2012 BUDGET IMPLEMENTATION REPORT

FOREWORD

I am pleased to present you this Report which is the fourth in the series of Reports for the year as well as a consolidation of reports on implementation of the 2012 Budget. Like other previous reports, it is in line with government's resolve to engender transparency and accountability in our management of public resources and more importantly, the effective application of the resources to achieve Government's developmental objectives. This report therefore provides information by which Government's performance in the management of national resources can be measured.

The production and dissemination of this report is mandated by Sections 30 and 50 of the *Fiscal Responsibility Act, 2007* which requires the Honourable Minister of Finance to submit to the Joint Finance Committee of the National Assembly and the Fiscal Responsibility Commission, quarterly and consolidated budget implementation reports. These reports are also disseminated to the wider public through electronic and print media.

This Report is the product of diligent planning, monitoring, evaluation and analytical work conducted by the Budget Office of the Federation and I commend the team for their hard work and dedication. I also wish to recognize the active role the National Assembly's Joint Finance Committee and the Fiscal Responsibility Commission play in promoting best practice in public financial management through their collaborative efforts. I look forward to continuing our cooperative work in this regard.

Finally, I commend the readers of these Budget Implementation Reports for taking the time to examine their contents and scrutinize the Government's performance in delivering on the promises inherent in the Budget. By so doing, we can all contribute towards ensuring value for money in the utilization of public resources for the benefit of all Nigerians. I enjoin the readers of this report to continue to display active interest in Government's delivery on its promises as this provides the necessary impetus for the effective and efficient utilization of public resources for the benefit of all Nigerians.

Dr. Ngozi Okonjo-Iweala
Coordinating Minister for the Economy and
Honourable Minister of Finance

PREFACE

Pursuant to Sections 30 and 50 of the *Fiscal Responsibility Act 2007*, the Honourable Minister of Finance through the Budget Office of the Federation is required to produce quarterly budget implementation reports and consolidated annual budget implementation reports. This report fulfils this obligation and also provides a means of demonstrating Government's commitment to the transparent and prudent management of public finances.

The allocation of resources in the 2012 Budget was geared towards achieving the development goals encapsulated in the Administration's *Transformation Agenda*. As such, the 2012 Budget continued to scale up spending to priority sectors as was with the 2011 Budget. However, implementation of the budget in the 2012 faced critical challenges including its late passage in April 2012; the impact of the flood disaster that ravaged parts of the country; and the poor performance of some revenue categories. In spite of these challenges, emphasis continued to be placed on promoting developments in sectors like power, infrastructure development, youth development, education and agriculture with a view to creating jobs.

On the expenditure side, while recurrent expenditure was on target, implementation of the capital budget was constrained by the revenue challenges though with some remarkable improvements. As this Report would highlight, the sub-optimal implementation of MDA's capital projects is partly attributable to poor project management practices by some MDAs. However, substantial policy changes are being instituted by the government in order to correct this situation.

This Report, is an all inclusive endeavour of the various departments of the Budget Office of the Federation, particularly the Budget Evaluation and Monitoring Unit, other agencies of Government which provide key financial and macroeconomic data, and Civil Society Organizations in the development sphere. Again, I commend their efforts and wish them every success as they continue to perform this important function of producing a concise report which monitors Government's progress in implementing the Annual Budget.

Dr. Bright Okogu
Director General
Budget Office of the Federation

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EXECUTIVE SUMMARY

The 2012 Budget had a broad policy thrust of harmonizing economic growth witnessed in recent years and consolidating macroeconomic stability, structural and institutional reforms as well as targeting spending on growth-enhancing sectors of the economy. Data from the National Bureau of Statistics reveal Gross Domestic Product (GDP) growth rate of 7.09% for fourth quarter of 2012 and an overall average of 6.61% for 2012. The estimate in the fourth quarter was 0.61% higher than the 6.48% recorded in the third quarter of 2012 and 0.59% lower than the 7.68% recorded in the corresponding fourth quarter of 2011. Similarly, the overall 2012 GDP growth rate was 0.84% lower than the 7.45% level recorded in 2011. In 2012, the non-oil sector remained the major driver of growth recording 8.23% increase as against the oil sector which contracted by 0.17% due to lower production.

Inflation rate was 12% as at December 2012 reflecting an increase of 1.7% over the 10.3% rate recorded within the same period of 2011. Nigeria's gross external reserves stood at US$43.85 billion as at 31st December 2012. Relative to the end of December 2011, level of US$32.92 billion, the external reserves at the end of December 2012 had risen by US$10.93 billion (or 33.2%).

Data from the Office of the Accountant General of the Federation (OAGF) showed that a net sum of N1,356.08 billion was available for sharing in the fourth quarter of 2012. This implies a shortfall of N205.91 billion (or 13.18%) in the fourth quarter. For the whole year, a total of N5,576.57 billion was shared among the three tiers of government as against the annual projected estimate of N6,247.94, indicating a shortfall of N671.37 billion (or 10.75%). The sum of N3,131.09 billion, including revenue from other sources was received to fund the Federal budget in 2012. This represents a shortfall of N429.93 billion (or 12.07%) which posed a significant challenge for the implementation of the annual budget.

The data also indicated that about 98.98% of recurrent (non-debt) expenditure was the implemented as at December 2012 while N1,017.46 billion out of the N1,339.99 billion projected for capital budget implementation for the year was released to MDAs. Of the amount released, N739.3 billion (or 72.66%) was cash-backed while N686.3 billion (or 92.83%) of the cash-backed sum was utilized by the MDAs as at end of December 2012.

A breakdown of the forty-nine (49) MDAs reported upon by the Office of the Accountant-General of the Federation (OAGF) showed different levels of utilization among the MDAs. Thirty-one (or 63.27%) of the MDAs including: Presidency, Youth Development, Police Affairs, Women Affairs, Agriculture, Water Resources, Education, Federal Capital

Territory Administration, Foreign & Intergovernmental Affairs, Interior, Power, science & Technology, Works, Mines & Steel and Aviation had utilized more than the overall average utilization rate of 92.83% out of the amount cash-backed. Twenty one out of these, including Youth Development, Police Affairs, Agriculture, Women Affairs, Federal Capital Territory Administration (FCTA), Interior, Head of Service, Works, Science & Technology and Aviation had utilized over 99% of their respective cash-backed funds.

In addition to the regular budget, an extra provision of N179 billion was made for major capital and social programmes under the SURE-P window, and this greatly assisted in the significant progress made in the area of infrastructure development in 2012. A total of N165 billion (or 91.67% of the appropriated sum) was released as at 31st December, 2012 while N72.44 billion (or 43.9% of the released amount) was utilized.

The monitoring and evaluation of projects across MDAs show relative progress. A sample of projects for the exercise was based on their relevance to the *Transformation Agenda*, geographical spread, immediate and long-term socio-economic impact as well as their level of implementation. Some of the key projects that were monitored, evaluated and are already impacting positively on the socio-economic activities in the project-areas include: the rehabilitation and expansion of Outer Northern Expressway 48, the construction of Nigeria Cultural and Millennium Tower, Abuja, and the rehabilitation of Shagamu-Ajebandele-Ore Road Section I (Ore-Ofosu Section) which has reduced traffic congestion significantly in the Benin-Ore expressway.

Finally, developments in the domestic economy have shown that the economy continues to witness robust growth, with the non-oil sector as the main driver. The physical monitoring and evaluation of selected projects necessitated a number of recommendations including the need for MDAs to channel resources to the completion of ongoing projects before introduction of new ones and adherence to standard project management practices. Furthermore, the continued review and publishing of this Report which fosters an environment of transparency, accountability, and openness is expected to challenge the MDAs to achieve the promised deliverables in line with Government policies.

1.0 INTRODUCTION

The 2012 Budget was planned to achieve *fiscal consolidation with growth*. To achieve this, it was founded on four broad pillars - attaining macroeconomic stability, good governance, structural and institutional reforms as well as targeting spending on priority sectors of the economy.

2. The 2012-2014 Fiscal Framework, which is based on the developments in the global and domestic economy was the bedrock on which the Budget was formulated. As such, policy measures were taken to protect the domestic economy from volatility in the global economy. Among such were the adoption of a prudent benchmark oil price, focusing capital expenditure on the completion of viable ongoing capital projects and programmes as well as measures to boost the non-oil revenue base and blocking of revenue leakages.

3. The 2012 Budget gave priority to key sectors such as Agriculture, Water Resources, Education, Health, Power, Transport, Works, Aviation, Niger Delta, F.C.T. and Security. These sectors received a total of N805.89 billion (or 60.14%), N602.19 billion (or 59.19%) and N539.19 billion (or 72.93%) of the capital appropriation, releases and cash-backed sum respectively in the year with a cumulative utilization rate of N523.32 billion (or 76.25%) of the total utilized sum for those sectors.

4. However, the implementation of the Budget in the year had been very challenging due to some unforeseen situations such as the late passage of the Budget in April 2012, MDAs having to implement the 2011 capital budget and that of 2012 concurrently to 31st March 2012, the flood disaster that ravaged a large part of the country and the poor performance of some revenue categories. Government however addressed the negative impacts of these factors on the implementation of projects and programmes through its cash management practice which ensured that priority sectors received a greater share of the available resources.

5. This Report is designed to present comprehensive information on the implementation of the 2012 Budget. The rest of the Report is structured as follows: a brief review of the macroeconomic environment under which the Budget was implemented is presented, followed by a detailed analysis of government's revenue receipts and expenditure in the year. Next is the outcome of the physical monitoring and evaluation of capital projects and programmes while the final part presents a conclusion and recommendations to the report.

2.0 MACROECONOMIC DEVELOPMENT AND ANALYSIS

Global Economy

The global economic growth in 2012 remained largely uneven and subdued in most economies. Data from the International Monetary Fund (IMF) World Economic Outlook show that global output was weaker than previously assumed due to continued contraction in the Euro Zone and Japan as well as the less-than-anticipated growth in Brazil and India. The fragility in the global economy was further compounded by the uncertainties surrounding the “fiscal cliff” and debt ceiling challenges in the United States and the difficulties associated with China’s attempts to rebalance its growth. These developments among others adversely affected private sector confidence, worsened the unemployment situation and further tightened financing conditions in both the periphery and core economies. Overall, global output was estimated to have expanded by 3.2% in 2012 as against the earlier projection of 3.3% made in October 2012.

7. In the euro area, economic and financial conditions remained severely weak despite the intervention scheme by the European Central Bank (ECB). Data from the Asian economies revealed that a gradual recovery may be underway as China and Indonesia witnessed an improved economic activity in the fourth quarter of 2012 but the sub-optimal performance of the Japanese and Indian economies became a major drag on recovery in the region. The Middle East and North Africa (MENA) region recorded mixed performance. The oil importing countries in the zone experienced subdued economic performance of 2% while the oil exporting countries grew at an average of 6.6%. Economic conditions in sub-Saharan Africa were generally robust despite the sluggish growth in the global economy. The growth in this zone was as a result of increased economic activities which can also be attributed to prudent policies and improved fundamentals.

Domestic Economy

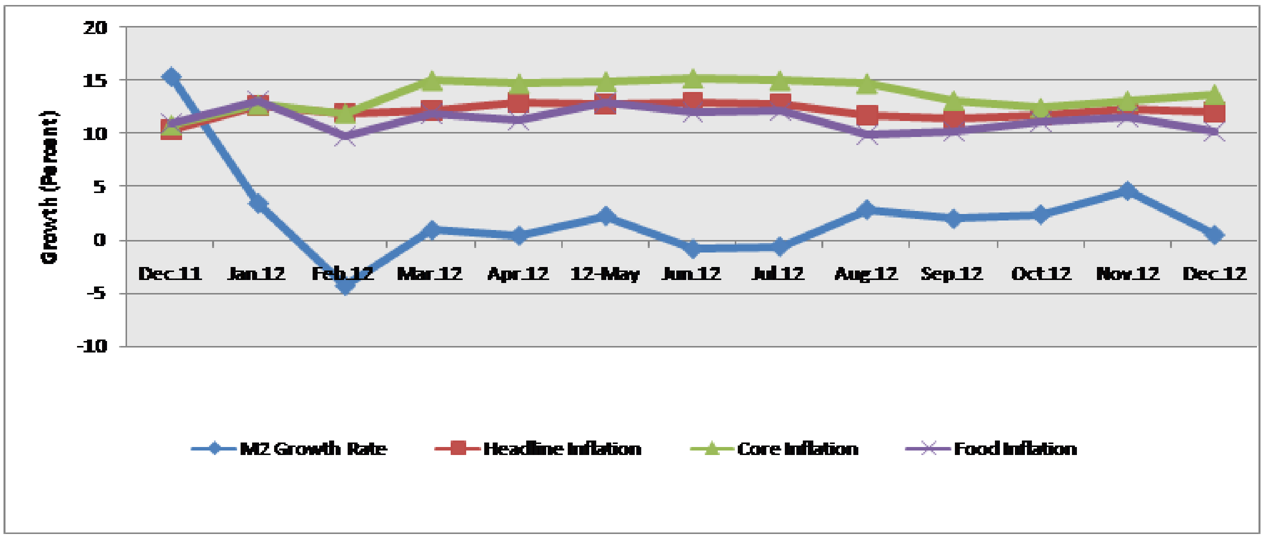
8. Data from the National Bureau of Statistics reveal an estimated Gross Domestic Product (GDP) growth rate of 7.09% for the fourth quarter of 2012 and an overall average of 6.61% for 2012. The 2012 GDP growth was 0.84% lower than the 7.45% level recorded in 2011. In 2012, the non-oil sector remained the major driver of growth recording 8.23% increase as against the oil sector which contracted by 0.17% due to lower production. The relatively robust growth projections reflected the favourable performance of wholesale and retail trade, the services sector, outcome of the banking sector reforms, improvement in power supply and the initiatives by the government to stimulate the real economy.

9. The inflationary trend was high in 2012. The year-on-year headline inflation increased from 11.30% in September to 12% in December 2012. Similarly, year-on-year food inflation rose from 10.20% in September to 11.1% and 11.6% in October and November respectively before falling back to 10.2% in December 2012. On the other hand, year-on-year core inflation declined from 13.1% in September to 12.40% in October, remained the same at 13.1% in November before rising again to 13.70% in December 2012. The year-on-year average headline inflation rate in 2012 stood at 12.24%, while the average core and food inflation year-on-year stood at 13.87% and 11.32% respectively. The major drivers of headline inflation in 2012 included food, non-alcoholic beverages, housing, water, electricity and transport. Chart 1 below shows the trend of inflation in the last 12 months.

10. Broad money supply (M2) grew by 7.57% in December over the level in September 2012, that is, from N14.06 trillion in September to N15.13 trillion in December 2012. On year-on-year basis, M2 grew by N1.83 trillion (or 13.72%) in December 2012 over the level at the end of December 2011. The net aggregate domestic credit rose by 4.38% from N13.37 trillion in September to N13.96 trillion in December 2012. Overall, credit to the private sector increased by 2.34% between September and December 2012, while credit to government contracted by 15.1% between September and December 2012. The decline in credit to government was occasioned by the sustenance of government as a net creditor to the banking system,

reflecting more prudent fiscal measures, including the introduction of the Treasury Single Account. The average prime lending rate rose to 19.23% in December from 16.37%, 16.48% and 16.51% in September, October and November 2012, respectively. Similarly, the average maximum lending rate also rose to 25.91% in December from 24.67%, 24.65% and 24.7% respectively in September, October and November respectively.

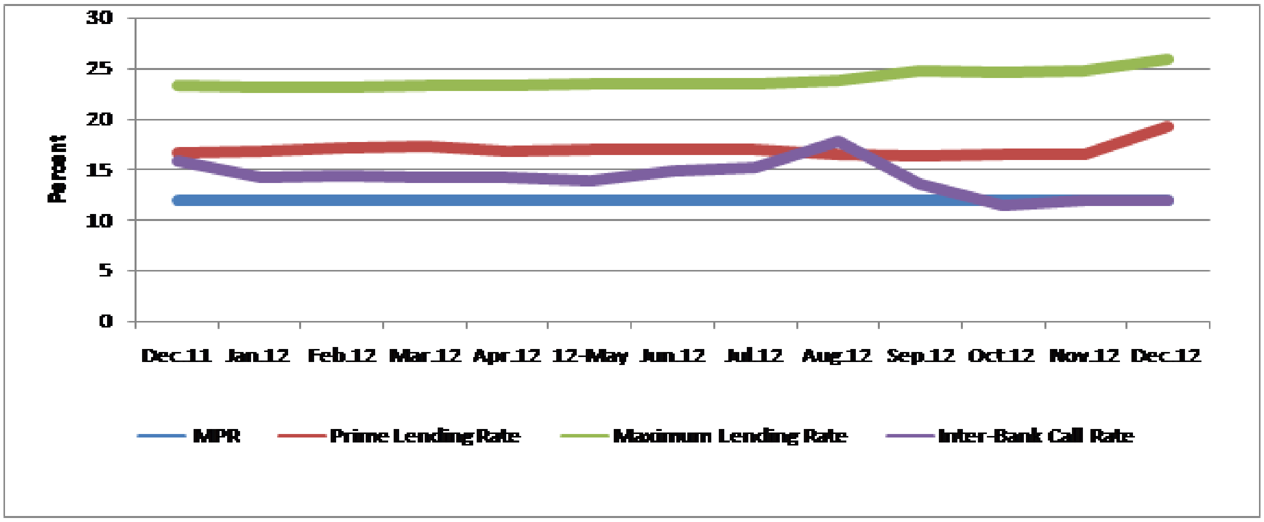
Chart 1: Inflation Trend December 2011 – December 2012



Source: Central Bank of Nigeria, 2012 & National Bureau of Statistics, 2012

11. The Central Bank of Nigeria (CBN) maintained the Monetary Policy Rate (MPR) at 12% throughout the year in view of the conflicting price signals, global uncertainties and the need to preserve the stability of the system. The average interbank call rate, on the other hand fell from 13.5% in September to 11.42% in October. It, however, rose negligibly to 11.86% and 11.88% in November and December respectively. This reflected an increased liquidity in the banking system including repayments of matured CBN Bills and banks' desire to maintain optimum liquidity position on their balance sheets at the end of their financial year. The trends in interest rates in the past 12 months are presented below in Chart 2.

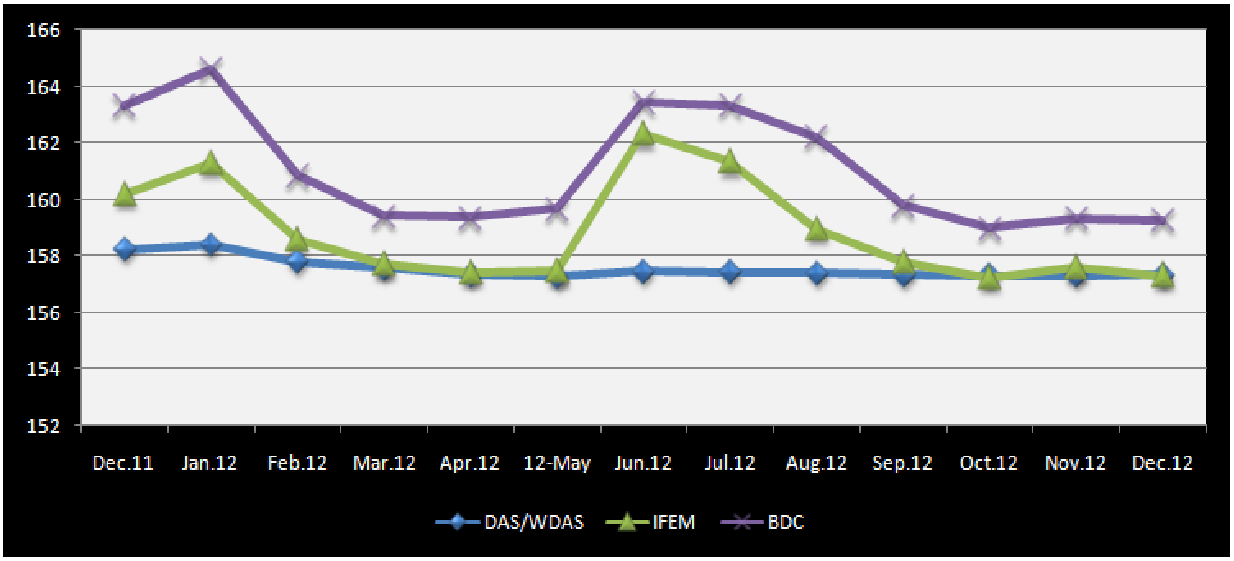
Chart 2: Interest Rates Trend (December 2011 – December 2012)



Source: Central Bank of Nigeria, 2012

12. The average official Wholesale Dutch Auction System (WDAS) Naira/Dollar exchange rate appreciated slightly from N157.34/$ in September to N157.32/$ in December 2012 representing an appreciation of N0.02 (or 0.01%). Similarly, the average Inter-bank exchange rate appreciated from N157.78/$ in September to N157.33/$ in December 2012. Likewise, the average Bureau de Change rate also appreciated from N159.80/$ in September to N159.26/$ in December 2012. The appreciations recorded in the foreign exchange market could be attributed to the combined effects of improved supply of foreign exchange by oil companies and enhanced capital inflows from portfolio investors during the period under review. The premium between the WDAS and the interbank rate narrowed towards the end of the review period. On the other hand, the premium between the WDAS and BDCs widened during the review period suggesting the need to sustain and further complement existing measures to discourage speculative activities in the foreign exchange market.

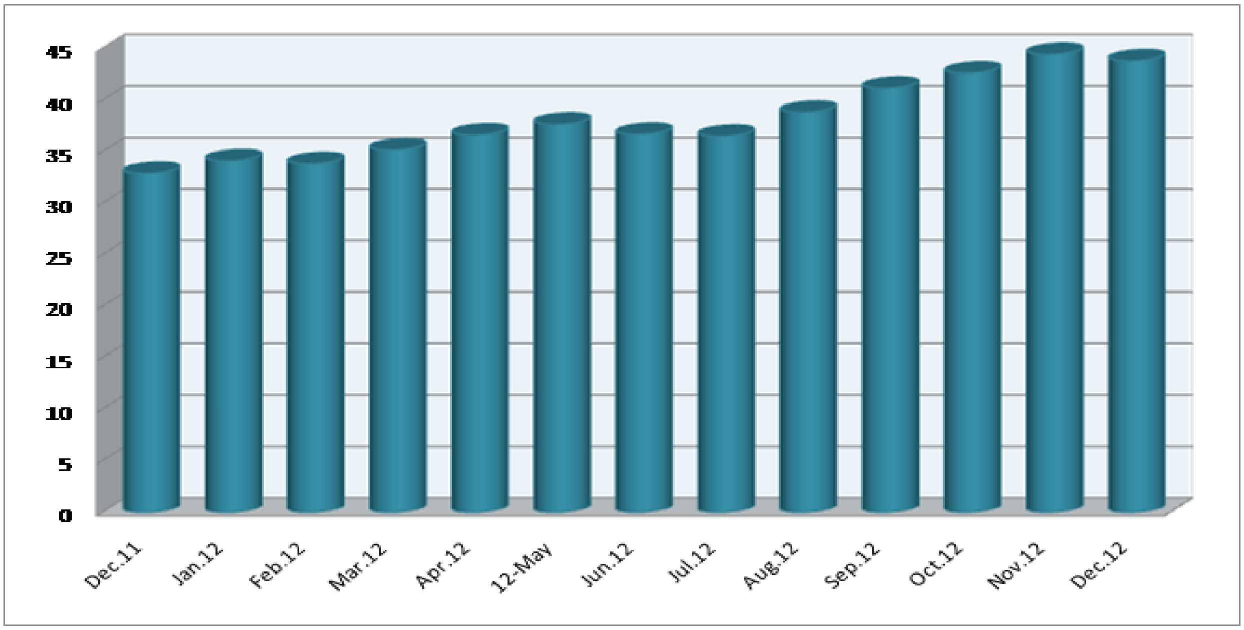
Chart 3: Naira/US$ Exchange Rates Trend (Dec. 2011 – Dec. 2012)



Source: Central Bank of Nigeria, 2012

13. Nigeria's gross external reserves stood at US$43.85 billion as at 31st December 2012, representing an increase of 6.46% above the level recorded at the end of September 2012. Relative to the end of December 2011 level of US$32.92 billion, the external reserves at the end of December 2012 had risen by US$10.93 billion (or 33.2%). The increase in the level of foreign reserves was due mainly to tighter fiscal policy, higher proceeds from crude oil and gas exports, and crude-oil related taxes as well as the clean-up of the oil subsidy regime and reduced funding of the WDAS on account of the huge inflow of foreign portfolio investments. The foreign reserves level as at the end of December 2012 could finance about nine months of imports. This is well over the globally recommended minimum threshold of three months import cover.

