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African Human Rights Index

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The Back Door to Restricting Civic Space

Commentary and Analysis of Nigeria's 2026 Bill No. SB.1034

Analysis of the Version Publicly Circulated as of 7 September 2026

Prepared by

El Hak Foundation for Freedom of Expression and Human Rights (EFHR)

In partnership with

Connecting Villages for Sustainable Development Initiative
African Human Rights Index (AHRI)

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II. Report Details and Scope

Item	Details
Subject of Analysis	Foreign Aid (Regulation, Transparency and Disclosure) Bill, 2026, No. SB.1034.
Version Analysed	The four-page English text publicly circulated under the title “View Bill as Presented”, and the unofficial Arabic version prepared by EFHR.
Legislative Status	The Bill received its first reading on 6 May 2026 and its second reading on 22 July 2026, after which it was referred to the relevant Senate committees. As of 7 September 2026, it was awaiting the committee report and had not reached third reading.
Nature of the Report	An independent legal and human rights analysis; it does not constitute legal advice in a specific dispute or an official translation issued by the Nigerian authorities.
Stakeholder Participation	A written contribution from Connecting Villages for Sustainable Development Initiative has been incorporated as an institutional submission pending approval. Any direct quotation or final attribution remains subject to the organisation’s review and written consent.
Research Cut-off Date	7 September 2026. The wording may change during the committee stage or subsequent legislative stages.

Notice on Differences Between Versions and Accompanying Information

Some official and media summaries of the second-reading debate describe the Bill as a framework operating through existing institutions, refer to integrating funded interventions into the budget, and mention penalties for “unapproved projects”. These elements do not appear in the four-page text analysed here, which establishes a new commission called FARC. The report therefore distinguishes between the provisions of the circulated text and accompanying statements or summaries, and does not assume that any of them represents a final amended version unless officially published.

Contents

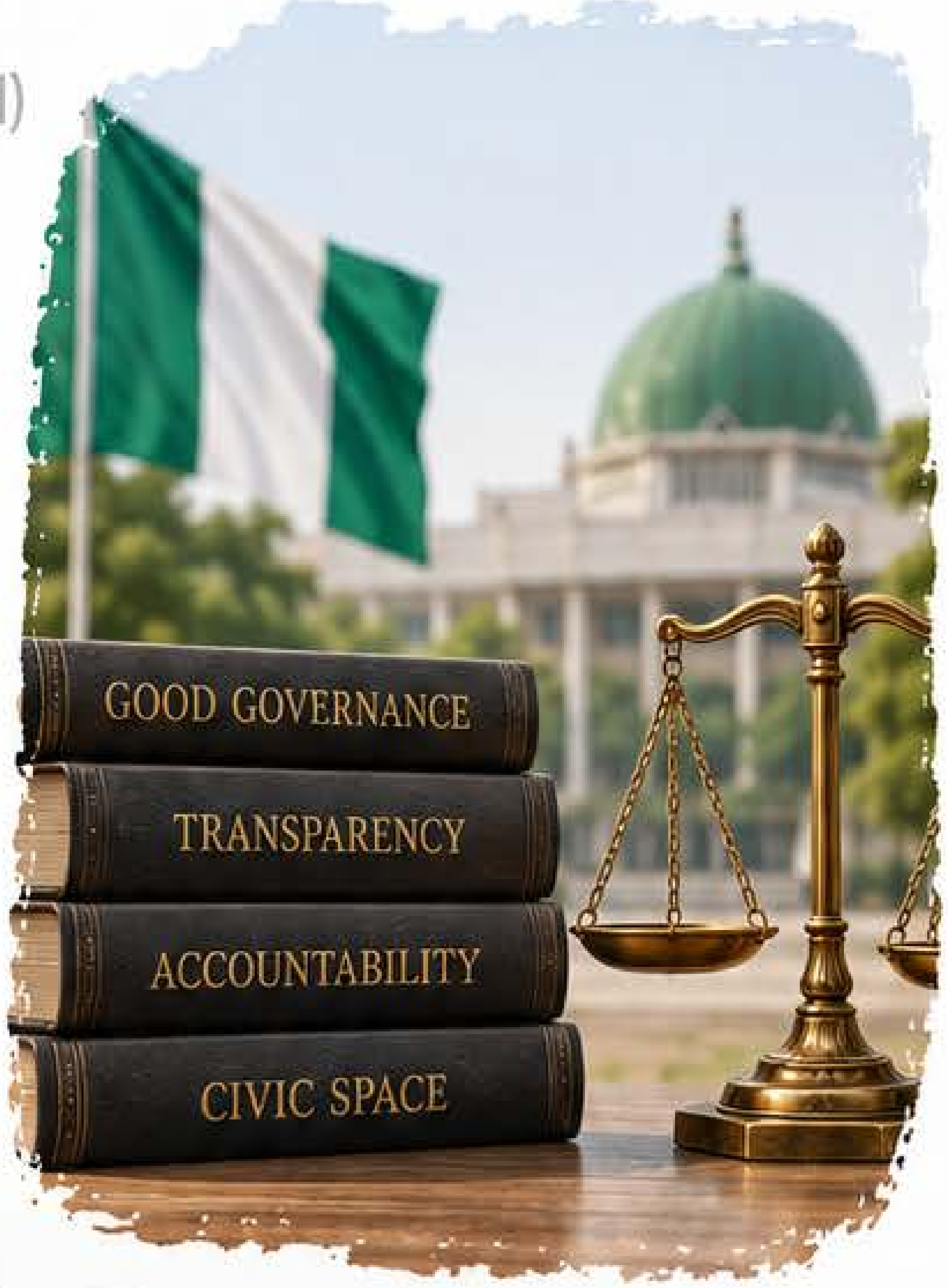
I. Executive Summary

Bill No. SB.1034 presents itself as an instrument to regulate foreign aid, strengthen transparency and accountability, and prevent diversion, misuse or duplication of projects. These are legitimate objectives in principle. However, the mechanisms proposed in the circulated text go beyond addressing a defined gap in the existing system. They establish a new federal body with broad powers, impose registration, public disclosure and comprehensive auditing requirements, and attach serious criminal and financial penalties to non-compliance, potentially culminating in the suspension or revocation of an entity's operating licence.

