

2011



Combined First and Second Quarter Budget Implementation Report

Budget Office of the Federation
Federal Ministry of Finance Abuja

FOREWORD

The quarterly budget implementation reports present information on public finances and evaluate government's success in achieving its developmental plans through the annual budgets. This Report, which consolidates the situation in the first two quarters of the year, therefore assesses the progress towards the attainment of goals set for the 2011 Budget.

In our continuing efforts to improve on transparency and accountability in the public sector, the Federal Ministry of Finance commits to continuously inform Nigerians on public finances through this Report as mandated by Sections 30 and 50 of the *Fiscal Responsibility Act, 2007*. This reporting effort has contributed to improving fiscal management and MDAs' performance by providing the Fiscal Responsibility Commission, the Joint Finance Committee of the National Assembly, the general public and other stakeholders with periodic information and analysis on the implementation of the federal budget.

It is hoped that the monitoring exercise which is planned and executed by the Budget Office's budget monitoring teams in collaboration with the civil society organizations and the media, will continue to foster an environment within which budget openness, transparency and accountability is enhanced; thereby increasing incentives for the MDAs to deliver on their targets in line with government policies.

It therefore gives me pleasure to present you this Report and enjoin you to carefully examine its contents in order to evaluate public finances and government's performance in delivering on its promises. This way, we can all contribute towards the effective and efficient utilisation of public resources for the benefit of all Nigerians.

Dr. Ngozi Okonjo-Iweala

Coordinating Minister of the Economy and
Honourable Minister of Finance

PREFACE

Under Sections 30 and 50 of the *Fiscal Responsibility Act 2007*, the Honorable Minister of Finance through the Budget Office of the Federation is responsible for monitoring and evaluating the implementation of the annual budgets. The quarterly budget implementation reports are one of many in-year reports prepared by the Budget Office of the Federation, and complement our Full-Year Budget Implementation Report. This reporting function is part of our efforts, at the Federal Ministry of Finance, to promote budget openness, transparency and credibility which are key focus of our ongoing public financial management reforms.

Implementation of the budget in the first half of 2011 has been very challenging. On the revenue side, government has been faced with lower than projected net revenues particularly as oil receipts were provisionally based on lower benchmark assumptions of the 2010 fiscal year following the late passage of the 2011 Budget. On the expenditure side, while recurrent expenditure has been on target, the average rate of MDAs' capital budget implementation has been low in the first half of the year.

As this Report would indicate, poor project management practices by MDAs have been identified as the prime reason for this situation. In the light of this, government has been developing policies aimed at instilling global best practices in project management in our MDAs. Furthermore the capital budgets over the next four years are being focused on the completion and exit from all viable ongoing projects which are consistent with attainment of the NV20:2020.

This Report is the product of collaborative endeavour of the various departments of the Budget Office of the Federation, other agencies of Government which provide relevant financial and macroeconomic data, the media and civil society organizations. I commend their contributions, industry and collective efforts in the preparation of this Report, and wish them every success as they continue this important reporting work.

Dr. Bright Okogu

Director General, Budget Office of the Federation

TABLE OF CONTENTS

FOREWORD	ii
PREFACE	iii
TABLE OF CONTENTS	iv
EXECUTIVE SUMMARY	vi
INTRODUCTION	1
MACROECONOMIC DEVELOPMENT AND ANALYSIS	3
FINANCIAL ANALYSIS OF THE 2011 BUDGET IMPLEMENTATION	7
3.1 Key Assumptions and Projections	7
3.2. Analysis of Revenue Performance	8
3.3 Distributable Revenue	15
3.4 FGN Budget Revenue Sources	16
3.5 Excess Crude Account	19
3.6 Expenditure Developments and Revision	19
3.6.1 Non-Debt Recurrent Expenditure	20
3.6.2 Debt Service	21
3.6.3 Statutory Transfers	22
3.6.4 Capital Expenditure Performance	22
3.6.5 Performance of the Financing Items	26
CAPITAL PROJECTS IMPLEMENTATION REPORT	27
4.1 Physical Monitoring and Evaluation	27
CONCLUSION AND RECOMMENDATIONS	60
5.1 Conclusions	60
5.2 Recommendations	62
APPENDIX I: CAPITAL BUDGET UTILIZATION AS AT 30 JUNE 2011	63
APPENDIX II: OTHER PROJECTS	67
APPENDIX III: REFERENCED PICTURES OF OTHER PROJECTS	73

EXECUTIVE SUMMARY

The thrust of Federal Government economic policy is the promotion of job creation and real growth of the economy through the pursuit of sound macro-economic programmes and reforms. The 2011 Budget is designed to ensure macro-economic stability specifically through fiscal consolidation and improving the efficiency of Government expenditure in view of the limitation of scarce resources. This was based on the Medium-Term Fiscal Framework, upon which the budget was prepared and anchored on key assumptions and targets.

Data from the National Bureau of Statistics shows that Gross Domestic Product grew by 6.64% in the first quarter of 2011 as against the 7.36% recorded during the same period in 2010. In the same period, 8.4% growth was from the non-oil sector, especially agriculture, retail / wholesale trades, and services industry. Inflationary pressure,

on the other hand, declined from 12.8% in March to 12.2% in June, 2011 owing to moderation in both core and food inflation. The exchange rate also experienced a decline during the period by 1.92% from N152.54/US\$1 in March 2011 to N154.46/US\$1 in June, 2011, while the spread between WDAS and average BDC rates fell to N3.42 in the second quarter from N4.05 in the first quarter of 2011. Data from the Central Bank of Nigeria indicate that despite the drop of the external reserve from US\$32.84b in April to US\$31.89b at end June, 2011, the position is expected to improve in the following quarters of 2011 in consideration of relatively high oil receipts.

Provisional data from the Nigerian National Petroleum Corporation show that the average oil lifting (including condensates) for the second quarter increased when compared with the first quarter figure of 2.43 million barrels per

day (mbd) and significantly exceeded the budget benchmark oil production level of 2.3mbd.

Oil revenue receipts into the Federation Account in the second quarter of 2011 from crude oil sales, royalties and petroleum profit tax exceeded their quarterly projected estimates. However, following the late passage of the 2011 Budget, the 2010 Oil Benchmark assumptions were provisionally applied to share oil revenues. This implied lower distributable oil revenues than projected for the period. The net oil revenue inflow into the Federation Account in the second quarter was N726.44 billion indicating a variance of N483.17 billion below the quarterly projected estimate of N1,209.62 billion. For similar reasons, the net oil revenue as at half year was below the projection by N948.56 billion.

On the other hand, the net non-Oil revenue in the second quarter was N377.14 billion revealing an underperformance of N79.76 billion

when compared with N456.91 billion projected for the quarter. Similarly, compared with the projection of N913.81 billion for first half of the year, this category had an aggregate deficit of N189.14 billion. Further review indicates that VAT, Customs and CIT all fell short of the half year projections of N385.04 billion, N225 billion, and N351.13 billion by 20.24%, 13.63% and 26.09% respectively. Receipts from these sources however improved over the position in the first quarter. This is expected to follow the seasonal upward trend in non-oil revenue receipts over the remaining quarters of the year.

A review of the data further indicates that the sum of N693.4 billion was released for Non-Debt recurrent expenditure in the second quarter of 2011. This was higher than N541.79 billion released in the first quarter by 14.37%. Amounts released in the first quarter prior to the approval of the 2011 Budget and transfers in advance to Nigeria's foreign missions and defence

attachés account for this excess. Consequently, the aggregate non-debt releases as at half-year exceeded the projection of N1,212.54 billion by 1.87%. This is expected to even out in the course of the year, as historically, recurrent releases are usually on target. Conversely, Debt Management Office sources reveal that Federal Government's domestic debt stock as at 30th June, 2011 was N5,210.44 billion. This implies an increase of N341.42 billion and N1,445.68 billion over N4,869.02 billion and N3,764.76 billion recorded at end of 2011 first quarter and 2010 second quarter respectively.

Data from OAGF indicates that as at 30th June, 2011 the sum of N196.69 billion had been cash-backed for the implementation of MDAs' capital projects. Of this amount, N128.72 billion representing 65.44% had been utilized by MDAs. Fifty-Four of the MDAs showed varied levels of utilization. Twenty-one of them, including Works, Housing, Foreign

Affairs, Commerce and Industry, Defence, Federal Capital Territory Administration, Niger-Delta and Interior had their utilization rate over the overall average utilization rate of 65.44%. Fifteen out of these, including ICPC, Defence, FCTA, Interior, Works, Housing, Niger-Delta and FCSC had utilization rates of over 80% of their respective cash-backed releases. However, Twenty-eight MDAs had utilization rates of below 50% while Eleven MDAs were yet to utilize any portion of their funds. Government in its determination to have MDAs improve on their capital projects implementation ratios is in the process of engaging a world-class project management firm. This would help improve their project management competencies while institutionalizing global best practices within.

In order to effectively monitor and evaluate the actual physical implementation of projects as at the second quarter of 2011, the Budget

Monitoring and Evaluation teams in collaboration with selected Civil Society Organizations, the Media and the MDAs, conducted field visits to review the implementation of selected capital projects. The continued involvement of representatives from Civil Society Organizations and the Media brings a different perspective to the evaluation of projects. The rate of work done varied across projects and across MDAs and this Report highlights major areas of concern which MDAs and the government need to address.

In addition to other efforts aimed at improving the overall level of budget implementation in the country, the Federal Ministry of Finance has continued to formulate policies aimed at achieving the projected revenues. These include the on-going Public Financial Management reforms in Nigeria, implementation of the *Fiscal Responsibility Act, 2007* relating to MDAs' full compliance on the remittance of their IGR to the Treasury, the Process Audit

of the revenue generating agencies and oil industry, and the introduction of a Treasury Single Account.

INTRODUCTION

1. The 2011 Budget like the previous budgets was prepared with full consideration of the development priorities of the present Administration as encapsulated in the Nigeria Vision 20:2020 and the Millennium Development Goals.

2. In view of the globalised nature of the world economy, it was imperative to align the 2011 Budget with developments in the global economy. The 2011 Budget focused mainly on improving the efficiency and quality of government spending while pursuing fiscal consolidation after the recent budgets marked by fiscal expansionary policies. In this respect, government has continued to encourage Public Private Partnership (PPP) arrangements through initiatives such as the Viability Gap Funding (VGF). As part of government's emphasis on job creation, some provision was made in the

budget to drive this initiative through the implementation of public works programmes and funding of SMEs. Emphasis was also placed on the provision of critical infrastructure as a means of promoting long-term economic growth.

3. In line with the Administration's goals of promoting transparency and accountability in the administration of public funds, the 2011 Budget further built on the foundations earlier laid towards the implementation of Performance-Based Budgeting (PBB) system which is a key component of Public Financial Management (PFM). As a means of achieving this through minute level data capture, the Chart of Accounts was revised and used in the preparation of the 2011 Budget while work on the Government Integrated Financial Management Information System (GIFMIS) is at an advanced stage.

Progress in the Public Financial management system would be further enhanced by the introduction of a Treasury Single Account (TSA).

4. This Report covers the first half of the 2011 Budget implementation. It also gives an appraisal of the Federal Government's revenue and expenditure targets and provides information on progress with the capital budget implementation by MDAs. The rest of this Report is structured as follows:

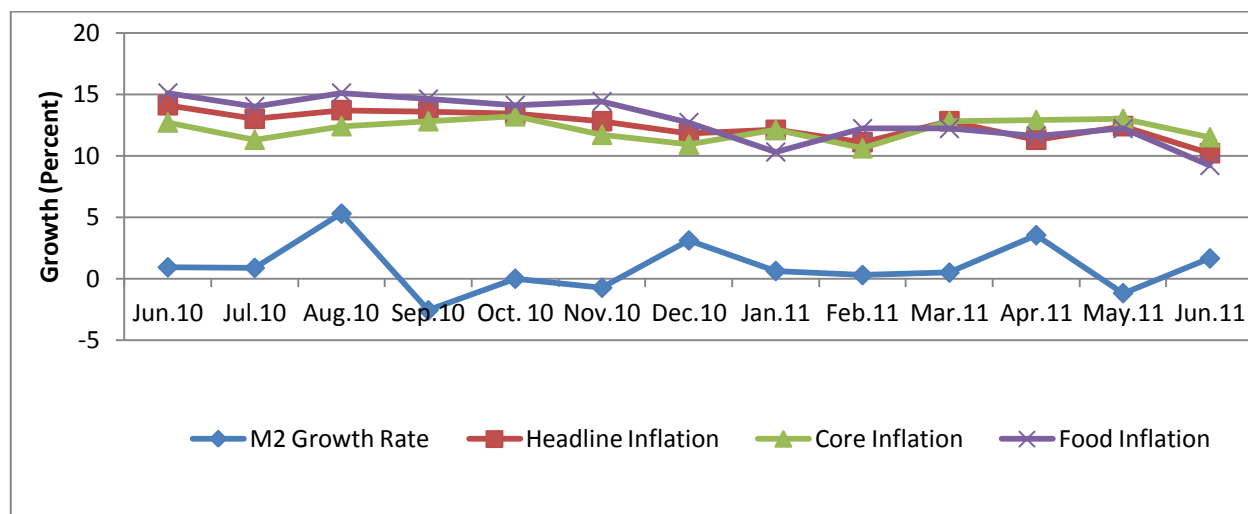
Chapter 2 presents a brief review of the macroeconomic environment under which the budget was implemented in the period; *Chapter 3* provides a detailed analysis of government's revenue receipts and expenditure in the first half of 2011. *Chapter 4* gives a detailed report on the outcome of the physical monitoring of MDAs' capital budget implementation within the period; while *Chapter 5* provides a brief conclusion to the Report.

MACROECONOMIC DEVELOPMENT AND ANALYSIS

6. Provisional data from the National Bureau of Statistics (NBS) reveal that real Gross Domestic Product (GDP) grew by 6.64% in the first quarter of 2011 as against the 7.36% recorded during the same period in 2010. The major driver of growth was the non-oil sector which recorded 8.46% growth with significant contributions from services, wholesale and retail trade, and agriculture while the oil growth was estimated at 2.90%. It is expected that performance in the remaining part of 2011 would be similarly bright in view of the positive conditions for increased agricultural production, hopeful outcomes of the banking sector reforms and measures to channel credit to the real economy as well as other incentives of governments to stimulate the economy.

7. Inflationary pressures showed a downward trend during the second quarter of 2011. The year-on-year headline inflation rate declined from 12.80% in March and 12.40% in May and to 10.20 % in June 2011. The downward trend in inflation as at June was due to the moderation in both core and food inflation. Core inflation rose from 12.8% in March to 13% in May and then fell to 11.5% in June 2011. Similarly, food inflation fell for the first time since February 2008 below the 10% mark declining from 12.2% in March to 9.2% in June 2011. However, it is anticipated that core inflation would rise due mainly to rising costs of energy, power and imports while food and headline inflation would continue to moderate in the remaining part of the year. This is depicted in *Chart 1*.

Chart1: Inflation and M₂ Growth Rate



Source: Central Bank of Nigeria, 2011; National Bureau of Statistics, 2011.

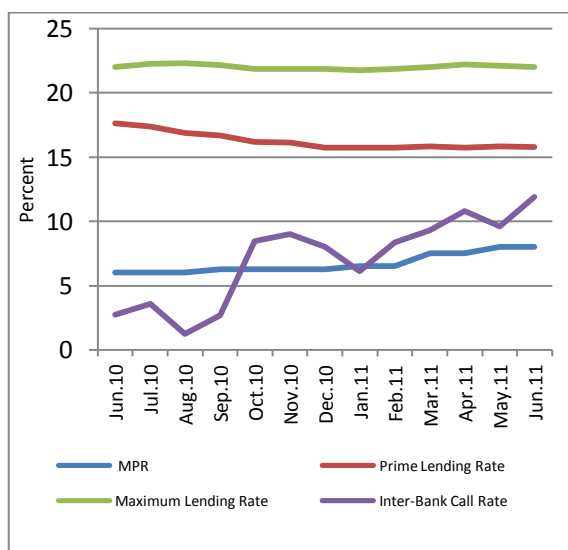
8. Data from the Central Bank of Nigeria (CBN) indicate that at the end of the second quarter of 2011, broad money (M₂) grew by 4.49% from the level in March. Also in the same period, Net Domestic Credit grew by 13.42%. The growth was mainly due to the increase in credit to the core private sector and the decline in credit to the government. In June 2011, Credit to the private sector grew by 5.80% from March to June 2011. On the other hand, credit to government declined by 32.26% from March to June 2011. The expansion in credit to the private sector as against the

decline in credit to the government, points to the fact that government fiscal stance is improving as it crowds in private borrowers, as well as evidence that banks are now beginning to restore confidence in the private sector.

9. The interest rates in all segments of the interbank money market moved up in response to the upward review of the Monetary Policy Rate (MPR) from 9.33% in March to 11.90% in June 2011. The inter-bank call rates segments of the money market which were 10.80%, 9.61% and

11.90% in April, May and June respectively and averaged 10.77% in the second quarter of 2011 were higher than the average rate of 7.95% that obtained in the first quarter of 2011. At the end of June 2011, average prime lending rate declined to 15.76% from 15.81% recorded in March 2011 while the average maximum lending rate remained constant at 22.02%. These trends are presented in *Chart 2* below.