Chart 4: Level of External Reserves in Billion Dollars (December 2011 – December 2012)



Source: Central Bank of Nigeria, 2012

3.0 FINANCIAL ANALYSIS OF THE 2012 BUDGET IMPLEMENTATION

3.1 Key Assumptions and Projections

The 2012 Budget was based on the 2012-2014 Medium Term Fiscal Framework (MTFF) which was prepared after series of wide ranging discussions with relevant stakeholders in both the public and private sectors of the economy, and against the backdrop of global economic developments.

Table 1: Key Assumptions and Targets for the 2012 Budget

KEY ASSUMPTIONS & TARGETS	2012
Projected Production (in mbpd)	2.48
Budget Benchmark price (per barrel in US)	72
Technical Cost of JV Pbl to Oil Companies	
Operating expenses (T1) in US $	10.24
Capital expenses (T2) in US $	10.18
Technical Cost of PSC Pbl to Oil Companies	
Operating expenses (T1) in US $	8.3
Capital expenses (T2) in US $	19.68
Investment Tax Credit	5.22
Technical Costs of SC Pbl to Oil Company	
Operating expenses (T1) in US $	22.26
Capital expenses (T2) in US $	43.3
Investment Allowances	22.43
Weighted Average Contributrion rates	
Weighted average rate of PPT-JV/AF/Independent/Margina	85%
Weighted average rate of PPT-PSC Oil	51.65%
Weighted average rate of PPT-SC Oil	51.65%
Weighted average rate Royalties-JV/AF/Independent/Margin	19.25%
Weighted average rate of Royalties -PSC Oil	2.34%
Weighted average rate of Royalties SC Oil	2.34%
Average exchange rate (NGN/US$)	155
VAT Rate	5%
CIT Rate	30%

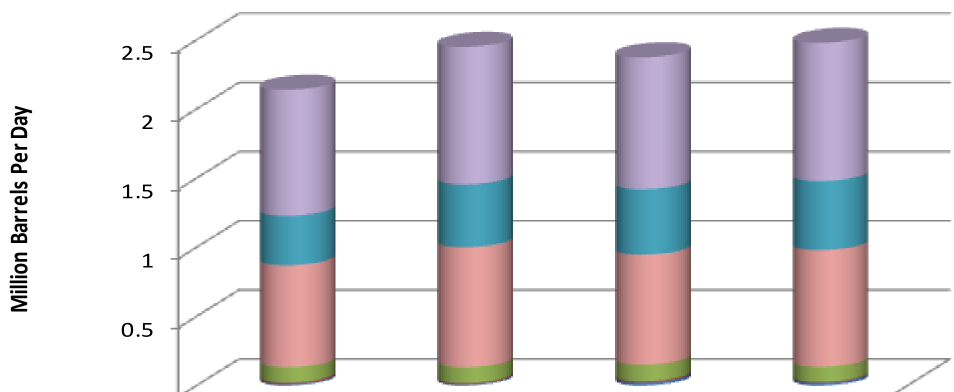
Source: BOF, NNPC, FIRS and NCS

Budget Benchmark Oil Price and Production

15. In view of the volatile nature of the price of oil at the international market, the government in recent times has adopted a cautious system of determining the benchmark price of oil for its annual budget. In so doing, budget expenditures are de-linked from fluctuations in world oil price. With this in mind, the oil benchmark price for the 2012 Budget was set at US$72/barrel while oil production was fixed at 2.48 million barrels per day (mbpd), indicating a marginal increase of 0.18 mbpd above the 2.3 mbpd for 2011 budget.

16. A breakdown of the projected contributions of oil production by business arrangement is presented in Chart 5 below while the details of the contributions and rates for the major oil taxes accruing to the Federal Government are presented in Table 2 below.

Chart 5: Budget Oil Production by Business Arrangements 2009 – 2012



	2009 Actual	2010 Actual	2011 Actual	2012 Budget
Joint Ventures	0.91	0.995	0.955	1
Alternative Funding	0.36	0.455	0.474	0.5
Prod. Sharing Contracts	0.736	0.868	0.793	0.843
Independents	0.113	0.115	0.122	0.11
Service Contracts	0.009	0.007	0.008	0.005
Marginal Fields	0.011	0.01	0.022	0.02

Source: NAPIMS/NNPC

Table 2: Detailed Assumptions for Oil Production and Taxes (2012)

Share of Oil Production	**Percentage**
Joint Ventures	40.39%
Alternative Funding	20.16%
Production Sharing Contracts	33.99%
Independents	4.43%
Service Contracts	0.21%
Marginal	0.81%
Total Production	100.00%
PPT Rates	
Weighted Average-JV/AF/Independent/Marginal	85.00%
Weighted Average -PSC	51.44%
Weighted Average -SC	85.00%
Royalties Rates	
Weighted Average-JV/AF/Independent/Marginal	19.25%
Weighted Average-PSC	2.24%
Weighted Average-SC Oil	18.50%

Source: NNPC and BOF

3.2 Analysis of Revenue Performance

Overview of Oil Revenue Parameters

17. The price of crude oil in the international market averaged US$110.03 per barrel in the fourth quarter of 2012, an increase of US$0.32 over the US$109.71 per barrel recorded in the third quarter of 2012. The higher crude oil price could be attributed to the intervention scheme to halt downward trend in economic activities by the European Central Bank and the US Federal Reserve System which aided investments in commodities and stocks.

18. Provisional data from the Nigerian National Petroleum Corporation (NNPC) show that the average oil lifting (including Condensates) in the fourth quarter of 2012 was 2.2 million barrels per day (mbpd) resulting in a shortfall of 0.26mbpd below the 2.46mbpd recorded in the third quarter of 2012 and 0.28mbpd lower than the 2.48mbpd projected for the year. The decrease in oil

lifting during the quarter can be traced to an increase in oil theft, illegal bunkering and pipeline vandalization experienced in the Niger Delta region.

19. The 2012 Fiscal Framework presents a gross federally collectible revenue estimate of N9,692.5 billion, made up of N6,636.51 billion (or 68.47%) oil revenue and N3,055.99 billion (or 31.53%) non-oil revenue. Below is an analysis of the actual performance of the oil and non-oil revenue receipts in the fourth quarter.

Oil Revenue Performance

20. An appraisal of the oil revenue in the fourth quarter of 2012 shows that Gas Sales of N95.26 billion, Royalties (Oil & Gas) of N274.14 billion, Gas Flared Penalty of N1.09 billion and Petroleum Profit & Gas Taxes of N829.82 billion exceeded their respective quarterly expected estimates of N85.12 billion, N182.78 billion, N0.8 billion and N466.36 billion by N10.14 billion (or 11.91%), N91.35 billion (or 49.98%), N0.29 billion (or 36.58%) and N363.47 billion (or 77.94%). On the other hand, Crude Oil Sales of N600.27 billion, Rent of N0.01 billion and Other Oil & Gas Revenue of N0.15 billion were lower than their quarterly projections of N923.26 billion, N0.19 billion and N0.62 billion by N322.98 billion (or 34.98%), N0.19 billion (or 95.71%) and N0.47 billion (or 76.09%) respectively. Please see Table 3.1

Net Oil revenue

21. In the fourth quarter of 2012, the actual net oil revenue received into the Federation Account was N905.69 billion, indicating a shortfall of N96.31 billion (or 9.61%) below the projected quarterly estimate of N1, 002.00 billion. On the other hand, the net oil revenue in the fourth quarter of 2012 was higher than the N868.39 billion net oil revenue recorded in the third quarter of 2012 by N37.31 billion (or 4.3%). In spite of the favourable oil prices at the international market, the below-than-projected performance of the net oil revenue in the

fourth quarter of 2012 was due to the fall in oil lifting figure during the period. These data are presented in Table 3.

Year-to-date

22. As at December 2012, the cumulative Gas Sales of N350.02 billion, Royalties (Oil & Gas) of N1, 086.69 billion, Gas Flared Penalty of N3.70 billion and Petroleum Profit & Gas Taxes of N3,278.70 billion surpassed their respective projections of N340.49 billion, N731.12 billion, N3.2 billion and N1,865.42 billion by N9.53 billion (or 2.8%), N355.56 billion (or 48.63%), N0.5 billion (or 15.59%) and N1,413.28 billion (or 75.76%). For reasons earlier adduced, lower-than-projected revenue was received from Crude Oil Sales, Rent and other Oil and Gas Revenue.

Non-Oil Revenue Performance

23. The Government in recent times through the Budget Office of the Federation and the Federal Ministry of Finance has continued to pursue measures to boost non-oil revenue collection and remittances to the treasury. The implementation of these measures added to the Budget Office's regular engagement with the Agencies has resulted in continued growth in targets and actual revenues from the non-oil sector. This trend, as presented in Table 4 and Table 5, is expected to continue over the 2012 - 2015 period.

24. In the fourth quarter of 2012, the actual gross non-oil revenue of N472.93 billion was received. This depicts a shortfall of N114 billion (or 19.42%) below the quarterly estimate of N586.92 billion. A breakdown of the non-oil revenue items show that all the items fell below their quarterly projected estimates. Value Added Tax of N183.83 billion, Company Income Tax of N168.09 billion and Customs & Excise Duties of N121.01 billion were below their quarterly estimates of N200.72 billion, N207.05 billion and N150.15 billion by N16.88 billion (or 8.41%), N38.96 billion (or 18.81%) and N29.14 billion (or 19.41%) respectively. Compared to their respective third quarter

outcomes, Value Added Tax grew by 10.27 billion (or 5.91%) while Company Income Tax and Customs & Excise Duties fell by N230.56 billion (or 57.84%) and N5.93 billion (or 4.67%) respectively.

Year-to-date

25. The aggregate non-oil receipts as at December 2012 amounted to N2, 033.63 billion implying a shortfall of N314.07 billion (or 13.38%) below the annual estimate of N2, 347.70 billion. The data also reveal that apart from Company Income Tax, all the other non-oil revenue receipts were lower than their respective annual estimates. Company Income Tax of N848.57 billion grew by N20.38 billion (or 2.46%) over its annual estimate of N828.18 billion. On the other hand, Value Added Tax of N710.15 billion and Customs & Excise Duties of N474.92 billion were lower by N92.72 billion (or 11.55%) and N125.66 billion (or 20.92%) when compared with their respective annual projections of N802.86 billion and N600.58 billion. In line with the recent trend, the revenue collections in these categories are expected to further improve since a significant proportion of these revenue receipts mature at the tail end of the year.

Table 3: Net Distributable Revenue as at December, 2012 (Oil Revenue at Benchmark Assumptions)

S/N	DESCRIPTION	BUDGET Annual	BUDGET Quarterly	2012 ACTUAL First Quarter	2012 ACTUAL Second Quarter	2012 ACTUAL Third Quarter	2012 ACTUAL Fourth Quarter	2012 ACTUAL Annual	2011 Annual Actual	VARIANCE 4th Quarter Actual Vs Quarterly		VARIANCE 4th Quarter Vs 3rd Quarter (Actual)		VARIANCE Actual Vs Budget (Annual)		VARIANCE 2012 Vs 2011 (Actual)	
A	OIL REVENUE	N'bn	N'bn	N'bn	N'bn	N'bn	N'bn	N'bn	N'bn	N'bn	%	N'bn	%	N'bn	%	N'bn	%
1	Crude Oil Sales	3,693.02	923.26	1,060.17	902.70	741.92	600.27	3,305.06	4,607.24	(322.98)	-34.98	(141.64)	-19.09	(387.96)	-10.51	(1,302.18)	-28.26
2	Gas Sales (NLNG Feedstock Slaes & Upstream Liquid Gas)	340.49	85.12	98.16	88.61	68.00	95.26	350.02	258.85	10.14	11.91	27.27	40.10	9.53	2.80	91.17	35.22
3	Royalties Oil & Gas	731.12	182.78	250.56	285.55	276.45	274.14	1,086.69	1,061.36	91.35	49.98	(2.31)	-0.84	355.56	48.63	25.33	2.39
4	Rent	0.78	0.19	0.13	0.03	0.29	0.01	0.45	0.37	(0.19)	-95.71	(0.28)	-97.12	(0.32)	-41.38	0.08	22.79
5	Gas Flared Penalty	3.20	0.80	0.49	0.69	1.43	1.09	3.70	3.44	0.29	36.58	(0.33)	-23.30	0.50	15.59	0.26	7.56
6	PPT & Gas Tax @CITA	1,865.42	466.36	943.48	680.58	824.82	829.82	3,278.70	2,915.24	363.47	77.94	5.00	0.61	1,413.28	75.76	363.46	12.47
7	Other Oil and Gas Revenue	2.48	0.62	0.18	0.60	0.40	0.15	1.32	2.11	(0.47)	-76.09	(0.26)	-63.30	(1.16)	-46.60	(0.79)	-37.24
8	Sub-Total	6,636.51	1,659.13	2,353.17	1,958.74	1,913.30	1,800.74	8,025.95	8,848.61	141.61	8.54	(112.55)	-5.88	1,389.43	20.94	(822.66)	-9.30
9	Joint Venture Cash Calls	1,141.51	285.38	261.06	301.59	285.06	284.91	1,132.62	1,008.81	(0.46)	-0.16	(0.14)	-0.05	(8.89)	-0.78	123.81	12.27
10	Domestic Fuel Subsidy (NNPC)	888.10	222.03	210.00	50.00	-	-	260.00	785.91	(222.03)	-100.00	-		(628.10)	-70.72	(525.91)	-66.92
11	Under Remittance of Funds by NNPC	-	-	31.15	-	-	-	31.15	(30.47)	-		-		31.15		61.62	-202.22
12	Oil Excess Revenue	-	-	-	26.19	85.01	-	111.21		-		(85.01)	-100.00	111.21		111.21	
13	Sub-Total	4,606.91	1,151.73	1,850.97	1,580.96	1,543.23	1,515.83	6,490.98	7,084.37	364.10	31.61	(27.40)	-1.78	1,884.07	40.90	(593.39)	-8.38
14	Transfer to Excess Crude Account	-	-	847.91	440.96	545.08	474.80	2,308.75	3,068.84	474.80		(70.28)	-12.89	2,308.75		(760.09)	-24.77
15	Balance Oil Revenue	4,606.91	1,151.73	1,003.05	1,140.00	998.15	1,041.03	4,182.23	4,015.53	(110.70)	-9.61	42.88	4.30	(424.68)	-9.22	166.70	4.15
16	13% Derivation of Net Oil Revenue	598.90	149.72	130.40	148.20	129.76	135.33	543.69	522.02	(14.39)	-9.61	5.57	4.30	(55.21)	-9.22	21.67	4.15
17	TO FEDERATION ACCOUNT	4,008.01	1,002.00	872.66	991.80	868.39	905.69	3,638.54	3,493.51	(96.31)	-9.61	37.31	4.30	(369.47)	-9.22	145.03	4.15
B	NON-OIL REVENUE		-	-	-	-	-	-	-	-		-		-		-	
18	Value Added Tax (VAT)	802.86	200.72	170.98	181.77	173.57	183.83	710.15	649.50	(16.88)	-8.41	10.27	5.91	(92.72)	-11.55	60.65	9.34
19	Corporate Tax,CIT, CGT, Stamp Duties	828.18	207.05	124.41	157.41	398.65	168.09	848.57	716.92	(38.96)	-18.81	(230.56)	-57.84	20.38	2.46	131.65	18.36
20	Customs: Import, Excise & Fees	600.58	150.15	109.28	117.69	126.94	121.01	474.92	422.09	(29.14)	-19.41	(5.93)	-4.67	(125.66)	-20.92	52.83	12.52
21	Special Levies	116.07	29.02	-	-	-	-	-	-	(29.02)	-100.00	-		(116.07)	-100.00	-	
22	Sub-Total	2,347.70	586.92	404.67	456.88	699.16	472.93	2,033.63	1,788.51	(114.00)	-19.42	(226.23)	-32.36	(314.07)	-13.38	245.12	13.71
23	Cost of Collection and Other Deductions	120.21	30.05	19.47	21.81	31.77	22.55	95.59	84.19	(7.50)	-24.97	(9.23)	-29.04	(24.61)	-20.48	11.40	13.54
24	Cost of Collection (VAT)	32.11	8.03	6.84	7.27	6.94	7.35	28.41	25.98	(0.68)	-8.41	0.41	5.91	(3.71)	-11.55	2.43	9.34
25	4% Cost of Collection (CIT)	32.93	8.23	4.98	6.30	15.95	6.72	33.94	28.67	(1.51)	-18.32	(9.22)	-57.84	1.02	3.08	5.27	18.39
26	7% Cost of Collection (Customs)	50.17	12.54	7.65	8.24	8.89	8.47	33.24	29.55	(4.07)	-32.46	(0.42)	-4.67	(16.92)	-33.73	3.69	12.50
27	FIRS Tax Refunds	5.00	1.25	-	-	-	-	-	-	(1.25)	-100.00	-		(5.00)	-100.00	-	
28	TO FEDERATION ACCOUNT (NON-OIL)	1,456.74	364.19	221.06	260.57	500.76	273.90	1,256.30	1,080.80	(90.28)	-24.79	(226.86)	-45.30	(200.45)	-13.76	175.50	16.24
29	Total VAT Pool	770.75	192.69	164.14	174.50	166.62	176.48	681.74	623.52	(16.21)	-8.41	9.85	5.91	(89.01)	-11.55	58.22	9.34
30	Net Non-Oil Revenue	2,227.49	556.87	385.20	435.07	667.39	450.38	1,938.04	1,704.32	(106.49)	-19.12	(217.00)	-32.52	(289.45)	-12.99	233.72	13.71
31	Sub-Total: FEDERATION ACCOUNT	5,464.75	1,366.19	1,093.72	1,252.37	1,369.15	1,179.60	4,894.83	4,574.31	(186.59)	-13.66	(189.55)	-13.84	(569.92)	-10.43	320.52	7.01
32	Balance in Special Acct. End of Previous Y2011	12.44	3.11	-	-	-	-	-	-	(3.11)		-		(12.44)	-100.00	-	
33	TOTAL FEDERATION ACCOUNT	5,477.19	1,369.30	1,093.72	1,252.37	1,369.15	1,179.60	4,894.83	4,574.31	(189.70)	-13.85	(189.55)	-13.84	(582.36)	-10.63	320.52	7.01
C	TOTAL DISTRIBUTION		-	-	-	-	-	-	-	-		-		-		-	
1	Federation Account	5,477.19	1,369.30	1,093.72	1,252.37	1,369.15	1,179.60	4,894.83	4,574.31	(189.70)	-13.85	(189.55)	-13.84	(582.36)	-10.63	320.52	7.01
2	VAT Pool Account	770.75	192.69	164.14	174.50	166.62	176.48	681.74	623.52	(16.21)	-8.41	9.85	5.91	(89.01)	-11.55	58.22	9.34
3	GRAND TOTAL	6,247.94	1,561.98	1,257.86	1,426.87	1,535.77	1,356.08	5,576.57	5,197.83	(205.91)	-13.18	(179.70)	-11.70	(671.37)	-10.75	378.74	7.29

Source: OAGF and Budget Office of the Federation

Table 4: Actual performance of Non-Oil Revenue category (2005-2011)

Description	2005	2006	2007	2008	2009	2010	2011	7 - Year Average
	N'm	N'm	N'm	N'm	N'm	N'm	N'm	N'm
Customs Duties & Excise	228,645.20	176,297.90	248,941.30	274,407.60	278,940.00	309,193.00	422,090.00	276,930.71
Company Income Tax	162,166.30	244,807.80	327,040.20	416,825.50	564,950.00	657,278.00	716,920.00	441,426.83
Value Added Tax	189,969.40	230,370.30	301,709.60	404,527.80	468,388.90	562,857.00	649,500.00	401,046.14
Education Tax	21,849.00	23,950.00	50,650.00	59,387.00	61,058.20	-	-	30,984.89
FGN Independent Revenue	52,483.20	106,600.00	152,290.00	198,234.20	64,114.70	153,551.90	182,490.00	129,966.29

Source: OAGF and BOF

Table 5: Percentage Growth in Non-Oil Revenues (2006-2011)

Description	2006	2007	2008	2009	2010	2011	6-Year Avergae
Customs Duties & Excise	-22.89%	41.20%	10.23%	1.65%	10.85%	36.51%	12.93%
Company Income Tax	50.96%	33.59%	27.45%	35.54%	16.34%	9.07%	28.83%
Value Added Tax	21.27%	30.97%	34.08%	15.79%	20.17%	15.39%	22.95%
FGN Independent Revenue	103.11%	42.86%	30.17%	-67.66%	139.50%	18.85%	44.47%

Source: OAGF and BOF

Comparative Revenue Performance Analysis

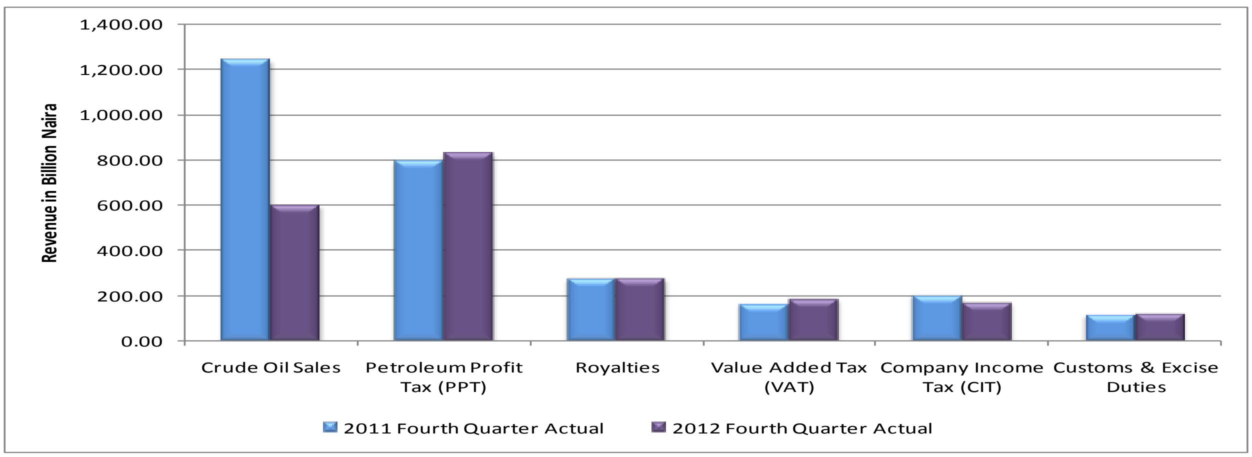
26. A comparative analysis of the data further indicates that the aggregate oil revenue receipts in the fourth quarter of 2012 were not only lower than their respective projections for the period, but were also short of the corresponding levels in the same period of 2011. The low performance can be attributed to the activities of pipeline vandals and crude oil theft in the period. Similarly, the aggregate non-oil revenues for the same period exhibited the same pattern of underperformance against corresponding figures recorded in 2011. Please see data below in *Table 6*.