The central problem is that the Bill brings within a single legal regime both sovereign aid directed to ministries, states and local governments, and private grants and donations received by civil society organisations and private entities. These categories differ in their legal nature, sources of funds, accountability mechanisms and relationship to the public budget. Failing to distinguish between them subjects the independence of civil society activity to the executive-planning logic applied to public funds.

I. Executive Summary (continued)

In addition, the Bill does not emerge in a legislative vacuum. Nigeria's legal framework already regulates the legal personality of non-profit organisations through the Companies and Allied Matters Act 2020 (CAMA 2020), particularly the regimes governing incorporated trustees and companies limited by guarantee. Entities are subject to registration, returns and accounting obligations before the Corporate Affairs Commission. There is also an anti-money-laundering, counter-terrorist-financing and financial-oversight framework involving the Special Control Unit against Money Laundering, the Nigerian Financial Intelligence Unit, banks, tax authorities and sectoral regulators. Creating a parallel commission without a clear map for allocating competences and sharing data therefore risks duplicating obligations, generating conflicting decisions and increasing administrative costs.



Main Conclusion

The paper concludes that, in material respects, the Bill in its circulated form does not satisfy the requirements of legal clarity, necessity, proportionality and procedural safeguards associated with freedom of association, freedom of expression and the right to a fair trial. It risks creating a system of prior control over civic space through subsequent registration and broad discretionary powers, without adequate checks and balances. Substantial redrafting would be required to align the Bill with Nigeria's constitutional obligations and international human-rights standards.

The institutional contribution received from Connecting Villages Initiative supports this conclusion from practical experience. The organisation reported that, in one case, it took more than six months before grant funds became available in its account because of the volume of documentation requested by the bank. This example does not establish the existence of a general prior government authorisation requirement, but it shows that bank-level controls before completion of a transfer can cause significant practical delays even under the existing system.

In light of these findings, the report recommends that the current text should not be enacted in its present form. If legislation is considered, it should be fundamentally revised through an open, inclusive and transparent process, with the participation of civil society, legal experts and independent oversight institutions, to ensure that any regulatory framework strengthens — rather than weakens — Nigeria's democratic governance and civic space.

I. Executive Summary *(continued)*

recommends withdrawal of the Bill or comprehensive redrafting to ensure a separation between public aid and private civil society funding; expressly provide that notification is subsequent and does not constitute licensing; remove the "alignment" criterion as a tool for blocking lawful activities; limit inspection and public disclosure powers; define offences precisely; and replace criminal penalties for administrative breaches with a graduated system subject to judicial review.

Key Findings

- The existing legal framework does not contain a single comprehensive federal statute styled as an "NGO law" that imposes general prior axproval for every foreign grant. Instead, there are dispersed rules governing institutional registration, returns, accounts, taxation, anti-money-laundering requirements, and sectoral and contractual obligations.
- Section 6 requires registration within thirty days after receipt of the aid. Accordingly, the text cannot be said conclusively to impose a prior authorisation requirement, althougth the subsequent procedural provisions reinforce this principle — authorisation to obtain international grants and aid — as worded in the source.
- Sections 1(c), 4(c), 11, 13 and 14 may give the executive authorities tools to prevent or practically obstruct funding, particularly if "national priorities" or "prevention of duplication" are interpreted as eligibility conditions.
- FARC is institutionally under-designed: there are no provisions on its composition, appointment procedures, terms of office, removal, independence, conflicts of interest, budget, quorum, transparency or judicial oversight.
- Comprehensive public disclosure may endanger defenders, partners, beneficiaries, survivors and witnesses, while the text contains no exceptions for security, privacy, professional confidentiality or commercial confidentiality.
- Penal terms — including "misuse" and "obstruction of the Commission" — are undefined, while the penalties may reach five years' imprisonment and minimum fines with no stated maximum.
- Suspension or revocation of an operating licence without identifying the competent authority, applicable procedure, right to be heard or judicial challenge threatens the essence of freedom of association and goes beyond remedying the specific violation.

II. Methodology and Scope of Research

The report adopts an analytical methodology combining a textual reading of the Bill's provisions, comparison with Nigeria's existing legal framework, and assessment of the proposed restrictions against the Nigerian Constitution, the African Charter on Human and Peoples' Rights, the International Covenant on Civil and Political Rights, and relevant interpretive standards. It also reviewed the Bill's legislative trajectory and published positions of Nigerian and international actors up to the research cut-off date.

Sources were ranked by evidentiary weight: first, the legislative text itself and available parliamentary records; second, legislation and official documents; third, judicial and quasi-judicial standards; and fourth, analyses by specialised organisations and media reporting. Where a media description or debate summary conflicted with the circulated text, priority was given to the latter.

II. Methodology and Scope of Research

was given to the text in identifying the legal rule, while the inconsistency was recorded as a documentary/version-control issue that should not be ignored.

EFHR contacted a number of Nigerian organisations seeking practical contributions. As of 7 September 2026, a substantive written contribution had been received from Connecting Villages for Sustainable Development Initiative. It was incorporated into a separate section and distinguished from general legal sources. [20]

Legal-Test Questions

- Does the text identify a legitimate public interest and a demonstrable regulatory problem?
- Is the measure prescribed with sufficient clarity for those affected to foresee its consequences?
- Is there a less restrictive means of achieving the same objective through existing institutions?
- Are the burdens and sanctions proportionate to the seriousness of the breach, the actual harm and the element of intent?
- Are safeguards available for independence, privacy, the right to be heard, reasoned decisions and judicial review?

