

2012

# Second Quarter Budget Implementation Report



# FOREWORD

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It is with pleasure that I present to you the Budget Implementation Report for the second quarter of 2012. Being the second in our series of such publications for the year, this Report provides information by which Government's performance in the management of national resources may be measured.

In our continued thrust for transparency, accountability and fiscal responsibility, this Report is prepared pursuant to Section 30 of the *Fiscal Responsibility Act, 2007* which requires the Honourable Minister of Finance, through the Budget Office of the Federation, to submit quarterly budget performance reports to the Joint Finance Committee of the National Assembly and the Fiscal Responsibility Commission. These reports are also disseminated to the wider public through electronic and print media. I commend the active role they play in promoting best practices in public financial management and I hope this partnership continues.

The 2012 Second Quarter Report is the outcome of diligent monitoring and evaluation of sampled capital projects and programmes by staff of the Budget Office of the Federation in collaboration with selected MDAs, the Civil Society Organizations and the Media. I commend them for the hard work and dedication which has culminated in the publication of this Report.

Finally, I enjoin the readers of these reports to continue to take active interest in the budgeting process, right from its preparation through implementation to monitoring Government's expenditures for impact. This way, we can positively contribute towards ensuring Government's delivery on its promises to Nigerians.

**Dr. Ngozi Okonjo-Iweala**

*Coordinating Minister for the Economy and  
Honourable Minister of Finance*

# PREFACE

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The publication of Quarterly Budget Implementation Reports provides information on the implementation of the national budgets as mandated by *Section 30 of the Fiscal Responsibility Act, 2007*. By this Report, which covers the second quarter of 2012, we evaluate the implementation of the 2012 Budget in the second quarter and in the year-to-date and provides a means of demonstrating Government's commitment to the transparent and prudent management of public finances.

In spite of initial delays to the implementation of the 2012 Budget in the first quarter, I am pleased to note improvements in economic activities as evidenced by the growth in real gross domestic product. This impacted on Government's revenue bases in the quarter. As this Report would indicate, revenue receipts in the second quarter maintained an upward trend, but implementation of the Budget in the quarter was challenging on several fronts as revenue receipts remained below the projections for the period.

The extension of the period for the implementation of the 2011 capital budget to 31st March 2012 coupled with the late passage of the 2012 Budget contributed to the slow pace of the 2012 Budget implementation. However, as provisional data from the Office of the Accountant General of the Federation as of June 2012 would indicate, capital budget implementation has picked up with marked improvement across MDAs. In addition to measures aimed at speeding up the delivery of Government's promises to Nigerians, the Administration is determined to, with the 2013 Budget Proposal, break away from the norm of presenting the annual budget proposal to the National Assembly late in the year. This way, we hope to commence implementation of the annual budgets from January to December of each fiscal year.

This Report is a product of the collaborative efforts of the Budget Office and other agencies of Government that provide key financial and macroeconomic data, and concerted efforts of the various departments of the Budget Office of the Federation, particularly the Budget Monitoring and Evaluation unit. I commend their efforts and wish them every success as they continue to perform this important function.

**Dr. Bright Okogu**

*Director General*

*Budget Office of the Federation*

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# ACRONYMS

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AIEs	-	Authority to Incur Expenditure
AFL CAT II	-	Air Field Lighting Category II
BEME	-	Bill of Engineering Measurement and Estimate
BME	-	Budget Monitoring & Evaluation
BOF	-	Budget Office of the Federation
CBN	-	Central Bank of Nigeria
CIT	-	Company Income Tax
CITA	-	Company Income Tax Act
CSOs	-	Civil Society Organizations
CVA	-	Cockpit Voice Recorder
ECA	-	Excess Crude Account
ECOWAS	-	Economic Community of West Africa States
FIRS	-	Federal Inland Revenue Service
FMC	-	Federal Medical Centre
FMF	-	Federal Ministry of Finance
FMoW	-	Federal Ministry of Works
FRA	-	Fiscal Responsibility Act
GDP	-	Gross Domestic Product
GIFMIS	-	Govmt. Integrated Financial Management Info. System
ICT	-	Information and Communications Technologies
IGR	-	Internally Generated Revenue
IPC	-	Interim Payment Certificate
IPPIS	-	Integrated Payroll and Personnel Information System
JV /AF	-	Joint Venture / Alternative Funding
KPIs	-	Key Performance Indicators

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MDAs	-	Ministries, Departments and Agencies
MBPD	-	Million Barrels Per Day
MPR	-	Monetary Policy Rate
MTEF	-	Medium Term Expenditure Framework
MTFF	-	Medium Term Fiscal Framework
NASS	-	National Assembly
NBS	-	National Bureau for Statistics
NCS	-	Nigeria Customs Service
NAPIMS	-	National Petroleum Investment Management Services.
NGOs	-	Non-Governmental Organizations
NDDC	-	Niger- Delta Development Commission
NGN/US\$	-	Nigeria /United State Dollars
NLNG	-	Nigerian Liquefied Natural Gas
NNPC	-	Nigeria National Petroleum Corporation
OAGF	-	Office of the Accountant-General of the Federation
PHCN	-	Power Holding Company of Nigeria
PFM	-	Public Financial Management
PSC	-	Police Service Commission
SURE-P	-	Subsidy Re-investment Programme
TSA	-	Treasury Single Account
UBEC	-	Universal Basic Education Commission
VAT	-	Value Added Tax
WDAS		Wholesale Dutch auction System

# EXECUTIVE SUMMARY

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As the first of a series of budgets under the Transformation Agenda, the 2012 Budget was designed to begin the transformation of the socio-economic landscape of the country. It focuses on promoting the ideals of fiscal discipline and lending support through policies to promote job creation. Notwithstanding the initial setbacks due to the labour unrests following the partial removal of fuel subsidy in January 2012, the extension of the period for implementation of the 2011 capital budget to 31 March 2012, and the late passage of the 2012 Budget, economic activities have now picked up as evidenced by data from the National Bureau of Statistics. As of the second quarter, the real gross domestic product (GDP) grew by 6.28%, up from 6.17% in the first quarter. The non-oil sector remained the major driver of growth in the period. The gross external reserves continued to grow in the period from US\$35.2 billion in March 2012 to \$36.72 billion in June which reflects the government's determination to build up the external reserves to an appreciable level.

Data from the Office of the Accountant-General of the Federation (OAGF) as at the end of the second quarter indicate that N1,426.87 billion was received into the Federation Account for distribution among the three tiers of Government. This amount is lower than N1,561.98 billion projected for the quarter. Similarly, as at mid-year, a total of N2,684.73 billion had been distributed among the tiers of Government. This presents a shortfall of N439.24 billion (or 14.06%) when compared with the estimate of N3,123.97 billion for the period. These shortfalls in distributable revenue are attributable to the lower than projected oil sales from JV Business Arrangements which yield higher take for government, and the underperformance of the non-oil sources in the period. As with the Federation Account, the aggregate revenue to fund the FGN Budget in the period was similarly below the projection. A total of N1,591.87 billion, including revenue from other sources, had been received to fund the budget as at the end of the period presenting a shortfall of N188.64 billion (or 10.59%).

The data also indicate that the recurrent expenditures remained on track with about 95% of the projection for the half-year. Of the N669.99 billion projected for capital budget implementation as at half-year, N404.64 billion had been released to MDAs. The sum of N317.28 billion (or 78.84%) of this amount had been cash-backed; while N158.24 billion (or 49.87%) had been utilized by the MDAs as at 30<sup>th</sup> June 2012. A further analysis of the data indicates varied levels of utilization of these funds. It was observed that out of the forty-nine MDAs reported on, by the OAGF, fifteen, including FCTA, Works, Transport, Water Resources, and Agriculture had utilized more than the overall average utilization rate of 49.87%. Eight out of these (or 16.33% of the MDAs) including Works and the FCTA had utilized over 70% of their respective cash-backed releases. However, sixteen of the MDAs, including Health, Power, Petroleum, Housing and National Sports Commission had utilized less than 30% of their cash-backed funds as at the end of the second quarter.

The Budget Office's Budget Monitoring and Evaluation teams, in collaboration with MDAs, Civil Society Organizations and media representatives, embarked on the physical monitoring and evaluation of selected capital projects in the second quarter. The field visit indicated that some progress had been made, as many of the projects were ongoing. The rate of work done varied across MDAs, and this report highlights areas that MDAs need to address so as to improve their performances, including better planning and sequencing.

The Budget Office of the Federation, in collaboration with other agencies of Government, will continue to work to support MDAs' optimal implementation of their budgets.

# 1.0 INTRODUCTION

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The 2012 Budget is the first budget under the *Transformation Agenda* crafted to translate the developmental goals of the Administration into reality. It was designed to further the Government's fiscal consolidation goals while promoting real growth through job creation<sup>1</sup>.

2. In this respect, the Budget was geared towards achieving macroeconomic stability, good governance, structural and institutional reforms as well as focusing a substantial fraction of the Government's expenditures on priority sectors of the economy. Except for a few new flagship projects/programmes of the Government, expenditure was focused on the completion of ongoing projects considered viable and consistent with the Transformation Agenda.

3. This Report covers the implementation of the 2012 Budget in the second quarter. It provides an insight into the Government's revenue and expenditure forecasts for the year compared to the actual receipts and expenditures within the period. The rest of this Report is prepared as follows: *Chapter 2* presents a brief review of the macroeconomic environment under which the budget was implemented in the period; *Chapter 3* gives a detailed analysis of Government's revenue receipts and expenditure in the second quarter of 2012. *Chapter 4* provides a detailed report on the outcome of the physical monitoring of MDAs' capital budget implementation within the period; while *Chapter 5* presents a brief conclusion to the Report.

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<sup>1</sup> Please see 2012 First Quarter Budget Implementation Report.

## 2.0 MACROECONOMIC DEVELOPMENT AND ANALYSIS

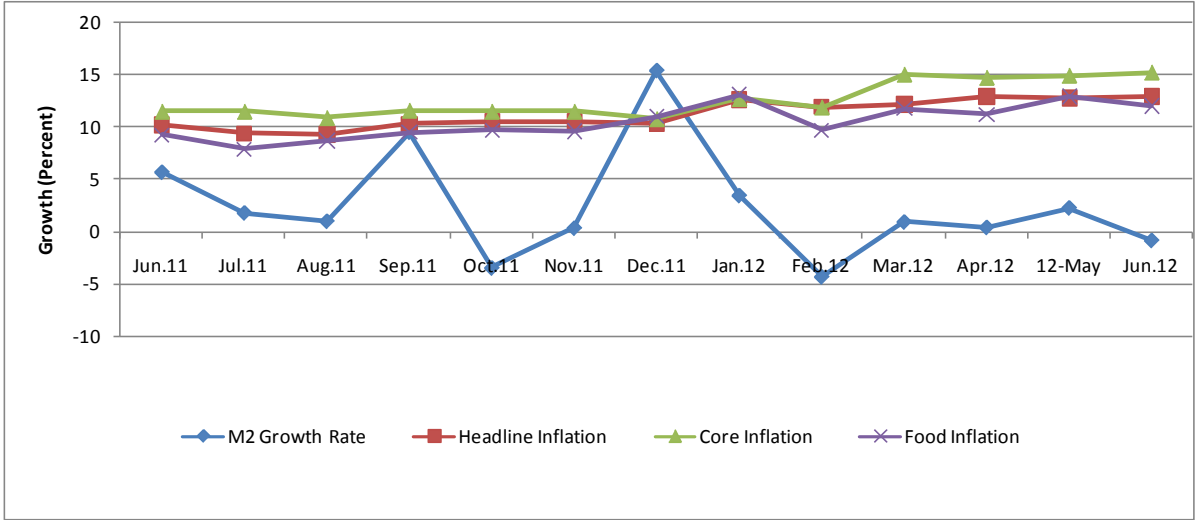
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In spite of the global economic crisis, data from the National Bureau of Statistics show that the Nigerian economy experienced robust growth. The real Gross Domestic Product (GDP) grew by 6.28% in the second quarter of 2012 and is higher than the 6.17% growth recorded in the first quarter of 2012 by 0.2%. The decline in GDP growth, in the first half of 2012, can be attributed to a number of factors which include an estimated loss of about N207.41 billion in national output during the nationwide strike in January, the loss of crude oil and theft, as well as the prevailing security challenges in some parts of the country. During the period, the non-oil sector remained the major driver of growth, recording 7.52% increase in contrast to the oil sector which contracted by 0.24%. The growth in domestic output was anchored on the positive impact of the banking sector reforms and the impact on the real economy arising from improvement in national electricity generation.

5. The inflationary threats, which reemerged at the beginning of the year, remained during the second quarter. The year-on-year headline inflation rose from 12.1% in March to 12.9% in June 2012. Similarly, year-on-year food inflation rose from 11.8% in March to 12% in June 2012 indicating continued risk aversion by banks while year-on-year core inflation rose from 15% in March to 15.2% in June 2012. The major drivers of headline inflation during the quarter were the prices of food, non-alcoholic beverages, housing, water, electricity, gas and other fuels. Apart from the partial removal of petroleum subsidy in January 2012, other factors fuelling the

upside risk to inflation in the near-term included borrowing by the government to cover large fiscal deficits in the 2012 Budget and the upward review of electricity tariffs in June 2012 coupled with the review of import duty on wheat and rice as well as the rising global food and energy prices. These trends are depicted below in *Chart 2.1*.

**Chart 2.1:** Inflation and M<sup>2</sup> Growth Rate (June 2011 – June 2012)

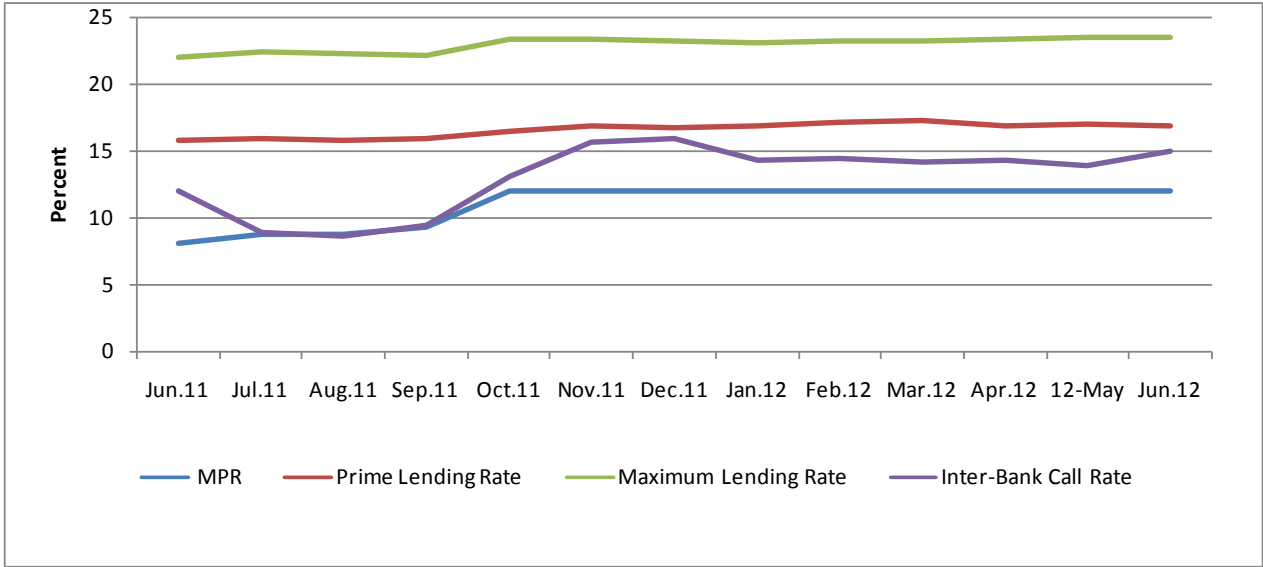


**Source:** Central Bank of Nigeria, 2012 & National Bureau of Statistics, 2012

6. Broad money supply (M2) of N13.48 trillion in June 2012 grew by 1.6% from N13.28 trillion recorded in March 2012. The net aggregate domestic credit declined by 2.79% from N13.7 trillion in March 2012 to N13.3 trillion in June 2012. Overall, credit to the private sector increased by 3.43% between March and June 2012 while credit to government fell by 169.81% within the same period. Similarly, the maximum lending rate rose from 23.21% in March 2012 to 23.44% in June 2012, indicating continued risk aversion by banks, while the prime lending rate declined from 17.28% in March 2012 to 16.93% in June 2012, again reflecting banks' lending pattern.

7. The overall stability in the money market rates within the quarter was essentially a reflection of the effectiveness of monetary policy implementation. Just like in the first quarter of 2012, the monetary policy rate had remained constant at 12% throughout the second quarter of 2012. The interbank call rate, on the other hand, fluctuated from 14.13% in March 2012 to 14.92% in June 2012. The increase in the rate was a reflection of the tight liquidity in the banking system which is traceable to the aggressive Open Market Operations (OMO) given that the Monetary Policy Rate (MPR) remained unchanged during the period. These trends are presented below in *Chart 2.2*.

**Chart 2.2:** Interest Rates Trend (June 2011 – June 2012)

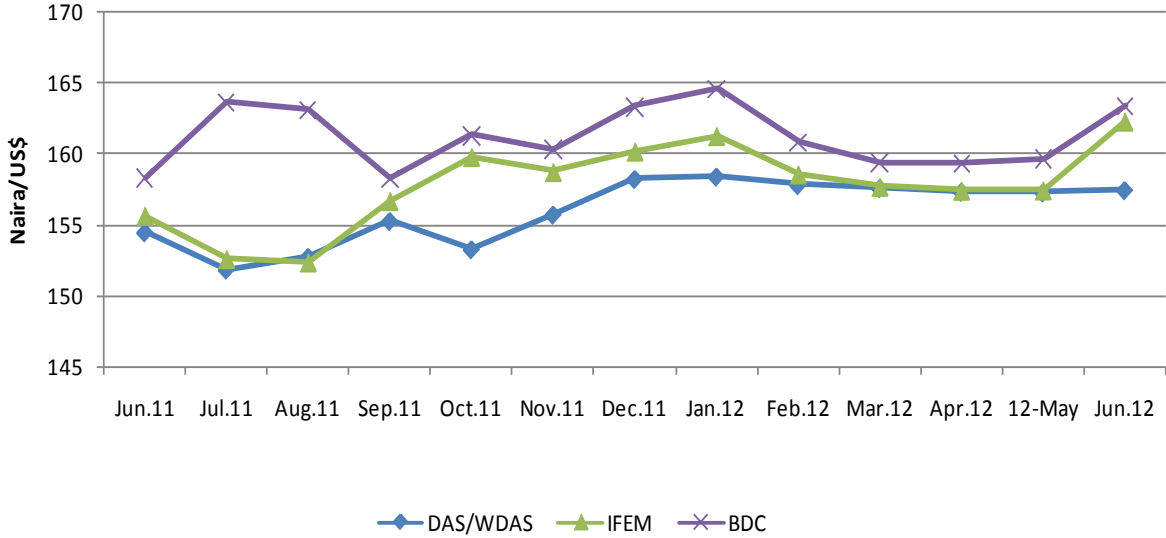


**Source:** Central Bank of Nigeria, 2012

8. The average official Wholesale Dutch Auction System (WDAS) Naira/Dollar exchange rate appreciated slightly from N157.59/\$ in March 2012 to N157.44/\$ in June 2012. Similarly, average Inter Bank exchange rate depreciated from N157.72/\$ in March 2012 to N162.33/\$ in June 2012. On the other hand, the average Bureau de Change rate depreciated from

N159.41/\$ in March 2012 to N163.43/\$ in June 2012. This was due to the developments in the external economy such as the fall in the price of crude oil, which prompted the Central Bank of Nigeria, to intervene in the interbank market, to restore stability.