Table 6: Performance of Revenue in the Fourth Quarter of 2012 Vs 2011

Revenue Items	2011 4th Quarter Actual	2012 4th Quarter Actual	Variance 4th Quarter 2012 Vs 4th Quarter 2011	
Oil Revenue	N bns	N bns	N bns	%
Crude Oil Sales	1,245.34	600.27	-645.07	-51.80
Petroleum Profit Tax (PPT)	797.6	829.82	32.22	4.04
Royalties	274.87	274.14	-0.73	-0.27
Gross Oil Revenue	2,377.66	1,800.74	-576.92	-24.26
Net Oil Receipts	968.26	905.69	-62.57	-6.46
Non-Oil Revenue				
Value Added Tax (VAT)	164.69	183.83	19.14	11.62
Company Income Tax (CIT)	200.47	168.09	-32.38	-16.15
Customs & Excise Duties	114.88	121.01	6.13	5.34
Gross Non-Oil Revenue	480.04	472.93	-7.11	-1.48
Net Non-Oil Receipts	457.41	450.38	-7.03	-1.54

Source: OAGF and Budget Office of the Federation

Chart 6: 2011 Vs 2012 Revenue Performance (Fourth Quarter)

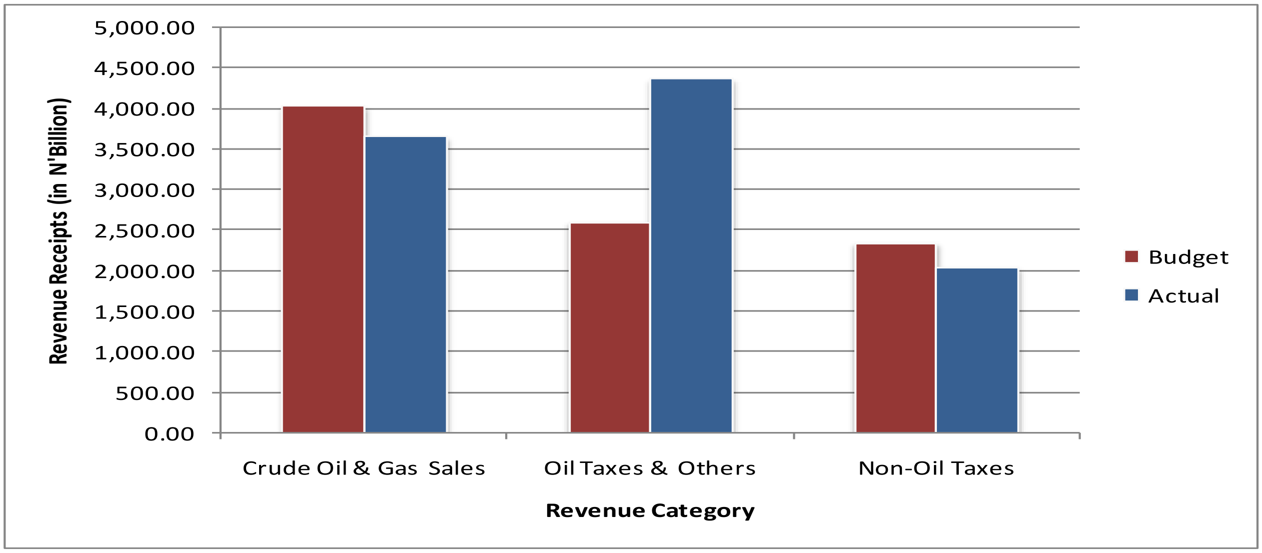


Source: OAGF and Budget Office of the Federation

27. Chart 7 below is a graphical illustration of the actual performance of revenue categories compared to their budgeted estimates as at December 2012.

28. The net distributable revenue is the balance of funds in the Federation Account available for distribution among the three tiers of government after taking out all costs. A net sum of N1, 356.08 billion was available for sharing in the fourth quarter of 2012. This implies a shortfall of N205.91 billion (or 13.18%) in the fourth quarter, and a cumulative shortfall of N671.37 billion (or 10.75%) for the year.

Chart 7: Projected Vs Actual FAAC Revenue Receipts (as at December 2012)

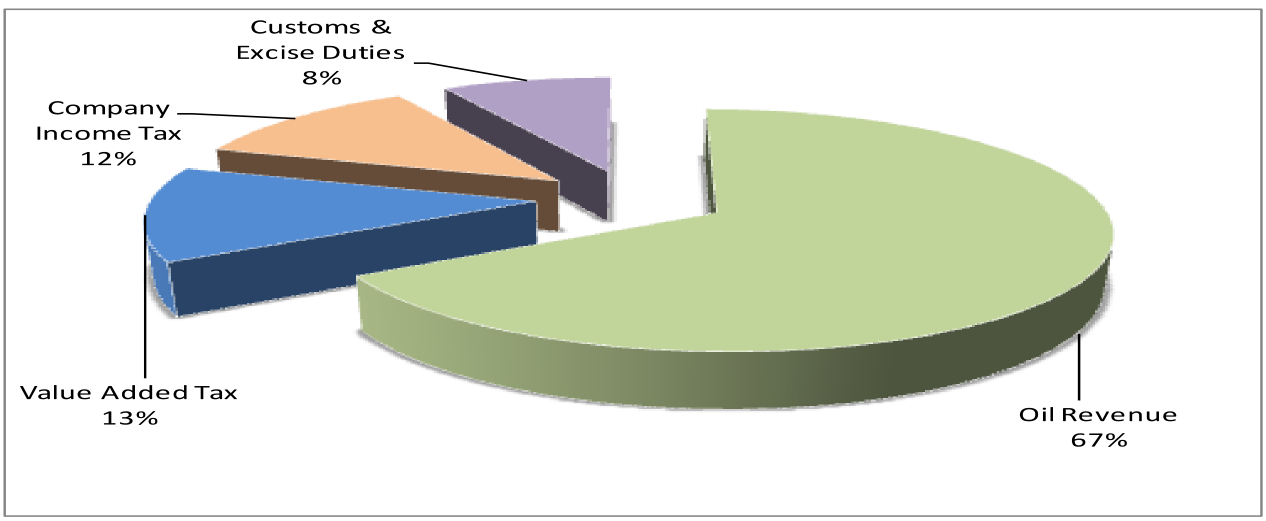


Source: Budget Office of the Federation

Distributable Revenue

29. Chart 8 below presents the percentage contribution of the various revenue categories to distributable revenue in the fourth quarter of 2012.

Chart 8: Contributions to Distributable Revenue (4th Quarter of 2012)

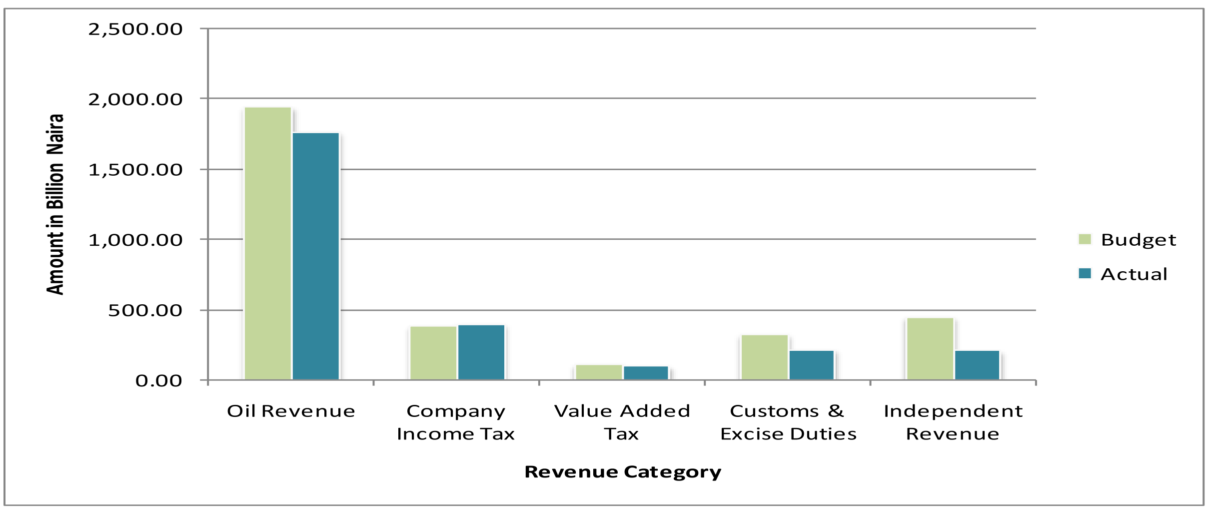


Source: Budget Office of the Federation

3.3 FGN Budget Revenue

30. Based on the approved 2012 Budget framework, the sum of N3, 561.02 billion was projected to fund the Federal Budget implying a quarterly share of N890.25 billion. In the fourth quarter of 2012, the sum of N439.26 billion received from oil sources was lower than the quarterly estimate of N485.97 billion by N46.71 billion (or 9.61%); as indicated earlier. Similarly, the FGN share of VAT of N24.71 billion, Customs & Excise Duties of N54.58 billion and Company Income Tax of N78.26 billion were short of their respective quarterly projection of N26.98 billion, N80.81 billion and N95.82 billion by N2.27 billion (or 8.41%), N26.23 billion (or 32.46%) and N17.56 billion (or 18.32%). The foregoing followed the same pattern of their respective performances at the Federation Account level. The data are presented below in Table 7.

Chart 9: FGN Revenue (Budget Versus Actual as at December 2012)



Source: The OAGF and Budget Office of the Federation

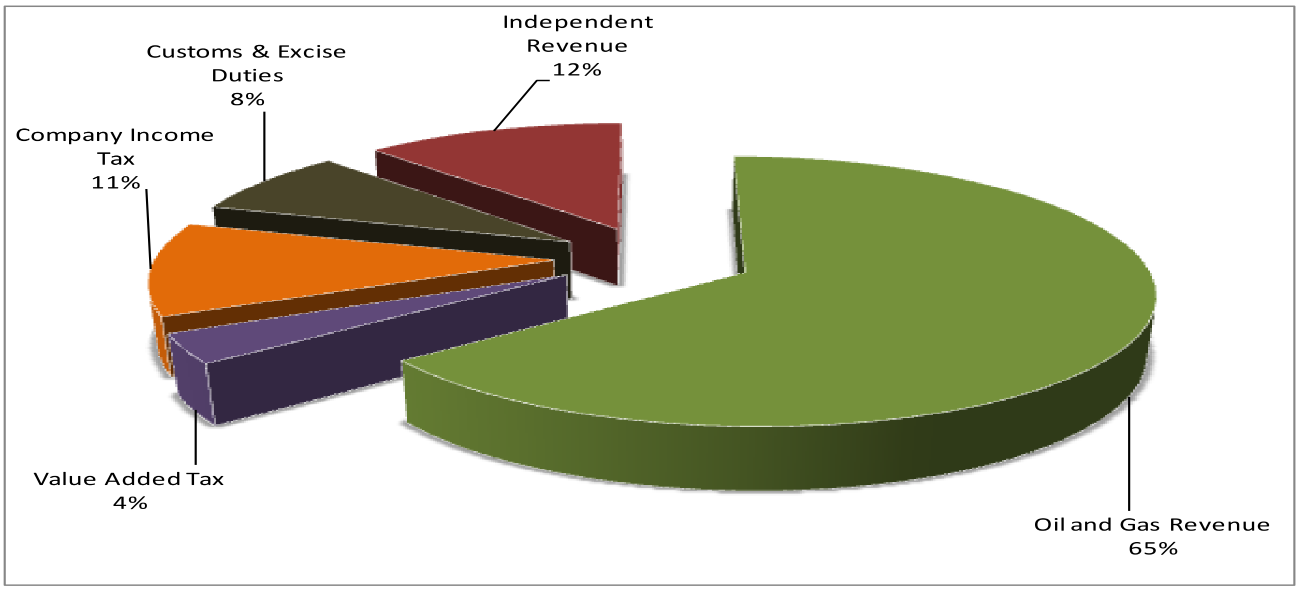
Table 7: Inflows to the 2012 Federal Budget as at December 2012

ITEMS	BUDGET Annual	BUDGET Quarterly	ACTUAL First Quarter	ACTUAL Second Quarter	ACTUAL Third Quarter	ACTUAL Fourth Quarter	ACTUAL Annual	2011 Annual Actual	VARIANCE 4th Quarter Actual Vs Quarterly Budget		4th Quarter Vs 3rd Quarter (Actual)		Actual Vs Budget (Annual)		2012 Vs 2011 (Actual)	
Inflow for the Federal Budget (CRF)	N'bn	N'bn	N'bn	N'bn	N'bn	N'bn	N'bn	N'bn	N'bn	%	N'bn	%	N'bn	%	N'bn	%
FGN Share of Oil Revenue	1,943.88	485.97	423.24	481.02	421.17	439.26	1,764.69	1,694.35	(46.71)	(9.61)	18.09	4.30	(179.19)	(9.22)	70.34	4.15
FGN Share of Non-Oil Revenue	820.46	205.11	130.20	150.81	266.20	157.55	704.75	793.97	(47.57)	(23.19)	(108.65)	(40.81)	(115.71)	(14.10)	(89.22)	(11.24)
FGN Share of Value Added Tax (VAT)	107.90	26.98	22.98	24.43	23.33	24.71	95.44	87.29	(2.27)	(8.41)	1.38	5.91	(12.46)	(11.55)	8.15	9.34
FGN Share of Customs	323.25	80.81	49.29	53.09	57.26	54.58	214.21	190.39	(26.23)	(32.46)	(2.68)	(4.67)	(109.04)	(33.73)	23.82	12.51
FGN Share of CIT	383.27	95.82	57.93	73.29	185.61	78.26	395.09	333.80	(17.56)	(18.32)	(107.35)	(57.84)	11.82	3.08	61.29	18.36
FGN Share of Actual Balances in Special Accounts	6.03	1.51	-	-	-	-	-	-	(1.51)	(100.00)	-		(6.03)	(100.00)	-	
FGN Independent Revenue	446.78	111.70	99.78	28.78	(5.33)	83.54	206.77	182.49	(28.15)	(25.21)	88.88	(1,666.22)	(240.01)	(53.72)	24.28	13.30
FGN Bal of Special Accts as at 31/12/11:	43.11	10.78	-	-	40.93	-	40.93	8.23	(10.78)	(100.00)	(40.93)	(100.00)	(2.18)	(5.05)	32.70	397.33
Unspent Balance from Previous FY	306.79	76.70	4.73	21.10	1.56	29.23	56.61	19.76	(47.47)	(61.90)	27.67	1,779.42	(250.17)	(81.55)	36.85	186.51
Sub-Total	3,561.02	890.25	657.95	681.71	724.52	709.58	2,773.75	2,516.31	(180.68)	(20.29)	(14.94)	(2.06)	(787.27)	(22.11)	257.44	10.23
Other Financing Sources	-	-	282.96	9.06	65.32	-	357.34	50.36	-		(65.32)	(100.00)	357.34		306.98	609.57
Savings (Augumentation)	-	-	185.89	9.06	-	-	194.95	-	-		-		194.95		194.95	
Excess Crude Proceeds	-	-	97.07	-	65.32	-	162.39	-	-		(65.32)	(100.00)	162.39		162.39	
External Creditor Funding	-	-	-	-	-	-	-	41.66	-		-		-		(41.66)	(100.00)
Plea Bargaining	-	-	-	-	-	-	-	8.70	-		-		-		(8.70)	(100.00)
Total Revenue Available for Implementation	3,561.02	890.25	940.91	690.77	789.84	709.58	3,131.09	2,566.67	(180.68)	(20.29)	(80.26)	(10.16)	(429.93)	(12.07)	564.42	21.99

Source: Budget Office of the Federation and the OAGF

31. A total of N709.58 billion, excluding other funding sources, was received in the fourth quarter of 2012. This amount was N180.68 billion (or 20.29%) lower than the quarterly projection of N890.25 billion and N14.94 billion (or 2.06%) lower than the actual receipt of N724.52 billion recorded in the third quarter of 2012. However, the aggregate revenue in the fourth quarter of 2012 was N19.4 billion (or 2.81%) higher than the N690.18 billion recorded in the fourth quarter of 2011.

Chart 10: Contribution to the FGN Budget Revenue in the Fourth Quarter of 2012 (E*xcluding FGN's Unspent Balances and FGN's Balances in Special Accounts*)



Source: The OAGF and Budget Office of the Federation

3.4 Excess Crude Account

32. The Excess Crude Account (ECA) was initiated to serve as a stabilization and savings account. Inflows into the ECA in the fourth quarter of 2012 amounted to N474.8 billion while the total inflow for the year was N2,308.75 billion. The inflow in the fourth quarter was N70.28 billion (or 12.89 %) and N314.52 billion (or 39.85%) lower than the N545.08 billion and N789.32 billion recorded in the third quarter of 2012 and fourth quarter of 2011 respectively. Similarly, the total inflow for 2012 was N760.09 billion (or 24.77%) below the

N3,068.84 billion received in 2011 reflective of the higher crude oil price and increased output in the period. The sum of N828.39 billion was withdrawn from the account in the fourth quarter of 2012 making the total drawdown from the account as at 31st December 2012 to N2, 066.69 billion. These data are presented in *Table 8.*

Table 8: Inflows to the Excess Crude Account

Description	2011 Actual (N' bns)					2012 Actual (N' bns)				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Jan -Dec.	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Jan - Dec.
Inflows										
Transfer to Excess Crude Oil Account	739.40	628.71	911.41	789.32	3,068.84	847.91	440.96	545.08	474.8	2,308.75
Outflows										
Payment for Petroleum Product Subsidy	41.4	35.1	542.34	42	660.84	149	29	21	284	483
Augmentation: Distribution among tiers of govt.	8.01	265.99	134.27	707.07	1,115.34	674.11	165.15	154.87	398.98	1,393.11
Transfer for Special Intervention Fund		4.5			4.5	8.29		36.88	145.41	190.58
Transfers Int. trf - SWF				0.14	0.14					
Total Outflow	49.41	305.59	676.61	749.21	1,780.82	831.4	194.15	212.75	828.39	2,066.69

Source: Office of the Accountant General of the Federation

3.5 Expenditure Developments

33. A total of N4,877.21 billion made up of the regular budget of N4,697.21 billion, and N180 billion for the Subsidy Reinvestment Programme (SURE-P) was appropriated[1] in 2012.

3.5.1 Non-Debt Recurrent Expenditure

34. As indicated in the *2012 First Quarter Budget Implementation Report,* Government has been evolving policy measures[2] aimed at gradually reversing the skewness of budgetary allocations towards the recurrent category. A breakdown of the data from the OAGF shows that a total of N609.12 billion was

[1] See 2012 First Quarter Budget Implementation Report

[2] See 2012 First Quarter Budget Implementation Report

expended on non-debt recurrent expenditure in the fourth quarter of 2012. Cumulatively, an aggregate of N2,400.3 billion had been committed to recurrent (non-debt) expenditure representing a variance of N24.75 billion (or 1.02%) when compared to the annual budget of N2,425.05 billion.

3.5.2 Debt Service

35. Provisional data from the Debt Management Office indicate that as at 31st December 2012 the Federal Government domestic debt stock stood at N6,537.54 billion, an increase of N914.7 billion over the N5,622.84 billion and N6,346.04 billion recorded at the end of 2011 and the third quarter of 2012 respectively. A breakdown of the domestic debt stock as at 31st December reveals that N4,080.05 billion (or 62.41%) is for FGN Bonds, N2,122.93 billion (or 32.47%) is for NTBs and N334.56 billion (or 5.12%) is for Treasury Bonds.

36. The sum of N176.24 billion was released for domestic debt servicing in the fourth quarter of 2012. The actual domestic debt service payment for the fourth quarter of 2012 amounted to N182.24 billion. This consists of N68.0 billion for NTBs, N106.81 billion for FGN Bonds and N7.43 billion for Treasury bonds. The actual total domestic debt payment for 2012 was N720.55 billion while the budgeted estimate was N511.98 billion. The difference of N208.57 billion (or 40.74%) between the budgeted and actual payments for the year was due mainly to higher cost of funds in the market during the period.

37. Nigeria's external debt stock (mostly low interest funds from multilateral financial institutions) as at 31st December, 2012, stood at US$6,527.07 million, indicating an increase of US$860.49 million (or 15.19%) and US$230.9 million (or 3.67%) over the US$5,666.58 million and US$6,296.17 million recorded at the end of 2011 and third quarter of 2012 respectively. The rise in the external debt stock in 2012 over that of 2011 was as a result of the net effect of additional disbursements in the sum of US$803.6 million from January to December 2012 in respect to some of the existing loans, taking into account the principal repayment of US$158.65 million as well as cross exchange rate movements between the different currencies in the loan portfolio.

38. A breakdown of the external debt stock in the fourth quarter of 2012 shows that Multilateral Debts amounted to US$5,267.42 million (or 80.7%), Non-Paris Club Bilateral and Commercial debts amounted to US$759.66 million (or 11.64%) while ICM (Euro-Bond) accounted for the balance of US$500million (or 7.66%).

39. The sum of US$293 million was the actual debt service payment from January to December 2012, while the budgeted external debt service payment for the same period was US$388.1 million. A breakdown of the external debt service payments for 2012 show that US$126.92 million (or 43.32%) was to Multilateral Creditors, US$45.28 million (or 15.45%) was to Non-Paris Bilateral Creditors, US$45.32 million (or 15.47%) was to Non-Paris Commercial Creditors, US$33.75 million (or 11.52%) was to ICM (Euro-Bond) and US$41.73 million (or 14.24) was to other Creditors.