III. Context and Legislative Process

1. Legislative Progress up to the Report Date

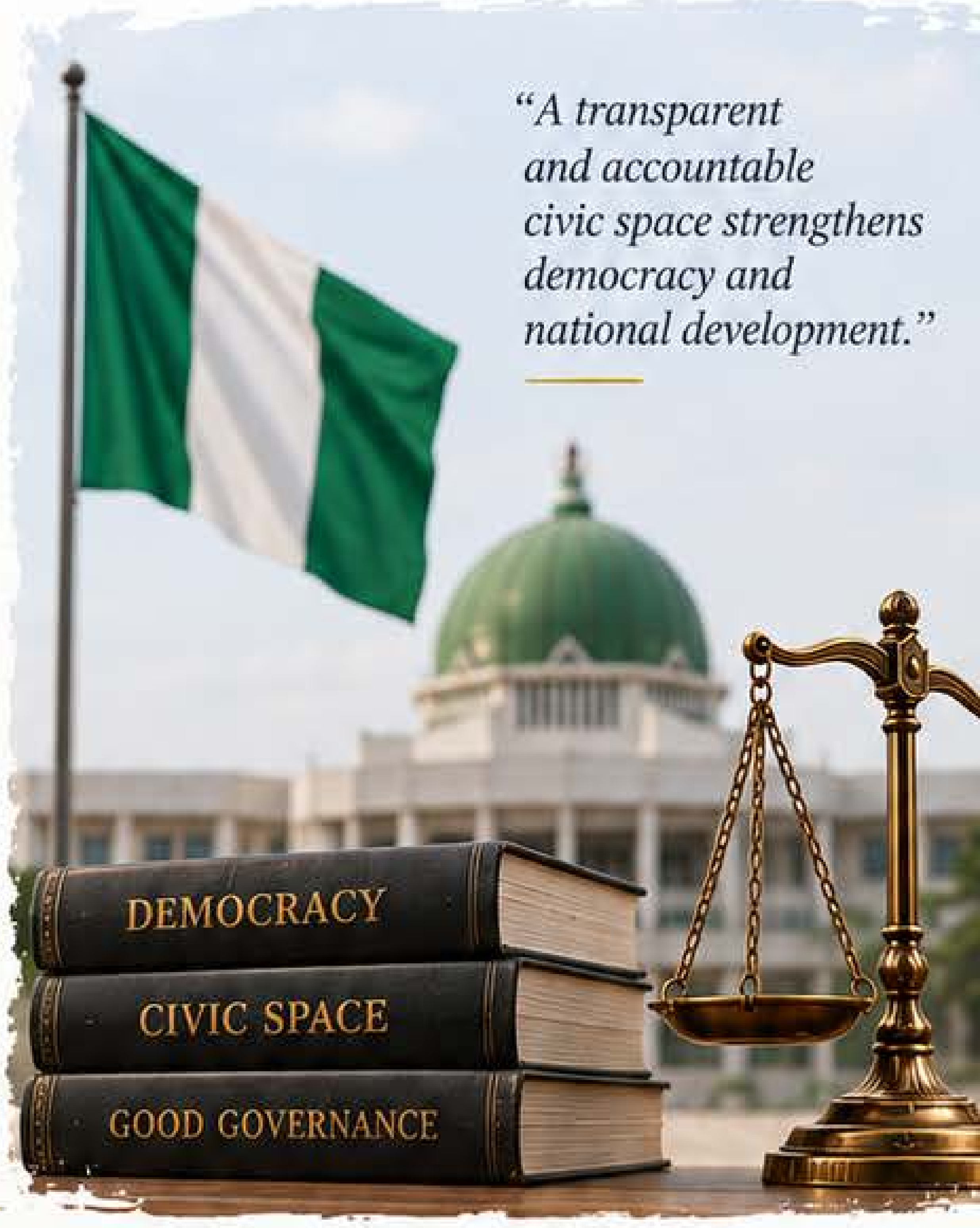
The Bill is numbered SB.1034 and was introduced by Senator Ibrahim Hassan Dankwambo, representing Gombe North. According to the available legislative-tracking information, it received its first reading on 6 May 2026 and passed second reading in the Senate on 22 July 2026, after which it was referred to the Senate committees on National Planning and Economic Affairs as the lead committee, Finance, and Foreign Affairs. As of 7 September 2026, it remained pending committee report and had not reached third reading. The Bill does not become law merely by passing second reading; it still requires completion of the legislative process in both chambers and presidential assent in accordance with constitutional procedures. [1][2][3]

Date	Stage	Status
6 May 2026	First Reading in the Senate	The Bill was formally introduced.
22 July 2026	Second Reading	Approved in principle and referred to the relevant committees.
7 September 2026	Committee Stage	Awaiting the committee report; no third reading is recorded in the legislative-tracking source used.

2. Stated Justifications and Public Debate

Supporters of the Bill emphasise weak national coordination, the need for a unified database, prevention of duplication or diversion of funds, and ensuring that aid serves development and security priorities. During the second-reading debate, concerns were raised about illicit financing and the possibility that funds could be channelled to activities contrary to the national interest. These interests may be legitimate, but the Bill must demonstrate the connection between each proposed measure and the problem it seeks to address, and explain why existing regulatory tools are insufficient. [3][4]

By contrast, human rights and professional organisations have argued that the Bill duplicates existing systems, conflates public funds with private donations, relies on vague concepts, and may turn transparency into an entry point for controlling civil society and independent media. The Bill is particularly sensitive because previous attempts to create special regulatory regimes for non-governmental organisations attracted similar objections and did not complete the legislative process.



IV. Existing Legal Framework Before the Bill

1. Is There a Single Special Law Governing Civil Society?

Nigeria's framework is not based on a single comprehensive federal law regulating all civil society organisations under one designation. Legal form is ordinarily determined under the Companies and Allied Matters Act 2020: non-profit organisations may register as incorporated trustees, while some entities may operate as companies limited by guarantee, alongside other forms governed by sector-specific legislation. Registration gives rise to institutional obligations concerning governance, accounts, returns and oversight by the Corporate Affairs Commission. [10][11]

Depending on the nature of their activities and transactions, organisations are also subject to anti-money-laundering and counter-terrorist-financing rules, Special Control Unit against Money Laundering requirements, monitoring of suspicious transactions and financial information through the Nigerian Financial Intelligence Unit and the banking sector, as well as taxation, labour law, data-protection rules, sectoral requirements and donor conditions. The Nigeria Revenue Service (NRS) replaced the Federal Inland Revenue Service (FIRS) under the 2025 reforms that took effect in 2026. The more accurate description is therefore a "multi-law, multi-agency regulatory framework", rather than a complete legislative vacuum. [5][12][21]

> *"A multi-law, multi-agency regulatory framework already governs civil society organisations in Nigeria."*

2. Oversight of Foreign Funding Under the Existing Framework

As a general rule, the legislation reviewed for this report does not establish a comprehensive federal requirement compelling every civil society organisation to obtain prior government approval before receiving every foreign grant or donation. Oversight generally operates subsequently or concurrently through accounts and returns, bank reporting, tax obligations, anti-money-laundering controls, contractual audits and sectoral regulation. Specific approval or notification requirements may exist for particular sectors, areas or transactions, but they should not be generalised as a blanket prior prohibition.

