political office holder has received from a corrupt practice in electioneering.
- The improper use and abuse of state resources for partisan political purposes to gain electoral advantages.
- Selling of appointments, honours, or access to information for electoral victory
- Limiting and restricting access to funding for opposition parties and candidates during electioneering.
- Illicit contributions including from corporate and non-profit organisations, drugs trade, illegal extractive industry activities and organized crime.
- Political contributions for favours, contracts or policy change.
- Vote trading (buying and selling) where goods and services are traded for votes
- Receipt of interested gifts which create reciprocity and clientelism

² Ukase, I., (2015) Political parties and election/campaign financing in Nigeria: Interrogating the 2015 General Elections. https://globaljournals.org/GJHSS_Volume16/2-Political-Parties-and-Election-Campaign.pdf

Adetula, V., 2008. Money and politics in Nigeria.

Aiyede, E.R., 2008. The role of INEC, ICPC and EFCC in combating political corruption. International foundation for electoral system.

Fiss, O.M., (1997). Money and politics. *Colum. L. Rev.*, 97, p.2470.

Walecki, M (2008), Political Money and Corruption: Limiting Corruption in Political Finance.

https://www.ifes.org/sites/default/files/nigeria_political_money_and_political_corruption.pdf;

http://www.criminology.su.se/polopoly_fs/1.326409.1490706005!/menu/standard/file/Political%20Corruption%20and%20Campaign%20Financing.pdf

³ Walecki, M (2003) Political Money and Political Corruptions: Considerations for Nigeria. https://www.ifes.org/sites/default/files/money_corruption_nigeria.pdf



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| 3 | Main Considerations and Provisions for Political Campaign Finance⁴ | <ul style="list-style-type: none"> - Prohibition against corrupt and illegal practices such as vote trading, contract, honours and appointment trading etc. - Disclosure and reporting rules and regulations - Limits of contributions and spending rules and regulations - Bans on certain types of contributions such as foreign contributions, anonymous contributions, or contributions from business corporations - Funding of internal party contest regulations and guidelines - Political broadcasting rules e.g. NBC Code Section 5 and 7 - Financial deposits for candidates for public office - Rules concerning the funding of internal party contest. - Rules concerning the declaration of assets by candidates for public office - Measures to control the use of public resources for campaign purposes |
| 4 | Existing Legislation on Political Campaign Finance⁵ | <ul style="list-style-type: none"> - Regulation on political campaign finance provide rules which cover contribution and expenditure limits; the reporting and disclosure obligations of electoral candidates; the nature of incurred expenditure, and the enforcement of laws by Election Management Bodies (EMBs)⁶ <p><i>The 1999 Constitution</i></p> <ul style="list-style-type: none"> - Section 221 of the 1999 Constitution prohibits any other group or association other than a registered political party from sponsoring the election of a candidate. In support of this, Section 228 (c) authorizes the National Assembly to provide grants to the INEC for disbursement to political parties. |

⁴Ukase. I., (2015) Political parties and election/campaign financing in Nigeria: Interrogating the 2015 General Elections. https://globaljournals.org/GJHSS_Volume16/2-Political-Parties-and-Election-Campaign.pdf

https://www.ifes.org/sites/default/files/nigeria_political_money_and_political_corruption.pdf

⁵PLAC (2019), <https://placng.org/i/wp-content/uploads/2019/12/Laws-Governing-Elections-in-Nigeria.pdf>

⁶ PLAC (2019), Laws Governing Elections in Nigeria, <https://placng.org/i/wp-content/uploads/2019/12/Laws-Governing-Elections-in-Nigeria.pdf>



- Section 225 (2) of the 1999 Constitution requires and obligates every political party to submit to INEC a detailed annual statement and analysis of its sources of funds and other assets together with a similar statement of its expenditure in such form as the commission may require.
- Section 225 (5) of the 1999 Constitution grants INEC the power to direct political parties regarding the books or records of financial transactions which they shall keep and, to examine all such books and records.
- Section 226 (1) (2) further requires INEC to prepare and submit a report on the accounts and balance sheet of every political party; and conduct investigations and report findings concerning whether accounts have been kept by political parties.
- Section 225 (3) prohibits political parties from holding or possessing assets outside Nigeria or retaining any funds or assets remitted or sent to it from outside the country.
- Section 225 (4) mandates political parties to pay all such funds, as specified in 225 (3), to INEC within 21 days of receipt as required by INEC.