Table 9: FGN Budget Expenditure and Fiscal Account (in N' Billion) as at December 2012

ITEMS	BUDGET		2012 ACTUAL					2011	VARIANCE							
	Annual	Quarterly	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Annual	Annual Actual	4th Quarter Actual Vs Quarterly Budget		4th Quarter Vs 3rd Quarter (Actual)		Actual Vs Budget (Annual)		2012 Vs 2011 (Actual)	
	N'bn	N'bn	N'bn	N'bn	N'bn	N'bn	N'bn	N'bn	N'bn	%	N'bn	%	N'bn	%	N'bn	%
TOTAL INFLOW	3,561.02	890.25	940.91	690.77	789.84	709.58	3,131.09	2,566.67	(180.68)	(20.29)	(80.26)	(10.16)	(429.93)	(12.07)	564.42	21.99
EXPENDITURE:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
RECURRENT EXPENDITURE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Personnel Cost, Pension & Gratuities	1,799.60	449.90	422.37	524.34	435.72	428.24	1,810.66	1,853.96	(21.66)	(4.81)	(7.48)	(1.72)	11.06	0.61	(43.30)	(2.34)
Overhead Cost & Service Wide Vote	625.45	156.36	96.03	66.95	245.78	180.88	589.64	673.30	24.52	15.68	(64.91)	(26.41)	(35.81)	(5.72)	(83.66)	(12.42)
Sub Total (Non-Debt)	2,425.05	606.26	518.40	591.28	681.50	609.12	2,400.30	2,527.26	2.85	0.47	(72.38)	(10.62)	(24.75)	(1.02)	(126.96)	(5.02)
Domestic Debts & Int. on Ways	511.98	128.00	95.94	190.96	169.72	176.24	632.86	485.42	48.24	37.69	6.51	3.84	120.88	23.61	147.44	30.37
Foreign Debts	47.60	11.90	10.28	11.67	12.10	12.37	46.42	41.66	0.47	3.92	0.27	2.23	(1.18)	(2.48)	4.76	11.42
Sub-Total (Debt)	559.58	139.90	106.22	202.63	181.82	188.61	679.28	527.08	48.71	34.82	6.78	3.73	119.70	21.39	152.20	28.88
CAPITAL EXPENDITURE:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
*Capital Releases 2012	1,339.99	335.00	155.38	103.87	186.31	298.86	744.42	918.55	(36.13)	(10.79)	112.56	60.42	(595.57)	(44.45)	(174.13)	(18.96)
Sub-Total (Capital)	1,339.99	335.00	155.38	103.87	186.31	298.86	744.42	918.55	(36.13)	(10.79)	112.56	60.42	(595.57)	(44.45)	(174.13)	(18.96)
TRANSFER:		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NDDC	48.67	12.17	-	-	25.83	12.91	38.74	56.08	0.74	6.11	(12.91)	(50.00)	(9.94)	(20.41)	(17.34)	(30.93)
National Judicial Council	75.00	18.75	21.25	17.92	-	17.92	57.08	95.00	(0.83)	(4.45)	17.92		(17.92)	(23.89)	(37.92)	(39.91)
Universal Basic Education	63.12	15.78	16.14	15.66	15.66	15.66	63.12	64.57	(0.12)	(0.77)	-	-	(0.00)	(0.00)	(1.45)	(2.25)
Ind. Nat. Elect. Comm.	35.00	8.75	10.00	-	-	25.00	35.00	9.50	16.25	185.71	25.00		-	-	25.50	268.42
Natioal Human Rights Comm.	0.80	0.20	-	-	0.43	0.22	0.65	-	0.02	8.23	(0.22)	(50.00)	(0.15)	(18.83)	0.65	
National Assembly	150.00	37.50	37.65	37.50	37.50	-	112.65	69.43	(37.50)	(100.00)	(37.50)	(100.00)	(37.35)	(24.90)	43.22	62.25
STF Retention Fee	-	-	-	-	-	-	-	0.22	-	-	-	-	-	-	(0.22)	(100.00)
FCTA	-	-	-	-	-	-	-	2.91	-	-	-	-	-	-	(2.91)	(100.00)
FCT/FIRS	-	-	-	-	-	-	-	31.49	-	-	-	-	-	-	(31.49)	(100.00)
Sub-Total (Transfers)	372.59	93.15	85.04	71.07	79.42	71.70	307.23	329.20	(21.45)	(23.02)	(7.71)	(9.71)	(65.36)	(17.54)	(21.97)	(6.67)
TOTAL EXPENDITURE	4,697.21	1,174.30	865.04	968.86	1,129.04	1,168.29	4,131.23	4,302.09	(6.01)	(0.51)	39.25	3.48	(565.98)	(12.05)	(170.86)	(3.97)
Fiscal Deficit	(1,136.19)	(284.05)	75.87	(278.10)	(339.21)	(458.71)	(1,000.14)	(1,735.42)	(174.66)	61.49	(119.50)	35.23	136.05	(11.97)	735.28	(42.37)
FINANCING ITEMS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Privitization Proceeds	10.00	2.50	3.50	-	4.00	-	7.50	3.03	(2.50)	(100.00)	(4.00)	(100.00)	(2.50)	(25.00)	4.47	147.52
Signature Bonus	75.00	18.75	-	-	-	-	-	20.66	(18.75)	(100.00)	-		(75.00)	(100.00)	(20.66)	(100.00)
FGN Sharefrom Stabilisation	306.76	76.69	98.28	-	65.32	-	163.59		(76.69)	(100.00)	(65.32)	(100.00)	(143.16)	(46.67)	163.59	
Domestic borrowing (FGN	744.44	186.11	200.00	117.00	377.29	50.15	744.44	852.27	(135.96)	(73.06)	(327.14)	(86.71)	-	-	(107.83)	(12.65)
Borrowing from Dev. Of Natural Resources Account	-	-	-	-	74.00	-	74.00	-	-	-	(74.00)	(100.00)	74.00	-	74.00	-
International Bond($500m)	-	-	-	-	-	-	-	73.33	-	-	-	-	-	-	(73.33)	(100.00)
Borrowing from Special Account	-	-	-	-	-	-	-	(40.00)	-	-	-	-	-	-	40.00	(100.00)
Sub-Total	1,136.19	284.05	301.78	117.00	520.61	50.15	989.53	909.29	(233.90)	(82.35)	(470.46)	(90.37)	(146.66)	(12.91)	80.24	8.82
Net Deficit/Surplus	0.00	0.00	377.65	(161.10)	181.40	(408.56)	(10.61)	(826.13)	(408.56)		(589.96)	(325.23)	(10.62)		815.52	(98.72)

Source: OAGF and Budget Office

40. The total public debt stock as at 31st December 2012 stood at US$48.5 billion (or N7.55 trillion). The breakdown consists of US$6.53 billion (or N1.02 trillion or 13.51%) for external debt while the balance of US$41.97 billion (or 86.62%) was for domestic debt stock. The present total net value of Debt/GDP, (external and domestic) ratio as at the end of December 2012 was 19.4%, which is significantly below the global threshold of 40%.

3.5.3 Capital Expenditure Performance

MDAs' Capital Vote Utilization

41. Data from the Office of the Accountant General of the Federation (OAGF) reveal that as at 31st December, 2012 a cumulative total of N1,017.46 billion had been released for the implementation of MDAs' approved capital projects/programmes. Of this amount, the sum of N739.30 billion of the total releases had been cash-backed. It is necessary to note that the implementation of the 2012 Capital Budget actually started in April 2012 when the Budget was signed into law.

Performance as at 31st December, 2012

42. The data also shows that N686.3 billion (or 92.83%) of the total amount cash-backed had been utilized by MDAs as at 31st December 2012. *Appendix 1* to this Report shows the funds released to, and utilized by the MDAs in the period. An analysis of forty-nine (49) MDAs reported upon by the Office of the Accountant-General of the Federation reveals different levels of utilization among the MDAs. Thirty one (or 63.27%) of the MDAs including: Presidency, Youth Development, Police Affairs, Women Affairs, Agriculture, Water Resources, Education, Federal Capital Territory Administration, Foreign & Intergovernmental Affairs, Interior, Power, Science & Technology, Works, Mines & Steel and Aviation had utilized more than the overall average utilization rate of 92.83% of the amount cash-backed. Twenty-one out of these, including Youth Development, Police Affairs, Agriculture, Women Affairs, Federal Capital Territory Administration (FCTA), Interior, Head of Service, Works, Science &

Technology and Aviation had utilized over 99% of their respective cash-backed funds.

43. The utilization report also shows that 8 MDAs (or 16.33%), which include OSGF, Police Formations, ICPC, Petroleum, National Salaries & Wages, Fiscal Responsibility Commission, National Population and Revenue Mobilization Allocation & Fiscal Commission had utilized less than 80% of their cash-backed funds. Only four (or 8.16%) of MDAs including ICPC, Petroleum, Fiscal Responsibility Commission and Revenue Mobilization Allocation & Fiscal Commission had a utilization rate of less than 50% during the period. *Table 10* below is an extract from *Appendix 1* highlighting the utilization rates of ten MDAs considered to be key to the actualization of the Government's Transformation agenda.

Table 10: Sample of MDAs' Capital Budget Utilization (as at 31st December,2012)

MDA	Annual Appropriation	Total Amount Released	Total Amount Cash Backed	Utilization			
	N	N	N	N	As % of Annual Capital Appropriation	As % of Cash Backed Funds	As % of Budgetary Releases
Power	75,464,688,374	52,031,992,739	41,102,440,127	39,550,991,519	52.41	96.23	76.01
Transport	46,859,372,512	31,511,843,588	26,943,674,037	24,022,722,274	51.27	89.16	76.23
Health	60,920,219,702	45,000,074,681	37,171,222,269	33,682,405,609	55.29	90.61	74.85
Agriculture	48,191,750,279	32,471,753,574	26,388,224,297	26,142,756,927	54.25	99.07	80.51
Water Resources	76,388,411,863	55,560,589,210	39,756,812,454	39,219,360,804	51.34	98.65	70.59
Education	66,833,018,506	47,593,955,920	36,457,191,146	34,832,452,634	52.12	95.54	73.19
Works	159,463,529,702	125,570,823,762	125,428,520,792	125,287,700,950	78.57	99.89	99.77
Niger Delta	59,222,134,484	43,653,599,579	41,987,049,359	41,984,427,601	70.89	99.99	96.18
FCTA	46,257,784,097	35,532,693,519	33,372,542,221	33,357,910,641	72.11	99.96	93.88
Police Formation & Commands	9,656,295,375	7,035,558,743	7,035,558,743	5,246,891,639	54.34	74.58	74.58
Total Average Utilization (by all MDAs)					51.23	92.83	67.45

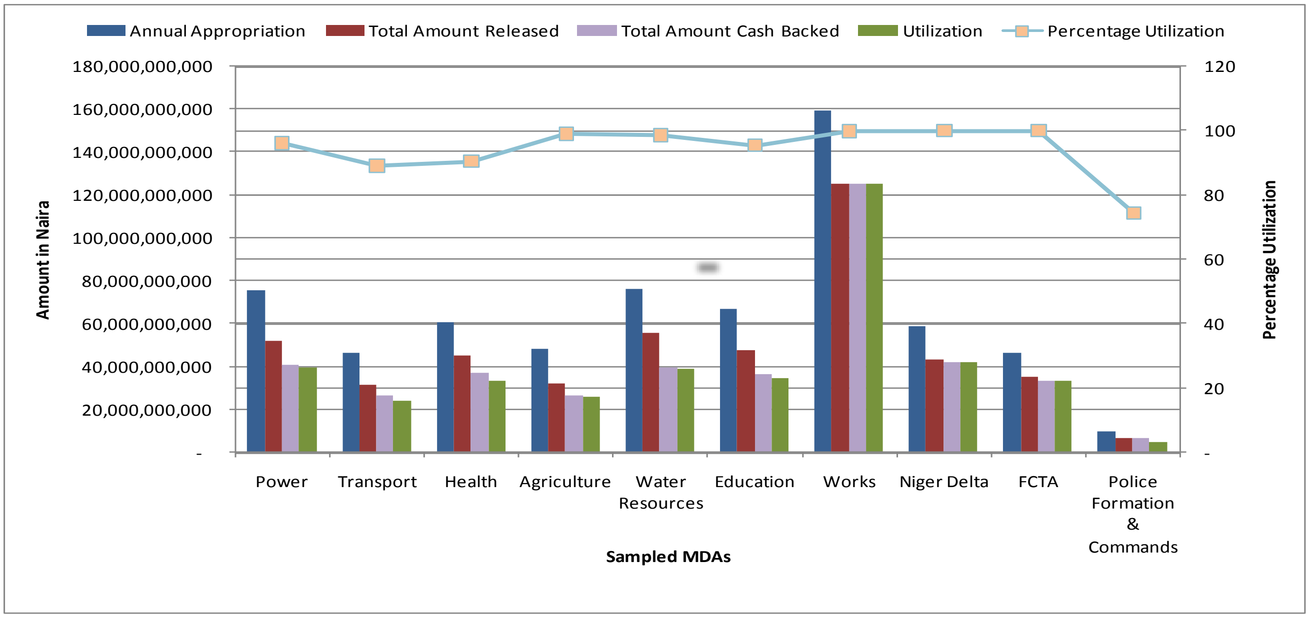
Source: OAGF and BOF

3.5.4 Performance of the Financing Items

44. The 2012 Fiscal Framework portrays a quarterly deficit of N284.05 billion to be financed through privatization proceeds of N2.5 billion, signature bonus of N18.75 billion, FGN's share from the Stabilization Fund Account of N76.69 billion and domestic borrowing (FGN Bond) of N186.11 billion. Some of the financing

items, such as signature bonus did not materialize, thus resulting in a shortfall in this category.

Chart 11: Pictorial Representation of Selected MDAs Utilization



Source: BOF and OAGF

4.0 CAPITAL BUDGET IMPLEMENTATION REPORT

4.1 Physical Monitoring and Evaluation

As usual, the Fourth Quarter and end of year 2012 physical monitoring exercise is not without key challenges. Being the end of year, there were so many projects that matured and deserved attention, but time and logistics is always not enough to cover required grounds. Consequently, the choice of Capital projects monitored was hinged on their relevance to the Transformation Agenda; their geographical spread; their immediate and long term socio-economic impact as well as the cost of these projects to the national Budget and invariably to the well-being of the citizenry.

46. For this edition there is a deliberate comparison between the cumulative percentage level of projects completion for 2011 and 2012 in order to ascertain the value for money derived in the execution of Public Finance. Also, the socio-economic impact of all projects covered in concrete terms is contained in the report.

FEDERAL CAPITAL TERRITORY ADMINISTRATION (FCTA)

47. The FCTA has a mandate to provide effective and efficient infrastructure so as to foster improved atmosphere for excellent socio-economic activities of the city. In order to achieve this objective, the sum of N46.27 billion was allocated to the Ministry in the 2012 Budget. Of this amount, N35.53 billion was released, N33.37 billion was cash backed, while N33.36 billion or 93.96% was utilized to implement its Capital projects/programmes as at the end of the fiscal year. These include the following:

i *Rehabilitation and Expansion of Outer Northern Expressway (ONEX) LOT 1.*

48. The project covers 19 kms starting from Zuba to the Public Service Institute, Kubwa. The scope of work included: Site clearance & earth works, rehabilitation of the existing carriageways and construction of additional lanes to the main carriageways, construction of 1no. full clover leaf and 1no. trumpet

interchange. Others are: provision of 23 new culverts, 2nos. 4-span river bridges, 8 way ducts, precast u-channel drains and access road to communities/ filling stations and some adjourning properties.

49. The contract was awarded to Messrs. Dantata & Sawoe Construction Company Nigeria Limited in May, 2009 at a cost of N66.83 billion, with a completion date initially scheduled for November, 2011. This was later reviewed to December 2013 owing to additional works and fund constraints. The sum of N2.78 billion was appropriated in 2012 budget as against N2.59 billion in 2011, out of which N2.43 billion (87.4%) was released in 2012 compared to N1.04 billion (40.15%) in 2011, representing an increase of N1.55 billion in 2012. Whereas N57.71 billion was committed to the project from inception to achieve 88.7% level of completion in 2012, N50.52 billion was committed in 2011 to achieve 75% level of completion, representing an increase of 13.7% over 2011.

Findings

50. At the time of monitoring, works completed included: the construction of 24 nos. culverts, 2 nos. Interchange structure, 5 nos. Pedestrian/2 nos. 4-spans River bridges and asphalting of 18 km of the road. Work in progress was the excavation of 2x6 meters span river bridges at the dual service lane, while the outstanding works were the construction of the Railway bridges and under passes with four additional bridges.

Picture 1: Completed Road and On-going excavation for bridge work at Onex Lot I

Socio-Economic Impact

51. The project impacted positively on the economy by employing 759 skilled and unskilled workers in the construction works. It also improved the movement of vehicles, reduce travel time, attracted the building of estates and increase value of properties along the road, thereby reducing the housing challenges.

ii ***<u>Rehabilitation and Expansion of Airport Express Way Lot 1</u>***

52. The project comprises the rehabilitation of the two existing 14 km carriage-ways and their expansion from 2 lanes to 3 lanes each of 12 meters width with 2 service lanes on each side. The expansion of the expressway consists of a total of ten (10) lanes. The scope of work included site clearance, surface water drainages, road works, 21 No. bridges, confirmatory site tests, culverts, power supply and streetlight etc. The contract was awarded to Messrs. Julius Berger (Nigeria) Limited at a cost of N59.22 billion in May 2009 with an initial completion date of 13thApril 2011 which was later revised to 13th April 2013.

53. The sum of N8.73 billion (National Budget N3.73 billion and Statutory N5 billion) was appropriated in 2011 budget, of which N7.19 billion (or 78.58%) was released and utilized, while, N35.99 billion was committed to achieve 57% level of completion. In 2012 budget, N9.15 billion was appropriated. Of this amount, N7.51 billion (or 86.03%) was released and utilized to bring commitment to N43.5 billion. This was to facilitate the achievement of 77% level of completion as against the achievement recorded in 2011. The 2012 performance represents a 20% improvement over that of 2011 fiscal year.

Findings

54. At the time of monitoring, completed works included site clearance and top soil removal on the expressway; road works on the service carriage; 6No River bridges and 3No. pedestrian bridges ; site investigation on the entire project; all culverts across the expressway except for those across the main carriageway; casting of street lighting base and installation of street light poles

and fittings on the service lanes; laying of telecommunication ducts along the service carriageway; and construction of late Musa Yar'adua Memorial at Ch 11+725.

55. The monitoring team was informed by the Chief Resident Engineer that the additional works comprising trumpet interchange at Bill Clinton Drive Junction within the Expressway, 8 underpass bridges at the New City Gate location, the extension of the 10-lane road by 1km had been approved and all these works are expected to be executed within the original contract sum. The team was also informed that the project had an outstanding liability of N2.21 billion and required N15.73 billion to complete the project. A new revised date of 31st December 2014 has been proposed due to the delay in securing approval for the additional works.

Socio-Economic Impact

56. Despite the fact that the project had not been completed, it had employed about 1,400 workers of both skilled and unskilled labour since inception, traffic flow on the road had increased by 15%, it had also reduced travelling time on the road, many housing estates, filling stations, shops, hospitals and schools etc. had developed along the road corridor, thereby improving the lives of the citizens.

Picture 2: Part of the Completed Portion of the Rehabilitation and Expansion of Airport Express Way Lot 1

iii Provision of Engineering Infrastructure to the Abuja Technology Village (ATV/FCT) Abuja

57. The project was conceived to provide 33km of various categories of standard district roads; 25km of various sizes of storm sewer drainage loops; 35km of foul sewage; and 2nosfully equipped mini sewage treatment plants. Other features of the project are the provision of 133km telecommunication ducts; 57km of electrical cable networks; 33/11KVA injection electrical power substation;1339 no of street lightings; various ring and box culverts; 2nos bridges, 20.13km gas pipeline, etc.

58. The contract was awarded to Messrs. Gilmor Engineering (Nig) Ltd at a cost of N20.87 billion. Work commenced on the 8^{th} of June 2007 and was expected to have been completed by 7^{th} June 2010. The duration which was, however, extended to December 2011 following changes made to the project's Scope of work. The sum of N3.73 billion was appropriated in 2011 of which N1.74 billion was released and utilized, while N13.56 billion was committed on the project since inception to achieve 55% completion. In 2012 however, appropriation went down to N1.12 billion of which N781.22 million was released and utilized in the year. The project was supplemented with N1.54billion from statutory allocation in the fiscal year by FCT to bring the commitment to N15.89 billion since inception to achieve 65% level of completion. There was significant improvement of 10% over 2011 performance.

Findings

59. Work done included: Construction of three concrete water tank, cutting and filling of 2.15km service tunnel, 13,050m^3 of rock drilling and blasting; 1.55km of various sizes of underground storm water; 29 no's manhole, 0.45km of various sizes of underground foul sewer, earth work, excavations for stabilization for foundation of the tank, installation of water fittings, and service tunnel of about 200m placing of interceptor line. Others are: Internal Access Roads (I.T.A.R), gully port installation, (a water passage) and Central Boulevard (CBI). Works in progress were: site clearance, earthworks, service tunnel across inner southern expressway, sewage treatment plant, portable and raw water reservoirs and reticulation.

Socio-Economic Impact

60. The completion of Ring Road 3 has opened access roads to the Pyakasa community and also provided employment opportunity for over 300 unskilled workers from the community. The project when completed is expected to attract international scientist and Technologists to the Africa Institute of Science and Technology in the village which will boost the development of science and technology in the country. In addition, it will also accommodate industries, residences and recreational facilities.

Challenges

61. The team was informed that the primary challenges are delay in the completion of the final (revised) engineering design and the subsequent integration of the master plan improvement (MPI) exercise proposed layout into the contract executed works layout. In addition, payment of compensation and resettlement of indigenes from the technology park confines.

Picture 3: On-going Construction of concrete water tank and Completed access road to the project site

iv. <u>Development of Idu Industrial Area 1B Engineering Infrastructures</u>

62. The Idu industrial Area 1B is located in phase III of the Federal Capital City (FCC) and the estate stands on about 550 hectares of land. It involves the provision of both double and single carriage arterial, local and connecting roads with parkings. Others are: electric power and water supply network, sewage drainages, bridges and culverts, etc. This is to provide easy access of human network via supply of infrastructural connectivity, etc.

63. The contract was awarded to Messrs. Salini Nigeria Ltd in January 2002 at an initial contract sum of N3.19 billion + £73.11 million which was later revised to N6.09 billion + £186.52 million due to increase in the scope of work and changes in the engineering design. This included increase in the number of bridges, introduction of large storm water drainage channel and the provision of additional lorry park. Work commenced in September 2003 and was scheduled to be completed in March 2014.

64. The sum of N1.20 billion was appropriated, released and utilized in the 2011 Budget. Of this amount, N4.84 billion (Onshore) and $79.39 million (offshore) was committed to achieve 62% level of completion. Similarly, N1.04 billion was appropriated in 2012 budget, out of which N1.01 billion was released and utilized to bring total financial commitment since inception to N5.54 billion + £85.09 million as at the end of the fiscal year under review. This shows an improvement of about N0.7 million + £5.7 million when compared to the commitment recorded as at December 2011. The project has attained 66% completion representing 4% increase over 2011 performance.

Findings

65. Currently, the construction of 13 culverts, stripping/clearing of all road corridors have been completed while, the construction of carriageways and arterial roads were at binder/wearing course levels respectively. The constructions of vehicular and pedestrian bridges are at various stages of completion. However, concrete work for the super structure for bridges 7 & 8; electricity and construction of service ducts and water supply network are in progress.

