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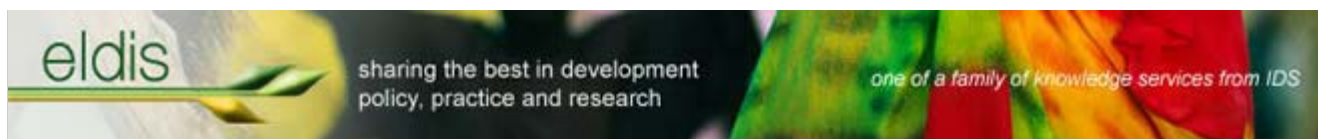
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Fighting corruption in infrastructure delivery in Nigeria

In 2003, the Nigerian government set up the Budget Monitoring and Price Intelligence Unit (BMPIU) to halt corruption and incompetence in public procurement and service delivery. Stakeholders, including contractors, suppliers and end-users, have had diverse reactions to the initiative. How has it performed and what are its strengths and weaknesses?

A study for the 'Partnering to Combat Corruption Series', run by the Water, Engineering and Development Centre, at Loughborough University, in the UK, seeks to gain insight into the BMPIU's operations and to highlight its strengths and weaknesses. It offers recommendations on how to ensure more effective, impact-orientated service delivery, especially for poor people. The research focuses on the BMPIU's impact on 'hard-naira savings' (the naira is Nigeria's domestic currency) in public procurement, as an easily identifiable and measurable cost reduction in service delivery.

The BMPIU aims to make contract awarding processes more transparent and to ensure compliance with the prescribed guidelines and procedures for capital project procurement and related goods and services. It seeks to systematically unify recurrent and capital budget expenditures and build a framework that will bring about best practice methods. This should, in turn, lead to well-defined sector objectives and strategies. Capital spending is monitored through audits, controls and computerisation. Techniques have been put in place to improve the costing of capital projects, while the Medium Term Expenditure Framework tries to ensure that items in ministry budgets are in line with priority targets.

The BMPIU is crucial in the Nigerian government's reform efforts to promote good governance through better management of public finances. The reform of both public procurement and the Medium Term Expenditure Framework has helped improve public spending. However, the BMPIU has yet to assess the whole-life costing of procurement contracts to ensure current and future savings. Public perception is that the BMPIU is performing below average.

The following have been identified as obstacles to the effective performance of the BMPIU:

- obstructive bureaucracy
- unduly long and unpredictable procedural processes
- lack of adequate information or disclosure
- ineffective data archiving and record-keeping practices
- insufficient human resources.

The procurement process is crucial to how potential investors and civil society view a country. A transparent procurement process is important for efficiency, in that it improves the contestability of public procurement markets by providing all qualified potential suppliers the opportunity to bid. If procurement procedures are unclear, incentives for firms to enter the market are reduced.

The study made a number of recommendations to improve the BMPIU's operation, including:

- The bureaucracy of the process needs to be reduced and the stages of the approval process shortened to reduce the length of time involved.
- A fixed timeframe needs to be introduced for the start-to-completion process of certification to improve predictability. This may differ depending on the project type.
- Procedures must be put in place to ensure that procurement processes are followed correctly and that any action taken on procurement is documented and can be substantiated.

- The BMPIU must conduct a far-reaching public awareness campaign to inform the public of its aims and activities in the effort to clean up public procurement.
- The public should be notified of bid outcomes promptly, as delays allow manipulation to occur and cause the public to doubt the transparency of decision-making.
- Measures need to be adopted to improve record-keeping to ensure transparency.

Source(s):

['Budget Monitoring and Price Intelligence Unit \(Due Process\): a Mechanism for Combatting Corruption in Infrastructure Delivery in Nigeria'](#), WEDC, Loughborough University, by Gabriel T Aduda, 2007 (PDF)

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