

JULY 22, 2024

MEMORANDUM SUBMITTED BY CORPORATE ACCOUNTABILITY AND PUBLIC PARTICIPATION AFRICA (CAPPA)

**TO THE CHAIRMAN AND MEMBERS OF
THE HOUSE OF REPRESENTATIVES SPECIAL
COMMITTEE ON RESTRUCTURING OF
FEDERAL AGENCIES AND COMMISSIONS**

PREAMBLE

Arising from a Federal Executive Council (FEC) meeting held on Monday, February 26, 2024, President Bola Ahmed Tinubu approved the full implementation of the Stephen Oronsaye Committee Report on Restructuring and Rationalisation of Federal Government Parastatals, Commissions and Agencies. Released in 2012 and popularly known as the “Oronsaye Report,” the report aims to reduce the cost of governance by recommending the merger of government agencies and parastatals with similar functions and scrapping of redundant ones.

Following the Nigerian government's decision to proceed with recommendations from the Oronsaye Report, the House of Representatives Special Ad Hoc Committee on Restructuring of Federal Agencies and Commissions has now called for a public hearing on the Oronsaye Report and other related matters scheduled for Wednesday, July 10.

CORPORATE ACCOUNTABILITY AND PUBLIC PARTICIPATION AFRICA (CAPPA), therefore, indicates its intention to participate in the public hearing by submitting this memorandum, which strongly opposes the subsuming of the National Film and Video Censors Board (NFVCB) as a department under the Federal Ministry of Arts, Culture, and Creative Economy (FMACCE). Our basis for disapproval draws from an extensive assessment of the Board's responsibilities and performance and a critical understanding that granting independence to the Board is crucial for it to fulfil its obligations effectively. We fear that, if allowed, stripping the NFVCB of autonomy and restricting it to a sub-unit holds enormous potential to stifle its performance.

INTRODUCTION

The NFVCB plays a crucial role in regulating and promoting Nigeria's film industry (Nollywood) - one of the world's largest film industries, ranking second after Hollywood in terms of popularity and generating an estimated \$1.2 billion annually. The NFVCB's oversight function ensures that films and videos produced in the film industry adhere to Nigerian values, morals, and cultural heritage while supporting the industry's growth by providing a structured framework for filmmakers in line with global standards. Given its status as a critical stakeholder in Nigeria's social and economic sphere, the importance of maintaining the independence of the Board's operations cannot be overstated. This memorandum examines the key functions of the NFVCB, the importance of retaining its autonomy, challenges likely to arise from merging it with another structure, and recommendations for distinguished lawmakers to consider in ensuring that the Board deserves to operate independently.

KEY FUNCTIONS OF THE NFVCB

The NFVCB is tasked with issuing licenses for individuals and premises to exhibit films and video works, regulating and censoring films and video works to maintain cultural sensitivity and public morality, prescribing safety precautions for licensed premises, and controlling cinematographic exhibitions, among other varied responsibilities. These functions, especially in reference to the Board's task of regulating such a large industry as Nollywood – which averages an output of about 2,500 movies annually and is one of the largest employers of labour in Nigeria – require a dedicated, specialised body and corporate infrastructure with a focused mandate. This can only be achieved through an independent entity rather than a department under a ministry with broader and different cultural and creative priorities.

IMPORTANCE OF RETAINING THE NFVCB's INDEPENDENCE

- 1. Economic Contributions:** Nollywood is a major contributor to Nigeria's GDP, generating substantial revenue and creating thousands of jobs. According to projections based on the Africa Entertainment and Media Outlook 2023-2027 by PriceWaterhouseCoopers (PwC), the industry is expected to generate an estimated \$14.82 billion in revenue by 2025, up from \$4 billion in 2013. In 2023, Nigerian cinemas alone grossed N7.2 billion from over 2.6 million purchasing tickets to watch movies. A strongly independent NFVCB will further act to provide the necessary regulatory framework to attract more investments in the sector, fostering growth. It is a fact that investors seek stable and predictable environments, and an autonomous NFVCB free from bureaucratic bottlenecks will ensure that the Nigerian film industry remains attractive to both local and international investors.

The NFVCB also recently considered moving from censorship to classification of film content, which is a global best practice that will help viewers make informed choices. Another recent initiative of the Board is the introduction of industry labs, which is bound to attract funding in the form of grants and training fees from both local and foreign participants. These interventions are perfect examples of progressive regulatory practices and programs the NFVCB is likely to think through and spontaneously run with for the benefit of stakeholders in an eclectic and ever-evolving film industry.