Socio-Economic Impact

66. These facilities, though not completed, have attracted the establishment of factories and industries while about 208 industrial plots had been developed. When completed, more jobs will be created to reduce the unemployment rate in the FCT and boost revenue generation. Also, the project will help decongest the city, improve the nation's manufacturing capacity and growth rate.

Challenges

67. Encroachment on Arterial road 2 west by Paipe villagers who claim outstanding resettlement issues may affect the timely completion of the project. It is therefore recommended that the FCTA should make greater effort to resolve the issue in order to enable the contractor deliver the project as scheduled.

v. *<u>Construction of Nigeria Cultural and Millennium Tower, Abuja</u>*

68. This project was designed to uplift the Nigeria national identity. It comprised of the construction of a befitting cultural center, hotel, offices, museum auditorium and the millennium tower with a revolving restaurant, National Square, Car parks (1,200 capacities) among other facilities. The contract was awarded to Messrs. Salini Nigeria Limited in November, 2005, at a sum of N53.12 billion. This was revised to N69.34 billion due to the addition of National Square to the original scope. Work commenced in January, 2007 and was scheduled for completion in December, 2014.

69. The sum of N2.50 billion was appropriated in the 2011 budget. Of this amount N1.40 billion was released and utilized bringing financial commitment to N28.38 billion to achieve 25% level of completion. However, in the 2012 budget, N2.50 billion was appropriated, released and utilized while a total of N33.13 billion had been committed to achieve 32% level of completion. This represents a financial improvement of N1.10 billion and physical achievement of 7% when compared to 2011.

Findings

70. As at the time of inspection, the following works had been completed, Parking Area, Auditorium, Swimming pool, laying of floor marbles, tiles, electrical system installation, construction of firefighting water reservoir, lifting of tanks, laying of drainage, U- channel in the parking area and final industrial floor. The outstanding works include; National Square, hotels, millennium tower, cultural center, restaurant component and museum.

Socio- Economic Impact

71. Although, the project is yet to be completed, it has employed 192 workers both skilled and unskilled. When completed, it will aid the infrastructural development of FCT, promote our cultural value, enhance the development of tourism industry and create more employment opportunities.


Picture 4: Completed Parking Area and On- going Construction of Hotel

vi. ***<u>Construction of Tank 1&6 Associated Trunk Mains</u>***

72. The project involves the construction of two water tanks of 40, 000m3 capacity each, with reinforced concrete tanks at Dawaki and Apo Sefyi Districts in FCT. It also involves the supply and installation of about 60.1km of Ductile Iron pipes and fittings of various sizes, ranging from 1000mm to 1400mm in diameter from Lower Usuma Dam water treatment Plant to each of the Tanks. Other aspects of the job include: the supply and installation of control and post chlorination systems, distribution boards, generating sets and equipment.

73. The contract was awarded to Messrs. Sarplast (WA) Ltd at an initial cost of N11.77 billion in August, 2006 while the actual work commenced in October, 2006. The project was later reviewed to N22.89 billion in December, 2011 with a new completion date of December, 2012. This was due largely to the increase in prices of large diameter ductile Iron pipes and fittings, which constitute about 70% of materials needed for the construction of the Tanks.

74. In 2011 budget, the sum of N1.53 billion was appropriated, out of which N202.63 million was released and utilized in the fourth quarter of 2011, while a total of N7.14 billion had been committed to attain 31% completion. In 2012 budget, N2.5 billion was appropriated, of which N300 million was released and utilized in the fourth quarter of the year. A total of N677 million had been committed to the project to achieve a cumulative performance level to 41%. This shows an increase of 10% improvement compared to the achievement of 2011.

Findings

75. While construction of Tank 6 was still at foundation level, the connection between Tank 1 and Lower Usuma Dam water treatment Plant (4.5km) had attained 97% completion. The team learnt that water would be released to Tank 1 after test running of the treatment plant by June, 2013.

76. In 2011 budget, the sum of N1.53 billion was appropriated, of which N202.63 million was released and utilized at the end of the year bringing financial commitment to N7.14 billion to achieve 31%. N2.5billion was appropriated in 2012, of which N677.3 million was released and utilized. A total of N9.57 billion had been committed to the project to achieve a cumulative performance of 41%. This shows an improvement of N2.4 billion in funding and an increase of 10% physical achievement compared to 2011.

Socio-Economic Impact

77. The project had provided employment for 158 people (both skilled and unskilled). Upon completion, it is expected to increase the supply of portable water for both domestic consumption and industrial usage within the FCT. This will improve health-care delivery through the eradication of water borne diseases.

Challenges

78. The major challenges to the project was the delay in possession of Tank 1 site due to outstanding compensation matters, encroachment by the host community and obstruction by motorists along the pipe corridor.

Picture 5: The on-going construction of connecting of Tank 1 & 6 pipes from Lower Usuma Dam Treatment Plant to Tank 1.

FEDERAL MINISTRY OF WORKS

79. The construction and rehabilitation of road networks across the country is very critical to Government's transformation agenda. In view of its desire to ease transportation and improve the development of the economy, a total of N199.47 billion was allocated to the Ministry in 2012 budget. Of this amount, N125.57 billion was released, out of which N125.29 billion was cash-backed, while N125.29 billion or (99.89%) was utilized for the implementation of its capital projects/programmes. The following projects were selected for follow up visits to ascertain their statuses of completion:

i **Rehabilitation of Shagamu-Ajebandele-Ore Road Section I (Ore-Ofosu Section)**

80. The project involves the completion and rehabilitation of 13.75 Km dual carriage way (27.5km total length) from Ajebandele – Ofosu Section. It also includes cutting out of failed sections of the road, scarification of the existing bituminous surface, failed base/sub-base and replacement of unsuitable waterways with crushed stone hard core. Others are; the provision and laying of 200mm thick crushed stone base course, macadam base (asphalting with bigger aggregates), asphaltic concrete binder and wearing with surface dressing of 2.75m outer shoulders.

81. The contract was awarded to Messrs. Reynolds Construction Company Limited in May 2009 at a cost of N9.75 billion with an expected completion date of December, 2011. This was however extended to December, 2012 owing to modification in the scope of works which includes: the introduction of 300mm thick hardcore & 100mm thick filter layers in failed sections of the road, reconstruction of inner shoulders to serve as additional lane to make it a 3 lane dual carriageway, the introduction of kerbs and chutes at appropriate locations to channelize run off and protect the shoulders and the provision of asphaltic concrete in place of surface dressing on the outer shoulders.

82. The sum of N3.7 billion was appropriated in 2011 budget, out of which N625.77 million (16.91%) was released and utilized while N4.45 billion was committed since inception to achieve 83.3% completion. In 2012 however, N930 million was appropriated, released and utilized while N8.33 billion was committed from inception to date to achieve 98.8% cumulative performance. This shows an additional 15.5% performance compared to 2011 fiscal year.

Findings

83. At the time of this report, the contract had substantially been completed and is currently under one year maintenance period. There was however a subsisting contract which was not covered by the former contract agreement that was eventually awarded to Sure P.

Picture 6: The Rehabilitated Ore-Ofosu Road in Ondo state

Socio-Economic Impact

84. Prior to the rehabilitation and construction of the road, there was an average traffic congestion of over 10,000 vehicles per day. This has now changed as vehicles can move from Benin to Ore in one hour, thereby saving valuable hours. Thus, vehicle operating cost has reduced drastically and there is an improvement in the movement of goods and services.

85. The project had also engaged the services of seven hundred and thirty (730) skilled and unskilled labour, improved economic activities in Ore town as well as the surrounding communities.

Challenges

86. The drainage structures along the road are blocked causing serious seepage of water into the road pavement.

ii. Dualization of Kano-Maiduguri Road Section I (Kano – Wudil-Shuwarin) Contract No.5878

87. The scope of work for the project involves provision of a new standard carriageway from Kano (Km 0+000) through Wudil and Gaya to Shuarin covering a distance of 202.73km. It also included: reconstruction of the existing carriageway, construction of 3nos. river bridges, 2nos. interchange, culverts and other concrete works.

89. The contract was awarded to Messrs. Dantata & Sawoe Construction Company Nigeria limited on 28th September, 2006, at an initial cost of N37.05 billion and an original completion date of 31st December 2010. This was later revised to N55.12 billion with a new completion date of 31st December, 2015. The revision was due to additional works such as construction of 2nos. bridges and erosion control. The sum of N3 billion was appropriated in 2011 budget. Of this amount, N1 billion (or 33.33%) was released and utilized whereas; N11.72 billion was committed to achieve 29.1% level of completion. On the other hand, N990 million was appropriated in 2012 budget. Of this amount, N71.08 million (or 7.18%) was released and utilized to bring total financial commitment on the

project to N21.64 billion to achieve 51.61% cumulative performance. This represents an increase of 22.51%.

Findings

90. At the time of monitoring, on-going works include; site clearance, earthworks, stone base, construction of culverts, bridges (pile caps, piers cross beams etc.), flyover (parapets/walkways). Others are: scarification, earthworks, sub base, stone base, binder course and surface dressing of shoulders on the existing carriageway. The team was informed by the Engineer's Representative that the project had an outstanding liability of N2 billion and that the Federal Executive Council on the 21st of November, 2012 meeting approved the sum of N18.08 billion as argumentation for the project.

Socio-Economic Impact

91. Although, the project was yet to be completed it had employed about 564 Nigerian (both skilled and unskilled) and 13 expatriate workers. It had also enhanced free flow of traffic, stimulated economic activities between the North West and North East Geopolitical Zones of the country. The project had also reduced travel hours and accidents on the road.

Challenges

92. There are still concerns over the security of the contractor's personnel especially the expatriates. The situation is affecting the pace of work.

Picture 7: Ongoing construction work at Kano – Maiduguri Road Section I

iii **<u>Rehabilitation of Oji-Achi-Obeagu-Mmaku-Awgu-Ndeabor-Mpu-Okpanku-Akaeze Road: Section ii in Enugu and Ebonyi state.</u>**

93. The project for the construction of 37km road entails the design and rehabilitation of road from Agwu through Ndeabor, Mpu, Okpanku, to Akaeze Road, in Enugu and Ebonyi State. The scope of work include: site clearance, Earthwork, Scarification and pulverization of bituminous surfacing and shaping, compaction of sub grade level, provision of 150mm crushed rock base,60 mm asphaltic binder course, 40mm asphaltic wearing course, construction of culverts, and 6nos bridges. The contract was awarded to Messrs. Setraco Nig Ltd at a cost of N9.5 billion in September 2010 with a completion period of 24 months (September 2012).

94. The sum of N1.49 billion was appropriated, released and utilized in 2011, while N3.36 billion was committed since inception to achieve 22.47% level of completion. In the 2012 Budget, the Sum of N1.78 billion was appropriated, released and utilized in the fiscal year. A total of N5.14 billion had been committed to the project since inception to achieve 56% level of completion. This represents an increase of about 34% cumulative performance over 2011.

Findings

95. As at the time of monitoring, works completed includes: construction of ch45+000 to ch88+850 laid with binders course, ch5+00-ch66+679 laid with wearing course, 20 nos. culverts (pipe and box) and Bridges 1, 2, 3 and 4.On-going works are; further site clearance, earthworks, pavement realignment, drainage structures and the construction of bridges 5 and 6.

Socio-Economic Impact

96. The project has presently generated employment to the local communities engaged in the construction work, improved the movement of vehicles and boosted economic activities within the area. On completion, the road will reduce travel time and promote socio -economic activities between Enugu and Ebonyi- States.

Picture 8: Rehabilitation of Oji-Achi-Obeagu-Mmaku-Awgu- Ndeabor-Mpu-Okpanku- Akaeze Road: Section one in Enugu and Ebonyi State

iv. Dualization of Abuja – Abaji –Lokoja Road Section 1: Contract No. 5862

97. The project involved the rehabilitation and dualization of 42km of the existing single carriageway from Zuba junction to Sheda village, and a further 12km along the Airport road covering Giri junction to Airport link road junction. Others are: the construction of three major highway intersections (bridge interchanges) at the Giri tee junction, Kuje road and Gwagwalada town.

98. The contract was awarded to Messrs. Dantata & Sawoe Construction Company Ltd. in July 2006 at an initial cost of N11.28 billion and was expected to have been completed by February 2009. However, the completion date and the contract sum were revised to N28.67 billion and April 2014 respectively due to changes in the Engineering design.

99. The sum of N1.8 billion was appropriated in the 2011 fiscal year, out of which N1.7 billion was released while a total of N6.5 billion was committed to achieve 34.29% cumulative performance. However, in the 2012 Budget, N1.49 billion was appropriated, released and utilized on the project, bringing total financial commitment to N16.46 billion by the end of the fiscal year. Cumulative performance was 52% based on the Revised Bill of Engineering and Measurement Estimate (BEME) No. 2. This represents a financial improvement of N9.96 billion and physical achievement of 18% when compared to 2011. Furthermore, the sum of N4.45 billion which was outstanding in 2011 was fully settled in the year under review.

Findings

100. At the end of 4th quarter, 2012, completed works included: the construction of interchange at Giri, a new carriageway along the Airport spur, Zuba to Gwagwalada, and the completion of bridges at Gwagwa, Efuna and Usuma River. Others are: substructure work at the pedestrian bridge (Tonga Make village) along Zuba – Abaji axis. Works in progress were the provision of concrete hand rails (left and right sides) and fixing of PVC drainage pipes on Left Hand Side (LHS) bridge at the Gwagwalada interchange, excavation and casting of diameter pipe culverts, laying of asphaltic concrete binder and wearing course (pavement and surfacing), all along Zuba – Abaji axis.

Socio-economic impact

101. The team noted that the partial opening of the dual carriageway and the interchange at Giri junction had greatly improved the flow of traffic along Gwagwalada-Zuba-Airport road thereby reducing travel time and rate of accidents. The project had also boosted socio-economic activity in some sections of the highway and employment opportunities for various artisans and other youths were generated apart from other economic spin-offs. This shows an appreciable improvement compared to the difficulties and congestion suffered on the road in 2011.

Picture 9: Completed interchange at Giri junction & Stone pitching/Embankment work in progress at the Gwagwalada Interchange

V. Dualization of Kano – Maiduguri Road Section IV, Potiskum-Damaturu= Contract No. 5881.

102. The Dualization of the Kano - Maiduguri Road section IV relates to project which starts from Potiskum Junction linking Mamudo, Damagum, Garin Bingel, Dogon Kuka and Ngelzarm to Damaturu, covering a total of 96.24 km. The project comprises the re-construction of the existing carriage way (Potiskum – Damaturu), construction of new carriage way with new culverts, service ducks, 2nos. junctions at Potiskum and Damaturu, 2nos. bridges at Mamodu and Damaturu. Others are 500m of new lined drains and installation of street lights at the median of the major towns along the road. Upon completion, the project is expected to reduce travel time, rate of accidents and boost economic activity along the Trans Sahara route.

103. The Federal Executive Council (FEC) in November, 2012, approved the construction of additional 13km length out of 26.6km Damaturu bye pass and 8km Potiskum bye pass out of the 18km length to be included in the project. The contract was awarded to Messrs. CGC Nigeria limited in February, 2007, at an initial cost of N30.25 billion, to be completed on 30th November, 2009. However, it was augmented to N51.90 billion in December, 2012, with a reviewed completion date of 17th December, 2015, due to paucity of fund and security challenges within the area.

104. In 2011 fiscal year, the sum of N3.38 billion was appropriated, out of which N2.8 billion was released and utilized bringing financial commitment to N10.15 billion to achieve 35.4% level of completion. However, N5.75 billion was appropriated in 2012 Budget (N1.75 billion from the National budget and N4 billion for the Subsidy Re-investment Programme). Of this amount, N5.22 billion was released and utilized (N4 billion SURE-P and N1. 22 billion National budgets). The total of N17.64 billion (N13. 64 billion National budget and N4 billion SURE-P) had been committed to the project from inception to date to achieve 47.28% completion. This shows an appreciable improvement of N7.5 billion in funding and 11.8% physical performance compared to 2011.

Findings

105. At the time of monitoring, works done included: Scarification/ excavation of 14.15km, Earth works, laying of sub - base course of 14.15km, laying of 3.421 km stone- base course and 5.45km wearing course on the existing road. Others are: construction of kerbs, slope protection and 6 nos. pipe culverts.

Socio economic impact

106. The project had gainfully employed 391 youths of the host community. The completed portions from Damagum to Damaturu have drastically reduced travel time and accidents' rates on the road as experienced in 2011.

Challenges

107. The security challenge in the North-East affects the pace of work. This situation forced some expatriates to move out of the project site.

Picture 10: Completed road at section IV and Scarification work on- going at section IV

TRANSPORT SECTOR

108. The provision of inter-modal transport for the effective growth and development of the transport sub-sector is one of the major focuses of the transformation agenda. To achieve this, the Ministry was allocated a total of N45.86 billion in 2012 budget. Of this amount, N31.51 billion was released and N26.94 billion was cash backed while N24.022 billion or (89.16%) was utilized

for the implementation of capital projects /programmes as at the end of the fiscal year. The following projects were monitored.

NIGERIAN RAILWAY CORPORATION, LAGOS

109. The Railway Corporation had an appropriation of N16.29 billion in 2012 budget for its Capital projects/programmes. Of this amount, N10.68 billion was released and N8.89 billion was cash backed for the implementation of the projects in the year.

i. <u>Major Rehabilitation of Tracks, Bridges and Culverts; Lagos-Jebba</u>

110. The projects involve the complete rehabilitation of 488 Km rail tracks starting from Lagos to Jebba. It also includes; clearing of weeds from the tracks, screen and filling of ballast, replacement of existing rails and steel sleepers for improve stability of the tracks, desilting and reconstruction of bridges, girders and culverts. The contract was awarded to Messrs. CECC Nigeria Limited at a cost of N12.29 billion in August 2009 and was expected to have been completed in July 2011. This was however extended to November, 2012 due to fund constraints.

111. The sum of N1.08 billion was appropriated in 2011 budget, out of which N210.08 million (20.83%) was released and N142.29 million (67.73%) was utilized while, N10.36 billion had been committed to achieve 85% level of completion. In 2012 however, N1.03 billion was appropriated, released and utilized while, N11.64 billion had been committed bringing cumulative performance to 99% completion. This indicates a rise of 14% performance compared to that of 2011 fiscal year.

Findings

112. At the time of this report, the snags on the rail tracks had been corrected and the signaling equipment which was the outstanding work on the 488 Km rail tracks had been upgraded. The project had been completed and commissioned and is now under the 12 months retention period.

Picture 11: Locomotive Engine Train on Rehabilitated Rail Track, Lagos.

Socio-economic impact

113. The project had created about 4,222 jobs and had trained up to 904 railway staff. Passenger and freight trains were currently running at full capacity. In the periods of January-December, 2012 the railway had carried about 4,155,988 passengers while the volume of cargo conveyed was about 182,465 metric tons.

114. On the whole, the rail transport had provided a cheaper and affordable means of transportation and reduced road congestion by conveying an average of 13,000 passengers per day traversing places like Agege, Ijoko, Otta, Abeokuta, Ibadan, Iwo, Ede, Oshogbo, Ikirun, Ilorin and Jebba areas respectively.

Challenges

115. The major challenge to the rail project is lack of spare parts. The Engineer explained that should there be any derailment in operation, spare parts such as steel slippers and fishplates for the locomotive have to be imported. It was also observed that there is over congestion in the current operation of the trains thus the need to increase more rolling stock (Locomotives and Coaches).

ii. Track Rehabilitation: Zaria - Kaura–Namoda, Contract No.6

116. The rail track project covers 221 km and is one of the components of the western line (Lagos – Kano). The contract entails complete rehabilitation of existing track, rail curves, bridges and culverts along the Zaria–Kaura-Namoda line, and is designed to make the line functional for free and easy movement of rail passengers and goods. The contract for its implementation was awarded to Messrs. Duluidas Nigeria Limited on 27th November, 2011, at the cost of N3.21 billion with a completion date of 27th June, 2012. However, work did not commence until February 2012, due to logistics constraints and delay in payment of mobilization fee.

117. The sum of N972.25 million was appropriated in 2011 budget, out of which N481.5 million (or 49.52%) was released and utilized while; N935.5 million was committed to achieve 15% completion. In 2012 budget however, N1.39 billion was appropriated, while N402.29 million (or 28.94%) was released and utilized to bring total financial commitment to N890.41 million to achieve 29.65% completion. This shows an increase of 14.65% over 2011 budget performance.

Findings

118. As at 31st December, 2012 the project had achieved 29.65% level of completion. Achievement recorded included: screening of contaminated ballast Zaria – Gusau, 177km completed, re-ballasting and making up of deficiencies, Zaria – Gangara, 25km, widening and raising low embankment to retain ballast along the stretch in progress, replacement of 7No bridges and approaches with Eki timbers, rehabilitation of all level crossings and all turn-out, Zaria–Funtua, all the civil structures of 14No. bridges Zaria–Gusau have been rehabilitated, stone pitching of embankment to the abutment walls North and South end, reconstruction of re-enforced concrete, repairs and reconstruction of selected seriously scoured culverts, Zaria–Kaura-Namoda have been completed. The monitoring team was informed by the officials of the Federal Ministry of Transport that the contractor's request for an extension of the

project completion date to 30th June, 2013 was awaiting consideration and approval.

Picture 12: Rehabilitated Track of Zaria – Kaura-Namoda Railway Line

Socio-Economic Impact

119. Although the project was yet to be completed, it had employed about 300 workers of both skilled and unskilled labourers. When completed it will reduce the cost of transportation of passengers and goods, promote economic activities along the rail corridor which includes all major towns within the North-West zone of the country. It will also reduce the number of heavy duty truck vehicles plying the highway, thereby safeguarding the lifespan of our roads.

Challenges

120. Additional time might be required to construct 4 cell culverts at Gangara, i.e. between Gusau and Tsafe which is a critical path of the project and a point breach of about 40m along the track.

iii. ***Construction of Oguta Lake and Excravous channel***

121. The project is located at Ossemotor in Oguta local Government area of Imo –State. The scope of work includes; construction of warehouse, transit shed passenger terminals, workshop, administrative building, and staff quarter. Others are provision of access road, dredging/sand filling and perimeter fencing of the port complex. The contract was awarded to Messrs. Scott

Amede Engineering and Power Supply Company in November 2009 at a cost of N2.74 billion with a completion date scheduled for November 2011.

122. The sum of N1 billion was appropriated in 2011 of which N530.71 million was released and utilized bringing cumulative financial commitment on it to N1.5 billion to achieve 70% level of completion. However, the sum of N594 million was appropriated in 2012 of which N446 million was released and utilized while N1.96 billion had been committed to the project since inception to achieve 78% level of completion. This represents an increase of 10% cumulative performance over 2011.

Findings

123. At the time of this report, work done on the Quay structure includes dredging in front of the proposed wharf, hydraulic filling of the area, and sand drilling within the installed steel castings at 85% level of completion. Others were Administrative building at 95%, police station at 95%, customs office at 95%, warehouse work at 80%, fire station at 85% and the workshop at 80% level of completion. Outstanding works include the completion of Quay structures: Ware house, transit shed; water system, and sand filling of the road for proper drainage.