In practice, existing authorities may stop or place holds on transactions where money laundering or terrorist financing is suspected, investigate financial offences, and hold entities accountable for breaches of registration or accounting rules. These powers, however, are based on defined legal grounds and sector-specific procedures. They are not equivalent to an open-ended political power to decide whether a human rights or media programme is "aligned" with government priorities.

The official approach announced in 2026 is also consistent with risk-based oversight. When launching the national terrorist-financing risk assessment for the non-profit sector, SCUML/EFCC stated that the aim was to develop appropriate, risk-based regulatory and supervisory measures while recognising the legitimate role of humanitarian and development organisations. This approach is fundamentally different from treating every recipient of foreign funding as inherently high-risk solely because of the source of the funds. [22]

3. Areas of Duplication and Conflict

Function	Existing Authorities or Rules	What the Bill Adds	Area of Risk
Legal personality and returns	Corporate Affairs Commission and CAMA 2020	Additional registration of each aid receipt with FARC	Duplicate registration and penalties for late notification.
AML/CFT and illicit financing	SCUML, NFIU, EFCC and banks	General powers to request information, inspect and enforce	Overlapping investigations and data sharing without clear limits.
Financial audit	Existing accounts, returns, and statutory or contractual audits	Independent annual audit of each aid receipt and submission to Parliament	Disproportionate burden, especially for small and emergency grants.
Public transparency	Institutional disclosures and donor/sectoral requirements	Comprehensive public register of aid and partners	Disclosure of security-sensitive, personal or confidential information.
Programme direction	Organisational purposes, grant agreement and general law	Mandatory alignment with national plans and priorities	Executive interference with the independence of civil society and oversight work.

V. Does the Bill Establish Prior or Subsequent Oversight?

The legal answer requires separating three issues: the moment when the obligation arises, the existence of an express power to prohibit, and the practical effect of sanctions. As to timing, Section 6(1) requires registration "within thirty days from the date of receipt", which is a model of subsequent notification or registration. As to authority, no provision expressly states that the Commission issues prior authorisation, that a bank must withhold access to funds until approval is granted, or that the Commission may reject the grant before it is received.

However, the Bill ties all projects to national policies and priorities, tasks the Commission with preventing duplication and enforcing the law, grants it inspection and sanctioning powers and authority to issue regulations, and then permits suspension or revocation of operating licence. This structure allows a regulatory interpretation under which assessment of "alignment" becomes a condition for continuation of a project or use of funds, and perhaps a prior condition if implementing regulations expand the meaning of registration. It is therefore necessary to distinguish between the absence of prior licensing in the express wording of the circulated version and the possibility of prior or quasi-prior control in practice.

Question	Rule in the Circulated Text	Conclusion
Must registration occur before the grant is received?	No. Section 6 provides a 30-day period after receipt.	Subsequent oversight at the point of entry.
Does FARC expressly have power to reject receipt?	There is no express provision for rejection or prior authorisation.	A prior veto cannot be conclusively attributed to the current version.
Can implementation be obstructed afterwards?	Alignment, inspection, sanctions, penalties and licence suspension may be involved.	Strong potential for executive oversight with a preventive effect.
Do the regulations prevent the system from becoming a licensing regime?	No provision prohibits a prior-approval requirement or limits the scope of regulations.	A gap that should be closed by an express statutory provision.

VI. Substantive Analysis of the Bill's Provisions

1. Section 1 — Objectives

The Section combines relatively specific objectives — such as transparency and accountability — with flexible concepts such as "alignment with national development priorities" and "prevention of duplication". The statement of objectives does not, by itself, create a power to prohibit, but it influences the interpretation of all the Commission's functions. If the priorities are not defined and prevention of duplication is not confined to coordination of public funds, the objective could become a criterion for favouring one form of speech or activity over another. Civil society independence presupposes the freedom to work on issues that do not rank among the government's priorities, including monitoring public authorities, combating corruption, defending minorities and protecting digital rights.

Preventing duplication of projects is also not, in itself, a sufficient justification for prohibiting private funding. Social need may be extensive, and target groups, geographic areas and methodologies may differ even where project titles are similar. The less restrictive approach is to publish a project map and encourage voluntary coordination, rather than empower the Commission to exclude projects.

For example, if the Nigerian Government or any government body covered by the Bill were to announce projects concerning election monitoring, anti-corruption work, documentation of human rights violations, or any other human-rights-related activity, then, under Section 1 and the other regulatory provisions, civil society could be prevented from implementing any such projects in the future. This would, in turn, contribute to restricting civil society organisations in Nigeria.

"Vibrant civic space strengthens democracy and accountability."

2. Section 2 — Scope of Application

The Section places federal, state and local government bodies on the one hand, and non-governmental organisations, civil society organisations and private entities on the other, within the same framework. It covers grants, donations, technical assistance, concessional loans and humanitarian support. This breadth conflates coordination of official development assistance, which forms part of public financial planning, with regulation of private funds that do not become public money merely because they originate abroad. The Section also sets no minimum financial threshold and provides no exception for small or emergency in-kind assistance or support to individuals at risk. This reinforces the conclusion reached in the preceding paragraph that the Bill allows the Nigerian Government to restrict civil society activity and direct it to operate according to the government's agenda rather than the needs identified by civil society organisations.