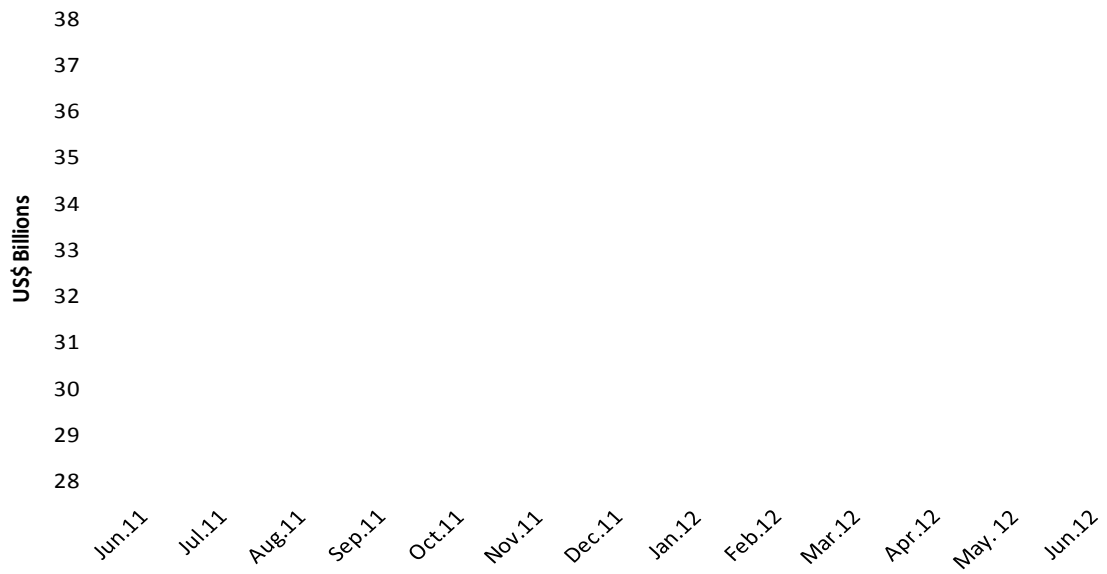
**Chart 2.3:** Naira/US\$ Exchange Rates Trend (June 2011 – June 2012)



**Source:** Central Bank of Nigeria, 2012

9. The gross external reserves as at 29<sup>th</sup> June 2012 stood at \$36.72 billion, representing an increase of 4.32% over \$35.2 billion recorded at the end of March 2012. The increase in foreign reserves in the second quarter of 2012 was a reflection of the improvements in the fiscal accounts and a rationalization of the fuel subsidy regime. The level of external reserves as at the end of June 2012 was sufficient to finance at least 6-months of imports of goods and services. This is well above the globally recommended threshold of 3-months import cover.

**Chart 2.4:** Level of External Reserves (June 2011 – June 2012)



**Source:** Central Bank of Nigeria, 2012

## 3.0 FINANCIAL ANALYSIS OF THE 2012 BUDGET IMPLEMENTATION

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### 3.1 Key Assumptions and Projections

The 2012 Budget was derived from the 2012-2014 Medium Term Fiscal Framework (MTFF) following wide ranging consultations with key stakeholders in both the public and private sectors of the economy. It was based on some important macroeconomic variables and assumptions<sup>2</sup> made in line with global and domestic economic environments.

### 3.2 Analysis of Revenue Performance:

#### Overview Oil Revenue Parameters

11. Crude oil price averaged about US\$108.19 per barrel in the second quarter of 2012 in the international oil market. This represents a decline of US\$10.3 (or 8.69%) compared to US\$118.49 per barrel recorded in the first quarter of 2012. The lower oil prices in the international market are attributable to the weakness of the global economy, particularly in the Euro zone and the USA, as well as showing growth in China and India.

12. Provisional data from the Nigerian National Petroleum Corporation revealed that the average oil lifting (including Condensates) in the second quarter of 2012 was 2.42 million barrels per day (mbpd) depicting an increase of 0.09mbpd (or 3.86%) over 2.33mbpd recorded in the first quarter of 2012. The increase in oil lifting during the quarter over that of the first quarter is attributable to the Government's efforts at checking oil theft and illegal

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<sup>2</sup> Please see the 2012 1<sup>st</sup> Quarter Budget Implementation Report

bunkering, which was very pronounced in the first quarter. All things being equal, we expect this positive situation to continue in the subsequent quarters when the measures would have fully met expectations of Government.

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

### **Oil Revenue Performance:**

#### *Second Quarter*

14. A breakdown of the oil revenue in the second quarter of 2012 shows that Gas Sales of N88.61 billion, Royalties (Oil & Gas) of N285.55 billion and Petroleum Profit & Gas Taxes of N680.58 billion surpassed their respective quarterly expected estimates of N85.12 billion, N182.78 billion and N466.36 billion by N3.49 billion (or 4.1%), N102.77 billion (or 56.22%) and N214.22 billion (or 45.94%). On the other hand, Crude Oil Sales of N902.7 billion, Rent of N0.03 billion and Gas Flared Penalty of N0.69 billion and Other Oil & Gas Revenue of N0.6 billion were below their quarterly projections of N923.26 billion, N0.19 billion, N0.8 billion and N0.62 billion by N20.56 billion (or 2.23%), N0.17 billion (or 86.06%), N0.11 billion (or 14.03%) and N0.02 billion (or 3.87%) respectively. Please see more details in *Table 3.1*.

### *Net oil revenue*

15. In the second quarter of 2012, the actual net oil revenue received into the Federation Account was N991.8 billion depicting a shortfall of N10.2 billion (or 1.02%) below the net projected quarterly estimate of N1,002 billion. The net oil revenue performance in the second quarter of 2012 was also above the N872.66 billion net oil revenue recorded in the first quarter of 2012 by N119.14 billion (or 13.65%). As explained earlier, the difference in oil revenue between the first and second quarters of 2012 is attributable to the behaviour of oil prices and the actual lifting volumes in the periods. These data are presented below in *Table 3.1*.

### *Year-to-date*

16. As at June, 2012, the gross Crude Oil Sales of N1,962.87 billion, Gas Sales of N186.77 billion, Royalties Oil & Gas of N536.11 billion and Petroleum Profit & Gas Taxes of N1,624.05 billion exceeded their respective half year projections of N1,846.51 billion, N170.25 billion, N365.56 billion and N932.71 billion by N116.36 billion (or 6.3%), N16.52 billion (or 9.7%), N170.55 billion (or 46.65%) and N691.34 billion (or 74.12%). All other oil revenue items underperformed under this category.

### **Non-Oil Revenue Performance**

17. In line with the ongoing Public Financial Management reforms, the Government is devising different policies to significantly grow the non-oil revenue sectors in 2012. The implementation of several policies in this regard has seen to the continued growth in revenues collectible and actual revenues from the non-oil sector. This trend, presented in Tables 3.2 and 3.3, is expected to continue over the 2012-2014 Medium-Term.

**Table 3.1: Net Distributable Revenue as at June, 2012 (Oil Revenue at Benchmark Assumptions)**

ITEMS	BUDGET			ACTUAL			2nd Quarter Actual Vs		2nd Quarter Actual Vs		Half Year Actual Vs	
	Annual	Quarterly Budget	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	%
<b>OIL REVENUE</b>												
Crude Oil Sales	3,693.02	923.26	1,846.51	1,060.17	902.70	1,962.87	(20.56)	(2.23)	(157.48)	(14.85)	116.36	6.30
Gas Sales (NLNG Feedstock slaes & Upstream Liquid Gas)	340.49	85.12	170.25	98.16	88.61	186.77	3.49	4.10	(9.55)	(9.73)	16.52	9.70
Royalties Oil & Gas	731.12	182.78	365.56	250.56	285.55	536.11	102.77	56.22	34.98	13.96	170.55	46.65
Rent	0.78	0.19	0.39	0.13	0.03	0.16	(0.17)	(86.06)	(0.10)	(79.23)	(0.23)	(59.48)
Gas flared Penalty	3.20	0.80	1.60	0.49	0.69	1.18	(0.11)	(14.03)	0.19	39.27	(0.42)	(26.15)
PPT & Gas Tax @CITA	1,865.42	466.36	932.71	943.48	680.58	1,624.05	214.22	45.94	(262.90)	(27.87)	691.34	74.12
Other Oil and Gas Revenue	2.48	0.62	1.24	0.18	0.60	0.77	(0.02)	(3.87)	0.42	238.64	(0.47)	(37.74)
<b>Sub -Total</b>	<b>6,636.51</b>	<b>1,659.13</b>	<b>3,318.26</b>	<b>2,353.17</b>	<b>1,958.74</b>	<b>4,311.91</b>	<b>299.61</b>	<b>18.06</b>	<b>(394.43)</b>	<b>(16.76)</b>	<b>993.65</b>	<b>29.94</b>
Joint Venture Cash calls	1,141.51	285.38	570.75	261.06	301.59	562.65	16.21	5.68	40.53	15.53	(8.11)	(1.42)
Domestic Fuel Subsidy (NNPC)	888.10	222.03	444.05	210.00	50.00	260.00	(172.03)	(77.48)	(160.00)	(76.19)	(184.05)	(41.45)
Under remittance of funds by NNPC	-	-	-	31.15	-	31.15	-	-	(31.15)	(100.00)	31.15	-
Oil excess Rev	-	-	-	-	26.19	26.19	26.19	26.19	26.19	100.00	26.19	26.19
<b>Sub -Total</b>	<b>4,606.91</b>	<b>1,151.73</b>	<b>2,303.45</b>	<b>1,850.97</b>	<b>1,580.96</b>	<b>3,431.92</b>	<b>429.23</b>	<b>37.27</b>	<b>(270.01)</b>	<b>(14.59)</b>	<b>1,128.47</b>	<b>48.99</b>
Transfer to Excess Crude Account	-	-	-	847.91	440.96	1,288.87	440.96	440.96	(406.96)	(48.00)	1,288.87	-
Balance of Oil Revenue	4,606.91	1,151.73	2,303.45	1,003.05	1,140.00	2,143.05	(11.73)	(1.02)	136.95	13.65	(160.40)	(6.96)
13% Derivation of Net Oil Revenue	598.90	149.72	299.45	130.40	148.20	278.60	(1.52)	(1.02)	17.80	13.65	(20.85)	(6.96)
<b>TO FEDERATION ACCOUNT</b>	<b>4,008.01</b>	<b>1,002.00</b>	<b>2,004.00</b>	<b>872.66</b>	<b>991.80</b>	<b>1,864.45</b>	<b>(10.20)</b>	<b>(1.02)</b>	<b>119.14</b>	<b>13.65</b>	<b>(139.55)</b>	<b>(6.96)</b>
<b>NON-OIL REVENUE</b>												
Value Added Tax (VAT)	802.86	200.72	401.43	170.98	181.77	352.75	(18.95)	(9.44)	10.79	6.31	(48.68)	(12.13)
Customs: Import, Excise & Fees	600.58	150.15	300.29	109.28	117.69	226.97	(32.45)	(21.61)	8.41	7.70	(73.32)	(24.42)
Corporate Tax, CIT, CGT, Stamp Duties	828.18	207.05	414.09	124.41	157.41	281.82	(49.63)	(23.97)	33.00	26.53	(132.27)	(31.94)
Special Levies	116.07	29.02	58.04	-	-	-	(29.02)	(100.00)	-	-	(58.04)	(100.00)
<b>Sub Total</b>	<b>2,347.70</b>	<b>586.92</b>	<b>1,173.85</b>	<b>404.67</b>	<b>456.88</b>	<b>861.54</b>	<b>(130.05)</b>	<b>(22.16)</b>	<b>52.21</b>	<b>12.90</b>	<b>(312.31)</b>	<b>(26.61)</b>
Collection Cost and Other Deductions	120.21	30.05	60.10	19.46	21.81	41.27	(8.25)	(27.44)	2.34	12.03	(18.83)	(31.34)
Cost of Collection (VAT)	32.11	8.03	16.06	6.84	7.27	14.11	(0.76)	(9.45)	0.43	6.30	(1.95)	(12.13)
7% Cost of Collection (Customs)	50.17	12.54	25.08	7.65	8.24	15.89	(4.30)	(34.31)	0.59	7.71	(9.20)	(36.66)
4% Cost of Collection (CIT)	32.93	8.23	16.46	4.98	6.30	11.27	(1.94)	(23.52)	1.32	26.53	(5.19)	(31.53)
FIRS Tax Refunds	5.00	1.25	2.50	-	-	-	(1.25)	(100.00)	-	-	(2.50)	(100.00)
<b>TO FEDERATION ACCOUNT (NON-OIL)</b>	<b>1,456.74</b>	<b>364.19</b>	<b>728.37</b>	<b>221.06</b>	<b>260.57</b>	<b>481.63</b>	<b>(103.62)</b>	<b>(28.45)</b>	<b>39.51</b>	<b>17.87</b>	<b>(246.74)</b>	<b>(33.88)</b>
Total VAT Pool	770.75	192.69	385.37	164.14	174.50	338.64	(18.19)	(9.44)	10.36	6.31	(46.74)	(12.13)
Net Non-Oil Revenue	2,227.49	556.87	1,113.75	385.20	435.07	820.27	(121.80)	(21.87)	49.87	12.95	(293.47)	(26.35)
Sub-Total: FEDERATION ACCOUNT	5,464.75	1,366.19	2,732.38	1,093.72	1,252.37	2,346.09	(113.82)	(8.33)	158.65	14.51	(386.29)	(14.14)
Balances in Special (at Acct end of previous 2011)	12.44	3.11	6.22	-	-	-	(3.11)	(100.00)	-	-	(6.22)	(100.00)
<b>TOTAL FEDERATION ACCOUNT</b>	<b>5,477.19</b>	<b>1,369.30</b>	<b>2,738.59</b>	<b>1,093.72</b>	<b>1,252.37</b>	<b>2,346.09</b>	<b>(116.93)</b>	<b>(8.54)</b>	<b>158.65</b>	<b>14.51</b>	<b>(392.50)</b>	<b>(14.33)</b>
<b>TOTAL DISTRIBUTION</b>												
Federation Account	5,477.19	1,369.30	2,738.59	1,093.72	1,252.37	2,346.09	(116.93)	(8.54)	158.65	14.51	(392.50)	(14.33)
VAT Pool Account	770.75	192.69	385.37	164.14	174.50	338.64	(18.19)	(9.44)	10.36	6.31	(46.74)	(12.13)
<b>GRAND TOTAL</b>	<b>6,247.93</b>	<b>1,561.98</b>	<b>3,123.97</b>	<b>1,257.86</b>	<b>1,426.87</b>	<b>2,684.73</b>	<b>(135.12)</b>	<b>(8.65)</b>	<b>169.01</b>	<b>13.44</b>	<b>(439.24)</b>	<b>(14.06)</b>

Source: OAGF and Budget Office of the Federation

18. Part of the measures adopted to ensure successful execution of these plans was the engagement of Budget Office of the Federation/Federal Ministry of Finance with the various non-oil revenue collecting agencies to enhance their collection/remittance efficiency and effectiveness. We expect gradual improvement in their collection and remittance efficiency in the medium-term.

**Table 3.2:** Actual performance of Non-Oil Revenue category (2005-2011)

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

**Source:** OAGF and BOF

**Table 3.3:** Percentage Growth in Non-Oil Revenues (2006-2011)

Description	2006	2007	2008	2009	2010	2011	6-Year Average
Customs Duties & Excise	-22.89%	41.20%	10.23%	1.65%	10.85%	36.51%	12.93%
Company Income Tax	50.96%	33.59%	27.45%	35.54%	16.34%	9.07%	28.83%
Value Added Tax	21.27%	30.97%	34.08%	15.79%	20.17%	15.39%	22.94%
FGN Independent Revenue	103.11%	42.86%	30.17%	-67.66%	139.50%	18.85%	44.47%

**Source:** OAGF and BOF

19. In the second quarter of 2012, the actual gross non-oil revenue of N456.88 billion was received. This indicates a shortfall of N130.05 billion (or 22.16%) below the projected quarterly estimate of N586.92 billion. A

breakdown of the non-oil revenue items shows that value added tax of N181.77 billion, Customs & Excise Duties of N117.69 billion and Company Income Tax of N157.41 billion were below their quarterly estimates of N200.72 billion, N150.15 billion and N207.05 billion by N18.95 billion (or 9.44%), N32.45 billion (or 21.61%) and N49.63 billion (or 23.97%) respectively. Compared to their respective first quarter outcomes, we observe that the VAT, Customs & Excise Duties and Company Income Tax grew by N10.79 billion (or 6.31%), N8.41 billion (or 7.7%) and N33 billion (or 26.53%) respectively.

#### *Year-to-date*

20. The gross non-oil receipts in the first half of 2012 amounted to N861.54 billion depicting a shortfall of N312.31 billion (or 26.61%) below the half year estimates of N1,173.85 billion. The performance also indicate that all the non-oil revenue items were below their respective estimates. VAT of N352.75 billion, Customs & Excise Duties of N226.97 billion and Company Income Tax of N281.82 billion respectively fell short by N48.68 billion (or 12.13%), N73.32 billion (or 24.42%) and N132.27 billion (or 31.94%) when compared with the projections for the half year. However, as is the trend in recent years, we expect revenue collection in these categories to continue to improve over the next quarters of the year.