Socio-economic impact

124. Though the project had not been completed, it had impacted positively by providing employment to 260 non skilled workers, 24 skilled workers and subcontractors from the community. When completed, it will open up the hinterland to the coastal ports; provide safe landing facilities for passengers and efficient Cargo handling; decongest other ports such as Warri; and reduce pressure on the highways. It will also provide employment opportunities to the youths of the community and its environs in the areas of forwarding and clearing of goods.

Picture 13: Quay structure & warehouse in Oguta Lake

iv. <u>Construction/Completion of Abuja (Idu) to Kachia Rail Line</u>

125. The project involves the construction of 186km of standard gauge rail tracks from Idu (Abuja) to Kaduna. It' is to connect the Federal Capital to the main commercial cities of the North-West of the country. The scope of work includes: design and construction works, 25nos. highway overpass, 7nos. Box bridges, 204nos. culverts, track and station (9nos.) related works (including buildings, power supply, and communication and signaling) with a subsequent maintenance agreement for five (5) years.

126. The project was awarded to Messrs. CCECC Nigeria Ltd. in October 2009 at the sum of $849.75 million (comprising $500 million from China EXIM bank Loan and $349.75 million from FGN). Actual work commenced in February 2011 and expected to be completed in of April, 2014 (36 months). In the 2012 Budget, the sum of N3.87 billion was appropriated, wholly released and utilized on the project. A total of N23.97 billion had so far been committed to the project from inception to date to achieve 40% level of completion. In 2011, the cumulative performance was 15% as at the end of the last quarter. Therefore, the current achievement of 40% completion shows an appreciable progress in the implementation of the project of about 25%.

Findings

127. At the time of this report, site clearance including rock blasting and filling had covered about 139.2km representing 74.63% of the total project distance. This implies an increase of 43.55% compared to 32.08% achieved at the end of 2011. About 265,000 pieces of concrete sleepers had been precast while 95 out of a total of 330 precast T-beams have been produced. Furthermore, 90 nos. culverts bodies (walls and top slab) out of a total of 204, sub-structure works of 9 railway bridges out of 23, and one each of box and overpass bridges have been completed. Work in progress included: installation of T-beams at Idu major bridge (No. 2), and construction of 21 railway bridges and 4 each of box and overpass bridges. Also, other auxiliary works such as concrete casting of side drains and drainage channels, planting of grass and construction of herringbone frame protection on slopes of embankment at various locations of the project amongst others were in progress.

Socio-Economic Impact

128. The project, though not completed had generated employment for over 2000 skilled and unskilled youths of Kaduna, Jere and other neighboring communities. Six clinics were provided at each of the camps which eventually would be inherited by the local communities. The company had also extended social responsibility to some villages by building classrooms at schools and rehabilitating community roads. A training center was established for training programmes on health, safety and maintenance for staff which will provide stable and sustainable jobs. Overall, the project when completed will enhance mass movement of passengers at cheaper/affordable rates and reduce travel time and congestion on the highways.

Challenges

129. The team discovered that delay in the resolution of issues relating to the construction of Overpass and Onex bridges at Kubwa, funds challenges for acquisition of Right of Way (ROW), and delay in the relocation of FCT Water Board pipelines at KM4 & KM19 had slowed down the progress of work.

Picture 14: Installation of T-beams at Bridge No.2 (Idu) and a completed Overpass bridges at KM4

POWER SECTOR

130. Power generation, distribution and transmission are critical to the transformation agenda. In order to improve the productive sector of the economy and provide an enabling environment for industrial growth, a total of N76.49 billion was allocated to this Ministry in 2012 budget. Of this amount, N52.03 billion was released and N41.1 billion was cash backed while N39.55 billion (or 96.23%) was utilized for the implementation of its capital project/programmes. The Ministry had embarked on the execution of the following projects which needed to be followed up to ascertain their statuses of completion.

i. ***Oshogbo-Ede 132 KV Double Circuit Transmission Line***

131. The project involves the design, manufacture, supply, erection, test and commissioning of all the equipment and materials for works. This includes the maintenance of the works for a warrantee period of 12 months. The contract was awarded to Messrs. Aster Private (pvt) Services/Aster Infrastructures Services Limited in January 2011 at a cost of US$ 1.51 million with a completion period scheduled for September 2012. This was however extended to December 2013 as a result of right of way issues. The implementation challenges of 2011 budget affected the commencement of the project. In 2012 budget however, significant improvement was recorded. The sum of N116.45 million was appropriated out of which N108.45 million (93.13%) was released

and utilized as at 4th quarter. A total of N313.67 million had been committed to the project to achieve 70% level of completion. This is an impressive performance over 2011.

Findings

132. At the time of monitoring, works completed include; Bush clearing, Tower sporting, soil investigation, site accommodation and offices. Others were procurement of Tower members, insulators, conductors, stub and earthen materials. Work in progress was the excavation of foundation of 34 locations for the erection of tower materials while Tower erection and stringing were outstanding.

Picture 15: On-going foundation for tower erection at Ede Transmission Line

Socio-economic Impact

133. Prior to the award of this project, Oshogbo was on single circuit transmission line which became highly inadequate. With the provision of a double circuit transmission line, more towns and communities stand to benefit from the increase in power supply. The project had presently created employment for about 250 skilled and unskilled workers. On completion, it will strengthen the National grid and improve power supply in Oshogbo and the surrounding communities.

Challenges

134. The right of way issues is posing a serious challenge to the timely completion of the project. The management of PHCN has to remove the existing line to give way for the installation of the new towers for the double circuit transmission line.

ii. ***215 MV Dual Fired LPFO/ Gas Power Plant, Kaduna***

135. The project entails the construction and installation of 215MV dual fired power plant (LPFO/Gas) that utilizes low pour fuel oil or natural gas as fuel. It was initiated to provide and supply power to Kaduna industrial zone and adjoining areas. The contract was awarded to Messrs. General Electric and Rockson Engineering Limited on 28th December, 2010 at the cost of Euro 156.14 million (off-shore) and N3 billion (on-shore) and it is expected to be completed in December 2013.

136. The sum of N9.69 billion was appropriated in 2011 budget. Of this amount, N370.44 million (or 3.82%) was released and utilized in 2011 to achieve 55% level of completion. Similarly, N1.75 billion was appropriated in 2012 Budget. Of this amount, N645.6 million was released and utilized while N4.52 billion was committed to the project from inception to date to achieve 58% completion. This depicts an increase of 3% over the performance in 2011.

Findings

137. The monitoring team was informed by the official of the Federal Ministry of Power and the project consultant that the project's was changed from its original brown field site concept (i.e. rehabilitating existing facilities) to green field site concept (i.e. virgin land) and this had brought in a lot of variations which are yet to be concluded and finalized. The project had an unpaid certificates of Euro 377 thousand and N117 million. The team was also informed that one out of the 8 gas turbines and one out of the 8 generators with 128 crates of BOPs (Balance of Plants) had been delivered to the site while additional one gas turbine and two generators were on the way awaiting delivery. The outstanding work included the delivery of the remaining gas

turbines and generators to the project site with their associated civil and mechanical works.

Picture 16: Part of the Delivered Plant Components at 215 MV Dual Fired LPFO/ Gas Power Plant, Kaduna

Socio-Economic Impact

138. Although the project was yet to be completed it had generated employment opportunities for over 90 skilled and unskilled labourers while commercial activities and housing estates had developed along the project corridor. When completed the project is expected to generate 215MV of power out of which 120MV will be transmitted to the industrial area of Kaduna and the balance of 95MV to Mando Kaduna where it will be transmitted to the national grid.

Challenges

139. Part of the challenges facing the project included security issues in the area which had forced the expatriates to relocate to other areas and delay in the approval and payment of interim payment certificates.

iii. KAINJI HYDRO ELECTRIC PLC IN NIGER STATE

140. The power station was established as far back as 44 years ago to provide and supply improve electricity transmission and distribution in the

country. Originally, twelve turbines were to be installed but only eight (8) were eventually installed with a total generating capacity of 760 megawatts.

141. In 2012 Budget, N752.98 million was appropriated (Federal Government counterpart funding) for the rehabilitation of IG5, IG6 and IG12 and supply of plant auxiliaries spares, maintenance and infrastructural development. Of this amount, N167.93 million was released in the last quarter to bring total releases to N528.60 million in the fiscal year under review. N416.66 million was cash-backed while the sum of N415.87 million was utilized as at the end of December 2012 to carry out the rehabilitation, maintenance and supply of unit's spares.

(a) Supply of Plants/Auxiliaries and Annual Maintenance

142. The project involves the procurement of plants/auxiliaries spare parts with sustainable maintenance of the equipment at the power station and is being executed directly by the Kainji Power Station (PHCN) at a cost of N402.98 million. Some of these spares include generator winding spares, draft tube and power cranes, etc. The procurement which commenced in July 2012 and expected to have been completed in December 2012 was not concluded due to the technical difficulties in getting the spares for the obsolete equipment.

143. The sum of N97.01 million was appropriated and fully released in the 2011 Budget to carry out the supply/maintenances and the execution was at 10% at the end of the last quarter. However, in 2012 Budget, the sum of N402.98 million was appropriated out of which N201.58 million was released and utilized to achieve about 50% level of completion. This indicates a progressive status of about 40% compared to 2011.

Findings

144. The manufacturing of the spares is now completed awaiting shipment for necessary installation.

Socio-Economic impact

145. The Power station has currently engaged a total of 445 staff. The team observed that the rehabilitation and maintenance of these power generating units/machines is a laudable initiative and a step forward towards the sustenance and improvement of power supply in the country. On completion of the Units IG5 and IG8, the project will provide an additional 220 megawatts to the current capacity of 225 megawatts, thereby raising the station's total generating capacity to 445 megawatts. This will further boost the generation capacity and help in stabilizing electricity in the country in line with the present government transformation agenda.

Picture 17: Parts of the spares/auxiliaries procured & stocked at the Power Station

(b). ***<u>Rehabilitation of Units IG5, IG6, and IG12 (Counterpart Funding).</u>***

146. The rehabilitation of these units (IG5, IG6, and IG12) is being handled by the World Bank with a counterpart funding by the Kainji power station. Rehabilitation works (repairs/retrofitting) is being executed by the power station at a cost of N750 million commenced in July 2012 and is expected to be completed in December 2014. In the 2012 Budget, the sum of N350 million was appropriated while N214.31 million was released and spent on the rehabilitation works.

Findings

147. In 2012, work carried out was the dismantling of the units for repairs and retrofitting. The activity in progress at the time of the team's visit was the

dismantling of the runner chamber of units IG5 and IG12, assembling of new draft tube and power cranes, as well as the dismantling of the ventilating house for repairs. Overall, the dismantling activities attained 95% completion.

Challenges

148. The team was informed by the station manager that only two (2) out of the eight (8) units/turbines (Units IG6 and IG11) are functional and running while the station is currently generating only 225 megawatts down from the initial 760 megawatts recorded at inception. This shows a loss of 535 megawatts. The loss was due to lack of major overhaul of the turbines since their installations. By technical/engineering requirements, they should be overhauled after every five years. However, Unit IG10 is also available at the station for auxiliary services.

149. It is recommended that the Federal Ministry of Power accord utmost funding priority to the Generating Stations across the country in order to resuscitate the collapsed turbines/machines and also effectively maintain the functional ones to boost power supply and its stability in the country in line with the Federal government transformation agenda.

Picture 18: Some of the Dismantled Parts of the Turbines waiting Rehabilitation at the Station

iv. ***Power Component of Kashimbilla/Gomovo Dam***

150. This project is located between the towns of Kashimbilla and Gomovo on river Katsina – Ala in Takum Local Government Area of Taraba State. The Dam was designed principally to check the threat of the flood from the

imminent break of the structurally volcanic Lake Nyos, situated upstream along the Cameroun line of volcanic activity beside the generation of power hydro-electricity.

151. The dam is multipurpose with a hydro power generation component of 40MW. The Federal Ministry of Power is collaborating with the Federal Ministry of Water Resources to boost the development of the hydropower component. The Federal Ministry of Power is responsible for the power evacuation component that is, the construction of the 132KV transmission lines from Kashimbilla to Yendeu and the switch yard at Kashimbila.

152. The project was awarded to Messrs. SCC Nigeria Limited on 2nd May, 2007, at a cost of N17.7 billion and is expected to be completed by June 2014. The sum of N950 million was appropriated released and utilized for the implementation of the project in the 2012 Budget to achieve 5% level of completion.

Findings

153. At the time of monitoring, the draft tubes have been installed; dental concrete had been completed while primary grouting and installation of turbines were in progress. The team was informed that, procurement and installation of Hydro Power Plants (4 nos. 10mw Hydro power turbines and accessories) will take 24 months.

Socio – Economic Impact

154. Though the project is at its infancy state, it has generated employment for 2000 indigenes (both skilled and unskilled) of the area. Upon completion, it has the potentials of generating 40 megawatts of electricity which could serve the people of Kashimbilla, Takum, Wukari and its environs with a population of over two (2) million. It will also attract cottage industries around the area, which will translate into employment of the indigenes that will reduce rural - urban migration.

Challenges

155. The main challenge is gross inadequate budgetary provision by the supervising Ministry which affects the pace of work.

Picture 19: Hydro Power Pit at Kashimbilla Dam

WATER RESOURCES SECTOR

156. The provision of portable water, irrigation, fishing, food security and preservation of fresh water ecosystem form one of the core policies of the government's transformation agenda. Towards this end, a total of N79.34 billion was allocated to the Ministry in 2012 budget, out of which N55.66 billion (70.15%) was released and N39.76 billion (or 71.43%) was utilized for the implementation of its capital projects/programmes. The following projects were selected for physical inspection in the fourth quarter monitoring exercise.

i. _Owena Treatment Plant, Ondo State_

157. The construction of the dam was initially conceived to be jointly funded by Ondo State and Federal Government. The inability of the former to raise counterpart funding made the Federal Government to source the entire amount required. The project involve the construction of a treatment plant of 130 million cubic meter reservoir capacity, a small hydropower project of 800KW, an irrigation scheme covering 1,000 Hectares and auxiliary works such as access road, emergency spillway and connection of the project to the National grid. The contract was awarded to Messrs. SCC Nigeria Limited at a

cost of N12.80 billion (N5.60 billion for dam and N7.20 billion for treatment plant).

158. The phase 1 (one) of the project which was the construction of the main dam awarded in April 1998 had been completed and commission in April 2007. Phase 11 (two) of the project (the construction of a treatment plant) was awarded in May, 2007. However, because of series of review in the contract specifications, work commenced in July 2006 with expected completion date scheduled for December 2013.

159. The sum of N110.77 million was appropriated, released and utilized in 2011 while N6.75 billion was committed to achieve 95% completion. In 2012 however, N508.16 million was appropriated, out of which N103.69 million (20.40%) was released and utilized as at 4th quarter; bringing commitment to N11.67 billion (for both Dam and treatment plant). The project attained an additional 5% completion in 2012, bringing total performance to 100%.

Findings

160. At the time of monitoring, the project for the treatment plant had been completed and handover; 10 KM access road from Igbara Oke junction to the Dam site and connection of the project to the national grid had also been completed. Works outstanding but not contained in the contract is the reticulation of the water to the immediate community and the surrounding town and villages.

Picture 20: Completed Owena Treatment Plant for Owena Dam, in Ondo State.

Socio-economic Impact

161. The project had created 1,000 jobs for skilled and unskilled workers. Though the project had not been reticulated, the communities have started benefiting from fishing and irrigation activities around the dam axis. More so, the access road and the connection of the project to the national grid has attracted the buying and selling of more agricultural produce. It has essentially boosted economic activities in the area.

Challenges

162. Reticulation (Piping of water from the Dam and the treatment plant) to the benefitting communities was not included in the contract arrangement. This has affected the full realization of the objective of the project.

ii. Hadejia Valley Irrigation Project Phase 1, Stage 1

163. Hadejia Valley Irrigation project lies in the Auyo and Kafin Hausa Local Government Area of Jigawa State between the Hadejia River and its branch, the Kafin Hausa River around the Fadama town of Auyo. The project entails the development of 4,196 hectares of land for gravity irrigation, comprising 12 sectors. It is a multipurpose project initiated to enhance agricultural production and also tap the water releases from Challawa Gorge and Tiga dams in Kano into Hadejia River.

164. The contract which covers the irrigation of 4,196 hectares of land was awarded to Messrs. CGC in December 2001 at an initial cost of N5.91 billion with a completion date of 25th June 2004. The contract sum was later revised to N9.66 billion in April 2011 due to additional works and a new completion date of 28th February, 2013. The sum of N243.45 million was appropriated, released and utilized in 2011 budget, while N5.68 billion had been committed to the project to achieve 85.5% completion. In 2012 budget, N198.18 million was appropriated but no financial commitment was made due to funds challenges. There was partial channelization and desilting works carried out in 2012.

Findings

165. The monitoring team was informed by the officials of the Federal Ministry of Water Resources and the project Consultant that the contractor stopped work on site in December 2010 due to inadequate budgetary provisions and unpaid certificates amounting to N1.11 billion. Achievement recorded before the stoppage of work included: the completion of six sectors (i.e. 1,843 hectares) out of the 12 sectors, advanced stages of work completion on 2 of the remaining sectors while works on the rest sectors covering 875 hectares were still in progress. The project had recorded a cumulative performance of 85.53% while the sum of N2.50 billion is required to complete the project.

Picture 21: Completed Water Take-off Gate at Hadejia Valley Irrigation Scheme Project

Socio-Economic Impact

166. Although the project was yet to be fully completed, it had already started impacting on the local communities and its environs. At present, the project farmers can produce about 80,000 metric tons of food and cash crops valued at over N2.60 billion annually thereby impacting significantly on poverty alleviation, employment generation, food security, enhancement of rural development within and around the project environs.

Challenges

167. Some of the structures earlier completed now require rehabilitation as a result of time lapse in the completion of structures that are complementary to the effective operation of the project.

iii. ***Construction of Ivo Dam***

168. This project is located in Mpu Village of Aninri LGA Area of Enugu- State. The initial concept of contract involves construction of a main dam 15m high, 250m long with a reservoir capacity of 20 million cubic meters, a saddle dam 5m high and 2,500m long also 150m long concretes spillway, inlet/outlet structure.

169. The contract was initially awarded to Messrs. D.A Construction Ltd in 2009 at a cost of N2.14 billion. Work commenced in February 2010 and was expected to be completed in 24 months (February 2012). However, the contractor was considered to be incapacitated in delivering the project as scheduled hence, a memorandum of understanding was reached with Messrs. Anbeez Services Ltd (through the Federal Ministry of Water Resources) to take up the execution/completion of the contract at the same cost. The new expected completion date is December 2014.

170. The sum of N544.64 million was appropriated in the 2011 Budget out of which N40.49 million was released and utilized in the year bringing the total releases to N605.08 million to achieve 20% performance. In 2012, the sum of N2.56billion was appropriated of this amount, N750 million was released and utilized while N1.04 billion has been committed since inception to achieve a cumulative performance of 26%. The dismal performance of marginal increase of 6% over that of 2011 despite the government commitment of over 35% of the contract sum in the year was due to relocation of the project site to avoid flooding of the host communities.

Findings

171. As at the time of visit, work done include; Completion of clearing (45 hectares) of the dam axis which is 300m/1040m and Excavation of key trench (3mx7mx 3m).Work in progress includes filling and compaction of the key trench, access road to the dam and spill way intake /outlet structures among others.

Picture 22: Site Clearance of Dam Axis and Excavation of Key Trench at the New Project Site.

Challenges

172. The main constraints of the project are the long period of litigation, site terrain and conditions of short dry season. All these contributed to the slow progress of work.

Socio-Economic Impact

173. Though it is still ongoing, the project has provided access road from the express way through the Mpu village to the project site.

When completed, the project will provide potable water for domestic consumption, irrigation, fisheries and other economic activities for the Mpu and its environs. It will also provide employment opportunities to the community.

iv. Construction of Otukpo Multi-purpose Dam Project in Benue State

174. The project involves construction of a 2.5km dam with a maximum height of 31meter, free flow concrete spillway with retaining walls,5.3km asphalt concrete access road and a dam intake with a reservoir. Others are: construction of a hydropower station of 3 no. 1.1 MW turbines (totaling 3MW), and irrigation development of 2000 hectares of farmland.

175. The contract was awarded to Messrs. S.C.C. Nigeria Limited in December 2010 at a cost of N17.18 billion. Work commenced in March 2011 and is expected to be completed in March 2014 (36 months). In 2011, the sum of N2.00 billion was appropriated while N1.50 billion was released and N2.55

billion was committed to achieve 7.8% level of completion. However, the sum of N1.50 billion was appropriated in 2012 Budget released and utilized bringing total financial commitment since inception to N8.62 billion to achieve a cumulative performance of 46%. This shows an appreciable progress of work of about 38.2% in the 2012 fiscal year compared to 7.8% recorded at the end of 2011.

Findings

176. At the time of this report, work on the main site, consultant and resident engineer's offices accommodation, access road (earthworks, construction of dam site 'A' to 'B' and batching plant), and excavation and backfilling were all completed. Work in progress include: excavation, blinding and casting of the spillway interlocking key, re-enforcements and casting of the spillway panels and wall base, and removal of overburden, drilling and blasting of stone at the quarry. This brings the total achievement to 46% since inception.

Socio-Economic Impact

177. The project though not completed, is providing employment to more than 400 youths from Otukpo and its neighbouring communities. Also communities such as Otobi, Anomoda, Aturupo and Otobi Rail station are currently benefitting from the completed access road at the project site. The project, when completed, will impound about 132.4million cubic meters (MCM) of raw water for water supply to Otukpo and neighbouring communities. It will also provide water for irrigation and fishery development in the host communities and generate employment for over 12,000 people. The generation of 3MW will greatly improve electricity in and around Benue state.

Picture 23: On-going Embankment and foundation works for the hydropower station at the Dam site

v. ***Kashimbila Multipurpose Dam Project.***

178. The project includes the construction of an irrigation scheme, water supply network and hydropower infrastructure with a reservoir capacity of about 500million cubic meters (MCM) of water. The contract was awarded to Messrs. SCC Nigeria Limited at the initial cost of N42.92 billion +€394.74 million (offshore component) on 2nd may, 2007. However, it was later reviewed upward to N60.63 billion due to additional associated hydro power component which was increased from 6MW to 40 MW. Work commenced on the 17th May, 2007 with an initial completion date of 36 months (14th April, 2010), which was later extended to April 2014 due to paucity of funds.

179. The sum of N500.40 million was appropriated, released and utilized in 2011 budget bringing the financial commitment to N19.06 billion to achieve 29% level of completion. However, N2.40 billion was appropriated, released and utilized in the 2012 budget bringing the total commitment on the project to N21.46 billion + €225.63 million (offshore component) to attain 67% level of completion. This represents an increase of 38% over the 2011 performance.

Findings

180. The team observed that the access road to the dam reservoir, the embankment (shore protection), spillway, airstrip and guest houses had been completed. Outstanding work included: flow direction structures, water supply, reservoir boundaries and irrigation components.

Socio- Economic Impact

181. The project has reduced the excess flood experienced in the past in Taraba, Adamawa, Benue and Kogi States. Employment opportunities had been created for 1,100 indigenes while a police post, Law court and access road was constructed for the community.

