

# Third Quarter Budget Implementation Report

**2011**

# FOREWORD

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I am pleased to present you the Budget Implementation Report (BIR) for the third Quarter of 2011 which is meant to provide information by which implementation of the Budget as at end of the quarter can be measured.

This Report was prepared pursuant to Section 30 of the *Fiscal Responsibility Act, 2007* which mandates the Honourable Minister of Finance, through the Budget Office of the Federation, to prepare quarterly budget performance reports. These quarterly reports are required to be submitted to the Fiscal Responsibility Commission and the Joint Finance Committees of the National Assembly and are also disseminated to the wider public through electronic and print media. I commend the important role of both the Fiscal Responsibility Commission and the National Assembly Joint Finance Committee in promoting best practices in Public Financial Management (PFM), and look forward to continuing our cooperative work in this regard.

Finally, I enjoin the readers of these reports to continue to take active interest in carefully monitoring the implementation of the national budgets and in scrutinizing government's delivery on its promises as these provide the necessary impetus for the optimal utilization of public resources for the benefit of all Nigerians.

**Dr. Ngozi Okonjo-Iweala**

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

# PREFACE

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Pursuant to Section 30 of the *Fiscal Responsibility Act, 2007*, the Budget Office of the Federation produces budget implementation reports on a quarterly basis. This Report, which is the third quarterly budget implementation report for the 2011 fiscal year, fulfils this obligation while providing a means of assessing government's transparency and prudence in the management of public finances.

Added to the peculiarity of 2011 as a political transition year with the attendant implication for the constitution of a new administration, and the late passage of the 2011 Budget, the implementation of the Budget in the period under review has been very challenging. Though aggregate revenue receipts increased over that of the corresponding period in 2010, government has had to grapple with lower than projected net revenues. On the expenditure side, while recurrent expenditure has been on target, MDAs' capital budget implementation has not been satisfactory.

As this Report would indicate, we still have challenges of poor project management by MDAs which contribute to the poor implementation of MDAs' capital projects. Substantial policy changes are being instituted by the government to correct this situation. For instance, we are focusing on improving returns to government on investments in MDAs' projects through insisting on proper analysis of rates of return in project selection. Furthermore MDAs' capital budgets over the next four years are being focused on the completion and exit from all viable ongoing projects which are consistent with attainment of the NV20:2020.

As with previous reports, this Report is an all inclusive endeavour of the various departments of the Budget Office of the Federation, particularly the Budget Monitoring and Evaluation Unit, Ministries, Departments and Agencies of Government which provide the relevant data; Civil Society Organizations and media practitioners who collaborate with the Budget Office in the monitoring exercise. I commend their efforts and wish them success as they continue to perform this important function.

**Dr. Bright Okogu**

*Director-General, Budget Office of the Federation*

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# EXECUTIVE SUMMARY

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The 2011 Budget, as amended, is focused on the Government's drive to achieve the goals of becoming one of the twenty largest economies in the world by the year 2020 (*NV20:2020*). Towards this, the Budget was geared to improving the quality of planned public expenditure and spending efficiency while pursuing a robust fiscal consolidation strategy. However, the economic climate in the period under review, which provides the backdrop for implementation of the Budget, posed critical challenges as the effects of the global economic crisis continued. Notwithstanding this, provisional data from the National Bureau of Statistics indicate that the economy grew by 7.4% in the third quarter of 2011 as against 7.72% in the third quarter of 2010. In spite of the dip, the growth was still robust and was accounted for by output in the oil and non-oil sectors. Headline inflation rose slightly from 10.2% in June to 10.3% in September. This was attributable to the increase in prices of food items in the market.

According to data from the Central Bank of Nigeria, broad money (M2) and net domestic credit grew by 3.46% and 12.05% respectively at the end of the third quarter of 2011 compared to the levels in the second quarter. This was attributed to the increase in credit to the core private sector and the public sector which grew by 11.56% and 7.49% respectively in the period. On the other hand, the Naira/US\$ exchange rate depreciated by 0.52% from N154.46 / US\$1 in June 2011 to N155.26/US\$1 in September 2011. The Gross External Reserves showed a downward trend by 0.44% in the third quarter of 2011, going down from US \$31.89 billion in June to US\$31.75 billion in September 2011. These reflect the macroeconomic situation that generally prevailed in the period.

Provisional data on the implementation of the 2011 Budget from the Office of the Accountant-General of the Federation (OAGF) indicate that though revenue receipts in the period improved over the situation in the second quarter, the net amount available for distribution among the three tiers of government fell short of the target by N97.59 billion (or 5.84%). This is largely attributable to the shortfall in

net oil revenue receipts by ₦156.13 billion (or 12.91%) below the quarterly projected estimate of ₦1,209.62 billion in the period following lower contribution from the Joint Venture production arrangement which usually yields higher take for government. The net non-oil receipts of ₦519.35 billion exceeded the projection for the quarter by ₦62.44 billion (or 13.67%). The data further indicates a cumulative shortfall in distributable revenue by ₦1,241.99 billion (or 24.78%) as at September 2011 with a shortfall of ₦1,103.59 billion (or 30.41%) in oil revenue receipts largely responsible for this. On the Federal Budget side, of the ₦837.03 billion projected for the quarter, ₦750.02 billion was realized implying a shortfall of ₦87.01 billion (or 10.4%) and a cumulative shortfall of ₦195.62 billion (or 35.29%) in the year-to-date. This posed fundamental challenges to the implementation of the Budget in the period as the government had to make recourse to augmentation from the Excess Crude Account and other financing sources.

On the spending side, as at end of the period, an aggregate of ₦705.16 billion had been released for the implementation of their capital projects, while ₦594.15 billion (or 84.26%) was cash-backed. Out of this, only ₦333.07 billion (or 56.06%) had been utilized by MDAs as at the end of the third quarter 2011. Although, this portrays an improvement over the utilization of ₦128.72 billion in the second quarter of the year, there is clearly much room for further improvement in the physical implementation capital budgets.

A review of fifty-four (54) MDAs reported upon by the OAGF indicates varied levels of utilization of their capital releases. Twenty-one (or 38.89%) of the MDAs including Health, FCTA, Defense, Niger Delta and Science and Technology had utilization rates over the overall average utilization rate of 56.06%. Eight of these (or 14.81%) had utilized over 70% of their respective cash-backed releases; while 28 MDAs (or 51.85%) including OSGF, Agriculture, Transport, Aviation, Water Resources, and others had utilized less than 50% of the funds. This situation is expected to improve as the year progresses considering the impact of political transition in 2011 and the late passage of the budget.

The Budget Office's budget monitoring teams in collaboration with selected MDAs, Civil Society Organizations and media representatives embarked on a mission to examine the physical implementation of MDAs' capital projects at end of the quarter. This revealed varied standards in MDAs' project implementation. A disturbing observation was the large number of ongoing projects either undergoing revision to their designs, or awaiting variations or facing threats of abandonment. These call for further reviews.

## 1.0 INTRODUCTION

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As with other recent budgets, the 2011 Budget, focused on Government's drive to achieve its developmental goals as entrenched in the Nigeria Vision 20:2020 and the Transformation Agenda of government. The thrust of the Budget focused mainly on promoting inclusive growth in the face of global economic slowdown.

2. As a deliberate measure of the government to securing the huge financing requirement to achieve this goal while improving efficiency in governance, several strategies have been evolved in recent years. These include the ongoing review of MDAs' mandates to identify cross-cutting functions in order to eliminate duplications and the associated costs, rationalization of government expenditure on non-priority expenditures, and the enforcement of mandatory remittance of independently generated revenues under the *Fiscal Responsibility Act, 2007*. The government is also collaborating with development partners to promote partnerships with the private sector in the development and implementation of critical infrastructure projects.

3. This publication on the implementation of the 2011 Budget assesses the performance of the revenue and expenditure projections in the Budget on the one part and, on the other hand, the actual physical levels of implementation by MDAs of selected capital projects and programmes in the third quarter and the year-to-date.

4. The rest of this Report is structured as follows: *Chapter 2* gives a brief review of the macroeconomic environment under which the budget was implemented in the period; *Chapter 3* provides an analysis of government's revenue receipts and expenditure in the period. *Chapter 4* reports on the outcome of the physical monitoring of MDAs' capital budget implementation; while *Chapter 5* is the conclusion and recommendation.

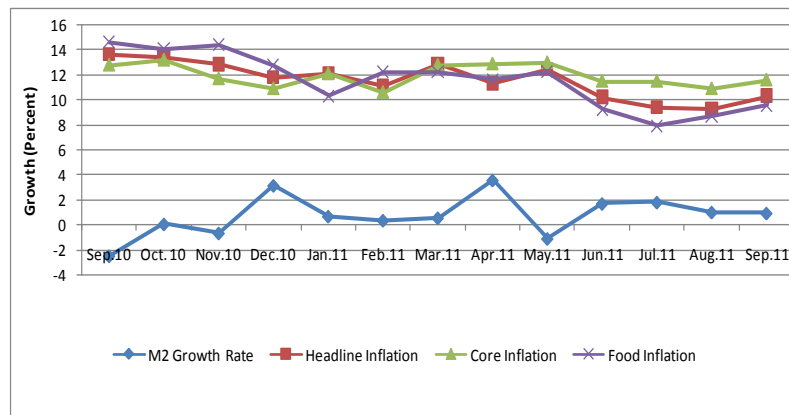
## 2.0 MACROECONOMIC DEVELOPMENT AND ANALYSIS

Over the period under consideration, data from the National Bureau of Statistics (NBS), indicate that real GDP grew by 7.4% in the third quarter as against 7.72% recorded in the previous quarter. On aggregate, this growth remains robust, driven largely by productive activities in the non-oil sector. The small dip observed in the third quarter comes as a result of relatively lower contributions from the non-oil sector. However, the outlook for the rest of the year is positive, with growth expected to be sustained driven, among others, by the agricultural sector.

6. Provisional data from the NBS indicated that inflationary pressures portray a slight upward trend during the third quarter of 2011. The year-on-year headline inflation rate rose from 10.2% in June to 10.3% in September.

This upward movement in inflation in September 2011 was largely attributed to increases in electricity tariffs and increases in food

**Chart 1: Inflation and M<sub>2</sub> Growth Rate**

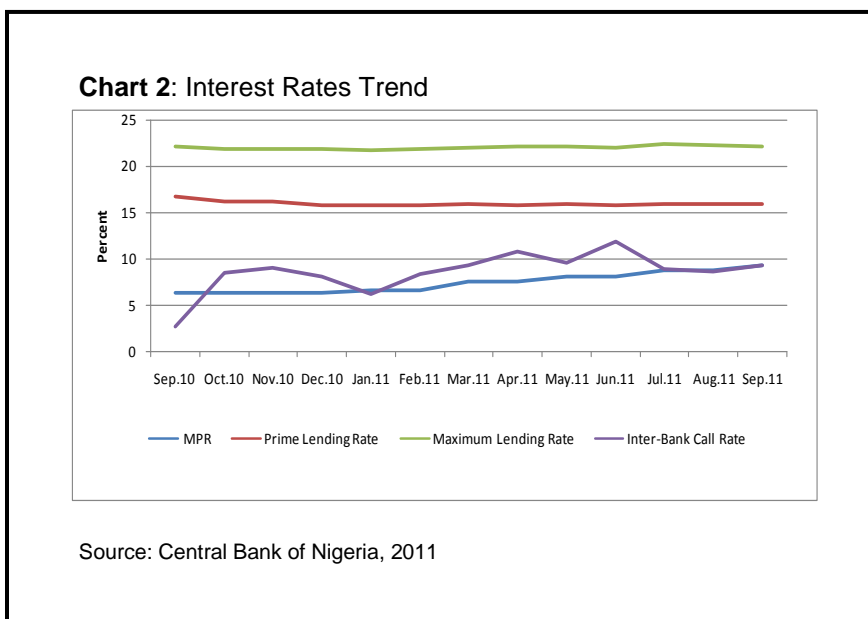


Source: Central Bank of Nigeria. 2011: National Bureau of Statistics. 2011.

prices. Indeed, the year-on-year food inflation rose from 9.2% in June to 9.5% in September 2011 while core inflation moved slightly from 11.5% in June to 11.6% in September, 2011. These are depicted in *Chart 1*.

7. In the light of inflation rates above the single digit target and the slight increase observed in the third quarter, the Monetary Policy Committee raised the Monetary Policy Rate (MPR) from 8% in June to 9.25% in September. In consonance with the review of the MPR, interest rates in all segments of the money market increased. As at the end of September 2011, average prime lending rate rose to

15.87% from 15.76% recorded in June 2011. Similarly, the average maximum lending rate also rose from 22.02% in June to 22.09% in September 2011. However, the inter-bank call rates which were 8.85%, 8.59% and 9.37% in July, August and September respectively and

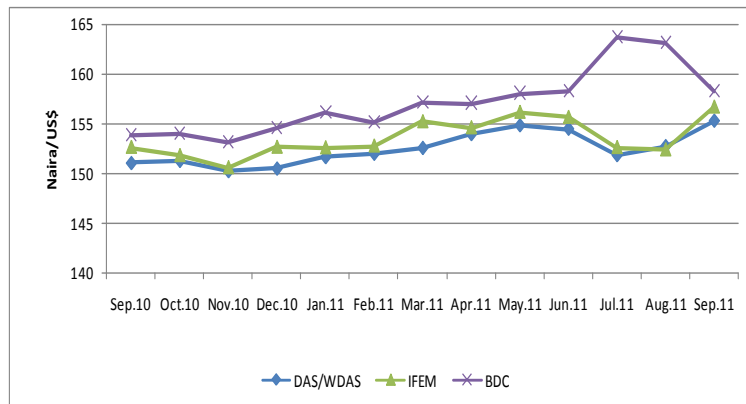


averaged 8.94% in the third quarter of 2011 were lower than the average rate of 10.52% obtained in the second quarter of 2011. This comes as a result of improved confidence in banks' balance sheet reflecting AMCOM activities. These trends are presented in *Chart 2*.

8. Despite increasing interest rates, data from the Central Bank of Nigeria (CBN) indicate that at the end of the third quarter of 2011, broad money ( $M_2$ ) grew by 3.64% from the level in June. In the same period, Net Domestic Credit grew by 12.05%. This growth was mainly due to the increased credit to both the core private sector and government. As at September 2011, credit to the private sector had grown by 11.56% between June and September 2011. Similarly, credit to government grew by 7.49% between June and September 2011. These trends clearly indicate an improvement in Government fiscal policy (i.e., reducing the crowding out effect) but also restored confidence of banks in the private sector.

9. The Naira/Dollar exchange rate depreciated by 0.52% from N154.46/US\$1 in June 2011 to N155.26/US\$1 in September 2011. In the third quarter of 2011, the Wholesale Dutch Auction System (WDAS) opened with an exchange rate of N151.82/US\$1 and closed at N155.26/US\$1 with an average closing

**Chart 3: Naira/US\$ Exchange Rates Trend**

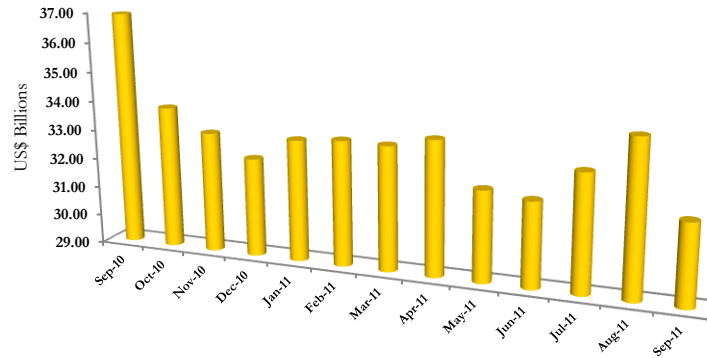


rate of N153.27/US\$1. When compared with the average closing rate of N154.39/US\$1 recorded during the second quarter of 2011, the Naira appreciated by 0.73%. At the inter-bank market, the Naira depreciated by 0.67% from N155.66/\$ in June to N156.70/\$ in September 2011. In the same vein, the premium between the WDAS average rate and the inter-bank market rate remained low at N0.62 (or 0.4%) in the third quarter of 2011, while that of the WDAS average exchange rate and the Bureau De Change (BDC) rate rose to N8.43 (or 5.5%) in the third quarter of 2011 from N3.42 (or 2.22%) in the second quarter of 2011.

10. Gross external reserves showed a downward trend in the third quarter of 2011, going from US\$32.52 billion in July to US\$31.74 billion in September, 2011. Despite this drop in the foreign reserves, the situation is expected to improve in the last quarter of the year, bearing in mind the current high level of oil production, export and recent oil price trend in the international market. The level of the external reserves as at the end of the third quarter was sufficient to finance up to

16 months of imports<sup>1</sup>, well above the internationally recommended threshold of 3-months imports cover.

**Chart 4:** Level of External Reserves



Source: CBN

<sup>1</sup> Data and Statistics from the Central Bank of Nigeria: Money and Credit Statistics

## 3.0 FINANCIAL ANALYSIS OF THE 2011 BUDGET IMPLEMENTATION

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### 3.1 Key Assumptions and Projections

The 2011 Budget was based on the 2011–2013 Medium Term Expenditure Framework following series of assumptions as presented in earlier Reports<sup>2</sup>.

### 3.2. Analysis of Revenue Performance

#### *Overview*

12. In the third quarter of 2011, crude oil price averaged US\$113.46 per barrel in the international market, indicating a decline of US\$3.9 (or 3.32%) per barrel below US\$117.36 recorded in the second quarter. This is however, higher than the benchmark price of US\$75 per barrel by US\$38.46 (or 51.28%) per barrel. The price of crude oil fluctuated between US\$93.7 and US\$126.64 per barrel in first three quarters of the year.

13. Provisional data from the Nigerian National Petroleum Corporation indicate that the average oil lifting (including Condensates) for the third quarter was 2.45 mbpd depicting an increase of 0.09 mbpd (or 3.81%) over the 2.36 mbpd recorded in the second quarter of the year. The third quarter performance showed an improvement of 0.15 mbpd (or 6.52%) over the budget benchmark oil production level of 2.3 mbpd. It is expected that the trend in the oil market will be maintained at a high level over the next quarter. This is in view of factors including the strong economic performance in China and India, fledgling recovery in OECD, and unrest in the MENA region. Furthermore, with the relative peace in the oil producing communities, oil production level in Nigeria is expected to maintain relative stability.

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<sup>2</sup> Section 3.1, Combined 1<sup>st</sup> and 2<sup>nd</sup> Quarter Budget Implementation Report, 2011

14. Based on the 2011 Fiscal Framework, the gross federally collectible revenue for 2011 was projected as N9,218.78 billion. Of this amount, N6,815.45 billion (or 73.93%) was to come from oil sources while the balance of N2,403.33 billion (or 26.07%) was expected from non-oil revenue. Compared to N6,999.15 billion projection as collectible revenue for the 2010 fiscal year, the data indicates an increase by N2,219.63 billion (or 31.71%) for 2011.

### *Oil Revenue Performance:*

#### *Third Quarter*

15. A review of the oil revenue in the third quarter of 2011 shows that crude oil sales, royalties, rent, gas flared penalty and petroleum profit tax were higher than their respective quarterly estimates of N954.97 billion, N158.64 billion, N0.13 billion, N1.03 billion and N481.88 billion by N401.95 billion (or 42.09%), N121.18 billion (or 76.39%), N0.06 billion (or 50.40%), N0.28 billion (or 27.55%) and N444.78 billion (or 92.30%). On the other hand, receipts from gas sales and gas tax fell short of their quarterly projected estimates of N88.16 billion and N18.56 billion by N11.26 billion (or 12.78%) and N18.56 billion (or 100.0%) respectively.

#### *Net oil revenue*

16. Resulting principally from a lower contribution in the quarter from the Joint Venture production arrangement which usually yields higher take for government, the net oil revenue inflow into the Federation Account in the third quarter was N1,053.49 billion indicating a shortfall of N156.13 billion (or 12.91%) below the quarterly projected estimate of N1,209.62 billion. This was however, higher than the performance of N727.54 billion recorded in the second quarter of 2011 by N325.95 billion (or 44.80%). The huge increase recorded in the quarter over that of the second quarter is attributable to the fact that most of the operations of the first two quarters of the year were based on the 2010 Budget benchmark price and production figures of US\$65/b and 2.3mbpd respectively following the late passage of the 2011 Budget. Please see *Table 3* below.

### *Year-to-date*

17. As at end of September 2011, crude oil sales of N3,361.90 billion, royalties of N786.49 billion and petroleum profit tax of N2,117.65 billion had respective positive variances of N496.99 billion (or 17.35%), N310.58 billion (or 65.26%) and N672.0 billion (or 46.48%) over their respective projections of N2,864.9 billion, N475.91 billion and N1,445.64 billion for the period. All other oil revenue items under-performed under this category.

### *Non-Oil Revenue Performance*

18. Going by the gradual increase in non-oil receipts over the recent years, it is apparent that ongoing reforms<sup>3</sup> and measures undertaken by the government in recent times towards reducing dependence on oil revenues to fund the budget are beginning to yield results. This has necessitated the annual increases to the budgetary targets set for the revenue generating and collecting agencies.

19. In the third quarter of 2011, the actual gross non-oil revenue was N547.52 billion indicating an improvement of N66.94 billion (or 13.93%) over the projected quarterly estimate of N480.58 billion. The breakdown of the non-Oil revenues revealed that Customs & Excise Duties (N112.87 billion) and Company Income Tax (N256.96 billion) were higher than their respective quarterly budgeted estimates of N112.50 billion and N175.56 billion by N0.37 billion (or 0.33%) and N81.40 billion (or 46.36%). On the other hand, Value Added Tax (N177.7 billion) had a negative variance of N14.83 billion (or 7.7%) when compared with its quarterly estimate of N192.52 billion. This may be linked to the dip in non-oil output. Comparing these performances with their second quarter performance of N159.7 billion, N102.92 billion and N133.46 billion showed that receipts on Value Added Tax, Customs & Excise Duties and Company Income Tax improved by N18 billion (or 11.27%), N9.95 billion (or 9.67%) and N123.50 billion (or 92.54%) respectively.