Chart 2: Interest Rates Trend



Source: Central Bank of Nigeria, 2011

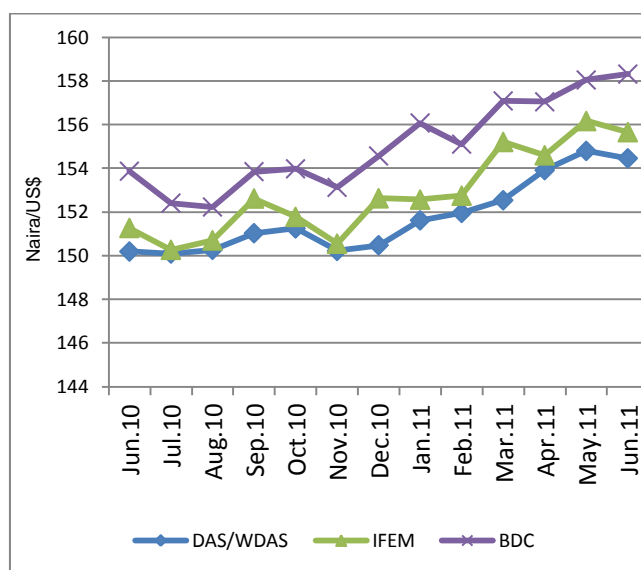
10. The Naira/Dollar exchange rate depreciated by 1.26% from N152.54/US\$1 in March 2011 to

N154.46/US\$1 in June, 2011. In the second quarter of 2011, the WDAS opened with an exchange rate of N153.92/US\$1 and closed at N154.46/US\$1 with an average closing rate of N154.39/US\$1. When compared with the average closing rate of N152.04/US\$1 recorded during the first quarter of 2011, the Naira depreciated by 1.59%. At the inter-bank market, the average exchange rate depreciated by 1.28% from N153.51/\$ in March to N155.48/\$ in June 2011. In the same vein, the premium between the WDAS average rate and the inter-bank market rate remained low at N1.09 (or 0.71%) in the second quarter of 2011, while that of the WDAS average exchange rate and the BDC rate fell to N3.42 (or 2.22%) in the second quarter of 2011 from N4.05 (or 2.66%) in the first quarter of 2011.

11. There was a modest decrease in the external reserves in the second quarter of 2011. However, it was observed that the inflow into the CBN was not in-tune with the high oil prices

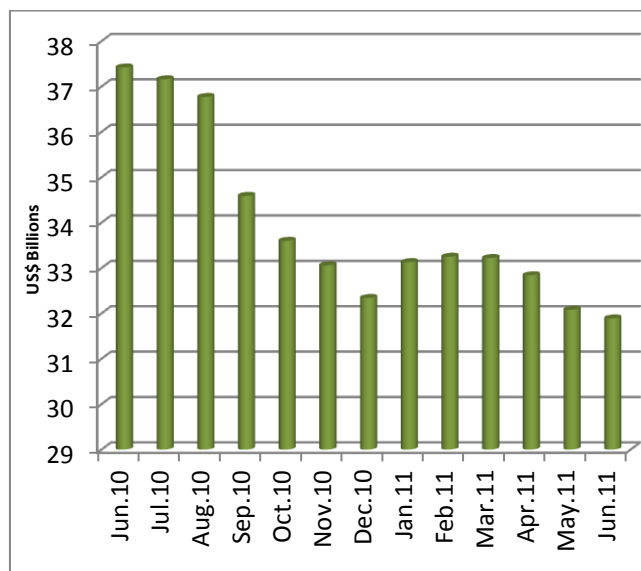
and this underscores the need for tighter fiscal controls and more flexibility in the management of the exchange rate. Gross external reserves showed a downward trend in the second quarter of 2011, going from US\$32.84 billion in April to US\$32.08 billion and US\$31.89 billion as at the end of May and June 2011 respectively. It is expected that the situation will improve bearing in mind the current high level of oil output, export and oil price in the international market. The level of the external reserves as at the end of the second quarter was sufficient to finance up to 16 months of imports¹ which is well above the globally recommended average of three months.

Chart 3: Naira/US\$ Exchange Rates Trend



Source: Central Bank of Nigeria, 2011

Chart 4: Level of External Reserves



Source: Central Bank of Nigeria, 2011

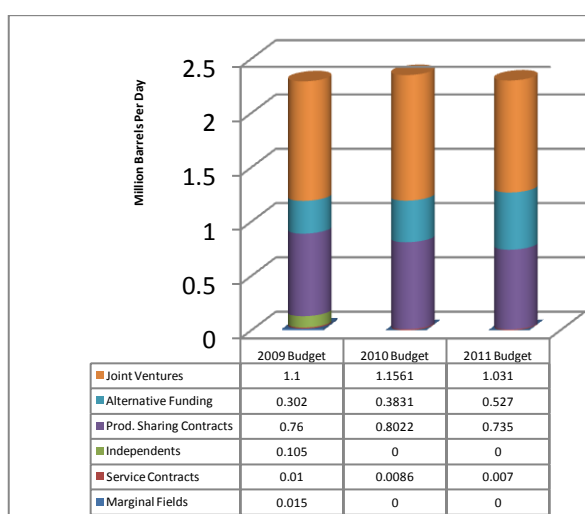
¹ Data and statistics from the Central Bank of Nigeria: Money and Credit Statistics

FINANCIAL ANALYSIS OF THE 2011 BUDGET IMPLEMENTATION

3.1 Key Assumptions and Projections

12. The 2011 Budget was based on the 2011-2013 Medium Term Fiscal Framework (MTFF) which was founded on key assumptions and targets. These were made taking some critical factors including the emerging recovery from the global economic recession, the reforms in the Nigerian banking sector, as well as the fiscal and monetary policies set by the government into consideration. *Table 1* below provides a summary of the key assumptions of this framework.

Chart 5: Breakdown of Budget Oil Production by Business Arrangements (2009 –2011)



Source: NAPIMS/NNPC

13. The oil benchmark price for the 2011 budget was fixed at US\$75/barrel while oil production was projected at 2.30 mbpd, a marginal increase over the 2010 level.

Table 1: Key Assumptions and targets for the 2011 Budget

KEY ASSUMPTION & TARGETS	2011
Projected Production (in mbpd)	2.3
Actual Production (Average in mbpd over the Budget Benchmark price (per barrel in US)	2.36
75	
Technical Cost of JV Pbl to Oil Companies	
Operating expenses (T1) in US \$	9.2
Capital expenses (T2) in US \$	9.58
Technical Cost of PSC Pbl to Oil Companies	
Operating expenses (T1) in US \$	8.69
Capital expenses (T2) in US \$	13.57
Investment Tax Credit	3.99
Technical Costs of SC Pbl to Oil Company	
Operating expenses (T1) in US \$	11.21
Capital expenses (T2) in US \$	34.62
Investment Allowances	0.6
Weighted Average Contribution rates	
Weighted average rate of PPT-JV/AF/Indepen	85.00%
Weighted average rate of PPT-PSC Oil	51.31%
Weighted average rate of PPT-SC Oil	85.00%
Weighted average rate Royalties-JV/AF/Indepe	19.25%
Weighted average rate of Royalties -PSC Oil	2.00%
Weighted average rate of Royalties SC Oil	18.50%
Average exchange rate (NGN/US\$)	150

Source: BOF, NNPC, FIRS and NCS

14. A breakdown of the expected contributions of oil production estimates, by business arrangement, is represented in *Chart 5* above while the details of the contributions and rates for the major oil taxes accruing to the Federal Government are also presented in *Table 2* below.

Table 2: Detailed Assumptions for Oil Production and Taxes (2011)

Share of Oil Production	Percentage
Joint Ventures	44.82%
Alternative Funding	22.92%
Production Sharing Contracts	31.97%
Independents	0.00%
Service Contracts	0.29%
Marginal	0.00%
Total Production	100.00%
PPT Rates	
Weighted Average-JV/AF/Independent/Marginal	85.00%
Weighted Average -PSC	51.31%
Weighted Average -SC	85.00%
Royalties Rates	
Weighted Average-JV/AF/Independent/Marginal	19.25%
Weighted Average-PSC	2.00%
Weighted Average-SC Oil	18.50%

Source: NNPC and BOF

3.2. Analysis of Revenue Performance

Overview

15. In the second quarter of 2011, crude oil price averaged US\$117.36 per barrel in the international market, indicating an increase of 11.8% over what was recorded in the first quarter. This also represents an increase of 56.48% over the budget benchmark price of US\$75 per barrel. The price of crude oil fluctuated between US\$93.70 and US\$126.64 per barrel and is predicted to stay above US\$100 per barrel for the rest of the year.

16. Provisional data from the Nigerian National Petroleum Corporation show that the average oil lifting (including Condensates) for the second quarter was 2.36 mbpd meaning a decrease of 0.07 mbpd (or 2.88%) compared with the first quarter figure 2.43 mbpd; and an improvement of 0.06 mbpd (or 2.61%) over the budget benchmark oil production level of 2.30 mbpd. The trend in the price of oil is

expected to be sustained, albeit at a somewhat lower level, based on a combination of strong performance in China and India fledgling recovery in OECD, and supply concerns in the MENA region. Furthermore, with the relative peace in the oil producing communities, oil production level in Nigeria is expected to be steady and show some modest growth in the medium-term.

17. In line with the 2011 Fiscal Framework, gross federally collectible revenue for 2011 was projected at N9,218.78 billion. Of this amount, N6,815.45 billion (or 73.93%) was to come from oil sources while the balance of N2,403.33 billion (or 26.07%) was expected from non-oil revenue. The gross projected federally collectible revenue for 2011 was higher than the N6,999.15 billion projected for the 2010 Budget by N2,219.63 billion (or 31.71%).

Oil Revenue Performance:

Second Quarter

18. A review of the oil revenue in the second quarter of 2011 shows that Crude oil Sales, Royalties and Petroleum Profit Tax were higher than their quarterly projected estimates. Crude Oil Sales, Royalties and Petroleum Profit Tax were N1,058.56 billion, N260.26 billion and N502.51 billion depicting an increase of N103.59 billion (or 10.85%), N101.63 billion (or 64.06%) and N20.53 billion (or 4.26%) over their respective quarterly projections of N954.97 billion, N158.64 billion and N481.88 billion. On the other hand, actual receipts from Gas Sales, Rent, Gas Flare Penalty and Gas Tax fell short of their quarterly projected estimates by N18.99 billion (or 21.55%), N0.11 billion (or 91.52%) N0.57 billion (or 54.76%) and N18.56 billion (or 100.0%) respectively.

Net oil revenue

Following the late passage of the 2011 Budget, distributable oil revenue in the first half of the year was provisionally computed using the 2010 Oil benchmark assumptions which were lower. Consequently, while gross oil revenue receipts have exceeded the estimates, net-oil revenue inflow into the Federation Account in the second quarter was N726.44 billion. This is lower than N1,209.62 billion projected for the quarter by N483.17 billion (or 39.94%). Please see *Table 3* below.

Year-to-date

19. As at June 2011, the gross crude oil sales of N2,004.98 billion, royalties of N505.44 billion and petroleum profit tax of N1,190.98 billion exceeded their respective projected estimates by N95.05 billion (or 4.98%), N188.17 billion (or 59.31%) and N227.22 billion (or 23.58%). All other oil revenue items underperformed under this category.

Non-Oil Revenue Performance

20. As part of the ongoing Public Financial Management Reforms in Nigeria, the Government is accelerating the processes of diversifying its revenue base. Part of the measures adopted include the implementation of the provisions of the *Fiscal Responsibility Act², 2007* relating to MDAs' timely remittance of their operating surpluses and other Internally Generated Revenue to the Treasury. The measures also include the ongoing process audit of major revenue generating agencies and the oil industry. Other innovations to actualize these reform processes are the planned introduction of the Treasury Single Account (TSA) and the Government Integrated Financial Management Information System (GIFMIS).

21. Over the last few years, government has taken steps to

² See Sections 21-24, Part IV of the *Fiscal Responsibility Act, 2007*.

strengthen the capacities both in the MDAs and in the revenue generating and collecting agencies to improve their budget implementation through training. Other areas include a more intensive engagement with revenue generating Agencies and a process audit of their operations. These efforts are expected to have a positive impact on MDAs' performances in revenue collections. *Tables 4 and 5* below give an indication of the trend in non-oil performance over the last six years.

Table 5: Percentage Growth in Non-Oil Revenues (2005-2010)

Description	2006	2007	2008	2009	2010	5-Year Average
Customs Duties & Excise	-22.89%	41.20%	10.23%	8.41%	10.85%	9.56%
Company Income Tax	50.96%	33.59%	27.45%	37.01%	16.34%	33.07%
Value Added Tax	21.27%	30.97%	34.08%	15.79%	20.17%	24.45%
Education Tax	9.62%	111.48%	17.25%	2.81%	-100.00%	8.23%
FGN Independent Revenue	103.11%	42.86%	30.17%	-67.66%	139.50%	49.60%
Aggregate	19.37%	38.18%	25.24%	8.03%	17.37%	21.64%

Source: OAGF and BOF

Table 4: Actual performance of Non-Oil Revenue category (2005-2010)

Description	2005	2006	2007	2008	2009	2010	6-Year Average
	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	252,737.50
Company Income Tax	162,166.30	244,807.80	327,040.20	416,825.50	564,950.00	657,278.00	395,511.30
Value Added Tax	189,969.40	230,370.30	301,709.60	404,527.80	468,388.90	562,857.00	359,637.17
Education Tax	21,849.00	23,950.00	50,650.00	59,387.00	61,058.20	-	36,149.03
FGN Independent Revenue	52,483.20	106,600.00	152,290.00	198,234.20	64,114.70	153,551.90	121,212.33
Total	655,113.10	782,026.00	1,080,631.10	1,353,382.10	1,437,451.80	1,682,879.90	1,165,247.33

Source: OAGF and BOF

Table 3: Net Distributable Revenue as at June 2011

DESCRIPTION	2011 BUDGET			2011 ACTUAL			VARIANCES					
	Annual	Quarterly	Half Year	First Quarter	Second Quarter	Half Year	2nd Quarter Actual Vs Quarterly Budget		2nd Quarter Actual Vs First Quarter		Half Year Actual Vs Half Year Budget	
	N'bn	N'bn	N'bn	N'bn	N'bn	N'bn	N'bn	%	N'bn	%	N'bn	%
OIL REVENUE												
Crude Oil Sales	3,819.87	954.97	1,909.94	946.43	1,058.56	2,004.98	103.59	10.85	112.13	11.85	95.05	4.98
Gas Sales	352.62	88.16	176.31	54.54	69.16	123.70	(18.99)	(21.55)	14.63	26.82	(52.62)	(29.84)
Royalties Oil & Gas	634.54	158.64	317.27	245.17	260.26	505.44	101.63	64.06	15.09	6.15	188.17	59.31
Rent	0.50	0.13	0.25	0.09	0.01	0.10	(0.11)	(91.52)	(0.08)	(88.70)	(0.15)	(58.24)
Gas flared Penalty	4.13	1.03	2.07	0.51	0.47	0.98	(0.57)	(54.76)	(0.04)	(8.69)	(1.09)	(52.61)
Miscellaneous Oil Revenue	2.00	0.50	1.00	0.35	0.42	0.78	(0.08)	(15.83)	0.07	18.84	(0.22)	(22.50)
Petroleum Profit Tax	1,927.53	481.88	963.76	688.58	502.41	1,190.98	20.53	4.26	(186.17)	(27.04)	227.22	23.58
Gas Tax @ CITA Rate	74.25	18.56	37.13	-	-	-	(18.56)	(100.00)	-	-	(37.13)	(100.00)
Sub Total	6,815.45	1,703.86	3,407.72	1,935.67	1,891.28	3,826.96	187.42	11.00	(44.39)	(2.29)	419.23	12.30
Joint Venture Cash calls	810.00	202.50	405.00	239.09	260.26	499.34	57.76	28.52	21.17	8.85	94.34	23.29
National Domestic Gas Dev.	195.00	48.75	97.50	-	-	-	(48.75)	(100.00)	-	-	(97.50)	(100.00)
Crude Oil Pre-Export Inp. Agency Exp.	3.00	0.75	1.50	-	-	-	(0.75)	(100.00)	-	-	(1.50)	(100.00)
Frontier Exploration Services	0.02	0.01	0.01	-	-	-	(0.01)	(100.00)	-	-	(0.01)	(100.00)
Domestic Fuel Subsidy (NNPC)	108.96	27.24	54.48	-	-	-	(27.24)	(100.00)	-	-	(54.48)	(100.00)
Domestic Fuel Subsidy (Private Markets)	137.00	34.25	68.50	-	-	-	(34.25)	(100.00)	-	-	(68.50)	(100.00)
Sub Total	5,561.46	1,390.37	2,780.73	1,696.59	1,631.03	3,327.62	240.66	17.31	(65.56)	(3.86)	546.88	19.67
Trf from Domestic Crude to Subsidy	-	-	-	101.74	167.33	269.07	167.33	-	65.59	64.47	269.07	-
Trf to Excess Crude oil Account	-	-	-	739.40	628.71	1,368.11	628.71	-	(110.70)	(14.97)	1,368.11	-
Excess Oil Revenue Account	-	-	-	-	-	-	-	-	-	-	-	-
Balance of Oil Revenue	5,561.46	1,390.37	2,780.73	855.44	834.99	1,690.43	(555.37)	(39.94)	(20.45)	(2.39)	(1,090.30)	(39.21)
Derivation	722.99	180.75	361.50	111.21	108.55	219.76	(72.20)	(39.94)	(2.66)	(2.39)	(141.74)	(39.21)
To: Federation Account (Oil)	4,838.47	1,209.62	2,419.24	744.23	726.44	1,470.68	(483.17)	(39.94)	(17.79)	(2.39)	(948.56)	(39.21)
NON-OIL REVENUE												
Value Added Tax (VAT)	770.09	192.52	385.04	147.41	159.70	307.11	(32.83)	(17.05)	12.28	8.33	(77.94)	(20.24)
Customs: Import, Excise & Fees	450.00	112.50	225.00	91.41	102.92	194.34	(9.58)	(8.51)	11.51	12.59	(30.66)	(13.63)
Corporate Tax: CIT, Stamp Duties & CGT	702.25	175.56	351.13	126.04	133.46	259.50	(42.11)	(23.98)	7.41	5.88	(91.63)	(26.09)
Sub Total	1,922.34	480.58	961.17	364.87	396.07	760.94	(84.51)	(17.58)	31.21	8.55	(200.23)	(20.83)
Collection Cost & Other Deductions	94.71	23.68	47.36	17.34	18.93	36.27	(4.75)	(20.05)	1.59	9.19	(11.09)	(23.42)
Cost of Collection (VAT)	30.80	7.70	15.40	5.90	6.39	12.28	(1.31)	(17.05)	0.49	8.33	(3.12)	(20.24)
7%NCS collection cost	31.50	7.88	15.75	6.40	7.20	13.60	(0.67)	(8.51)	0.81	12.59	(2.15)	(13.63)
FIRS Tax Refunds	4.50	1.13	2.25	-	-	-	(1.13)	(100.00)	-	-	(2.25)	(100.00)
4% FIRS collection cost	27.91	6.98	13.96	5.04	5.34	10.38	(1.64)	(23.49)	0.30	5.88	(3.58)	(25.62)
Excess Non Oil Revenue Account	-	-	-	-	-	-	-	-	-	-	-	-
To: Federation Account (Non-oil)	1,088.34	272.09	544.17	206.02	223.84	429.85	(48.25)	(17.73)	17.82	8.65	(114.32)	(21.01)
Total VAT Pool Account	739.29	184.82	369.64	141.51	153.31	294.82	(31.51)	(17.05)	11.79	8.33	(74.82)	(20.24)
Net Non-Oil Revenue	1,827.63	456.91	913.81	347.53	377.14	724.67	(79.76)	(17.46)	29.61	8.52	(189.14)	(20.70)
Sub-Total (Federation A/C)	5,926.81	1,481.70	2,963.41	950.25	950.28	1,900.53	(531.42)	(35.87)	0.03	0.00	(1,062.88)	(35.87)
Add: Balances of Special Accounts	15.61	3.90	7.81	-	-	-	(3.90)	(100.00)	-	-	(7.81)	(100.00)
Total Federation Account	5,942.42	1,485.61	2,971.21	950.25	950.28	1,900.53	(535.33)	(36.03)	0.03	0.00	(1,070.68)	(36.04)
TOTAL DISTRIBUTION												
Federation Account	5,942.42	1,485.61	2,971.21	950.25	950.28	1,900.53	(535.33)	(36.03)	0.03	0.00	(1,070.68)	(36.04)
VAT Pool Account	739.29	184.82	369.64	141.51	153.31	294.82	(31.51)	(17.05)	11.79	8.33	(74.82)	(20.24)
Grand Total	6,681.71	1,670.43	3,340.85	1,091.77	1,103.59	2,195.35	(566.84)	(33.93)	11.82	1.08	(1,145.50)	(34.29)