181. Upon completion, it would also serve as a buffer against the imminent flood that may occur from the collapse of Lake Nyos. More so, the project will impound 500MCM, and 60,000 cubic meters per day of water supply to

adjoining communities (Takum and its environs), irrigate 2000 hectares of land, fisheries and generate 40MW of electricity.

Picture 24: Completed Airstrip Tarmac Building and Spillway works in progress at Kashimbilla Dam

6.0 AVIATION SECTOR

182. The Ministry is saddled with the responsibility of Air safety, Airport development and management, maintenance and upgrade of equipment and infrastructure at all Airports. In line with this objective, a total of N43.1 billion was allocated to this sector for the implementation of its capital projects in 2012 budget. Of this amount, N33.1 billion (76.79%) was released and N31.013 billion was cash backed while N30.95 billion (or 99.8%) was utilized as at the end of the fiscal year. The following projects were selected for a follow up inspection to ascertain their statuses.

i. NIGERIAN AIRSPACE MANAGEMENT AGENCY (NAMA)

183. The agency had an appropriation of N2.095 billion in 2012 budget for the implementation of its project/programmes. Of this amount, N1.35 billion (64.43%) was released and N1.098 billion was cash backed while N1.051 billion (or 95.71%) was utilized to execute its projects as at fourth quarter of the year under review. The following projects were monitored.

(a) ***Maintenance Agreement for the Total Rader Coverage of Nigeria (TRACON)***

184. The project entails the procurement of spare parts for maintenance of Total coverage of the Nigerian airspace. The contract was awarded to Messrs. Thales ATM of France in May 2009 at a cost of N4.20 billon with an expected completion date scheduled for December, 2014. In 2011 budget, the sum of N162.042 million was appropriated, released and utilized while; N1.38 billion was committed to the project to achieve 33% level of completion. However, in 2012 budget, N300 million was appropriated, released and utilized as at 4th quarter of the year, bringing total commitment to N2.30 billion to achieve 77% cumulative performance. The increase of 44% achievement over the 2011 budget performance is highly commendable.

Findings

185. At the time of monitoring, TRACON had in place four traffic control automation systems (Eurocat-c) equipped with digital voice communication and control systems (vccs) in Lagos, Kano, Portharcourt and Abuja; four co-mounted primary surveillance radar monopulse secondary surveillance radar; five stand alone MSSR radars located in Ilorin, Talata Mafara, Maiduguri, Numan and Obubra, and a VSAT network in all the Nine Sites – Lagos, Kano, Portharcourt, Abuja, Ilorin, Talata Mafara, Maiduguri, Numan and Obubra. Others are the procurement of UPS/automatic voltage regulator to avoid equipment damage arising from voltage fluctuations, occurrence of surges; and the presence of 5 expatriate engineers from France for the training and transfer of technology to Nigerian engineers.

Picture 25: Installed Radar head (Tracon) at NAMA, Headquarters, Lagos.

Socio-Economic Impact

186. The project had ensured the total surveillance of the Nigerian airspace and beyond, improved the co-ordination between Air traffic controllers and pilots, aided in the avoidance of dangerous turbulent area (bad weather), assisted in search and rescue missions and provided state of the art training facilities for Air traffic controllers. The project had also provided training for over 48 indigenous Engineers.

ii. ***Enugu Airport Extension /Expansion and Resurfacing***

187. The project is designed to enhance the existence of state-of-the-art equipment and facilities for the smooth operations at the airport. The scope of work includes: extension of runaway, improvement of the existing runway, provision of 7.5m width shoulder at each side of the runway and other associated civil works.

188. The contract was awarded to Messrs. P.W Nigeria Ltd in September 2009 at initial cost of N4.14 billion and was expected to be completed in September 2011. However, it was revised in October, 2010 to N10.34 billion due to additional works which included: Airfield Lightening CAT 11, new Taxiway and Apron. The completion date was revised to June, 2012.

189. The sum of N1.60 billion was appropriated in 2011, released and utilized, while N7.78 billion was committed to the project from inception to achieve 85% level of completion. In 2012 budget, N8.4 billion was appropriated while N790 million was released and utilized bringing total commitment to N8.56 billion from inception to achieve 88% level of completion. This shows a marginal improvement of 3% over 2011 performance.

Findings

190. At the time of visit, phase 1 of the project which includes runway extension/expansion, construction runway shoulders, drainage improvement and marking had been completed. The second phase which includes: the new taxiway pavement, air field lighting and apron and civil works had also been

completed. Oustanding work are: completion of crash road, pavement markings of new taxiway and airfield lighting works CAT ll.

Picture 26: Completed Runway Extension & One Airfield lighting at Enugu Airport

Socio-Economic Impact

191. Though the project has not been completed, it has ensured safe take-off and landing of aircraft and provided other safety features such as Airfield Lighting (AFL).

Challenges

192. Delay in Land acquisition for AFL approach fitting installation, forced stoppage of work by the Air force as a result of Land Acquisition problem between the FAAN and the Air force has largely hindered the completion of the project.

iii. ***Modernization of Abuja Airport Terminals, Phase 1***

193. The project is one of the airport modernization projects spread across airports in the six geo-political zones of the country. It involves the extension and expansion of domestic terminals including upgrading of infrastructures. Others are the provision of reception hall, screening point, check-in halls, processing halls and departure halls with conveniences and offices.

194. The contract was awarded to Messrs. ARDC Limited in December 2011 at the cost of N663.12 million and was scheduled for completion in November 2012. In 2012 Budget, the sum of N663 million was appropriated, while N567.13 million was released and utilized to achieve 100% cumulative performance.

Findings

195. At the time of the team's visit, the project had been completed and commissioned. The interior and exterior of the terminal building was wearing a new look as a result of the facilities upgrade. However, the sum of N96 million was still outstanding as the project is under 12 month's retention period.

Socio-Economic Impact

196. The aesthetic value of the airport and its environment has increased immensely. The remodeled terminal has enhanced the revenue generating capacity of the airport (FAAN) because of increased patronage. The terminal facility has brought about conducive and clean environment thus removing travelling hassles. It has also provided a hitch-free airline operations and boost economic activities. Furthermore, the expansion has provided for orderliness thereby enhancing a good image for the country.

iv. *The Calabar Airport Runway Re-surfacing and Airfield Lighting (AFL) CAT at Calabar*

197. This project was designed to rehabilitate and upgrade the decayed infrastructural facilities for the smooth take-off and landing of aircrafts. It is also provide other safety features such as Airfield lighting (AFL), edge light, hydrant, etc., at the airport runway.

198. The contract was awarded to Messrs. M/S Jamson Nig. Ltd in January, 2010 and to be completed in March, 2010 at the total cost of N832.80 million. The project actually commenced on 8th May, 2011 with a new completion date of December, 2012 due to adjustment in the initial design.

199. In 2011, the sum of N106.80 million was released to achieve 16% while N131.20 million released in 2012 was used to complete the runway resurfacing contract (100%). N676.05million was appropriated to this project in the 2012 budget. Of this amount, N131.20 million was released and utilized as at fourth quarter 2012 bringing total financial releases to date to N688 million. This represents a remarkable achievement of 84% performance when compared to that achieved in 2011.

Findings

200. The team observed that only 16% was achieved in 2011 in respect of the runway resurfacing: sealing of inters space cracks, removal and replacement of joint sealant of rigid pavement and improvement of water hydrant. However, in 2012, works done include rehabilitation of crash road at ends, spraying of each coat bitumen and laying of asphalt thus bringing the resurfacing works to completion level. The Air Field Lighting was yet to commence due to delay in procurement of the equipment.

Socio-Economic Impact

201. The rehabilitation work have created new jobs to the people of the environs thus improving economic activities such as car hire services, retailing businesses, etc. Moreover, it has facilitated smooth landing and taking-off of Aircrafts during the day time, improves safety standards, reducing congestion, and increase revenue generation to the Airport Authority.

Challenges

202. The inability of the contractor to deliver the project as per the contract agreement, flying birds on the runway and power interruption was identified to be the major challenges.

THE MINISTRY OF NIGER DELTA

203. The ministry is charged with the responsibility of formulating and coordinating policies for the development and security of the Niger Delta

region. This will entrench peace and stability to drive the sustainable socio-economic development of the region. It will also help reduce the challenges of high menace of poverty, environmental degradation and disruption of oil extracting activities. In line with these strategic plans, Government allocated the sum of N59.22 billion in 2012 Budget for the implementation of its capital projects and programmes. Of this amount, N43.65 billion was released while N41.99 billion (or 96.18%) was cash-backed and utilized as at fourth quarter, 2012. The following project was monitored:

i. ***Reconstruction of Owerri-Elele Road (Owerri-Omerelu), Imo State***

204. The project covers about 35.748km length of the road which consist of the construction of a dual carriage way of 7.3m on both sides with 1.5 inner and 2.75m outer shoulders. It also included earthworks and construction of underground Storm water drainage through Owerri Township, Trapezoidal drains at a specified section within other built up areas along the road. The Contract was awarded to Messrs. Arab Contractors O.A.O Nig Ltd in March 2010 at a cost of N21.48 billion while work commenced in April 2010 with a completion date scheduled for October 2012.

205. The sum of N3 billion was appropriated in 2011 Budget, of which, N2.83 billion was released and bringing financial commitment to N9.49 billion with physical implementation to about 33.32%. In 2012 however, appropriation went down to N1.4 billion which was released and utilized bringing the total commitment to N10.89 billion to achieve 45% level of completion. This shows an increase of 12% performance over that of 2011 fiscal year.

Findings

206. At the time of this report, work done included; 31km site clearance, 24km Earthworks 16km subbase,15.6km stonebase,15.1km binder course,14kmwearing course and 5km drainage and 21 no(s) culverts. Work in progress includes construction of drains, Earth works (4.3km), the relocation of water pipe line and PHCN facilities and other pavement works.

Picture 27: Ongoing Reconstruction of Owerri-Elele Road (Owerri-Omerelu)

Socio-Economic Impact:

207. The projects had provided employment to about 242 skilled and unskilled personnel. On completion, the project will enhance free flow of traffic thereby stimulating economic activities in the region. It will also promote rapid and integrated infrastructural development in the neighboring communities in the Niger Delta Region as well as serves as a major link between south –east and south –south region.

Challenges

208. The team was informed that short construction period/climate (dry season), payment of compensation.

ii. ***Dualization of Kaiama, Port – Harcourt, Section ll Sub – Section (I & II). C/No. ID/ 09/002 &ID/09/003***

209. The project comprises the construction of a new carriage way and expansion of the existing 101 Km road into a dual 2 lane divided highway of 7.3 m wide. It also involves bush clearing, removal of top soil, provision of 60mm asphaltic binder and 40mm wearing course, construction of bridges, concrete line drains, median barriers, median drain, box and pipe culverts. The contract was awarded to Messrs. Setraco Nigeria Limited, in two sub – sections. Sub- section 1: Portharcourt – Ahoada (47 km) was initially awarded at a cost of N29.92 billion in May, 2009 but was later reviewed to N48.99 billion. Sub – section II: Ahoada – Kaiama (54km) was initially awarded at a

cost of N44.88 billion in April, 2009 which was also later reviewed to N84.76 billion with completion date scheduled for May, 2013. The upward review of the project cost was due to inflation and delayed approval for certified works.

210. In 2011 Budget, the sum of N7 billion was appropriated, released and utilized to achieve 41.40% level of completion. On the other hand, in 2012 Budget, N6.1 billion was appropriated whereas, N5.76 billion was released and utilized as at the end of the fiscal year. A total of N40.56 billion had been committed to the project from inception to date to achieve 51.12% cumulative performance. This represents an improvement of 10.82% over the status observed in the fourth quarter of 2011 report.

Findings

211. At the time of this report, works completed included: 63km of site clearance, 46.95km of earth works, 37.67km of sub- base, 24km of stone base and 7 nos. of bridges. Works in progress were, construction of side drains, culverts, piling and maintenance of the existing road.

Socio – Economic Impact

212. Consequent upon this project, 16 new settlements such as Nmuchi, Rumuji, Mbele, Nbiama, etc. have sprung up, and out of the 2000 workers currently employed, over 70% were locally sourced through the established East – West Road Community Association (EWRCA).

Challenges

213. The major challenges to the project are the unfavourable climatic conditions and obstruction by motorists.

Picture 28: On-going Construction at East-West Road Section II along Port-Harcourt - Ahoada (47KM)

8.0 AGRICULTURE SECTOR

214. The mandate of this Ministry is the attainment of self-sustainable growth in all the subsectors of agriculture and structural transformation necessary for the overall socio-economic development of the country. These include increase in the production of agricultural raw materials, guaranteeing the provision of high quality seeds, food security and sustainability, creation of employment opportunities, making farming more profitable, and alleviation of poverty.

215. In realization of these objectives, government allocated the sum of N48.19 billion to the sector in the 2012 budget to execute its capital projects and programmes. Of this amount, N9.13 billion was released and utilized in the fourth quarter bringing the total releases to N32.47 billion in the year ending 2012. The sum of N26.39 billion was cash backed and utilized as at the end of December 2012. The following projects were visited:

i. NATIONAL CENTRE FOR AGRICULTURAL MECHANIZATION (NCAM), ILORIN

216. The Centre was established by Decree No. 35 of 1990 and has the mandate of accelerating the pace of mechanization in the agricultural sector of the Nigerian economy in order to increase the quantity and quality of agricultural products. It was allocated the sum of N267 million in the 2012 Budget out of which N162.18 million was released while N122.49 million cash

backed and utilized (75.53%) as at the end of the year under review. The following projects were monitored:

(a). ***Procurement and Installation of Rice Millers***

217. The project for the procurement of Rice milling machine was divided into two lots. Lot I component involves the procurement of seven (7) Rice milling machines with all the accessories, while Lot II was for the procurement of seven (7) Rice de-stoning machines and their accessories. The project was to increase the capacity of the local rice industry in items of quantity and quality through value addition and increasing the market share of local rice and reduction of importation.

218. Contract for Lot I (Rice Milling machines) was awarded to Messrs. Global Legend International Concept Ltd. at a cost of N84.70 million while Lot II component was awarded to Messrs. Easy Progressive Ventures Ltd. at a cost of N69.30 million. The project commenced in October 2012 and was expected to be completed within three (3) months (December 2012). The sum of N154 million was appropriated for the project (Lots I and II) out of which N30.09 million was released and paid as mobilization fee to the contractors.

Findings

219. At the time of this report, seven (7) rice milling and seven (7) rice de-stoning machines with accessories had been procured. They are currently awaiting distribution and installation in selected rice producing communities on a pilot basis. The project had attained a cumulative performance of 20%.

Socio-Economic Impact

220. These machines will also increase the output capacity of the local rice industry by reducing imports of rice and create value addition and spin-off effects of improved preservation, and increasing the market share of local rice. The center is already attracting farmers and agro-allied stakeholders seeking cheaper and effective method of improving yield and profit which will save the country a lot of foreign exchange.

Picture 29: Some of the procured Rice Milling and De-stoning Machines with their accessories in stock at NCAM

(b) ***Furnishing of the Trainees' Hostel and Conference Centre.***

221. The project is a storey building and the structural building/component and the landscaping works were completed in 2011. The furnishing contract which is funded under the 2012 budget involves the purchase and installation of 60nos. complete bed/beddings, 30nos. reading tables, 15nos. double seater chairs, provision of air-conditioners, satellite facilities, and conference chairs (160) and tables, etc.

222. The contract was awarded to Messrs. Frontier Hotel Solution Ltd. in September 2012 at a cost of N20 million and expected to be completed in December 2013. In 2011, Budget, the sum of N100 million was appropriated while N97.80 million was released and N64.10 million utilized for completion of the construction work. However, in 2012 Budget, the whole contract sum of N20 million for furnishing of the completed structure/building was appropriated, released and utilized.

Findings

223. At the time of this report, the supplies and installation works had been concluded and the project was in use. The team observed that the project has provided a conducive learning environment and enhance performance. The conference rooms provide venues for seminars, conferences and other useful programmes.

Picture 30: Completed Trainee Students' Hostel, and Part of the Furniture Installed at the Conference Center

EDUCATION SECTOR

224. Human capital development is crucial to Government transformation Agenda. In order to meet up with the Targets of the millennium development goals, a total of N66.83 billion was allocated to the Ministry in 2012 budget. Of this amount N47.69 billion (71.36%) was released and N36.46 billion (54.55%) was cash backed while N34.83 billion (or 95.52%) was utilized for the implementation of its capital projects/programmes. The following projects were selected for monitoring;

i. UNIVERSITY OF IBADAN

225. The Institution had an appropriation of N450.61 million in 2012 budget for the implementation of its capital projects/programmes. The sum of N315.62 million (70%) was released and N248.63 million (55%) was cash backed while N244.13 million (or 98%) was utilized for the execution of its projects as at the end of the fiscal year. The following projects were monitored.

(a) ***<u>Extension of Medical Library at College of Medicine</u>***

226. The project entails the construction of a two storey building with 32 offices, 5 laboratories, conference hall, seminar rooms and an analytical laboratory. The contract was awarded to Messrs. Lajub Nigeria Limited in October, 2010 at a cost of N150 million with completion date of December,

2012. This was however extended to December, 2013 because of fund constraint.

227. In 2011 budget, the project suffered implementation challenges because it was not captured in the appropriation. The sum of N150 million was appropriated in 2012 budget. Of this amount, N100.36 million (66.90%) was released and utilized as at 4th quarter of the fiscal year to achieve 70% cumulative performance. This is a remarkable improvement over 2011 implementation.

228. At the time of monitoring, work completed included: the superstructure, rafter, flooring, plumbing and electrical works while roofing, plastering and concrete works were in progress.

Picture 31: On-going extension of Medical Library at College of Medicine, University of Ibadan

Socio-Economic Impact

229. The project had created employment for artisans, skilled and unskilled labour within the indigenous community. On completion, it will create a conducive atmosphere for learning; provide more access to research materials for medical students, host international conferences and seminars.

ii. UNIVERSITY OF JOS

230. The institution had an appropriation of N450.34 million in the 2012 Budget for the execution of its capital projects/programmes. Of this amount,

the sum of N315.43 million was released while N248.48 million was cash backed and utilized as at the end of the fiscal year to implement the following projects:

(a) <u>Construction of Administrative Block/Senate Chamber</u>

231. The project which is located at Naraguta campus of the university and involved the construction of 1no. senate chamber and offices to house the VC, Bursary, Registry, Internal Audit and Academic planning and 2nos. elevators. It's a 3-4 floors building with mezzanine floor (a machine room for the maintenance of the lift). The contract was awarded to Messrs. ENL Consortium Ltd. in May 2009 at a cost of N412.92 million and was expected to have been completed in December 2012 but this could not be achieved due to funding constraints. The project is now rescheduled for completion in December 2013.

232. The sum of N136.30 million was appropriated for the project in the 2011 Budget, out of which N23.80 million was released and utilized to achieve 37% level of completion. In 2012, the sum of N220.69 million was appropriated for the project. Of this amount, N17million was released in the last quarter to bring total releases in the year to N90 million. N65.32 million has so far been committed to the project since inception to achieve 45% level of completion. This represents a marginal improvement of 8% over 2011 performance.

Findings

233. At the time of visit, work done included: roofing, plastering of interior, electrical piping, fixing of window and door frames. Outstanding works were flooring, completion of exterior plastering, electrical fitting, fixing of doors/windows and painting.

Picture 32: On-going construction of Administrative Block/Senate chamber at the University

Socio-Economic Impact

234. The team noted that though the project had not been completed, it has generated employment for forty-five (45) skilled and unskilled indigenes of the community. Upon completion, the project will create a more conducive atmosphere for work and office spaces for the VC, Registrar and Bursar with all their support staff.

iii. UNIVERSITY OF NIGERIA, NSUKKA

235. The sum of N500.61 million was allocated to the institute in the 2012 Budget for the execution of its four (4) capital projects and programmes. Of this amount, N350.64 million was released while 276.22 million (or 78.77%) cash backed and utilized as at the end of the year under review.

(a) ***<u>Construction of Administration Building, UNEC Phase 1</u>***

236. The project is a 3 storey building comprising of staff offices, conference room and conveniences amongst others. The contract was awarded to Messrs. Akiota Works Ltd at the cost of N301.97 million in November 2011. Work commenced in December 2011 and it is expected to be completed in April 2013. However, the contract sum was revised in December 2012 to N799.80 million due to increase in the scope of work.

237. The sum of N281.97 million was appropriated in the 2011 Budget, out of which N276.84 million was released and N111.93 million utilized to achieve 17% level of completion. In 2012, N305.08million was appropriated while N131.60 million was released and utilized to bring total financial commitment to N243.53 million to achieve 50% level of completion at the end of the year. This shows an increase of 33% over 2011 performance.

Findings

238. At the time of this report, the Administrative building frame work of the first segment up to the third level has been completed while the construction of columns for the fourth and final levels were in progress. The substructure and columns of the first and second floor of the second segment was completed and work was on-going on both segments.

Picture 33: Constrution of Administrative Building UNEC Phase1 University of Nigeria Nsukka

Socio-Economic Impact

239. The project has generated employment to the local communities engaged in the construction work. The administrative building when completed will accommodate more staff and a conference room thereby improving office accommodation for better service delivery.

iv. MODIBO ADAMA UNIVERSITY OF TECHNOLOGY, YOLA

240. The sum of N408.89 million was appropriated to the institution in the 2012 Budget for the execution of its capital projects/programmes, which included: provision of teaching and research equipment, a twin lecture theatre, furnishing of lecture hall and Laboratories and construction of internal roads. The sum of N286.40 million was released while N225.61 million was cash backed. The sum of N217.90 million was utilized to execute the following projects:

(a) ***Construction of Twin Lecture Theatre and Studios***

241. The project entails the construction of 4nos studios, 2nos. offices and lecture theatre with joint capacity of 800 students. The contract was awarded to Messrs. Mujik Investment Limited at a cost of N194.40 million in September 2012 and is expected to be completed in August 2014. The sum of N100 million was appropriated in 2012 Budget. Out of this, N50.86 million was released and utilized.

Findings

242. At the time of this report, block works had been completed while concrete beams/lintels works were in progress. The project had attained 45% level of completion.

Picture 34: On-going construction of Twin Lecture Theatre and Studios at MAUTY

Socio – Economic Impact

243. Currently, the project had provided employment opportunities for twenty-five (25) youths of the area. Upon completion, the theatre would accommodate eight hundred (800) students and provide a more conducive atmosphere for learning.

HEALTH SECTOR

244. The mandate of the ministry is to fashion policies and programmes that will reduce child and maternal mortality rate and promote health care delivery at qualitative and affordable rate. To this end, the ministry was allocated a total of N60.95 billion in 2012 budget. Of this amount, N45 billion was released and N37.17 billion or (90.61%) was utilized for the implementation of its projects /programmes as at the end of the fiscal year. These projects were at various stages of completion.

i. FEDERAL MEDICAL CENTRE, ABEOKUTA

245. The institution had an appropriation of N288.31 million in 2012 budget for the implementation of its capital project/programmes. The sum of N208.39 million was released and N162.52 million (or 79.13%) was cash backed and utilized for the execution of its projects which amongst others include:

(a) *Completion of Upgraded Theatre*

246. The project involves the construction of a storey building of 8-suites. The contract was awarded to Messrs. Anjorin Nigeria limited in December 2010 at a cost of N239.29 million with an expected completion date of December 2014. The sum of N25.09 million was appropriated, released and utilized in 2011, while N63.05 million was committed to achieve 26.35% level of completion. On the other hand, N95.88 million was appropriated in 2012 budget, of which N93.26 million was released and utilized as at fourth quarter of the year. A total of N156.31 million had been committed to the project to date to achieve 80% cumulative performance. This represents 53.65% increase over the achievement made in 2011.