#### *Comparative Revenue Performance Analysis*

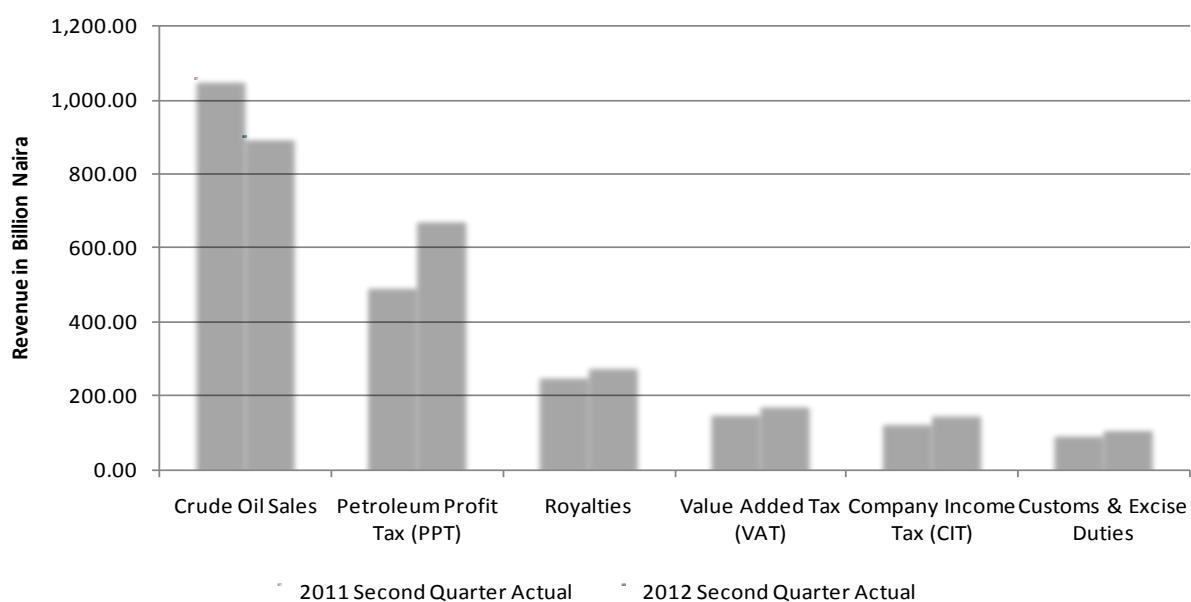
21. Though many of these items have underperformed when compared with their respective projections for the period, data from the Office of the Accountant General of the Federation (OAGF) indicate that some of these items in the second quarter surpassed their corresponding levels in the same period of 2011. Please see data below in *Table 3.4*.

**Table 3.4:** Performance of Revenue in the Second Quarter of 2012 Vs 2011

Revenue Items	2011	2012	Variance	
	2nd Quarter Actual	2nd Quarter Actual	2nd Quarter 2012 Vs 2nd Quarter 2011	
Oil Revenue	N bns	N bns	N bns	%
Crude Oil Sales	1,058.56	902.70	-155.86	-17.27
Petroleum Profit Tax (PPT)	502.41	680.58	178.17	26.18
Royalties	260.26	285.55	25.29	8.86
<b>Gross Oil Revenue</b>	<b>1,891.28</b>	<b>1,958.74</b>	<b>67.46</b>	<b>3.44</b>
<b>Net Oil Receipts</b>	<b>726.44</b>	<b>991.8</b>	<b>265.36</b>	<b>26.76</b>
<b>Non-Oil Revenue</b>				
Value Added Tax (VAT)	159.7	181.77	22.07	12.14
Company Income Tax (CIT)	133.46	157.41	23.95	15.22
Customs & Excise Duties	102.92	117.69	14.77	12.55
<b>Gross Non-Oil Revenue</b>	<b>396.07</b>	<b>456.88</b>	<b>60.81</b>	<b>13.31</b>
<b>Net Non-Oil Receipts</b>	<b>377.14</b>	<b>435.07</b>	<b>57.93</b>	<b>13.32</b>

**Source:** OAGF and Budget Office of the Federation

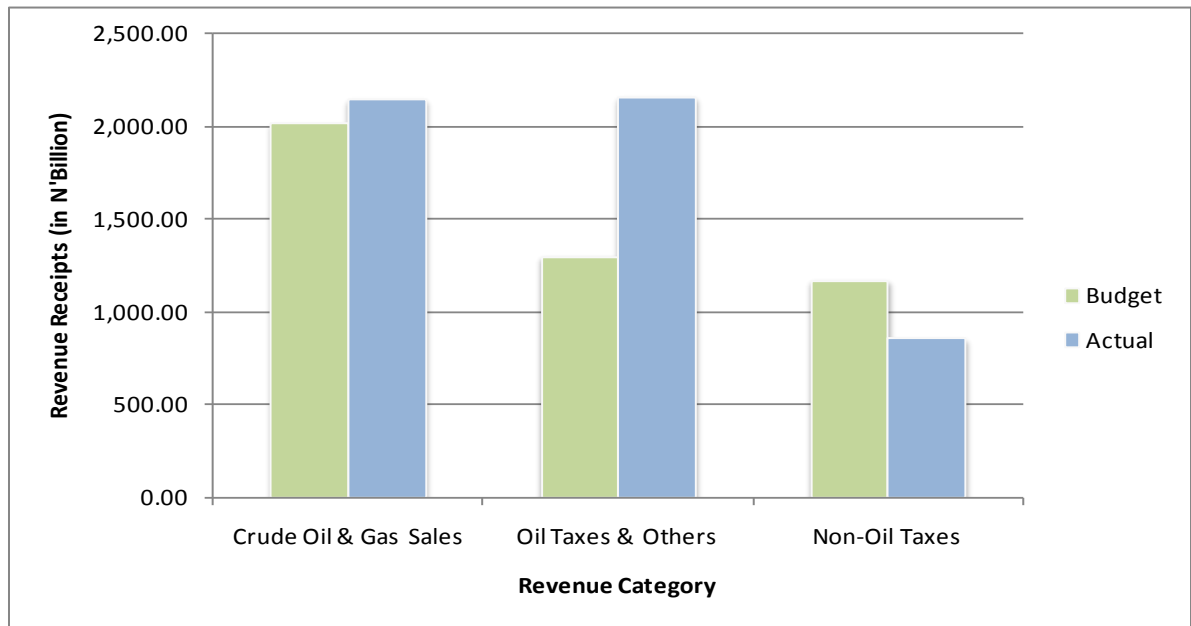
**Chart 3.1:** 2011 Vs 2012 Revenue Performance (Second Quarter)



**Source:** OAGF and Budget Office of the Federation

22. *Chart 3.2* below is a graphical illustration of the actual performance of revenue categories compared to their budgeted estimates as at June 2012.

**Chart 3.2:** Projected Vs Actual FAAC Revenue Receipts (as at June 2012)



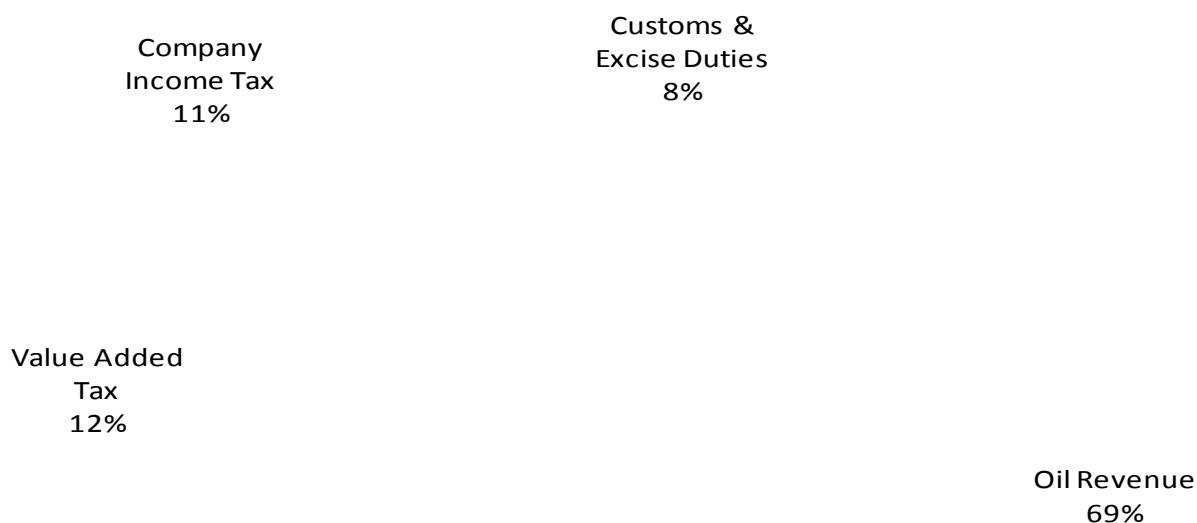
**Source:** Budget Office of the Federation

### *Distributable Revenue*

23. A net distributable sum of N1,426.87 billion accrued to the three tiers of government for sharing in the second quarter of 2012. This implies a shortfall of N135.12 billion (or 8.65%) in the second quarter, and a shortfall of N439.24 billion (or 14.06%) as at half year.

24. *Chart 3.3* below presents the percentage contribution of the various revenue categories to distributable revenue in the second quarter of 2012.

**Chart 3.3:** Contributions to Distributable Revenue (in the Second Quarter of 2012)



**Source:** Budget Office of the Federation

### 3.3 FGN Budget Revenue Sources

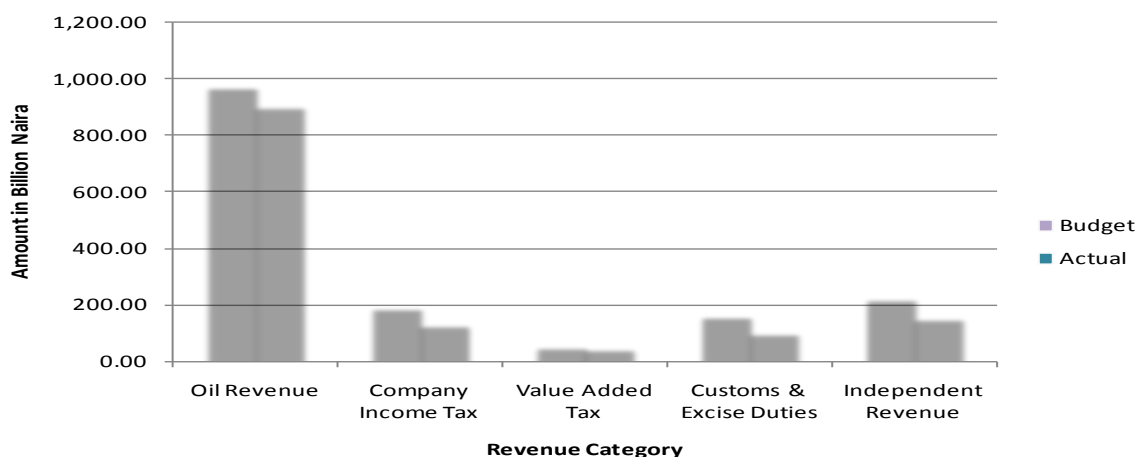
25. In line with the 2012 Budget framework, the sum of N3,561.02 billion was projected to fund the Federal Budget. This implies a quarterly share of N890.25 billion. In the second quarter of 2012, the FGN share of oil revenue of N481.02 billion was below the quarterly projected estimate of N485.97 billion by N4.95 billion (or 1.02%). Similarly, the FGN share of VAT of N24.43 billion, Customs & Excise of N53.09 billion and Company Income Tax of N73.29 billion were short of their respective quarterly projection of N26.98 billion, N80.81 billion and N95.82 billion by N2.55 billion (or 9.44%), N27.73 billion (or 34.31%) and N22.53 billion (or 23.51%). These performances are in lieu of the reasons attributed to the shortfalls in the Federation Account. These data are presented below in *Table 3.5*

**Table 3.5: Inflows to the 2012 Federal Budget as at June 2012**

ITEMS	BUDGET			ACTUAL			VARIANCE					
	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	
Inflow for the Federal Budget (CRF)	N'bn	N'bn	N'bn	N'bn	N'bn	N'bn	N'bn	%	N'bn	%	N'bn	%
FGN Share of Oil Revenue	1,943.88	485.97	971.94	423.24	481.02	904.26	(4.95)	(1.02)	57.78	13.65	(67.68)	(6.96)
FGN Share of Non-Oil Revenue	820.46	205.11	410.23	130.20	150.81	281.00	(54.31)	(26.48)	20.61	15.83	(129.23)	(31.50)
FGN Share of Value Added Tax (VAT)	107.91	26.98	53.95	22.98	24.43	47.41	(2.55)	(9.44)	1.45	6.31	(6.54)	(12.13)
FGN Share of Customs	323.25	80.81	161.62	49.29	53.09	102.38	(27.73)	(34.31)	3.80	7.70	(59.25)	(36.66)
FGN Share of Company Income Tax (CIT)	383.27	95.82	191.64	57.93	73.29	131.22	(22.53)	(23.51)	15.37	26.53	(60.42)	(31.53)
FGN Share of Actual Balances in Special Accounts	6.03	1.51	3.02	-	-	-	(1.51)	(100.00)	-	-	(3.02)	(100.00)
FGN Independent Revenue	446.78	111.70	223.39	125.43	28.74	154.17	(82.95)	(74.27)	(96.69)	(77.09)	(69.22)	(30.98)
FGN Bal of Special Accts as at 31/12/11	43.11	10.78	21.55	-	-	-	(10.78)	(100.00)	-	-	(21.55)	(100.00)
Unspent Balance from Previous FY	306.79	76.70	153.39	4.73	21.10	25.83	(55.60)	(72.49)	16.37	345.89	(127.56)	(83.16)
<b>Sub-Total</b>	<b><u>3,561.02</u></b>	<b><u>890.25</u></b>	<b><u>1,780.51</u></b>	<b><u>683.60</u></b>	<b><u>681.67</u></b>	<b><u>1,365.27</u></b>	<b><u>(208.58)</u></b>	<b><u>(23.43)</u></b>	<b><u>(1.93)</u></b>	<b><u>(0.28)</u></b>	<b><u>(415.24)</u></b>	<b><u>(23.32)</u></b>
<b>Other Financing Sources</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>217.54</u></b>	<b><u>9.06</u></b>	<b><u>226.60</u></b>	<b><u>9.06</u></b>	<b><u>-</u></b>	<b><u>(208.48)</u></b>	<b><u>(95.84)</u></b>	<b><u>226.60</u></b>	<b><u>-</u></b>
Savings (Augmentation)	-	-	-	185.89	9.06	194.95	9.06	-	(176.83)	(95.13)	194.95	-
Excess Crude Proceeds	-	-	-	31.65	-	31.65	-	-	(31.65)	(100.00)	31.65	-
<b>Total Revenue Available for Budget Implementation</b>	<b>3,561.02</b>	<b>890.25</b>	<b>1,780.51</b>	<b>901.14</b>	<b>690.73</b>	<b>1,591.87</b>	<b>(199.52)</b>	<b>(22.41)</b>	<b>(210.41)</b>	<b>(23.35)</b>	<b>(188.64)</b>	<b>(10.59)</b>

**Source:** Budget Office of the Federation and the OAGF

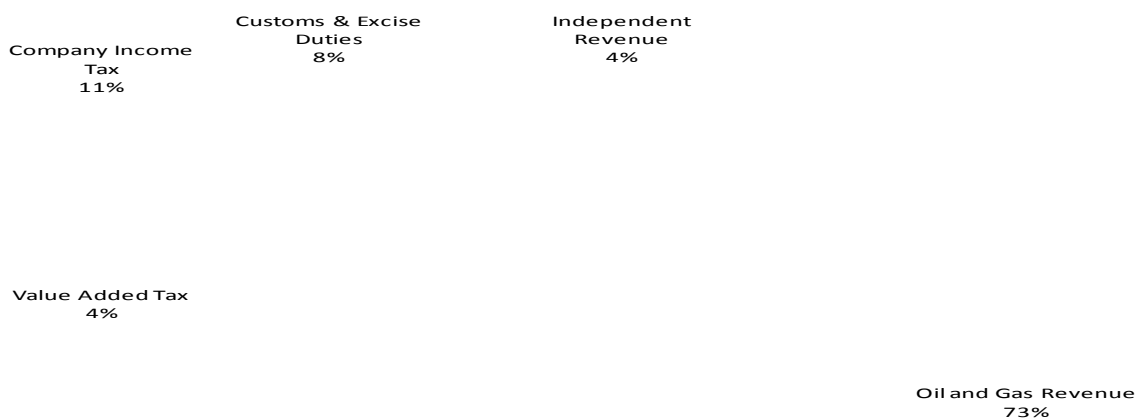
**Chart 3.4: FGN Revenue (Budget Vs Actual as June 2012)**



**Source:** The OAGF and Budget Office of the Federation

26. A total of N681.67 billion, excluding other funding sources, was received in the second quarter of 2012. This amount was lower than the quarterly projection of N890.25 billion and the actual receipt of N683.6 billion recorded in the first quarter of 2012 by N208.58 billion (or 23.43%) and N1.93 billion (or 0.28%) respectively. However, the aggregate revenue in the second quarter of 2012 was higher than the N553.86 billion recorded in the first quarter of 2011 by N127.81 billion (or 23.08%).

**Chart 3.5: Contribution to the FGN Budget Revenue in the Second Quarter of 2012 (excluding FGN's Unspent Balances and FGN's Balances in Special Accounts)**



**Source:** The OAGF and Budget Office of the Federation

### 3.4 Excess Crude Account

27. The Excess Crude Account (ECA) serves as a stabilization and savings account.

28. Inflows into the ECA in the second quarter of 2012 amounted to N440.96 billion which is lower than the N847.91 billion received in the first quarter of 2012 by of N406.96 billion (or 48%). The sum of N194.15 billion was withdrawn from the account in the second quarter of 2012 taking the total drawdown from the account in the first half of the year to N1,025.55 billion. These data are presented in *Table 3.6*.

**Table 3.6:** Inflow into the Excess Crude Account

Description	2011 Actual (N' bns)			2012 Actual (N' bns)		
	First Quarter	Second Quarter	Half Year	First Quarter	Second Quarter	Half Year
<b>Inflows</b>						
Transfer to Excess Crude Oil Account	739.40	628.71	1,368.11	847.91	440.96	1,288.87
<b>Outflows</b>						
Payment for Petroleum Product Subsidy Augmentation: Distribution among tiers of govt.	41.4	35.1	76.5	149	29	178
Transfer to Petroleum Equal. Fund Mgt	8.01	265.99	274	674.11	165.15	839.26
Transfer for Special Intervention Fund		4.5	4.5	8.29		8.29
<b>Total Outflow</b>	<b>49.41</b>	<b>305.59</b>	<b>355</b>	<b>831.4</b>	<b>194.15</b>	<b>1025.55</b>

**Source:** Office of the Accountant General of the Federation

### **3.5 Expenditure Developments and Revision**

29. A total of N4,877.21 billion made up of the regular budget of N4,697.21 billion, and N180 billion for the Subsidy Reinvestment Programme (SURE-P) was appropriated<sup>3</sup> in 2012.

#### **3.5.1 Non-Debt Recurrent Expenditure**

30. As mentioned in the 2012 First Quarter Budget Implementation Report, Government has been evolving policy measures<sup>4</sup> aimed at checking the skewness of the annual budgetary allocations towards the recurrent category. A breakdown of the data from the OAGF show that a total of N588.75 billion was expended on non-debt recurrent expenditure in the second quarter of 2012. This is lower than the quarterly estimate of N606.26 billion by N17.51 billion (or 2.89%). As at the half-year, an aggregate of N1,133.65 billion had been committed to recurrent (non-debt) expenditure representing a variance of N78.88 billion (or 6.51%) when compared to the estimate of N1,212.52 billion.