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<sup>3</sup> Paragraphs 20-21, Combined 1<sup>st</sup> & 2<sup>nd</sup> Quarter 2011 Budget Implementation Report

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Table 3: Net Distributable Revenue as at September 2011 (Oil Revenue at Benchmark Assumptions)

DESCRIPTION	2011 BUDGET			2011 ACTUAL			VARIANCES						
	2011 ANNUAL	QTRLY BUDGET	3 QTRS	FIRST QTR	SECOND QTR	THIRD QTR	3 QTRS	3RD QTR ACTUAL Vs QTRLY BUDGET		3RD QTR Vs 2ND QTR (ACTUAL)		ACTUAL Vs BUDGET (3 QTRS)	
OIL REVENUE	N' bn	N' bn	N' bn	N' bn	N' bn	N' bn	N' bn	N' bn	%	N' bn	%	N' bn	%
<b>Crude Oil Sales</b>	3,819.87	954.97	2,864.90	946.43	1,058.56	1,356.91	3,361.90	401.95	42.09	298.36	28.19	496.99	17.35
Gas Sales (NLNG Feedstock sales & Upstream Liquid Gas)	352.62	88.16	264.47	54.54	69.16	76.89	200.59	(11.26)	(12.78)	7.73	11.18	(63.88)	(24.15)
Royalties Oil & Gas	634.54	158.64	475.91	245.17	261.50	279.81	786.49	121.18	76.39	18.31	7.00	310.58	65.26
Rent	0.50	0.13	0.38	0.09	0.01	0.19	0.29	0.06	50.40	0.18	1,673.47	(0.08)	(22.02)
Gas flared Penalty	4.13	1.03	3.10	0.51	0.47	1.32	2.30	0.28	27.55	0.85	181.96	(0.80)	(25.89)
Miscellaneous Oil Revenue	2.00	0.50	1.50	0.35	0.42	0.97	1.74	0.47	93.60	0.55	130.00	0.24	16.20
Petroleum Profit Tax (PPT)	1,927.53	481.88	1,445.64	688.58	502.41	926.66	2,117.65	444.78	92.30	424.26	84.44	672.00	46.48
Gas Tax @ CITA Rate	74.25	18.56	55.69	-	-	-	-	(18.56)	(100.00)	-	-	(55.69)	(100.00)
<b>Sub-Total</b>	<b>6,815.45</b>	<b>1,703.86</b>	<b>5,111.58</b>	<b>1,935.67</b>	<b>1,892.53</b>	<b>2,642.76</b>	<b>6,470.96</b>	<b>938.90</b>	<b>55.10</b>	<b>750.23</b>	<b>39.64</b>	<b>1,359.37</b>	<b>26.69</b>
Joint Venture Cash calls	810.00	202.50	607.50	239.09	260.26	252.87	752.21	50.37	24.87	(7.39)	(2.84)	144.71	23.82
National Domestic Gas Dev.	150.00	37.50	112.50	-	-	-	-	(37.50)	(100.00)	-	-	(112.50)	(100.00)
Gas Infrastructure Devt.	45.00	11.25	33.75	-	-	-	-	(11.25)	(100.00)	-	-	(33.75)	(100.00)
Crude Oil Pre-Export Imp. Agency Exp. Exp.	3.00	0.75	2.25	-	-	-	-	(0.75)	(100.00)	-	-	(2.25)	(100.00)
Frontier Exploration Services	0.02	0.01	0.02	-	-	-	-	(0.01)	(100.00)	-	-	(0.02)	(100.00)
Domestic Fuel Subsidy (NNPC)	108.96	27.24	81.72	101.74	167.33	267.56	536.64	240.32	882.24	100.23	59.90	454.92	556.68
Domestic Fuel Subsidy (Private Markets)	137.00	34.25	102.75	-	-	-	-	(34.25)	(100.00)	-	-	(102.75)	(100.00)
<b>Sub-Total</b>	<b>5,561.46</b>	<b>1,390.37</b>	<b>4,171.10</b>	<b>1,594.84</b>	<b>1,464.94</b>	<b>2,122.33</b>	<b>5,182.11</b>	<b>731.96</b>	<b>52.65</b>	<b>657.38</b>	<b>44.67</b>	<b>1,011.01</b>	<b>24.24</b>
Transfer to Excess Account	-	-	-	739.40	628.71	911.41	2,279.52	911.41	-	282.70	44.97	2,279.52	-
Balance of Oil Revenue	5,561.46	1,390.37	4,171.10	855.44	836.23	1,210.91	2,902.59	(179.45)	(12.91)	374.68	44.81	(1,268.51)	(30.41)
13% Derivation of Net Oil Revenue	722.99	180.75	542.24	111.21	108.69	157.42	377.32	(23.32)	(12.90)	48.73	44.84	(164.92)	(30.41)
<b>TO FEDERATION ACCOUNT</b>	<b>4,838.47</b>	<b>1,209.62</b>	<b>3,628.85</b>	<b>744.23</b>	<b>727.54</b>	<b>1,053.49</b>	<b>2,525.26</b>	<b>(156.13)</b>	<b>(12.91)</b>	<b>325.95</b>	<b>44.80</b>	<b>(1,103.59)</b>	<b>(30.41)</b>
<b>NON-OIL REVENUE</b>													
Value Added Tax (VAT)	770.09	192.52	577.57	147.41	159.70	177.70	484.80	(14.83)	(7.70)	18.00	11.27	(92.76)	(16.06)
Customs: Import, Excise & Fees	450.00	112.50	337.50	91.41	102.92	112.87	307.21	0.37	0.33	9.95	9.67	(30.29)	(6.98)
Corporate Tax: CIT, Stamp Duties & CGT	702.25	175.56	526.68	126.04	133.46	256.96	516.46	81.40	46.36	123.50	92.54	(10.23)	(1.94)
<b>Sub-Total</b>	<b>1,922.34</b>	<b>480.58</b>	<b>1,441.75</b>	<b>364.87</b>	<b>396.07</b>	<b>547.52</b>	<b>1,308.47</b>	<b>66.94</b>	<b>13.93</b>	<b>151.45</b>	<b>38.24</b>	<b>(133.29)</b>	<b>(9.24)</b>
Collection Cost & Other Deductions	94.71	23.68	71.04	17.34	18.93	26.18	64.44	4.50	18.99	9.25	48.84	(6.60)	(9.28)
Cost of Collection (VAT)	30.80	7.70	23.10	5.90	6.39	7.11	19.39	(0.59)	(7.70)	0.72	11.29	(3.71)	(16.07)
7%NCS cost of collection	31.50	7.88	23.63	6.40	7.21	7.90	21.51	0.03	0.33	0.70	9.66	(2.12)	(6.97)
FIRS Tax Refunds	4.50	1.13	3.38	-	-	2.89	2.89	1.76	166.71	2.89	-	(0.49)	(14.43)
4% FIRS collection cost	27.91	6.98	20.93	5.04	5.34	10.28	20.66	3.30	47.30	4.94	92.54	(0.28)	(1.32)
<b>TO FEDERATION ACCOUNT</b>	<b>1,088.34</b>	<b>272.08</b>	<b>816.25</b>	<b>206.02</b>	<b>223.84</b>	<b>348.76</b>	<b>778.62</b>	<b>76.68</b>	<b>28.18</b>	<b>124.93</b>	<b>55.91</b>	<b>(37.64)</b>	<b>(4.61)</b>
Total VAT Pool Account	739.29	184.82	554.46	141.52	153.31	170.59	465.41	(14.23)	(7.70)	17.28	11.27	(89.05)	(16.06)
Net Non-Oil Revenue	1,827.62	456.91	1,370.72	347.53	377.14	519.35	1,244.03	62.44	13.67	142.21	37.71	(126.69)	(9.24)
<b>Sub-Total: FEDERATION ACCOUNT</b>	<b>5,926.81</b>	<b>1,481.70</b>	<b>4,445.11</b>	<b>950.25</b>	<b>951.38</b>	<b>1,402.25</b>	<b>3,303.88</b>	<b>(79.45)</b>	<b>(5.36)</b>	<b>450.87</b>	<b>47.39</b>	<b>(1,141.23)</b>	<b>(25.67)</b>
Add: Balances of Special Accounts	15.61	3.90	11.71	-	-	-	-	(3.90)	(100.00)	-	-	(11.71)	(100.00)
<b>TOTAL FEDERATION ACCOUNT</b>	<b>5,942.42</b>	<b>1,485.61</b>	<b>4,456.82</b>	<b>950.25</b>	<b>951.38</b>	<b>1,402.25</b>	<b>3,303.88</b>	<b>(83.36)</b>	<b>(5.61)</b>	<b>450.87</b>	<b>47.39</b>	<b>(1,152.94)</b>	<b>(25.67)</b>
<b>TOTAL DISTRIBUTION</b>													
Federation Account	5,942.42	1,485.61	4,456.82	950.25	951.38	1,402.25	3,303.88	(83.36)	(5.61)	450.87	47.39	(1,152.94)	(25.67)
VAT Pool Account	739.29	184.82	554.46	141.52	153.31	170.59	465.41	(14.23)	(7.70)	17.28	11.27	(89.05)	(16.06)
<b>Grand Total</b>	<b>6,681.71</b>	<b>1,670.43</b>	<b>5,011.28</b>	<b>1,091.77</b>	<b>1,104.69</b>	<b>1,572.84</b>	<b>3,769.29</b>	<b>(97.59)</b>	<b>(5.84)</b>	<b>468.15</b>	<b>42.38</b>	<b>(1,241.99)</b>	<b>(24.78)</b>

Source: OAGF and Budget Office of the Federation

## Year-to-date

20. Cumulatively, the gross non-oil receipts as at September of 2011 amounted to N1,308.47 billion indicating a shortfall of N133.29 billion (or 9.24%) below the estimate of N1,441.75 billion. The cumulative performance of each of the non-oil revenue items fell short of their respective quarterly estimates of N577.57 billion, N337.5 billion and N526.68 billion for Value Added Tax, Customs & Excise Duties and Company Income Tax by N92.76 billion (or 16.06%), N30.29 billion (or 8.98%) and N10.23 billion (or 1.94%). It is important to note that in view of the historical trend in economic activities and closure of companies' financial year activities, this trend is expected to continue to the last quarter of the year. In view of this, it is anticipated that the performances of the last quarter of the year would be comparatively better than the 3<sup>rd</sup> quarter's.

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

Revenue Items	2010 3rd Quarter Actual	2011 3rd Quarter Actual	3rd Quarter 2011 Vs 3rd Quarter 2010	
	N'bens	N'bens	N'bens	%
<b>Oil Revenue (Gross)</b>				
Crude Oil Sales	977.90	1,356.91	379.01	38.76
Petroleum Profit Tax (PPT)	354.90	926.66	571.76	161.10
Royalties	165.20	279.81	114.61	69.38
<b>Non-Oil Revenue (Gross)</b>			-	
Value Added Tax (VAT)	147.34	177.70	30.36	20.61
Company Income Tax (CIT)	213.15	256.96	43.81	20.55
Customs & Excise Duties	80.98	112.87	31.89	39.38

Source: OAGF and BOF

## *Comparative Revenue Performance Analysis*

21. Despite the low performances of some revenue items in the third quarter of 2011, it is noteworthy that revenue receipts in the quarter exceeded those of the same period in 2010. The data indicates that gross oil and non-oil revenue in the third quarter of 2011 were N858.49 billion (or 67.93%) and N106.05 billion (or 24.02%) respectively higher than the performance of N1,263.84 billion and N441.47 billion recorded in the third quarter of 2010. Similarly, the net oil and net non-oil receipts for the first three quarters of 2011 also surpassed the respective receipts of N2,036.98 billion and N1,126.05 billion in 2010 by N488.28 billion (or 23.97%)

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and N182.42 billion (or 16.20%). These data are presented in *Table 6* below.

22. A review of the performances in the third quarter of 2011 shows that crude oil sales of N1,356.91 billion, petroleum profit tax of N926.66 billion and royalties of N279.81 billion

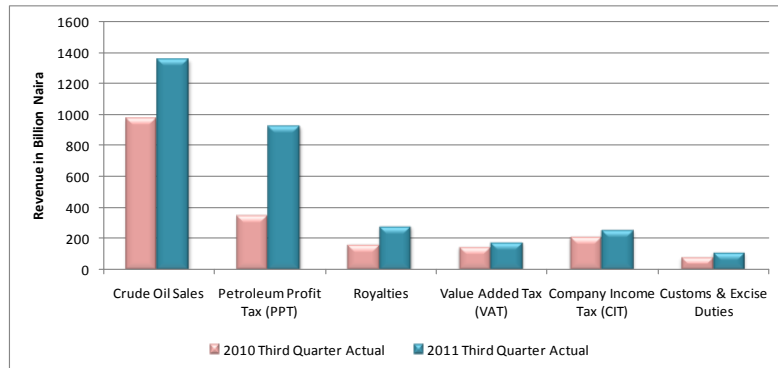
exceeded their respective 2010 third quarter performances of N977.9 billion, N354.9 billion and N165.2 billion by N379.01 billion (or 38.76%), N571.76 billion (or 161.10%) and N114.61 billion (or 69.38%). Similarly,

Value Added Tax of N177.7 billion, Customs & Excise Duties of N112.87 billion and Company Income Tax of N256.96 billion exceeded their 2010 levels of N147.34 billion, N80.98 billion and N213.15 billion by N30.36 billion (or 20.61%), N31.89 billion (or 39.38%) and N43.81 billion (or 20.55%) respectively.

23. The enhanced gross oil revenues in the third quarter of 2011 over that of same period in 2010

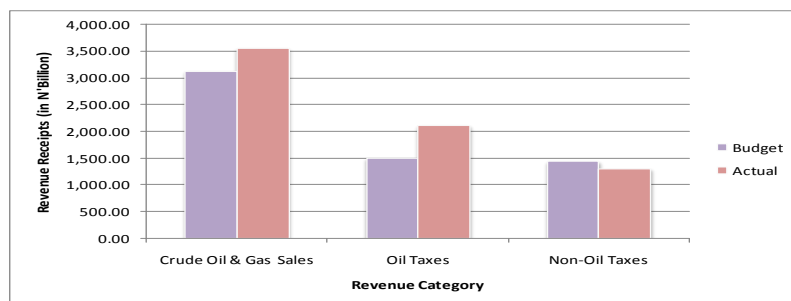
is attributable to higher prices of crude oil in the international market and higher

**Chart 6: 2010 Vs 2011 Revenue Performance (3<sup>rd</sup> Quarter)**



Source: OAGF and Budget Office of the Federation

**Chart 7: Projected Vs Actual FAAC Revenue Receipts (as at September 2011)**



Source: Budget Office of the Federation

production and price benchmark levels in the 2011 Budget. Similarly, the progress recorded in some non-oil revenue items over the levels in 2010 are attributable to improvements in the economic environment and better efficiency in revenue collection by the collecting agencies such as the Customs and Excise as well as the Federal Inland Revenue Service (FIRS).

24. In view of the recent trend in non-oil receipts, it is expected that the government's revenue receipts in the remaining quarter of 2011 would be better considering the relative stability in the prices of crude oil in the international market, and the present sustainable production levels. *Chart 7* above is a graphical illustration of the actual performance of revenue categories compared to their budgeted estimates as at September 2011.

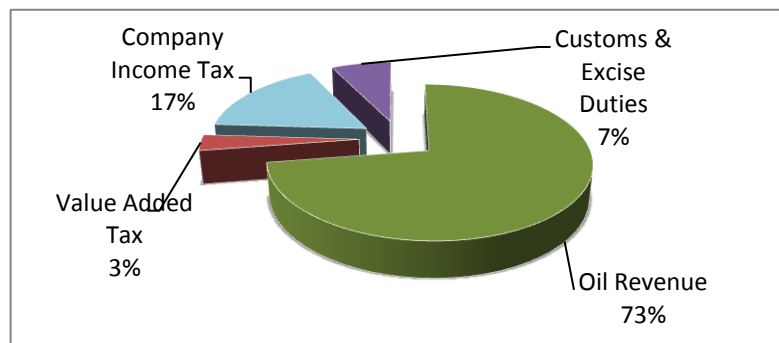
### *Distributable Revenue*

25. Distributable revenue is the net receipts in the Federation Account that is available for distribution among the three tiers of government. In relation to the projections, the shortfall in net revenue receipts in the oil and non-oil categories in the third quarter of

2011 impacted negatively on the funds available for distribution. In the third quarter, a net distributable sum of N1,572.84 billion accrued to the three tiers of government for sharing during the third quarter. This means a shortfall of

N97.59 billion (or 5.84%) when compared with the quarterly projection of N1,670.43 billion. The aggregate distributable revenue of N1,572.84 billion and N3,769.29

**Chart 8: Contributions to Distributable Revenue (in the 3<sup>rd</sup> Quarter of 2011)**



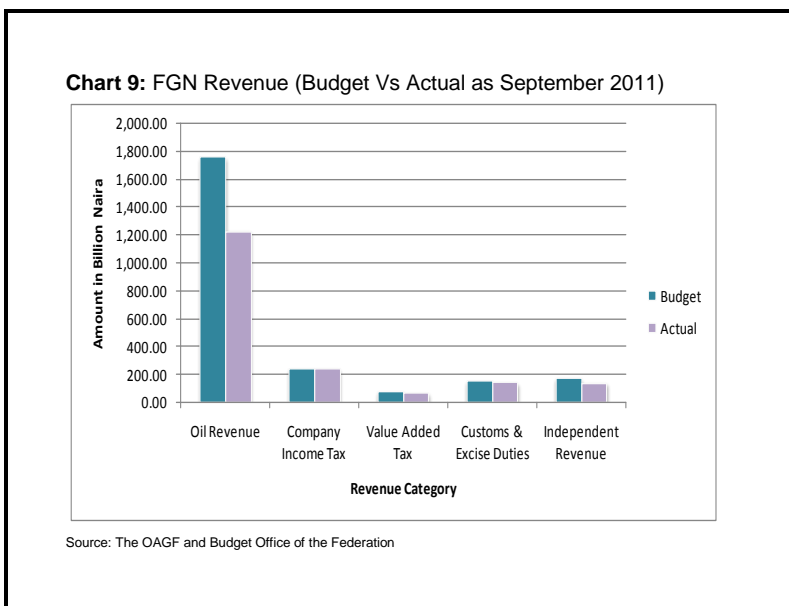
Source: Budget Office of the Federation

billion for the third quarter and the three-quarters in 2011 were respectively higher than the actual distributable revenue of N1,287.29 billion and N3,111.33 billion recorded for same periods of 2010 by N285.55 billion (or 22.18%) and N657.96 billion (or 21.15%).

26. *Chart 8* shows the percentage contribution of the revenue categories to distributable revenue in the third quarter.

### 3.3 FGN Budget Revenue Sources

27. In line with the 2011 Budget Framework, the sum of N3,348.11 billion was projected to fund the Federal Budget implying a quarterly requirement of N837.03 billion. In the third quarter of 2011, the FGN oil revenue share of N510.94 billion was lower than the estimate of N586.66 billion by N75.72 billion (or 12.91%). Similarly, the receipt of N23.88 billion from its share of Value Added Tax (VAT) was lower than the quarterly projected estimate of N25.88 billion by N2 billion (or 7.71%). In the same vein, the Independent Revenue of N45.06 billion in the third quarter was short of the estimate of N57.23 billion projected for the quarter by N12.17 billion (or 21.27%). On the other hand, Company Income Tax of N118.24 billion and Customs & Excise of N50.91 billion exceeded the respective quarterly estimates of N81.22 billion and N50.74 billion by N37.02 billion (or 45.58%) and N0.17billion (or 0.33%). These data are presented in *Table 7*.



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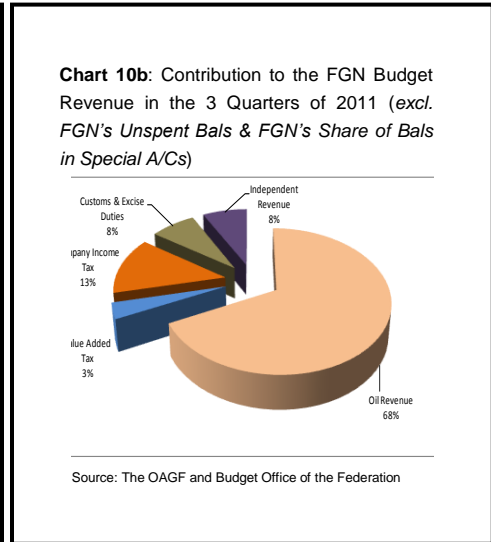
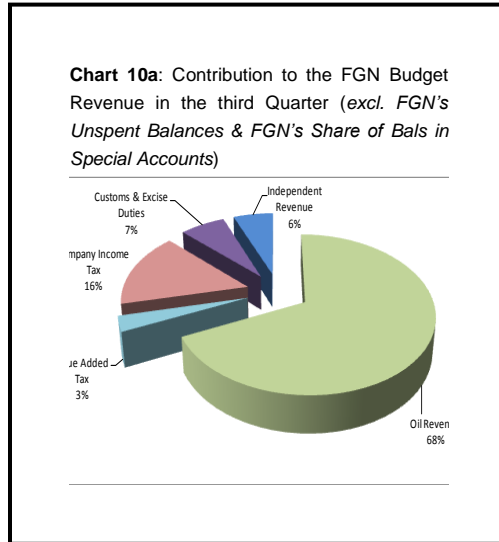
**Table 7:** Inflows to the 2011 Federal Budget as at September 2011

DESCRIPTION	2011 BUDGET			2011 ACTUAL				VARIANCES					
	2011 ANNUAL	QTRLY BUDGET	3 QTRS	FIRST QTR	SECOND QTR	THIRD QTR	3 QTRS	3RD QTR ACTUAL Vs QTRLY BUDGET		3RD QTR Vs 2ND QTR (ACTUAL)		ACTUAL Vs BUDGET (3 QTRS)	
	N' Bn	N' Bn	N' Bn	N' Bn	N' Bn	N' Bn	N' Bn	N' Bn	%	N' Bn	%	N' Bn	%
<b>RETAINED REVENUE</b>													
FGN Share of Oil Revenue	2,346.66	586.66	1,759.99	360.95	352.86	510.94	1,224.75	(75.72)	(12.91)	158.08	44.80	(535.24)	(30.41)
Share of Non-Oil Revenue	860.27	215.07	645.20	153.18	189.50	238.09	580.77	23.02	10.70	48.59	25.64	(64.43)	(9.99)
FGN Share of VAT	103.50	25.88	77.63	19.81	21.46	23.88	65.15	(2.00)	(7.71)	2.42	11.28	(12.48)	(16.07)
FGN Share of CIT	324.87	81.22	243.65	58.69	62.14	118.24	239.07	37.02	45.58	56.10	90.28	(4.58)	(1.88)
FGN Share of Customs	202.97	50.74	152.23	41.23	46.42	50.91	138.56	0.17	0.33	4.49	9.67	(13.67)	(8.98)
FGN Independent Revenue	228.93	57.23	171.70	33.45	59.48	45.06	137.99	(12.17)	(21.27)	(14.42)	(24.24)	(33.71)	(19.63)
FGN's Share of Actual Balances in Special Accounts	7.57	1.89	5.68				-	(1.89)	(100.00)	-		(5.68)	(100.00)
FGN Bal of Special Accts as at 31/12/09	13.61	3.40	10.21	-	-	-	-	(3.40)	(100.00)	-		(10.21)	(100.00)
Unspent Balance from previous FY	120.00	30.00	90.00	6.18	12.04	0.99	19.21	(29.01)	(96.70)	(11.05)	(91.78)	(70.79)	(78.66)
<i>Sub-Total</i>	<b>3,348.11</b>	<b>837.03</b>	<b>2,511.08</b>	<b>520.32</b>	<b>554.39</b>	<b>750.02</b>	<b>1,824.73</b>	<b>(87.01)</b>	<b>(10.40)</b>	<b>195.62</b>	<b>35.29</b>	<b>(686.35)</b>	<b>(27.33)</b>
<b>OTHER FINANCING SOURCES</b>	-	-	-	<b>15.98</b>	<b>13.62</b>	<b>7.08</b>	<b>36.69</b>	<b>7.08</b>		<b>(6.54)</b>	<b>(48.02)</b>	<b>36.69</b>	
External Creditor Funding		-	-	10.28	10.62	7.08	27.98	7.08		(3.54)	(33.34)	27.98	
PLEA BARGAIN		-	-	5.70	3.00	-	8.70	-		(3.00)	(100.00)	8.70	
<b>Total Revenue</b>	<b>3,348.11</b>	<b>837.03</b>	<b>2,511.08</b>	<b>536.30</b>	<b>568.02</b>	<b>757.10</b>	<b>1,861.42</b>	<b>(79.93)</b>	<b>(9.55)</b>	<b>189.08</b>	<b>33.29</b>	<b>(649.67)</b>	<b>(25.87)</b>

Source: Budget Office of the Federation and the OAGF

28. The sum of N750.02 billion, (excluding other funding sources), was received in the third quarter of 2011. This is lower than the quarterly projection of N837.03 billion by N87.01 billion (or 10.40%). This was however, higher than the receipts in the 2<sup>nd</sup> quarter (2011) and 3<sup>rd</sup> quarter of 2010 by N195.62 billion (or 35.29%) and N139.56 billion

(or 22.86%) respectively. As shown in Table 7, the inclusion of 'Other Funding Sources' however improves the revenue position by N7.08 billion



in the quarter. *Charts 10a and 10b* are graphic representations of the respective revenue contributions to the FGN budget in the third quarter and in the first three quarters of 2011.

### 3.4 Excess Crude Account

29. The Excess Crude Account (ECA) was created as a stabilization and savings fund to protect the budget from the vagaries of the international oil market. With the passage of the Sovereign Wealth Fund Bill into law, it is expected that the Excess Crude Account will ultimately be replaced by the Fund. In the third quarter of the year, crude oil price at the international market averaged US\$113.46 per barrel. The benchmark oil production was projected at 2.3 mbpd, while production (including Condensates) averaged 2.45 mbpd.

30. Inflows into the ECA in the third quarter of 2011 amounted to N911.41 billion depicting an increase of N282.7 billion (or 44.97%) over the N628.71 billion transferred to the account in the second quarter of 2011. These data are presented in Table 8 below.