The Electoral Act 2010⁷

- The Electoral Act 2010 contains provisions concerning political campaign finance.
- Section 91 of the Act provides maximum limits on election expenses from FCT Area Council elections to state and national elections including:
 - Presidential – ₦1b, One Billion Naira
 - Governorship – ₦ 200m, Two Hundred Million Naira
 - Senate – ₦40m, Forty Million Naira

⁷INEC (2022), Electoral Offences and Penalties <https://www.inecnigeria.org/wp-content/uploads/2019/02/ELECTORAL-OFFENCES-AND-PENALTIES-latestFEBRUARY-2019.pdf>



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| | | <ul style="list-style-type: none"> • House of Representatives – ₦20m, Twenty Million Naira • State Assembly – ₦10m, Ten Million Naira • Area Council Chairmanship – ₦10m, Ten Million Naira • Area Council Councillorship – ₦1m, One Million Naira <ul style="list-style-type: none"> - Section 91 (9) of the Act states that no individual or other entity shall donate more than ₦1,000,000 to any candidate. - Section 93 of the Act mandates all political parties to fully disclose all information regarding all monetary and in-kind contributions received by the party, and/or made by the party for in support or sponsorship of the election of any candidate, to the Commission. <p><i>The Companies and Allied Matters Act 2020⁸</i></p> <ul style="list-style-type: none"> - Section 43 (2) of the 2020 Company and Allied Matters Act (CAMA) prohibits corporate organizations from donating for political purposes. |
| 5 | Changes in the Electoral Bill 2021 | <ul style="list-style-type: none"> - The Electoral Bill 2021 seeks to repeal and replace the Electoral Act 2010. It increases the maximum limits on election expenses from FCT Area Council elections to state and national elections including; <ul style="list-style-type: none"> • Presidential – ₦5b, Five Billion Naira • Governorship – ₦1b, One Billion Naira • Senate – ₦4100m, Hundred Million Naira • House of Representatives – ₦70m, Seventy Million Naira • State Assembly – ₦30m, Thirty Million Naira • Area Council Chairmanship – ₦30m, Thirty Million Naira • Area Council Councillorship – ₦5m, Five Million Naira |

⁸ Section 43 (2) Companies and Allied Matters Act 2020 <https://www.cac.gov.ng/wp-content/uploads/2020/12/CAMA-NOTE-BOOK-FULL-VERSION.pdf>



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| | | <ul style="list-style-type: none"> - The Bill also increases donation limits. Section 88 (8) states that no individual or other entity shall donate more than ₦50,000,000 to any candidate. |
| 6 | The Role of EMBs (INEC) in Monitoring Campaign Finance | <ul style="list-style-type: none"> - Section 89 (1) – (4) of the Electoral Act 2010 mandates INEC to publish all annual statement of assets and liabilities; statements of expenditure at periodic intervals as required by the Commission; and audit reports of all accounts kept and submitted by political parties, in three National Newspapers. - Section 90 of the Act gives the Commission the powers to limit the amount of money or assets which can be contributed to a political party. - Section 91 specifies maximum limits of expenses to be incurred as ‘election expenses’ at the Local Government, State, or National levels. - Section 92 defines ‘election expenses as ‘expenses incurred by a political party within the period from the date notice is given by the Commission to conduct any election up to and including the polling day in respect of the particular election.’⁹ - Section 92 (2) grants the Commission in consultation with political parties, the right to determine the maximum limit of election expenses to be incurred by political parties for the management or the conduct of elections. |
| 7 | Selected Cases of Breach of Finance Laws¹⁰ | <p>2003 General Elections</p> <ul style="list-style-type: none"> - Run off to the 2003 general elections, PDP’s presidential candidate, President Olusegun Obasanjo and Vice President Atiku Abubakar raised over N5.5b to fund their campaign. This exceeded the maximum limit fixed by the Electoral Act 2002. |

⁹ PLAC (2019), Laws Governing Elections in Nigeria, <https://placng.org/i/wp-content/uploads/2019/12/Laws-Governing-Elections-in-Nigeria.pdf>

¹⁰ INEC (2005), Finance Handbook https://www.inecnigeria.org/wp-content/uploads/2018/10/Political_Party_Finance_Handbook.pdf

Kura, S.Y.B. (2011), “Political Parties and Democracy in Nigeria: Candidate Selection, Campaign and Party Financing in People’s Democratic Party” in Journal of Sustainable Development in Africa, Vol. 13, No. 6.



- During the 2003 run-off elections, governorship candidates James Ibori, PDP, and Bol Tinubu, AD, raised ₦2.3b and ₦1.3b respectively as campaign funds. These were also in contravention of the provisions of the Electoral Act 2002 on electoral expenses.
- No report that political parties which failed to submit their election expenses report to INEC were punished in accordance with Section 79 (1) (2) of the then Electoral Act 2002.
- Others include: Bukola Saraki (PDP), governorship candidate in Kwara State who raised ₦160m; Lucky Igbinedion (PDP) governorship candidate Edo state, ₦500m; Fformer Speaker of the House of Representatives, Ghali Na' Abba (PDP) and his deputy, Chibodom Nwuche (PDP), who raised N150m and ₦500m respectively. Great Ogboru (AD), governorship candidate in Edo state raised ₦200m.
- Note: All other candidates were holding public offices and contesting in the governorship elections for a second tenure except Bukola Saraki (PDP) and Great Ogboru (AD).