#### **3.5.2 Debt Service**

31. Provisional data from the Debt Management Office indicate that as at 30<sup>th</sup> June, the Federal Government domestic debt stock stood at N6,152.87 billion. This figure implies an increase of N186.1 billion (or 3.12%) over N5,966.77 billion recorded in the first quarter of 2012. The rise in aggregate domestic debt stock in the second quarter over that of the first quarter of 2012 was due mainly to the net issuance of additional FGN bonds of N48.7 billion and Nigerian

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<sup>3</sup> See 2012 First Quarter Budget Implementation Report

<sup>4</sup> See 2012 First Quarter Budget Implementation Report

Treasury Bills (NTBs) of N137.4 billion. The FGN bonds and NTBs that matured during the period were refinanced. A breakdown of the domestic debt stock as at 30<sup>th</sup> June showed that N3,714.55 billion (or 60.37%) was for FGN Bonds, N2,084.59 billion (or 33.88%) was for NTBs and N353.73 billion (or 5.75%) was for Treasury Bonds.

32. The sum of N193.5 billion was released for domestic debt servicing in the second quarter of 2012. The actual domestic debt service payment for the second quarter of 2012 amounted to N186.37 billion. This consists of N89.95 billion for NTBs, N87.04 billion for FGN Bonds and N9.38 billion for Treasury bonds. The N58.37 billion (or 45.6%) difference between budgeted domestic debt service of N128 billion and the actual debt service was mainly due to additional issues of NTBs above the amount projected to be issued as a result of changes in the issuance calendar, as well as the rising cost of rolling-over NTBs.

33. As at 30<sup>th</sup> June 2012, Nigeria's external debt stock stood at US\$6,035.66 million indicating an increase of US\$42.12 million (or 0.7%) over US\$5,993.54 million recorded in the first quarter of 2012. This increase is consequent on the net effect of the following: additional disbursements in the sum of US\$173.09 million between April and June, 2012 in respect of some of the existing loans; principal repayments in the sum of US\$28.3 million; the cancellation of the principal balance in the sum of US\$45.97 million in respect of Papalanto Power Plant, occasioned by the debt/equity swap between the Federal Government and SEPCO Pacific; and favourable cross exchange rate movements between the different currencies in the loan portfolio.

**Table 3.7: FGN Budget Expenditure and Fiscal Account (in N' Billion) as at June 2012**

ITEMS	BUDGET			ACTUAL			VARIANCE					
	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	%
<b>TOTAL INFLOW</b>	<b>3,561.02</b>	<b>890.25</b>	<b>1,780.51</b>	<b>901.14</b>	<b>690.73</b>	<b>1,591.87</b>	<b>(199.52)</b>	<b>(22.41)</b>	<b>(210.41)</b>	<b>(23.35)</b>	<b>(188.64)</b>	<b>(10.59)</b>
<b>EXPENDITURE</b>												
<b>RECURRENT EXPENDITURE</b>												
Personnel Cost						970.66	71.90	15.98	72.93	16.25	70.87	7.88
Pension & Gratuities	1,799.60	449.90	899.80	448.87	521.80	-	-	-	-	-	-	-
Overhead Cost	625.45	156.36	312.73	96.03	66.95	162.98	(89.42)	(57.18)	(29.09)	(30.29)	(149.74)	(47.88)
Service Wide Vote						-	-	-	-	-	-	-
<b>Sub-Total (Non-Debt)</b>	<b>2,425.05</b>	<b>606.26</b>	<b>1,212.52</b>	<b>544.90</b>	<b>588.75</b>	<b>1,133.65</b>	<b>(17.52)</b>	<b>(2.89)</b>	<b>43.84</b>	<b>8.05</b>	<b>(78.88)</b>	<b>(6.51)</b>
Domestic Debts & Int. on Ways & Means	511.98	128.00	255.99	95.09	193.50	288.59	65.50	51.17	98.40	103.48	32.60	12.73
Foreign Debts	47.60	11.90	23.80	10.28	11.69	21.97	(0.21)	(1.76)	1.41	13.71	(1.83)	(7.68)
<b>Sub-Total (Debt)</b>	<b>559.58</b>	<b>139.90</b>	<b>279.79</b>	<b>105.37</b>	<b>205.19</b>	<b>310.56</b>	<b>65.29</b>	<b>46.67</b>	<b>99.81</b>	<b>94.73</b>	<b>30.77</b>	<b>11.00</b>
<b>CAPITAL EXPENDITURE:</b>												
*Capital Releases 2012	1,339.99	335.00	669.99	155.38	103.87	259.25	(231.12)	(68.99)	(51.50)	(33.15)	(410.74)	(61.31)
<b>Sub Total (Capital)</b>	<b>1,339.99</b>	<b>335.00</b>	<b>669.99</b>	<b>155.38</b>	<b>103.87</b>	<b>259.25</b>	<b>(231.12)</b>	<b>(68.99)</b>	<b>(51.50)</b>	<b>(33.15)</b>	<b>(410.74)</b>	<b>(61.31)</b>
<b>TRANSFER:</b>												
NDDC	48.67	12.17	24.34	-	-	-	(12.17)	(100.00)	-	-	(24.34)	(100.00)
National Judicial Council	75.00	18.75	37.50	21.25	17.92	39.17	(0.83)	(4.44)	(3.33)	(15.69)	1.67	4.44
Universal Basic Education	63.12	15.78	31.56	16.14	15.66	31.80	(0.12)	(0.77)	(0.48)	(3.00)	0.24	0.77
Ind. Nat. Elect. Comm.	35.00	8.75	17.50	10.00	-	10.00	(8.75)	(100.00)	(10.00)	(100.00)	(7.50)	(42.86)
Natioal Human Rights Comm.	0.80	0.20	0.40	-	-	-	(0.20)	(100.00)	-	-	(0.40)	(100.00)
National Assembly	150.00	37.50	75.00	37.65	37.50	75.15	-	-	(0.15)	(0.39)	0.15	0.20
<b>Sub-Total (Transfers)</b>	<b>372.59</b>	<b>93.15</b>	<b>186.30</b>	<b>85.04</b>	<b>71.07</b>	<b>156.11</b>	<b>(22.07)</b>	<b>(23.70)</b>	<b>(13.96)</b>	<b>(16.42)</b>	<b>(30.18)</b>	<b>(16.20)</b>
<b>TOTAL EXPENDITURE</b>	<b>4,697.21</b>	<b>1,174.30</b>	<b>2,348.60</b>	<b>890.69</b>	<b>968.88</b>	<b>1,859.57</b>	<b>(205.42)</b>	<b>(17.49)</b>	<b>78.19</b>	<b>8.78</b>	<b>(489.03)</b>	<b>(20.82)</b>
<b>Fiscal Deficit</b>	<b>(1,136.19)</b>	<b>(284.05)</b>	<b>(568.10)</b>	<b>10.45</b>	<b>(278.15)</b>	<b>(267.70)</b>	<b>5.90</b>	<b>(2.08)</b>	<b>(288.60)</b>	<b>(2,761.42)</b>	<b>300.40</b>	<b>(52.88)</b>
<b>FINANCING ITEMS</b>												
Privitization Proceeds	10.00	2.50	5.00	3.50	-	3.50	(2.50)	(100.00)	(3.50)	(100.00)	(1.50)	(30.00)
Signature Bonus	75.00	18.75	37.50	-	-	-	(18.75)	(100.00)	-	-	(37.50)	(100.00)
FGN Sharefrom Stabilisation Fund Account	306.76	76.69	153.38	98.28	-	98.28	(76.69)	(100.00)	(98.28)	(100.00)	(55.10)	(35.93)
Domestic borrowing (FGN Bond)	744.44	186.11	372.22	200.00	117.00	317.00	(69.11)	(37.13)	(83.00)	(41.50)	(55.22)	(14.83)
<b>Sub Total</b>	<b>1,136.19</b>	<b>284.05</b>	<b>568.10</b>	<b>301.78</b>	<b>117.00</b>	<b>418.78</b>	<b>(167.05)</b>	<b>(58.81)</b>	<b>(184.78)</b>	<b>(61.23)</b>	<b>(149.32)</b>	<b>(26.28)</b>
<b>Net Deficit / Surplus</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>216.08</b>	<b>(75.22)</b>	<b>140.86</b>	<b>(75.22)</b>					

Source: OAGF and Budget Office

34. A breakdown of the external debt stock in the second quarter of 2012 shows that multilateral debts amounted to US\$4,950.66 million (or 82.02%), Non-Paris Club (Bilateral and Commercial) Debts amounted to US\$585 million (or 9.69%) while ICM (Euro-Bond) accounted for the balance of US\$500million (or 8.28%). Out of the total external debt stock, the share of the 36 States of the Federation and the FCT was US\$2.22 billion (or 36.75%) while the balance of US\$3.82 billion (or 63.25%) was for the Federal Government.

35. The actual commitment for external debt service in the second quarter of 2012 amounted to US\$57.26 million while the budgeted external debt service for the period was the sum of US\$86.43 million. The following reasons accounted for the positive difference of US\$29.17million (or 33.75%) between the budget, and the actual external debt servicing during the period - the sum of US\$11.13 million that was budgeted to be paid in respect of the Papalanto power project was not paid because of the debt/equity swap between the FGN and SEPCO Pacific. Secondly, the budgeted debt service payments in respect of some categories of loans were not made because anticipated disbursement on the loans did not occur; and the budgeted debt service payments in respect of new financing did not occur during the period as no new loan became effective. A breakdown of the payments indicated that US\$23.73 million (or 41.44%) was to Multilateral Creditors, US\$20.86 million (or 36.43%) was for Oil Warrant, US\$.33 million (or 0.58%) was to Non-Paris Bilateral Creditors, US\$12.32 million (or 21.52%) was to Non-Paris Commercial Creditors, and US\$0.01 million (or 0.02%) was to other creditors.

36. The total public debt stock as at the end of June 2012 was US\$45.49 billion (or N7.09 trillion). This comprises of US\$6.04 billion (or N941.20 billion

or 13.2%) for external debt while the balance of US\$39.45 billion (or N6.15 trillion or 86.8%) was for domestic debt stock. The total net present value of Debt/GDP (external and domestic) ratio as at the end of June 2012 was 18.32%, which is significantly below the global threshold of 40%.

### **3.5.3 Statutory Transfers:**

37. In the second quarter of 2012, a total of N71.07 billion was released for statutory transfers, indicating a decline of N22.07 billion (or 23.7%) over the quarterly budget projection of N93.15 billion. A breakdown of the actual transfers in the second quarter revealed that N17.92 billion was made to National Judicial Council (NJC), N15.66 billion was to the Universal Basic Education Commission (UBEC), and N37.5 billion was to the National Assembly. It is noteworthy that the difference between the projected and actual transfers in the quarter was due to the fact that releases to the concerned agencies were based on their need and request.

### **3.5.4 Capital Expenditure Performance:**

38. While working at reducing the share of recurrent expenditure in the annual aggregate budget, Government has inversely been increasing<sup>5</sup> the share of capital expenditure. Nevertheless, the implementation of the capital budget in recent years has been affected by challenges such as the late passage of the annual budgets, and the extension of the preceding year's capital budget implementation period. In view of this, the Administration is determined to present the 2013 Budget early to the National Assembly to

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<sup>5</sup> See previous Budget Implementation Reports

guarantee its early passage so as to avoid the distraction of implementing two capital budgets, as we have had in recent years.

*MDAs' Capital Vote Utilization:*

39. A breakdown of the data from the Office of the Accountant General of the Federation (OAGF) reveals that as at 30<sup>th</sup> June, 2012 a total of N404.64 billion had been released through 1<sup>st</sup> Quarter Development Capital Warrant of N300 billion, 2<sup>nd</sup> Quarter Development Capital Warrant of N79.83 billion and Authority to Incur Expenditure (AIEs) of N22.63 billion for the implementation of MDAs' approved capital projects/programmes. Of this amount, a total of N317.28 billion of the total releases had been cash-backed. It is noteworthy that the implementation of the 2012 Budget effectively commenced in April 2012 when the Budget was signed into law.

*Performance as at 30<sup>th</sup> June, 2012*

40. The data also show that N158.24 billion (or 49.87%) of the total amount cash-backed amount had been utilized by MDAs as at 30<sup>th</sup> June 2012. *Appendix 1* to this Report gives an indication of the funds released to and utilized by MDAs in the period. An analysis of forty-nine (49) MDAs reported upon by the Office of the Accountant-General of the Federation (OAGF) indicates a varied level of utilization rates. Fifteen (or 30.61%) of the MDAs including: Interior, Aviation, Works, Transport, Water Resources, Agriculture, Foreign Affairs, Federal Capital Territory Administration, Labour, Women Affairs, National Population Commission and Police Formations, had utilized more than the overall average utilization rate of 49.87%. Eight out of these,

including Works, Women Affairs, Code of Conduct Tribunal, Foreign & Inter-Governmental Affairs, Federal Civil Service Commission and Federal Capital Territory Administration, had utilized over 70% of their respective cash-backed releases.

41. The utilization report also shows that 16 MDAs (or 32.65%), which include Health, Information, Communication Technology, Justice, Power, Petroleum, Housing and National Sports Commission had utilized less than 30% of their cash-backed. On the other hand, five MDAs, which include Auditor General, Special Duties, Code of Conduct Bureau, Revenue Mobilization Commission and Federal Character Commission were yet to utilize their capital votes. *Table 3.8* below is an extract from *Appendix 1* highlighting the utilization rates of ten MDAs considered key to the actualization of the present Administration's transformation agenda.

### **3.5.5 Performance of the Financing Items:**

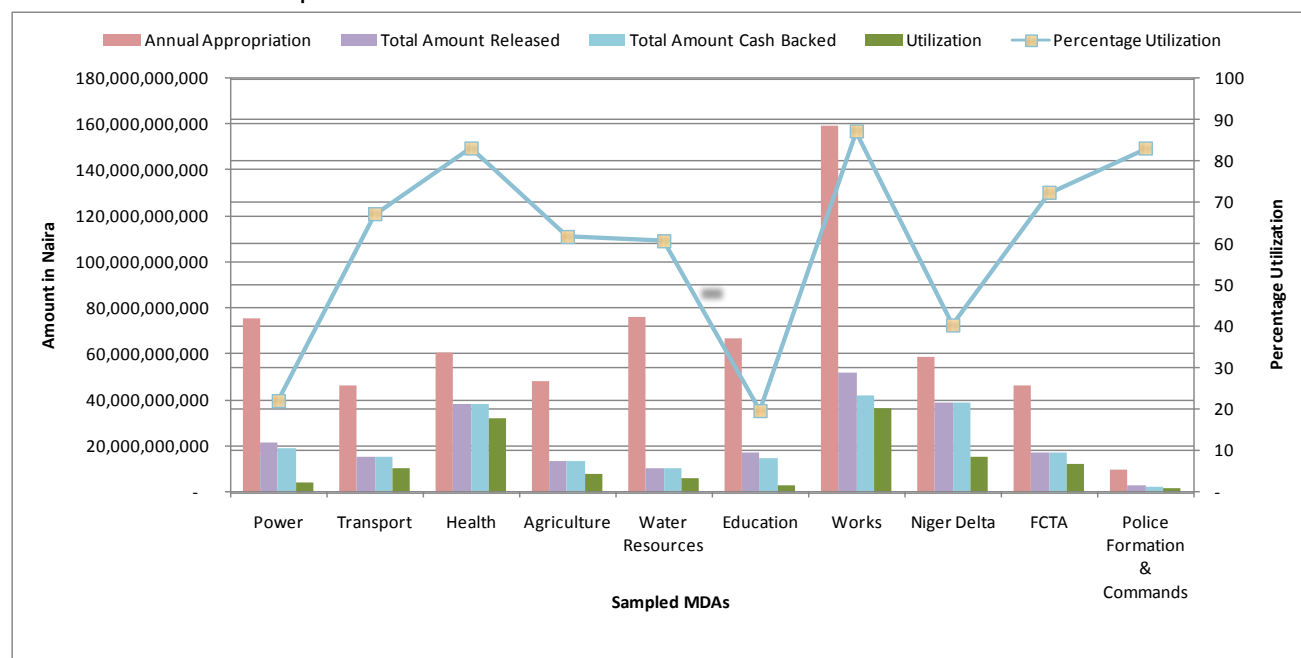
42. Based on the 2012 fiscal framework, the quarterly funding of the budget was projected at N890.25 billion, while aggregate quarterly expenditure was estimated at N1,174.30 billion resulting in a projected quarterly deficit of N284.05 billion. This is to be financed through Privatization Proceeds of N2.5 billion, Signature Bonus of N18.75 billion, Sharing from Stabilization Fund Account of N76.69 billion and Domestic Borrowing (FGN Bond) of N186.11 billion.

**Table 3.8: A Sample of MDAs' Capital Budget Utilization (as at 30<sup>th</sup> June, 2012)**

MDA	Annual Appropriation N'bn	Total Amount Released N'bn	Total Amount Cash Backed N'bn	Utilization			
				N'bn	As % of Annual Capital Appropriation	As % of Cash Backed Funds	As % of Budgetary Releases
Power	75,464,688,374	21,541,876,845	19,430,098,320	4,280,271,635	5.67	22.03	19.87
Transport	46,859,372,512	15,306,377,358	15,306,377,358	10,277,304,649	21.93	67.14	67.14
Health	60,920,219,702	38,784,861,735	38,716,448,282	32,165,117,841	52.80	83.08	82.93
Agriculture	48,191,750,279	13,898,352,780	13,357,648,336	8,248,131,659	17.12	61.75	59.35
Water Resources	76,388,411,863	10,574,085,857	10,574,085,857	6,425,334,460	8.41	60.76	60.76
Education	66,833,018,506	17,230,834,583	15,183,609,388	2,983,284,980	4.46	19.65	17.31
Works	159,463,529,702	52,356,433,969	42,192,777,182	36,728,294,567	23.03	87.05	70.15
Niger Delta	59,222,134,484	39,073,230,536	39,073,230,536	15,777,488,756	26.64	40.38	40.38
FCTA	46,257,784,097	17,292,240,167	17,292,240,167	12,495,865,269	27.01	72.26	72.26
Police Formation & Commands	9,656,295,375	2,809,890,566	2,539,779,415	2,106,097,044	21.81	82.92	74.95
<b>Total Average Utilization (by all MDAs)</b>					<b>11.81</b>	<b>49.87</b>	<b>39.32</b>

Source: OAGF and BOF

**Chart 3.9: Pictorial Representation of Selected MDAs Utilization**



Source: BOF and OAGF

43. In the second quarter, a total of N117 billion was realized from the financing item sources implying a shortfall of N167.05 billion (or 58.81%) below the quarterly estimate of N284.05 billion due, largely to non-realization of signature bonus from sale of oil blocks and other items. A breakdown of the realizations from the financing sources in the second quarter revealed that the whole N117 billion came from Domestic Borrowing (FGN Bond).