31. Data from the Office of the Accountant-General of the Federation indicate that a total N408.27 billion was utilized to augment the budget during the monthly Federation Accounts and Allocation Committee meetings in the year up to September 2011. A total of N618.84 billion was similarly utilized on payments for subsidy on petroleum products imported by Independent Petroleum Marketers in the period.

**Table 8:** Inflow into the Excess Crude Account

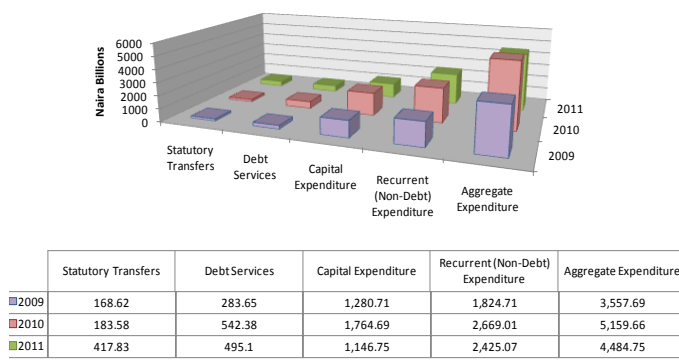
DESCRIPTION	2011 RECEIPTS (N' bns)			
	1 <sup>ST</sup> QTR	2 <sup>ND</sup> QTR	3 <sup>RD</sup> QTR	YEAR-TO-DATE
Transfers to the ECA	739.40	628.71	911.41	2,279.62

Source: Office of the Accountant General of the Federation

### 3.5 Expenditure Developments and Revision

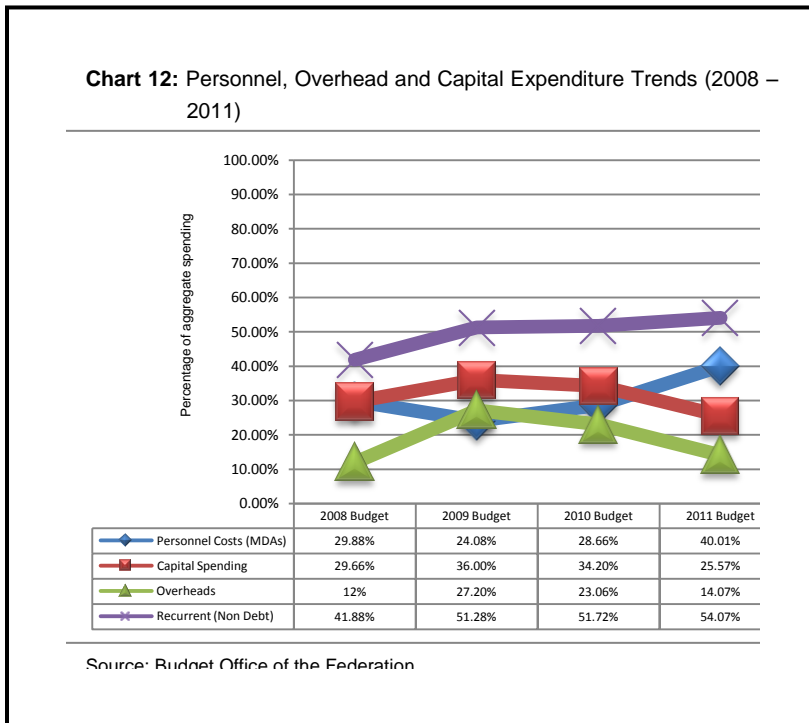
32. In response to a combination of domestic and international economic and financial developments, the expenditure pattern in the 2011 Budget was re-tailored in consideration of the review made to the revenue projections. A total of N4,484.74 billion was appropriated as aggregate expenditure in the 2011 Budget. This comprised of N2,425.07 billion (or 54.07%) for recurrent expenditure (non-debt), N495.1 billion (or 11.04%) for recurrent expenditure (debt), N417.83 billion (or 9.32%) for statutory transfers and an allocation of N1,146.75 trillion (or 25.57%) for capital expenditure.

**Chart 11:** 2009 Budget - 2011 Budget Expenditure Profile



## 3.5.1 Non-Debt Recurrent Expenditure

33. The Government has over the years adopted measures to gradually reverse the skewness in expenditure towards recurrent expenditure through deliberate policies such as the rationalization of recurrent expenditure through the implementation of cost-saving measures such as deliberate reduction of overhead expenditures, institution of cost control measures over the procurement of certain capital items and the construction of non-priority buildings. With deliberate measures as these, the ratios are programmed to gradually shift in favour of



capital expenditures in the 2012-2014 medium term. Other measures include the rationalization of international trainings and travels and the extension of the Integrated Payroll and Personnel Information System (IPPIS) to all MDAs.

34. Notwithstanding these efforts, the implementation of wage increases that were granted in 2010 continued to pose considerable challenge to achieving the policy objectives. As such, provisions for recurrent expenditure (in absolute and relative terms) have been on the rise in recent years. *Chart 12* illustrates the trend in recent years.

35. A review of the data from the OAGF shows that the sum of N653.23 billion was released for Non-Debt recurrent expenditure in the third quarter of 2011. In general, releases were on target in respect of personnel costs while some delays were experienced for overhead as government sought to prioritize releases for

capital projects.

### 3.5.2 Debt Service

36. Provisional data from the Debt Management Office indicate that the Federal Government's domestic debt stock stood at N5,318 billion as at end of the third quarter. This implies an increase of N107.56 billion (or 2.06%) and N1,088.37 billion (or 25.73%) over the N5,210.44 billion and N4,229.63 billion recorded as at end of 2011 second quarter and 2010 third quarter respectively. The rise in aggregate domestic debt stock in the third quarter was due mainly to the net issuance of additional FGN bonds amounting to N80.32 billion and NTBs of N46.42 billion and underscores the need for further fiscal consolidation and reduced borrowing. The breakdown of the domestic debt stock as at 30<sup>th</sup> September shows that N3,356.43 billion (or 63.11%) was FGN Bonds, N1,607.84 billion (or 30.32%) was Nigerian Treasury Bills (NTBs) and N353.73 billion (or 6.65%) was for Treasury Bonds.

37. The sum of N183.06 billion was released for debt servicing in the third quarter of 2011. The actual domestic debt service payment for the third quarter of 2011 amounted to N141.13 billion. This is made up of N33.44 billion for NTBs, N77.23 billion for FGN Bonds and N30.46 for Treasury bonds. As at September 2011 a total of N387.3 billion had been released for domestic debt service.

38. The external debt stock as at 30<sup>th</sup> September, 2011 was US\$5,633.71 million indicating an increase of US\$235.67 million (or 4.37%) over US\$5,398.04 million recorded in the second quarter of 2011 due mainly to the increased draw down in Non-Paris Club (Bilateral and Commercial) Debts of US\$253.88 million (or 75.86%) over that of the second quarter. A breakdown of the external debt stock in the third quarter of 2011 shows that multilateral debts amounted to US\$4,545.18 million (or 80.68%), Non-Paris Club (Bilateral and Commercial) Debts amounted to US\$588.53 million (or 10.45%) while International credit Market (ICM) accounted for the balance of US\$500 million (or 8.88%).

39. The external debt service payments in the third quarter of the year amounted to US\$103.79 million. A breakdown of the payments indicates that

US\$49.98 million (or 48.15%) was to Multilateral Creditors, US\$26.09 million (or 25.14%) was to Bilateral Creditors, US\$10.85 million (or 10.45%) to Commercial Creditors and US\$16.88 (or 16.26%) for ICM (Euro Bond).

### 3.5.3 Statutory Transfers

40. A total of N59.69 billion was released for statutory transfers in the third quarter of the year. As at September 2011, a total of N207.79 billion had been released to the various agencies under statutory transfers compared to N313.37 billion projected for the period. This difference between the projected and actual transfers in the quarter arose within the fiscal year as releases are based on agencies' needs and requests. A breakdown of the actual transfers in the third quarter indicates that N23.75 billion was to National Judiciary Council (NJC), N25.38 billion was to the Universal Basic Education Commission (UBEC) and N10.56 billion was for tax refunds. Transfers to INEC and the National Assembly were included in Overhead.

### 3.5.4 Capital Expenditure Performance:

41. Based on the transformation agenda and the developmental goals of the government, the 2011 Budget focused more on the completion of ongoing projects/programmes and which would also help in attaining national economic recovery. In this respect, over 80% of the total capital expenditure in the 2011 Appropriation Act was allocated to the government's priority sectors which include critical infrastructure development; human capital development, land reform & food Security, physical security, law & order and the development of the Niger Delta.

42. As at 30<sup>th</sup> September, 2011 an aggregate of N705.16 billion had been released through the first quarter Capital Warrant of N111 billion, first quarter Augmentation Warrant of N100 billion, 2<sup>nd</sup> quarter Capital Warrant of N250 billion, 3<sup>rd</sup> quarter Development Capital Warrant of N208 billion and Authority to Incur Expenditure (AIEs) of N36.16 billion for the implementation of MDAs' capital projects/programmes as contained in the 2011 Appropriation Act. Of this amount, a total of N594.15 billion (or 84.26%) of the total releases had been cash-backed as at the period.

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

DESCRIPTION	2011 BUDGET			2011 ACTUAL				VARIANCES					
	2011 ANNUAL	QTRLY BUDGET	3 QTRS	FIRST QTR	SECOND QTR	THIRD QTR	3 QTRS	3RD QTR ACTUAL Vs QTRLY BUDGET		3RD QTR Vs 2ND QTR (ACTUAL)		ACTUAL Vs BUDGET (3 QTRS)	
	N' bn	N' bn	N' bn	N' bn	N' bn	N' bn	N' bn	N' bn	%	N' bn	%	N' bn	%
<b>RETAINED REVENUE:</b>													
<b>TOTAL INFLOW</b>	<b>3,348.11</b>	<b>837.03</b>	<b>2,511.08</b>	<b>536.30</b>	<b>568.02</b>	<b>757.10</b>	<b>1,861.42</b>	<b>(79.93)</b>	<b>(9.55)</b>	<b>189.08</b>	<b>33.29</b>	<b>(649.66)</b>	<b>(25.87)</b>
<b>RECURRENT EXPENDITURE</b>													
Personnel Cost	1,794.16	448.54	1,345.62	362.22	498.96	427.05	1,288.22	(21.49)	(4.79)	(71.91)	(14.41)	(57.40)	(4.27)
Pesion & Gratuities	154.75	38.69	116.06	21.78	4.23	-	26.01	(38.69)	(100.00)	(4.23)	(100.00)	(90.06)	(77.59)
Overhead Cost + MYTO + SWV	476.16	119.04	357.12	157.80	190.21	226.19	574.20	107.15	90.01	35.98	18.91	217.08	60.79
<b>Sub-Total (Non-Debt)</b>	<b>2,425.07</b>	<b>606.27</b>	<b>1,818.80</b>	<b>541.79</b>	<b>693.40</b>	<b>653.29</b>	<b>1,888.42</b>	<b>46.96</b>	<b>7.75</b>	<b>(40.16)</b>	<b>(5.79)</b>	<b>69.62</b>	<b>3.83</b>
Domestic Debts & Int. on Ways & Means	450.01	112.50	337.51	51.20	153.05	183.06	387.30	70.55	62.71	30.01	19.61	49.79	14.75
Foreign Debts	45.09	11.27	33.82	10.28	10.62	7.08	27.98	(4.19)	(37.17)	(3.54)	(33.34)	(5.83)	(17.25)
<b>Sub-Total (Debt)</b>	<b>495.10</b>	<b>123.78</b>	<b>371.33</b>	<b>61.48</b>	<b>163.67</b>	<b>190.14</b>	<b>415.29</b>	<b>66.36</b>	<b>53.62</b>	<b>26.47</b>	<b>16.17</b>	<b>43.96</b>	<b>11.84</b>
<b>CAPITAL EXPENDITURE:</b>													
*Capital Releases 2011	1,146.75	286.69	860.06	98.07	96.95	346.39	541.42	59.70	20.83	249.44	257.28	(318.65)	(37.05)
*Capital Releases 2010	-	-	-	108.33	0.27	-	108.59	-	-	(0.27)	(100.00)	108.59	-
<b>Sub-Total (Capital)</b>	<b>1,146.75</b>	<b>286.69</b>	<b>860.06</b>	<b>206.40</b>	<b>97.22</b>	<b>346.39</b>	<b>650.01</b>	<b>59.70</b>	<b>20.83</b>	<b>249.17</b>	<b>256.30</b>	<b>(210.05)</b>	<b>(24.42)</b>
<b>TRANSFERS:</b>													
NDDC	56.08	14.02	42.06	-	28.04	-	28.04	(14.02)	(100.00)	(28.04)	(100.00)	(14.02)	(33.34)
STF Retention Fee	-	-	-	0.22	-	-	0.22	-	-	-	-	0.22	-
National Judicial Council	95.00	23.75	71.25	22.75	24.75	23.75	71.25	-	-	(1.00)	(4.04)	-	-
Universal Basic Education	64.57	16.14	48.43	11.52	11.52	25.38	48.43	9.24	57.24	13.86	120.31	(0.00)	(0.00)
FCT/FIRS	-	-	-	7.33	1.97	10.56	19.86	10.56	-	8.58	435.15	19.86	-
Ind. Nat. Elect. Comm.	52.18	13.05	39.14	-	-	-	-	(13.05)	(100.00)	-	-	(39.14)	(100.00)
National Assembly	150.00	37.50	112.50	-	-	-	-	(37.50)	(100.00)	-	-	(112.50)	(100.00)
Refund to ETF	-	-	-	40.00	-	-	40.00	-	-	-	-	40.00	-
<b>Sub-Total (Transfers)</b>	<b>417.83</b>	<b>104.46</b>	<b>313.37</b>	<b>81.82</b>	<b>66.28</b>	<b>59.69</b>	<b>207.79</b>	<b>(44.77)</b>	<b>(42.86)</b>	<b>(6.59)</b>	<b>(9.95)</b>	<b>(105.58)</b>	<b>(33.69)</b>
<b>TOTAL EXPENDITURE</b>	<b>4,484.75</b>	<b>1,121.19</b>	<b>3,363.56</b>	<b>891.49</b>	<b>1,020.57</b>	<b>1,249.45</b>	<b>3,161.51</b>	<b>128.26</b>	<b>11.44</b>	<b>228.88</b>	<b>22.43</b>	<b>(202.05)</b>	<b>(6.01)</b>
<b>Deficit/(Surplus)</b>	<b>(1,136.64)</b>	<b>(284.16)</b>	<b>(852.48)</b>	<b>(355.19)</b>	<b>(452.55)</b>	<b>(492.35)</b>	<b>(1,300.09)</b>	<b>(208.19)</b>	<b>73.27</b>	<b>(39.80)</b>	<b>8.80</b>	<b>(447.61)</b>	<b>52.51</b>
<b>FINANCING ITEMS</b>													
Privitization Proceeds	16.91	4.23	12.68	-	-	3.03	3.03	(1.20)	(28.43)	3.03	-	(9.66)	(76.14)
Signature Bonus	42.44	10.61	31.83	-	-	20.66	20.66	10.05	94.72	20.66	-	(11.17)	(35.09)
Sharing from Stabilisation Fund	225.00	56.25	168.75	-	-	-	-	(56.25)	(100.00)	-	-	(168.75)	(100.00)
Domestic borrowing (FGN Bond)	852.27	213.07	639.20	221.00	255.00	191.00	667.00	(22.07)	(10.36)	(64.00)	(25.10)	27.80	4.35
2010 International Bond (\$500M)	-	-	-	73.33	-	-	73.33	-	-	-	-	73.33	-
Borrowing from Special A/c	-	-	-	-	95.00	(95.00)	-	(95.00)	-	(190.00)	(200.00)	-	-
<b>Sub-Total</b>	<b>1,136.62</b>	<b>284.16</b>	<b>852.47</b>	<b>294.33</b>	<b>350.00</b>	<b>119.69</b>	<b>764.01</b>	<b>(164.47)</b>	<b>(57.88)</b>	<b>(230.32)</b>	<b>(65.80)</b>	<b>(88.45)</b>	<b>(10.38)</b>
<b>Net Deficit / Surplus</b>	<b>(0.02)</b>	<b>(0.00)</b>	<b>(0.01)</b>	<b>(60.86)</b>	<b>(102.55)</b>	<b>(372.67)</b>	<b>(536.08)</b>	<b>(372.66)</b>		<b>(270.12)</b>	<b>263.41</b>	<b>(536.06)</b>	

Source: OAGF and Budget Office

**NOTES:** Releases to INEC & NASS were included in Overhead; Transfer to FCT/FIRS are to be deducted from Independent Revenue Collections; and Refund to ETF relates to payoff of sum borrowed to fund the 2010 Budget.

# Third Quarter Budget Implementation Report | 2011

*Performance as at 30<sup>th</sup> September 2011*

43. It is noteworthy that only N333.07 billion (or 56.06%) of the total amount cash-backed amount had been utilized by MDAs as at 30<sup>th</sup> September 2011. *Annexure 1* to this Report gives an indication of funds released to, and utilized by MDAs in the period.

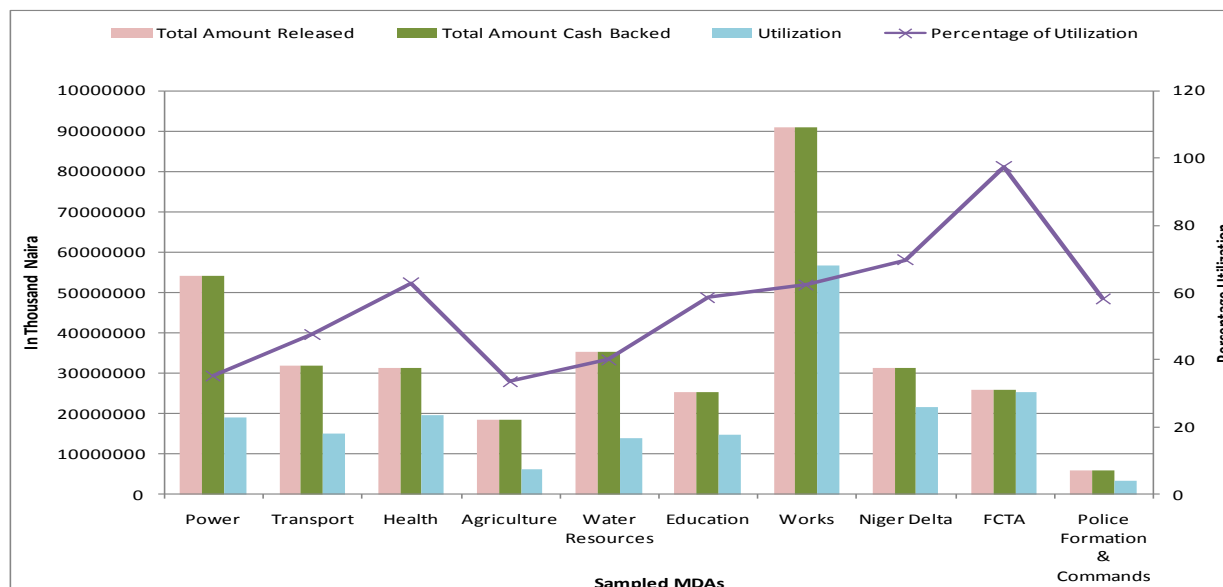
44. A review of the fifty-four (54) MDAs reported upon by the Office of the Accountant-General of the Federation (OAGF) indicates varied levels of utilization. Twenty-one (or 38.89%) of the MDAs including Defence, Health, Education, Works, Federal Capital Territory Administration (FCTA), Niger-Delta and Science each utilized more than the overall average utilization rate of 56.06%. Eight out of these (or 14.81% of the MDAs) including Defence and FCTA had utilization rates of over 70% of their respective cash-backed releases. The report also shows that 28 MDAs (or 51.85%) which include Agriculture, Transport, Aviation, Housing, Power, Mines & Steel, Petroleum, Water Resources, Justice and Foreign Affairs had utilized less than 50% of their funds as at end of the period. *Table 10* below is an extract from *Appendix 1* highlighting the utilization rate of ten MDAs considered key to the actualization of the Administration's Transformation Agenda.

**Table 10:** A sample of MDAs' Capital Budget utilization (as at 30<sup>th</sup> September, 2011)

MDA	Total Amount Released	Total Amount Cash Backed	Utilization		
			Amount	As % of Budgetary Releases	As % of Cash-backed Funds
			N' bn	%	%
Power	54,053,873,526.00	54,053,873,526.00	19,000,712,321.00	35.15%	35.15%
Transport	31,995,455,188.00	31,995,455,188.00	15,209,133,771.00	47.54%	47.54%
Health	31,409,546,206.00	31,351,347,988.00	19,663,142,836.00	62.60%	62.72%
Agriculture	18,525,473,478.00	18,525,473,478.00	6,220,811,289.00	33.58%	33.58%
Water Resources	35,308,909,559.00	35,308,909,559.00	14,097,216,390.00	39.93%	39.93%
Education	25,448,546,608.00	25,448,546,608.00	14,882,439,560.00	58.48%	58.48%
Works	90,972,792,935.00	90,972,792,935.00	56,591,492,984.00	62.21%	62.21%
Niger Delta	31,238,240,231.00	31,238,240,231.00	21,765,512,505.00	69.68%	69.68%
FCTA	26,022,112,404.00	26,022,112,404.00	25,327,654,620.00	97.33%	97.33%
Police Formation & Commands	6,000,000,000.00	6,000,000,000.00	3,489,350,192.00	58.16%	58.16%
<b>Total Average Utilization (by all MDAs)</b>				<b>47.23%</b>	<b>56.06%</b>

Source: OAGF and BOF

**Chart 13: Pictorial Representation of Selected MDAs Utilization**



Source: BOF and OAGF

### 3.5.5 Performance of the Financing Items

45. As specified in the 2011 fiscal framework, the quarterly funding of the budget was projected as N837.03 billion, while the aggregate quarterly expenditure was estimated as N1,121.19 billion. This resulted in an estimated quarterly deficit of N284.16 billion and was expected to be financed through privatization proceeds of N4.23 billion, signature bonus of N10.61 billion, sharing from stabilisation fund account of N56.25 billion and domestic borrowing (FGN Bond) of N213.07 billion.

46. In the third quarter, a total of N214.69 billion was realized from the financing items. A breakdown of this shows that N3.03 billion was realised from privatization proceeds, N20.66 billion from signature bonus and N191 billion from domestic borrowing (FGN Bond) while N95 billion that was borrowed from the special accounts in the second quarter was paid back in the third quarter. As at September 2011, a total of N764.01 billion had been realised from the financing items.

47. In the next chapter, we report on the physical project inspection visits.

## 4.0 CAPITAL PROJECTS IMPLEMENTATION REPORT

### 4.1 Introduction

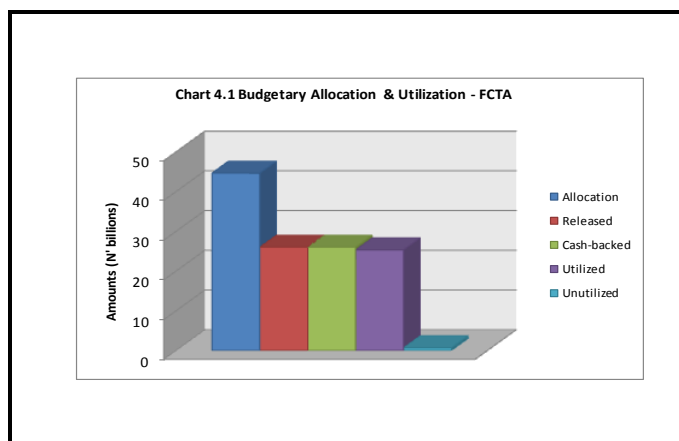
In continuation of the Government’s drive to promote budget openness, transparency and accountability, the Budget Office embarked on the physical monitoring of selected MDAs’ projects across the six geopolitical zones of the country. As in the case with recent exercises, this project monitoring and evaluation exercise, which covered projects implementation in the third quarter of 2011, was undertaken in collaboration with representatives of selected MDAs, Civil Society Organizations, and the Media.