3. Section 3 — Establishment of the Commission

Section 3 creates a legal person with broad powers and public authority, but does not specify how the Commission is to be constituted, how its members are appointed, their qualifications, terms of office, grounds for removal, guarantees of independence, conflict-

VI. Substantive Analysis of the Bill's Provisions

3. Section 3 — Establishment of the Commission

Section 3 establishes the Nigeria Foreign Assistance Coordination Commission (NFACC) as a corporate body with perpetual succession and a common seal. While the provision sets out the legal personality of the Commission, it is structurally deficient in several respects. It does not provide for adequate safeguards to ensure the Commission's independence from political interference, nor does it specify transparent and merit-based procedures for the appointment and removal of its leadership. The absence of such safeguards raises concerns about the potential for undue executive control, which could undermine the Commission's credibility and impartiality, especially given its wide-ranging regulatory mandate over civil society and foreign funding.

4. Section 4 — Functions of the Commission

Section 4 outlines the functions of the Commission, including coordination, registration, monitoring, compliance, reporting and advisory roles. While the listed functions may appear administrative, their breadth goes far beyond coordination and creates a supervisory and regulatory architecture over legitimate civil society activity. The functions overlap with existing institutional mandates and risk concentrating excessive control over the receipt and use of foreign assistance in a single body, without sufficient checks and balances.

5. Section 5 — Powers to Request Information, Audit, Inspect and Impose Sanctions

Section 5 grants the Commission extensive powers to request information, conduct audits and inspections, and impose sanctions for non-compliance. These powers are framed in broad and discretionary terms, without clear thresholds, procedural safeguards or a requirement for prior judicial authorisation. The provision does not adequately protect the rights of organisations to due process, including notice, the opportunity to be heard and the right to appeal. In the absence of such safeguards, these powers could be used arbitrarily to harass, intimidate or shut down organisations critical of government policies.

6. Section 6 — Mandatory Registration

Section 6 introduces a mandatory registration requirement for all non-governmental organisations and associations that receive foreign grants or aid. This provision marks a significant shift in the regulation of civil society, creating a formal gateway through which organisations must pass in order to access and use foreign funding.

> *"Section 6 requires non-governmental organisations and associations to register in the Commission's database within 30 days from the date on which they receive the foreign grant or aid. Subsection 6(2) treats breach of this requirement as an offence."*

The short registration deadline, particularly the 30-day period, is onerous and may be difficult to comply with in practice, especially for smaller organisations with limited administrative capacity. The criminalisation of non-registration further heightens the risk of disproportionate enforcement and could be used to penalise organisations for minor or unintentional administrative lapses.

VI. Substantive Analysis of the Bill's Provisions

Sections 7 and 8 — Disclosure and the Public Register

Sections 7 and 8 require every person or organisation that receives foreign aid to disclose a wide range of information to the new federal body and for this information to be included in a public register. Section 7(1) lists the information to be provided, including the identity of the donor, the amount, purpose and duration of the funding, the sectors and locations in which the funds will be used, and "such other information as may be prescribed".

Section 8 provides that the information submitted under section 7 shall be entered into a public register maintained by the federal body and made available to the public, subject only to limited exceptions.

While transparency in the use of public and foreign funds can serve legitimate objectives, the breadth of the information required goes well beyond what is necessary to track the flow of foreign funding. It effectively requires recipients to disclose detailed information about their planned activities, target locations and operational focus, and exposes this information to public scrutiny at an early stage. In the absence of clear safeguards, this creates risks for organisations working on sensitive issues or in fragile contexts and may chill legitimate civic activity.

Key Implication

The scope of the information required in sections 7 and 8 indicates that the Bill goes beyond regulating the mechanisms of foreign funding and instead creates a broad form of prior control over foreign grants, potentially extending to control over the funding itself and over who may or may not receive foreign funding.

Section 9 — Use, Diversion and Misuse

Section 9 makes it an offence to use foreign aid for a purpose other than the one approved, to divert funds, to provide false information or to otherwise misuse foreign aid. It prescribes severe penalties, including a fine of not less than ₦10,000,000 or imprisonment for a term of not less than five years, or both, and provides for additional penalties where the offence is committed by a corporate body.

Preventing the diversion and misuse of funds is a legitimate objective. However, the wide wording of section 9, combined with the high mandatory minimum penalties, raises concerns about proportionality and legal certainty. The provision does not clearly distinguish between intentional misuse and unintentional or technical non-compliance, and it could capture administrative errors or changes in implementation that were not expressly approved in advance. The severity of the sanctions, together with the risk of licence suspension or revocation under section 13, could have a chilling effect on legitimate organisations and discourage them from engaging in sensitive but lawful work.

VI. Substantive Analysis of the Bill's Provisions

(continued)

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Section 10 — Audit and Reporting

Section 10 empowers the supervisory authority to require periodic reports and to conduct audits of the funds, activities and administrative practices of registered entities. While financial accountability is a legitimate objective, the provision is broadly worded and could enable intrusive audits that go beyond financial matters into programme content, partnerships and internal governance. Without clear limits, this creates a risk of selective or politically motivated audits that could be used to intimidate organisations critical of government policies.

Section 11 — Alignment with National Development Plans

Section 11 requires that all foreign aid and related activities be aligned with Nigeria's national development plans, sectoral strategies and priorities. Alignment with national priorities can promote coherence and avoid duplication. However, the provision does not set out objective criteria, timelines or an independent appeal process where an organisation's activities are deemed "misaligned."

> Through the requirement of alignment, and when combined with enforcement and sanctioning powers elsewhere in the Bill, Section 11 **creates the capacity for the system to evolve into an administrative veto over legitimate civil society activities.**

Sections 12 and 13 — Offences and Penalties

Sections 12 and 13 establish a range of offences and penalties for non-compliance with the Bill. These include **hefty fines, imprisonment and the suspension or revocation of an organisation's operating licence.** While sanctions may be appropriate for intentional fraud or diversion of funds, the breadth of the offences, coupled with severe penalties, risks criminalising administrative or procedural lapses and could have a chilling effect on legitimate civic activity.