44. The next section, presents the physical project inspection visits by the staff of Budget Office of the Federation, in collaboration with relevant MDAs; Civil Society groups and the media.

# 4.0 CAPITAL BUDGET IMPLEMENTATION REPORT

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## 4.1 Physical Monitoring and Evaluation

The Budget Office embarked on the physical monitoring and evaluation of selected MDAs' projects and programmes in the second quarter of 2012. As has become the practice, this was done in collaboration with representatives of the supervising MDAs, CSOs and the media. This was with an objective to keeping to the Administration's push for transparency and accountability in governance.

46. The projects monitored cut across the six geo-political zones of the country and were selected from sites of various projects and programmes in the Federal Capital Territory Administration, Water Resources, Transport, Health, Agriculture, Education, Aviation, Works and Niger Delta.

### **FEDERAL CAPITAL TERRITORY ADMINISTRATION**

47. The FCTA has a mandate to provide adequate infrastructural facilities, affordable housing schemes and foster the development of the Federal Capital Territory to boost socio-economic activities. In respect, the it had an allocation of N46.26 billion for the implementation of its capital projects in 2012. Of this amount, N17.29 billion had been released and cash backed while the FCTA had utilized N12.49 billion (72.26%) as at the end of the second quarter to execute projects which include:

i. *Completion of Roads B6, B12 & Circle Road, Abuja*

48. This project involves the construction of a 25km road comprising: completion of works on Roads B6, B12, Circle Road with full-scale development in Arterial Roads 16, 19 and the construction of an interchange at the former Abuja City Gate. It also includes the construction of 41 bridges of various spans, and relocation of Abuja City Gate. The contract for these works

was awarded to Messrs Julius Berger (Nig.) PLC in May 2007, at an initial cost of N48.52billion. This was revised to N66.83 billion in October 2009, with a new completion date of January 2013. The upward review was necessitated by additional works such as rock blasting and retaining walls. Others are exchange rate fluctuation, channeling of 1.6km length of River Parapata and extensive landscaping.

49. The sum of N3 billion was appropriated for its implementation in the 2012 Budget. Out of this, N624.63 million had been released and utilized, in the second quarter, to partially offset outstanding liabilities from the 2011 fiscal year. A total of N37.89 billion had been utilized, from inception, to achieve 49.5% level of completion.

*Findings:*

50. At the time of inspection, works completed included 31 bridges, retaining walls, road pavements around units 21 (B6/RR1 to B6/River Parapata), binder course at units 23 & 24 (along road B6 North), units 41, 42 and 43 (Circle road). Others are the construction of kerbs, walkway and median at same axis. Work in progress included the provision of infrastructural services such as street light, cable and duct, power supply/distribution network, post and telecommunication ducts, etc. The monitoring team observed that only about 5% of work was achieved in the year to-date. The team gathered that this slow pace of work was due to outstanding certificates of work done.

ii. *Phase II Addendum Contract for the Provision of Complementary Engineering Infrastructure Facilities to the Federal Capital Territory (FCT)*

51. The project, which is an addendum to Phase I, includes the construction of 42.9km (7m standard width) of the second main carriageway, and the second service lane of the Ring Road 1 with street lighting at the Airport junction. It also includes 29.6km of Arterial N11 Road from RR1 and RR2. It also includes the construction of a second flyover bridge at the RR1/N5 and RR1 – S1 interchange; and the development of an interchange of Arterial N5 over RR2 and street lighting at Mabushi through Life Camp, etc. Upon completion, the project will ease the flow of traffic within the metropolis as well as enhance socio-economic activities.

52. The contract for these works was awarded to Messrs Julius Berger Nig. PLC in April 2005, at an initial cost of N24.23billion (i.e., N8.48billion + £157.46million) with a completion date of December 2013. However, the contract sum was revised to N26.67billion (N9.34billion + £173.39 million) due to inflation and the addition of a 25.6km (7m standard width) of Arterial Road S20 as an addendum to the contract. The project is scheduled for completion in December 2014 as reviewed.

53. The sum of N2 billion was appropriated for its implementation in 2012. Of this, N444.73 million was released and utilized in the first half of the year. A total of N13.84billion + £164.45million had been committed to the project to-date to achieve a cumulative performance of 96.5%. A total of N258.48 million + £2.24million certificates were said to be outstanding.

#### *Findings:*

54. At the time of this report, works on the Ring Road 1, Northern Parkway (N8), Arterial Roads S20, N11, and N5 (including flyover bridges & interchanges, street lightings and communication duct, box culverts, as well as electrical/telecom), had been completed; while the construction of the super structure of the bridge at Ring Road 2/N5 interchange was in progress.

55. Outstanding works included: the completion of 8.4km road work and 3.25km of main truck and secondary sewer line at Arterial Road N5; super structure work at RR2/N5 interchange; and 2.4km of stone base, binder course and wearing course for Arterial Road N20 with other associated infrastructure service facilities. The team also noted that the contractor had moved back to site after vacating the site for almost a year due to inadequate funding and delayed approval for variation No. 2. The Budget Office continues to enjoin MDAs to direct the limited financial resources to the completion and exit from ongoing projects rather than spreading such, thinly among several projects.



**Picture 4.1(a):** Work in progress at Ring Road 2/N5 interchange (Jabi/Gwarinpa Area)



**Picture 4.1(b):** A portion of the dualized road and service Lane

iii. *Addendum To Guzape Lot 1 (Construction of Roundabout, Two Flyover Bridges & Associated Works at ISEX/Road C1 AYA Junction)*

56. The project was awarded in two phases. Phase I was for the design and construction of a roundabout and associated works like service roads, underground water drainages, power supply and street light at ISEX/Road C1 AYA Junction; while Phase II involves 2nos flyover bridges with retaining walls and associated works at AYA Junction, Asokoro District of Abuja. The project will ease traffic congestion at the Abuja-Keffi entrance for commuters coming in from the North-Eastern and South-Eastern parts of the country.

57. The contract for this phase was awarded to Messrs Dantata & Sawoe Const. Nig Ltd in August 2006 at a cost of N1.5 billion. Work on the project commenced in June 2007 and was to be completed within fifteen (15) months

(i.e., by September 2008). This was not achieved due to non-budgetary provisions for the project over the years by the FCTA. However, a provision of N640 million was made for it in the 2012 Budget, out of which N146 million was released and utilized in the first and second quarters. A total of N1.2 billion has so far been committed on the project to date.

58. Phase II of the contract entails the construction of 2nos flyover bridges with retaining walls and associated works consisting of storm water drainages, road works, power supply, street lighting, relocation of telecommunications and PHCN cables, water supply lines and miscellaneous works at AYA Junction as an addendum to the Guzape Lot 1. The contract was awarded to Messrs Dantata & Sawoe Const. Nig Ltd in September 2008 but work commenced in October 2008 and was expected to be completed in 18 months at the cost of N3.97billion. As at the end of the second quarter of 2012, N3.8 billion had been committed to the project.

59. The project had an appropriation of N640 million in the 2012 Budget, out of which N146 million had been released in the first half of the year, while N134.49 million had been utilized.

*Findings:*

60. At the time of monitoring the project, the construction of the roundabout, 2nos flyover bridges with retaining walls and associated works at AYA Junction as an addendum to the Guzape Lot 1, had been completed and are in use. The monitoring team gathered that the contractor is still being owed the sum of N363.4million and N134.49million respectively for the completed Phases I & II.

*Impact:*

61. The successful execution of the project has greatly reduced the travelling time for commuters, traffic gridlock and high rate of accidents hitherto experienced in the AYA-Asokoro area.



**Picture 4.2:** Completed Flyover Bridge at AYA – Asokoro, Abuja

iv. *Provision of Infrastructure to Kubwa Satellite Town Districts 4 and 5*

62. The project comprises the provision of engineering infrastructure such as roadwork, storm water drainage, water supply, power supply and reticulations and street lighting to Kubwa satellite town (Districts 4 and 5). The contract for its construction was awarded to Messrs S.C.C Nig. Ltd at an initial cost of N18 billion in May2007 with a completion period of 108 weeks (June, 2009). This was however revised to N42 billion with a new completion date of November 2013 due to increased scope of the contract which now included Circle road and additional 2km of road along Dutse Baupma of Bwarri Area Council, etc.

63. The sum of N500 million was appropriated for its implementation in 2012, out of which N100 million had been paid. A total of N15.69billion has been committed to the project since inception to achieve 46% level of completion.

*Findings:*

64. At the time of inspection, work done included the setting-out of roads in districts 4 and 5, bush clearing, asphalt overlay, removal of topsoil, and earthwork was at various stages of completion. The team observed that skeletal works were being carried out but at a very slow pace. The site Engineer's representative attributed the low performance to delay in payment of outstanding certificates (put at about N6.17 billion) and inadequate funding over the years.



**Picture 4.3(a):** Completed asphalt overlay at Dutse Baupa- Bwari Road



**Picture 4.3(b):** On-going removal of topsoil at the project site

v. *Construction of Lower Usuma Dam–Gurara Dam Road*

65. The project was initiated to ease traffic flow, reduce travel time, reduce accidents and improve socio-economic activities in the neighbouring communities of the dams. The scope of the project includes the construction of roads and upgrading of the existing service road, relocation of water pipelines, site clearing, construction of storm water drainage and culverts. The contract for its construction was awarded to Messrs SCC Nigeria Limited in March 2011 at the cost of N13.86 billion with a completion date of September 2012. The sum of N500 million was appropriated for its implementation in 2012. A total of N6.6 billion had been committed, so far, to achieve a cumulative performance of 70%.

*Findings:*

66. At the time of visit, work done included: site clearance and earthworks, culverts and drains, pavement and surfacing; while completion of the road linking Lower Usuma Dam to Gurara Dam was outstanding. The team

observed that the pace of work on the project had been slowed down. This was attributed to the non-payment of outstanding certificates of N3.54 billion by the FCTA.



**Picture 4.4:** Newly constructed roundabout, a section of the re-construction of Lower Usuma Dam – Gurara Dam Road

## **FEDERAL MINISTRY OF WORKS**

67. This Ministry's mandate includes the provision and rehabilitation of the country's extensive road network. It is critical to the Government's determination to improve the socio-economic wellbeing of Nigerians as captured in the Transformation Agenda. Towards achieving this objective, the Ministry had an allocation of N159.46 billion in the 2012 Budget for implementation of its capital projects. Of this amount, N52.36 billion had been released as at the end of the second quarter and N42.19 billion had been cash-backed while N36.73 billion (87.06%) was utilized for the implementation of its capital projects/programmes.

i. *Construction of Kano Western Bypass-Pass: Section 1 (Kano – Wudil Road) in Kano State = Contract No. 5960*

68. The project is an addendum to the Kano–Maiduguri dual carriageway involving the construction of a 26.6km dual – carriageway starting from Km 10 on Kano – Kaduna road; Route 50 (A2) and ending at Dawanau village on the Kano – Katsina road. The project also includes: construction of cloverleaf interchange; 3 river bridges and an overpass bridge over the railway line. It also includes the construction of pipe and box culverts, concrete line drains, stone pitching and concrete kerbs stone median. Upon completion, the project will minimize congestion in the city road network.

69. The contract for its construction was awarded to Messrs Dantata & Sawoe Construction Co. (Nig.) Ltd in May 2007, at an initial cost of N13.23 billion with initial completion date of 19<sup>th</sup> May, 2010. However, the contract sum and completion date were reviewed to N15.044 billion and May 2012 respectively due to expansion in the scope of the contract (i.e., conversion of cell box culvert No.3 to a bridge and additional compensation for farm lands).

70. The sum of N594 million was appropriated for its implementation in the 2012 Budget. However, available data indicate that the FCTA was yet to make any releases for its implementation in the year. An aggregate of N6.93billion had been committed to the project since inception, while N704.48 million was presented as outstanding certificates for payment. The project had attained 49.58% level of completion at the time of this report.

*Findings:*

71. As at the time of monitoring the project, the contractor had just returned to the site, following its going on break in December 2011. It has commenced work with skeletal services on the drainages at the interchange to support the embankment. However, the flyover bridge (cloverleaf interchange) was near completion and partially open for use. In addition, the site clearance (26.6km), earthworks (9.3km), 26 culverts and drainages, pavement and surfacing (7.7km) and 4 bridge works had been completed.



**Picture 4.5(a):** The flyover bridge at the Kano Western Bye-Pass, almost completed



**Picture 4.5(b):** Drainage works around the Flyover Bridge of the Kano Bye-pass

ii. *Rehabilitation of Bauchi – Dass –Tafawa Balewa Road (C/No. 6068)*

72. This project entails the rehabilitation and asphalt overlay of 75km of the Bauchi-Dass-Tafawa Balewa road (7.3m wide asphaltic concrete pavement and 2.75m wide surface dressed shoulders on either side). It also includes the provision of stone pitching, kerbs, chutes, etc. The contract was awarded to Messrs Triacta Nigeria Ltd in September 2010 at a cost of N4.58 billion with completion scheduled for September 2012.

73. The sum of N990 million was appropriated for the implementation of the project in the 2012 Budget. However, available data indicate that the payment was pending for its implementation as at 2nd quarter of the year. A total of N1.91 billion had been expended, from the inception of the Project to date, to achieve 85.72% level of completion.

*Findings:*

74. At the time of monitoring the project, over 43km of the road had been done, while work-in-progress in other sections of the road included binder course, surface dressing, pipe culverts, drainages, stone base and subbase. However, following heavy rainfall, the contractor had suspended work at the site at the time of monitoring it.



**Picture 4.6:** Completed wearing course at Bauchi-Dass-Tafawa Balewa Road

*iii. Dualization of Ibadan – Ilorin Road (Route A2) Section II: Oyo – Ogbomosho Road: Contract No. 1793A*

75. This road, which links the Northern and Southern parts of Nigeria, is aimed at easing traffic flow on the route as well as enhancing socio-economic activities in the country. The 52km road originates from Oyo town and terminates at the outskirts of Ogbomosho linking the Ogbomosho – Ilorin dual carriageway. The scope of work includes the construction of 4-lane highways, 1 trumpet interchange at Oyo end of the road, 2 dual and 5 single bridges, 10 underpasses, drainages, culverts, concrete median barriers, etc.

76. The contract was awarded to Messrs RCC Nigeria Limited at the cost of N47.5 billion in June, 2010 with a completion date of October, 2013. The sum of N2.4 billion was appropriated for its implementation in the 2012 Budget. The sum of N2.3 billion was released and utilized, in the second quarter, to bring total commitment to N13.31 billion since inception.

*Findings:*

77. At the time of monitoring, the project had achieved 25.33% level of completion. Work done included site clearance (53.3%), earthworks (52.6%), pavement (6.8%), carriageway/shoulders (8.3%), priming and binder course (6.9%), 7 line drain, 4 under drains, 20nos. 90mm diameter pipe culverts and 8 underpasses.

*Challenge:*

78. The team gathered that the yet to be resolved compensation to the affected owners of crops, buildings and other related structures within the Right Of Way (ROW) remains an impediment to work on the project.



**Picture 4.7:** Ongoing construction work of the dualization of Ibadan – Ilorin Road (Route A2) Section II: Oyo – Ogbomosho Road

*iv. Construction / Rehabilitation of Otukpo - Oweto Road In Benue State, Contract No.6076*

79. This project consists of the construction and rehabilitation of the 51 km road from Oju–Otukpo–Oweto starting from the busy Oju roundabout passing through Oju township and ends in Otukpo at Igumale junction. It entails widening of the existing shoulders, scarification of failed pavement sections up to formation level, provision and compaction of 200mm laterite materials as sub base, the provision and laying of 40mm and 60mm asphaltic concrete binder and wearing course, as well as the reconstruction of 2 bridges along the road.

80. The contract for its construction was awarded to Messrs CGC Nigeria limited at a sum of N4.6 billion in December 2010 with completion scheduled for June 2011. The sum of N990 million was appropriated for its implementation in the 2012 Budget. Out of this, N535 million was released and utilised in the first half of the fiscal year. A total of N1.23 billion had been expended on the project since inception to bring cumulative performance to 38.74%.

#### *Findings:*

81. At the time of monitoring, 1 out of the 2 bridges had been completed, while asphalt concrete binder and wearing courses, stalling and surface dressing of the shoulders were all in progress. The contractor's representative informed the monitoring team that the sum of N1.2 billion was outstanding. However, work was ongoing at the site, though at a slow pace.



**Picture 4.8:** A portion of the asphalted binder course at Otukpo – Oweto road project

## **WATER RESOURCES SECTOR**

82. The Ministry had an allocation of N76.39 billion in 2012 Budget for the implementation of its capital projects and programmes. Of this amount, N10.57 billion was released and cash-backed while N6.43 billion (60.75%) had been utilized by the Ministry.

### *i. Bagwai (Water Dam) Irrigation Project in Kano State*

83. Kano State Government initiated this project in phases during the accelerated wheat production programme in 1988. During the period, sectors 1-4 of the eight sectors designed for the project were completed in November

2005. In the same fiscal year (i.e., 2005), the Federal Government took over the project and subsequently awarded the contract to Messrs Dantata and Sawoe Construction Company (Nig.) Ltd. in 2006 at the contract sum of N1.96 billion. This was for the completion of construction of Main canal and development of 872Ha of irrigable land.

84. The contract covers three sectors: sector 5 (275Ha); sector 6 (257Ha); and sector 7 (342Ha) of irrigable lands respectively. Work commenced in April 2006 and was meant to have been completed by June 2008. However, the contract sum and completion date were revised to N5.44 billion and December 2013 respectively due to changes in the cost of materials.

85. The sum of N1.01billion was appropriated for its implementation in the 2012 Budget. Of this, N150 million had been released, as at the end of June to achieve 1% implementation. A total of N2.48billion has so far been committed to the project since inception to achieve a cumulative implementation of 49.18%.

*Findings:*

86. Sector 5, which covers about 275Ha of irrigable land, had been completed since 2010 and handed over to the farmers; while the construction of embankment for sector 6 (with a total of 257Ha) was in progress at the time of the team's visit. The team gathered that work was stalled at the site since 2010 (i.e., after the completion of Sector 5) due to inadequate funding. The contractor returned to site in June, 2012, to commence work on sector 6.



**Picture 4.9(a):** Part of the irrigated land in Sector 5



**Picture 4.9(b):** Construction of Embankment in progress in Sector 6 of the project

*ii. Construction of Ogbia Regional Water Project, Bayelsa State*

87. The contract for this construction work was awarded to Messrs Nairda Nig. Ltd. in August, 2011 and was scheduled to be completed in December, 2013 at the cost of N4.5billion. The project had an appropriation of N1.2billion in the 2012 Budget, but it was yet to receive funding from the supervising Ministry in the year. However, a total of N610.5million had been committed on the project, to achieve about 25% level of completion.