49. This exercise focused on accessing and reporting on the financial commitment to the projects, the actual physical level of implementation, their expected impact on the local and national socio-economic environment, and challenges that may be hindering the prompt delivery of such projects.

### 4.2 Physical Monitoring and Evaluation

#### FEDERAL CAPITAL TERRITORY ADMINISTRATION

50. The Ministry has responsibility for the socio-economic development of the Federal Capital Territory. This includes the provision and maintenance of infrastructure and utilities in the Territory. It also includes the promotion and sustenance of a safe environment and the provision of world class social services to FCT residents. To achieve this goal, a total of N44.63 billion was allocated to it in the 2011



Budget for the execution of its capital projects/programmes. Of this amount, the sum of N26.022 billion had been released and fully cash backed while N25.33

billion (or 97.33%) was utilized to implement the following projects visited by the teams:

*i. Development of Idu Industrial Area 1<sup>b</sup> Engineering Infrastructures*

The project involves the development of engineering infrastructures in the industrial area. It

entails: the provision of 13.5m (3 lane) double carriage arterial road; 10m (2 lane) double carriage industrial collector road; 10m (2 lane) single carriage industrial local road; water supply network; underground storm



**Picture 1:** On-going construction of Bridge at Idu Engineering Infrastructure

water and foul sewer drains; electric power supply and street lighting 13 nos. of culverts; interceptor sewer line with a package sewage treatment plant; 1 no. additional electric power substation (33/11 KVA); telecommunication ducts; vehicular & pedestrian bridges at 4 locations and 3 nos. lorry parks.

The contract was awarded to Messrs Salini Nigeria Ltd. at an initial cost of N3.19 billion (on-shore) plus €73.11 million (off-shore) component in September 2002, but was revised to N6.093 billion onshore plus €186.52 million (off-shore). The upward review of the contract sum was to cater for changes in the specifications, engineering designs, increase in the number of bridges, introduction of large storm water drainage channel and the provision of the additional lorry park consequent upon the increase in the size of the industrial area. Work on the project commenced in September, 2003 and is scheduled for completion in March 2012.

The sum of N1.2 billion was appropriated for this project in the 2011 Budget. This was wholly released and utilized in the first quarter of the year under review to partly offset an outstanding debt of N3 billion for certified works on the project. The sum of N4.84 billion onshore and €79.39 million off-shore have been committed to this project from inception to date to achieve a cumulative implementation of 62%.

### **FINDINGS:**

As at the time of monitoring, the following works had been executed: stripping & clearing of all corridors in the road network, construction of carriageways of all the arterial roads to asphalt wearing course level, box & pipe culverts, vehicular & pedestrian bridges and storm water U channels. Outstanding works included the completion of walkways to all arterial roads, collector & local roads, electrical supply and street lighting, construction of interceptor sewer lines with a package treatment plant. Others are the construction of telecommunication ducts and the completion of storm, foul and water supply networks.

### **CHALLENGES:**

The major challenges affecting the timely completion of the project include: delays in payment of outstanding Certificates amounting to N7 billion which further underscores the need for MDAs to focus available resources on few projects to bring them to closure rather than embarking on new ones, encroachment on arterial road 2 west (AR2W) by Paibe village community which claim outstanding resettlement issues and inadequate/irregular funding by the Federal Capital Territory Administration.

#### *ii. Rehabilitation and Expansion of Abuja Airport Express Way Lot 1*

The project was designed to modernize and reduce traffic congestion along the Airport expressway. The contract comprises the rehabilitation of the two existing 14 km carriageway and their expansion from 2 lanes to 3 lanes each of 12 meters width and the provision of additional 2 service lanes on each side bringing the total to ten lanes.

The scope of work involves site clearance and earthworks, the construction of surface drainages, road works, 11Nos. bridges, confirmatory soil tests, culverts, power supply and street light, conduits for post and telecommunication.

Others are Yar'adua Memorial Monument, access road and slipways. The contract was



**Picture 2:** Completed access road at Guzape District Lot 11, Abuja

awarded to Messrs Julius Berger (Nigeria) Limited at a cost of N59.22 billion in May, 2009, with an initial completion date of 13<sup>th</sup> April 2011. However, the completion date was extended to 11<sup>th</sup> April 2012 due to funding challenges. The sum of N3.78 billion was appropriated for it in 2011 Budget while N7.42 was to be sourced through FGN Bonds.

### FINDINGS:

As at the time of monitoring, the sum of N2.8 billion released through the issuance of FGN bonds by the Debt Management Office had been available for its implementation. The project had a total of N34.33 billion of work done certified to date out of which N30.64 billion had been paid while N3.69 billion was outstanding. Actual work done within the period include: 6.31km of service carriageway, 1.07km length of electrical ducts, 132km of street light poles and 1.57km length of telecommunication ducts. The cumulative implementation rate was at about 50%.

### *iii Rehabilitation and Expansion of Airport Expressway Lot II*

The project comprises the rehabilitation of Lot II of the 12.5 km dual carriageway and its expansion to a 10-lane carriageway, inclusive of the service lanes on both

sides. It was awarded to Messrs Julius Berger (Nig) PLC at a cost of N49.2 billion in May, 2009 with an expected completion date of September, 2011. This was revised to September, 2012 due to funding challenges. On completion, the road is expected to reduce traffic congestion while providing employment opportunities for Nigerians.

The sum of N4.3 billion was appropriated for the project in the 2011 Budget. Data from the Ministry indicate that a total of N1.1 billion had been provided for the project in the year through FGN Bonds. An aggregate of N33.29 billion had been committed to the project as at end of September 2011 to achieve 85% level of completion.

### FINDINGS:

At the time of monitoring the project, work done included the completion of the street lightening poles, completion of telecom ducts, casting of the concrete lining ditches, laying of U drainage channels, casting of concrete median barriers and completion of the wearing course on the service lanes while the major outstanding works include the laying of wearing course on the carriageways. The project engineer informed the monitoring team that the sum of N41.71 billion had been certified on the project to date while N33.29 billion had been paid, leaving an outstanding of N8.42 billion.

#### *iv. Construction of Nigerian Cultural Centre and Millennium Tower, Abuja*

This project is designed to symbolise our national identity. It is comprised of the construction of a befitting cultural centre, hotel, offices, museum, auditorium, and the millennium tower with a revolving restaurant, National Square, car parks (1200 capacity) among other facilities. The contract for its implementation was awarded to Messrs Salini Nigeria Ltd. in November 2005, at a sum of N53.126 billion which was revised to N69.345 billion due to the addition of a the national square to the original scope. Work commenced in January, 2007 and was scheduled for completion in December, 2013. However, a request for extension of the completion date to December 2014 following the change in scope is awaiting approval.

The sum of N2.5 billion was appropriated for the project in the 2011 Budget but N1.4 billion had been released to for its implementation by the Ministry as at the time of monitoring. A total of N29.23 billion of works had been certified to date. Of this, N28.38 billion had been paid to achieve while the project was at 25% cumulative level of implementation.

### **FINDINGS:**

As at the time of monitoring, the following works had been completed: excavation of Cultural Centre; National Square and connecting Tunnel; Foundation in Plant and Millennium Tower; Basement Car Park foundation; spilling works in Millennium Tower and Cultural Centre areas etc. The super structure (re-enforcement) works at the restaurant component (7<sup>th</sup> floor), Building B (Hotel) and Building A (Museum); and excavation works at the swimming pool arena, amongst others were all in progress.

### **CHALLENGES:**

Inadequate funding by FCTA has been identified as a setback in the completion of the project as scheduled. This and many others in this Report further accentuate the need for MDAs to apply available scarce resources to the completion and exit from a few projects rather than embarking on new ones.

### **RECOMMENDATION:**

It is critical that MDAs make adequate feasibility plans and provide final designs for the implementation of their projects. Projects like this, with capital outlay in excess of their annual capital budget allocations, may be better implemented in collaboration with the private sector.

### *v. Provision of Engineering Infrastructure to the Abuja Technology Village (ATV/FCT) Abuja*

The project was conceived to provide 33km of various categories of standard district roads; 25km of various sizes of storm sewer drainage loops; 35km of foul sewage; and 2

nos. fully equipped mini sewage treatment plants.

Other features of the project include the provision of 133km

telecommunication ducts; 57 km of

electrical cable networks; 33/11KVA injection electrical power substation; 1339 Nos. of street lightings; various ring and box culverts and 2nos. bridges; 20.13 km gas pipeline, etc. When completed, the ATV is expected to accommodate industries, residences and recreation facilities in addition to a University.



**Picture 3:** Asphalt road works at Abuja Technology Village

The contract for the project was awarded to Messrs Gilmor Engineering (Nig) Limited at the cost of N20.87 billion. Work commenced on the 8<sup>th</sup> of June 2007 and was expected to have been completed by the 7<sup>th</sup> of June 2010. This was however extended to December 2011 following changes made to the project's scope and the challenges listed below. The sum of N3.73 billion was appropriated for it in the 2011 Budget of which N1.74 billion was released in the third quarter. A total of N13.56 billion had been committed on the project since inception to attain 55% level of completion.

#### **FINDINGS:**

As at the time of the visit, actual work done in the quarter included: cutting and filling 1.5km, 1no. of service tunnel, 9,650m<sup>3</sup> of rock drilling and blasting, 1.72km

of various sizes of underground storm water drainage system, 35 Nos. manholes, 2.05km of various sizes of underground foul sewers, 350m telecommunication ducts, 698m power ducts and 1.33km asphalt road works. It was further revealed that due to a revision in scope of work, the approval for the variation of the contract sum and extension of the completion period to December 2012 was being awaited.

### CHALLENGES:

Information obtained at the project site indicated that the primary challenges are: delay in payment for certified works, completion of the final (revised) engineering design and payment of compensation and resettlement of indigenes from the Technology park confines, encumbrances from Pyakasa Science Secondary School and other structures within the Right Of Way (ROW).

#### *vi. Provision of Engineering Infrastructure to Guzape District Lot 11 Abuja*

The project was designed to provide engineering infrastructure to Guzape district which includes: road networks; storm water drainage; potable water supply; electric power substations; telecommunication ducts; foul sewage and treatment plant. When completed, the project is expected to reduce the volume of traffic along Nyanya-AYA road through the linkage of road work currently going on around Sun Rise City near the AYA flyover.

The contract for its implementation was awarded to Messrs Gilmor Engineering Nigeria Limited in March 2003, at the initial cost of ₦14 billion which was revised to ₦26.35 billion due to variation in the scope of work, necessitating a new completion date of October, 2012. The sum of ₦6.7 billion was appropriated for the project in the 2011 fiscal year. The total sum of ₦9.46 billion had been committed to the project to date.

### FINDINGS:

As at the time of monitoring, work done included: laying of asphalt (Binder Course) on all the existing road networks, provision of a substratum with transformers, water works station and sewage line. The sub-structure of the

sewage treatment plant was still under construction. In the quarter under review, only about 2% of work was done to achieve a cumulative implementation to 82%.

### CHALLENGES:

The Budget Monitoring team gathered that the non-resettlement of the indigenes of Kurunduma village from the project site and delay in payment of outstanding certificates amounting to about N668.4 million have been affecting the progress of work.

### RECOMMENDATION:

It is recommended that the FCT Administration should make greater effort to resolve the issue of the resettlement of the indigenes in order to enable the contractor complete the project as scheduled. Furthermore, we are following up with the FCTA and the contractor to investigate how the contractor managed less than half of the contract sum to achieve over 80% of implementation reported.

### *vii. Rehabilitation and Expansion of Outer Northern Expressway (ONEX), Lot 1*

The project includes the rehabilitation and expansion of the existing carriage ways and the construction of left and right service carriage ways from Zuba to the Public Service Institute, Kubwa, a distance of about 19km. The scope of works include site clearance and earth work; construction of left and right service carriageways (39km); rehabilitation of existing carriageways and construction of additional lanes to the main carriage ways (39km); construction of 23 nos. new culverts and extension of existing concrete pipe culverts of various sizes; the construction of 12 nos. new and extension of existing box culverts of various sizes, 2 nos. 4-5 Pan river bridges; full cloverleaf and trumpet interchange structure. It also includes the construction of 5nos. pedestrian bridges; 8 way telecomm ducts (19.5km); power supply and street lighting (78km); crash barriers (39km); concrete lined drains (39km) and precast U-channel drains. The project, when completed, is expected to ease traffic congestion particularly during rush hours, reduce travel time and the rate of accidents on the road.

The contract was awarded to Messrs Dantata & Sawoe Construction Company (Nig) Ltd at a cost of N66.83 billion in May 2009 with completion scheduled for November 2011. 60% of this project cost is being funded through the Ministry's Statutory budget (FGN Bonds) while the balance is from the FGN budget. The sum of N2.78 billion was appropriated for the project in the 2011 Budget while N10.3 billion was to come from the Ministry's statutory allocation. Though the project had had no funds released to it by the FCTA in the year as at end of the quarter, the sum of N49.49 billion had so far been committed to the project from inception. The project was at about 75% level of implementation.

### FINDINGS:

As at the time of monitoring, the contractor had completed the construction of 2nos. river bridges at CH14 + 226, new and extension of existing pipe and box culverts, and 5nos. pedestrian bridges. Scarification, earth work and power supply and street lighting among others were in progress at various levels of completion.

### CHALLENGES:

The team gathered that the implementation challenges included the management of traffic on the road, and the relocation of existing services such as water lines and telecom lines. Also constituting obstacles to the programmed implementation of the project was the construction of additional bridges to accommodate the railway line crossing the road which was yet to be resolved as it was not in the original scope. The outstanding certificates amount to N1.64 billion.

### *viii. Rehabilitation and Expansion of Outer Northern Expressway (ONEX) Lot II*

The project was designed to construct a ten-lane carriageway with five (5) carriageways on both sides of the road from 19+500 kilometer to 39+750 kilometer stretch. The project which covers a total of 19.5 kilometers included: the construction of the main carriageways and service lanes on both sides, three (3) interchanges, six (6) pedestrian bridges, concrete crash barriers, four (4) number of special U-turns, pipe culverts, and box culverts of different sizes,

street lighting, transformers and telecommunication ducts. The project, when completed, will engender free flow of traffic along the Kubwa-AYA axis.



**Picture 4:** Completed portion of ONEX, Lot 11, Mpape junction.

The contract was awarded to Messrs C.G.C Nigeria Limited at the cost of ~~N~~81.9 billion in May, 2009. Work at the site commenced in June 2009, with the initial completion date of March 2011. The sum of ~~N~~2.59 billion was appropriated for the project in the 2011 Budget. However, as at the end of the quarter, no portion of this had been released by the supervising ministry in the fiscal year out of the releases so far made to the FCTA. A total of N50.9 billion had been committed to the project to date.

### FINDINGS

The ten-lane carriageway was almost completed while the interchange sub-structures and the 6 pedestrian bridges had been completed and put to use. The outstanding works include the energizing of the street lighting and laying of wearing course on about 9km of the road. The cumulative work done on the project was about 75%.

### CHALLENGES:

The team gathered from the contractor and other site personnel that inadequate funding and delay in the payment of outstanding certificates of about N8.8 billion by the FCTA has remained critical to the completion of the project. As with many other MDAs' projects, this is symptomatic of the fundamental problem of MDAs taking on too many projects which often aggregate in excess of available financial resources in a fiscal year.

ix. *Development of Karmo Residential District Infrastructure.*

This project was designed to provide accommodation for workers in the Idu Industrial Area of Abuja. The implementation was contracted to Messrs SCC Nig. Ltd. in February 2002 at a cost of N14.2 billion (on-shore) and \$251.4 million (off-shore). Work commenced in September 2003, and was scheduled for completion in December 2005. The contract sum was subsequently revised to N22 billion and \$386.3 million (on and off-Shore respectively) due to an increase in the number of plots and the associated road networks and services in the scheme. It is now scheduled for completion in December 2012 following changes in specifications: from surface to underground drainage networks, roads expansion, and other additional works (like - Sewage, Telecoms, etc.).

The sum of N2.1 billion was appropriated for the project in 2011 Budget. Data from the Ministry indicate that no release had been made to the project as at the time of monitoring by the supervising Ministry. The project had attained 83% level of completion with overall financial commitment of N9.4 billion and \$165 million.

**FINDINGS:**

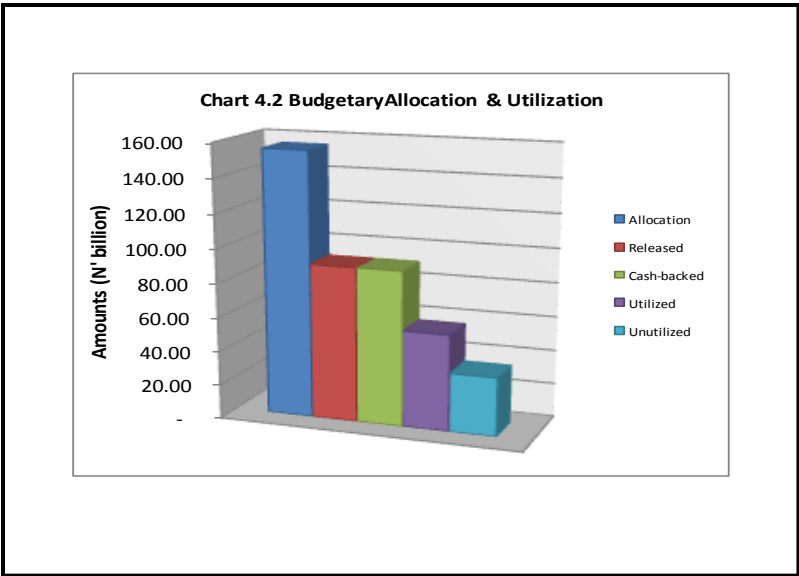
As at the time of monitoring, the following works had been executed: 67.60Km of asphaltic binder course, 79.91Km thick crushed rock sub-base/base material; 35.68Km kerb work, 5.62Km R/C drain pipe, and 242nos storm manholes. Others are 312nos. trunk/main sewer manholes, 2.02Km drain pipe, 25.32m Steel/UPVC water pipe, 3.15 sewer pipes, 44.50Km cables of various sizes, 15 MVA Sub-station, 247 street light poles, 7.87Km telecom duct and 150 manholes.

**CHALLENGES:**

The team was informed that the non-payment of outstanding certificates as at when due, illegal quarrying of sand, non-resettlement of Peji and Karmo residents and inadequate funding by the FCTA slowed down the pace of work in the period. Here again, we believe that focus on fewer projects for aggressive funding would be a better strategy for quick completion and rollout for service delivery.

## FEDERAL MINISTRY OF WORKS

51. Given the extensive network of federal roads, this Ministry occupies a critical position in the Administration’s Transformation Agenda. It is responsible for the development and maintenance of federal roads to ease transportation and boost commerce. This necessitated the allocation of N158.38 billion (or 14%) of the Capital Budget in 2011 to the Ministry for the execution of its capital projects. As at the time of this report, the sum of N90.97 billion had been released and cash backed while N56.59 billion (or 62.21%) had been utilized. It should also be noted that N29.99 billion was also earmarked under a Special Purpose Vehicle to settle debt owed to the Ministry’s contractors. Some of the projects monitored are discussed below:



*i. Rehabilitation of Lafia-Obi-Awe-Tunga Road in Nasarawa State: Contract No. 6065*

The project entails the design, rehabilitation and construction of 88km length of road from Lafia–Obi-Awe-Tunga into a standard carriageway with a width of 7.3m and 2.75m wide shoulders. This road links 3 Local Government



**Picture 5:** Asphaltting works in progress at Lafia – Obi – Awe road

Areas-Obi, Keana and Awe to the state capital. The project, when completed will, reduce travel cost and travel time between Taraba and Nasarawa states.

The contract was awarded to Messrs Triacta Nigeria Limited in September, 2010 at the cost of N7.9 billion and is scheduled for completion in September, 2012. The sum of N1.9 billion was appropriated for the project in the 2011 Budget. Of this amount, only N731.62 million released to the project as at end of the second quarter of the year had been made so far in 2011. However, a total of N1.92 billion had been committed to the project since inception to achieve a cumulative implementation of 36.58%.

### FINDINGS

As at the time of visit, work done included: 13km earthwork, sub-base, prime coat, base course and binder; 200mm thick laterite sub-base on carriage way and shoulders with asphaltic and stone base works at 58.5km range.

#### *ii. Rehabilitation of Agaei–Katcha-Baro Road in Niger State: Contract No. 6038*

The project includes the expansion of the 17km long road, construction of the associated pavements, culverts, side drains and 2Nos. mini bridges. It was awarded to Messrs Impresit Bakolori PLC in December 2009, at the cost of N1.6 billion with completion scheduled for September 2010. The completion date was however revised to March 2012 due to funding challenges which is not unconnected with the challenges of poor project implementation plans in the MDAs.

The sum of N593.2 million was appropriated for the project in the 2011 Budget. This project is another example of MDAs' projects that are without proper implementation plans and which have often resulted in revisions to project scope, costs, and delivery dates on the one part, and inadequate funding on the other. Consequently, no portion of the budgeted funds had been released as at end of the third quarter. However, the sum of N564.1 million had been committed as

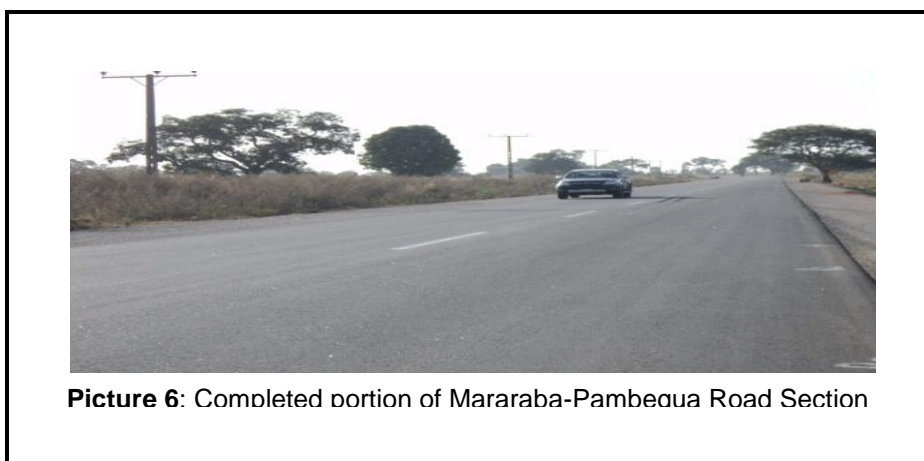
mobilization to the project since inception in 2010 to achieve a paltry 15% level of completion.

### FINDINGS

As at the time of monitoring, work done on the project included: clearance of the 17km road site and earth works. This is however now being threatened by erosion due to its abandonment by the contractor. The team was informed by the controller of works, Niger State that the Contractor agreed to re-mobilize to site by January 2012 following the Minister of Works' intervention.

### *iii. Rehabilitation of Mararaba-Pambegua Road Section I (Contract No: 5996)*

This project is the rehabilitation of Section 1, Phase 1 of 35.83km of the Mararaba-Pambegua road. It comprises the scarification of failed pavement sections up to



**Picture 6:** Completed portion of Mararaba-Pambegua Road Section

formation level; provision of 200mm stone base course; laying of 60mm asphaltic binder to scarified portions and the provision of 50mm asphaltic overlay. Other works are: cutting and patching of pot holes; regulation of uneven surfaces and sealing of cracked areas with asphaltic overlay etc.

The contract was awarded to Messrs Arab Contractors Ltd at a cost of N5.29 billion on 28<sup>th</sup> May, 2009 and was scheduled for completion by 27<sup>th</sup> January, 2011. The sum of N950 million was appropriated for the project in the 2011 Budget. This was wholly released and utilized in the quarter to offset part of work done leaving an outstanding balance of N2.8 billion. The financial commitment to the project from inception to date was N2.42 billion bringing the project to a cumulative performance of 98.8% level of completion.

## FINDINGS:

At the time of monitoring, a total stretch of 35.83km had been fully rehabilitated under phase 1 of the contract. The road was already under maintenance period, which will lapse on the 7<sup>th</sup> April, 2012.

## CHALLENGES:

The Contractor's representative informed the monitoring team that the sum of N2.8 billion was still outstanding even though the contract had been substantially completed.