2.5 Sections 12 and 13 — Offences and Penalties *(continued)*

The wide range of offences, coupled with high financial penalties and the possibility of suspension or revocation of an operating licence, creates significant risks for the exercise of freedom of association and freedom of expression. The combination of criminal and administrative sanctions, many of which are triggered by non-financial conduct such as failing to provide information or engaging in "activities inconsistent with national priorities", is likely to have a chilling effect on legitimate civic activity.

Any power to dissolve or terminate an organisation should be available only by judicial order in serious and exceptional cases, such as where an organisation is proved to be a front for terrorism or engaged in serious and systematic criminal activity, and not as an administrative penalty for regulatory non-compliance.

2.6 Section 14 — Regulations

Section 14 gives the Commission power to make regulations on a wide range of matters, including registration procedures, reporting obligations, categories of permissible activity, and any other matter "necessary or expedient" for the implementation of the Act. While delegated legislation is often necessary, the breadth of this power, combined with the open-ended "necessary or expedient" formula, risks allowing the Commission to introduce significant new obligations without adequate parliamentary scrutiny. The section should be narrowed to specific, clearly defined areas and subject to stronger procedural safeguards, including prior consultation, publication of draft regulations and parliamentary oversight.

2.7 Section 15 — Cooperation with Other Authorities

Section 15 requires the Commission to cooperate and share information with a wide range of other authorities, including law enforcement agencies, the Nigeria Financial Intelligence Unit, the Special Control Unit against Money Laundering, tax authorities and other regulatory bodies. While inter-agency cooperation can be legitimate and beneficial, the section does not set out clear limits, data-protection safeguards or safeguards against the misuse of shared information. Given the sensitivity of the information concerned, the provision should be aligned with Nigeria's data-protection framework and include explicit safeguards on purpose limitation, confidentiality and the rights of affected organisations.

2.8 Section 16 — Definitions

Section 16 contains a broad set of definitions, including "civil society organisation", "foreign funding", "political activity", "advocacy" and "national interest". Several of these terms are framed in very general or ambiguous language, which is likely to create legal uncertainty and give the Commission wide discretion in interpretation. Key terms should be more precisely defined, drawing on existing Nigerian law and international standards, to ensure clarity and predictability.

2.9 Section 17 and the Explanatory Memorandum

Section 17 contains transitional and savings provisions. The Explanatory Memorandum states that the Bill aims to enhance transparency and accountability in the management of foreign funding, prevent abuse and ensure that such funding aligns with national development priorities. While these objectives are legitimate, the analysis above shows that the mechanisms proposed in the Bill are overly broad and are likely to have a disproportionate and negative impact on civic space unless they are substantially revised.

VII. Constitutional, African and International Assessment

1. The Nigerian Constitution

The Bill engages and potentially restricts several rights guaranteed by the Constitution of the Federal Republic of Nigeria 1999 (as amended), including the right to freedom of association (Section 40), freedom of expression (Section 39), the right to privacy (Section 37) and the right to participate in the democratic process (Section 42).

Any restriction on these rights must be provided by law, pursue a legitimate aim in a democratic society and be necessary and proportionate. The broad and discretionary powers, vague offences and severe penalties in the Bill risk failing this test.

2. The African Charter and Regional Standards

Nigeria is a state party to the African Charter on Human and Peoples' Rights, which protects the rights to freedom of association (Article 10), freedom of expression (Article 9) and the right to participate in government (Article 13). The African Commission on Human and Peoples' Rights has consistently affirmed that these rights include the ability of civil society organisations to seek, receive and use resources domestically and from abroad, and that restrictions must be necessary and proportionate.

The Bill's prior authorisation requirement, broad "alignment" criterion, wide inspection and disclosure powers and heavy penalties are inconsistent with these standards.

3. The ICCPR and the Declaration on Human Rights Defenders

Nigeria is also a state party to the International Covenant on Civil and Political Rights (ICCPR), which protects the rights to freedom of association (Article 22), freedom of expression (Article 19) and participation in public affairs (Article 25). The UN Declaration on Human Rights Defenders recognises the right of individuals and groups to seek, receive and use resources for the promotion and protection of human rights.

The Bill's measures, as currently drafted, would place unjustified and disproportionate limitations on these rights and could have a chilling effect on the work of human rights defenders and civil society organisations in Nigeria.

The UN Declaration on Human Rights Defenders recognises the right of individuals and organisations to seek, receive and utilise resources for the promotion and protection of human rights. Any restrictions must be necessary, proportionate and provided by law. [18]

Standard	Concern Raised by the Bill	Preliminary Assessment
Legality	Broad and undefined terms; wide discretionary powers.	Risk of failing the requirement of sufficient clarity and foreseeability.
Legitimate Aim	Stated aims of transparency and accountability are legitimate.	Legitimate aim, but not sufficient on its own to justify broad restrictions.
Necessity	Creates a new parallel regulatory system despite existing institutions (e.g. CBN, EFCC, ICPC, FRC).	Unclear that the measures are necessary in a democratic society.
Proportionality	Severe sanctions, including licence suspension or revocation, for administrative non-compliance.	Appears disproportionate to the legitimate aim.
Procedural Safeguards	Insufficient detail on independence, right to be heard, and effective appeal mechanisms.	Raises concerns about fairness and due process.
Impact on Civic Space	May deter and unduly restrict the work of human rights organisations, independent media and other civil society actors.	High risk of a chilling effect on civic space.

VIII. Potential Practical Implications

1. Human Rights Organisations and Defenders

The Bill could increase the administrative and financial burden on human rights organisations, including the need to register with a new body, comply with comprehensive reporting requirements and undergo audits. The broad discretion to suspend or revoke licences for non-compliance could be used to intimidate or disrupt organisations engaged in sensitive human rights work, including documentation of abuses, strategic litigation and civic education. This may discourage both local and international funding for legitimate activities.

2. Independent Media and Investigative Journalism

Independent media outlets and investigative journalists often rely on grants and donations to support in-depth reporting. The Bill's expansive scope and discretionary enforcement powers could capture such support, subjecting media organisations to registration, reporting and potential sanctions. This creates a risk of self-censorship and reduced investigative reporting on matters of public interest, particularly where reporting involves allegations of corruption or human rights violations.