Findings

247. At the time of monitoring, the superstructure had been completed while electrical fittings, plumbing work, block finishing, ceiling, fixing of doors and windows works were in progress. Outstanding works are floor finishing, civil works in relation to installation of lift, painting and decorations.

Picture 35: Completion of Upgraded Theatre at FMC, Abeokuta

Socio-Economic Impact

248. The project though not yet completed had created employment for skilled and unskilled labour. On completion, the enrolment of patients to the hospital will increase and it will solve the problem of office constraints for consultants and nurses.

ii. FEDERAL MEDICAL CENTRE (FMC), MAKURDI

249. The hospital was allocated the sum of N501.40 million in the 2012 budget to execute eight (8) projects which include: construction and furnishing of GOPD, Male and Female Medical wards, and Oxygen plants, store and offices. Others are: development of its outreach centers located at Efekwo and Tongo, construction of House Officers' quarters and cretch (first phase). Of this amount, N322.57 million was released while the sum of N248.03 million was cash backed and utilized as at the end of the fiscal year to implement the following projects:

(a) Development of FMC Outreach Centre, Efekwo

250. The project comprises the construction of block of offices, doctors' quarters, X-ray, Central Sterilizing Unit (CSU), nutrition and diabetics' blocks, and procurement of x-ray and laundry machines. It also includes the development of water facility and supply of water to the outreach center. The construction component involves a mini water dam and a chain of 3nos. reservoirs with a treatment unit for water supply. The water is to be harnessed from Ugbogidi spring/streams, about 10km away from the outreach facility.

251. The contract was awarded to a consortium of contractors (Messrs. Chris Uloko Architects & 4 others) at a cost of N500 million in June 2010 and was expected to be completed by December 2014. The sum of N220 million was appropriated in 2012 out of which N23.96 million was released in the last quarter to bring total releases to N100.56 million to date to achieve a cumulative performance of 38%.

Findings

252. At the time of visit, the construction of office and utility block, purchase and installation of 300KVA transformers and extension of power line to the water source have been completed. However, landscaping, drainage works and pipeline network were in progress.

Socio-Economic Impact

253. The project though not yet completed has helped to narrow the gap between the people and quality health care delivery. Previously, the people of Efekwo had to travel some 250km to Makurdi to obtain medical care. Moreover, thirty-six laborers and artisans from this area (Efekwo) have benefited from the presence of the project through gainful employment. Water is also being provided (750,000 cubic litres daily) which will drastically reduce the incidence of water shortage and water borne diseases.

(b) Construction and Furnishing of Male and Female Medical wards

254. The project is located at the permanent site of the hospital (Apir in Makurdi) and involves the construction and furnishing of a 30-bed wards space

each. Each ward comprises open wards with 20-bed spaces and private wards to accommodate eight (8) private/amenity patients, a side laboratory, nursing stations and doctors call rooms.

255. The contract was awarded to Messrs. Julch Consult Ltd. and five (5) others at the cost of N485 million (i.e. N240 million for the male ward and N245 million for the female).The project commenced in June 2010 and expected to be completed in December 2014. The sum of N120.78 million was appropriated for the two components (N60.78 million for Female and N60 million for Male wards respectively). Of this amount, N55.12 million was released and committed to the two components to achieve a cumulative performance of 55% to date.

Findings

256. At the time of this report, work was suspended at the site by the contractors due to funding challenges. However, prior to the suspension, block work at the female ward had been completed while that of the male was at lintel level. It is therefore recommended that MDAs should focus available resources on few projects to bring them to completion rather than embarking on new ones thereby dragging so long their completion periods which consequently attracts unnecessary variations.

Socio Economic Impact

257. A large number of unemployed youths in Makurdi and environs were engaged by the project. The project would be providing thirty (30) additional bed spaces in the hospital upon completion thereby easing congestion and enhancing operational spaces to render better medical services. This project would also ease office accommodation for nurses and doctors and raise revenue generation for the center.

Picture 36: On-going construction of Male & Female wards at FMC Makurdi

iii. ABUBAKAR TAFAWA BALEWA UNIVERSITY TEACHING HOSPITAL BAUCHI

258. The institution had an appropriation of N263.99 million in the 2012 fiscal year out of which the sum of N148.70 million was released and utilized for the implementation of its capital projects which include: the procurement of ambulances and patient outreach services, construction and expansion of central administration block (phase ii), purchase of utility vehicles, completion of eye clinic complex (phase ii) and construction of modular theatre (Phase i).

(a) ***Construction of Modular Theatre Phase 1***

259. The project involves construction of one storey building with 4 Nos. theatre suits, consultant offices and conference room, e.t.c. The project commenced in 2010 and was awarded to Messrs. Mec Nigeria Limited at a cost of N262 million and is expected to be completed in December 2013. The sum of N80 million was appropriated to the project in the 2012 Budget while, N5.96 million was released in the fourth quarter.

260. The sum of N95.56 million had been committed to the project since inception to achieve 92.26 % level of completion, through the additional financial commitment of the contractor (there is memorandum of understanding (MOU) between the contractor and the hospital management).

Findings

261. At the time of visit, the construction of Modular theatre had been completed. Landscaping and furnishing components are to be funded under the 2013 Budget.

Picture 37: Completed Modular/ Operation Theatre at ATBUTH, Bauchi

Socio- Economic Impact

262. The project had provided employment for forty-two (42) workers both skilled and unskilled from Bauchi and environs. The team noted that with the completion of this project, patients requiring surgery would no longer have long waiting time which was the case in 2011 when there was 120 patients to be operated a week but the capacity could only cater for 30 patients a week. The provision of this theatre will solve the problem of travelling long distance for surgery.

5.0 CONCLUSION, OBSERVATIONS AND RECOMMENDATIONS

5.1 Conclusion

Macroeconomic indicators for the domestic economy in the fourth quarter of 2012 shows that the economy remained relatively stable. GDP growth rate was 7.09% for the fourth quarter with an overall average of 6.61% for 2012, which was slightly lower than the 7.45% level recorded in 2011. The non-oil sector remained the major driver of growth, recording an increase of 8.23%. In spite of the exigencies experienced in the year, the country's external and fiscal buffers have continued to grow with the external reserves climbing from US$41.19 billion in September to US$43.85 billion at the end of December. The level of the external reserves at the end of December 2012 rose by US$10.93 billion (or 33.2%), relative to the US$32.92 billion recorded at end of December 2011.

264. Provisional data from the OAGF indicate that a net distributable sum of N1,356.08 billion accrued to the Federation Account for distribution among the three tiers of government in the fourth quarter of 2012 which was lower than the N1,561.98 billion projected for the quarter. Cumulatively, as at December, an aggregate of N5,576.57 billion was shared among the tiers of government presenting a shortfall of N671.37 billion (or 10.75%). This follows from the shortfalls in oil revenue by N369.47 billion - arising mainly from lower oil lifting from Joint Venture oil production arrangements which usually yield higher takes to government than other production arrangements – and non-oil revenues by N289.45 billion due largely to lower than projected receipts from value added tax and customs & excise duties. Following from this situation, the aggregate revenue projected to fund the Federal budget was lower than N890.25 billion and N3,561.02 billion projected for the fourth quarter and the year by N180.68 billion and N787.27 billion respectively.

265. The implementation of recurrent expenditures in the fourth quarter remained largely on track. In aggregate, a total of N1,017.46 billion out of the N1,339.99 billion projected for capital budget implementation in 2012 had been released to MDAs as at December 2012. Of this, N739.3 billion had been

cash-backed while N686.3 billion was utilized by MDAs as at 31st December 2012.

266. An analysis of forty-nine (49) MDAs monitored reveals different levels of utilization among the MDAs, with most of them having utilized over 93% of their cash-backed releases.

267. The implementation of the 2012 Budget which was signed into law in mid-April 2012 commenced in January 2012 using the parameters of 2011 for implementation. Consequently, the Budget overflow overwhelmed the MDAs thereby affecting their first quarter capital allocation of 2012 and invariably the full year implementation status. While the overall percentage of capital budget implementation for the third quarter 2012 was about 41% it grew to well over 60% in the Fourth Quarter.

5.2 Observations

268. The budget monitoring teams made up of representatives of MDAs, Civil Society groups and the Media observed the following:

a. Disruptions to work by local communities due to delayed compensation.
b. Delays in payments to contractors by MDAs.
c. Despite scarce resources some projects were able to impact positively on their immediate communities and some relative value had been achieved for monies spent.
d. More cooperation is required from MDAs for smooth monitoring and evaluation of projects.

5.3 Recommendations

269. The following were recommended for proper project/programme implementation by MDAs in order to achieve the planned benefits.

- MDAs need to channel their resources towards the completion of ongoing projects while curbing the proliferation of new projects.

- MDAs should liaise with the appropriate authorities for the rehabilitation and compensation of host communities before contractors are mobilized to site.
- MDAs should release monies to project that are time bound so that the releases could achieve the desired effect.

APPENDIX

OFFICE OF THE ACCOUNTANT GENERAL OF THE FEDERATION
FEDERAL MINISTRY OF FINANCE
FUNDS DEPARTMENT, GARKI - ABUJA

2012 CAPITAL PERFORMANCE FOR MDAs AS AT 31st DECEMBER, 2012

S/N	MINISTRY	2012 APPROPRIATION	1ST QUARTER WARRANT =N=	2ND QUARTER WARRANT =N=	3RD QUARTER WARRANT =N=	4th QUARTER WARRANT =N=	AIEs =N=	TOTAL RELEASES = N=	AMOUNT CASHBACKED =N=	CBN BALANCE @ 31st December, 2012 =N= A	GIFMIS BALANCE @ 31st December, 2012 =N=	MDAs BALANCE @ 31st December, 2012	UTILISATION =N=	UTILISATION % RELEASES	UTILISATION % CASHBACK
1	PRESIDENCY	15,660,312,363	2,353,263,382	2,200,782,364	5,825,251,485	2,414,745,993	771,035,218	13,565,078,443	12,022,065,157		243,124,451	292,713,899	11,729,351,257	86.47	97.57
2	SECRETARY TO GOVT. OF THE FEDERATION (SGF)	32,727,541,202	4,558,113,658	915,472,600	7,925,452,634	8,381,723,578	35,643,061	21,816,405,531	16,228,980,223		4,708,985,603	5,557,767,477	10,671,212,746	48.91	65.75
3	YOUTH DEVELOPMENT	7,147,232,697	854,346,399	199,926,284	1,622,695,680	1,538,303,347	138,302,885	4,353,574,595	3,328,110,683		260,206	358,210	3,327,752,473	76.44	99.99
4	POLICE AFFAIRS	2,645,306,497	412,794,461	73,995,954	582,910,487	582,910,487	3,374,093,237	5,026,704,626	4,638,124,786		91,227	1,832,781	4,636,292,005	92.23	99.96
5	POLICE FORMATION	9,656,295,375	2,539,779,415	270,111,151	2,225,668,177	2,000,000,000	-	7,035,558,743	7,035,558,743		-	1,788,667,105	5,246,891,639	74.58	74.58
6	WOMEN AFFAIRS	3,215,499,900	376,546,471	89,945,714	747,206,931	767,108,305	25,952,413	2,006,759,834	1,495,390,028		58,581	699,042	1,494,690,986	74.48	99.95
7	AGRICULTURE	48,191,750,277	12,550,306,904	1,348,045,876	9,447,469,267	9,125,931,527	-	32,471,753,574	26,388,224,297		1,029,905	245,467,370	26,142,756,927	80.51	99.07
8	WATER RESOURCES	79,336,556,014	8,388,407,572	2,185,678,285	21,249,181,832	23,707,321,521	30,000,000	55,560,589,210	39,756,812,454		194,971	537,451,650	39,219,360,804	70.59	98.65
9	AUDITOR-GEN.	553,280,000	89,730,223	15,476,649	120,598,195	135,598,195	-	361,403,262	271,010,781		264,269	5,102,922	265,907,859	73.58	98.12
10	DEFENCE	45,436,143,373	11,292,987,562	1,270,964,539	13,635,747,471	6,346,162,640	4,940,057,617	37,485,919,829	37,485,919,829		602,455,546	3,155,336,758	34,330,583,071	91.58	91.58
11	ICPC	128,440,000	20,830,230	3,592,794	57,996,010	30,644,190	-	113,063,224	92,635,191		0	49,282,502	43,352,689	38.34	46.80
12	EDUCATION	66,833,018,506	15,354,345,004	1,876,489,580	13,206,806,947	16,706,314,390	450,000,000	47,593,955,920	36,457,191,146		194,635	1,624,738,512	34,832,452,634	73.19	95.54
13	FCTA	46,257,784,097	12,869,889,930	4,422,350,237	15,000,000,000	3,240,453,352	-	35,532,693,519	33,372,542,221		0	14,631,580	33,357,910,641	93.88	99.96
14	FOREIGN & INTER GOVT. AFFAIRS	7,448,776,613	1,167,488,127	-	756,915,830	1,075,042,378	2,999,192,828	5,998,639,163	5,281,994,317		215,882	42,876,855	5,239,117,462	87.34	99.19

S/N	MINISTRY	2012 APPROPRIATION	1ST QUARTER WARRANT =N=	2ND QUARTER WARRANT =N=	3RD QUARTER WARRANT =N=	4th QUARTER WARRANT =N=	AIEs =N=	TOTAL RELEASES = N=	AMOUNT CASHBACKED =N=	CBN BALANCE @ 31st December, 2012 =N= A	GIFMIS BALANCE @ 31st December, 2012 =N=	MDAs BALANCE @ 31st December, 2012	UTILISATION =N=	UTILISATION % RELEASES	UTILISATION % CASHBACK
15	FINANCE	2,118,530,831	343,580,545	59,260,698	461,775,221	468,512,706	113,073,135	1,446,202,305	1,133,882,324		10,982,418	21,544,284	1,112,338,039	76.91	98.10
16	HEALTH	60,950,219,701	15,706,168,869	1,704,932,729	8,114,873,928	11,744,099,155	7,730,000,000	45,000,074,681	37,171,222,269		2,443,216,689	3,488,816,660	33,682,405,609	74.85	90.61
17	TRADE & INVESTMENT	2,976,071,607	344,803,822	83,248,295	702,363,643	756,384,005	24,091,428	1,910,891,194	1,406,670,422		12,341	148,347,298	1,258,323,123	65.85	89.45
18	INFORMATION	4,758,910,762	577,179,468	133,118,843	785,874,106	786,664,065	1,959,028,243	4,241,864,725	3,702,458,657		139,244,340	445,329,764	3,257,128,894	76.79	87.97
19	COMMUNICATION TECHNOLOGY	13,337,482,251	1,354,549,930	377,262,160	4,220,318,746	2,949,983,134	2,111,545,000	11,013,658,970	9,245,447,201		1,360,000,000	1,616,142,653	7,629,304,548	69.27	82.52
20	INTERIOR	7,558,800,000	2,135,266,484	211,438,869	1,293,529,467	1,386,247,319	110,000,000	5,136,482,138	4,212,381,828		2,733,866	10,307,231	4,202,074,597	81.81	99.76
21	HEAD OF SERVICE	4,950,966,988	802,941,317	138,491,144	1,079,160,070	1,080,689,104	452,473,216	3,553,754,851	2,833,345,785		720,318	3,147,438	2,830,198,347	79.64	99.89
22	JUSTICE	566,124,000	91,813,246	15,835,929	123,397,797	188,901,121	25,000,000	444,948,093	319,022,811			48,493,191	270,529,619	60.80	84.80
23	LABOUR & PRODUCTIVITY	3,166,787,928	396,816,849	88,583,116	735,725,653	705,313,220	-	1,926,438,838	1,456,262,877		7,038	34,238,294	1,422,024,583	73.82	97.65
24	POWER	75,494,688,374	19,430,098,320	2,111,778,525	13,550,521,455	16,395,474,439	544,120,000	52,031,992,739	41,102,440,127		678,448	1,551,448,608	39,550,991,519	76.01	96.23
25	SCIENCE AND TECH.	27,311,725,393	1,686,563,473	763,978,452	8,031,003,069	8,066,214,025	20,531,810	18,568,290,829	13,148,657,831		6,879,218	76,191,715	13,072,466,116	70.40	99.42
26	TRANSPORT	46,859,372,512	13,079,244,441	2,227,132,918	9,352,733,115	6,852,733,115	-	31,511,843,588	26,943,674,037		1,287,880,679	2,920,951,764	24,022,722,274	76.23	89.16
27	PETROLEUM	8,125,710,784	1,317,817,092	227,296,806	1,771,157,561	1,981,157,561	-	5,297,429,020	3,976,749,593		601,772,772	2,248,839,625	1,727,909,968	32.62	43.45
28	WORKS	159,463,529,702	42,192,777,182	10,163,656,787	28,513,540,351	44,700,849,442	-	125,570,823,762	125,428,520,792		70,735	140,819,842	125,287,700,950	99.77	99.89
29	HOUSING	41,919,081,732	5,538,768,876	1,172,583,376	11,627,496,760	8,700,000,000	26,000,000	27,064,849,012	21,265,254,247		2,501,706,583	2,502,530,219	18,762,724,028	69.33	88.23
30	MINES & STEEL	3,168,680,538	473,347,772	88,636,057	706,461,406	708,253,013	-	1,976,698,249	1,504,562,563		1,569,411	36,527,136	1,468,035,426	74.27	97.57
31	AVIATION	43,161,384,933	15,144,971,860	2,028,860,278	5,083,213,515	3,129,993,869	7,713,444,195	33,100,483,717	31,013,966,929		83,340	59,027,635	30,954,939,294	93.52	99.81
32	NATIONAL WAGES & SALARIES	247,000,000	40,058,135	6,909,218	103,838,480	55,084,981	-	205,890,815	169,170,060		63,048,479	63,086,322	106,083,737	51.52	62.71
33	ENVIRONMENT	14,400,247,131	1,202,230,129	402,811,553	4,565,504,953	3,300,853,208	100,000,000	9,571,399,842	7,370,984,787		74,038	31,688,323	7,339,296,464	76.68	99.57
34	TOURISM, CULTURE & NATIONAL ORIENTATION	3,244,986,894	497,886,438	90,770,540	726,358,212	621,628,511	594,256,160	2,530,899,861	2,136,509,809		2,944,805	155,748,357	1,980,761,453	78.26	92.71
35	NAT. PLANNING	1,045,798,000	169,606,145	29,253,631	227,952,124	167,760,981	543,468,929	1,138,041,810	1,026,208,970		152,063	90,024,267	936,184,703	82.26	91.23
36	NATIONAL SPORTS COMMISSION	2,020,597,975	230,390,712	56,521,267	678,314,089	431,352,004	-	1,396,578,071	1,109,030,160		0	19,009,461	1,090,020,700	78.05	98.29
37	OFFICE OF NATIONAL SECURITY ADVISER	63,850,401,092	18,157,045,256	10,000,000,000	7,160,137,427	12,000,000,000	2,047,259,068	49,364,441,751	49,364,441,751		-	324,701,388	49,039,740,363	99.34	99.34
38	NIGER DELTA	59,222,134,484	16,073,230,536	23,000,000,000	2,080,369,043	2,500,000,000	-	43,653,599,579	41,987,049,359		2,621,758	2,621,758	41,984,427,601	96.18	99.99
39	SPECIAL DUTIES	44,460,000	7,210,464	1,243,659	9,690,926	26,314,950	-	44,460,000	26,917,926		84,993	86,648	26,831,277	60.35	99.68
40	FISCAL RESPONSIBILITY COMMISSION	79,407,068	12,878,134	2,221,218	17,308,323	27,308,323	-	59,715,998	41,511,721		28,633,587	37,737,821	3,773,900	6.32	9.09

S/N	MINISTRY	2012 APPROPRIATION	1ST QUARTER WARRANT =N=	2ND QUARTER WARRANT =N=	3RD QUARTER WARRANT =N=	4th QUARTER WARRANT =N=	AIEs =N=	TOTAL RELEASES = N=	AMOUNT CASHBACKED =N=	CBN BALANCE @ 31st December, 2012 =N= A	GIFMIS BALANCE @ 31st December, 2012 =N=	MDAs BALANCE @ 31st December, 2012	UTILISATION =N=	UTILISATION % RELEASES	CASHBACK
41	ICRC	69,160,000	11,216,278	1,934,581	15,074,774	15,074,774	-	43,300,407	33,251,260		45,335	1,265,187	31,986,073	73.87	96.20
42	NAT. POPULATION	1,959,590,000	313,990,085	54,814,718	428,615,751	1,162,169,446	-	1,959,590,000	1,184,864,502		345,256,959	345,292,214	839,572,288	42.84	70.86
43	CODE OF CONDUCT BUREAU	1,131,578,245	162,728,683	31,653,123	254,743,596	252,360,188	-	701,485,590	533,257,219		18,960	2,103,357	531,153,862	75.72	99.61
44	CODE OF CONDUCT TRIBUNAL	61,500,000	9,854,301	1,720,311	13,451,726	13,451,726	-	38,478,065	29,510,874		900	104,046	29,406,827	76.42	99.65
45	PUBLIC COMPLAINTS COMMISSION	560,025,000	89,734,229	15,665,324	122,492,734	122,492,734	-	350,385,021	268,728,904		621,270	873,699	267,855,205	76.45	99.67
46	REV. MOB. ALL.	353,859,568	56,699,818	9,898,352	77,398,734	77,398,734	-	221,395,638	169,800,087		49,122,693	105,822,511	63,977,576	28.90	37.68
47	FCSC	375,983,459	60,244,785	10,517,214	82,237,832	112,237,832	-	265,237,663	190,417,670		476,944	476,944	189,940,726	71.61	99.75
48	POLICE SERVICE COMMISSION	1,535,000,000	245,956,951	42,937,856	335,746,344	335,746,344	300,000,000	1,260,387,494	1,036,572,237		477,626	486,320	1,036,085,918	82.20	99.95
49	FED. CHARACT. COMM.	40,000,000	6,409,302	1,118,902	8,749,090	8,749,090	-	25,026,383	19,194,064		147,161	151,162	19,042,903	76.09	99.21
50	CAPITAL SUPPLEMENTATION	323,826,516,979	69,207,090,736	9,598,956,525	94,534,969,030	92,116,287,006	450,590,065	265,907,893,362	82,884,595,827	23,151,101,807	-	23,151,101,807	59,733,494,021	22.46	72.07
	Grand Total	1,345,194,250,845	300,000,000,000	79,827,875,002	299,999,999,997	300,000,000,028	37,629,158,508	1,017,457,033,535	739,301,097,338	38,593,850,566	14,408,161,047	53,002,011,613	686,299,085,725	67.45	92.83