### *iv. Completion of the Construction of Mararaba–Bali Road in Taraba State C/No. 5105A*

This project is aimed at completing the construction of 102km Mararaba–Bali Road in Taraba State. It includes the provision of site clearance, earthwork, culverts, drains, surfacing and bridge works. When completed it is expected to open up the rural areas and facilitate transportation of people, agricultural produce and other services, thereby improving the economy of the neighbouring communities. The contract for the project was initially awarded to Messrs Stirling Civil Engineering Nigeria Limited in 1999 but the contract was terminated in 2004 due to poor performance after completing 35km of the road.

In December 2005, the contract for the completion of the remaining part of the road (67Km) was awarded to Messrs Mould Nigeria Limited at the cost of N5.16 billion. The sum of N375 million was appropriated for the project in the 2011 Budget though release was yet to be made on it while a total of N4.45 billion had been committed to the project so far.

## FINDINGS:

The team gathered that the Contractor agreed to remobilize to site following the upward review of the contract by N900m as a requirement to complete the work. The outstanding work was 7km of the road work.

v. *Construction of Itigidi Bridge along Abba-Omega-Ediba-Ugep Road in Cross River State*

The project was conceived to construct a 760-meter bridge at Itigidi to link Cross River and Ebonyi States, and a 26.5 kilometer approach road along Abba-Omega to Ugep. The project, when completed, will serve as the shortest link to Calabar from its neighboring Ebonyi state. It will also open up rural communities near the road, boost their economies and empower their citizens while easing the transportation of the agricultural produce.

The contract was awarded to Messrs Gitto Costruzioni Generali Nig. Ltd., in April 2003 at the cost of N5.2 billion with an initial completion date of December, 2005. This was however revised to November 2011, at a new contract sum of N7.4 billion due to the variation of costs of materials and associated works. The sum of N555.6 million was appropriated for the project in the 2011 Budget. However, the supervising Ministry was yet to release funds to the project as at the time of monitoring. A total of N5.7 billion had been committed to the project since inception to achieved 83.8% level of completion.

### FINDINGS

As at the time of monitoring the project, the 760-meter Bridge had been completed while about 20km of the 26.5km approach road had been covered with primary tar materials.

### CHALLENGES

The non-payment of compensation to the affected communities, PHCN and State Water Board is affecting the pace of completion of the project.

vi. *Rehabilitation of Nsukka–Obollo–Ikem–Ehamufu–Nkalagu Road in Enugu and Ebonyi States, Contract No. 5962*

The road traverses a distance of 85.6 km from Nsukka in Enugu State and terminates at the Nkalagu junction of the Enugu–Abakaliki expressway (km 85 + 600). The scope of work includes site clearance, de-silting sand debris on the carriageway,

drains and culverts, earthworks, scarification of failed sections of the existing asphalt concrete carriageway, excavation of culvert and lined drains, and the



*Picture 7: A section of the Nsukka–Obollo–Ikem–Ehamufu–Nkalagu Road under construction*

construction of 3nos bridges among others. Upon completion, the project is expected to ease transportation in the neighbouring communities and boost the local economy.

The work was contracted to Messrs MIFE Construction (Nig.) Ltd at a cost of N6.45 billion in December 2009, with a completion period of 25 months (i.e., January 2012). The sum of N375 million was budgeted, released and utilized on the project in 2011. A total of N1.54 billion had been committed to the project since inception.

**FINDINGS:**

The work on the project was concentrated mainly on the section between Ehamufu and Obollo-Afor towns. As at the time of monitoring, clearance of about 47km of the site, scarification of bituminous surfaces for 30km, laying of sub-base materials for 22.5km, and the laying of stone base materials had been

completed. Also completed were prime coating, binder course, shoulders base course materials for 17.5km, and construction of culvert extensions. Cumulative work done for the entire project was about 13%.

### CHALLENGES:

The deplorable state of the three bailey bridges affected the haulage of materials to site. As a result, the traffic flow was being hampered due to the encroachment into the existing carriageway. The Contractor also complained that the timeliness of funds release for implementation also impacted on the work.

### *vii. Rehabilitation of Oji-Achi-Obeagu-Mmaku-Agwu-Ndeaboh-Mpu-Okpanku-Akazeze Road: Section II: In Enugu And Ebonyi States, Contract No: 6073*

The road which covers a distance of 37km consists of the design and rehabilitation of Oji-Achi-Obeagu-Mmaku-Agwu-Ndeaboh-Mpu-Okpanku-Akazeze Road, Section II in Enugu and Ebonyi States (ch.39+000 to ch.76+000) respectively. The project, when completed, will



**Picture 8:** One of the bridges under construction

boost the socio-economic activities of the people in the region.

The contract was awarded to Messrs Setraco Nigeria Ltd at a cost of N9.5 billion in September 2010, with a completion period of 24 months (i.e., 25<sup>th</sup> September, 2012). The sum of N1.4 billion was budgeted for the project in 2011, out of which N966 million had been released and utilized as at the 3<sup>rd</sup> quarter 2011. This

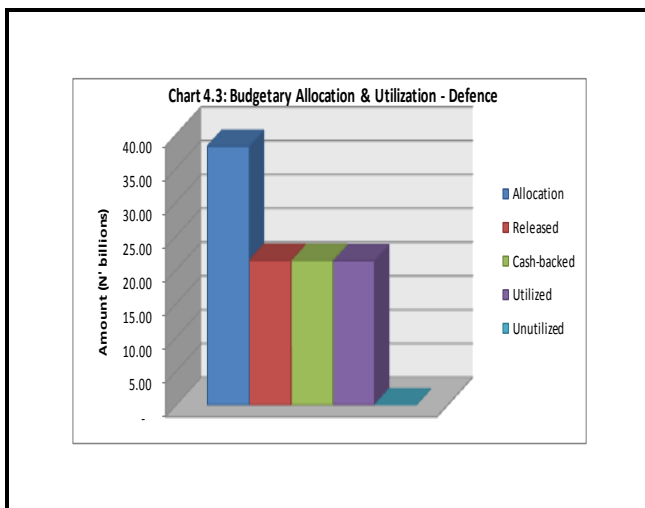
brings the total financial commitment since inception to N2.39 billion to achieve 19% implementation.

**FINDINGS:**

The team discovered that 12 nos. pipe culverts, 1no. box culvert and 1.6km U-channel drains had been laid. Ongoing works include further site clearance, earth works, pavement, and the construction of bridges ‘1’ and ‘4’ were at various levels of completion.

**DEFENCE SECTOR**

52. One of the main thrusts of the present administration’s Transformation Agenda is the maintenance of peace and national security to achieve inclusive growth. Towards achieving this goal, the sector was allocated N38.25 billion in the 2011 Budget for the execution of its capital projects and programmes. Of this sum, N21.39 billion and N21.35 billion were released and utilized respectively as at the time of this report. This represents 99.8% utilization of its capital budget releases in the first three quarters of the year. The following projects were monitored.



*i. Barracks Rehabilitation by the Nigeria Army (NA) Engineers*

The purpose of the project is to rehabilitate dilapidated residential and office buildings in all the Nigerian Army Barracks. The sum of N634.5 million was budgeted for the project in the 2011 Budget for the execution of the following components of the project: 14 Brigade, Ohafia (N371 million), Ikeja Cantonment (200 million), 2 FAB, Abeokuta (N34 million), 103 BM Enugu (N16 million), PKO Camp, Abuja (N12.6 million).

a) *14 Brigade (Goodluck Ebele Jonathan) Barracks, Ohafia*

The scope of work included: the rehabilitation of all the buildings in the barracks such as the medical centre (complex), Officers' quarters, 54 units of Quarters for the ranks of Corporal and below, blocks in the Army Children's School and Worship Centres. Also included are blocks in the Command Day Secondary School, installations of 200 and 135 KVA John Holt Generators with canopy; and the construction of Armoury, Magazines, Soldiers Club, Monumental Gate and Quarter Guard among others.

The sum of N371 million was appropriated for this component of the project and was wholly released utilized as at the time of monitoring the project. The project which commenced in January 2011 was executed through direct labour by the Nigerian Army Engineers.

**FINDINGS**

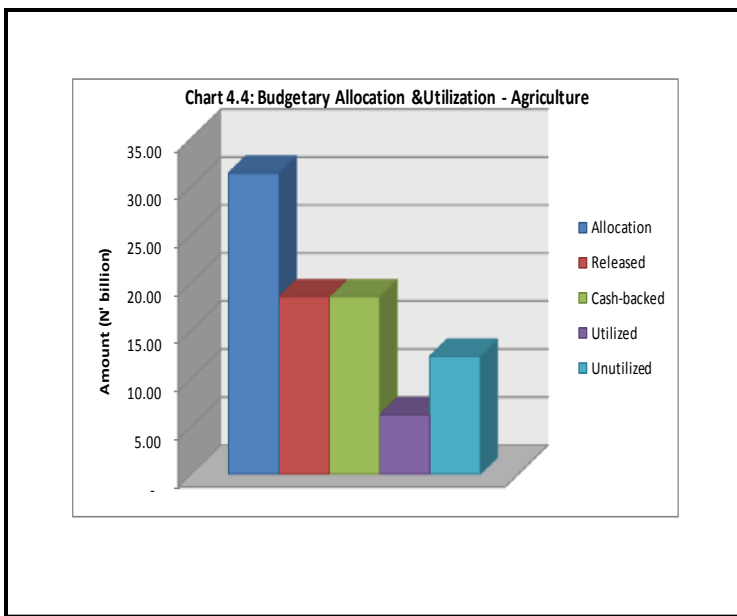
As at the time of monitoring, rehabilitation, construction and installation work in the barracks had been completed. The facilities were already being put to use.

**IMPACT**

The rehabilitation of the barracks and its occupation by officers and men of the Nigerian Army now helps to secure lives and properties of people living in Abia state and other neighbouring states which had hitherto suffered from the activities of kidnappers and armed robbers. The provision of good living condition for the armed personnel and armoury has helped boost their morale in discharging their constitutional responsibility of protecting lives and properties in the nearby communities.

## AGRICULTURE SECTOR

53. The Ministry is charged with the responsibility of ensuring optimal performance of this sector by fashioning effective regulatory framework for the actualization of improved yield through research and development, development of the relevant value chains, and application of appropriate technology to ensure sustained food security in line with government’s Transformation Agenda. The Ministry had an appropriation of N31.4 billion in the 2011 Budget. Of this amount, N18.53 billion had been released and cash backed while N6.22 billion (33.58%) had been utilized as at the end of the third quarter. The following projects were monitored.



*i) National Veterinary Research Institute, Vom, Plateau State.*

The Institute was established in 1924 with a mandate of conducting research into all aspects of animal diseases, treatment and control; development and production of animal vaccines; surveillance and diagnosis of animal diseases. Its other responsibilities include: the introduction of exotic stock for improved egg, meat and milk production; provide extension services to poultry and livestock farmers. It also engages in the training of intermediate manpower in Veterinary Laboratory Technology, Animal Health and Production Technology.

The Institute had an allocation of N592.43 million for the execution of its capital projects and programmes in the 2011 Budget. Of this amount, N108.29 million was released in the quarter while a total of N342.64 million had so far been

released in the year. As at the end of the third quarter, N114.05 million had been utilized representing 33.29% of its capital performance as at 30<sup>th</sup> September, 2011. The following projects were monitored:

*ii. Construction and Equipping of an Independent Bacterial Vaccine Production Laboratory for GMP Compliance.*

The project is a step toward improving and increasing the production of vaccines in order to meet both local and international needs as well as to measure up with international regulatory standards. It



**Picture 9:** Ongoing construction of an Independent Bacterial Vaccine Production

was awarded to

Messrs Proworks Ltd in June 2010 with completion scheduled for December 2013.

The sum of N82.79 million was appropriated for the project in the 2011 Budget. This had been fully released and utilized as at the end of the third quarter. A total of N534.45 million had been committed to this project since inception to attain about 72% level of implementation.

**FINDINGS:**

As at the time of monitoring, works on the air-handling unit and filtration, cooling unit rail staircase, ceiling grins; and plastering of the building had been completed. However, electrical wiring (conduit), external works for the walk ways and excavation of ground of entrance staircase and a walk way were all in progress. The team was informed that upon completion of the project and the

eventual production of vaccines, it would meet the livestock and poultry vaccine needs for local consumption and export.

iii. *Fencing of the Institute Headquarters:*

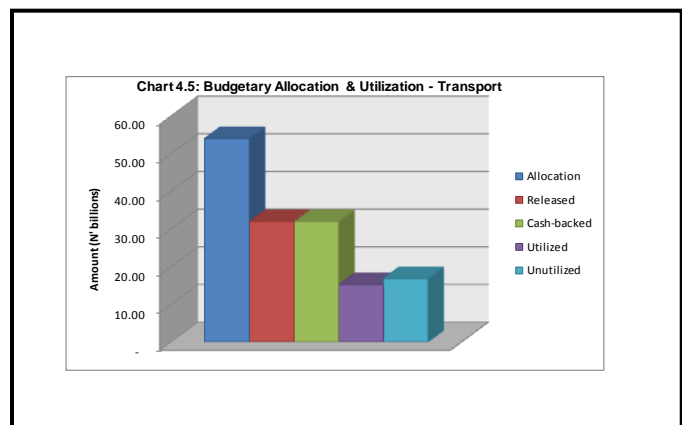
The project includes the construction of about 50km length of fence; and it is aimed at improving security of lives and properties within the institute. The contract was awarded to Messrs Mikostic Nig Ltd at an estimated cost of N150.45 million with an expected completion date of December, 2013. The sum of N57.84 million was appropriated to it in the 2011 Budget out of which N10.7 million had been released and fully utilized. The project had achieved 7.9% level of completion as at the time of monitoring.

**FINDINGS**

As at the time of monitoring, about 600 meters of the fence had been constructed. The team gathered from the project personnel that the slow pace of work was due largely to delayed release of funds to the project by the supervising Ministry. This may however not be unconnected with the paucity of funds arising from MDAs spreading scarce resources thinly among several projects. It would be important that the MDA appropriately prioritize its capital projects and only embark on projects that can be optimally implemented within the fiscal year.

**TRANSPORT SECTOR**

54. Today, land and water transportation accounts for the bulk of commerce and other mobility in the country. This informs the government’s policy thrust to evolve a multimodal, integrated and sustainable transport system with much emphasis on rail and inland waterways transportation. Towards the achievement of the government’s plan for the sector, N53.98 billion was allocated to the



Ministry in 2011. Of this amount, N31.99 billion had been released and cash-backed as at end of the third quarter. Of this, N15.21 billion (or 47.54%) had been utilized in the third quarter for the implementation of its capital projects/programmes. The following projects were monitored:

*i. Major Rehabilitation of Rail Tracks, Bridges and Culverts: Jebba to Kano*

The project was conceived to rehabilitate and reconstruct the existing rail tracks, culverts and bridges along the Jebba-Kano Line. This was necessitated by the total collapse of Bridges

46 and 47 around Akerri Village in Niger State following a major overflow of the Mariga River. The contract for the rehabilitation works was awarded to Messrs Costain (West Africa PLC) in December 2009 at a cost of



**Picture 10:** Embankment works in progress at Mariga River

N12.17 billion while work commenced in February 2010 with completion scheduled for February 2012.

The sum of N2 billion was appropriated for the project in the 2011 Budget out of which N1.6 billion had been released as at the end of the third quarter. The sum of N7.6 billion had been committed to the project since inception to achieve 67% implementation.

### FINDINGS

As at the time of monitoring, work done included the construction of 1.3km length of embankment (12.5m high), relaying of rail tracks (1m and 2.5m high), construction of 2Nos. culverts and rehabilitation of point and crossing at the various stations along Akerri village to Kano had been completed. Furthermore, the contractor's representative informed the team that though the project was still

ongoing, flooding of the route had been checked while passenger train services from Minna to Kano had commenced. Work done so far included the repairs of the tracks while dredging works were ongoing.

*ii. Nigerian Institute of Transport Technology, Zaria*

The institute is a professional training centre established to provide world class training research and proffer solutions to all issues related to transportation in Nigeria and Africa. The sum of N4.23 billion was appropriated to it in the 2011 Budget, out of which N2.36 billion was released and utilized for the execution of projects including the following:

*a) Equipping of Transport Technology Centre*

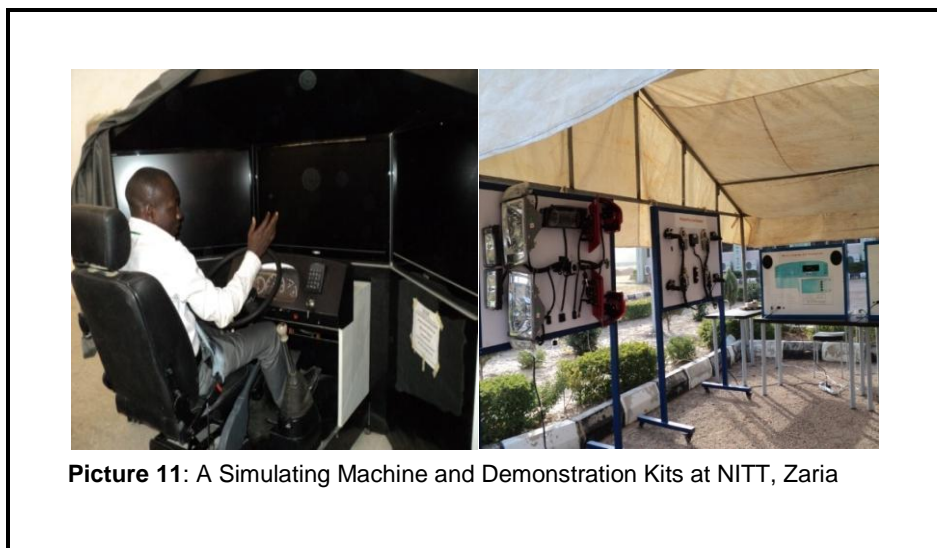
The project includes the provision of workshop equipment and two simulators for various

modes of transportation in the country.

The contract was awarded to Messrs Danmarke

Trading & others at a cost of N4.6

billion in November, 2010 and it is expected to be completed in November, 2012.



Picture 11: A Simulating Machine and Demonstration Kits at NITT, Zaria

The sum of N2.35 billion was appropriated in the 2011 Budget out of which N480.73 million was released and utilized in the quarter. A total of N4.2 billion had been expended on the project from inception to bring it to a cumulative 90% level of completion.

### FINDINGS:

At the time of monitoring two (2) simulators used for safety measures on cars and trucks, forklift, surface grinder and crankshaft had been installed in the institute.

### *b) Rehabilitation of Existing Buildings*

The project involves the complete rehabilitation of two (2) blocks of staff quarters, DG's official residence and student's hostel. The contract was awarded to Messrs Global mark Ventures Ltd and others at a cost of N1.52 billion in October, 2010 and it is expected to be completed in November, 2014.



**Picture 12:** Renovated Staff Quarters at NITT, Zaria

The sum of N177.29 million was appropriated for the project in the 2011 Budget, out of which N36.27 million was released and utilized in the quarter. A total of N98.91 million had been expended as at the end of the third quarter. The financial commitment on it from inception is N235.91 million bringing the cumulative implementation to 30%.

### FINDINGS:

At the time of monitoring, one block of staff quarters had been completely renovated. The students' hostel among others was still undergoing renovation.

### iii. *Development of Boat/Ship Building Yard at Maritime Academy, Oron, Akwa Ibom State*

The project entails the construction of concrete Jetty shore protection and sand fill, slipway, boat building maintenance workshop, fire station, generator



**Picture 13:** Completed Concrete Jetty & 20-seater Boat for cadet training

house, windlass house, gantry crane, storage tanks for fuels and lubricants, overhead water tank and borehole and external lighting. The project, when completed, will update and improve training capacity for Cadets/Students and meet up with the National Universities Commission (NUC) accreditation requirements.

The contract for its implementation was awarded to Messrs Cannonic Associates and NET Engineering Ltd., in June, 2009, at a total cost of N2.5 billion and with completion scheduled for December, 2014. The contract was later reviewed downward to N1.39 billion following the direct intervention by the presidency in constructing the concrete Jetty, and provision of 20-seater boat for Cadet training. The 2011 Budget made provision of N470.7 million for the project. Of this, the sum of N275.6 million had so far been released, out of which N158.8 million was utilized on consultancy services, design and construction of wooden jetty in this fiscal year.

## FINDINGS

As at the time of monitoring, the construction of the Jetty and cadet training boat had been completed. The consultancy services on the other aspects of the project had also been completed.

### *iv. Construction of River Port, Oguta*

The objective of the project is to provide safe landing facilities for passengers and efficient cargo handling. The scope of work includes the construction of an administrative

building, warehouse, police and customs building transit shed, fire station and others. When

completed, the project will ease the movement of goods and services while creating

employment opportunities for youths. The contract for its implementation was awarded to Messrs Scott Amede Engineering and Power Supply Ltd in July, 2009 at a cost of N2.8 billion. Work on the project commenced in November 2009 with completion scheduled for November 2011.

The sum of N1 billion was appropriated for the project in the 2011 Budget, out of which N399.4 million had been released as at end of the third quarter. N1.2 billion had been committed on the project to date.

## FINDINGS:

The police/customs building was at 98% level of completion and was being used as temporary offices. Works at the administrative buildings, warehouse, Fire Station, Generator House, Main Gate, Senior Staff Quarters, Quay Sections,



**Picture 14** Construction of River Port, Oguta

Bicycle Shed and Guard House were at various levels of completion. Cumulatively, the project had attained 70% level of completion.

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

The project entails the rehabilitation of nine existing buildings as well the construction of 22Nos. of new ones which comprise of Transit Shed/Warehouse, Workshop, Fire Station, Police Building, Port Operation Building, nine (9) 3-bedroom Senior Staff Quarters, eleven (11) 2-bedroom semi-detached Junior Staff Quarters, Pump House etc. Also included in the scope of work is the procurement of 2Nos. Mobile Harbour Crane, Reach Staker, 2Nos. Forklifts, an 80 tons Mobile

Crane and a Trailer. When completed, the project will provide safe landing facilities for passengers and efficient cargo handling. This will also



**Picture 15:** Units of 3-Bedroom Senior Staff Quarters at Onitsha River

ease the stress on our roads as heavy goods would alternatively be transported through the river port.

The contract was awarded to Messrs Inter-Bau Construction Ltd at a cost of N4.1 billion in June, 2009 and was expected to be completed in November, 2011. The sum of N270 million was allocated to the project in the 2011 Budget, out of which N107.8 million was released and utilized. N3.6 billion had been committed to the project to date.

### FINDINGS:

As at the time of monitoring, the rehabilitation of the existing structures which included: Transit Shed/Warehouse, Workshop, Police Post, Fire Station, Main Gate House, Guest House and 1no existing Senior Staff Quarters were completed. Crane installation for 2nos. LHM 180 Mobile Harbour Crane, 1no. Roll Trailer had been procured and put to use. The project was at about 95% level of completion at the time of monitoring.

*vi. Major Rehabilitation of Rail Tracks, Bridges and Culverts along Lagos-Jebba.*

The project entails the total rehabilitation of rail tracks, bridges, culverts, and signal network along the Lagos-Jebba rail line (Km000-Km488). Upon completion, the project is expected to ease traffic, and the movement of goods and passengers along the Lagos-Jebba axis. It would further reduce the congestion and accident rate on the road, provide cheaper and affordable means of transportation and create employment opportunities in the communities along the road axis.

The contract for its implementation was awarded to Messrs CCECC Nig. Ltd. in October 2009, at a cost of N12.29 billion. Work on the project commenced on 23<sup>rd</sup> December, 2009 and was scheduled for completion in October, 2010. However, the completion period was revised to July 2011 due to funding issues, increase in job scope, a collapsed bridge at Aro-Abeokuta and the wash-out at Oshogbo which needed to be rebuilt.

The sum of N1.09 billion was appropriated for the project in the 2011 Budget, out of which N626.69 million had been released. Of this amount, N195.47 million was utilized to achieve 10% performance in the quarter. A total of N10.4 billion had been committed to the project since inception to bring cumulative work completion to about 90%.