Source: OAGF and Budget Office of the Federation

22. In the period under review, the actual gross non-oil revenue was N396.07 billion revealing an under-performance of N84.51 billion (or 17.58%) below the projected quarterly estimate of N480.58 billion. The breakdown of the Non-Oil revenue item shows that all the items had negative variances. Value Added Tax (N159.70 billion), Customs & Excise Duties (N102.92 billion) and Company income Tax (N133.46 billion) fell below their quarterly estimate of N192.52 billion, N112.50 billion and N175.56 billion by N32.83 billion (or 17.05%), N9.58 billion (or 8.51%) and N42.11 billion (or 23.98%) respectively. Comparing these performances with their first quarter figures of N147.41 billion, N91.41 billion and N126.04 billion show that Value Added Tax, Customs & Excise Duties and Company Income Tax grew by N12.28 billion (or 8.33%), N11.51 billion (or 12.59%) and N7.41 billion (or 5.88%) respectively.

Year-to-date

23. Cumulatively, the gross non-oil receipts in the first half of 2011 amounted to N760.94 billion depicting a shortfall of N200.23 billion (or 20.83%) below the half year projected estimate of N961.17 billion. The performance also revealed that all the non-oil revenue items fell short of their respective projected half year estimates. Value Added Tax of N307.11 billion, Customs & Excise Duties of N194.34 billion and Company Income Tax of N259.50 billion fell short by 20.24%, 13.63% and 26.09% when compared with their respective half year projections. It is noteworthy that some of these items often come in later in the year when remittances pick up, so we expect improvements, going forward.

24. Data from *Table 5* and *Table 6* indicate an upward trend in non-oil receipts over the last six years. However, it is clear that there is room for improvement. Some factors including

the increased routing of Nigeria bound merchandise through neighbouring countries with the aim of avoiding duty payment, and the events in the banking sector have contributed to the loss of revenue to the country.

Comparative Revenue Performance Analysis

25. Notwithstanding the low performances of the various revenue items in the second quarter of 2011, it is encouraging to note that revenue receipts in the quarter exceeded those of the same period in 2010 due largely to higher benchmark parameters. *Table 6* below gives some details.

26. A breakdown of the actual performances in the second quarter of 2011 shows that Crude Oil Sales of N1,058.56 billion, Petroleum Profit Tax of N502.41 billion and Royalties of N260.26 billion exceeded their respective 2010 second quarter performances by 24.65%, 76.69% and 70.76%. Similarly, Value Added Tax of

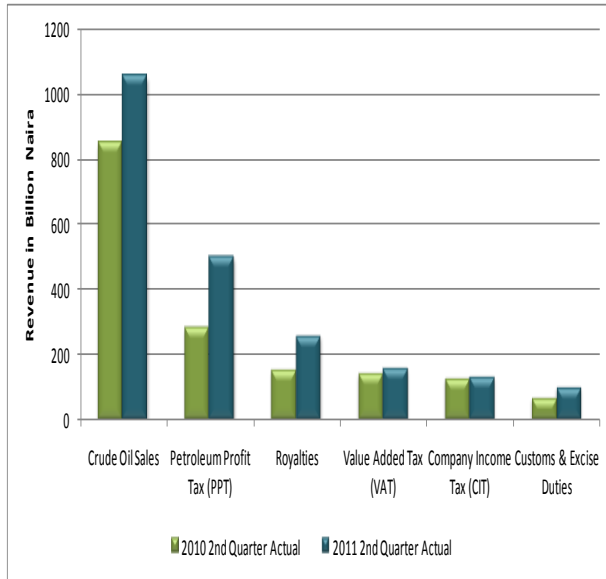
N159.70 billion, Customs & Excise Duties of N102.92 billion and Company Income Tax of N133.46 billion exceeded their 2010 figures by 11.58%, 49.79% and 3.23% respectively.

Table 6: Performance of Revenue in the Second Quarter of 2011 Vs 2010

Revenue Items	2010	2011	Variance	
	Second Quarter Actual	Second Quarter Actual	2nd Quarter 2011 Vs 2nd Quarter 2010	
	N'bens	N'bens	N'bens	%
Oil Revenue (Gross)				
Crude Oil Sales	849.20	1,058.56	209.36	24.65
Petroleum Profit Tax (PPT)	284.34	502.41	218.07	76.69
Royalties	152.41	260.26	107.85	70.76
Non-Oil Revenue (Gross)			-	
Value Added Tax (VAT)	143.13	159.70	16.57	11.58
Company Income Tax (CIT)	129.28	133.46	4.18	3.23
Customs & Excise Duties	68.71	102.92	34.21	49.79

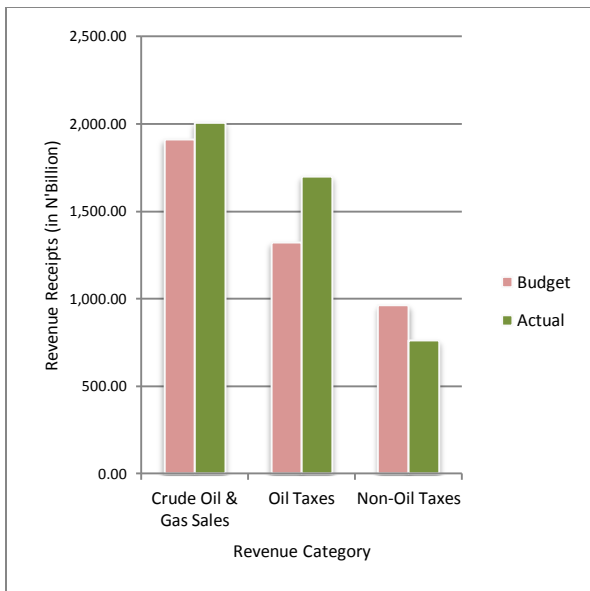
Source: OAGF and BOF

Chart 6: 2010 Vs 2011 Second Quarter Revenue Performance



Source: OAGF and BOF

Chart 7: Projected Vs Actual FAAC (Gross revenue receipts as at June 2011)



Source: Budget Office of the Federation

27. On the basis of current trends, it is expected that the remaining half of 2011 would be better due to the relative stability in the price of crude oil in the international market and improvements in revenue collections by various MDAs in compliance with the *Fiscal Responsibility Act, 2007*. Chart 7 below is a graphical illustration of the actual performance of revenue categories compared to their budgeted estimates as at the first half of 2011.

3.3 Distributable Revenue

28. In relation to the projections, the shortfall in net revenue receipts in the oil and non-oil category in the second quarter of 2011 impacted negatively on the funds available for distribution. In the second quarter, a net distributable sum of N1, 103.59 billion accrued to the three tiers of government for sharing. This means a shortfall of N566.84 billion (or 33.93%) when compared with the quarterly projection of N1,670.43 billion. Chart 8 below represents the percentage contribution of the revenue categories to

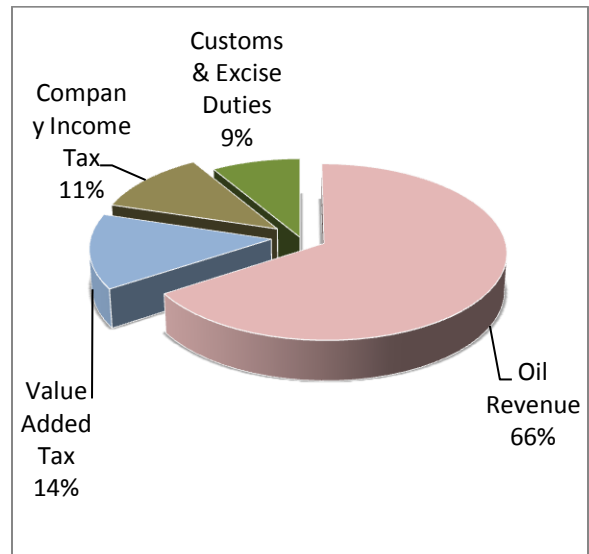
distributable revenue in the second quarter.

3.4 FGN Budget Revenue Sources

29. As outlined in the 2011 Budget Framework, the sum of N3, 348.11 billion was projected to fund the Federal Budget. This implied a quarterly share of N837.05 billion. In the second quarter of 2011, the FGN share of oil revenue was N352.23 billion, mostly due to the fact that the sharing of revenue was based on the 2010 benchmark oil price and output on a provisional basis ahead of the passage of the 2011 budget. This represents a shortfall of N234.35 billion compared to the quarterly estimate of N586.67 billion. Similarly, Value Added Tax (VAT) of N21.46 billion, Company Income Tax (CIT) of N62.14 billion and Customs & Excise Duties of N46.42 billion fell short of their respective quarterly projected estimates of N25.87

billion, N81.22 billion and N50.74 billion by N4.41 billion (or 17.05%), N19.08 billion (or 23.49%) and N4.32 billion (or 8.51%). On the other hand, the second quarter Independent Revenue of N59.48 billion was higher than its quarterly projected estimate of N57.23 billion by N2.25 billion (or 3.92%). These data are presented in *Table 7*.

Chart 8: Contributions to Distributable Revenue (in the Second Quarter of 2011)



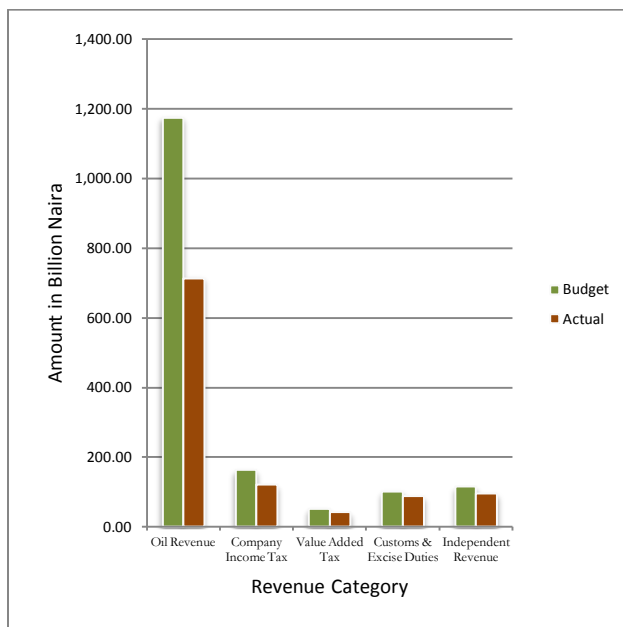
Source: BOF

Table 7: Inflows to the 2011 Federal Budget as at June 2011

ITEMS	Budget			Actual			Variance					
	Annual	Quarterly	Half Year	First Quarter	Second Quarter	Half Year	2nd Qtr Actual Vs Qtrly Budget		2nd Qtr Actual Vs 1st Qtr Actual		Half Year Actual Vs Half Year Budget	
	Nbn	Nbn	Nbn	Nbn	Nbn	Nbn	Nbn	%	Nbn	%	Nbn	%
RETAINED REVENUE												
RETAINED REVENUE	2,346.66	586.68	1,173.37	360.95	352.33	713.28	(234.36)	(39.95)	(8.63)	(2.39)	(460.09)	(39.21)
Share of Non-Oil Revenue	860.27	215.07	430.14	155.83	189.50	345.33	(25.57)	(11.89)	33.67	21.61	(84.80)	(19.72)
Value Added Tax	103.50	25.87	51.75	19.81	21.46	41.28	(4.41)	(17.05)	1.65	8.33	(10.47)	(20.24)
Company Income Tax	324.87	81.22	162.43	58.69	62.14	120.82	(19.08)	(23.49)	3.45	5.88	(41.61)	(25.62)
Customs	202.97	50.74	101.49	41.23	46.42	87.66	(4.32)	(8.51)	5.19	12.59	(13.83)	(13.63)
Independent Revenue	228.93	57.23	114.47	36.10	59.48	95.58	2.25	3.92	23.38	64.75	(18.89)	(16.50)
Share of Actual Balance in Special Accounts	7.57	1.89	3.79			-	(1.89)	(100.00)	-		(3.79)	(100.00)
Bal of Special Accts as at 31/12/09	13.61	3.40	6.81	-	-	-	(3.40)	(100.00)	-		(6.81)	(100.00)
Unspent Balance from previous FY	120.00	30.00	60.00	6.18	12.04	18.22	(17.96)	(59.88)	5.85	94.67	(41.78)	(69.63)
Sub-Total	3,348.11	837.05	1,674.09	522.97	553.86	1,076.83	(283.18)	(33.83)	30.90	5.91	(597.26)	(35.68)
OTHER FINANCING SOURCES	-	-	-	3.05	3.00	6.05	3.00		(0.05)	(1.71)	6.05	
Distribution of Excess Crude Savings (Augmentation)	-	-	-	-	-	-	-		-		-	
Distribution of Excess Crude Savings (Augmentation)	-	-	-	-	-	-	-		-		-	
Excess Crude Proceeds (Exchange Gain)	-	-	-	-	-	-	-		-		-	
PLEA BARGAIN	-	-	-	3.05	3.00	6.05	3.00		(0.05)	(1.71)	6.05	
Total Inflow	3,348.11	837.05	1,674.09	526.02	556.86	1,082.88	(280.18)	(33.47)	30.84	5.86	(591.21)	(35.32)

Source: OAGF and the Budget Office of the Federation

Chart 9: FGN Revenue (Budget Vs Actual as June 2011)



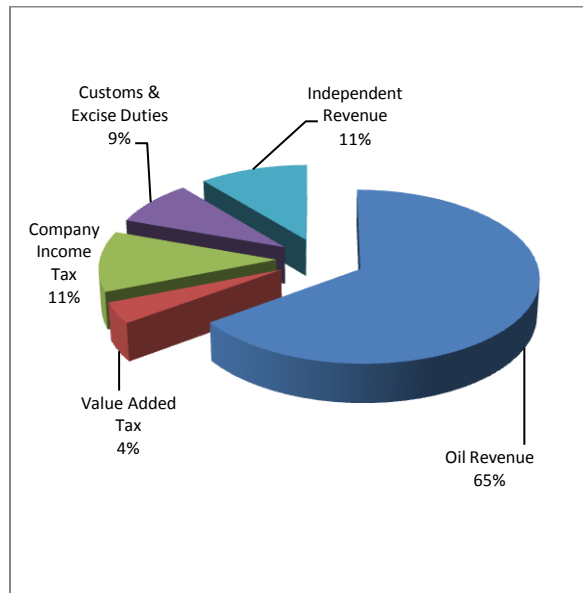
Source: OAGF and BOF

30. A total revenue of N553.86 billion, (excluding receipts from other funding sources), was received in the second quarter of 2011. This implies a shortfall of N283.18 billion (or 33.83%) when compared to the quarterly projection of N837.05 billion. However, this was an improvement over the N522.97 received in the first quarter. In spite of this improvement over the performance in the first quarter, there is still need for improvement to make up for the gap between the projected estimates and the actual performances in

the remaining part of the year. Overall, the total inflows to fund the budget fell short of the projected N1,674.09 billion by N591.21 billion (or 35.32%) as at half year. These data are shown in Table 7 above.