*Finding:*

88. At the time of monitoring, the team observed that the project had achieved various stages of completion: construction of the water works building complex (30%); borehole drilling (40%); fence (10%) residential accommodation (40%). The team also learnt that torrential rainfall, as well as the underground water, discovered at the site, was hampering the progress of the work.



**Picture 4.10:** On-going works at the water project, Ogbia in Bayelsa State

## TRANSPORT SECTOR

89. The Ministry focuses on providing efficient rail and water transport systems, and their linkage with other modes of transportation in the country. In this respect, the sum of N46.86 billion was allocated in 2012 Budget. Of this amount, N15.31 billion had been released, and cash-backed to the Ministry as at the end of the second quarter of the year. Of this, N10.28 billion (or 67.14%) had been utilized.

*i. Track Rehabilitation: Zaria to Kaura–Namoda, Contract N0.6*

90. This rail track project covers 221 km and is a part of the western line (Lagos – Kano). The contract entails: complete rehabilitation of existing track, rail curves, bridges and culverts along the Zaria –Kaura Namoda line, and is designed to make the line functional for movement of passengers and goods.

91. The contract for its implementation was awarded to Messrs Duluidas Nigeria Limited in November 2011, at a cost of N3.21billion. Work commenced in February 2012, due to logistics constraints and delayed payment of mobilization fee. The project was expected to be completed in October 2012. The sum of N1.39billion was appropriated in 2012 Budget. Available data indicate that the Ministry of Transport was yet to make any releases to it in the year. However, a total of N935.90million had been committed to the project since 2011 to achieve cumulative implementation level of 21.38%.

*Findings:*

92. During the team's visit to site, stone pitching of the embankment to the abutment walls at bridge 10A, and 14 bridges between Zaria – Gusau had been completed. The screening of contaminated ballast had reached a distance of 174km (79%) while re-ballasting and making up deficiencies also covered about 25km (11.3%). The outstanding works included widening and raising narrow and low embankment to retain ballast along the stretch, re-construction of re-enforced, concrete low, retaining walls at bridge 10A (around Seme and Yankara), repairs and reconstruction of damaged culverts, amongst others.

*Challenges:*

93. The project manager informed the team that extensive rainfall and the nonpayment of outstanding certificates amounting to N454.97million, have contributed to the slow pace of work.



**Picture 4.11(a):** Re-ballasted portion of the rail line with embankment works at Km96



**Picture 4.11(b):** Stone pitched & concrete retaining wall works at Bridge 10A

*ii. National Maritime Academy, Oron, Akwa-Ibom*

94. The Academy was established as an institution for educating and training of shipboard officers, ratings and shore-based management personnel in conformity with international maritime standards. The sum of N959.6 million was appropriated for implementation of its projects in the 2012 Budget. Of this, N296.2million was released in the first half of the fiscal year, while N103.5million (34.94%) had been utilized. The monitoring team inspected the following ongoing projects of the Academy:

a. *Construction of 1000 Seat Auditorium*

This project is the construction of a 1000-seat capacity facility to provide for the increasing number of naval cadets. The contract was awarded to Messrs Prefab Overseas and Road Construction Ltd in June, 2009 at the cost of N144.1million, and it was expected to be completed in December, 2012. The sum of N100.3 million was appropriated in 2012 budget, out of which N30.9 million was released and fully utilized to achieve 30% performance in the first and second quarters. A total of N103.2million has been committed since inception.

*Findings:*

As at the time of monitoring the project, the block work and plastering had been completed, while tiling, roofing, ceiling and fitting of doors and windows were in progress. The project had attained about 70% completion.



**Picture 4.12:** Construction of 1000 -Seat Auditorium at Maritime Academy, Oron

b. *Construction of 300 Seat Library /Resources Centre*

The contract was awarded to Messrs Inisthom Nig. Ventures in August, 2008 at a cost of N262.9million and was to be completed in December, 2012. The sum of N73.6million was appropriated for its implementation in the 2012 Budget, while N22.7million was released and utilized, bringing the total commitment so far to N148.9million.

**Findings:**

At the time of monitoring the project, it had attained about 75% cumulative implementation with the completion of block, plastering and roofing works. Outstanding works were electrical fittings, tiling, painting, fixing of doors and windows, etc.



**Picture 4.13:** Ongoing Construction of 300 Seat Library /Resources Centre, Oron

*c. Construction of 200-Capacity Male Cadet Hostel*

The project, a two-storey building, was designed to construct a 200-capacity male hostel to provide adequate accommodation for the increasing number of cadets. The contract was awarded to Messrs Mariason Nig. Ltd. at the cost of N173.2million in June, 2009 and was expected to be completed in December, 2012. The sum of N50.6million was appropriated for its implementation in the 2012 Budget, out of which N15.6million had been released and utilized. A total amount of N111.2million had been committed on the project since its inception.

**Finding:**

At the time of evaluation, work done included the completion of block work on the ground and first floors, while tiling, roofing, ceiling and fitting of doors/windows were outstanding. The project had achieved 35% completion.



**Picture 4.14:** Ongoing Construction of 200 Capacity Male Cadet Hostel at Oron

*iii. Rehabilitation of Onitsha River Port and Cargo Handling Equipment*

95. This project located at Onitsha by the Niger Bridge entails the construction of an operational building, junior staff quarters, asphaltic carriage road leading to the staff quarters and renovation of existing structures such as staff quarters, Guest House as well as Quay structure within the port complex. Other works include construction of the perimeter fence to demarcate the residential area from the shopping complex, and construction of a water treatment plant. The project's main objectives include: the provision of safe berthing facilities for passengers, efficient cargo handling equipment, as well as ensuring all-year-round navigation on the river Niger. The project, when completed, will improve the socio-economic activities of South-Eastern States as well as reduce congestion of heavy-duty trucks on the highway.

96. The contract for its execution was awarded to Messrs Inter-Bau Construction Limited in January 2010, at the cost of N4.6 billion with a completion date of October 2010 which was, however, extended to June 2012 due to poor funding. The sum of N594 million was appropriated for its implementation in the 2012 Budget. Of this, N165 million had been released and utilized by the first half of the year. This brings the total financial commitment on the project to N4.09 billion to achieve a 97% level of implementation.

*Findings:*

97. At the time of monitoring the project, work done in the first half of the year included: asphalted single carriage way, completion of the gate house

and the main gates as well as construction of block wall, which constitute about 2% of the job scope, thereby bringing the cumulative work done to 97%. Outstanding works include the construction of block wall fence and renovation of staff quarters.



**Picture 4.15(a):** Ongoing construction of block wall



**Picture 15(b):** Completed shore line protection.

#### *iv. Channelization of Oguta Lake and Excravos Channel*

98. The objective of the project is to dredge the Orashi river (i.e., Oguta to Degema) to attain a depth of 1.5m of sea water level as well as to provide navigable channels to enhance all year navigation along the Orashi River, covering a distance of 205km. The contract for its implementation was awarded to Messrs Simida S & I International in March 2012 at a cost of N2.01 billion, with an expected completion date of March 2013.

99. The sum of N594 million was appropriated for its implementation in 2012. Of this, N165.47 million was released and utilized in the second quarter of year 2012, to bring the cumulative financial commitment on the project to N558 million since inception with 16% as level of project implementation.

*Findings:*

100. At the time of inspection, the team observed that out of the 205km dredging, 35km had been completed in the first half of the year representing 15% level of completion, while the remaining work was still in progress.

*Challenges:*

101. The team gathered that the incessant requests for employment by the restive youths and nonpayment of compensation to some land owners at Pontu necessitated the relocation of the contractors from Oguta to Omoku. Furthermore, there was the need to remove the sunken gunboat and bunkering vessel from the civil war era (at km10) which obstructed dredging activities. The team gathered that the removal of these boats would require the use of heavy duty machines.



**Picture 4.16:** Dredging work at Mmahu along Orashi River in Imo State

*v. Construction/Completion of Abuja (Idu) to Kachia Rail Line*

102. The scope of work on this project included the design and construction works, bridges, culverts, track and station related works with a subsequent maintenance agreement for five years. The project was awarded to Messrs CCECC (Nig.) Ltd. in October 2009 at the sum of USD 849,750,903 (\$500

million Loan+\$349.75 million + \$24.56 million), while work commenced in February 2011 to be completed in April, 2014. The sum of N3.87 billion was appropriated for implementation of the project in the 2012 Budget. However, data indicate that releases to the project were pending as at mid-year. However, the sum of USD 13.531 million (i.e., N2.14billion) had been expended on the project within the year to achieve 38% level of cumulative completion.

*Findings:*

103. At the time of monitoring, site clearing including rock blasting and filling were in progress and had attained 46.61% while structural works such as culverts, bridges, concrete sleeper and precast T- beams had achieved 56.22% level of implementation.

*Challenges:*

104. The team gathered that the delay in meeting Government's obligation for counterpart funding amounting to about USD107.7 million was impairing the pace of work.



**Picture 4.17:** Erected T- beams along the rail track bridge.

**MINISTRY OF NIGER DELTA AFFAIRS**

105. The sum of N59.22 billion was appropriated to the Ministry in the 2012 Budget for the implementation of its capital projects and programmes. Of this amount, N39.073 billion had been released and cash-backed while N15.78 billion or (40.38%) had been utilized as at the end of the second quarter.

*i. Dualization of East- West Road: Port-Harcourt-Eket-Oron Section 3*

106. The project was conceived to provide a new standard carriage way from Port-Harcourt to Eket and Oron covering a distance of 99 km. This is a continuation of the East-West road linking Warri to Calabar. The project was designed to enhance the free flow of traffic and stimulate economic activities in the region, and reduce accidents as well as the travel time for commuters.

107. The contract for its implementation was awarded to Messrs Reynolds Construction Company (RCC) Nig. Ltd in August, 2006 but work commenced in October 2006 at an initial cost of N35.6billion which was later revised to N66.45billion because of time lapse and high cost of materials. This necessitated the extension of the planned completion date from October, 2010 to December, 2012. The sum of N7.07 billion was appropriated for its implementation in the 2012 Budget. Of this, N6 billion had been released and utilized in the first half of the year, bringing the total commitment on the project from inception to N35.4billion. The project is ongoing and had attained 75% cumulative performance.

*Finding:*

108. At the time of monitoring the project, both the old and new carriageways had been substantially completed with 75km site clearance, 67.5km earthwork, 62km pavement/surfacing and 3 bridges. The outstanding work included 39km pavement/surfacing and a bridge work respectively.

*Challenges:*

109. The slow pace of work was attributed to youth restiveness, communal disturbances, and sabotage of company personnel and equipment by the benefiting communities. This challenge is, however, being overcome with the deployment of security personnel to the site. We recommend that the issue of compensation for communities at the project site be promptly tackled to allow the contractor free access.



**Picture 4.19:** Ongoing Construction work on Dual carriage way East-west Road Section

## **AVIATION MINISTRY**

110. The Ministry had an allocation of N43.16 billion for the implementation of its capital projects in the 2012 Budget. Of this amount, N24.89 billion was released and cash-backed while N12.95 billion (or 52.03%) was utilized in the first half of the fiscal year.

### *i. Maiduguri Airport resurfacing*

111. The project entails the rehabilitation of 3km runway, crack sealing, surface repairs and threshold concrete. It also includes milling of the runway and asphalt overlay, Air Field Lighting (AFL), drainages improvement, provision of 1km crash road and edge lights, as well as, runway markings. The contract for its implementation was awarded to Messrs CGC Nigeria Ltd in June 2011 at a cost of N499.83 million and was expected to be completed in September 2011.

112. The sum of N140.18million was appropriated for its implementation in the 2012 Budget. However, it was yet to receive funding from the Ministry as at the end of the second quarter. A total of N359.65million had been committed to date to achieve 100% level of completion.

### *Findings:*

113. At the time of monitoring, the project had been completed.



**Picture 4.20:** Completed 3 km runway at Maiduguri International Airport.

*ii. Calabar Airport*

114. The contract was designed to rehabilitate and upgrade the decayed infrastructural facilities to ensure safe takeoff and landing of aircraft and provide other safety features (such as Air Field Lighting (AFL), edge light, hydrant, etc) at the runway of the airport. The contract was awarded to M/S Jamson Nig. Ltd. in January, 2010 and was to be completed in March, 2010 at the cost of N832.8million. A total of N688million had been committed to achieving 90% level of implementation

115. The sum of N676.05million was appropriated for its implementation in the 2012 Budget. Of this, N131.2million had been released and utilized as at the end of the quarter.

*Findings:*

116. The monitoring team was informed by the project engineer that the contract for the Air Field Lighting CAT 11 was still undergoing the procurement process, while the runway resurfacing had been substantially completed with 2.45km asphalt laid. Outstanding work included the remarking of the runway, Edge light and water hydrant rehabilitation.

*Impact:*

117. The completed runway had been commissioned, thus easing air transportation and boosting socio-economic activities in the state.



**Picture 4.21:** Runway extension/resurfacing work at Calabar, Airport

*iii. Nigerian Metrological Agency (NIMET), Abuja*

*a. Development of National Weather Forecasting and Climate Research Centre, Abuja*

The project is a two storey building designed to provide office accommodation for the Agency in the Abuja Airport. The centre will be equipped with numeric weather prediction facilities, modern weather centre with satellite data receiver for air-navigational safety, weather data processing, archiving centre and library etc. The contract for its implementation was awarded to Messrs Enatech Nig. Ltd in December 2009 at a cost of N868.6 million with a completion date of December 2013.

The sum of N205.4million was appropriated for its implementation in the 2012 Budget. Of this, N59.15 million was released in the quarter while N57.7 million was utilised to achieve 10% level of completion. The sum of N111.1 million had been expended on the project since inception to bring cumulative implementation to 45%.

*Findings:*

At the time of visit, work done included superstructure of the first and second floor to lintel level.



**Picture 4.22:** Ongoing-going work at the Climate Research Centre

## HEALTH SECTOR

118. The sum of N60.92 billion was allocated to the Ministry in the 2012 Budget. Of this amount, N25.086 billion had been released as at half-year while N23.65 billion had been cash-backed as at the same period, and the sum of N6.93 billion (or 29.31%) had been utilized.

*i. Usmanu Danfodiyo University Teaching Hospital (UDUTH), Sokoto*

119. The Hospital had a total allocation of N798.53million in 2012 Appropriation for the execution of its capital projects and programmes. As at the end of the second quarter, N144.69million had been released, while N66.57million (or 79.37%) had been utilized to execute the following projects:

*a. Completion of the Construction of Multi-purpose Continental Lecture Hall*

The project comprises 6nos. offices, 2nos. lecture halls and a conference centre. It is aimed at providing a conducive lecture/conference hall, and offices for the hospital. The contract was awarded to Messrs Amadzone Links Concepts Ltd., at the cost of N249.97million in November 2012. It was scheduled for completion in December 2014.

The sum of N143.84 million was appropriated for its implementation in the 2012 Budget. Of this amount, N17.3 million had been released and utilized, as at 30<sup>th</sup> June, to achieve 2% implementation. To date, the sum of N26.58million has been committed on the project to attain about 5% cumulative level of completion.

*Findings:*

At the time of monitoring the project, there was no activity on the site. However, the team observed that the work was at the foundation level. The Director of works informed the team that there was no provision for the project in 2011 Budget. This was reported to have slowed down the pace of work. However, with the current provision in 2012, it is envisaged that the contractor would return to site.



**Picture 4.23:** Ongoing-going construction of Multi-purpose Continental Lecture Hall at the site

b. *Completion, Furnishing and Equipping of Brachytherapy Block*

The project was designed to serve as a center for the treatment of cancer, and it comprises the main theatre, nursing stations, recovering room, consultants' offices, and a reception area. The contract was awarded to Messrs Coinage Multilinks Ltd. in October 2011, at the cost of N97.92million and was expected to be completed in December 2013.

The project had an appropriation of N130 million in the 2012 Budget for the completion of the structure and the supply and installation of

equipment. However, the supply and installation were yet to be awarded. The sum of N18.48million had been released and utilized, in the first half of the year, to achieve 5% performance. A total of N31.11million has been committed, since inception, to attain 62.2% level of completion.

*Findings:*

At the time of this report, roofing, plastering, electrical piping and wiring had been completed, while ongoing works include: the completion of ceiling, fixing of windows and door frames. Outstanding works are: painting, completion of the Brachytherapy suite, the supply and installation of equipments to the centre which requires the approval of Nigerian Nuclear Regulatory Authority (NNRA).



**Picture 4.24:** Construction of Brachytherapy Block

*c. Completion of construction of ward and corridors at Argungu Health Centre*

The project was awarded to Messrs Shamnax Multi-services Nigeria Ltd. in June, 2010, at the cost of N91.75million and was scheduled for completion in July, 2012. The project is for the construction of a 20-bedded ward with toilets, nursing stations, corridors and water tanks and was conceived to provide adequate hospital beds space and accessibility to primary health care in the rural community.

The sum of N130.09million was appropriated for its implementation in the 2012 Budget for the completion of the ward and additional provision for the covered pergolas (walk ways), an addendum to the project. As at the

end of the second quarter, the sum of N11.19million had been released and utilized to achieve 5% implementation in the year. A total of N87.50million has, so far, been committed, since inception, to achieve 98% level of completion.

*Findings:*

As at the time of monitoring the project, there was no activity at the site. However, the construction of the ward, roofing of the walkway, and provision of bore hole/water tanks had been completed. Outstanding works included: the completion of ceilings, painting and laying of terrazzo tiles of the walkways (corridors). The Director of works informed the team that the sum of N15 million was outstanding.



**Picture 4.25:** Construction of Ward and Walkways at the Argungu Health Centre, UDFUTH, Sokoto

*ii. Federal Medical Centre (FMC), Azare*

120. The Medical centre had an appropriation of N267.08 million in the 2012 Budget for the implementation of its capital projects/programmes. Of this amount, a total of N75.04 million had been released and cashed-back while N16.27 million had been utilized for the execution of its capital project as at the end of the second quarter. The following projects were monitored:

*a. Construction of Radiology complex*

The project involves the construction of a storey building comprising the Citi Scan, Magnetic Resonance Imaging (MRI), X-Ray, Mammography,

fielding fluoroscopy and seminar rooms. Others are Conveniences, Medical Records and Reception. The contract was awarded to Messrs Matrix Resources Ltd. in August 2010 at a cost of N135.54million and was expected to be completed in January 2011.

The sum of N50million was appropriated in the 2012 Budget of which N15.04million was released, but there was no utilization because the contract was terminated by the board of the Hospital in December 2011 due to nonperformance. The team was informed by the Director of planning that the project was rolled over to 2012 and re-advertized for finishing after determining the value of work done. A total of N79.72 million had been committed from inception of the project to date to achieve 65% level of completion.

*Findings:*

At the time monitoring, work completed include: the substructure and superstructure, roofing, plastering, doors and window frames etc. Outstanding works were painting & decoration, electrical and plumbing work, manholes, doors, external work, floor finishing and ceiling.