### FINDINGS:

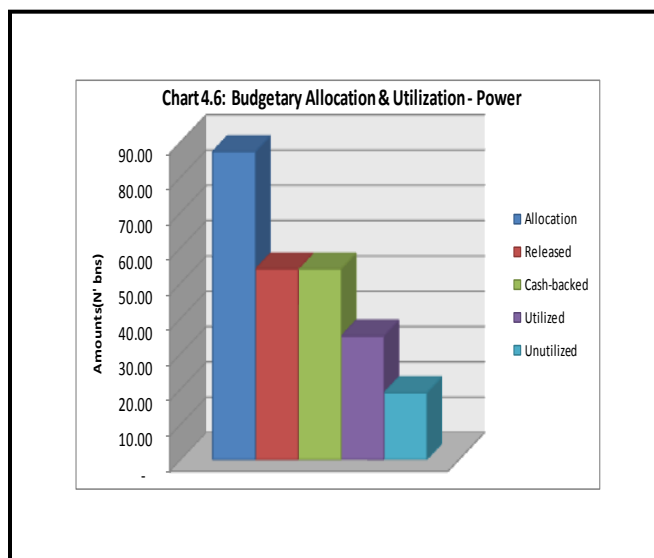
As at the time of monitoring, completed works included: the total re-railing of sections 1-3 within the wash-out at Oshogbo. On-going works include the

completion of outstanding portions of the tracks, and the rehabilitation and signalling works in some sections of the rail line.

## **POWER SECTOR**

55. The link between effective power supply and inclusive economic growth lends credence to the importance of this sector to the Transformation Agenda. The provision of adequate and stable power supply is central to Government’s vision of becoming one of the twenty largest economies in the world by the year 2020.

Towards this goal, the sector was allocated a total of N87.25 billion (or 7.6% of the capital budget) in the 2011 Budget. Of this amount, the sum of N54.053 billion had been released and cash backed as at the



end of the third quarter, while N35.053 billion (or 35.15%) was utilized for the implementation of its capital projects and programmes.

### *i. Katampe National Stadium 132 KV/DC Transmission Line*

This project is the construction of an 8.4km underground cable (U/GC) and 4km of overhead double circuit transmission line (132 KV/DC) from Katampe to the National stadium, Kukwaba district (FCTA). Upon completion, it is expected to improve and stabilize power supply in communities around the National Stadium and the International Airport.

Although the contract was awarded to Messrs Energo Nigeria Ltd in December 2010 at a cost of £8.25 million plus N888.57 million, implementation effectively started in July 2011 and was scheduled for completion in January 2013. The sum of N1.4 billion was appropriated for it in the 2011 Budget and as at the end of the

third quarter, N1.38 billion (comprising £5.74 million offshore and N78.41 million onshore) had been released to meet 15% mobilization fee and as part requirement for establishment of a Letter of Credit.

### FINDINGS

As at the time of monitoring, only preliminary works including line route survey, soil investigation and underground cable design had been done. Construction work was delayed as the approval of the final design was being awaited. Only about 7% of the work had been implemented at the time of monitoring the project.

#### *ii. Akwanga – Lafia 132 KV/DC Transmission Line*

This project entails the construction of a power sub-station at Lafia as well as a 60.3km 132 KV/DC overhead transmission line from Akwanga to Lafia. This project was designed to boost power supply in Nasarawa and in the neighbouring communities. The project was awarded to the consortium of Messrs Nanjing Daji Co. Ltd and Bafeman Nig. Ltd in February 2011 at an estimated cost of £3.34 million (offshore) plus N692.1 million (onshore) with completion scheduled for February 2013. The sum of N561.05 million was appropriated for the project in the 2011 Budget of which, N439.52million had been released.

As at the end of the third quarter, N179.92 million had been utilized to complete preliminary works such as line route survey, design, soil investigation and the resident engineer's accommodation. However, as at the time of monitoring, the actual construction work was yet to commence. According to the project's personnel, this was due to the outstanding importation of some components which is dependent on opening a Letter of Credit at the CBN for the procurement of the components. The team believes that funds for this could have been met had the project been properly prioritized by the MDA.

### iii. 10 MW Katsina Wind Farm

This project entails the construction and installation of a 10MW Wind Farm in Lama Rimi, Katsina State of Nigeria. The contract for this pilot project was awarded to Messrs. Vergnet S.A. of France at a cost of €18.5 million offshore plus N494.02 million onshore in June, 2010 with completion scheduled for March, 2012.

The sum of N1.14 billion was appropriated

for its implementation in the 2011 Budget. Of this, N427.76 million had been released as at end of the third quarter while N235.55 million was utilized. A total of €16.039 million offshore and N255.83 million onshore had been committed to the project to date to achieve a cumulative implementation of 69.24%.



Picture 16: Ongoing installation of Turbines at 10 MW Katsina Wind Farm

#### **FINDINGS:**

As at the time of monitoring, completed works included: the procurement and shipment of 37Nos. turbines to the site, while civil works on the installation were ongoing. Others were the assembling, installing and erecting machines and towers and also, the evacuation of power to the National Grid.

#### **CHALLENGES:**

The project manager informed the visiting team that the peculiar problem with the site was the lack of perimeter fencing of the site which often resulted in the occasional vandalization of electrical cables and other equipment in the site. We

recommend that appropriate measures be taken to avoid possible losses coming from this security lapse.

*iv. Afam Power Station*

The Afam Power station uses Gas Propelled Turbines to provide electricity. The power station has a total capacity of 450 mega watts output. The sum of N502.87 million was appropriated for this capital project in the 2011 Budget. The project has two components: Rehabilitation of GT20 Generator and procurement of Running Spares for GT17 & GT18 (as at the time of visit, the pre-qualification of bidders was ongoing).

*v. Rehabilitation of GT 20 Generators*

The project entails the complete rehabilitation of the Gas Turbines (GT 20). This is expected to impact the system with the generation of 238MW of electricity power at full capacity. The contract was awarded to Messrs Siemens OEM in May, 2011 and was scheduled for completion in May 2012, at a cost of N2.45 billion. The sum of N378.87million was appropriated for the project in the 2011 Budget; however, as at the end of the third quarter, funds had not been released for the project by the supervising Ministry.

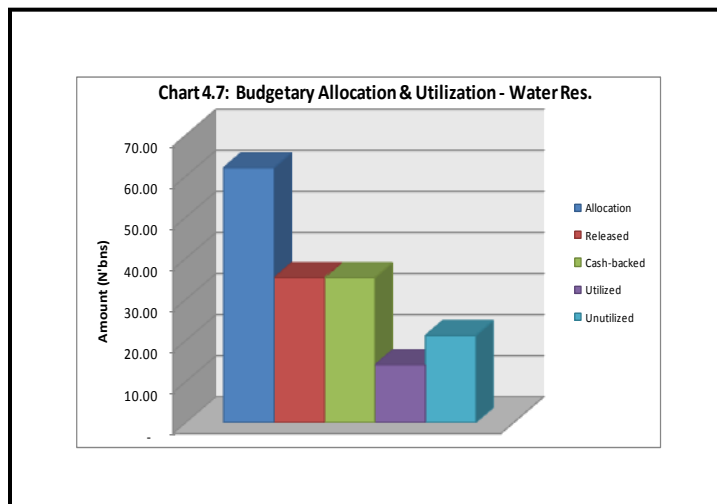
**FINDINGS:**

As at the time of monitoring, although the mobilization fee was yet to be met, the contractor had completed the rehabilitation of two out of the six units of Gas turbines which generate about 100MW of electricity.

### **WATER SECTOR**

56. The Ministry of Water Resources is mandated to, among others, develop the country's irrigation facilities and support irrigated agriculture for all year-round farming. In addition, to enhance economic development, the Ministry's mandate also includes improving access to clean and potable water.

In line with its importance, a total of N62.05 billion was allocated to the Ministry in the 2011 Budget. Of this amount, the sum of N35.31 billion had been released and cash backed while N14.097 billion was utilized for the implementation of its capital projects and programmes.



*i. Development of Tada-Shonga Irrigation Project in Kwara State.*

The project entails the construction of a 32km flood protection embankment (dyke); 39km of main access road and perimeter roads. It also includes the construction of 10km of the main drainage



**Picture 17(a):** Pumping Station '4' almost Completed; **Picture 17(b):** Embankment work in progress at the Tada-shonga Irrigation scheme

canal, drainage pump station and the construction of four (4) main pumping stations (including electro-mechanical works), 200km of irrigation canal as well as 3,200 hectares of irrigable land development.

Once completed, the project will facilitate the production of 53,000 metric tonnes of rice annually, with a projected market value in excess of N3 billion, through double cropping. It will also protect the vast irrigable land in the flood plains of river Niger; provide full employment to more than 20,000 farmers and youths as well as support cottage industries along the value chains. In addition, it will contribute substantially to import substitution for rice and sugar among others.

The contract was awarded to Messrs CPN Ltd in August 2010, at a cost of N3.26 billion. Implementation began in November 2010 and is scheduled for completion in November, 2013. The sum of N542.37 million was appropriated for its implementation in the 2011 Budget. Of this amount, N340 million was released and utilized in the quarter. A total of N529.37 million had been committed to the project since inception to attain about 10% level of implementation.

### FINDINGS

As at the time of inspection, 6km out of the 32km flood protection embankment had been completed. This part of the project was a priority as it will protect rice farms from flooding. In addition, one of the four pumping stations and residential quarters had been completed.

#### *ii. Upper Niger River Basin Development Authority, Minna*

The primary role of this agency is the facilitation of the development, conservation and efficient utilisation of available land and water resources in the ‘Niger River Basin’. It also includes improving the quality of the lives of citizens in the neighbouring communities through irrigation, agronomy and supply of potable drinking water. Towards achieving this mandate, a total of N3.217 billion was appropriated for the Authority’s capital projects in the 2011 Budget, out of which, N555.88 million was released and utilized in the quarter. Cumulatively, a total of N1.69 billion had been released and utilized to execute its capital projects and programmes in 2011 as at the end of the third quarter.

### iii. Rehabilitation of Tunga–Kawo irrigation project

The project involves rehabilitation of the existing main canal, construction of 5km of a secondary canal, repair of irrigation turn-outs, check-gates, formation of irrigable fields' canals, and construction of a 3km main drain. The project is planned for completion in two phases: Phase I will facilitate the irrigation of about 500 hectares of farmlands, whereas Phase II will improve the irrigation of additional 300 hectares.

**Phase I:** The contract was awarded to Messrs Gawu Kosa–Kosa Covenant Nig. Ltd. in September 2011, at the sum of N246.45 million and is scheduled for completion in June



Picture 18(a): Kasan Kogi Arm of the Canal in progress at the dam

Picture 18(b): The existing Main Canal that requires rehabilitation

2012. The sum of N197 million was appropriated for its implementation in the 2011 Budget, while N73.94 million had been released and utilized to attain a 30% cumulative level of completion.

#### **FINDINGS:**

As at the time of monitoring, completed works included: the repair and replacement of drop structures, clearing and de-silting of the 3km main drain, and earthworks; while the reconstruction of 42 nos. Check-gates were in progress.

### iv. *Biu Water Supply Project, Borno State*

This project was conceived to provide potable water to the people of Biu and its environs. The project is comprised of two components: Lot 1 entails the construction of: a treatment plant, workshop building, administrative building, bulk ground reservoir, power house, chemical building and external works, whereas Lot

2 includes: the construction of ductile iron pipe raw water mains, treated water transmission mains lines I and II, and access roads.

The contract for Lot I was awarded to Messrs Mother Cat Nigeria Limited at a contract sum of N3.06 billion while Lot II was awarded to Messrs Nalado Nigeria Limited at the cost of N1.24 billion. Although the contracts were awarded in August 2001, work only effectively started in 2002 and was due for completion in August 2003.

### FINDINGS:

A total of N205.01 million was appropriated to the project in the 2011 Budget. The same amount was wholly released and utilized for the Lot 2 component of the project. A total of N1.62 billion had been committed on the project (Lot I and II), since inception.

The team inferred from discussions with personnel on the project that the project's execution was suffering, as earlier noted, from the consequence of taking on too many projects while not adequately funding critical ongoing projects that could be completed and exited on record time. As at the time of monitoring the project, the Ministry's inadequate funding of the project had resulted in the partial abandonment and escalation of the project costs. The project which was scheduled for completion in 2003 was still far from completion as at the time of monitoring.

The Lot 1 component being executed by Mother Cat Nigeria Limited was at 21% level of completion. The contractor had left the site since 2004 due to inadequate funding while the Lot 2 component was still ongoing but at a very slow pace of work. As at the end of the third quarter, the level of completion was estimated at about 65%. It was also gathered by the team that the consultants Messrs Haskoning had suspended its supervisory works since 2004 and that a revised cost of N8.08 billion for Lot 1 and N3.76 billion for Lot 2 had been approved for the completion of the project. This could however not be confirmed at the time of monitoring the project.

### v. *Otukpo Multipurpose Dam*

This project entails the construction of a 2.4km earth dam designed to provide water for domestic consumption and irrigation purposes while generating 3MW of electricity for supply to Otukpo and its environs. The contract was awarded to Messrs S.C.C. Nigeria Ltd. in December 2010 at a cost of N17.18 billion. The effective implementation of the project commenced in March 2011 and is expected to be completed in December, 2014.

The sum of N2 billion was appropriated for the project in the 2011 Budget of which N1.5 billion had been released as at September 2011. However a total of N4.68 billion worth of work had been certified from inception while N2.55 billion had been paid leaving an outstanding balance of N2.13 billion.

#### FINDINGS

As at the time of monitoring the project, work done included: site clearing, removal of top soil, and part excavation of cut-off trench, filter drainage,

and part payment of compensation for land. Work on the Dam's foundation and its stabilization were ongoing. The project had achieved 7.8% level of completion.



Picture 19: Ongoing Cut off Trench at the Otukpo Multi-purpose Dam

### vi. *Sokoto Rima River Basin Development Authority (SRBDA)*

The Agency's role entails the provision of motorized solar powered or hand pump boreholes towards the provision of water to the surrounding communities for irrigation and other domestic purposes. The project was appropriated the sum of N3.87 billion in the 2011 Budget out of which N2.17 billion was released and

cash-backed. However, only N833.95 million had been utilized by the Authority for the implementation of its projects. These include:

a. *Upgrading/Rehabilitation of Kaura Namoda Water Supply Scheme*

This project aims at providing potable water supply to Kaura Namoda town and its environs. It involves the rehabilitation of the existing treatment plant, construction of a booster station comprising a booster pump house, generator/transformer house and utility building. The project also includes the construction of new 250m<sup>3</sup> capacity overhead tanks, laying of UPVC pipes and reticulation works at different locations.

The contract was awarded to Messrs Marron Ronmark Nig. Ltd in December, 2000 at a cost of N636.75 million and is expected to be completed in December 2012. The sum of N300 million was appropriated for the project in the 2011 Budget, out of which N98.38 million had been released and utilized. However, from inception, N220.11 million had been committed to the project to achieve about 55% level of completion.

**FINDINGS:**

As at the time of monitoring, completed works included: the installation of a new electricity generator (30KVA) at the treatment plant, 900m<sup>3</sup> capacity surface tank foundation and the installation of an electricity generator (365 KVA) and transformer (365 KVA), supply of 7nos chemical tanks for Chlorine, Alum pipe of 4,000 litres capacity and 7nos of Grambos Alldos Dmx 226 dosing pumps. Ongoing works included: the construction of office building, booster pump house, rehabilitation of the existing treatment plant and electrical works and land excavation for a new treatment plant.

### b) Construction of Ingawa – Dallaje Multi-Purpose Dam

Upon completion, the dam will provide potable water to the neighbouring communities and facilitate irrigation and electricity supply in the region. The project also includes associated works such as provision of access roads and electricity supply dam, etc. The contract was awarded to Messrs Hasunni Engineering Services Ltd in November 2008 at a cost of N4.31 billion and is scheduled for completion in December 2011. Implementation effectively commenced in November 2009. The sum of N581.39 million was

appropriated for the project in the 2011 Budget of which, N325.92 million had been utilized in the year, bringing the total financial



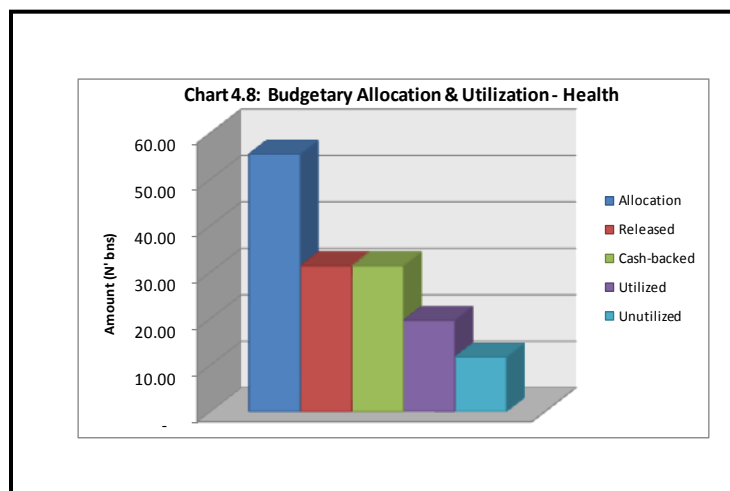
commitment to the project to N1.89 billion. The project was at about 35% level of implementation at the time of monitoring.

#### FINDINGS:

As at the time of monitoring, the following works had been completed: erection and stringing of 33KVA electric poles from Kankia sub-station to the project yard, construction of 26nos culverts, and foundation for intake tower. However, filling and compacting of the access road, embankment filling, dewatering of intake tower foundation and earthwork were in progress. The team observed that the pace of work was too slow considering the releases and scheduled completion date. The team will follow-up this Report with a request for explanations for the slow pace of work here in view of the progress of funding and the expected completion date

## HEALTH SECTOR

57. This sector is very critical to the attainment of goals set in the Transformation Agenda as it cuts across other sub-goals including security and human capital development. In view of this, the Ministry was allocated a total of N55.41 billion in the 2011 Budget. Of this amount, the sum of N31.41 billion had been released and cash backed while N19.66 billion (or 62.72%) was utilized for the implementation of its capital projects/programmes. The



The following institutions' projects were monitored during the exercise. For more details please refer to *Annexure 2 and Annexure 3* to this Report.

*i. Federal Staff Hospital, Garki.*

The hospital was allocated the sum of N261.5m in the 2011 Budget. Out of this, the sum of N48.49m was released and utilized for the execution of the following projects: development of the infrastructure in the permanent site; procurement of physiotherapy equipment at FSH Gwarimpa; construction and provision of office buildings and housing; construction of accident and emergency complex and 8 blocks of 4 units of two bedrooms Doctors Quarters; construction and furnishing of one-storey Administrative Block of 20 offices; and the installation of 50 Chambers in the Mortuary Complex.

*ii. Federal Medical Center, Makurdi.*

Thirteen projects and programmes were approved for this Centre in the 2011 Budget. These include: the procurement of an ambulance and 2nos. Peugeot

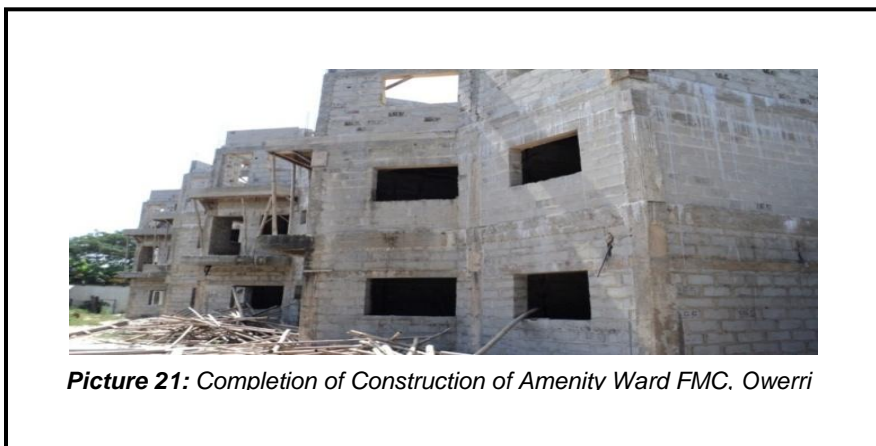
Partner vans for improved logistics services, the development of Efekwo outreach center, completion and equipping of its main theater, construction and furnishing of a twenty-room crèche, nutrition block, mortuary, construction of sewage treatment septic and soak-away, renovation of radiology complex and the ICT office at the permanent site, etc. The sum of N281.44 million was appropriated for the project in the 2011 Budget out of which N163.28 million was released and cash-backed while N111.3 million was utilized.

### CHALLENGES:

The team gathered from site officials that, the hospital is presently operating from five different locations due to space constraint thereby leading to high operating costs. The centre was also facing the challenge of inadequate water supply as the topography of the area is not good for boreholes.

### *iii. Federal Medical Centre, Owerri*

The sum of N327 million was appropriated to the Medical Centre in the 2011 Budget for the execution of eleven capital projects and programmes. As at the end of the third quarter, N189.9 million had been released while N151.9 million was utilized on the following projects.



**Picture 21:** Completion of Construction of Amenity Ward FMC, Owerri

Please see *Annexure 2* and *Annexure 3* for more details:

#### *a) Completion of Construction of Amenity Ward*

This project consists of completing a two-storey building aimed at providing facilities conducive for both patients and staff of the centre. It comprises of 40nos. self-contained suites and offices for resident doctors, nurses,

pharmacy, laboratory scientist and consultants. The contract for its implementation was awarded to Messrs Tonimann Integrated Ltd. at a cost of N235.3 million in July 2010 and is expected to be completed in December 2011. It had an allocation of N100.4 million was allocated for it in the 2011 Budget, out of which N93.8 million was released and utilized. A total of N129.1 million had been committed to the project since inception to achieve 25% level of completion.

### FINDINGS:

As at the time of monitoring, the project was at beam level, while outstanding works included: roofing, plastering, fixing of windows and doors, ceiling work, external work and painting.

#### *iv. National Orthopedic Hospital, Enugu*

The National Orthopedic Hospital was allocated N335 million in the 2011 Budget while N271.5 million was released and N103.8 million utilized to implement eight (8) capital projects/programmes. These include: the construction of a 20-bed spinal cord ward, radiology block; renovation and refurbishing of buildings and infrastructures. Other works are the construction of access gate and perimeter fence, development of the master plan of the hospital, training of medical personnel on Arthroplasty, computerization of hospital's operations, and the procurement and installation of a 500KVA Generator and a Transformer.

#### *v. Federal Medical Centre, Gusau*

The institution had a total of fifteen (15) capital projects and programmes for execution in the year under review which include: the equipping of its radiology, male and female surgical wards, pharmacy, laboratory, accident and emergency units, etc. The sum of N327 million was appropriated for the Centre in the 2011 Budget, of which, N192.08 million had been released while N186.97 million had been utilized for the implementation of its projects.

*vi. Federal Medical Centre, Birnin Kudu*

The sum of N147 million was allocated to the centre in the 2011 Budget, out of which N126.91 million was released while N27.29 million was utilized for the implementation of nine (9) capital projects and programmes which include: the renovation of residential buildings, expansion and equipping of its pharmacy complex, procurement of theatre and radiology equipments and procurement of equipment for the intensive care unit (ICU).

*vii. Federal Neuro-Psychiatric Hospital, Kaduna*

The institution has a total of twelve (12) capital projects and programmes to implement. These include: the construction of 1km road, female ward, medical laboratory block, occupational therapy, and borehole, etc. The sum of N515 million was appropriated to the Hospital in the 2011 Budget. As at the end of the period, N291.98 million had been released and cash-backed while N177.57 million had been utilized.

*viii. Federal Medical Centre, Azare*

The Federal Medical Centre, Azare (formerly General Hospital, Bauchi) was taken over by the Federal Government in year 2000 and began operation as a federal medical centre in June 2001. As at the time of monitoring, major construction works were ongoing at the permanent site.

A total of N257.11 million was appropriated to the Centre in the 2011 Budget of which, N150.19 million (or 58.7%) had been released as at the end of the third quarter; while the sum of N103.21 million had been utilized to execute the following projects: radiology complex at the permanent site; pediatric complex; and consultants' offices. Others are the renovation of wards, staff quarters; and perimeters fencing at the extension site.