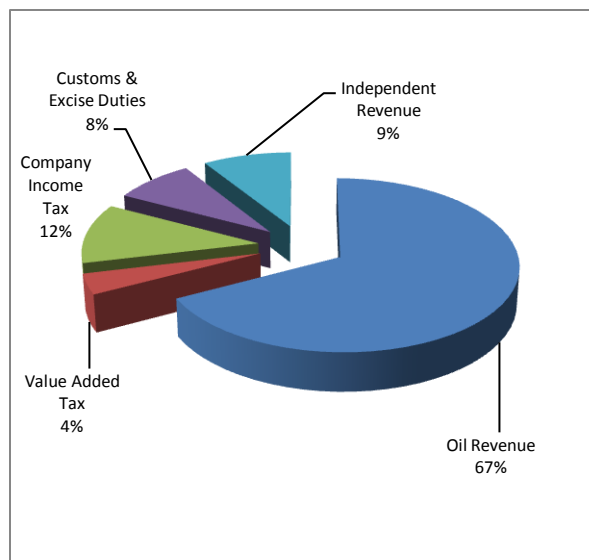
31. *Charts 10a and 10b* are graphic representations of the respective revenue contributions to the FGN budget in the second quarter and the first half of 2011.

Chart 10a: Contribution to the FGN Budget Revenue in the Second Quarter (excluding FGN's Unspent Balances and FGN's Balances in Special Accounts)



Source: The OAGF and BOF

Chart 10b: Contribution to the FGN Budget Revenue in the First Half of 2011 (excluding FGN's Unspent Balances and FGN's Balances in Special Accounts)



3.5 Excess Crude Account

32. The Excess Crude Account (ECA) was created as a stabilization and savings fund to protect the budget from unexpected shortfalls in revenue receipts and save for the future. With the passage of the Sovereign Wealth Fund Bill into law, it is expected that the Excess Crude Account will be replaced by the Sovereign Wealth Fund. During the second quarter of the year, crude oil price at the international market averaged US\$117.36 per barrel. The benchmark oil production was projected

at 2.30 mbpd, while production including Condensates, averaged 2.36 mbpd.

33. Inflows into the ECA in the second quarter of 2011 amounted to N628.71 billion compared to N739.4 billion realised in the first quarter of 2011. These data are presented in Table 8.

Table 8: Inflow into the Excess Crude Account

Description	2010 Actual (N' bns)		2011 Actual (N' bns)		
	Annual	Half Year	First Quarter	Second Quarter	Half Year
Transfer to Excess Crude Oil Account	795.07	418.88	739.4	628.71	1368.11

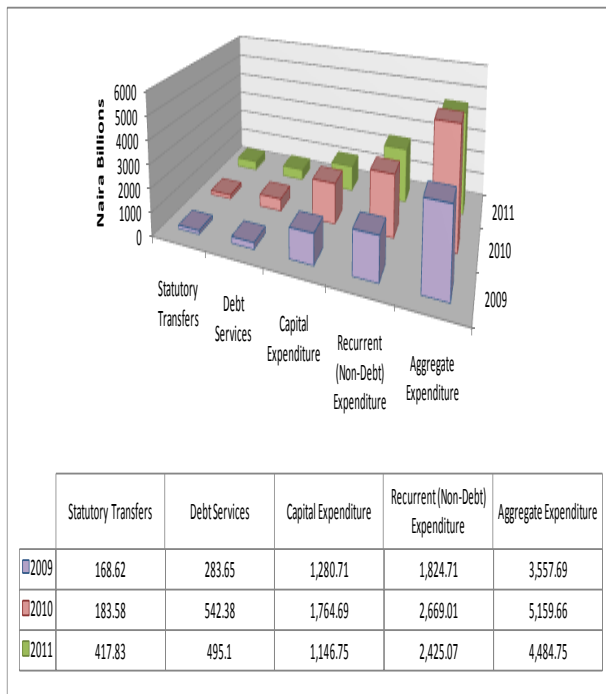
Source: OAGF

3.6 Expenditure Developments and Revision

34. The expenditure pattern in 2011 has been guided largely by a combination of both local and international economic and financial developments as the realisation of Budget revenue and financing items directly affects funds releases to MDAs

35. A total of N4,484.74 billion was appropriated as aggregate expenditure for the 2011 Budget following the amendment to the original budget. This comprised of N2,425.07 billion (or 54.07%) for recurrent expenditure (Non-Debt), N495.10 billion (or 11.04%) for debt service, N417.83 billion (or 9.32%) for Statutory Transfers and an allocation of N1, 146.75 trillion (or 25.57%) for Capital expenditure.

Chart 11: 2009 Budget - 2011 Budget Expenditure Profile



Source: Budget Office of the Federation

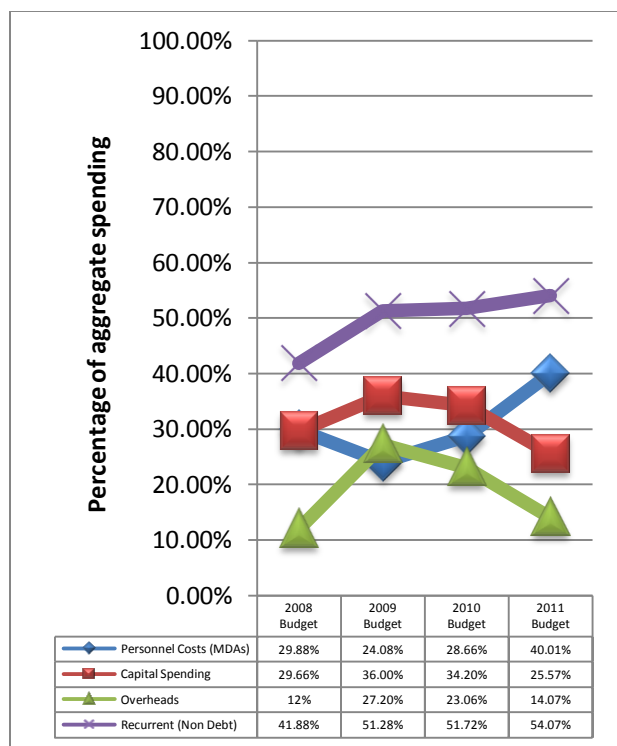
3.6.1 Non-Debt Recurrent Expenditure

36. The Government since 2008 has devised different measures to address the rising trend in the ratio of spending in recurrent and aggregate expenditure. Part of the measures adopted included rationalising recurrent expenditure through the implementation of cost-saving measures such as the freezing of overhead expenditures, institution of control measures over the procurement of certain capital items such as: non-priority vehicles, and construction of new MDA Headquarters buildings. Other measures include the rationalization of international training and travels and the extension of the Integrated Payroll and Personnel Information System (IPPIS) to more MDAs.

37. Despite these measures, the recent wage increases that were granted in 2010 posed a considerable challenge to achieving the Government’s budget

objectives. As such, provisions for recurrent expenditure (in absolute and relative terms) have been on the rise in recent years. *Chart 12* illustrates the trend in recent years.

Chart 12: Payroll, Overhead & Capital Expenditure Trends (2008 – 2011)



Source: Budget Office of the Federation

38. A review of the data from the OAGF shows that the sum of N693.40 billion was released for Non-Debt recurrent expenditure in the second quarter of 2011. In general, releases

were on target in respect of Personnel Costs while some delays were experienced for overhead as government sought to prioritize releases for capital projects.

3.6.2 Debt Service

39. A total of N153.05 billion was released for debt servicing in the second quarter of 2011. As at first half of the year, a total of N204.25 billion had been released for domestic debt service. The actual domestic debt service payment for the second quarter of 2011 amounted to N120.22 billion, made up of N39.19 billion (or 32.60%) for NTBs, N71.65 billion (or 59.60%) for FGN Bonds and N9.38 billion (or 7.80%) for Treasury Bonds.

40. The external debt service payments in the second quarter of the year amounted to US\$87.48 million. A breakdown of the payments indicates that: US\$42.39 million (or 48.46%) was to Multilateral Creditors, US\$20.86 million (or 23.85%) was for Oil Warrants, US\$0.36 million (or 0.41%) to

Bilateral Creditors, US\$23.86 million (or 27.27%) to Commercial Creditors and US\$0.01 (or 0.01%) to other External Creditors.

3.6.3 Statutory Transfers

41. The sum of N66.28 billion was released for statutory transfers as at the second quarter of the year, indicating a shortfall of N38.18 billion (or 36.55%) when compared with the projected quarterly budget estimate of N104.46 billion. In the first half of the year, a total of N148.1 billion had been released to the various agencies under statutory transfers. The difference between the projected and actual transfers in the quarter was due to the fact that releases to the concerned agencies are based on their requests which are often based on the progress of their programmes. A breakdown of the actual transfers in the second quarter reveals that N28.04 billion was released to Niger Delta Development Commission, N24.75 billion to National Judiciary Council (NJC) and N11.52 billion was to the

Universal Basic Education Commission (UBEC).

3.6.4 Capital Expenditure Performance

42. In line with the Transformation Agenda and the developmental goals of the government, the 2011 Budget focused more on the completion of ongoing projects/programmes that would be of maximum benefit to the people and will also aid in achieving national economic recovery. In this respect, over 80% of the total capital expenditure in the 2011 Appropriation Act were allocated to the government's priority sectors which include Critical Infrastructure development; Human Capital Development, Land Reform & Food Security, Physical Security, Law & Order and the Niger Delta.

Table 9: FGN Budget Expenditure and Fiscal Account (in N' Billion) as at June 2011

ITEMS	Annual	Quarterly	Half Year	First Quarter	Second Quarter	Half Year	2nd Quarter Actual Vs Quarterly Budget		2nd Quarter Actual Vs First Quarter Actual		Half Year Actual Vs Half Year Budget	
	N'bn	N'bn	N'bn	N'bn	N'bn	N'bn	N'bn	%	N'bn	%	N'bn	%
RETAINED REVENUE	3,348.19	837.05	1,674.09	526.02	556.86	1,082.88	(280.18)	(33.47)	30.84	5.86	(591.21)	(35.32)
EXPENDITURE		-	-	-	-	-	-		-		-	
RECURRENT:		-	-	-	-	-	-		-		-	
Personnel Cost	1,794.16	448.54	897.08	362.22	498.96	861.17	50.42	11.24	136.74	37.75	(35.91)	(4.00)
Pension & Gratuities	154.75	38.69	77.38	21.78	4.23	26.01	(34.46)	(89.07)	(17.55)	(80.58)	(51.37)	(66.39)
Overhead Cost + MYTO	476.16	119.04	238.08	157.80	190.21	348.01	71.17	59.79	32.41	20.54	109.93	46.17
<i>Sub-Total (Non-Debt)</i>	2,425.07	606.27	1,212.54	541.79	693.40	1,235.19	87.13	14.37	151.60	27.98	22.66	1.87
Domestic Debts & Int. on Ways & Means	450.01	112.50	225.01	51.20	153.05	204.25	40.54	36.04	101.85	198.92	(20.76)	(9.23)
Foreign Debts	45.09	11.27	22.55	10.28	3.54	13.82	(7.73)	(68.58)	(6.74)	(65.55)	(8.73)	(38.70)
<i>Sub-Total (Debt)</i>	495.10	123.78	247.55	61.48	156.59	218.06	32.81	26.51	95.11	154.70	(29.49)	(11.91)
<i>Sub-Total (Recurrent)</i>	2,920.17	730.04	1,460.09	603.27	849.98	1,453.25	119.94	16.43	246.71	40.90	(6.83)	(0.47)
CAPITAL:												
*Capital Releases 2011	1,146.75	286.69	573.38	98.07	96.95	195.03	(189.74)	(66.18)	(1.12)	(1.14)	(378.35)	(65.99)
*Capital Releases 2010		-	-	108.33	0.27	108.59	0.27		(108.06)	(99.75)	108.59	
<i>Sub-Total (Capital)</i>	1,146.75	286.69	573.38	206.40	97.22	303.62	(189.47)	(66.09)	(109.18)	(52.90)	(269.76)	(47.05)
TRANSFER:												
NDDC	56.08	14.02	28.04	-	28.04	28.04	14.02	99.99	28.04		(0.00)	(0.01)
STF Retention Fee		-	-	0.22	-	0.22	-		(0.22)		0.22	
National Judicial Council	95.00	23.75	47.50	22.75	24.75	47.50	1.00	4.21	2.00	8.79	-	-
Universal Basic Education	64.57	16.14	32.29	11.52	11.52	23.04	(4.62)	(28.63)	-	-	(9.24)	(28.63)
FCT/FIRS		-	-	7.33	1.97	9.31	1.97		(5.36)	(73.11)	9.31	
Ind. Nat. Elect. Comm.	52.18	13.05	26.09	-	-	-	(13.05)	(100.00)	-	-	(26.09)	(100.00)
National Assembly	150.00	37.50	75.00	-	-	-	(37.50)	(100.00)	-	-	(75.00)	(100.00)
Refund to ETF		-	-	40.00	-	40.00	-		(40.00)	(100.00)	40.00	
<i>Sub-Total Transfers</i>	417.83	104.46	208.92	81.82	66.28	148.10	(38.18)	(36.55)	(15.54)	(18.99)	(60.81)	(29.11)
<i>Total Expenditure</i>	4,484.75	1,121.19	2,242.38	891.49	1,013.49	1,904.98	(107.70)	(9.61)	121.99	13.68	(337.40)	(15.05)
Deficit / (Surplus)	(1,136.56)	(284.14)	(568.28)	(365.47)	(456.62)	(822.09)	(172.48)	(23.87)	(91.15)	(7.82)	(253.81)	(20.27)
FINANCING ITEMS												
Privitization Proceeds	16.91	4.23	8.46	-	-	-	(4.23)	(100.00)	-	-	(8.46)	(100.00)
Signature Bonus	42.44	10.61	21.22	-	-	-	(10.61)	(100.00)	-	-	(21.22)	(100.00)
Sharing from Stabilisation	225.00	56.25	112.50	-	-	-	(56.25)	(100.00)	-	-	(112.50)	(100.00)
Domestic borrowing (FGN 2010 International Bond)	852.27	213.07	426.14	221.00	255.00	476.00	41.93	19.68	34.00	15.38	49.86	11.70
<i>Borrowing from Special</i>		-	-	73.33	-	73.33	-		(73.33)	(100.00)	73.33	
<i>Sub Total</i>	1,136.62	284.16	568.31	294.33	350.00	644.33	65.84	23.17	55.67	18.91	76.02	13.38
<i>Net Deficit / Surplus</i>	0.06	0.01	0.03	(71.14)	(106.62)	(177.76)	(106.64)		(35.48)		(177.79)	

Source: OAGF and BOF

43. While the full implementation of the capital budget along these lines was expected, recent reviews of MDAs' capital projects' implementation for 2011 reveals lapses in the implementation of capital projects/programmes. This may be ascribed to the fact that 2011 is a transition year; the inauguration of a new cabinet; and delays in the amendment to the 2011 budget which was concluded only at end of May 2011.

44. In order to address some of these challenges, the Government is in the process of engaging an experienced global project management firm to guide the institutionalisation of best practices in capital programme and project portfolio management in our MDAs. This is with a view to improving government's spending efficiency and the effective delivery of capital projects/programmes.

MDAs' Capital Vote Utilization:

45. As at 30th June, 2011 an aggregate of N227.81 billion had been released

through first quarter Development Capital Warrant of N111.0 billion, first quarter Augmentation Warrant of N100.0 billion and Authority to Incur Expenditure (AIEs) of N19.69 billion for the implementation of MDAs' capital projects/programmes as contained in the 2011 Appropriation Act. Of this amount, a total of N196.69 billion (or 86.34%) of the total releases had been cash-backed.

Performance as at 30th June 2011

46. It should be noted that only N128.72 billion (or 65.44%) of the total amount cash-backed had been utilized by MDAs as at 30th June, 2011. *Appendix 1* to this Report gives an indication of funds released to and utilized by MDAs as at 30th June, 2011.

47. A review of the fifty-four (54) MDAs reported upon by the Office of the Accountant-General of the Federation (OAGF) shows a varied level of utilization rates. Twenty-one (or 38.89%) of the MDAs including: Works, Housing, Foreign Affairs, Commerce and Industry,

Defence, Federal Capital Territory Administration (FCTA), Niger-Delta and Interior, each had their utilization rate above the overall average utilization rate of 65.44%. Fifteen out of these (or 27.78% of the MDAs) including ICPC, Office of the Auditor General, Defence, FCTA, Interior, Works, Housing, Niger-Delta and FCSC had utilization rates of over 80% of their respective cash-backed releases.