- 2. Cultural Preservation and Promotion:** The NFVCB ensures that films produced in Nigeria promote the country's rich cultural heritage and values. It also prevents the dissemination of harmful content that could upset societal norms and values, playing a crucial role in cultural and social preservation. *A typical example of such a successful effort is the Board's recent regulation in May 2024 to prohibit ritual killing and glamorisation of tobacco products in movies.* Also, the work of the NFVCB has continued to drive the showcase of Nigeria's cultural diversity and ethnic groups. A broader ministry may not prioritise cultural preservation in the same way. In fact, reducing the NFVCB to a department within the FMACCE and zonal representation risks the homogenisation of cultural expressions in Nigerian films.
- 3. Industry-Specific Expertise:** The NFVCB has developed specialised expertise in film and video regulation that may not be present in other government agencies. If merged with other agencies, this expertise could be diluted due to the usual transfers and deployments that occur within civil service. Also, the Nigerian film industry encompasses various facets, including artistic expression, intellectual property, and public morality. Regulating this complex sector requires specialised knowledge and expertise that only an independent NFVCB can adequately address. In this sense, an independent NFVCB, staffed with experts in film, media, and cultural studies, can make informed and nuanced decisions. Subsuming it under another environment risks placing film regulation in the hands of those whose primary expertise lies outside this domain.
- 4. Efficiency, Responsiveness, and Industry-Specific Challenges:** The film industry faces unique challenges and realities, such as the growth of on-demand content, digital distribution channels, online movie piracy, and international competition. Addressing these issues requires targeted policies and swift actions. An autonomous NFVCB can focus exclusively on and respond to industry developments, allowing for the quick management, vetting, and certification of creative works across various channels, which are often time-sensitive. Integrating it into the Ministry of Arts, Culture, and Creative Economy will introduce layers of

bureaucracy, slowing down critical regulatory promotional activities or even failing to prioritise them due to competing broader demands within the ministry.

- 5. Diversity of Representation in the Board:** The NFVCB's current structure, as intended by its establishment Act, includes representatives from various cultural, age, and religious groups, including sectors of the economy, ensuring that regulatory and oversight decisions are culturally sensitive, inclusive, and progressive. Reducing the Board to a department with zonal representation (as recommended by the Oronsaye report) under a broader ministry could undermine this inclusive approach, leading to decisions that may not adequately reflect Nigeria's diverse cultural landscape.
- 6. Content Regulation and Consumer Protection:** The NFVCB plays a critical role in protecting consumers from harmful or inappropriate content. It ensures that films and videos meet ethical and quality standards, safeguarding public interests and helping categories of viewers make informed choices through its objective and professional ratings. An independent NFVCB, and as currently led by an experienced film critic, can maintain stringent oversight and uphold these standards without external interference or subjective bureaucratic influences. This autonomy is essential for effective content regulation and consumer protection.
- 7. International Relations and Global Competitiveness:** Maintaining an independent NFVCB aligns with international best practices. Countries like India, with cultural diversity similar to Nigeria, have an independent regulatory body—the Central Board of Film Certification (CBFC)—which ensures that movies remain culturally sensitive, well-regulated, and globally competitive. Independence will enhance the NFVCB's global profile in facilitating relationships with peer bodies abroad and networking for strategic international collaborations.

RISKS OF MERGING THE NFVCB WITH ANY OTHER MDA

- 1. Loss of Focus and Dilution of Specialised Expertise:** The NFVCB has developed specialised skills in film and video regulation, which are essential for maintaining industry standards. Redefining the Board to operate as a subsidiary will dilute this expertise, as transfers and deployments within Ministries, Departments and Agencies (MDAs) often lead to a loss of focused knowledge. This loss of specialisation will hinder the Board's ability to effectively regulate Nollywood. Also, the unique needs of the film industry might be overlooked in a merger, resulting in regulatory gaps that could compromise the quality and integrity of Nollywood productions. Effective regulation requires a deep understanding of industry-specific challenges and trends, which could be lost if the NFVCB's functions are absorbed by another agency.
- 2. Impact on Industry Growth:** Uncertainty and potential bureaucratic hurdles stemming from a merger could deter both local and international investment, as investors typically favour stable and predictable regulatory environments — an assurance an independent NFVCB provides. Operational inefficiencies may arise for filmmakers, introducing challenges such as delays and inconsistencies in content approval processes. These obstacles could impede the timely release of films, ultimately affecting profitability, investors' confidence and the overall industry growth. Moreover, the NFVCB's ongoing capacity-building programs, which are set to generate significant revenue for both practitioners and the government and foster industry skills, face the risk of disruption under a merger.