2011 General Elections

- A financial adviser for the International Foundation on Electoral Systems confirmed that no reliable information existed for how much money was spent during the 2011 elections.¹¹
- The Nigerian Legislative framework which governs elections and electioneering grant INEC the right to set a maximum spending limit for parties, but the Commission neglected to do so before the 2011 general election.

¹¹ CNN (2012), International Campaign Finance: How do countries compete? <https://edition.cnn.com/2012/01/24/world/global-campaign-finance>



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| | | <p>2015 General Elections</p> <ul style="list-style-type: none"> - Run-off to the 2015 elections, the PDP organized a dinner fund-raiser for its then presidential candidate, President Goodluck Jonathan, a figure estimated at ₦22b was raised. This was in contravention of the maximum limit prescribed by the Electoral Act 2010. - President Jonathan had prior to this rejected the Senator Ken Nnamani's recommendations to strictly monitor/regulate political campaign finances. - In January 2015, the Buhari Support Group claimed that it had raised ₦54m from Nigerians in support of President Muhammadu Buhari's campaign. This was in contravention of the maximum limit prescribed by the Electoral Act 2010. |
| 8 | <p>CSO Engagement on Political Campaign Finance¹²</p> | <ul style="list-style-type: none"> - In November 2012, the Director of the Centre for Social Justice (CSJ), Mr. Eze Onyekpere, proposed that a specialised independent body be established for the sole purpose of monitoring political campaign finances <ul style="list-style-type: none"> • In March, the CSJ also pressed for the set-up of a 'special campaign fund account' for all candidates which would be subjected to monitoring and strict audit; as well as strict penalties for candidates found to exceed statutory limitations - In March 2015, a group of civil society organizations, including the Centre for Social Justice (CSJ), the United States Agency for International Development (USAID), and the International Foundation for Electoral Systems (IFES), warned that excessive campaign expenditure was harming Nigeria's economy. |

¹² Ukase. I., (2015) Political parties and election/campaign financing in Nigeria: Interrogating the 2015 General Elections. https://globaljournals.org/GJHSS_Volume16/2-Political-Parties-and-Election-Campaign.pdf



- The report gave the total amount spent on print media advertisements alone by the PDP on then Presidential Goodluck Jonathan campaign and the APC, on President Muhammadu Buhari’s campaign as at February 2015, to be ₦1.382b.
- Other expenses included¹³;

| <i>Purpose of Expenditure</i> | <i>PDP</i> | <i>APC</i> |
|---|----------------|----------------|
| <i>Campaign Rallies</i> | <i>₦1.1b</i> | <i>₦595.1m</i> |
| <i>Bill Boards</i> | <i>₦155.1m</i> | <i>₦99.2m</i> |
| <i>Electronic Media Campaign Coverage</i> | <i>₦508.4m</i> | <i>₦391.1m</i> |
| <i>Election Media Advert</i> | <i>₦7.3m</i> | <i>₦5.6m</i> |
| <i>TOTAL</i> | <i>₦2.5b</i> | <i>₦1.1b</i> |

**All figures are rounded off to one decimal point*

- These figures do not include expenses on hotel accommodation, transport costs, security detailing, feeding amongst other usual costs incurred during political campaigns.
- In February 2018, the Good Governance Team (GGT), emphasized the problem of the ‘abuse of incumbency’ citing the ‘flagrant use of public funds for electioneering processes during President Jonathan’s campaign’ during the 2015 general elections.

¹³ The Guardian (2015), “A Case for Campaign Finance Reform,” January 19.

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| | | <ul style="list-style-type: none"> • The project was set up to monitor the political campaign finance in the 2019 general electoral cycle from February 2018 to April, 2019.¹⁴ - In January 2020, the General Coordinator of the Justice Development and Peace Makers Centre (JDPMC), Rev. Fr. Peter Akinkunmi encouraged the Federal Government to mandate the Independent Corrupt Practices and Other Related Offences Commission (ICPC) and the Economic and Financial Crimes Commission (EFCC) to track and publish reports on all political party expenditure in the 2019 general elections.¹⁵ - In September 2021, CSOs including Civil Society Legislative Advocacy Centre (CISLAC), set up a project tagged ‘Strengthening Accountability Networks Among Civil Society (SANCUS)’ to curb illicit financial flows in Nigeria’s electoral process and improve accountability.¹⁶ The project is supported by the European Commission and is jointly being implemented by Transparency International. The project is currently running and scheduled to close in December, 2023. |
| 9 | Main Challenges with Campaign Finance and Other Key Facts to Know¹⁷ | <ul style="list-style-type: none"> - Majority of donations that candidates and political parties receive are hidden. - It is difficult to track and quantify contributions that are made in kind including media campaigns. - Uneven access to funds for all relevant actors because of uneven playing field between incumbent and opposition |