**Picture 4.26:** Ongoing-going Construction of Radiology Complex at FMC, Azare

*b. Construction of Pediatric Complex*

The project involves the provision of nursing station, emergency pediatric unit, stabilized and outpatient ward, consulting rooms, offices and seminar rooms. The contract was awarded to Messrs ATD

resources Ltd in August 2010 at a cost of N120.92 million, and it is expected to be completed in January 2011.

The Sum of N50 million was appropriated in 2012 Budget, out of which N16.27 million was released and utilized while total of N33.74 million had been committed from inception of the project to date to achieve 40% level of completion.

*Findings:*

At the time of this report, works completed include concrete work, plumbing, electrical work and rafter. Work in progress included roofing, cabling, floor finishing, electrical fittings etc.



**Picture 4.27:** Ongoing-going construction of Pediatric complex at FMC, Azare

*iii. Federal Medical Centre, Owo*

121. The medical centre had an allocation of N229.4 million for the execution of its capital projects and programmes in the 2012 Budget. Of this amount, N74.14 million was released in the first half of the year. However, it was yet to utilize the funds at the time of monitoring the projects. The team's investigations revealed that most of the projects were undergoing procurement processes.

122. However, the following projects were monitored: Completion of the construction of accident and emergency complex, and the construction of

Information Technology (IT) building including library, cyber cafe, resource centre, information communication centre and Servicom Department.

*a. Completion of Construction of Accident and Emergency Complex*

This project was initiated to take care of accidents and emergency cases in the hospital. The contract for the project was awarded to Messrs Ricabim Nigeria Limited in November 2010 at a cost of N450 million and was scheduled for completion in December 2015. The sum of N70 million was appropriated for its implementation in the 2012 Budget; however, the Medical centre was yet to release funds to it as at the end of the second quarter. A total of N105.66 million had so far been committed to its implementation since inception to achieve 23% level of completion.

*Findings:*

At the time of monitoring the project, the team observed that there was no activity at the site. The Contractor's abandonment of work at the site since March 2012 was attributed to nonpayment of outstanding certificates. Prior to this situation, DPC and the erection of columns had been completed.



**Picture 4.28:** Ongoing Construction of Accident and Emergency Complex at FMC, Owo

## **POLICE SECTOR**

123. The sector was allocated an aggregate sum of N13.84 Billion in 2012 Budget for the implementation of its capital projects/programmes. This amount

is made up of: Police Affairs (N2.65 billion), Police Formation and Commands (N9.66 billion) and Police Service Commission (N1.54 million). The sum of N3.59 billion had been released to the sector, while N2.51 billion (or 69.92%) had been utilized as at the end of the second quarter of the year.

*i. Building of Corporate Headquarters (PSC), Abuja*

124. The project comprises the provision of a 5-storey building with two pent houses, two level basement car park, 500-seat auditorium, library, boardroom, etc. The contract was awarded to Messrs Vita Construction Nig. Ltd in December 2011 at a cost of N3.49 billion. Work commenced in January 2012 and is scheduled for completion in March 2013.

125. The sum of N1.36 billion was appropriated in 2012 Budget for its implementation. Of this, N288.89million had been released and utilized in the first half of the year; while a total of N1.19 billion has been utilized from inception to date to achieve 49.5% level of completion.

*Findings:*

126. At the time of this report, the superstructure work had reached the 3<sup>rd</sup> floor level, while block work and partitioning were ongoing in all the floors simultaneously. As with many other projects of this kind, the team gathered that a major challenge to the project's implementation was inadequate funding. Again, this underscores the need for MDAs to prioritize their projects, and apply their limited resources to completion and exit from critical ongoing projects, rather than spreading it thinly among several projects.



**Picture 4.29:** Ongoing-going construction works of PSC Corporate Headquarters

*ii. Police Training College, Kudan in Kaduna State*

127. The project entails the construction of an administrative block, 2 male hostels, 1 female hostel, inspectorate and commandant quarters, and the construction of 2 blocks of eight classrooms. It also includes a perimeter fence, provision of access road, electricity power supply from Kudan town to the project site and payment of compensation. The contract for its implementation was awarded to a consortium of contractors (viz.: Messrs Luxury Integrated Technical Ltd. & 3 others) in 2010, at a sum of N2 billion and is scheduled for completion in December 2013.

128. The project was appropriated the sum of N500 million in the 2012 Budget. As at the end of the second quarter, release of funds to the project was pending. A total of N654.06 million had so far been committed to the project to achieve only 3 % level of implementation.

*Findings:*

129. At the time of physical inspection, works on all the components of the project had stalled, and neither the contractors nor the project engineer were on site to give details on the contracts. However, prior to this situation, block work at the male hostel was at lintel level (i.e., at the ground floor), while the female hostel had reached roofing stage. The administrative block was at Down Proof Course (DPC) level, and electricity poles had been erected from Kudan town to the project site.

*Observations:*

130. The team observed that the DPC work at the administrative building appears to have been shoddily done; and recommends that its continued implementation be reviewed. Also, a qualified quantity surveyor should be attached to the project team for close supervision and certification of work at the site in order to ensure quality performance by the contractors as well as achieve value for money.



**Picture 4.30(a):** DPC work at the site of the Administrative Block



**Picture 4.31(b):** Construction of Male hostel which was stalled at the Project site

*iii. Rehabilitation and Upgrading of Police Printing Press, Ikeja, Lagos*

131. The project serves as the main printing press for the Nigeria Police Force and helps in the reduction of general administrative cost. The scope includes the complete rehabilitation/restructuring of the dilapidated building housing the press.

132. The contract was awarded to Messrs Titan Integrated Services Limited in May 2012, at the cost of N300 million and was scheduled for completion in August 2012. A total of N69.42 million was appropriated for its implementation in the 2012 Budget. Of this, N19.5 million was released and utilized in the second quarter to achieve 60% level of implementation as at the end of the second quarter.

*Findings:*

133. At the time of the monitoring, work done included the completion of roofing, ceiling, electrical and installing of ceiling fans while outstanding works are the replacement/restructuring of windows, doors, tiling and painting.

*iv. Construction of Office Complex, Nigerian Police Center for Planning and Research (CPPR), Obiakpu Egbema, Imo State*

134. The project was designed to serve as a research centre for the Nigerian Police. The contract which was awarded to three (3) contractors by the Police Force Headquarters, Abuja (viz.: Messrs Dutsen Allah Construction Co. Ltd and 2 others) at a total cost of N2.5 billion in January, 2008 with completion scheduled for January 2010.

135. The sum of N132.9 million was appropriated for its implementation in the 2012 Budget. Of this amount, N37.3 million was released and utilized as at the end of the second quarter. A total of N1.148 billion had been committed on the project since inception to attain 45% level of completion.

*Findings:*

136. At the time of monitoring the project, there was no activity at the site. However, the students' hostel had been completed, while administrative block, rank & file staff quarters and the Officers Mess had attained various level of completion.

137. The team gathered from the officer in-charge of works that the three (3) contractors had abandoned the site due to outstanding certificates for work done. Furthermore, the entire complex had been overtaken by weeds and the completed students' hostel cannot be used in isolation.



**Picture 4.32:** The Administrative block which was abandoned at the site

## **MINISTRY OF EDUCATION**

138. The Ministry had an allocation of N66.83 billion in the 2012 Budget for the implementation of its capital projects and programmes. Of this amount, N17.23 billion was released, and N15.18 billion cash-backed; while N2.98 billion (or 19.65%) had been utilized by the Ministry as at June, 2012.

### *i. Federal College of Education (Technical), Gombe*

139. The institution had an appropriation of N227.78 million in 2012 Budget for the implementation of its capital projects/programmes. Of this amount, the sum of N69.16million was released and cash backed as at second quarter of the year. The monitoring team inspected the following projects:

#### *a. Construction of Male Hostel*

The project entails the construction of a storey building of fifty-six (56) rooms to accommodate two-hundred male students. The contract was awarded to Messrs Umarawa Multi Services Ltd in October 2010, at a cost of N125million and was expected to be completed in January 2011. The project had an appropriation of N75million in the 2012 Budget; of which, N33 million was released and utilized while N67.55million had been committed from the project's inception to-date to achieve 55% level of completion.

*Findings:*

At the time of inspection, the structural concrete work had been completed while plumbing, electrical fitting and head course plastering and rafter works were ongoing.



**Picture 4.33:** Construction of Male Hostel at FCE, Gombe

*b. Construction of Female Hostel*

The project is the construction of a storey building comprising fifty-six rooms with the capacity to accommodate two hundred female students. The contract was awarded to Messrs Global Concept Ltd in October, 2010 at a cost of N125million and was expected to be completed in January, 2011.

The sum of N75 million was appropriated for its implementation in the 2012 Budget; out of which, N25.4million had been released and utilized as at the second quarter of the year. A total of N68.86 million had been utilized, from inception, to achieve 45% level of completion.

*Findings:*

At the time of monitoring the project, the down proof course (DCP) had been completed while block work had reached lintel level on the first floor. Concrete works, plastering, and head course were ongoing.



**Picture 4.34:** Construction of Female Hostel at FCE, Gombe

*c. Construction of Office Complex*

This project entails the construction of a storey building comprising the provost's office, council lounge, bursar and registrar's office, conference room, a reception hall, etc. The contract was awarded to Messrs Munaish Investment Nig. Ltd. in October 2010, at a cost of N150million and was expected to be completed in January, 2011.

The sum of N77.78million was appropriated for its implementation in the 2012 Budget. Of this, N10.74million had been released and utilized as at the second quarter of the fiscal year. A total of N79.91million had been expended on the project since inception to bring it to a cumulative implementation level of 70%.

*Findings:*

At the time of inspection, the substructure, plaster work, ceiling, flooring, doors and window frames, concrete work and roofing had all been completed. However, work in progress were tiling, fixing of doors and windows, electrical fittings, floor flushing, painting, decorations and external works.



**Picture 4.35:** Construction of an Office Complex at FCE, Gombe

*ii. Ahmadu Bello University (ABU), Zaria*

140. This institution was allocated the sum of N1.4billion in the 2012 Budget for the execution of its capital projects and programmes. These include: the construction and furnishing of a 250-Seat lecture theatre/auditorium; faculty board room, professorial accommodation; and the construction of blocks of classrooms. Others are: the rehabilitation and furnishing of blocks of academic and administrative buildings, and male and female students' hostels at Kongo campus.

141. As at the end of the first half of the year, the sum of N173.39million had been released but no utilization had been made as at the time of monitoring the project. The team gathered that the projects were still undergoing the pre-qualification process following the late release of funds to the institution.

*Findings:*

142. The team observed that the students' hostels at the Kongo campus were dilapidated and not conducive for students' habitation. Therefore, utmost priority needs to be given to its rehabilitation before the situation gets out of hand.



**Picture 4.36:** The dilapidated students' hostel at Kongo campus requiring urgent rehabilitation ABU, Zaria

*iii. University of Port Harcourt, Rivers State*

143. The sum of N600 million was appropriated in the 2012 Budget for the execution of the university's capital projects and programmes, out of which N131.90million was released. The sum of N112.4 million and N19.43 million were released for the first and second quarters respectively. N112.4million was cash backed but yet to be utilized. The monitoring team inspected the following ongoing projects of the university:

*a. Construction of Pharmacy Building Phase 2 (Lecture Hall)*

The contract was awarded to Messrs Mek Builders Nig Ltd in July 2012, at the cost of N353.08million and was expected to be completed in July 2013. It had an allocation of N316.3million in the 2012 Budget; out of which, N53million was released and committed to mobilizing the contractor to site.

*Findings:*

At the time of monitoring the project's implementation, earth and excavation works were in progress. The project had attained 5% level of completion.

*b. Completion of Graduate School*

The project entails the construction of a 2-storey building which comprises 8 classrooms, a hall, a library, 500 capacity auditorium, 22 offices and an ICT unit. The contract was awarded to Messrs Hytech Global Resources Ltd in July 2012, at a cost of N185million and was expected to be completed in December 2012. The sum of N50million

was appropriated to it in the 2012 Budget. This was fully released and utilized in the second quarter.



**Picture 4.37:** Construction of Pharmacy Building Phase 2 (Lecture Hall) at Uni-Port

*Findings:*

At the time of inspection, the project had attained 60% completion. Outstanding works include plastering, painting, tiling and fixing of doors/windows.



**Picture 4.38:** Graduate school almost completed at University of Port Harcourt

*iv. University of Lagos*

144. In the 2012 Budget, the sum of N450.61 million was allocated to the University for the execution of its capital projects. In the first half of the year, a total of N136.82 million had been released and utilized for the execution of the following projects:

*a. Land Reclamation and Structure Protection Works, Phase 1*

This project was conceived to provide shoreline protection at the lagoon front, channelization and reclamation works between the Faculty of Engineering and the Faculty of Science and retaining walls to Mariere

hostel fence. The project is to be carried out in phases due to its huge capital outlay. The phase one of the contracts commenced in July 2010 and was in three lots. The contract was awarded to three different contractors at a cost of N133.34 million (Messrs Epitech Engineering Limited was awarded land reclamation works at Faculties of Environmental Sciences and Social Sciences at the cost of N49.94 million, Space Properties Global Investment Limited was awarded boundary fencing from second to first gate at the cost of N45.06 million and Messrs Emamed Nigeria Limited was awarded land reclamation works at the lagoon front at the cost of N38.34 million). The sum of N200 million was appropriated for its execution in the 2012 Budget. At the time of this report, a total of N38.51 million had been released and utilized to bring total financial commitment on the project to N125.85 million.

**Findings:**

The monitoring team was informed by the management of the University that the first phase of the project was completed in November 2011. Work done, under the first phase, included reinforced concrete open channels, Sand Crete block work, painting and reinforced concrete retaining walls.



**Picture 4.39:** Completed Land Reclamation and Structure Protection Works at the University of Lagos

**b. Rehabilitation of Academic Building at the Main Campus, Phase 1**

This project was conceived with the objective of providing a facelift for some of the old structures in the University to enhance teaching environment. It was planned to be executed in phases. The contract for

the first phase was divided into seven lots and awarded to different contractors in October 2010, at an initial cost of N165.01million.

The contracts consist of modification of a Chemical Engineering Department Building awarded to Messrs Kaftech Engineering Company Limited at the cost of N12.78 million, reconstruction of the Health centre laboratory awarded to Messrs 5-J Ferach Nigeria Limited at the cost of N16 million, renovation of Akintunde Ojo building awarded to Messrs John Kollins Limited at the cost of N17.28 million, renovation/modification of healthcare centre awarded to March First Investment Limited at the cost of N25.07 million, completion of faculty of Social Science laboratory and offices – Phase I awarded to Messrs Amarlite Nigeria Limited at the cost of N39.3 million, completion of faculty of social science laboratory and offices – Phase II awarded to Messrs Matonas Integrated Services Limited at an initial cost of N37.17 and later revised to N37.88 million and the completion of Faculty of Business Administration building awarded to Global-Scope Resources Development Limited at the cost of N11.08 million). A sum of N70 million was appropriated for the implementation of these projects in the 2012 Budget. Of this, N18.39 million was released and utilized in the second quarter to bring total commitment on the projects to N152.34 million.

*Findings:*

At the time of monitoring the projects, the first phase of the project had been completed



**Picture 4.40:** One of the Rehabilitated Academic Building at the Main Campus, University of Lagos

v. *Federal College of Education (Technical), Umuze*

145. In 2012 Budget, the Sum of N227.58 million was appropriated for its capital projects/programmes. The Sum of N69.10 million was released out of which N43.05 million was utilized as at the first half of the year. The project comprises the construction of School of Education, completion of Child Development Centre, construction of ceremonial arena, security gate and perimeter fence, rehabilitation of student hostel. The following projects were monitored:

a. *Construction of School of Education*

The project is a storey building, comprising staff offices, conference room, Dean's office and conveniences. It was awarded to Messrs Pudim Nig. Ltd in November 2010, at the cost of N136.9 million with a completion date of November 2013.

It had an appropriation of N24.9 million in the 2012 Budget; of which, N15 million had been released as at half-year, while N7.9 million had been utilized in the same period. A total of N31 million had been committed to the project since inception to achieve 30% level of completion.

b. *Construction of Ceremonial Quadrangle Arena*

This project is the construction of a ceremonial arena for matriculating and graduating students of the institution. It would also serve as a source of revenue generation for the institution. The sum of N21.12 million was appropriated for its execution in the 2012 Budget. However, available data indicate that there hasn't been any release of funds to it in the year.

*Findings:*

At the time of visit, the team discovered that the project was at the tendering process stage.



**Picture 4.41:** Ongoing-going construction of school of education

## **POWER SECTOR**

146. The Ministry had an allocation of N75.46 billion for the implementation of its capital projects and programmes in the 2012 Budget. Of this amount, N21.54 billion was released with N19.43 billion cash-backed, while N4.28 billion (or 22.03%) was utilized in the first half of the year.

### *i. Sapele Power Station, Delta State*

147. The power station had an allocation of N751million in the 2012 Budget for the execution of the its capital projects and programmes. Of this amount, N242.3million was released while N225.04million was cash-backed in the first half of the year, and N35.5million was utilized to achieve 15.78% level of implementation. The monitoring team inspected the following ongoing projects:

#### *a. Upgrade of STO 1 & Overhaul of common services plants, unit 4*

The project entails the repair and upgrade of existing power plants and to replace a ruptured 32” gas pipeline. The contract was divided into six components to fast track its execution and awarded to various contractors at the sum of N399.8million. The contracts commenced in February, 2012 and were scheduled for completion in November 2012.

#### *Finding:*

As at the time of monitoring, the projects had achieved various stages of completion as follows: the repairs of STO 1 Transformer, supply of 32” MS (2mm) pipeline and Elbows for gas supply line and audit assessment of studio Demin plant were all completed. The replacement of the ruptured 32” gas pipeline was at 51% completion.



**Picture 4.42:** Ongoing Repairs to the Gas pipeline at Sapele Power Station

*ii. Shiroro Hydroelectric*

148. This project was appropriated the sum of N734.61 million in 2012 Budget. As at the time of visit, the sum of N213.42 million had been released and cash backed for the execution of it's capital projects/programmes.

*a. Overhaul of unit 411 G1:*

The objective of this project is to overhaul the plant. It was awarded to Messrs Andritz Hydro Gm BH in 2012 at the sum of £553,158 +N102.46 million for the sustenance of 150 MW power generations. The sum of N206.29 million was appropriated for its implementation in the 2012 Budget; of which, N162.74 million was released and utilised in the first half of the year. A total of N720.85 million had been expended, since inception, to achieve a cumulative implementation of 1 %.

*Findings:*

The team gathered that delay in establishing a Letter of Credit is responsible for the slow pace of implementation of this project. At the time of monitoring the project, this was still outstanding due to funding challenges.