48. The utilization report also shows that 28 MDAs (or 51.85%) which includes

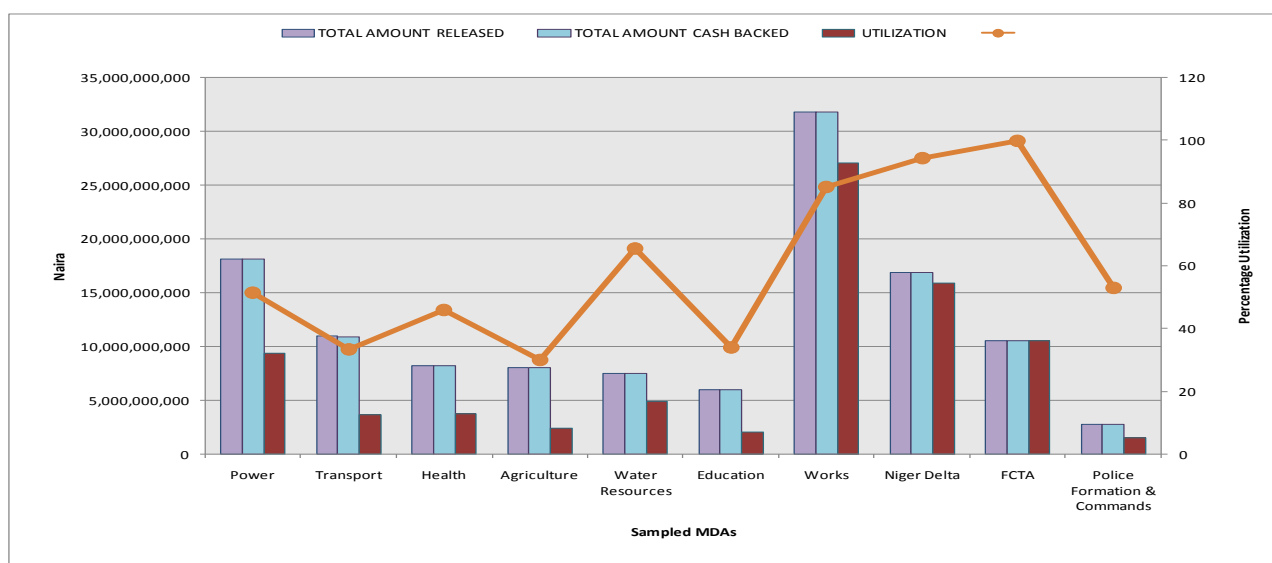
OSGF, Youth Development, Agriculture, Education, Finance, Health, Information & Communication, Science & Technology, Transport and Environment had their utilization rate below 50%. On the other hand 11 MDAs (or 20.37%) were yet to utilise any of their funds. Among them are: Women Affairs, Justice, Petroleum, Revenue Mobilization ICRC and Special Duties. *Table 10* below is an extract from *Appendix 1* highlighting the utilization rate of ten MDAs considered key to the actualization of the Administration's Transformation Agenda.

Table 10: A sample of MDAs' Capital Budget utilization (as at 30th June, 2011)

MDA	TOTAL AMOUNT RELEASED	TOTAL AMOUNT CASH BACKED	UTILIZATION		
	N	N	N	As %age of Cashbacked Funds	As %age Total Budgetary Releases
Power	18,134,267,275	18,134,267,275	9,346,543,040	51.54	51.54
Transport	10,945,768,176	10,919,741,656	3,667,094,656	33.58	33.50
Health	8,230,338,637	8,230,338,637	3,784,254,567	45.98	45.98
Agriculture	8,065,797,534	8,011,586,653	2,416,730,892	30.17	29.96
Water Resources	7,461,319,043	7,461,319,043	4,895,427,288	65.61	65.61
Education	6,015,954,256	6,015,954,256	2,048,241,226	34.05	34.05
Works	31,775,680,646	31,775,680,646	27,090,421,201	85.26	85.26
Niger Delta	16,899,179,340	16,899,179,340	15,937,470,257	94.31	94.31
FCTA	10,518,067,101	10,518,067,101	10,511,893,493	99.94	99.94
Police Formation & Commands	2,779,297,659	2,779,297,659	1,473,560,706	53.02	53.02
Total Average Utilization (by all MDAs)				65.44	56.5

Source: OAGF and Budget Office of the Federation

Chart 13: Pictorial Representation of Selected MDAs Utilization



Source: OAGF and Budget Office of the Federation

3.6.5 Performance of the Financing Items

49. As specified in the 2011 fiscal framework, the quarterly funding of the budget was projected at N837.05 billion, while aggregate quarterly expenditure was estimated at N1,121.19 billion resulting in a projected quarterly deficit of N284.14 billion. This was expected to be financed through privatization proceeds of N4.23 billion, signature bonus of N10.61 billion, sharing of stabilisation fund account of N56.25 billion and domestic borrowing of N213.07 billion. Aside from the borrowing windows, nothing was realized

from the other financing options in the half year. While N294.33 billion was realized in the first quarter, N350 billion was realized in the second bringing the aggregate financing amount realized, as at end of the first half of the year, to N644.33 billion.

The next section of this Report presents the physical project inspection report of projects visited by staff of the Budget Office, in collaboration with relevant MDAs; Civil Society groups and the media.

CAPITAL PROJECTS IMPLEMENTATION REPORT

4.1 *Physical Monitoring and Evaluation*

51. An inspection team made up of staff of the Budget Office of the Federation, Civil Societies groups and the media visited selected projects. On-the-spot assessment of sampled capital projects was conducted across the six geo-political zones of the country from 11th to 22nd July, 2011. The Monitoring Teams led by the Budget Office of the Federation's Monitoring and Evaluation personnel included representatives of the MDAs, Civil Society Organisations and the Mass Media. The findings are reported below.

Federal Capital Territory Administration

52. The sum of N44.63 billion was allocated to the FCTA for the execution of its capital projects and programmes in the 2011 Budget. Of this amount, N10.51 billion was released and fully cash-backed

as of June while N10.51 billion (or 99.94%) was utilized on its projects including the following:

i. Design and Construction of Vice President's Residence

The project involves the construction of the Vice President's Residence and Office, ADC and CSO's Residences, a Mosque, Chapel, Boys and Security Quarters, Gatehouse and a Dedicated Power House designed to accommodate three (3) Generators. The project was contracted to Messrs Julius Berger (Nig.) PLC in February 2010, at a cost of N7.07 billion and is scheduled for completion on 30th September, 2011.

The sum of N864.23 million was appropriated for this project in the 2011 Budget. The sum of N4.61 billion had so far been committed to the project since its inception. At the time of this report, the superstructure works for the Vice-President's residence, infrastructure and

other finishing of the buildings were ongoing. The project had achieved a cumulative performance of about 40%.

Findings: The team gathered that the expansion in the scope of the project resulted in a request for extension of the completion date. The project has consequently attracted requests for variation in contract sum amounting to about N16.25 billion. These are awaiting approval.

ii. Guzape District Lot II Infrastructure Project.

This infrastructure project covers two packages designated as Lots I & II with a total area of 350 hectares.

The implementation was contracted to M/S Gilmor Engineering (Nig.) Ltd on 7th March, 2003, at an initial sum of N14 billion with offshore component of €69.32 million. This was however revised to N26.36 billion with offshore component of €130.46 million due to a variation to the project's scope. The project was scheduled for completion by

19th, October, 2012. The sum of N6.71 billion was appropriated for the project in the 2011 Budget, of which N391.2 million was utilized in the second quarter. A total of N9.76 billion and €96.63 million had been certified to date bringing the project to about 78.22% level of implementation. When completed, this project will engender the development of residential accommodations that will invariably decongest the Abuja metropolis.

Findings: As at the time of visit, water supply pipes covering an area of 1.3 kilometers had been laid while 1.5 kilometers of telecommunication cabling had been laid. In addition, the compact unit transformer and 1 No 33/11KVA electrical power substation equipment had been installed.

Furthermore, the team gathered that delays in having the villagers resettled out of the project site and delay in payment of certified works have been affecting the progress of the project.



Picture 1: On-going Road Works & 33/11 KVA Electrical Power Supply at Guzape District Lot II

iii. Provision of Engineering Infrastructure to the Abuja Technology Village ATV 1/FCC, Abuja

The project which is to provide urban engineering infrastructure to the Abuja Technology Village in order to attract potential International Scientists and Technologists into the country, was awarded to Messrs Gillmor Engineering (Nig.) Ltd. at a cost of N20.87 billion. Implementation works on the project commenced in June, 2007 with an initial completion date of June, 2010. The sum of N3.7 billion was appropriated for the project in the 2011 Budget. As at the time of monitoring, the sum of N11.81billion

had been expended on the project to attain 57% level of completion.

Findings: The team gathered that as at end of the period, funds were yet to be released to the project by the FCTA. However, works including construction of roads, drainages, various sizes of sewage; table water supply and culverts within the Lot had been done as at the time of monitoring. Works on the completion of a water storage and treatment plant, finishing and installation of the power sub-station, asphalt laying and electrical installations were ongoing.

It was further revealed that a revision to the scope of work resulted in a proposal to vary the contract sum and extension of the completion period to December 2012. This was awaiting the approval at the time of monitoring.

Challenges: Information obtained at the project site indicates that the primary

challenges to the projects implementation include: Delay in payment of the contractor’s fees; non- payment of compensation to indigenes on the site; encumbrance residences on the Right of Way and pending final engineering design.



Picture 2: Underground water drainage / underground Foul Sewer

iv. Development of Karmo Residential District Infrastructure

This project was conceived to provide infrastructure for the dwelling of workers of Idu Industrial Area of Abuja and help decongest the Abuja metropolis. Messrs SCC Nig. Ltd was contracted to implement the project in February 2002, but actual work commenced in September 2003 with completion

originally scheduled for December 2005. The cost of the project was N14.2 billion onshore and \$251.4 million offshore. This was subsequently revised upward by N7.8 billion and \$134.9 million respectively following an increase to the number of plots as well as the associated roads and services in the scheme, change in specification from surface to

underground drainage networks, road expansion, additional works (Sewage, telecoms, etc.) and inflation.

The sum of N2.1 billion was appropriated for the project in the 2011 Budget. The project had attained 78.5% completion level with the overall financial commitment of N9.4 billion and \$165 million respectively

Findings: As at the time of monitoring, the following works had been executed: 56.6 km of asphaltic binder course, 8.83km asphalt wearing course, 75.37km kerb works, 227 nos. telecommunication manholes, 63.58 km cables of various sizes, 15 MVA sub-station, and 337 nos. waste water plot manholes.

Challenges: Key challenges to achieving the anticipated speed of work were reported to include: illegal quarrying at the company's site; outstanding resettlement of Peji and Karmo residents; and inadequate funding by the FCTA over the years.

Federal Ministry of Works

53. The sum of N155.39 billion was allocated to the Ministry for the execution of its capital projects in the 2011 Budget. As at the time of this report, N31.77 billion had been released as at end of the second quarter. Of this, N27.09 billion (85.26%) was utilized by the Ministry. Projects monitored in this sector include:

- i. Rehabilitation of Calabar-Ugep-Ogoja-Katsina- Ala Road, Section I: Calabar – Ugep Road in Cross River State C/No. 6011*

This project was initiated to provide free flow of traffic on this important segment of the North-South link. The scope of work which covers full rehabilitation of the 25km long stretch of road from Odukpani junction (km 23 – km 48) in Calabar to Ugep road includes: scarification of the carriageway, laying of crushed stone base of 60mm thick binder and 40mm thick wearing courses respectively. Other works include the construction of a 2-span 30-metre bridge

and re-alignment of the road at km20+500.

The contract for the project was awarded to Messrs Piccolo Brunelli Engineering (Nig) Limited at a cost of N4.61billion. Work commenced on 28 May 2009 and is scheduled for completion on 27 November 2011. The sum of N521.57million was appropriated for the project in the 2011 Budget. In the first quarter of the year, the sum of N253.49 million was released and utilized. Since its inception, the sum of N1.86 billion had been committed to achieve 40% level of completion. As at the time of monitoring, stone base and asphalt pavement had been carried out in critical areas between Akamkpa and Ugep. Site clearing and preliminary works had also begun at the bridge site.



Picture 3: Ongoing Construction Work at Calabar-Ugep-Ogoja-Katsina-Ala Road, Section I

ii. *Abuja–Abaji Road Section (1), International Airport Link Road Junction–Sheda Village Junction C/No5862*

This is one of the Administration's flagship projects and is key to the actualization of the Transformation Agenda being one of the country's most busy economic arteries. The project comprises the provision of a new carriageway from Zuba Km000 to Sheda km30+200, the construction of airport spur for 11.95km; rehabilitation of the existing carriageway, construction of 3 nos river bridges, culverts and other concrete works; and construction of 3 nos interchanges at Giri, Gwagwalada and Kuje junction. The expressway has a total length of 42.15Km.

The contract was awarded to Messrs Dantata & Sawoe on 3 August, 2006, with a completion period of 30 months (2 February, 2009). The completion date was being reviewed at the time of monitoring. The sum of ~~N~~1.87 billion was appropriated for the project in the 2011 Budget. A total of N6.13 billion of

work done has been certified and paid to date to achieve 50.81% level of completion.

Findings: Information gathered at the site indicates that the project could not be completed as scheduled due to lack of adequate funding over the years. As at the time of monitoring, some of the work completed included: earthworks, road works, and removal of top soil from Giri-Gwagwalada axis. Others are the construction of culverts along the Airport spur and Zuba-Gwagwalada axis, Efunu and Gwagwa River Bridge and Giri-flyover. Works in progress include lateral filling and compaction to formation level along Giri-Gwagwalada axis.

Upon completion, the project is expected to reduce the traffic chaos and accidents on the route, improve the traveling time of commuters while boosting socio-economic activities in the FCTA.

iii. Abuja-Abaji Road Section (II), Sheda Village Junction-Abaji Km 30 + 000 – Km 84 + 700 C/No 5863

The project is for the construction of an additional 54.7km long carriage-way between km 30 + 000 and km 84 + 700 alongside the existing Abuja-Abaji Road and includes the construction of 4 nos bridges of 195 meters. The implementation was awarded to Messrs Reynolds Construction Co. Nig. Ltd. on 18 July, 2006, while work commenced on 3 August, 2006. It was scheduled for completion within 30 months (i.e., 2 February, 2009).

The sum of ₦2.25billion was appropriated for the project in the 2011 Budget. However, a total of ₦6.08 billion had been committed to the project to date with 60.6% level of implementation.

Findings: As at the time of inspection, the contractor had moved out of site citing poor funding reasons. The site Engineer informed the team that poor funding, problem of Fadama soil, and underground water which were not earlier envisaged resulted in the slow pace

of work. A request by the contractor for the review of the contract sum was awaiting the ministry's approval.

This section of the road has witnessed huge vehicular traffic and several ghastly accidents.

*iv. Dualization of Kano-Maiduguri Road
Section I (Kano-Wudil-Shuwarin)*

This project was conceived to provide a new standard carriageway from Kano through Wudil and Gaya to Shuwarin covering a distance of 105 km. The project is aimed at enhancing free flow of traffic; stimulate economic activities within the North - East zone as well as to reduce travel hours and accidents on the roads.

Messrs Dantata & Sawoe Construction Company (Nig.) Ltd. was contracted to execute the project in September 2006, at a cost of N37.05 billion. Actual work commenced in October 2006 with completion scheduled for February 2010. This was however revised to December 2012 following implementation challenges.

The sum of N3 billion was appropriated for the project in the 2011 Budget. Of this amount, N1 billion had so far been released and fully utilized on the project in the first quarter. The sum of N11.72 billion had so far been committed to the project since its inception to achieve cumulative implementation of 29.10%.

Findings: As at the time of monitoring the project, site clearance and removal of topsoil from Wudil bypass to Shuwarin area had been completed while Earthworks/sub-base had been completed on 54.9km of the road. Other works done include about 124 Nos. culverts and bridges on the Gaya-Shuwarin section.

Though not convincing enough, the team gathered that adverse weather conditions and untimely payment for certified works have been responsible for the slow pace of the project.



Picture 4: Stone base works in progress at the Wudil Bypass

*v. Dualisation of Kano –Maiduguri Road
Section 3 Azare – Potiskum: Contract
No.5880*

The project consists of the construction of 101.843 km dual carriage-way from Azare to Potiskum. The contract for this section of the Kano-Maiduguri road was awarded to Messrs Mothercat Nig. Ltd. at a sum of N29.1 billion. Work commenced in October, 2006, with an expected completion period of 67 months (i.e. April, 2012). The project which consists of the construction of 101.84km dual carriageway from Azare to Potiskum involves the construction of a 2-way, 2-lane dual carriage-way of 7.3m width each with 2.75m outer shoulders and 1.5m inner shoulders. The width of

the median is 13m in rural areas and 4m in built – up areas. The work also includes: earth works, filling with suitable materials and the construction of 2 nos. bridges at Bulkachuwa and a bye- pass interchange at the Potiskum end of the road.

The sum of N3 billion was appropriated for the project in the 2011 Budget, while N1 billion had been released and utilized as at the end of the second quarter. The total payment on the project to date was N14.249billion to achieve about 44.84 % level of completion.

Summary Impact: Works Sector

During the period under review, though much work is still outstanding on these projects, the construction, rehabilitation and dualization of roads at various levels of completion across the country have contributed to boosting economic

activities, reduced accident rates, provided cheaper and affordable means of transport. In the same vein, contractors at the various projects have provided jobs for the youths thereby reducing unemployment in the benefiting communities.



Picture 5: On-going dualization of Kano-Maiduguri Road: *Section III*

Federal Ministry of Aviation

54. Improving safety in the air travel sector is one of the key priorities articulated in the Administration's Transformation Agenda. In this respect, the sum of N28.71 billion was allocated to the Ministry in the 2011 Budget for its

capital projects and programmes. Out of this amount, the sum of N4.33 billion was released and fully cash backed while N2.72 billion (or 62.72%) had been utilized as at the time of this report. The monitoring teams inspected projects including:

- i. Refurbishment/Remodeling of Kano International Airport Terminal Building*

The Airport was built about 54 years ago. With advancement in modern technology coupled with a depreciation of much of its facilities, it was deemed expedient to revamp facilities in the airport to engender safe flight operations. In this regard, the implementation was contracted to Messrs Crew Construction Company Ltd. in 2009, at a total cost of N12.59 billion with completion scheduled for within 24 months (i.e., by December, 2011). The sum of N959.29 million was appropriated for the project in 2011. However, a total of N59.29 million was committed on consultancy services for the initial scope (remodeling) which was completed and paid for in 2009.

Findings: The team gathered that the project was originally conceived to refurbish the terminal building at a cost of N1.2 billion. However, the scope was later expanded to include the construction of a new terminal. The rehabilitation of this airport will boost socio-economic activities in the entire region.

ii. *Runway Extension/Expansion & Resurfacing of Enugu Airport*

This project was designed to improve the runway with modern facilities that would enhance safe take-off and landing of aircraft. The contract was awarded to Messrs PW Nig. Ltd. in 2009 at a cost of N10.3 billion with a completion date of December 2011. The sum of N1.6 billion was appropriated for the project in the 2011. The sum of N448 million had been committed to the project as at the time of monitoring to bring the cumulative performance on the project to 60%.

