

# DEFENCE BUDGET & SPENDING

**Implications and Options for Post Covid-19 Nigeria**

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**Policy Brief  
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# Summary

Nigerians hold the view that our national security architecture is not as effective as it ought to be, coming on the heels of very tangible and discernable realities: insurgency, pervasive militancy, kidnapping, piracy, banditry, herders/farmers clashes, armed robbery, ritual killings, cultism, rape and huge numbers of internally displaced persons (IDPs).

While this seems to be true due to the current insecurity challenges spread across the country. Huge resources allocations to the defence sector ranging from statutory allocations to defence, police, civil defence and paramilitary agencies, state security, office of National Security Adviser and Security Votes, have over the years been devoted by both the Federal and State Government to enhance security and fulfill its statutory responsibility to protect Nigerian lives.

Protection of life and property is the first responsibility of any government in a democratic society to protect and safeguard the lives of its citizens. That is where the public interest lies. Despite the huge budgetary allocations and spending in the defence sector, Nigeria continues to witness incessant attacks, loss of lives and property and other forms of crimes and criminality by bandits, terrorists, militants, kidnappers etc. Conversations have begun to emerge on the need to unravel what constitutes the defence budgets and security votes and the nature of its accountability.

There are suggestions for an effective citizen led oversighting mechanism to monitor defence spending and ensure accountability. With the current pandemic and dwindling oil prices, the Nigerian government cannot afford huge defence spending without value for money. We must begin to look inwards towards knowledge transfer to manufacture military needs in-country and create employment.

With the current global pandemic, it has become imperative to assess the effectiveness of past national security funding and consider governance reforms that may be required to cut waste, reduce cost of governance and re-direct scarce revenue and resources towards developmental needs. To achieve this, the Federal Government of Nigeria (FGN) should consider building a Military Industrial Complex (MIC) by attaining self-sufficiency and have limited dependence on other countries for her military needs, thereby creating employment and channel funds to other developmental sectors.

To achieve these, we must get the buy-in of the military, legislatures, civil society organizations and relevant stakeholders to champion these reforms geared towards development, nation building and growth.



# Introduction

In Nigeria, the defense sector suffers from the incidence of envelope budgeting driven by sectoral or branch demands. For this reason, there is little clarity about what constitutes for the armed forces outcome budget as opposed to outlay Budget. The complex process of conversion of outlays into outcomes is even more paradoxical in Nigeria. Hardly does preparation of an outcome budget translate to a performance budget with clearly set out outcomes. This reality leads inevitably to duplication, leakages, waste of resources and corrupt practices.

As at present, Nigerians hold the view that our national security architecture is not as effective as it ought to be. This thinking comes on the heels of very tangible and discernable realities: insurgency, pervasive militancy, kidnapping, piracy, banditry, herders/farmers clashes, armed robbery, ritual killings, cultism, rape and huge numbers of internally displaced persons (IDPs).

Aside the Nigerian Civil War and other peace-keeping missions, Nigeria's major operational activities have been limited to counter-insurgency in different regions of Nigeria. Despite that, the military expenditure in Nigeria continues to increase exponentially, rising from \$ 697 million

to \$469.6 billion in 2020. In the past decade from 2008 to 2018, Nigeria allocated the sum of \$16 billion for defence or 10.51% of the cumulative budget of \$153 billion during that same period. \$4.6 billion was allocated for the defence & security sector in 2019 and \$4.6 billion in 2020. The total budget for security in 2020 constitutes 16.8% of the total budget of \$27.9 billion.

Beyond the enormous resources devoted by Federal Government to enhance security and fulfill its statutory responsibility to protect Nigerian citizens, the 36 state governments devote ample resources under the rubric of "Security Votes" to support the Police, the Civil Defence, Military, and Department of State Services in enhancing security in their states, while respectively maintaining their own vigilante security outfits. Conversations have emerged about the need to unravel what constitutes the security votes received monthly by state governments in principle, how they are expensed, and the nature of its accountability.





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The sad reality is that the cumulative amount of resources devoted to security in Nigeria, remains largely opaque. Statutory allocations to defence, police, civil defence and paramilitary agencies, state security, office of National Security Adviser and for Security Votes in the states are enormous; yet, the security challenge in the nation persists. This reality simply means that Nigeria is not getting value for the money it continues to invest in the defence and security sector.

However, other schools of thought argue that the National Security Architecture of Nigeria, is not adequately funded. Nigeria spends far less on security and defence than is stipulated by organizations such as the International Monetary Fund and the World Bank, which advised

that countries (even without) security challenges) spend at least 1.5% of their GDP on security as a prerequisite for sustainable development, which comes with the responsibility of accountability and oversight. In Nigeria, these components are either ineffective or completely lacking, especially in terms of accountability for the huge funding in security considering its effect and impact on peace and security within Nigeria.