*ix. Federal Medical Centre, Jalingo*

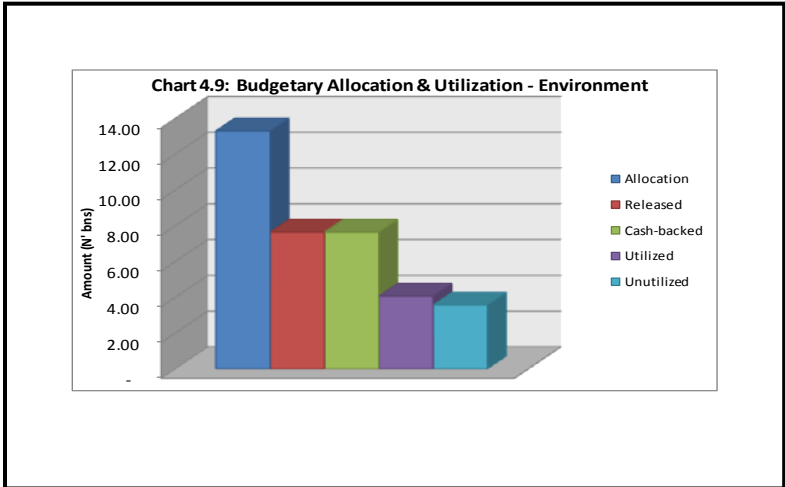
The sum of N249.49 million was appropriated to this Centre in the 2011 Budget for the execution of eight (8) projects. Of this, N146.65 million had been released as at the end of the third quarter. The team gathered that no financial commitment had been made so far this year because the projects were still undergoing procurement processes. The projects include: Construction of Amenity Ward/Expansion of E.P.U., procurement of medical equipments, furniture and utility vehicle; and the furnishing of House Officers Quarters and the medical library.

*x. Federal Neuro Psychiatric Hospital, Maiduguri*

The sum of N157.02 million was appropriated for the implementation of this hospital's projects in the 2011 Budget. Of this, N92.7 million had been released as at end of the quarter while N89.81 million had been utilized as at the end of the period for the execution of the following projects: Purchase of 2Nos utility vehicles; furniture and equipment; construction of pavement and walkways; extension and furnishing of the GOPD; rehabilitation and renovation of the Information and Technology department; and digitalization of the radiology department. The team observed that all the projects in 2011 Budget had reached their completion stages.

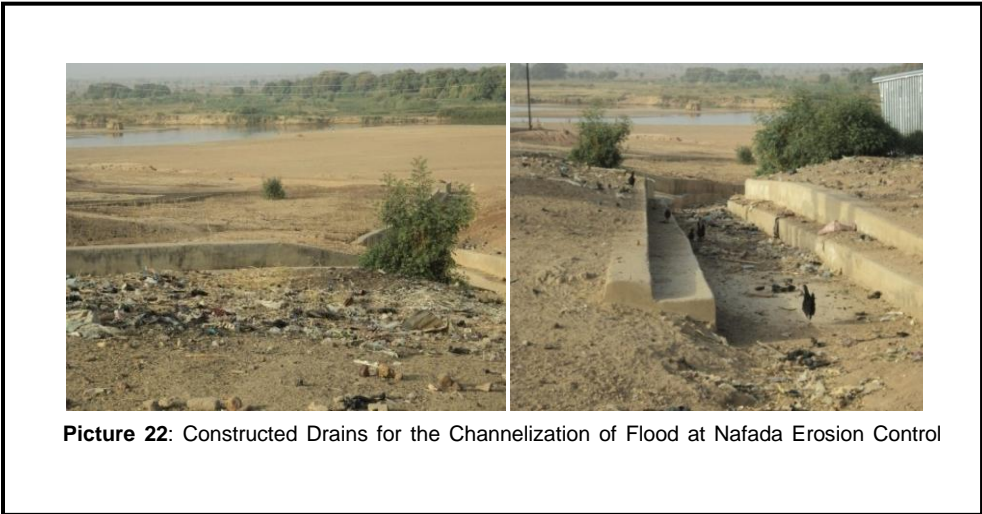
## ENVIRONMENT SECTOR

58. A total of N13.3 billion was allocated to this Ministry for the execution of its capital projects/programmes in the 2011 Budget. Of this sum, N7.65 billion had been released and cash backed as at the end of the third quarter. Of this amount, the sum of N4.071 billion (or 61.1%) had been utilized for the implementation of its projects. Among the projects monitored are the following:



*i. Nafada Erosion Control, Nafada, Gombe State*

The project entails the reclamation of erosion affected plots of land, river dredging, provision of structure for the proper channelization of flood and the construction of flood wall. Upon completion, it is expected to curtail land erosion and flooding resulting from River Gongola flows. It will also save lives and properties as well as reclaim



**Picture 22:** Constructed Drains for the Channelization of Flood at Nafada Erosion Control

cultivable lands. The project has two components: Phase 1 was awarded to

Messrs Geya Nigeria Limited in December, 2010 at a cost of N495 million and was completed within six month.

The sum of N600 million was appropriated to the project in 2011 for the completion of Phase 2. However, no portion of this had been released by the supervising Ministry at the time of monitoring as the process for awarding the contract for the second phase was still ongoing.

**FINDINGS:**

As at the time of the monitoring, dredging of the river and the installation of 1,943m<sup>3</sup> of interceptor drains had been completed, while the construction of 200m of flood wall was in progress. Outstanding works included the casting of the retaining wall, stone pitching and back filling.

*ii. Erosion control and Drainage system in Ogute, Ivbiaro, Ihievbe and Auchi in Owan East L.G.A & Etsako West L.G.A in Edo State - Phase II.*

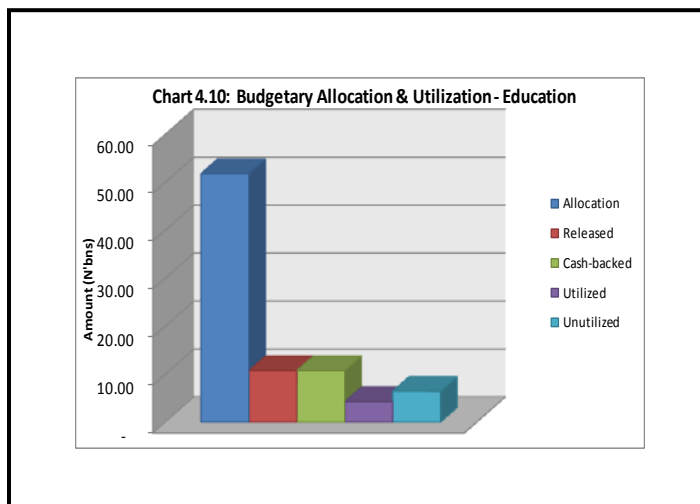
The project was conceived to provide drainage and ensure erosion control in four locations - Ogute, Ivbiaro, Ihievbe and Auchi in Owan-East and Etsako-West Local Government Areas of Edo state. The contract was awarded to Messrs Rabil Global Ventures Ltd., in November 2010 at a cost of N207.89 million with completion scheduled for May 2011. The project had an appropriation of N240 million in the 2011 fiscal year. Of this amount, N142.65 million was released in the first and second quarters of the year by the supervising Ministry.

**FINDINGS**

As at the time of monitoring, the project had been completed. The monitoring team observed that the project is positively impacting on the socio-economic lives of the people of the area especially around Auchi as the erosion problems have been largely checked.

## EDUCATION SECTOR

59. The economic development of the Nation is intrinsically linked to the development of its human capital. To this end, government had deployed much resource to the provision and sustenance of access to education at all levels and across sectors. As a Ministry, Education had an allocation of N51.83 billion in the 2011 Budget for the execution of its capital projects and programmes. As at the end of the third quarter, a total of N10.77 billion had been released while N4.3 billion (or 39.93%) had been



utilized by the Ministry. The following institutions and projects were visited during the monitoring exercise. Please see *Annexure 1* and *Annexure 2* for more details on the projects' implementation status.

*i. Federal College of Education, Yola*

The college was allocated a total of N109.89 million for the execution of its nine capital projects and programmes in the 2011 Budget. As at the third quarter, the sum of N64.39 million had been released and utilized to complete the following projects which are billed for commissioning in February 2012 during the college's convocation ceremony: construction of vocational education complex (Phase I and II); construction of roads and drainages; and expansion of the library Complex. Other ongoing projects included: the improvement of water supply and reticulation; extension of power supply and expansion of ICT Facilities. As at the time of monitoring, all the projects were at various stages of completion.

*ii. Federal College of Education, Zaria*

The College had an appropriation of N645 million in the 2011 Budget for the execution of its twenty-three capital projects and programmes. These include the construction of a physical and health education gymnasium, a science laboratory workshop, and Phase 1 of its students' hostel. Other works included the provision of ICT teaching equipments and facilities, extension of college library, etc. As at the time of monitoring, a total of N398.67 million had been released to the College by the Ministry while N320.63 million had been utilized for the implementation of the projects.

*iii. Federal College Of Education (Technical), Potiskum*

In the 2011 Appropriation Act, the sum of N118.52 million was allocated to the College for the completion of eleven projects. As at the end of the third quarter, 59.4% (N70.6 million) had been released to it while N33.89 million had been utilized on its projects. These included: the construction of the college auditorium; construction of its multipurpose hall; classrooms and offices in the School of Science; land compensation/acquisition; purchase and installation of sports equipment and facilities; and the purchase of 4nos utility vehicles; etc.

*iv. Alvan Ikoku Federal College of Education, Owerri*

The Institute was allocated the sum of N189 million in the 2011 Budget for the implementation of eight capital projects/programmes. These include the construction of a 1,000 seats capacity lecture theatre I & II, ICT/Virtual library, and a student language centre. Other projects include the construction of students' hostel, and the provision of classroom furniture and equipment, etc.

*v. Federal College of Education, Okene*

The college was allocated a total of N414 million in the 2011 Budget to implement its capital projects and programmes and the payment of outstanding certificates from the 2010 fiscal year. Of this amount, the sum of N84.62 million

had been released in the third quarter, bringing total amount released as at the end of the third quarter to N231.7 million. The sum of N117.9 million had been utilized to execute the following projects among others: landscaping and erosion control, renovation of students' hostels, rehabilitation of internal roads, school of education office building (Phase 1) and the renovation of the School of Vocations office building (Please see Annexure 1 and *Annexure 2* for more details).

## 5.0 CONCLUSION

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Data from the National Bureau of Statistics and the Central Bank of Nigeria indicate that despite the uncertainty in the global economic climate, the Nigerian economy has remained relatively stable with a GDP growth rate of 7.4% driven largely by the non-oil sector. Inflation increased marginally from 10.2% in June to 10.3% in September. Broad money (M2) grew by 3.64% while net domestic credit grew by 12.05% due to improved flow of credit to the core private sector and the public sector. The exchange rate remained fairly stable in the period indicating some level of convergence with the DAS/WDAS exchange rate depreciating by 0.52% to N155.26/US\$. In addition, the Nigerian National Petroleum Corporation (NNPC) quarterly data indicate that the average oil lifting including condensates increased by 0.09mbpd (or 3.80%) from 2.36 mbpd in the second quarter to 2.45 mbpd in the third quarter.

61. This, combined with the relatively high oil price resulted in improved gross oil revenue receipt of N2.64 trillion which is over the quarterly projection by N938.9 billion (or 55.1%). In the same vein, the gross non-oil revenue receipt exceeded the quarterly projection by N66.94 billion (or 13.93%). However, the data further indicate a shortfall, on a net basis, of about N97.59 billion (or 5.84%) in total revenue available for distribution to the three tiers of government following lower contribution from the Joint Venture oil production arrangement which usually yields a higher take for government and lower realization of the financing items. From the foregoing, the aggregate revenue required to fund the Federal Budget fell short of the estimate of N837.03 billion by N87.01 billion (or 10.4%) in the third quarter and a cumulative shortfall of N195.62 billion in the year-to-date. This posed significant challenges for the implementation of the Budget in the period. To manage this, the government had to make recourse to its share of the drawings from the excess crude account and other financing sources.

62. On the expenditure side, data from OAGF indicate that about 81% of planned recurrent expenditure had been achieved as at end of September 2011

while N705.16 billion had been released for capital expenditure in the year-to-date. Of this amount, N594.15 billion was cash-backed, while N333.07 billion (or 56.06%) had been utilized by the MDAs. A review of fifty-four MDAs reported upon by the OAGF shows that twenty-one (or 38.89%) of the MDAs had utilized over 56.06% of their funds. Eight of these (or 14.81%) had utilized over 70% of their respective funds. However, twenty-eight MDAs (or 51.85%) had utilised less than 50% of their cash-backed capital funds as at the end of the period.

63. The Budget Office's physical monitoring and evaluation of MDAs' projects in the third quarter indicated mixed implementation of their capital budgets. The following issues were recurrent across MDAs and their projects:

- a) Poor implementation of projects as a result of MDAs picking too many projects and spreading the available scarce resources too thinly. This is compounded by poor prioritisation of projects by MDAs; and underscores, as frequently emphasized in the annual *budget call circulars*, the need for MDAs to concentrate on the completion and exit from a few, viable ongoing projects rather than spreading resources thinly among several projects.
- b) The implementation of several projects was observed to suffer from poor conceptualisation in many cases, or were seemingly commenced based on preliminary designs. These ultimately resulted in project design, scope and cost variations. The implications of these on such projects are the huge cost overruns and the abandonment of several projects.

As MDAs continue to adapt to, and implement a series of intervention policies aimed at instilling best practices in capital projects implementation which would ease many of the observed challenges to delivering projects within budget and in time, the Budget Office will continue to draw the attention of concerned MDAs to these issues and work out solutions through its communications with the MDAs. The Budget Office of the Federation and the Federal Ministry of Finance, working with the MDAs, would also continue to formulate and set policy measures to check non-compliant capital budget proposals in subsequent budgets.

# Third Quarter Budget Implementation Report | 2011

## ANNEXURE 1: CAPITAL UTILIZATION

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

**2011 CAPITAL PERFORMANCE FOR MDAs AS AT 30th SEPTEMBER, 2011**

MINISTRY	1ST QUARTER WARRANT =N=	1ST QUARTER AUGMENTATION WARRANT =N=	2ND QUARTER WARRANT =N=	3rd QUARTER WARRANT =N=	AIEs =N=	TOTAL RELEASES = N=	AMOUNT CASHBACKED =N=	UTILISATION =N=	PERFORMANCE %
PRESIDENCY Total	1,387,468,015	1,305,682,952	2,262,723,527	3,900,148,279	588,208,330	9,444,231,102	9,444,231,102	8,639,787,449	91.48
GOVT. OF THE FEDERATION (SGF) Total	1,079,976,726	1,016,316,906	3,988,014,585	3,266,707,821	165,753,600	9,516,769,638	8,478,710,216	3,176,408,185	37.46
YOUTH DEVELOPMENT Total	612,799,236	109,041,068	985,465,460	965,602,079	580,954,750	3,253,862,593	3,253,862,593	782,656,307	24.05
POLICE AFFAIRS Total	72,130,715	12,834,889	3,265,874,148	2,161,710,306	-	5,512,550,059	5,512,550,059	913,275,001	16.57
POLICE FORMATION Total	1,202,256,216	1,577,041,443	858,608,989	2,362,093,352	-	6,000,000,000	6,000,000,000	3,489,350,192	58.16
WOMEN AFFAIRS Total	150,000,000	26,690,895	175,659,760	157,798,282	-	510,148,938	510,148,938	16,317,702	3.20
AGRICULTURE Total	3,100,178,691	4,917,436,960	5,159,815,876	5,348,041,951	-	18,525,473,479	18,525,473,479	6,220,811,289	33.58
WATER RESOURCES Total	3,665,085,591	3,796,233,452	15,688,336,537	12,063,253,979	96,000,000	35,308,909,559	35,308,909,559	14,097,216,390	39.93
AUDITOR-GEN. Total	398,250,762	99,562,691	-	-	2,337,500,000	2,835,313,453	2,735,750,762	2,337,500,000	85.44
ICPC Total	32,408,496	8,102,124	53,108,950	44,379,471	-	137,999,041	137,999,041	1,126,450	0.82
DEFENCE Total	2,712,425,397	3,052,539,996	9,052,325,016	7,189,079,715	1,961,955,300	23,968,325,424	23,968,325,424	21,351,015,053	89.08
EDUCATION Total	2,843,736,918	3,176,111,287	10,817,269,130	8,270,370,056	341,059,217	25,448,546,607	25,448,546,607	14,882,439,560	58.48
TERRITORY ADMINISTRATION Total	4,756,740,386	5,761,326,715	7,566,904,014	7,937,141,289	-	26,022,112,403	26,022,112,403	25,327,654,620	97.33
FOREIGN & INTER GOVT. AFFAIRS Total	672,604,075	632,957,060	1,574,847,373	-	-	4,223,294,583	4,223,294,583	1,691,162,706	40.04
FINANCE Total	613,831,183	109,224,692	483,236,625	591,182,146	145,737,544	1,943,212,191	1,943,212,191	744,530,284	38.31
HEALTH Total	3,506,418,479	3,799,730,720	12,872,266,551	10,231,130,456	1,000,000,000	31,409,546,205	31,351,347,988	19,663,142,836	62.72
COMMERCE & INDUSTRY Total	229,050,763	40,757,133	478,043,798	576,953,182	-	1,324,804,877	1,317,764,637	854,263,002	64.83
INFORMATION & COMMUNICATION Total	266,127,769	47,354,589	692,918,096	488,061,468	1,206,087,889	2,700,549,811	2,700,549,811	1,816,678,245	67.27

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

**2011 CAPITAL PERFORMANCE FOR MDAs AS AT 30th SEPTEMBER, 2011**

MINISTRY	1ST QUARTER WARRANT =N=	1ST QUARTER AUGMENTATION WARRANT =N=	2ND QUARTER WARRANT =N=	3rd QUARTER WARRANT =N=	AIEs =N=	TOTAL RELEASES = N=	AMOUNT CASHBACKED =N=	UTILISATION =N=	PERFORMANCE %
INTERIOR Total	629,407,507	592,306,737	1,451,821,540	1,242,659,453	197,195,000	4,113,390,237	4,113,390,237	2,125,582,778	51.67
HEAD OF SERVICE Total	738,515,928	694,983,702	1,678,037,636	1,441,809,571	-	4,553,346,837	3,700,697,930	904,339,965	24.44
JUSTICE Total	81,557,820	14,512,342	56,377,664	111,795,586	-	264,243,413	264,243,413	25,690,958	9.72
LABOUR & PRODUCTIVITY Total	93,174,168	16,579,346	529,989,333	366,926,448	-	1,006,669,295	1,006,669,295	124,697,163	12.39
SCIENCE AND TECH. Total	533,542,203	502,092,265	7,843,959,798	4,131,783,202	2,480,000,000	15,491,377,468	15,074,688,889	9,555,775,454	63.39
POWER Total	9,668,541,465	8,465,725,811	17,016,788,873	12,121,915,827	6,780,901,550	54,053,873,526	54,053,873,526	19,000,712,321	35.15
TRANSPORT Total	5,264,983,460	4,954,636,125	11,235,573,372	9,814,113,641	726,148,590	31,995,455,189	31,995,455,189	15,209,133,771	47.54
AVIATION Total	2,233,051,193	2,101,422,766	8,224,593,514	6,372,667,145	-	18,931,734,618	18,931,734,618	6,079,916,100	32.11
WORKS Total	16,704,166,519	15,015,344,252	30,866,421,148	28,386,861,016	-	90,972,792,934	90,972,792,934	56,591,492,984	62.21
HOUSING Total	1,837,567,191	2,706,377,818	8,060,134,887	6,321,608,700	-	18,925,688,596	18,925,688,596	6,398,440,809	33.81
PETROLEUM Total	1,076,988,829	1,013,505,132	1,550,954,366	1,530,038,138	-	5,171,486,465	5,171,486,465	334,603,155	6.47
MINES & STEEL Total	448,457,596	79,798,231	636,397,510	542,836,331	50,000,000	1,757,489,669	1,757,489,669	604,498,968	34.40
NATIONAL WAGES & SALARIES Total	21,605,664	5,401,416	13,891,997	15,840,506	-	56,739,583	56,739,583	36,862,775	64.97
ENVIRONMENT, Total	511,576,128	981,420,993	3,600,523,402	2,552,450,917	-	7,645,971,441	7,645,971,441	4,671,978,280	61.10
NATIONAL ORIENTATION Total	498,610,000	88,722,315	719,586,222	621,802,330	215,000,000	2,143,720,868	2,143,720,868	1,351,118,351	63.03
NAT. PLANNING Total	295,793,906	52,633,361	204,470,263	220,493,273	-	773,390,803	773,390,803	468,362,879	60.56
NATIONAL SPORTS COMMISSION Total	226,859,474	40,367,216	401,008,118	315,660,982	-	983,895,790	983,895,790	261,604,697	26.59
SECURITY ADVISER Total	5,854,536,779	5,509,437,900	11,085,414,818	7,659,870,105	17,088,024,983	47,197,284,585	47,197,284,585	35,744,075,174	75.73

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FUNDS DEPARTMENT, GARKI - ABUJA**

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NIGER DELTA Total	7,748,966,598	9,150,212,742	6,090,037,474	8,249,023,417	-	31,238,240,231	31,238,240,231	21,765,512,505	69.68
NAT. POPULATION Total	64,846,091	16,211,523	41,694,700	47,542,852	-	170,295,166	170,295,166	97,514,502	57.26
CODE OF CONDUCT BUREAU Total	190,807,682	47,701,920	288,356,915	245,745,045	-	772,611,562	772,611,562	194,723,915	25.20
CODE OF CONDUCT TRIBUNAL Total	16,483,513	4,120,878	10,598,559	12,085,127	-	43,288,076	43,288,076	30,849,999	71.27
REV. MOB. ALL. Total	59,800,000	14,950,000	172,450,168	129,459,152	-	376,659,320	376,659,320	10,058,817	2.67
FCSC Total	10,807,682	2,701,921	140,949,117	93,539,723	100,000,000	347,998,442	347,998,442	338,527,515	97.28
POLICE SERVICE COMMISSION Total	12,080,000	3,020,000	599,958,950	387,222,589	-	1,002,281,539	1,002,281,539	60,324,337	6.02
INEC Total	765,977,460	686,201,042	-	-	-	1,452,178,502	1,452,178,502	505,391,375	34.80
FED. CHARACT. COMM. Total	21,615,364	5,403,841	13,898,233	15,847,617	-	56,765,055	56,765,055	22,929,388	40.39
SPECIAL DUTIES Total	10,560,000	2,640,000	6,789,863	7,742,217	-	27,732,080	27,732,080	3,475,518	12.53
ICRC Total	17,284,531	4,321,132	11,113,598	12,672,405	-	45,391,667	45,391,667	45,391,666	100.00
FISCAL RESPONSIBILITY COMMISSION Total	32,408,496	8,102,124	20,837,995	23,760,759	-	85,109,375	85,109,375	34,785,726	40.87
PUBLIC COMPLAINTS COMMISSION	32,423,045	8,105,761	20,847,351	23,771,426	-	85,147,583	85,147,583	40,528,806	47.60
NATIONAL ASSEMBLY Total	642,768,510	114,373,780	-	-	-	757,142,290	757,142,290	-	-

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FPO LAGOS Total	10,262,690	1,826,136	7,415,493	7,855,399	-	27,359,719	27,359,719	11,984,950	43.81
FPO IBADAN Total	4,380,361	4,122,158	6,350,723	6,250,257	-	21,103,500	21,103,500	-	-
FPO YENAGOA Total	29,008,937	27,298,989	52,540,501	48,090,072	-	156,938,500	156,938,500	-	-
STF Total	74,567,857	62,480,504	656,593,421	351,469,729	-	1,145,111,511	1,107,114,327	-	-
CAPITAL SUPPLEMENTATION Total	26,150,550,909	15,991,912,718	59,169,379,587	46,130,992,800	-	141,741,535,062	38,947,496,466	18,265,260,650	46.90
Category 2 Total	1,083,975,029	1,520,079,526	1,538,824,451	1,539,256,336	100,000,000	5,782,135,342	5,782,135,342	-	-
Grand Total	111,000,000,000	100,000,000,000	250,000,000,000	208,000,000,000	36,160,526,754	699,459,225,802	594,154,991,965	333,071,481,525	56.06