- 3. Cultural and Moral Erosion:** Cultural and moral erosion poses significant risks in the absence of a dedicated body like the NFVCB. Firstly, without robust monitoring from a super-focused regulator, especially given the proliferation of digital distribution channels, there's a heightened risk of content circulation that doesn't adhere to Nigerian cultural and moral standards. Consequently, this trend could contribute to a gradual erosion of societal values and norms over time.
- 4. Delay in Policy Implementation and Risks of Inconsistent Enforcement:** Subsuming the NFVCB into a department would severely compromise its regulatory agility, crucial for adapting policies to the fast-paced Nigerian film industry. This setback will hinder the Board's ability to respond to and steer the industry towards emerging trends and opportunities. Restricting the NFVCB within a larger ministry may also lead to a one-size-fits-all approach to movie regulations and inconsistency in enforcing film classifications, resulting in significant gaps in regulatory oversight and integrity.
- 5. Loss of Organisational Identity and Morale:** The NFVCB has established itself as the authoritative guardian of film regulation in Nigeria. Subsuming it within a broader entity will likely erode this distinct identity, undermine its authority and distort public perception. Additionally, the specialised staff of the NFVCB could face reduced morale and job satisfaction if the Board loses its independence. Removing them outside their core environment will diminish the quality of work and expertise essential to supporting and advancing the Nigerian film industry.

RECOMMENDATIONS

- 1. Strengthen and Support the NFVCB:** Rather than subsuming or merging the NFVCB, the government should enhance its capacity and financial sustainability by strengthening the Board to diversify and increase its revenue generation. Allowing the Board to allocate a portion of its generated revenue to staff and stakeholder training, improving staff welfare, and fostering a positive work environment would help retain top talent and enable it to better support the film industry.
- 2. Policy Reforms and Stakeholder Engagement:** Implement policy reforms that address any existing inefficiencies within the NFVCB while preserving its independence. Additionally, engage with industry stakeholders, including filmmakers, producers, and cultural organisations, to ensure that regulatory measures are practical, collaborative, and conducive to industry growth.
- 3. Review and Enhance the NFVCB Act:** The NFVCB Act should be reviewed to address modern-day film realities. For instance, while the Act predominantly addresses physical media and traditional cinema exhibitions, current global trends have seen a massive shift towards online streaming and new movie technologies such as Netflix, Prime, Amazon, etc. Strengthening the NFVCB for improved performance will require fortifying its mandate to cater to contemporary developments and technologies such as digital distribution channels, streaming platforms, piracy and online content - incorporating clear guidelines for governing these platforms and related issues.

RECOMMENDATIONS

The National Film and Video Censors Board is an essential institution for the regulation, growth, and preservation of the Nigerian film industry and cultural heritage. Downgrading it to a department poses significant risks, including bureaucratic inefficiencies, loss of specialised focus, compromised cultural sensitivity, intra-departmental challenges, economic implications, compromised regulatory quality, and organisational identity and morale issues. These risks underscore the importance of maintaining the NFVCB's independence to ensure the effective regulation and promotion of Nigeria's film industry. Thus, strengthening the NFVCB and ensuring its continued independence remains the most effective strategy for supporting Nollywood and safeguarding Nigeria's cultural legacy while at the same time improving government revenue.

ABOUT CAPP

Corporate Accountability and Public Participation Africa (CAPP) is a pan-African nongovernmental organisation that advances human rights, challenges corporate abuse of natural resources, and builds community power for inclusive development and participatory governance.

CAPP is passionately devoted to nurturing movements of African communities and a new generation of leaders working shoulder to shoulder to demand democratic management and governance of natural resources, accountability from power structures, inclusive participation in development processes, and an end to all forms of corporate and state abuses.

CAPP envisions a continent whose development path is designed, modelled, and executed by Africans—respecting and guaranteeing human rights, enabling social justice, and ensuring harmony with the environment. CAPP works across four thematic areas: Public Services, Environment and Climate, Democracy Outreach, and Public Health.