## 5.0 CONCLUSION

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149. Economic activities picked up in the second quarter of the year as calm returned after the social unrests that followed the partial withdrawal of subsidy on petrol, and signing of the 2012 Budget into law, in April 2012. Data from the National Bureau of Statistics (NBS) indicated continued resilience of the economy with a real GDP growth of 6.28% for the second quarter of 2012 - an improvement over the 6.17% growth recorded in the first quarter. The non-oil sector remained the major driver of growth in the period. The year-on-year headline inflation rose from 12.1% in March to 12.9% in June 2012. Similarly, the maximum lending rate rose from 23.21% in March 2012 to 23.44% in June 2012 though the prime lending rate declined from 17.28% in March 2012 to 16.93% in June 2012. The gross external reserves continued to grow in the period from US\$35.2 billion in March 2012 to \$36.72 billion in June - a reflection of the tighter fiscal stance, supported by government's tougher posture on the management of the fuel subsidy scheme.

150. Data from the Office of the Accountant-General of the Federation (OAGF) indicated that N1,426.87 billion was received into the Federation Account for distribution among the tiers of Government in the second quarter of the 2012. This amount is lower than N1,561.98 billion projected for the quarter. Cumulatively, as at half-year, a total of N2,684.73 billion had been distributed among the tiers of Government. This presents a shortfall of N439.24 billion (or 14.06%) when compared with the estimate of N3,123.97 billion for the period. At the Federation Account level, the net receipts from both oil revenue sources and non-oil revenue sources were below the projection by N139.55 billion (or 6.96%) and N246.74 billion (or 33.88%) due to lower-than-projected oil sales from the JV Business Arrangements which yield higher take for government, and the underperformance of the non-oil sources. As with the Federation Account, the aggregate revenue to fund the FGN Budget in the period was similarly below the projection. A total of N1,591.87 billion, including revenue from other sources, had been received to fund the budget as at the end of the period presenting a shortfall of N188.64 billion (or 10.59%).

151. On the expenditure side, the Recurrent (non-debt) expenditure and Transfers remained on track at 93% and 84% of the projection for the half-year respectively. The actual recurrent(debt) expenditure had exceeded the projection for the period by N30.77 billion. This arises from the fact that payments are made as they fall due and will, as usual, be normalized in the course of the year. Of the N669.99 billion projected for the capital budget implementation as at the half-year, N404.64 billion had been released to MDAs. The sum of N317.28 billion (or 78.84%) of this amount had been cash-backed; while N158.24 billion (or 49.87%) had been utilized by the MDAs as at 30<sup>th</sup> June 2012.

152. A further analysis of the data indicates varied levels of utilization of these funds. Of the forty-nine MDAs reported on, fifteen, including FCTA, Works, Transport, Water Resources, and Agriculture had utilized more than the overall average utilization rate of 49.87%. Eight out of these (or 16.33% of the MDAs) including Works, and the FCTA had utilized over 70% of their respective cash-backed releases. Sixteen, including Health, Power, Petroleum, Housing and National Sports Commission had utilized less than 30% of their cash-backed funds.

153. To assess the quality and impact of MDAs' expenditure in the quarter, the Budget Office embarked on the physical monitoring of capital projects in collaboration with representatives of Civil Society Organizations and the media. The teams observed some poor project portfolio management practices across MDAs, key among which, were the preponderance of projects with huge cost overrun, projects that were stalled and/or awaiting approval for cost variation or awaiting the extension of their delivery dates. These observations are symptomatic of the recurring issues of poor prioritization of projects in MDAs' allocation of their limited resources, poor project conceptualization, and distortions to projects' implementation plans due to changes to the proposed budget for their implementation.

154. These factors militate against the drive for the efficient and prudent use of resources and underscores the Budget Office's disposition that MDAs target the completion and exit from a few well prioritized capital projects rather than

spreading resources thinly among several projects which may never be delivered on schedule.

155. While the level of utilization of MDAs' capital budget votes improved in the quarter, the Budget Office of the Federation, in collaboration with other agencies of Government are regularly working to support the optimal utilization of their funds including, through the advisory activities of our project monitoring officers. In addition, the Administration's new drive to tracking performance through Performance Contracts with Heads of MDAs, is expected to impact on the implementation of MDAs' capital budgets in our subsequent reports.

# APPENDIX I: CAPITAL BUDGET UTILISATION REPORT

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

**2012 CAPITAL PERFORMANCE FOR MDAs AS AT 30th JUNE, 2012**

S/N	MINISTRY	1ST QUARTER WARRANT =N=	2ND QUARTER WARRANT =N=	AIEs =N=	TOTAL RELEASES = N=	AMOUNT CASHBACKED =N=	CBN BALANCE @ 30th JUNE, 2012 =N=	UTILISATION =N=	PERFOR MANCE %
1	PRESIDENCY	2,353,263,382	2,200,782,364	540,535,218	5,094,580,965	4,569,474,373	3,478,101,652	1,091,372,720	23.88
2	GOVT. OF THE FEDERATION (SGF)	5,258,113,657	1,033,158,436	-	6,291,272,094	6,100,017,820	3,388,688,254	2,711,329,567	44.45
3	YOUTH DEVELOPMENT	854,346,399	199,926,284	-	1,054,272,683	1,054,272,683	572,183,042	482,089,642	45.73
4	POLICE AFFAIRS	412,794,461	73,995,954	-	486,790,415	412,794,461	226,779,122	186,015,340	45.06
5	POLICE FORMATION	2,539,779,415	270,111,151	-	2,809,890,566	2,539,779,415	433,682,371	2,106,097,044	82.92
6	WOMEN AFFAIRS	376,546,471	89,945,714	-	466,492,185	466,492,185	124,072,582	342,419,603	73.40
7	AGRICULTURE	12,550,306,904	1,348,045,876	-	13,898,352,780	13,357,648,336	5,109,516,676	8,248,131,659	61.75
8	WATER RESOURCES	8,388,407,572	2,185,678,285	-	10,574,085,857	10,574,085,857	4,148,751,397	6,425,334,460	60.76
9	AUDITOR-GENERAL	89,730,223	15,476,649	-	105,206,872	105,206,872	105,206,872	-	-
10	DEFENCE	11,292,987,562	1,270,964,539	1,796,930,000	14,360,882,101	14,360,882,101	7,923,576,974	6,437,305,128	44.83
11	ICPC	20,830,230	3,592,794	-	24,423,024	24,423,024	20,830,230	3,592,794	14.71
12	EDUCATION	15,354,345,004	1,876,489,580	-	17,230,834,583	15,183,609,388	12,200,324,408	2,983,284,980	19.65
13	FCTA	12,869,889,930	4,422,350,237	-	17,292,240,167	17,292,240,167	4,796,374,898	12,495,865,269	72.26
14	FOREIGN & INTER GOVT. AFFAIRS	1,167,488,127	-	2,687,255,869	3,854,743,996	3,841,284,462	486,524,978	3,354,759,484	87.33
15	FINANCE	343,580,545	59,260,698	-	402,841,243	402,841,243	347,550,305	55,290,937	13.73
16	HEALTH	15,706,168,869	1,704,932,729	7,675,000,000	25,086,101,598	23,645,799,208	16,715,039,563	6,930,759,646	29.31
17	TRADE & INVESTMENT	344,803,822	83,248,295	-	428,052,118	405,376,862	292,837,468	112,539,394	27.76

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18	INFORMATION	577,179,468	133,118,843	-	710,298,311	613,201,754	463,909,456	149,292,298	24.35
19	COMMUNICATION TECHNOLOGY	654,549,930	259,576,324	-	914,126,254	683,172,542	546,708,805	136,463,737	19.98
20	INTERIOR	2,135,266,484	211,438,869	-	2,346,705,352	2,251,639,808	758,317,875	1,493,321,932	66.32
21	HEAD OF SERVICE	802,941,317	138,491,144	182,160,000	1,123,592,461	985,101,317	527,021,757	458,079,560	46.50
22	JUSTICE	91,813,246	15,835,929	-	107,649,175	107,649,175	77,258,587	30,390,588	28.23
23	LABOUR & PRODUCTIVITY	396,816,849	88,583,116	-	485,399,965	485,399,965	213,147,686	272,252,279	56.09
24	POWER	19,430,098,320	2,111,778,525	-	21,541,876,845	19,430,098,320	15,149,826,685	4,280,271,635	22.03
25	SCIENCE AND TECH.	1,686,563,473	763,978,452	-	2,450,541,925	2,160,106,507	1,250,205,153	909,901,354	42.12
26	TRANSPORT	13,079,244,441	2,227,132,918	-	15,306,377,358	15,306,377,358	5,029,072,709	10,277,304,649	67.14
27	PETROLEUM	1,317,817,092	227,296,806	-	1,545,113,898	1,373,354,989	1,034,294,115	339,060,874	24.69
28	WORKS	42,192,777,182	10,163,656,787	-	52,356,433,969	42,192,777,182	5,464,482,615	36,728,294,567	87.05
29	HOUSING	5,538,768,876	1,172,583,376	-	6,711,352,252	5,538,768,876	5,072,854,776	465,914,100	8.41
30	MINES & STEEL	473,347,772	88,636,057	-	561,983,830	473,347,772	310,179,959	163,167,814	34.47
31	AVIATION	15,144,971,860	2,028,860,278	7,713,444,195	24,887,276,333	24,887,276,333	11,938,254,957	12,949,021,376	52.03
32	NATIONAL WAGES & SALARIES	40,058,135	6,909,218	-	46,967,354	40,058,135	29,343,985	10,714,150	26.75
33	ENVIRONMENT	1,202,230,129	402,811,553	-	1,605,041,681	1,460,682,649	746,635,406	714,047,243	48.88
34	TOURISM, CULTURE & NATIONAL ORIENTATION	497,886,438	90,770,540	37,499,500	626,156,478	546,813,284	300,909,366	245,903,918	44.97
35	NAT. PLANNING	169,606,145	29,253,631	-	198,859,776	198,859,776	118,081,178	80,778,598	40.62
36	NATIONAL SPORTS COMMISSION	230,390,712	56,521,267	-	286,911,978	280,759,492	273,471,446	7,288,046	2.60
37	OFFICE OF NATIONAL SECURITY ADVISER	18,157,045,256	10,000,000,000	1,647,259,068	29,804,304,324	29,804,304,324	17,635,169,593	12,169,134,731	40.83

**OFFICE OF THE ACCOUNTANT GENERAL OF THE FEDERATION  
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38	NIGER DELTA	16,073,230,536	23,000,000,000	-	39,073,230,536	39,073,230,536	23,295,741,780	15,777,488,756	40.38
39	SPECIAL DUTIES	7,210,464	1,243,659	-	8,454,124	7,210,464	7,210,464	-	-
40	FISCAL RESPONSIBILITY COMMISSION	12,878,134	2,221,218	-	15,099,352	15,099,352	12,878,134	2,221,218	14.71
41	ICRC	11,216,278	1,934,581	-	13,150,859	13,150,859	7,961,033	5,189,826	39.46
42	NAT. POPULATION	313,990,085	54,814,718	-	368,804,803	368,804,803	170,098,018	198,706,786	53.88
43	CODE OF CONDUCT BUREAU	162,728,683	31,653,123	-	194,381,806	194,381,806	194,381,806	-	-
44	CODE OF CONDUCT TRIBUNAL	9,854,301	1,720,311	-	11,574,613	11,574,613	1,823,458	9,751,155	84.25
45	PUBLIC COMPLAINTS COMMISSION	89,734,229	15,665,324	-	105,399,553	105,399,553	81,283,871	24,115,682	22.88
46	REV. MOB. ALL.	56,699,818	9,898,352	-	66,598,170	66,598,170	66,598,170	-	-
47	FCSC	60,244,785	10,517,214	-	70,761,999	70,761,999	10,517,214	60,244,785	85.14
48	POLICE SERVICE COMMISSION	245,956,951	42,937,856	-	288,894,806	288,894,806	74,819,480	214,075,327	74.10
49	FED. CHARACT. COMM.	6,409,302	1,118,902	-	7,528,203	7,528,203	7,528,203	-	-
50	CAPITAL SUPPLEMENTATION	69,207,090,736	9,598,956,525	350,590,065	78,346,549,200	13,898,288,202	7,798,918,764	6,099,369,438	43.89
	<b>Grand</b>	<b>300,000,000,000</b>	<b>79,827,875,002</b>	<b>22,630,673,915</b>	<b>404,648,460,791</b>	<b>317,276,901,384</b>	<b>159,038,947,296</b>	<b>158,237,954,088</b>	<b>49.87</b>

# APPENDIX II: MISCELLANEOUS PROJECTS

<b>FEDERAL MINISTRY OF HEALTH</b>														
<b>FEDERAL MEDICAL CENTRE, LOKOJA, KOGI STATE</b>														
Project History							Financials					Physical		
S/N	Project Title / Description	Contractor & Contract No.	Project / Contract Cost	Commencement Date	Planned Completion Date	Revisions to Completion Date / Scope / Contractor	Cost Variation	Appropriation for 2012	Amount released in the Quarter	Payment to Contractor in the Qtr.	Total Payments on project to date	% Workdone in Qtr/No. Of Certificates Issued & or paid	Cumm % perf. to date	Photo Ref.
1	Completion of the Construction of Theatre/CT Scan Building.	Jaaf. Nig. Ltd	N134.2m	26/07/2010	Dec. 2013	Nil	Nil	N32 m	N5.83 m	N5.83 m	N45.98m	Erection/Construction of 1st floor DPC, 9%	32%	Pic. 1
2	Completion of the Construction of Maternity Complex Building.	BESTCO Nig. Ltd	N114.226m.	26/07/2010	Dec. 2013	Nil	Nil	N40m	N6.7m	N6.7m	N39.34m	Pouring of DPC for the 2nd floor 9%.	35%	Pic 2
3	Piping of Medical gases to wards and theatres	PAX LTD	N49.93m	26/07/2010	Dec. 2013	Nil	Nil	N10m	N6.7m	N6.7m	N6.7m	Construction & Painting of Building of A: A & E Adult, A & E Children, GOPD, Surgical Outpatient.	90%	Nil
<b>FEDERAL MEDICAL CENTRE AZARE</b>														
1	Costruction of Radiology complex at permanent site	Matrix Resource Ltd.	N135.53m	Oct-10	Dec-13	Nil	Nil	N50.9m	N15.04m	N15.04m	N79.7m		65%	Pic. 3
2	Construction of peadiatrics complex at permanent site	ATD Resource Ltd.	N120.9m	Oct-10	Dec-13	Nil	Nil	N50.02m	N12m	N12m	N33.75m	40%	40%	Pic 4
<b>FEDERAL MEDICAL CENTRE, OWO</b>														
1	Completion of Construction of Information Communication Technology (ICT) Building to include Library, Cyber Café, Resource Centre, Information Centre and SERVICOM Department	Piscol Nig. Ltd	N150 m	Nov. 2010	Dec-13	Nil	Nil	N35.0 m	Nil	Nil	N18.99 m	Nil	13%	Nil
<b>FEDERAL MINISTRY OF EDUCATION</b>														
<b>UNIVERSITY OF NIGERIA TEACHING HOPITAL, ITUKU/OZALLA, ENUGU</b>														
1	Construction of 1 No 2 Storey Office Complex for Administrative Department.	Ujeane Nig. Ltd.	248.96 m	Dec. 2011	Dec. 2015	Nil	Nil	82.59 m	40.0 m	40.0 m	40m	Complete Substructure works	28%	Pic 5
2	Supply & Installation of Power Generation, Distribution Equipment and Accessories (phase 1)	ST. Marvis Works & Services	238.62 m	Jan. 2011	Dec. 2014	Nil	Nil	83.45 m	30 m	30 m	72.52 m	Supplied 1 No 7.5 MVA	30%	Pic 6

**FEDERAL MINISTRY OF HEALTH**

**FEDERAL MEDICAL CENTRE, LOKOJA, KOGI STATE**

Project History							Financials					Physical		
S/N	Project Title / Description	Contractor & Contract No.	Project / Contract Cost	Commencement Date	Planned Completion Date	Revisions to Completion Date / Scope / Contractor	Cost Variation	Appropriation for 2012	Amount released in the Quarter	Payment to Contractor in the Qtr.	Total Payments on project to date	% Workdone in Qtr/No. Of Certificates Issued & or paid	Cumm % perf. to date	Photo Ref.

**FEDERAL COLLEGE OF EDUCATION (TECHNICAL), UMUNZE**

1	Construction of School of Education	Pudon Nig. Ltd	136.85 m	Nov. 2011	Nov. 2014	Nil	Nil	24.94 m	15. m	15.m	7.99 m	Exavation, Blinding and DPC	30%	Pic 7
2	Construction of Ceremonial Quadrangle (Arena)	NIL	NIL	NIL	NIL	NIL	NIL	21.13 m	NIL	NIL	NIL	Advert placement pre- qualification stage	NIL	Nil

**FEDERAL COLLEGE OF EDUCATION (TECH.) GOMBE**

1	Construction of male/female student Hostels	Umarawa multi services Ltd/minna global concept Ltd	N250m	Sep. 2010	Sep. 2012	Nil	Nil	N150m	N5.16m	Nil	N136.4m		55%	Pic 8 & 9
2	Construction of Office Complex	Munaish investment Nig.Ltd	N150m	Sep. 2010	Sep. 2012	Nil	Nil	N77.77m	Nil	Nil	N79.9m		75%	pic 10

**FEDERAL MINISTRY OF AGRICULTURE**

**FEDERAL COLLEGE OF FRESH WATER FISHERIES TECHNOLOGY,BAGA**

1	Construction of Fish ponds		N13.49m	Jan-12	41,244	Nil	Nil	N13.49m						Nil
2	Construction of Fish Feed Mill		N8m	Jan-12	Dec-12	Nil	Nil	N8m						Nil
3	Fencing of 2.5KM College Premises	Abdullahi Mohammed Enterprises	N54.50m	Jan-12	Dec-12	Nil	Nil	N14.50m	N3.9m	N3.9m	N3.93m	40%	40%	Pic 11
4	Construction of Provost's Lodge	Sab Agro Allied Company	N21.96m	Jan-11	2012 Dec.	Nil	Nil	N6.9m			N13.12 m			Nil

**AGRICULTURAL RESEARCH COUNCIL OF NIGERIA**

1	Renovation and Furnishing of ARCN Hqtrs, Research House Phase I, Mabushi.	Dorina Nig. Ltd.	50m	may 2012	Aug. 2012	Nil	Nil	50m	50m	47.28m	50m	Burglar proof, Painting of offices, Electrical works, Plumbing work etc	95%	Pic 12
2	Journal of applied Agriculture Research (JAAR)	in-House Project	6.91m	Jan. 2012	Dec. 2012	10m	Nil	6.91m	Nil	Nil	6.91m	4th & 5th editions Printing of 4500 Copies of JAAR for 4th & 5th editions	60%	Nil

# APPENDIX III: MISCELLANEOUS PROJECTS' PICTURES

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Picture 1



Picture 2



Picture 3



Picture 4



Picture 5



Picture 6



Picture 7



Picture 8



Picture 9



Picture 10



Picture 11



Picture 12

# NOTES

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