VIII. Potential Practical Implications (Continued)

3. Humanitarian Work and Emergency Response

Humanitarian and emergency response activities often depend on rapid funding and flexible operating arrangements. Advance approvals, additional registration steps or uncertain decision-making timelines could delay the delivery of assistance in time-sensitive situations. This may affect the ability of Nigerian and international organisations to respond effectively to natural disasters, conflict-related displacement, public health emergencies and other crises, with potential consequences for vulnerable populations.

4. Government Bodies and the Private Sector

The Bill may also affect government agencies, state institutions and private sector entities that receive or channel foreign support for development projects. Additional approval requirements and overlapping mandates could slow project implementation, increase transaction costs and create uncertainty for development partners, investors and corporate social responsibility programmes.

IX. Institutional Submission from Connecting Villages Initiative

Attribution and Approval Status

This section was prepared on the basis of a written contribution from Connecting Villages for Sustainable Development Initiative, also known as Connecting Villages Initiative.

1. About the Contributing Organisation

Connecting Villages for Sustainable Development Initiative (CVDI), also known as Connecting Villages Initiative, is a Nigerian non-profit organisation working at the intersection of human rights, inclusive governance and sustainable development. It supports community-based initiatives, policy engagement and evidence-driven advocacy to strengthen democratic participation and improve social and economic opportunities, particularly for marginalised and underserved communities.

2. A Practical Picture of the Existing Framework

CVDI notes that Nigeria already has a multi-layered regulatory framework governing the receipt, management and use of foreign funding by non-profit organisations. Organisations are registered under the Companies and Allied Matters Act 2020, obtain tax identification numbers, comply with tax and financial reporting obligations, and are subject to anti-money-laundering and counter-terrorist-financing regulations. In practice, this involves engagement with multiple authorities, including the Corporate Affairs Commission, the Nigeria Revenue Service, the Nigerian Financial Intelligence Unit, and sector-specific regulators.

regulation. Specific approval or notification requirements may exist for particular sectors, areas or transactions, but they should not be generalised as a blanket prior prohibition.

In practice, existing authorities may stop or place holds on transactions where money laundering or terrorist financing is suspected, investigate financial offences, and hold entities accountable for breaches of registration or accounting rules. These powers, however, are based on defined legal grounds and sector-specific procedures. They are not equivalent to an open-ended political power to decide whether a human rights or media programme is "aligned" with government priorities.

The official approach announced in 2026 is also consistent with risk-based oversight. When launching the national terrorist-financing risk assessment for the non-profit sector, SCUML/EFCC stated that the aim was to develop appropriate, risk-based regulatory and supervisory measures while recognising the legitimate role of humanitarian and development organisations. This approach is fundamentally different from treating every recipient of foreign funding as inherently high-risk solely because of the source of the funds. [22]

IX. 3. Subsequent Oversight and Prior Banking Delays in Releasing Funds

The organisation's experience in practice indicates that even after funds are received, subsequent oversight requirements and banking due diligence can cause significant delays in making resources available for programme implementation. In some cases, banks have requested extensive documentation on the source, purpose and end use of funds, leading to prolonged hold periods while compliance checks are conducted.

Key Practical Example

In one instance, the process of making funding received from one donor available took more than six months because of the number of documents requested by the bank, including detailed information on the donor, the project, beneficiaries and organisational governance. Introducing an additional layer of registration and approval through FARC could compound such delays, unless requirements are consolidated, clear and proportionate, and binding time limits are established for decision-making.

X. 4. The Organisation's Assessment of Bill SB.1034

In light of the above, the organisation considers that Bill SB.1034, in its current form, would create an additional and unnecessary layer of control over foreign funding. By establishing a new registration system with broad discretionary powers, extensive reporting obligations and the possibility of criminal sanctions, the Bill risks restricting civic space, discouraging legitimate support for human rights and development work, and creating legal uncertainty for civil society organisations.

XI. 5. Alternatives Proposed by the Organisation

The organisation proposes that, instead of establishing a separate FARC approval regime, the following alternative approaches be considered:

- Rely on and strengthen existing institutions (CAMA, SCUML, EFCC, NFIU and sector regulators) and ensure effective coordination between them, rather than creating a parallel structure.

5. Alternatives Proposed by the Organisation

- Remove or substantially narrow the definition of "political activity" to exclude ordinary advocacy, policy dialogue, research and human rights reporting.
- Limit the Bill's application to organisational activities, not individual expression by Nigerians or lawful international partnerships.
- Replace prior approval mechanisms with a transparent, time-bound notification system.
- Provide clear, objective and narrowly tailored criteria for any restriction, subject to independent judicial review.
- Remove criminal penalties and replace them with proportionate, non-custodial administrative measures, if any.
- Ensure that the Commission's powers are subject to legislative oversight and that its decisions are appealable to the courts.
- Align the Bill with Nigeria's obligations under the African Charter on Human and Peoples' Rights, the ICCPR and other relevant treaties.

These proposals are substantively consistent with recommendations made by Nigerian and international human rights mechanisms in recent years and reflect established principles on the regulation of civic space.

X. Stakeholder Positions

A number of Nigerian and international civil society organisations have publicly expressed concern about the Bill. The Human Rights Defenders Network in Nigeria (HRDN) has described it as a serious threat to civic space and a potential tool for state control over independent voices. The Partnership for Justice (PFJ) has warned that the Bill could legitimise the repression of civil society and weaken democratic accountability.

Front Line Defenders has identified the Bill as part of a broader trend of shrinking civic space in Nigeria, while the West African Human Rights Defenders Network (WAHRDN) has called for its withdrawal, arguing that it is inconsistent with regional human rights standards. Protection International has similarly raised concerns about the chilling effect the Bill could have on human rights defenders and community-based organisations.

The Socio-Economic Rights and Accountability Project (SERAP) has warned that the Bill could be used to criminalise legitimate civic activity and undermine constitution if freedoms. The Nigerian Guild of Editors (NGE) has expressed concern about its potential impact on press freedom and public interest journalism. The Policy and Legal Advocacy Centre (PLAC) has highlighted the risks of excessive executive discretion and the absence of adequate safeguards.