Findings: The project managers indicated that delays in payment on certificates amounting to N4 billion; and compensation issues with the landowners are responsible for the slow pace of work. Furthermore, land dispute between the FAAN and the Military Base around the Airport over the ownership of the land and unfavorable weather conditions were also noted as responsible for the state of work.



Picture 6: Runway Extension/ Resurfacing work at Enugu Airport

Federal Ministry of Transport

55. Like other key sectors of the economy, the Transport sector is critical to the Administration's Transformation Agenda. The sector had an appropriation of N53.98 billion in the 2011 Budget out of which N10.95 billion was released and with N10.92 billion cash-backed as at half-year. Of this amount, N3.67 billion (33.58%) had been utilized in the period under review.

Nigerian Railway Corporation, Lagos

The sum of N21.88 billion was appropriated to the Nigerian Railway Corporation for the execution of its capital projects and programmes in the 2011 Budget. Out of this amount, the sum of N4.25 billion was released in the first quarter while N686.5 million was utilized in the second quarter. The following projects were monitored.

- i. Major Rehabilitation of Rail Tracks, Bridges and Culverts: Lagos – Jebba*

The project involves the total rehabilitation of rail tracks, bridges, culverts and signal networks along the

Lagos – Jebba rail line (Km 0 – 488). The contract was awarded to Messrs CCECC (Nig.) Ltd. in October 2009, at a cost of N12.29 billion. Actual work commenced on 23 December 2009 and was scheduled for completion in October 2010. However, the completion period was revised to July 2011 due to funding issues, increase in job scope (collapsed bridge at Aro – Abeokuta), and the wash-out at Oshogbo which needed to be rebuilt.

The sum of N1.08 billion was appropriated for the project in the 2011 Budget, out of which N210.08 million had been released. Of this amount, N142.29 million was utilized to achieve 10% performance in the quarter. A total of N10.36 billion had been committed to the project since its inception to bring cumulative work completion to 90%. Upon completion, the project is expected to reduce the overall cost of conveying farm produce, goods and passengers along the Lagos-Jebba axis. It would further reduce congestion and accident

rates on the road, provide cheaper and affordable means of transport, and create employment opportunities in rural settings in the axis

Findings: As at the time of monitoring, completed work included the total re-railing of sections 1-3 within the Lagos area; rebuilding of the collapsed bridges at Aro-Abeokuta, and the wash-out at Oshogbo. On-going work includes the completion of outstanding portions, and rehabilitation and signaling works in some sections of the rail line.

Federal Ministry Agriculture

56. The optimal performance of the Agricultural sector is one of the high points of Government's Transformation Agenda. Towards addressing the enormous challenges of this sector, a total of N31.4 billion had been appropriated to the sector in the 2011 Budget. Out of this amount, N8.07 billion was released while N8.01 billion was cash-backed to the Ministry as at 30 June 2011. The sum of N2.42 billion (30.17%) was utilized to

implement its capital projects / programmes.

Veterinary Council of Nigeria

The Council had appropriations for four capital projects in the 2011 Budget. These are for the remodeling / renovation of its old secretariat building, finishing of four conference rooms, installation of its second Lift and landscaping of old secretariat premises. The total budgetary allocation for these projects in 2011 was N225.29 million. Out of this amount N52.8 million was released while N51.78 million had been utilized:

i. Remodeling and Renovation of old Secretariat Building of Veterinary Council of Nigeria

Messrs Cwell Engineering & Construction Ltd. was contracted to implement this project in September 2010 with completion scheduled for July 2011.

The sum of N100.54 million was appropriated for the project in 2011. Of this amount, the sum of N25.61 million had been released and utilized in the first

quarter. The financial commitment on the project from its inception is N53.79 million. The project had achieved 26% level of completion.

Findings: The team gathered that the sum of N11.22 million was outstanding for payment on works completed. These include: concrete work, reinforcement, brick/block works, wood-work, structural steel work and metal work. As at the time of monitoring, work on site had been reportedly suspended for reason of unpaid certificates of work done.

National Animal Production Research Institute (NAPRI), Zaria

The Institute originated from Shika Stock Farm which was established in 1928, by the Department of Agriculture of the then Northern Region of Nigeria. The main objective of the stock farm was to produce selective breeding and make stock for use as stud bulls by native stock owners. From 1 July 1976 it became the Shika Grassland Research Station by promulgation of Decree No.35 of 1973, and later on Research Institutes Order of

November 1975 and then became National Animal Production Research Institute with headquarters at Shika and an affiliate to Ahmadu Bello University, Zaria.

The sum of N962.19 million was allocated to the Institute for execution of its projects and programmes in the 2011 Budget. N144.6 million was released in the first quarter of which N25.2million was utilized in the second quarter to bring total cumulative performance to 17.5%. The following programmes /projects were inspected:

i. Purchase of Animal Feeds

This project involves research and construction of feed mill house, construction of bio-safety, renovation of existing feed mill house, procurement and installation of electric generator and procurement of feed mill. A consortium of contractors (Messrs Homeplan Project Management Limited and 5 others) was contracted to implement the programmes /projects at a total cost of N350 million

and scheduled for completion in December 2011.

The sum of N105.5 million was appropriated for the project in the 2011 Budget. Of this amount, the sum of N20 million was utilized in the first quarter. Overall project performance was put at 44%.

ii. Establishment of Pilot Sheep and Goat Farms in Agro-Ecological Zones

These projects were conceived to produce genetically improved varieties of Sheep and Goats at specialized farms established across the six geo-political zones of the country. The project entails the procurement of animal feeds, research, and procurement of veterinary drugs/vaccines. It also includes procurement of tractors and implements, supply of Toyota Hilux 4x4 wheel drive (8nos), supply of Mercedes lorry 15 tones, Toyota Hiace bus (16 seater), and (33 seater) Toyota Coaster Bus for each of the geopolitical zonal offices.

The contract for the project was awarded to Messrs Salmalik Enterprises (Nig.) Ltd. and 4 others at a total cost of N600 million. The contracts started in July 2010, with a completion date of December 2011. The sum of N409.5 million was appropriated for the project in the 2011 Budget. Of this, N17.63 million was released in the first quarter but utilized in the second quarter to

achieve cumulative work implementation of 28%.

Findings: At the time of visit, the procurement of animal feeds, goats and sheep and procurement of veterinary drugs and vaccines were partly completed, while other sundry procurements were in progress.



Picture 9: On-going construction of Feed mill House at NAPRI, Ibadan v.

Nigeria Institute for Oil Palm Research (NIFOR), Benin

The Institute was established in 1939 with mandate to conduct research into the genetic improvement, development of agronomic packages, storage and processing of products of oil palm

(*elaeisguineensis*), coconut palm (coconut nucifereal), raphia palms, and date palm (*phoenix dactilyfera*). It also includes research into the genetic improvement of shea tree (*vitellariaparadoxa*) as well as other

palms of economic importance so as to transfer findings to farmers.

Through its research and development efforts, the Institute was able to considerably meet its primary mandate of providing, in commercial quantities, improved planting materials and the necessary support technologies to meet the demands of the nation's farmers. The Institute had an appropriation of N387.751 million for the implementation of its capital projects in the 2011 Budget. Of this amount, N60.131 million was released in the first quarter of which N51.381 million was utilized in the second quarter of 2011.

Some of the Institute's capital programmes and projects monitored include: Research and Development of the Palms and Shea, Seeds and Seedling of the Palm Production, Construction of Main Access Road and Feeder Road, Rehabilitation of Sub-Stations and Out-Stations, Rehabilitation of Existing Infrastructure at NIFOR Head Office, Research on improvement of Oil Palm

Processing Technologies, Equipping of the Conference Centre, General Rehabilitation of National Institute For Oil Palm Station at Abak, and Rehabilitation of Water Supply Network at the Main Station.

Summary Impact: Agricultural Sector

This sector has continued its dominance in the economy, in terms of its size and contributions to the G.D.P. Agriculture contributes 42% of Nigeria's G.D.P and engages a very significant percentage of the country's work force.

Through the Public Private Partnership arrangement, about 2,760 units of tractors and implements have been distributed to farmers in 36 states and the FCT as noted in previous reports. This scheme has afforded farm families to own their tractors and provided jobs opportunities in the sector. The procurement and distribution of fertilizers, seeds/seedlings, agro-chemicals and credit facilities have

increased the availability and affordability of food thereby improving the standard of living of the people.

Federal Ministry of Water Resources

57. Provision of potable water for domestic and irrigation activities and the resuscitation of River Basin Development Authorities are key targets of the government's developmental programmes. In this respect, a total of N62.05 billion was allocated to the Ministry in the 2011 Budget to execute its capital projects and programmes. The sum of N7.46 billion had been released and cash backed as at June 2011. In the first half of the year N4.89 billion representing 65.61% was utilized to implement the following projects:

i. Construction of Water Treatment Plant for Owena Multi-Purpose Dam, Ondo State

The project is an additional component of the Owena Multi-Purpose Dam and is aimed at providing on-site treatment for consumption, fishing and irrigation purposes for Akure, Ondo and

neighbouring communities. The contract was awarded to Messrs S.C.C. (Nig.) Limited at the initial cost of N7.37 billion but was later reviewed upwards to N11.67 billion. The project commenced in May, 2007 and was scheduled for completion in December 2009. However, due to factors including project design problems, auxiliary work on the Dam, repair of its collapsed spillway; and poor funding an approval was granted for extension of the delivery date to May 2011.

The project had an appropriation of N110.77 million in the 2011 Budget. A total of N6.75 billion had so far been committed to the project which is at about 95% level of completion.

Findings: As at the time of this report, the treatment plant had been completed and tested, while training of personnel to operate the plant had been concluded. Also, a certificate of substantial completion had been given to the contractor in May, 2011.

However, outstanding work on the project includes the asphaltting of the 12 km road to the treatment plant which was suspended due to lack of funds. The team observed that there was no reticulation plan included in the project to provide potable water to the host communities. This would therefore delay or limit achievement of the global objective of the project.

ii Construction of Ogbese Multi-Purpose Dam Project in Ekiti State

This project was conceived to provide potable water for domestic consumption, irrigation and other economic activities for Ikere-Ekiti, and neighbouring communities. It was awarded to Messrs Foundation Solid (Nig.) Ltd in July 2009 at a total revised cost of N7.9 billion from the original cost of N5.49 billion with a scheduled completion date of September 2012. The sum of N460.29 million was appropriated for the project in the 2011 Budget. Of this, N200 million has been released for its implementation. A total

sum of N1.75 billion has been paid on the project to date to achieve an average cumulative performance of 25%.

Findings: At the time of monitoring, clearing, foundation treatment (grouting), cut-off excavations, cut-off backfilling, and spillway retaining walls had been done. Work in progress included: embankment filling, spillway excavation (95% completion), and construction of spillway concrete slabs. The team gathered that the vagaries of weather, late release of funds by the Ministry and difficulty in securing the right materials were responsible for the slow pace of work.

iii Owinvi Earth Dam and Water Works Project, (Obadan – Oke), Abeokuta

This project comprises of three components viz: dam and associated works (30mcm capacity); water supply (600m³/hr), and irrigation system (303Ha). It is aimed at supplying potable water to 30 communities as well as raw water for irrigation in Obadan–

Oko/Akinjole/Asipa areas; promote fish farming in the dam reservoir; and provide recreation centre for the settlements.

The contract was awarded to Messrs Gilmor Engineering (Nig.) Ltd. in September, 2005, at a revised cost of N9.75 billion from an earlier revised cost of N6.84 billion up from the original cost of N2.35 billion. It is now scheduled for completion in December 2011. The sum of N206.26 million was appropriated in the 2011 Budget and same was released and utilized in the first half of the year. A total of N8.06 billion has so far been committed to the project to achieve 83% level of completion. However, certified works done amounting to about N2.16 billion was still outstanding.

Findings: As at the time of this report, the Dam and associated works, water supply, and part of the irrigation works had been completed, while the irrigation system had just commenced with bush clearing at about 30% performance level.

The team was informed that the late completion of irrigation works was due to delay in payment of compensation to the communities and the rainy season.

iv. Hadeja Valley Irrigation Project, Auyo, Jigawa.

The project lies in the Auyo and Kafin Hausa Local Government areas of Jigawa State located around the Fadama town of Auyo. It is a multipurpose project aimed at enhancing agricultural production. The scope of work includes the completion of all the remaining works in Phase I, stage I with a cross area of 4,196 hectares, and the rehabilitation of the existing structures and canals which were damaged due to lack of maintenance. Key produce expected here are: rice, wheat, corn, millet, sugarcane, vegetables, etc. It is expected to tap the water released from Challawa Gorge and Tiga dams into Kano-Hadeja river system.

The project was awarded to Messrs CGC Nigeria Ltd. at a total contract sum of N9.66billion. It commenced in June,

2002 and was expected to have been completed by July 2010. According to the contractor, completion of the project has been delayed largely due to funding challenges.

The sum of N243.45 million was appropriated for the project in the 2011 Budget. A total of N7.28 billion has so far been committed to develop 5,255 hectares of land since its inception to achieve about 85% level of completion.

When completed, the project would boost agricultural produce and create employment opportunities to farmers in

the neighbourhood. Also, the project will positively impact the communities through the provision of potable drinking water, irrigation facilities and check water borne diseases in the area.

Findings: The monitoring team gathered that the Ministry was yet to release funds to the project as at the time of monitoring. Similarly, no contractor activity was observed at the site.



Picture 10: On-going concretization of existing canals at Hadeja irrigation project

v. Construction of Ivo River Dam Project in Enugu State

The project which entails the construction of a main dam 15m high and 250m long, saddle dam and a 150m long concrete spillway and inlet/outlet structure with a reservoir capacity of about 20m³ was awarded to Messrs D. A. Construction Limited at a total cost of N2.14 billion in November 2009. It was expected to be completed within twenty-four months (i.e., by November 2011).

The sum of N544 million was appropriated for the project in the 2011 Budget while a total of N605 million had been committed to the project to date. This includes 15% mobilization fee paid to the contractor.

Findings: As at the time of this report, the access road and payment of compensation to the beneficiaries had been made. The clearing of dam axis and reservoir area, excavation of key trench of levee, and filling and compaction of

levee were ongoing at a cumulative performance of 20%.

vii. Dadin Kowa Dam Irrigation of 3.2km Main Canal Scheme, Gombe

The civil works of this project was awarded to Messrs Starling Civil Engineering Limited in 1981 at a contract sum of N29.97 million and was completed in 1987 and commissioned in 1988. The contract for the hydro power component was said to have been stalled due to lack of funding. On 4th July, 2005 the Federal Government granted concession to Messrs Mabon Limited who executed the following works: rehabilitation of 2.6km access road to dam site, supply and installation of 250KVA generator on site, and dewatering of Power House. It also includes the diversion of seepage waste (completed), cleaning of the Power House and final measurement for the ongoing turbine design completed.

The completion of the main irrigation canal was awarded to Messrs CGC (Nig.) Ltd. at a contract sum of N2.42 billion with completion scheduled for 2015. The sum of N324.08 million was appropriated to it in the 2011 Budget.

The project when completed will make available 100 hectares of irrigation farm for double cropping season thereby boosting production of crops such as rice, maize, tomatoes and assorted vegetables. It would also increase the present average holding of 0.25 ha, 400

farmers with a total of about 3,200 family members benefiting and improve fishing and forestry activities.

Findings: The recurring decimal of poor funding was said to be primarily responsible for the slow pace of work on the project. This and other similar cases highlight the futility of having so many ongoing projects at the same time, thereby spreading limited available resources thinly. MDAs need to focus on completing ongoing projects rather than introducing new ones.



Pictures 11a&b, On-going construction of Main Canal and Pilot Irrigation Scheme

viii. Chouchi Irrigation, Yola

The contract was initially awarded to Impresit Bakolori PLC at a contract sum

of N2.8 billion under the PTF National Food Supply Programme. The project was conceived to provide full irrigation facilities over some 1,200 hectares of the Fadama area lying between Jimeta and Yola towns in Adamawa state. The project involves the diversion of water from Benue River to Beti River to feed the pumping station, provide facilities for livestock and fisheries development, and also enlighten, develop, motivate and train farmers, pastoralists and fishermen.

The contract commenced in May 1999 and continued until October 2002 when it was transferred to the Main Ministry following the dissolution of the defunct Petroleum Trust Fund. However, on 14 September 2006 the contract was re-awarded to Impresit Bakolori PLC with modifications at a contract cost of N5.12 billion and a completion date of 24 months. As a result of funding constraints, full mobilization could only

be made to the project in October 2008, for the project to be completed in December 2011. The sum of N141 million was appropriated for the project in the 2011 Budget while N3.69 billion had been committed to the projects since its inception to achieve 65% level of completion.

Findings: This project had previously been monitored in 2008, 2009 and 2010. The team observed that in spite of huge budgetary allocations and releases to the project, achievement of the primary objectives of the project have remained elusive. As at the time of monitoring the project, only basic civil works and supplies had been executed. Furthermore, work at the site was observed to have stopped due to the contractor's internal management challenges. The Budget Office will take the matter up with the Ministry with a view to seeking a way forward.



Picture 12: Chouchi Diversion Dykes & Electrical Equipment on site for the Irrigation Project

ix. Kashimbilla/Gamovo Multi- Purpose Dam and Associated Structures

Phase I of the project which is located in Taraba state was awarded to Messrs SCC (Nig.) Ltd. at a contract sum of N42.94 billion. Work commenced in May 2007 with completion scheduled within 36 months (i.e., May 2010).

The sum of N500.4 million was appropriated in the 2011 fiscal year while. N500 million of this was released to the project in the first quarter but was utilized in the second quarter. A total of N19.06 billion had been committed to the project

since its inception to attain 29% level of completion as at the time of this report.

