



**Centre for Democracy & Development**

**Centre pour la démocratie et le développement**

**PRESS STATEMENT TO COMMEMORATE THE AFRICAN UNION ANTI-CORRUPTION DAY**

**THEME: “STRATEGIES AND MECHANISMS FOR THE TRANSPARENT MANAGEMENT OF COVID-19 FUNDS”**

The Centre for Democracy and development is pleased to join the Africa Union and its esteemed governments, as well as other stakeholders in commemorating this year's African Union Anti-corruption Day, slated for 11<sup>th</sup> July 2022. The theme “Strategies and Mechanisms for the Transparent Management of Covid-19 Funds” is not only apt, but very important at this time as it seeks to draw global and continental attention to the need to address a disturbing corruption problem associated with covid 19 pandemic which severely tasked many economies and brought social and even political dislocations in Africa.

CDD commend all African countries that have signed and ratified the African Union Convention on Preventing and Combating Corruption (AUCPCC) which was adopted in Maputo, Mozambique on 11 July 2003 and came into force in 2006. CDD also commend the countries that have enacted laws and created independent anti-corruption agencies to tackle corruption.

Corruption is still an unnerving problem in Africa and indeed the major cause of underdevelopment. CDD urges all states to work towards complying with the provisions of the African Union Convention on Preventing and Combating Corruption (AUCPCC) and indeed other similar multilateral instruments such as the UNCAC as well as relevant international resolutions. There is also an urgent need for member states to collectively take steps to diligently implement the recommendations of the Mbeki report on Illicit financial flows which found that the African continent suffers an annual loss of over \$50 billion as of 2015 through illicit financial flows (IFFs). That figure has since risen to over \$80 billion. It is pertinent to note that through corruption and mismanagement, some of the Covid-19 funds in Africa may have become a source of illicit financial flows to countries in the North.

It also remains concerning that national and continental transparency initiative and efforts to stem the unbridled illicit financial flows from Africa to the Northern hemisphere has been embroiled in complex international politics. While noting that the problem of illicit financial flows cannot be solved post-haste, Africa must continue to stand together and push for a world order that discourages resource and trade price manipulation structured to fritter resources from Africa and keep the continent perpetually undeveloped. Corruption and illicit financial flows are twin evils which

continue to constrain Africa's progress and development. Regrettably, the utilization of Covid 19 funds has also become a major source of Africa's corruption conundrum.

The COVID-19 pandemic threw up enormous socio-economic challenges globally and particularly impacted the fragile economies in Africa. The pandemic exacerbated the prevailing challenges of the parlous health sector, raised inflation, caused acute food shortages and elevated conflicts and insecurity. African countries were challenged to deploy scarce resources from equally important sectors to procure medicines and medicaments to protect citizens from the deadly virus and purchase food to feed millions of persons thrown out of jobs due to the lockdowns occasioned by the rampaging pandemic. Africa remains grateful to the multilateral agencies including the World Bank, the World Health Organisation, United Nations International Children's Emergency Fund, (United Nations Children's Fund) and other partners who donated medicines and provided financial assistance to vulnerable and affected countries.

Unfortunately, Covid-19 funds and resources in many countries are dodged by opacity and misuse; complicating the already bad corruption situation in Africa. Contracting, procurement of PPE equipment, and distribution of items including food were all associated with corrupt practices. The loosened regulatory environment to expedite Covid-19 responses as a result of the emergency provided opportunity for graft perpetrated by PEPs and their collaborators.

In Nigeria for example, life-sustaining resources and materials provided as Covid 19 palliatives for vulnerable citizens were hoarded and misappropriated by PEPs and their collaborators. This, coupled with the frustration of citizens occasioned by Police brutality led to the deadly End-SARs riots which resulted in the loss of lives and property worth millions of Naira. Similarly, the non-payment or selective payment of poverty alleviation funds for struggling families as well as the perceived ethnic bias in the granting of NIRSAL covid-19 funds incurred widespread condemnation and further reduced an already fragile public confidence in the government. Trust deficit amongst citizens poses a great challenge to the effectiveness of anti-corruption initiatives.

Covid-19 Pandemic negatively impacted the livelihood and education of many African youths' and citizens. There is great public mistrust of the transparency in the use of Covid funds and a lot of confidence-building initiatives need to be worked on to restore public trust. This should involve citizens' participation, civil society engagement and the regular publishing of relevant information and data to keep the public adequately informed. A pro-citizen and community-led approach coupled with concerted efforts by all anti-corruption stakeholders are what is required to ensure the transparent use of Covid 19 funds and bring to justice all those who may have been involved in the misappropriation or misuse of such funds. Only then can states strengthen their fragile health sector and ensure that covid funds create the necessary positive impact in calibrating the African economies.

The incorporation of technology to improve transparency and facilitate measures to counter corruption, track the utilisation of the COVID-19 funds and trace stolen funds

from Africa has become urgent and critical. This would include the incorporation of E-procurement systems and digitized budgets that would have the knock-on effect of improving citizens' trust.

### **Conclusion**

As the AU mark this year's special Anti-Corruption Day, CDD urges states to deeply reflect on the journey so far and, urgently step up implementation mechanisms to address the lack of transparency not only in the management of the Covid 19 funds but also to ensure transparency and accountability in the management of public funds generally for the benefit of citizens. It is hoped that when the AU gathers next year to mark this day, there will be good stories to tell about the success of the fight against anti-corruption in the various states.

Thank You