¹⁴ Blueprint (2018), 2019: CSO tracks Campaign Funds, Others <https://www.blueprint.ng/2019-cso-tracks-campaign-funds-others/>

¹⁵ The Sun (2020), Elections: CSO urges FG to track income, expenditure of parties <https://www.sunnewsonline.com/elections-cso-urges-fg-to-track-income-expenditure-of-parties/>

¹⁶ The Cable (2021), CSOs set up project to discourage use of looted funds for political campaigns <https://www.thecable.ng/csos-set-up-project-to-discourage-use-of-looted-funds-for-political-campaigns>

¹⁷ <https://www.idea.int/sites/default/files/publications/the-state-of-political-finance-regulations-in-africa.pdf>
<https://www.idea.int/sites/default/files/publications/funding-of-political-parties-and-election-campaigns.pdf>



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| | | <ul style="list-style-type: none"> - Personalization of state resources and abuse of power by an incumbent political party with public funds used in strengthening grip on power and increase chances of re-election - Unequal access to funding for different political actors - Ability of wealthy interests to unduly influence politics and Co-optation of politics by business interests - The bulk of information available is derived from media reports. - Peculiar features about Nigeria, including the existence of a cash-based economy, corruption, and godfatherism make it even more difficult to track and monitor campaign finance. |
| 10 | <p>Policy Agenda: Towards Accountable and Transparent Political Campaign Financing in Nigeria¹⁸</p> | <ul style="list-style-type: none"> - With emerging technologies, lawmakers must consider the impact of cryptocurrency and virtual monies on campaign finance. - Similarly, lawmakers must begin to regulate digital campaigning in the form of social media advertisements, bulk text messages, etc. - Clarifying ambiguous terms including, ‘election campaign’, ‘party finance’, ‘political finance’, ‘expenditure’ would serve to strengthen existing legislation governing political election campaigns. - EMBs must enforce strict anti-corruption laws and governing legislation to regulate political campaign finance. - More effective results can be achieved by establishing a specialised body with the sole mandate of monitoring campaign finance, such as the Federal Electoral Commission in the USA. - Building the capacity of the media on the provisions of the laws regulating political campaign finance will enable enhance enlightenment for the public; and increase exposure of erring political parties and candidates who contravene the Act. |

¹⁸ Ukase. I., (2015) Political parties and election/campaign financing in Nigeria: Interrogating the 2015 General Elections.
https://globaljournals.org/GJHSS_Volume16/2-Political-Parties-and-Election-Campaign.pdf

- CSOs can advocate that political parties and candidates carry the burden of reporting to INEC
- CSOs are encouraged to monitor political campaign financing of respective political parties and their candidates and bring information to public knowledge.
- CSOs can also improve their effectiveness in monitoring campaign financing by clearly defining their objectives, strengthening their technical competencies, developing effective communication strategies, engaging in pragmatic dialogue with relevant authorities, improving their advocacy skills, and periodically reviewing their objectives and programs.¹⁹
- Governments can also stimulate greater discourse on transparency by improving access to relevant information, forming strategic alliances with CSOs, and involving CSOs in regulatory and monitoring activities.
- Political parties and candidates can be supported with capacity to effectively document, record and report political campaign financing
- Political parties should be encouraged to comply with the rules and regulations
- Parties and candidates must imbibe and practice ethical behaviours and conducts
- Parties and candidates must deploy accountability and transparency mechanisms anchored on the three key principles of “**Responsibility, Answerability and Liability**”²⁰

¹⁹ Okonjo-Iweala, N. and Osafo-Kwaako, P., (2013). The Role of Civil Society Organizations in Supporting Fiscal Transparency in African Countries. *Results for Development Institute draft paper*.

²⁰ Forthcoming Ibeanu and Jinadu (2022) *Electoral Accountability in Nigeria*. Abuja: IRIAD-The Electoral Hub with support from the John. D and Catherine T. MacArthur Foundation

About The Electoral Hub

The Electoral Hub is a multidisciplinary strategic think tank committed to strengthening electoral governance, and accountability in Nigeria. The Electoral Hub works to enhance electoral integrity and credibility through research, documentation, electoral education, policy and legal influencing, and impact advocacy.

The main focus of The Electoral Hub's intervention in the electoral governance process is on complementing the roles and activities of the different institutions, stakeholders and drivers of the electoral process by providing back-end support services to them. Since its establishment, The Electoral Hub has grown into a leading research, knowledge and advocacy hub with the capacity to conduct ground-breaking research and analysis of electoral issues.