Findings: At the time of monitoring, earth works and blinding for clear water tank had been completed while work-in-progress at the site included: laying of pipes from Takum booster station to Takum town, construction of Guest house, construction of precast yard, iron benders workshop, cement store, and clearing of access road to the reservoir. The team gathered that non-payment of outstanding certificates and compensation to the communities affected the progress of work.

Upper Niger River Basin Development Authority, Minna

The Authority had an allocation of N3.22 billion in the 2011 Budget for the implementation of its capital projects and programmes. Of this amount, N178.74 million had been released and cash backed to the Authority while N82.17 million (or 45.9%) had been utilized as at the end of the first half of the year to execute projects including:

Kagara Dam, Niger State

The project consists of the completion of the Kagara Dam and construction of the associated water treatment plant with intakes, pipelines and treated water storage reservoir. The contract was originally designed and partially constructed by WRECA in 1981 for the Niger State Government but was terminated in 1982. The Federal Government expressed interest in the project which resulted in its being taken over by the Federal Ministry of Water Resources in November 1992 and re-

awarded to Messrs Bi-water Shellabear for completion.

According to the contractor, work however stalled following irregular payment on certificates for work done from 1994 leading to the contract's suspension in July 1999 at 45% level of implementation. A new agreement with Messrs Bi-water Shellabear was signed in March 2001 at the contract sum of N2.22 billion with a completion date of October 2003. Work however stopped again in June, 2004 due to payment irregularities. The sum of N1.16 billion including N554 million advance payments had been made to the contractor. The project was at about 68% level of implementation.

Findings: The monitoring team gathered that the contractor had moved out of the site since August 2004. The team was informed that a total of N376.82 million was owed to the contractor.

Summary Impact: Water Sector

Adequate water supply is essential to life and irrigation for enhanced agricultural activities. To this end, the present Administration in pursuance of its policy on food security has invested huge sums of money in the areas of Dams, Reservoirs, Water Treatment Plants, Irrigation projects as well as rejuvenation of the 12 River Basin Development Authorities.

Some of the projects in the sector include: Owivi, Kashimbila, Kagara, Inyishi and Ogbese dams. Others are Hadeja, Dadin Kowa and Chouchi irrigation projects. Gurara and Dadin Kowa Dams have started releasing water for domestic consumption and irrigation activities, despite the fact that they are yet to be completed.

In addition, the double cropping season has boosted production of varieties of crops such as: rice, maize, guinea corn, tomatoes, cassava, assorted vegetables among others. The irrigation facilities

have expanded the farm holding patterns of the farming families which include fisheries and aquaculture development.

Federal Ministry of Health

58. This sector is critical to achieving the human capital development goal of the present Administration as encapsulated in the Nigeria Vision 20:2020. The sum of N55.41 billion was allocated to this sector in the 2011 Budget for the execution of its capital projects/programmes. Of this amount, the sum of N8.23 billion was released and fully cash backed as at June 2011, while N3.78 billion representing 45.98% had been utilized. The following agencies were visited by the teams:

i) *Nnamdi Azikiwe University Teaching Hospital, Nnewi*

The sum of N374.8 million was appropriated for the hospital in the 2011 Budget for the implementation of its capital projects / programmes. As at the time of the visit, N88 million had been released to the project while N86.4

million had been utilized by the hospital. The following projects were monitored: (a) Construction of specialty clinics at the Teaching Hospital permanent site, (b) Construction of a theater complex and (c) Construction of perimeter fence.

Findings: The team observed that following influx of patients at the hospital, a large number of accident victims were being attended to on the corridors. It is pertinent that appropriate plans are made for the completion of the project in the annual budgets through its prioritization in the Ministry's funds allocations.

ii) *University of Nigeria Teaching Hospital, Enugu*

In the 2011 Budget, a total of N508.9 million was allocated to the Hospital. These included the completion of a water project, supply of equipment and accessories, purchase of a utility vehicle,

and the construction of its Administrative block. Of this amount, N92.56 million was released and fully cash backed but no fund had been accessed by the Hospital as at the time of this report. However, the following projects were monitored:

Completion of Water Project

This project was conceived to improve water supply to the Hospital and the surrounding communities. It was awarded to Messrs Manaid Systems Limited at a total cost of N246.61 million on 21 July 2009 and was expected to be completed in 2011. The sum of N108 million was appropriated in the 2011 fiscal year while N41 million released had not been utilized. The project had attained 85% level of completion at the time of the monitoring visit.

Findings: Work on site as at the second quarter includes: excavations, storage treatment plant, reticulation, erosion and flood control.



Picture 14: On-going Construction of Water Project at University of Nigeria Teaching Hospital, Enugu

Equipment and Accessories

This contract involves: (i) supply and installation of 350KVA Sound-Proof (2nos) Generators, (ii) Extension of 33KV Line to Accounts Department and Audit Department and proposed Administrative Block of the Hospital. The contract was awarded to Messrs Mavis Works and Services Ltd. in January 2011 at the cost of N517.25 million with completion scheduled for December 2011. The sum of N100.335 million was appropriated for the project in 2011 Budget. However, N13.6 million has been committed to it since its inception

to achieve about 50% level of completion.

Impact Summary: Health Sector

While the level of implementation at many of the institutions visited has been slow, the cumulative impact of this effort is the modernization of the teaching hospitals which have yielded positive development including the reduction in the rate of international travel for medical treatment overseas; conservation of foreign exchange; and provision of befitting atmosphere for teaching and research.

Federal Ministry of Education

59. Human capital development is critical to achieving Government's Transformation Agenda and attainment of the Millennium Development Goals. The Ministry was allocated a total sum of N51.83 billion for the implementation of its capital projects and programmes in the 2011 Budget. As at first quarter, the sum of N6.02 billion had been released and fully cash backed while N2.05 billion was utilized.

University of Ilorin

For year 2011 Budget, the sum of N562.9m was appropriated for its capital projects. The sum of N59.11million was released in the first quarter and had been utilized as at June, 2011, to implement its project and programmes. The College of Health Sciences was visited by the team.

i) Admin Blocks for College of Health Sciences

The contract for the project was awarded to MSHGR & others at the total sum of N360 million in October, 2010, with

completion date of December, 2011. Of this amount, the sum of N30.5million was released and already committed to the project. The project which had achieved 100% level of completion has reduced the problem of acute shortage of office accommodation in the University.

University of Jos

The sum of N351.2 million was allocated to the University in the year 2011 Budget was for the execution of various projects. The sum of N59.11million was released in the first quarter but was not yet accessed as at the time of the report. However, only one project was on-going as at the time of this report.

i) Construction of Administrative Building and Senate Chambers

The contract for this project was awarded to Messrs ENL Consortium Ltd at the sum of N914.9 million in September, 2009 with a completion date of 2011. From its inception the sum of N314.2 million was released and committed to

the project. When completed it is expected to provide a befitting administrative building and offices for members of staff at Naraguta Campus.

Findings: As at the time of the visit, the project had achieved 26% level of completion. Furthermore, the contractors were not on site.

Summary Impact: Education Sector

Education is a priority to Government. Various impacts have been made in this sector through consolidating the gains achieved through funding to achieve the MDGs.

The construction of office, lecture and laboratory blocks at the various institutions of learning, has impacted positively on the lives of the academic community.

Power Sector

60. The situation with this sector still portends tremendous challenges for

Nigeria. Indeed, the gap in the power sector has far-reaching implications for improving the business climate, sustaining economic growth and the social wellbeing of Nigerians. This sector therefore maintains a pivotal position in the Administration's developmental programmes.

Towards addressing the issues with this sector, the sum of N87.25 billion was appropriated in the 2011 Budget for the implementation of its capital project/programmes. Of this amount, N18.13 billion was released and fully cash backed to the Ministry while N9.35 billion (or 51.54%) had been utilized as at the end of the second quarter reflecting.

The teams earmarked five projects in this sector for monitoring. These are Gombe-Damaturu-Maiduguri 330Kv Line, Yola-Mubi-Gulak Transmission Line 2x30/40MVA, 13KV S/S at Song, Umuahia 132/33 KV Substation in Abia, Re-conducting of Alaoji-Onitsha 330 KV (138 Km) Line and Re-conducting of

Onitsha-New Haven 330 KV (96 Km) Line.

However, the teams could only monitor the Umuahia 2x30/40 MVA project. On the other projects, the personnel of the MDAs and the site personnel, in most cases, either failed to turn up for the exercise or were not prepared to answer relevant questions on the projects. Only one project was effectively monitored in this sector.

Umuahia 2x30/40 MVA 132/33 KV Substation Abia

This project was conceived to transmit power from Umuahia–Alaoji and its environs. The project was awarded on 18 May 2001, to Messrs Valenz Holdings Limited with an initial cost of N1.56 billion local components. The implementation commenced in November 2001.

The sum of N285m was appropriated for the implementation of the project in the 2011 Budget. An aggregate of N804.04 million has been committed to the

project since its inception to achieve 85% level of completion.



Picture 15: Umuahia 2x30/40MVA- 132/33 KV Substation Abia

Summary Impact: Power Sector

In spite of the government's prioritization of this sector and the expected socio-economic impact, the teams observed a slow pace of projects award and implementation by the Ministry. Furthermore, the teams, as in some other monitoring exercises did not get the cooperation of the Ministry's personnel on project documentations and lead to the sites.

This limits the level of impact that may be specifically ascribed to these projects.

Science & Technology Sector

61. In an attempt to measure up with the global trends in research and developments in science and technology, a total of N25.48 billion was allocated to the Ministry in the 2011 budget. The sum of N1.04 billion was released and cash backed in the first quarter, while N424.59 million (or 41%) was utilized.

National Agency for Science and Engineering Infrastructure (NASENI)

The sum of N213.8million was appropriated to the Agency in the 2011 Budget for the execution of its capital projects and Programmes. Of this amount, N35.41 million was released in the first quarter while N22.27million was utilized in the second quarter for the establishment of a Central Engineering Design and Simulation Facilities including Computer Aided Design and Computer Aided Manufacturing (CAD/CAM) - Nodal expansion (HQ, Neddi, Nnewi, Pedi, and Ilesa).

CONCLUSION AND RECOMMENDATIONS

5.1 Conclusions

62. Following the government's fiscal stimulus programmes of 2009 and 2010, the 2011 Budget, in consideration of developments in the global economy, focused mainly on fiscal consolidation and improving the efficiency and quality of government spending.

68. Data from the Nigerian Bureau of Statistics and the Central Bank of Nigeria for the period indicate a positive trend in most macroeconomic indicators. Provisional data from the Nigerian National Petroleum Corporation also indicate a production level of 2.43mbpd compared to the benchmark production volume of 2.3mbpd. However, implementation of the Budget in 2011 has experienced some challenges. Non-oil revenue and some of the planned financing items have fallen short of the projection as at end of the second quarter primarily due to the fact that revenue sharing was based on the 2010 oil price

and production benchmarks pending the passage of the 2011 Budget. This situation is expected to stabilise over the next quarters as the distribution reflects the approved oil benchmark assumptions and the non-oil revenues improve in the course of the year.

69. In addition to these expectations, the government is pursuing more aggressively, policies aimed at achieving the projected revenues through greater focus on revenue generating agencies. These include the on-going Public Financial Management reforms in Nigeria, measures to improve the volumes and timeliness of MDAs and Corporations' IGR remittances to the Treasury, the process audit of the revenue generating agencies and oil industry, and the introduction of a Treasury Single Account.

70. On the expenditure side, the data indicates that the aggregate non-debt

releases as at half-year exceeded the projection of N1,212.54 billion by 1.87%. Advances made to Nigeria's foreign missions and defence attachés early in the year account for this variance which is expected to even out in the course of the year, as historically, recurrent releases are usually on target. N218.06 billion of the N247.55 billion projected for debt service in the half year was made in the period.

71. Furthermore, data from the OAGF indicates that of the N196.69 billion cash-backed for the implementation of MDAs' capital projects, only N128.72 billion representing 65.44% had been utilized. When this is compared against the total releases for the period, the percentage utilization rate declines to 56.50%. Twenty-one MDAs had utilized more than the overall average utilization rate of 65.44%, including FCTA, Interior, Works, Housing, and Niger-Delta with over 80% utilization rates. Twenty-eight of the MDAs had utilization rates below 50% while eleven MDAs were yet to utilize any of their funds.

72. The Budget Office, in collaboration with selected Civil Society Organizations, the Media and the MDAs, carried out a joint monitoring and evaluation exercise to assess the level of selected MDAs' capital projects implementation as at the end of June 2011. The highlights of the exercise were:

- a. A large number of ongoing capital projects resulting in insufficient funding for individual projects were observed;
- b. There were indications that a number of capital projects are being implemented without final project designs;
- c. There were several outstanding requests for the variation of contract terms and conditions suggesting a need for better conceptualization, design and implementation of MDAs' capital projects;
- d. The monitoring exercise, in some cases, was hampered by lack of cooperation from project staff of some MDAs. Where the projects are located in obscure and very distant locations, it

became impossible to locate the projects for monitoring.

The Budget Office will continue to draw the attention of concerned MDAs to these issues and work out solutions through its communications with the MDAs while developing programmes geared towards improving the level of capital budget implementation.

5.2 Recommendations

73. Drawing from the above observations, and the urgent need to correct some project management practices in MDAs, the following recommendations are hereby proffered to speed up progress towards achieving the government's developmental objectives.

- The provision of approved, final project engineering designs and project reports should become prerequisites for the approval of new contracts.
- Similarly, MDAs should not be allowed to award new contracts

without consideration of all associated costs which may be noted as part of the project cost from the onset.

- MDAs should submit a schedule of individual projects implementation plans in their capital project proposals. This would aid close monitoring of deviations and prompt corrective actions.
- With the exception of critical projects, only ongoing projects, which are consistent with the NV20:2020, should be included in the annual capital budgets in the medium-term.

On a final note, capital projects across the country can be strategically completed and put to use if MDAs would adopt the right project management practices and implement series of government intervention policies aimed at instilling best practices in budget implementation.

APPENDIX I: CAPITAL BUDGET UTILIZATION AS AT 30 JUNE 2011

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

MINISTRY	1ST QUARTER WARRANT =N=	1ST QUARTER AUGMENTATIO N WARRANT =N=	AIEs =N=	TOTAL RELEASES = N=	AMOUNT CASHBACKED =N=	CBN BALANCE @ 30th June, 2011 =N=	UTILISATION =N=	PERFOR MANCE %
PRESIDENCY Total	1,387,468,015	1,305,682,952	588,208,330	3,281,359,297	3,281,359,297	1,176,066,637	2,105,292,660	64.16
GOVT. OF THE FEDERATION (SGF) Total	1,065,235,483	1,002,444,594	15,753,600	2,083,433,677	1,964,915,991	1,618,977,432	345,938,560	17.61
YOUTH DEVELOPMENT Total	612,799,236	109,041,068	-	721,840,304	721,840,304	688,100,095	33,740,209	4.67
POLICE AFFAIRS Total	72,130,715	12,834,889	-	84,965,604	84,965,604	48,780,075	36,185,530	42.59
POLICE FORMATION Total	1,202,256,216	1,577,041,443	-	2,779,297,659	2,779,297,659	1,305,736,953	1,473,560,706	53.02
WOMEN AFFAIRS Total	150,000,000	26,690,895	-	176,690,895	176,690,895	176,690,895	-	-
AGRICULTURE Total	3,125,001,222	4,940,796,312	-	8,065,797,534	8,011,586,653	5,594,855,761	2,416,730,892	30.17
WATER RESOURCES Total	3,665,085,591	3,796,233,452	-	7,461,319,043	7,461,319,043	2,565,891,755	4,895,427,288	65.61
AUDITOR-GEN. Total	398,250,762	99,562,691	1,937,500,000	2,435,313,453	2,335,750,762	-	2,335,750,762	100.00
ICPC Total	32,408,496	8,102,124	-	40,510,620	40,510,620	-	40,510,620	100.00

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

MINISTRY	1ST QUARTER WARRANT =N=	1ST QUARTER AUGMENTATION WARRANT =N=	AIEs =N=	TOTAL RELEASES = N=	AMOUNT CASHBACKED =N=	CBN BALANCE @ 30th June, 2011 =N=	UTILISATION =N=	PERFORM ANCE %
DEFENCE Total	2,712,425,397	3,052,539,996	-	5,764,965,393	5,764,965,393	385,228,972	5,379,736,421	93.32
EDUCATION Total	2,841,730,818	3,174,223,438	-	6,015,954,256	6,015,954,256	3,967,713,029	2,048,241,226	34.05
TERRITORY ADMINISTRATION Total	4,756,740,386	5,761,326,715	-	10,518,067,101	10,518,067,101	6,173,608	10,511,893,493	99.94
FOREIGN & INTER GOVT. AFFAIRS Total	672,604,075	632,957,060	-	1,305,561,135	1,305,561,135	366,819,807	938,741,328	71.90
FINANCE Total	613,831,183	109,224,692	107,800,000	830,855,875	830,855,875	602,456,995	228,398,880	27.49
HEALTH Total	3,467,362,098	3,762,976,539	1,000,000,000	8,230,338,637	8,230,338,637	4,446,084,071	3,784,254,567	45.98
COMMERCE & INDUSTRY Total	220,302,090	39,200,400	-	259,502,490	254,624,153	83,839,898	170,784,255	67.07
INFORMATION & COMMUNICATION Total	266,127,769	47,354,589	444,874,195	758,356,553	746,267,727	622,854,981	123,412,746	16.54
INTERIOR Total	629,407,507	592,306,737	-	1,221,714,244	1,221,714,244	215,611,898	1,006,102,346	82.35
HEAD OF SERVICE Total	738,515,928	694,983,702	-	1,433,499,630	1,117,728,444	693,095,200	424,633,244	37.99
JUSTICE Total	81,557,820	14,512,342	-	96,070,162	96,070,162	96,070,162	-	-
LABOUR & PRODUCTIVITY Total	93,174,168	16,579,346	-	109,753,514	109,753,514	87,098,880	22,654,634	20.64
SCIENCE AND TECH. Total	533,542,203	502,092,265	-	1,035,634,468	1,035,634,468	611,048,291	424,586,176	41.00
POWER Total	9,668,541,465	8,465,725,811	-	18,134,267,275	18,134,267,275	8,787,724,236	9,346,543,040	51.54