These realities inform in part, the push for security sector reform and governance (SSR/G), and the impact of such funding on peace and security, the apparent lack of transparency and accountability in the management and utilization of security funds in Nigeria.



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As Nigeria contemplates how to tackle the inevitable fiscal crisis orchestrated by COVID-19 pandemic, it has become imperative to assess the effectiveness of past national security funding and consider governance reforms that may be required to cut waste, reduce cost of governance and redirect scarce revenue and resources towards developmental needs.

Against this backdrop, a roundtable dialogue comprising of peace and security experts, citizens, formal military and security officers, civil society and non-governmental consultants convened in a virtual roundtable dialogue on the 18th of August, 2020 to discuss the burning insecurity issues in the coun-

try looking at Defence Budget and Spending: Implications and Options for Post Covid-19 Nigeria.

This program was therefore designed to interrogate the huge budget allocation to National Security Architecture in Nigeria, the impact of the funding on peace and security, the apparent lack of transparency and accountability in the management and utilization of security funds in Nigeria, and the need to review the failing architecture to enable it meet current challenges. The roundtable was convened by Friedrich Ebert Stiftung. This policy brief is an outcome of the virtual dialogue on Defence Budget and Spending: Implications and Options for Post COVID-19 Nigeria.



# Effectiveness of Nigeria's National Security Architecture.

As at present, Nigerians hold the view that insecurity ranks very high in their daily and general concerns. For the amount of money, the Federal and State governments devote to security, most Nigerians contend that our national security architecture is not as effective as it ought to be. This thinking comes on the heels of very tangible and discernable realities: insurgency, pervasive militancy, kidnapping, piracy, banditry, herders/farmers clashes, armed robbery, ritual killings, cultism and huge number of internally displaced persons (IDPs).

In recent years, the Nigerian state has been under severe insecurity which has substantially undermined law and order as well as the protection of lives and property. In fact, since the transition to civil rule in 1999, violent insecurity has surged with different perpetrators such as militants, kidnappers, cultists, pirates and terrorists.