Human Rights Watch has also raised alarm, noting that the Bill could institutionalise government oversight of civil society and threaten fundamental freedoms if enacted in its current form.

These positions, while diverse, reflect a shared concern that the Bill could significantly restrict civic space and unduly expand state control over independent civil society. They are not substitutes for textual analysis, but they provide important context for understanding the potential impact of the Bill in practice.

XI. Conclusions

- Bill No. SB.1034 presents itself as an instrument to promote transparency, accountability and coordination in the use of foreign aid, but its current form goes far beyond these legitimate objectives.
- Key provisions, when read together, create a centralised regulatory regime with broad and discretionary powers that could be used to restrict, rather than enable, civic space.
- The Bill fails to distinguish between public funds and private funds, between government bodies and independent civil society organisations, and between development cooperation and lawful human rights activities.
- Vague and open-ended provisions, the absence of clear thresholds and exemptions, and the imposition of criminal and financial penalties create legal uncertainty and a chilling effect on legitimate civil society work.
- The establishment of a new Commission without adequate safeguards for independence, transparency and multi-stakeholder participation risks politicisation and misuse.
- If enacted in its current form, the Bill could undermine Nigeria's constitutional guarantees, its international human rights obligations and the important role of civil society in promoting democracy, the rule of law and inclusive development.
- Nigeria already has multiple sectoral laws and institutions that can be strengthened to address legitimate concerns about transparency, financial management and the prevention of illicit financial flows.
- A rights-respecting, proportionate and clearly targeted approach — developed in genuine consultation with civil society and other stakeholders — is essential to ensure that legitimate oversight is not used as a back door to restricting civic space.

XII. Recommendations

To the Senate and the National Assembly

- Reconsider the overall approach of the Bill to ensure that it does not unduly restrict civic space or the legitimate work of civil society organisations.
- Clearly distinguish between public funds and private funds, and between government entities and independent civil society organisations.
- Narrow the scope of the Bill to focus on genuine risks of misuse of public funds and illicit financial flows, rather than general regulation of all foreign funding.
- Introduce clear financial thresholds and exemptions for small grants, in-kind assistance, education and training, internal technical support, humanitarian responses and emergency protection funding.

XII. Recommendations (continued)

To the Senate and the National Assembly

- If the Commission is retained, define its composition, independence, budget, conflict-of-interest rules, transparency and accountability, with independent representation from civil society and relevant financial and human-rights expertise.
- Limit information requests and inspections according to the principles of necessity, purpose limitation and notice, and require judicial authorisation for forced entry or access to protected data.
- Restrict the public register to aggregated data, with exceptions for security, privacy, professional privilege and commercial confidentiality, and establish a rapid non-disclosure procedure where there is a risk of retaliation.
- Define each offence and its elements of intent and harm; remove imprisonment for minor registration and reporting breaches; and adopt warnings, cure periods and graduated sanctions.
- Do not suspend or revoke any entity's operating licence except by a final judicial decision in cases of serious, intentional and repeated violations, after demonstrating that less restrictive measures are insufficient.
- Guarantee prior notice, access to the case against the entity, rights of response and hearing, a reasoned decision, appeal before an independent court, and suspensive effect where enforcement would threaten to halt the entity's activities.

To Executive and Regulatory Authorities

- Develop a joint protocol preventing duplicate data requests and defining the purpose of data sharing, retention periods and responsibility for data security.
- Adopt risk-based oversight rather than treating every recipient of foreign funding as a risk solely by virtue of receiving such funding.
- Publish aggregated information on the volume and results of aid without identifying persons or partners exposed to risk.

To Civil Society and Donors

- Document current compliance burdens quantitatively and submit this evidence to parliamentary committees to demonstrate areas of duplication and cost.
- Propose specific alternative wording rather than limiting engagement to general opposition, particularly on subsequent registration, confidentiality, emergencies and appeal rights.
- Conduct risk assessments before publishing partner and beneficiary data, and agree contractually on responses to any new disclosure obligation.

XIII. Priority Amendment Matrix

Sections	Problem	Proposed Amendment
1, 4, 11	National priorities and prevention of duplication may become a veto over independent programmes.	Confine alignment to public-sector funds and remove the power to prevent duplication in relation to private funding.
2, 16	Overbroad definition and scope with no distinctions, thresholds or exemptions.	Define categories, forms and value thresholds precisely, and exempt small, in-kind and

XIII. Priority Amendment Matrix (continued)

Sections	Problem	Proposed Amendment
2, 16	Overbroad definition and scope with no distinctions, thresholds or exemptions.	Define categories, forms and value thresholds precisely, and exempt small, in-kind and emergency support and intra-group relationships.
3	No provisions on the Commission's composition, independence or accountability.	Insert a full governance framework covering appointment, tenure, removal, conflicts of interest, funding and reporting.
5	Information requests, inspections and sanctions without conditions or procedures.	Require necessity, specificity and notice, judicial authorisation where appropriate, defined sanctions, and rights of defence and appeal.
6	Criminalisation of late notification and no safeguard against conversion into prior licensing.	Express subsequent notification, an extendable deadline, warning and cure period, and an emergency exemption.
7, 8, 15	Public disclosure and data sharing without safeguards.	Data minimisation, aggregated disclosure, security-based non-disclosure, and rules for sharing, retention and security.
9, 12	Vague offences without an intent element.	Limit criminalisation to fraud or intentional diversion and define obstruction exhaustively.
10	Annual audit of every aid receipt without a threshold.	Financial thresholds, consolidated risk-based auditing and acceptance of existing reports.
13	Imprisonment, minimum fines with no maximum, and licence revocation.	Graduated and proportionate sanctions, maximum limits, and restriction of dissolution or revocation to judicial orders in exceptional cases.
14	Open-ended regulatory delegation and an undefined Minister.	Identify the Minister and regulatory subjects, require public consultation, and prohibit regulations from creating new conditions or offences.

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