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

MINISTRY	1ST QUARTER WARRANT =N=	1ST QUARTER AUGMENTATION WARRANT =N=	AIEs =N=	TOTAL RELEASES = N=	AMOUNT CASHBACKED =N=	CBN BALANCE @ 30th June, 2011 =N=	UTILISATION =N=	PERFORMANCE %
TRANSPORT Total	5,264,983,460	4,954,636,125	726,148,590	10,945,768,176	10,919,741,656	7,252,647,000	3,667,094,656	33.58
AVIATION Total	2,233,051,193	2,101,422,766	-	4,334,473,959	4,334,473,959	1,615,732,363	2,718,741,596	62.72
WORKS Total	16,736,382,454	15,039,298,192	-	31,775,680,646	31,775,680,646	4,685,259,444	27,090,421,201	85.26
HOUSING Total	1,837,567,191	2,706,377,818	-	4,543,945,009	4,543,945,009	412,735,016	4,131,209,992	90.92
PETROLEUM Total	1,076,988,829	1,013,505,132	-	2,090,493,961	2,090,493,961	2,090,493,961	-	-
MINES & STEEL Total	448,457,596	79,798,231	-	528,255,828	528,255,828	311,629,479	216,626,349	41.01
NATIONAL WAGES & SALARIES Total	21,605,664	5,401,416	-	27,007,080	27,007,080	19,740,080	7,267,000	26.91
ENVIRONMENT, Total	511,576,128	981,420,993	-	1,492,997,121	1,492,997,121	1,428,420,287	64,576,834	4.33
TOURISM, CULTURE & NATIONAL ORIENTATION	498,610,000	88,722,315	-	587,332,315	587,332,315	457,774,289	129,558,026	22.06
NAT. PLANNING Total	295,793,906	52,633,361	-	348,427,267	348,427,267	90,447,930	257,979,336	74.04
NATIONAL SPORTS COMMISSION Total	226,859,474	40,367,216	-	267,226,691	267,226,691	42,966,234	224,260,456	83.92
OFFICE OF NATIONAL SECURITY ADVISER Total	5,854,536,779	5,509,437,900	14,772,347,483	26,136,322,162	26,136,322,162	5,292,124,595	20,844,197,567	79.75
NIGER DELTA Total	7,748,966,598	9,150,212,742	-	16,899,179,340	16,899,179,340	961,709,083	15,937,470,257	94.31
NAT. POPULATION Total	64,846,091	16,211,523	-	81,057,613	81,057,613	38,920,891	42,136,722	51.98
CODE OF CONDUCT BUREAU Total	190,807,682	47,701,920	-	238,509,602	238,509,602	54,659,943	183,849,659	77.08

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

MINISTRY	1ST QUARTER WARRANT =N=	1ST QUARTER AUGMENTATION WARRANT =N=	AIEs =N=	TOTAL RELEASES = N=	AMOUNT CASHBACKED =N=	CBN BALANCE @ 30th June, 2011 =N=	UTILISATION =N=	PERFORM ANCE %
CODE OF CONDUCT TRIBUNAL Total	16,483,513	4,120,878	-	20,604,390	20,604,390	-	20,604,390	100.00
REV. MOB. ALL. Total	59,800,000	14,950,000	-	74,750,000	74,750,000	74,750,000	-	-
FCSC Total	10,807,682	2,701,921	100,000,000	113,509,602	113,509,602	-	113,509,602	100.00
POLICE SERVICE COMMISSION Total	12,080,000	3,020,000	-	15,100,000	15,100,000	-	15,100,000	100.00
INEC Total	765,977,460	686,201,042	-	1,452,178,502	1,452,178,502	-	1,452,178,502	100.00
FED. CHARACT. COMM. Total	21,615,364	5,403,841	-	27,019,205	27,019,205	-	27,019,205	100.00
SPECIAL DUTIES Total	10,560,000	2,640,000	-	13,200,000	13,200,000	13,200,000	-	-
ICRC Total	17,284,531	4,321,132	-	21,605,664	21,605,664	21,605,664	-	-
FISCAL RESPONSIBILITY COMMISSION Total	32,408,496	8,102,124	-	40,510,620	40,510,620	40,510,620	-	-
PUBLIC COMPLAINTS COMMISSION	32,423,045	8,105,761	-	40,528,806	40,528,806	-	40,528,806	100.00
NATIONAL ASSEMBLY Total	642,768,510	114,373,780	-	757,142,290	757,142,290	614,467,049	142,675,242	18.84
FPO LAGOS Total	10,262,690	1,826,136	-	12,088,826	12,088,826	12,088,826	-	-
FPO IBADAN Total	4,380,361	4,122,158	-	8,502,519	8,502,519	8,502,519	-	-
FPO YENAGOA Total	29,008,937	27,298,989	-	56,307,926	56,307,926	56,307,926	-	-
STF Total	43,025,408	32,484,106	-	75,509,514	75,509,514	69,113,071	6,396,443	8.47
CAPITAL SUPPLEMENTATION Total	26,150,550,909	15,991,912,718	-	39,263,640,841	8,773,588,573	5,475,811,646	3,297,776,927	-
Grand Total	111,000,000,000	100,000,000,000	19,692,632,198	227,813,809,413	196,692,701,018	65,288,537,548	128,724,298,353	65.44

APPENDIX II: OTHER PROJECTS

FEDERAL MINISTRY OF EDUCATION														
Project History							Financials					Physical		
S/N	Project Title / Description	Contractor & Contract No.	Project /Contract Cost	Commenc. Date	Planned Completion Date	Revisions to Completion Date/Scope/C	Cost Variation	2011 Appropriation	Amount released in the Quarter	Payment to Contractor in the Qtr.	Total payment on project to	% Workdone in Qtr/No. of Certificates Issued	Cumm % perform	Photo
<i>UNIVERSITY OF ILORIN</i>														
1	Hostel for College of Science	MS NIG. LTD	350M	OCTOBER, 2010	JULY, 2011	Nil	Nil	49.132M	29M	28.66M	29M		100%	Nil
<i>UNIVERSITY OF CALABAR</i>														
1	Construction of Senate and Admin Complex Vice (Chancellor's Office)	Quadkon Ltd	N323.536 million	18th Sept. 2008	10th April 2010	Nil	Nil	N5.66 million	0	0	N315.45 million	0%	100%	1
2	Construction of Faculty of Pharmacy Office Complex Phase I		N392.42 million	11th December, 2008	11th November, 2011	N122.94 m	Nil	N99.0 million	N33.17 million	N33.17 million		15%	75%	Nil
3	Senate Chambers and external works	Ahymkem Nig Ltd.	N120.296 m	18th October, 2010	18th December, 2011	Nil	Nil	N79.122 m	N23.49 million	N23.49 million	N48.309 m	15%+M15	50%	2

FEDERAL MINISTRY OF HEALTH														
Project History							Financials					Physical		
S/N	Project Title / Description	Contractor & Contract No.	Project /Contract Cost	Commenc. Date	Planned Completion Date	Revisions to Completion Date/Scope/C	Cost Variation	2011 Appropriation	Amount released in the Quarter	Payment to Contractor in the Qtr.	Total payment on project to	% Workdone in Qtr/No. of Certificates Issued	Cumm % perform	Photo
<i>NNAMDI AZIKIWE UNIVERSITY TEACHING HOSPITAL, NNEWI</i>														
1	PERMANENT SITE DEVT.	completing the construction of Speciality Clinics at permanent site	Messrs Jude Engineering Ltd	N203.3 m	Jun-09	Dec, 2011	Nil	Nil	N20 m	N9.1 m	N88.1 m	10%	78%	3
2	PERMANENT SITE DEVT.	completing the construction of Therter Complex at permanent site	First Spill Investment Ltd	N158.4 m	Jul-10	Dec-11	Nil	Nil	N21m	N18 m	N18m	10%	30%	4
3	PERMANENT SITE DEVT.	completing the construction of fence work at permanent site	Croyden Resources Nig. Ltd	N40.14	Jul-10	Dec, 2011	Nil	Nil	N18m	Nil	N18m	Nil	30%	5
4	PERMANENT SITE DEVT.	completing the Construction of Male Surgical Ward at permanent site	Icon Global Engineering L	N232 m	Jul-10	Dec, 2011	Nil	Nil	N42.1m	Nil	Nil	10%	15%	6
<i>ABUBAKAR TAFAWA BALEWA UNIVERSITY TEACHING HOSPITAL, BAUCHI</i>														
1	Construct ion of A&B	Tendering Process	Nil	Nil	Nil	Nil	Nil	N32.1M	Nil	Nil	Nil	5%	5%	Nil
2	Construct ion of House Officers QTRS	"	Nil	2005 (Bauchi State Govt)	Nil	Nil	Nil	Nil	Nil	Nil	N60M (Bauchi State Govt)	5%	40%	Nil

FEDERAL MINISTRY OF HEALTH														
Project History							Financials					Physical		
S/N	Project Title / Description	Contractor & Contract No.	Project /Contract Cost	Commenc. Date	Planned Completion Date	Revisions to Completion Date/Scope/C	Cost Variation	2011 Appropriation	Amount released in the Quarter	Payment to Contractor in the Qtr.	Total payment on project to	% Workdone in Qtr/No. of Certificates Issued	Cumm % perform	Photo
<i>UNIVERSITY OF MAIDUGURI TEACHING HOSPITAL</i>														
1	Construction of Students Hostel	Chinda Associates	N50.3M	Nov, 2010	Nov, 2012	Nil	Nil	N20.07M	Nil	Nil	N12.3M	20%	85%	Nil
2	Construction of Infectious Diseases Ward	Siddiquallah Impex Nig Ltd	N48.2M	Nov, 2010	Nov, 2012	Nil	Nil	N17.5M	Nil	Nil	N17.5M	0%	60%	Nil
<i>UNIVERSITY OF CALABAR TEACHING HOSPITAL</i>														
1	Completion of House officers residence, phase II	M/S Competent Services Ltd	N88.5M	31/08/10	30th December, 2012	Nil	Nil	N80.04M	Nil	Nil	N13.278M	0%	23%	Nil
2	Rehabilitation of staff quarter comprehensive Health centre Okoyong	FT Construction Nig Ltd	N5.892M	14/7/10	30th December, 2011	Nil	Nil	N2.525M	Nil	Nil	N2.539M	10%	95%	Nil
4	Installation of elevators and completion of connecting walk way	Noble Elevators Ltd	N32.81M	10/11/2010	30th December, 2012	Nil	Nil	N24.57M	Nil	Nil		5%	5%	7

FEDERAL MINISTRY OF HEALTH														
Project History							Financials					Physical		
S/N	Project Title / Description	Contractor & Contract No.	Project /Contract Cost	Commenc. Date	Planned Completion Date	Revisions to Completion Date/Scope/C	Cost Variation	2011 Appropriation	Amount released in the Quarter	Payment to Contractor in the Qtr.	Total payment on project to	% Workdone in Qtr/No. of Certificates Issued	Cumm % perform	Photo
<i>UNIVERSITY OF UYO TEACHING HOSPITAL, UYO</i>														
1	Completion of 3 Storey Medical Ward Block	Enorasol International Limited	N130.0M	June, 2009	30th December, 2011	Nil	Nil	N26.587M	0	0	N92.125M	0%	85%	8
2	Equipping of Medical Ward block (phase II)	Isumana Limited	N39.96 million	September, 2010	30th September, 2011	Nil	Nil	N14.179M	0	0	N19.677M	0%	47%	Nil
3	Equipping of new Intensive care Unit Phase II	Isumana Limited	N30.96 million	September, 2010	December, 2011	Nil	Nil	N10.99M	0	0	N15.345M	0%	100%	Nil
4	Procurement of 2 No. pool vehicles and 1 No. Coaster bus	RT Briscoe Motors	N21.5M	September, 2010	Jul-11	Nil	Nil	N15.116M	0	0	N15.9M	0%	100%	Nil

FEDERAL MINISTRY OF AGRICULTURE														
Project History							Financials					Physical		
S/N	Project Title / Description	Contractor & Contract No.	Project /Contract Cost	Commenc. Date	Planned Completion Date	Revisions to Completion Date/Scope/C	Cost Variation	2011 Appropriation	Amount released in the Quarter	Payment to Contractor in the Qtr.	Total payment on project to	% Workdone in Qtr/No. of Certificates Issued	Cumm % perform	Photo
<i>NIGERIAN INSTITUTE FOR OIL PALM RESEARCH (NIFOR) BENIN</i>														
1	Research and Development Studies on the palm and shea	NIFOR Scientists	N350 Million	01/01/06	1/12/2020	Nil	Nil	N29 million	N1.91 million	N1.91 million	N58.06 million	5%	20%	9
2	Seeds and Seedling of thenpalm production	M/S Jerry Cadogan Ltd	N180million	01/01/06	1/12/2020	Nil	Nil	N15million	N6.247million	N6.247million	N58.5million	4%	20%	10
3	Main Access Roads & Feeder Roads	Earth Construction Co. Ltd	N250million	01/01/06	12/11/15	Nil	Nil	N60m	N7.517 million	N7.517 million	N30.15 million	5%	40%	11
4	Rehabilitation of sub station & outstations	Ogbuuagwu Ventures	N420 million	January, 2010	12/31/2010	Nil	Nil	N33.750 m	N14.740 million	N14.740 million	N92.5 m	5%	50%	Nil
5	Rehabilitation of infratructure at NIFOR Head office	Wingosa Ltd	N420 million	01/01/08	1/12/2020	Nil	Nil	N45 million	N5.415	N5.415	N40 million	3%	20%	12
6	Research on improvement of oil palm processing Technologies		N500M	01/01/09	12/31/2020	Nil	Nil	N7.5 million	N2.768	N2.768	N31.5 m	5%	64%	Nil
<i>RUBBER RESEARCH INSTITUTE OF NIGERIA IYANOMO, BENIN</i>														
1	Construction/Rehabilitatio n of Prin Access & Farm road	Paulosa Nig Ltd	N550.247 m	01/01/08	1/1/2015	Nil	Nil	N52.5 m	N11.976 m	N11.976 m	N84.0 million	4%	25%	Nil
2	Reseach & Development of certified seedlings of A senegal	PRIN	N42 million	01/01/08	1/1/2015	Nil	Nil	N3 million	N3 million	N3 million	N14.250 million	5%	30%	13
3	Establishment & Development of 100HA New Research Plantation	PRIN	N122.5 m	01/01/08	1/1/2015	Nil	Nil	N6.375 m	N4 million	N4 million	N35M	6%	20%	Nil
4	Development of 300,000 certified Rubber Seedlings	PRIN	N166.780 m	Jan-07	1/1/2015	Nil	Nil	N5.625 m	N3.023	N3.023	N56.78 million	4%	20%	Nil

FEDERAL MINISTRY OF SCIENCE AND TECHNOLOGY														
Project History							Financials					Physical		
S/N	Project Title / Description	Contractor & Contract No.	Project /Contract Cost	Commenc. Date	Planned Completion Date	Revisions to Completion Date/Scope/C	Cost Variation	2011 Appropriation	Amount released in the Quarter	Payment to Contractor in the Qtr.	Total payment on project to	% Workdone in Qtr/No. of Certificates Issued	Cumm % perform	Photo
<i>NATIONAL AGENCY FOR SCIENCE &ENGINEERING INFRASTRUCTURE (NASENI)</i>														
1	Establishing of a central Engineering Design & Simulation Facilities including Computer aided manufacturing (CAD/CAM)- Nodal Expansion (HQ, Neddi Nnewi, Pedi Ilesa	NASENI HQ	N466.0 million	January, 2004	8/1/2012	Nil	Nil	N36.447 m	N18.242 m	N14.348 m	N203.69 m	15%	65%	Nil
FEDERAL MINISTRY OF TRANSPORT														
Project History							Financials					Physical		
S/N	Project Title / Description	Contractor & Contract No.	Project /Contract Cost	Commenc. Date	Planned Completion Date	Revisions to Completion Date/Scope/C	Cost Variation	2011 Appropriation	Amount released in the Quarter	Payment to Contractor in the Qtr.	Total payment on project to	% Workdone in Qtr/No. of Certificates Issued	Cumm % perform	Photo
<i>MARITIME ACADEMY OF NIGERIA, ORON</i>														
1	Construction of 1000 Seater Auditorium	Pre-Fab Oversea & Road Construction Limited	N144.0 million	2009	December, 2011	Nil	Nil	N29.70 million	N45.0 million	N45.0 million	N111.80 million	Work ongoing	44%	14
2	Curriculum Development	N/A	N140.0 million	2009	December, 2011	Nil	Nil	N64.80 million	N6.0 million	N6.0 million	N/A	N/A	On-going	Nil
3	Construction of 200 Capacity Cadets Hostel	Maranson Nigeria Limited	N173.2 million	2009	December, 2011	Nil	Nil	N64.9 million	N6.0 million	N6.0 million	N105.60 million	Work ongoing	60%	15
4	Equipment for M/E Workshop and other Laboratories	N/A	N150.0 million	2009	December, 2012	Nil	Nil	N81.0 million	N7.3 million	N7.3 million	N40.0 million	work on going	25%	Nil

APPENDIX III: REFERENCED PICTURES OF OTHER PROJECTS



Picture 1



Picture 2



Picture 3



Picture 4



Picture 5



Picture 6



Picture 7



Picture 8



Picture 9



Picture 10



Picture 11



Picture 12



Picture 13



Picture 14



Picture 15

NOTES