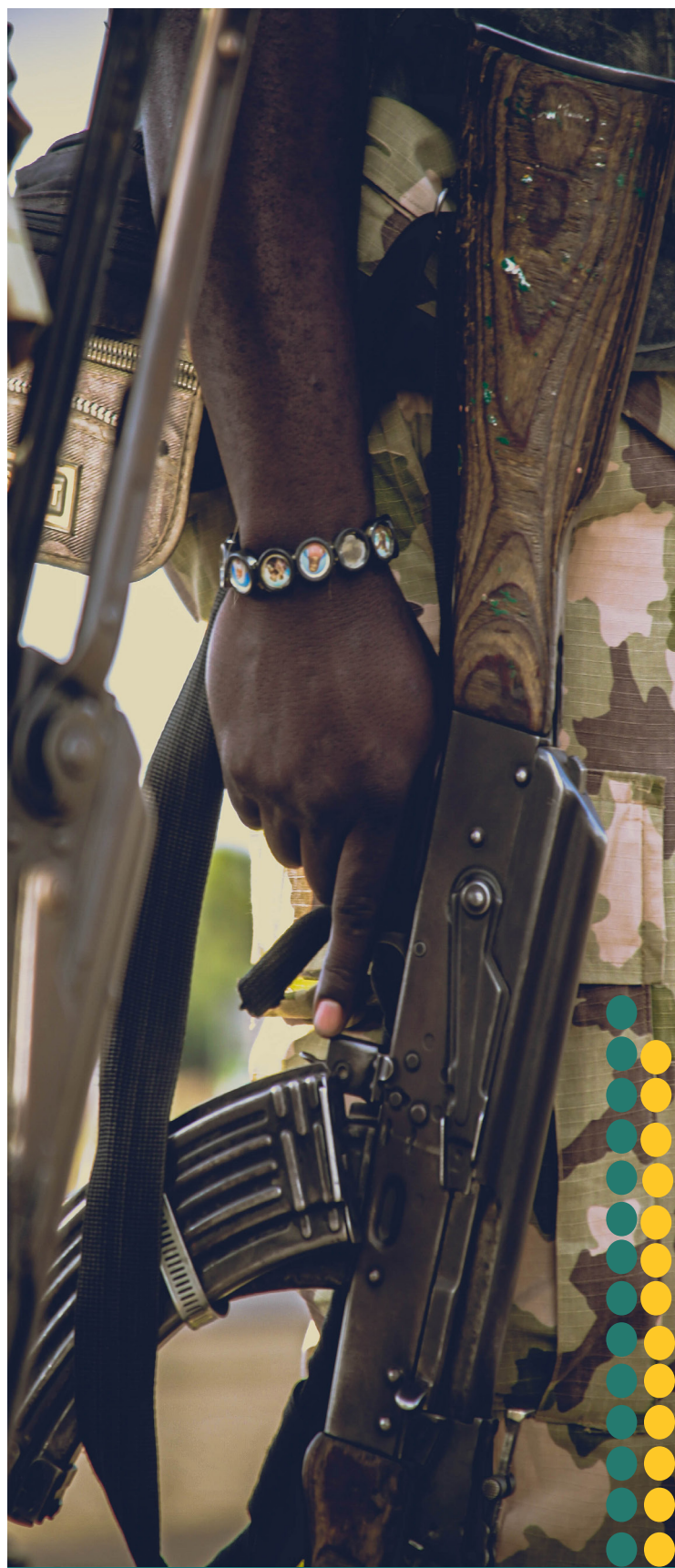


Defence budget over that past decade is huge, but is not commensurate to the desired effectiveness in achieving peace and security.

Today Nigeria is ranked 42nd out of 138 countries in global military strength. Yet the Nigerian defence sector is not a wealth generation sphere. Similarly, besides creating employment for its 120,000 military personnel and a couple of thousand ancillary civilian support staff, the defence sector adds nothing tangible to the national coffers in terms of generative investment. Since its establishment in 1964, Nigeria's Defence Industries Corporation of Nigeria (DICON) is yet to actualize its mission statement to "Maximize Output toward National Defence and Enterprise."

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## Accountability & Transparency in the management of Security funding in Nigeria

**Despite Nigeria's huge allocation to Defence,  
the nation is still mired in waves of insecurity.**

Since the civil war ended in 1970, Nigerian Military has not fought a full-fledged war. Operationally, outside its U.N, A.U. and ECOWAS peacekeeping engagements, its major operational activities have been limited to counter-insurgency in different regions of the country.

However, the military expenditure in Nigeria continues to increase exponentially, rising from \$ 697 million in 2010 to \$469.6 billion in 2020. In the past decade from 2008 to 2018, Nigeria allocated the sum of \$16 billion for defence or 10.51% of the cumulative budget of \$153 billion during that same period. \$4.6 billion was allocated for the defence & security sector in 2019 and \$4.6 billion in 2020. The total budget for security in 2020 constitutes 16.8% of the total budget of \$27.9 billion.

Whereas in 2010, Nigeria spent a paltry 1% of GDP on Defence, by “2011 Nigeria increased its defense budget by 32%, elevating it to the seventh largest spender on its military on the African continent and securing its place as the largest military contributor in ECOWAS.”





# Conclusion

**“It is obvious we must rejig our current national security architecture to meet the present day insecurity challenges in Nigeria.”**

It is obvious we must rejig our current national security architecture to meet the present-day insecurity challenges in Nigeria. There are various factors undermining the effectiveness of our national security architecture with the following variables; lack of full civilian oversight of the military, the opacity in defense and security expenses; politicization and compartmentalization of security, including possible lack of military commitment in the country.

The military has become self-administering; a reality validated by the fact that welfare, procurement of office goods and services and building structures tends to take priority over procurement of defence hardware, spare parts and maintenance tools.

In conclusion, a well-equipped, well-trained, well-organized and well-funded defence and security sector can make an important contribution towards securing our nation in the face of insecurity, disaster management and disease response, as the experience of some industrialized countries has shown.



# Recommendations & Options for Post- Covid-19 Nigeria.



## MILITARY LEADERSHIP

The Nigerian National Security Architecture must create a strategy to incorporate components that would support wide (horizontal and vertical) and informed public engagement on peace, security and justice policies and structures. Security sector oversight mechanisms by state and non-state actors (especially ordinary citizens) founded on accountability and transparency, must be created and designed to function proactively.



## LEGISLATIVE

The process of defence procurement should be diversified with the backing of policies to ensure that more purchases are sourced from within Nigeria to develop indigenous capacity and increase employment. This will also improve self-sufficiency. Procurement abroad with the current exchange rate and post COVID realities will constitute huge spending.

Similarly, Nigeria may need to drastically reduce her defence funding and divert those funds to critical sectors that can revive the economy. Nigeria cannot afford to continue to build other economies at the expense of Nigeria's economy.

High defence funding has not yielded good results in terms of reduction in violent conflicts and crimes over the last two decades. Nigeria should rethink her national security architecture. Nigeria should consider cancelling or reducing funds set aside for security votes and diverting the funds to key development issues. This is because despite these huge budgetary allocation, insecurity still persists across the country.

Oil Prices are no longer dependable in the international market as such it will lead to low revenue and may not be substantial in the continued huge budgetary allocations to the defence sector considered other developmental sectors of Nigeria.



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### **CIVIL SOCIETY ORGANIZATIONS**

Civil Society groups must begin to champion advocacy campaigns geared towards demanding accountability and openness in military spending, thereby carrying out independent citizens led oversighting functions.

# Notes

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