**NOTE:** Category 2 - MDAs with Capital Accounts in Commercial Banks for which bank balances as at 30th September, 2011 are not yet available

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## ANNEXURE 2: MISCELLANEOUS PROJECTS

### MISCELLANEOUS PROJECTS MONITORED

S/N	Project Title / Description	Contractor & Contract No.	Project / Contract Cost	Commencement Date	Planned Completion Date	Revision to Completion Date	Cost Variation	Appropriation for 2011	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 % performance to date	Photo Ref
<b>EDUCATION SECTOR</b>														
<b>WAZIRI UMARU FEDERAL POLYTECHNIC, BIRNIN KEBBI</b>														
1	Construction of Department of Architectural Technology	Slopes International Nig.Ltd	N112.4m	2010 August	Feb. 2012	Nil	Nil	N52.5m	N14.7m	Nil	N58.7m	Roofing, M/E Services and block work completed	60%	Nil
<b>FEDERAL COLLEGE OF EDUCATION, KANO</b>														
1	Proposed Construction of School of Languages (phase 111)	Laria Construction Nig Ltd.	N44.2m	Sep-11	Feb. 2012	Nil	Nil	N46.2m	N44.2m	Nil	N46.2m	Substructures works, ground floor blockworks, casting of suspended slab and associated works	45%	1
2	Procurement of Utility Vehicles	Messrs Dasho Command Inv. Ltd	N12.8m	Sep-11	Oct. 2011	Nil	Nil	N13.4m	N12.8m	N12.8m	N12.6m	Toyota Camry 2011 Model Supplied	100%	2
<b>FEDERAL COLLEGE OF EDUCATION, ZARIA</b>														
1	Construction of students Hostel phase 1	Skyline Intergrated Ltd	N55.2m	Jan-12	Jan-12	Nil	Nil	N44.m	N13.6m	N13.6m	N12.4m	Block work in ground floor, frames, suspended floor slab, block work in first floor completed	45%	3
2	Extension of Academic staff offices	Tikhood Engineering Ltd	N39.1m	Sep-10	Dec-11	Nil	Nil	N29.8m	N17.8m	N17.8m	N21.6m	Project partially completed	60%	4
3	Extension of college Library	Messrs Gimbiya Engr. Services Ltd	N40.3m	Sep-10	Jan-12	Nil	Nil	N30.7m	N13.2m	N13.2m	N18.7m	Block works completed to Lintel level	80%	5
<b>FEDERAL POLYTECHNIC, IDAH</b>														
1	Construction of a new Medical centre	Messrs Archi-Touch Ltd	N43.6m	Sep-11	N41.1m	Nil	Nil	N31.6m	N4.06m	N4.06m	N4.06m	Completed preparation of contract documents	12%	Nil
2	Erosion and Flood Control within the Campus	Messrs Ultimate Engineering Ltd	Cost not yet determined	Oct 2011 for consultancy	Not yet determined	Nil	Nil	N14.2m	N5.1m	N5.1m	N5.1m (for consultancy)	Consultancy concluded and awaiting award	15%	Nil

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S/N	Project Title / Description	Contractor & Contract No.	Project / Contract Cost	Commencement Date	Planned Completion Date	Revision to Completion Date	Cost Variation	Appropriation for 2011	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 % performance to date	Photo Ref
<b>FEDERAL COLLEGE OF EDUCATION, OKENE</b>														
1	Landscapping and Erosion Control	Messrs Bomansun Nigeria Ltd	N80.5m	Oct-11	Jan-12	Nil	Nil	N88.6m	N15m	N15m	N15m	Setting, Clearing and laying of kerbs in progress	12%	6
2	Renovation of Students Hostel (Male)	Messrs Rahusa Ventures Nig. Ltd	N15.1m	Sep-11	Jan-11	Nil	Nil	N17m	Nil	Nil	N6m	Just commenced work	10.00%	7
3	Completion of school of Vocational office Building	Messrs project mark Nigeria Ltd	N28.3m	Mar-08	Dec-12	Nil	Nil	N8.1m	Nil	Nil	N9.5m	Fixing of windows, burgularies & plastering.	30%	8
<b>FEDERAL POLYTECHNIC, BALI, TARABA STATE</b>														
1	Procurement of office Furniture & Equipment	Besa'a Nigeria Limited	N2.1m	Sept. 2011	Dec. 2011	Nil	Nil	N2.1m	N2.1m	N2.13m	N2.13m	Furniture supplied and put to use	100%	NIL
2	Procurement of Laboratory and Equipment	Toteil Limited	N5.30m	Nov. 2011	Dec. 2012	Nil	Nil	N5.6m	Nil	N2.4m	N2.4m	Worktops & 1 Lab completed	60%	NIL
3	Proposed Classroom and Office/Toilets	Jansuke & Toskole Nigeria Ltd & 1 other	N20.3m	Nov. 2011	01.01.2012	Nil	Nil	N20.4m	N5.3m	N10.1m	N10.1m	Building had reached lintel level	50%	NIL
4	Supply of Tractor and Accessories	G.T. Energy Nigeria Limited	N11m	Nov. 2011	Nov. 2011	Nil	Nil	N11.1m	Nil	N11m	N11m	Project competed	100%	NIL
5	Supply and Installation of Equipments, Phase 1	Wangarawa Nigeria Limited	N31.7m	Nov. 2011	Jan. 2012	Nil	Nil	N35.1m	Nil	N21.4m	N21.4m	Equipment supplied and aw airtng 250 KVA Generator	90%	Nil
<b>FEDERAL COLLEGE OF EDUCATION (TECHNICAL), POTISKUM</b>														
1	Construction of College Auditorium	Main Structure LTD	N120m	01/07/2010	1/07/2015	NIL	NIL	N12.3m	N5.5m	N12.3m	N37.2m	10%	50%	Nil
2	Construction of multi Purpose Hall	Beltech Nig LTD	N68.9m	01/03/2008	1/04/2012	NIL	NIL	N12.3m	N6.7m	N12.3m	N42.6m	12%	71%	Nil
3	Construction of Classrooms & Offices in science school	Alakson Nig LTD	N43.6m	16/01/2008	1/12/2012	NIL	NIL	N7.4m	N7.4m	N7.4m	N34.4m	8%	80%	Nil
4	Land Compensation and Acquisition	FCE(T) Potiskum	N8m	01/06/2011	1/12/2014	NIL	NIL	N3.9m	N2m	N2m	N2m	15%	25%	Nil

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S/N	Project Title / Description	Contractor & Contract No.	Project / Contract Cost	Commencement Date	Planned Completion Date	Revision to Completion Date	Cost Variation	Appropriation for 2011	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 % performance to date	Photo Ref
<b>FEDERAL POLYTECHNIC NEKEDE, IMO</b>														
1	Construction of Building for Entrepreneurship Development Centre	Constructed Facilities Technologies	N250m	Jan. 2011	Jan. 2013	Nil	Nil	N42.4m	Nil	Nil	N42.4m	11%	11%	9
2	Procurement of Equipment for Electrical/Electronic Dept.	Auskan Int'l Ltd	N21.8m	Oct. 2011	Nov. 2011	Nil	Nil	N21.8m	Nil	Nil	N21.8m	80%	80%	10
<b>ALVAN IKOKU FEDERAL COLLEGE OF EDUCATION, OWERRI</b>														
1	Construction of Female Hostel & Consultancy	T. IO Group of Companies	N48.1m	2008	2011	Nil	Nil	N35.5m	6.7m	20.3	20.3	66%	75%	11
2	Const. of 1000 capacity lecture 1	Las Vegas Nig. Ltd	N98m	2009	Dec-13	Nil	Nil	21.9m	5.3m	8.5m	43m	66%	75%	12
<b>FEDERAL POLYTECHNIC, ADO EKITI.</b>														
1	Rehabilitation of Healthcare Centre	Benmic Ent. Nig. Limited	N84.4m	Oct.,2010	Oct. 2011	Nil	Nil	N48.6m	Nil	Nil	N25.9m	project completed	100%	Nil
2	Continuation of Renovation works in SSCS & Conference Hall	Widebeam Int. Ltd.	N25.1m	Oct.,2010	Oct. 2012	Nil	Nil	N18m	Nil	Nil	N55.5m	Nil	40%	Nil
3	Construction of Academic Board Complex	Workstead Consort.	N11.3m	Oct.,2010	Oct. 2012	Nil	Nil	N35m	Nil	Nil	N30.4m	Concret Sitting Terrace in progress	40%	Nil
4	Completion of abandoned students Hostel	Felog Nig. Ltd.	N10m	Oct.,2010	Oct. 2012	Nil	Nil	N10m	Nil	N16.8m	N47.8m	Renovation work	65%	Nil
5	Completion of abandoned Civil Engr. Complex	Shon Nig. Ltd.	N24m	Oct.,2010	Oct. 2012	Nil	Nil	N60m	Nil	N13.4m	N49.3m	Complete up to the Roofing stage	40%	Nil
<b>FEDERAL COLLEGE OF EDUCATION, AKOKA, LAGOS</b>														
1	Road Rehabilitation and Re-Construction of School Gate	Baollet Nig. Ltd	N79.9m	Sept.2010	Sept. 2012	Nil	Nil	N58.2m	N7m	N7m	N17m	Carry over as on-going	30%	Nil
2	Construction of Multi-purpose Hall	ABYS Dynamics Ltd	N97.1m	Sept.2010	Sept. 2012	Nil	Nil	N69.6m	N17m	N17m	N34m	Carry over as on-going	30%	13
3	Construction of Technical Researchers Residence	Double Dots Integreted Ltd	N97.2m	Sept.2010	Sept. 2012	Nil	Nil	N69.6m	N24.1m	N24.1m	N69.6m	Carry over as on-going	60%	14

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<b>FEDERAL COLLEGE OF EDUCATION, OYO</b>														
1	Construction of Lecture Theatre Lot I.	Reason Venture Ltd	N52.3m	Oct. 2010	Jan.2012	Nil	Nil	N44.4m	N13.3m	N13.3m	N41.8m	Sub-structure Block work, Roof and Roof covering	80%	15
2	Construction of Indoor Sport Complex	Boallet Nig. Ltd	N96.8m	Oct. 2010	March,2012	Nil	Nil	N82.3m	Nil	Nil	N14.5m	Foundation Block Work and Filling with Laterite	10%	Nil
3	Workshop and Office for Vocational and Technology.	High Skill Ltd	N78.8m	Oct. 2010	Feb. 2012	Nil	Nil	N66.9m	N18.4m	N18.4m	N39.4m	Sub-structure Block work up to Roof Level	78%	Nil
<b>HEALTH SECTOR</b>														
S/N	Project Title / Description	Contractor & Contract No.	Project / Contract Cost	Commencement Date	Planned Completion Date	Revision to Completion Date	Cost Variation	Appropriation for 2010	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 % performance to date	Photo Ref
<b>FEDERAL MEDICAL CENTRE BIRNIN KUDU</b>														
1	Renovation of residential buildings	Kadocco Global Services Ltd.	N70M	Mar-10	2011 december	Nil	Nil	N20.7m	N40m	N40m	N40.7m	10%	30%	16
2	Procurement of theater and Radiology Equipment	World wide controls Nig.Ltd	N80m	Mar-11	2011 december	Nil	Nil	N24m	Nil	Nil	Nil	50%	50%	17
3	Procurement of intensive care unit(ICU)Equipme nt and other Medical Equipment	Nil	N80m	Mar-11	2011 december	Nil	Nil	N24.9m	Nil	N11m	N11m	Nil	Nil	Nil
<b>FEDERAL MEDICAL CENTRE, LOKOJA</b>														
1	Completion of Renovation/Extension of GOPD & wards	Messrs Loom Multi-Links Ltd	N100m	Jul-10	40,878	Nil	Nil	N50.3m	N3.89m	N3.89m	N70.55m	12%	67%	18
2	Completion of Construction of Resident Consultants Building	Messrs Piskoi Nig. Ltd	N105.7m	Jul-09	Dec-11	Nil	Nil	N55m	N3.15m	N3.15m	N94.13m	7%	43%	19
3	Procurement of utility vehicles	Messrs Adekunle Abogun Motors	N35m	Sep-11	Dec-11	Nil	Nil	N35m	N11m	N27.2m	N27.18m	100%	100%	20

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<b>FEDERAL STAFF HOSPITAL, GARKI</b>														
1	Procurement of Phototherapy Equipment	various Contractors	N23.3m	Sep-11	Dec-11	Nil	Nil	N30m	N23.2m	N23.2m	N23.2m	Purchased 18-seater Hacc Bus, QBC Malaria, 3000EV Machines & TB Analyser, etc	On-going	21
2	Infrastructural Development (Fuelling of Chinese	Messrs aw formataz Nig. Ltd	Continuous	Jan-11	Dec-11	Nil	Nil	N31.1m	N4.1m	N4.1m	N4.1m	Only fuelling done in the quarter	On-going	Nil
<b>FEDERAL MEDICAL CENTRE, MAKURDI</b>														
1	Completion and Furnishing of Main Theatre	Messrs Consus Nigeria Ltd	N180m	Apr-11	40,878	Nil	Nil	N20.08m	Nil	N10.07m	N12.77m	10%	65%	22
2	Renovation of Radiology Complex	Messrs samsems Ltd	N120m	Apr-10	Dec-12	Nil	Nil	N31.31m	N20.92m	N20.9m	N37.88m	95%	68%	23
3	Renovation of A & E and procurement of Equipment for the Unit	Messrs ajons Nigeria Ltd	N120m	Apr-10	Dec-12	Nil	NIL	N39.14m	N30m	N30m	N39,14m	On-going	85%	Nil
<b>FEDERAL MEDICAL CENTRE, AZARE, BAUCHI STATE</b>														
1	Conrastruction of Radiology Complex at the permanent site	Messr Matrix Resources LTD.	N135.5m	01.07.2010	31 Dec. 2011	NIL	NIL	N50.6m	N29.5m	N29.5m	N43.3m	15%	70%	Nil
2	Construction of Consultant's Offices at the Permanent Site.	Messrs Hazako Construction Co. LMT	N114.1m	01.07.2010	Jul-10	NIL	NIL	N50.3m	N40.3m	Nil	N9.4m	3%	10%	Nil
3	Construction of Paediatric Complx at the Permanent Site	Messrs ATD Resource LTD	N120.9m	01.07.2010	31 Dec. 2011	NIL	NIL	N47.4m	N10.9m	N10.9m	N22.4m	7%	30%	Nil
4	Renovation of Wards and Staff Quarters	Messrs CIVARC LTD & MODI Inv. LTD	N47.5m	01.07.2010	31 Dec. 2011	NIL	NIL	N16.4m	N16.4m	N5.9m	N18.9m	15%	45%	Nil
<b>FEDERAL NEURO PSYCHIATRIC HOSPITAL, MAIDUGURI</b>														
1	Purchase of 2 EEG and 1 ECT Machines	Liyat Nig LTD	N22.1m	Jul-11	31 Dec. 2011	NIL	NIL	N20.7m		N22.1m	N22.1m	2 EEG and 1 ECT Mach. Supplied	100%	Nil
2	Purchase of 2 Utility Vehicles	High Way & Bridges Nig LTD	N15.9m	Jul-11	31 Dec. 2011	NIL	NIL	N14.7m		N15.9m	N15.9m	2 Toyota Hilux Supplied	100%	Nil
3	Purnchase of Furniture and Equipment	Thabag Consult.	N7.7m	Jul-11	31 Dec. 2011	NIL	NIL	N7.1m		N7.7m	N7.7m	Furniture & Equipment supplied	Functional Library	Nil
4	Construction of Pavement & Workway	Accord Modai Nig LTD	N13.1m	Jul-11	31 Dec. 2011	NIL	NIL	N13.3m		N5.9m	N5.9m	Work Completed	Pavement and Workway Completed	Nil
5	Extension & Furnishing of GOPD	Bulfok Nig LTD	N21.8m	Jul-11	31 Dec. 2011	NIL	NIL	N21m		N21.8m	N21.8m	Waiting Area Fully Functional	200 People Waiting Area Completed	Nil

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S/N	Project Title / Description	Contractor & Contract No.	Project / Contract Cost	Commencement Date	Planned Completion Date	Revision to Completion Date	Cost Variation	Appropriation for 2011	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 % performance to date	Photo Ref
<b>FEDERAL MEDICAL CENTRE, OVERRI</b>														
1	Completion of Diagnostic Centre Complex	Messrs Skills Associate Ltd	N248.5m	May-09	Dec-11	Nil	Nil	N5.9m	N5.9m	N5.9m	N182.9m	Block work and Roof completed	76%	24
2	Completion of main Theatre	Messrs Tonniman Integrated Nig. Ltd	N44.8m	Jul-08	Dec-11	Nil	Nil	N8.6m	N8.6m	N8.6m	N20.6m	Completed and handed over	100%	25
3	Completion of Construction of Mortuary Block	Messrs Conzac Nig. Ltd	N29.6m	Mar-10	Mar-11	Nil	Nil	N10.4m	N7.5m	N7.5m	N10.4m	Project had reached Roof level	43%	26
<b>FEDERAL MEDICAL CENTRE, ASABA, DELTA STATE.</b>														
1	Completion of two storey GOPD complex	Home work Design Nig. Ltd	N205m	13 Sept. 2009	Jul-11	Nil	Nil	N47m	N22.1m	N22.1m	N133.2m	20%	60%	Nil
2	Completion of two storey complex for renal Dialysis and ICU	D. O Nwachukwu Nig. Ltd	N174.2m	14 Oct, 2011.	Dec-11	Nil	Nil	N40.1m	Nil	Nil	Nil	Project yet to commence	0%	Nil
3	Equipping of New Theater Block	El-Hannah Nig. Ltd	N25.7m	25 Aug. 2011	Dec-11	Nil	Nil	N22m	N17.9m	N17.9m	N17.9m	30%	60%	Nil
<b>FEDERAL MEDICAL CENTRE, YENEGOA, BAYELSA STATE</b>														
1	Construction of Paerking lots & Walk ways	Messrs Shabels Ltd	N40.2m	1-Dec-10	1-Mar-12	Nil	Nil	N4.3m	N4.3m	N4.3m	N4.3m	5%	10%	Nil
2	Construction of Concrete Internal Roads	Messrs Allison Yawata Ent.	N26.5m	Dec-10	Mar-12	Nil	Nil	N5.3m	N5.3m	N5.3m	N1.4m	500%	5%	Nil
3	Upgrade of two storey O&G block	Hanno west resources	N65.9m	Jun-11	31. march 2012	Nil	Nil	N46.3m	N15.2m	N15.2m	N46.3m	5%	85%	Nil
<b>AGRICULTURE SECTOR</b>														
S/N	Project Title / Description	Contractor & Contract No.	Project / Contract Cost	Commencement Date	Planned Completion Date	Revision to Completion Date	Cost Variation	Appropriation for 2010	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 % performance to date	Photo Reference
<b>NATIONAL CEREALS RESEARCH INSTITUTE, BADDEGI</b>														
1	Breeder/Foundati on seed Production	NCRI Scientists	N10.3m	Jan-11	Dec 2011 (Yearly)	Nil	NIL	N10.3m	N8.3m	N8.3m	N8.3m	Cultivation done and awaiting harvest	75%	27
2	Maintenance of Equipment in the Institute's laboratory	Internal	N3.8m	Sep-11	Dec-11	Nil	Nil	N3.8m	N2.7m	N2.7m	N2.8m	Maintenance In - progress	20%	Nil
3	Purchase of Power Plant for Moukwa Outstation	Messrs Jedida International	N3.8m	Sep-11	Dec-11	Nil	Nil	N3.8m	N3m	N3m	N3m	Letter of award issued & awaiting delivery	15%	Nil

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<b>Lake Chad Research Institute, Maiduguri</b>														
1	Procurement of Library Books and Journals	LCRI, UNIMAID and NARIs	N27.9m	2008	09/12/2012	Nil	-	N7m	N6.7m	N6.7m	N20.1m	8%	93%	Nil
2	Fencing of Farm Centre, Experimental Farm	Pan-Anet International Nigeria Limited	N37m	2008	31/12/2012	Nil	NIL	N8.7m	N8.7m	N8.7m	N14.6m	12%	95%	Nil
3	Renovation of Research Block E	Solid Gold Investment Limited	N17.7m	2008	31/12/2012	Nil	NIL	N7m	N7m	N7m	N11.5m	10%	95%	Nil
4	Completion of Internal Road Network to Variuos Project Sites	Hammedian & Co. Nigeria Limited	N217.5m	2008	31/12/2012	Nil	NIL	N21.5m	N21.5m	N21.5m	N104m	7%	42%	Nil
5	Rehabilitation of Staff Quarters	Eco Vent Nigeria Limited	N155m	2008	31/12/2012	Nil	NIL	N30m	N30m	N30m	N85m	15%	57%	Nil
<b>Federal College of Freshwater Fisheries Technology, Baga</b>														
1	Hatchery Complex Development	Likpata Ventures	N12m	Jan-11	31/12/2011	Nil	Nil	N11.52 million	Nil	Nil	N1.7m	10%	15%	Nil
2	Construction of Provost's Official Residence	Sab Agero Allied Company	N23m	Jan-11	31/12/2012	Nil	Nil	N13.13 million	N13.13 million	N1.97 m	N13.1m	6%	15%	Nil
3	Construction of Lecture Theater	Rofako International Limited	N32m	Jan-10	31/12/2012	Nil	Nil	N14.25 million	Nil	Nil	N24m	20%	70%	Nil
4	Development of Solar Energy Phase I & II	Lukadol Associates & Nanami Global Nigeria Limited	N41.9m	Jan-10	31/12/2013	Nil	Nil	N14.25 million	Nil	Nil	N28.3m	10%	72%	Nil
<b>Federal College of Horticulture, Dadin-Kowa, Gombe State</b>														
1	Construction of laboratory Complex with Facilities Phase I & II/Furnishing and Equipping	Jewel Design Nigeria Limited and Echas Scientific Limited	N155m	1-Sep-10	31/12/2012	Nil	Nil	N93.2m	N37.3m	N43.4m	N69.5m	35%	72%	Nil
2	Renovation and Extension of Admin Block , Phase I & II	Tamusa Nigeria Limited	N25m	1-Jan-11	31/12/2011	Nil	Nil	N25m	N13.1m	Nil	N15.5m	-	65%	Nil
3	Provision of Solar Powered Street Light	haldson Nigeria Limited	N40m	1-Jan-11	31/12/2011	Nil	Nil	N40m	N20.6m	Nil	N20.6m	75%	75%	Nil
4	Landscaping of College Premises	Umarawa Multi Services Limited	N176.5m	1-Jan-11	31/12/2011	Nil	Nil	N50m	Nil	Nil	N46.6m	25%	25%	Nil
5	Accreditation of College Programmes	Fed. College of Horticulture Dadin-Kowa	N40m	1-Jan-11	31/12/2012	Nil	Nil	N20m	N4.5m	Nil	N4.5m	5%	25%	Nil

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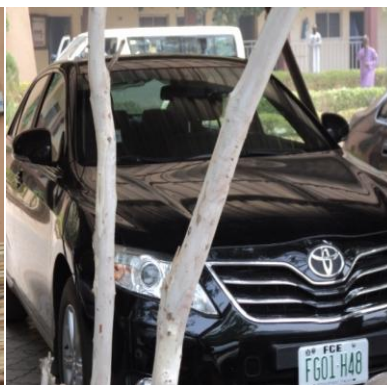
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<b>NATIONAL ROOT CROPS RESEARCH INSTITUTE, UMUDIKE</b>														
1	Rehabilitation of office building, Internal roads, Farm Roads, Library building & Water Reticulation	Pumeco Nig Ltd, Enap Builders, Orjico Business Machine & Winwingo Nig Ltd	N58.9m	Jun-09	Dec-15	Nil	Nil	N27.1m	N5.6m	N5.6m	N21.3m	Completed purchase process	45%	28
2	Research into Development of new Casava varieties for the development of export products	Executive Director NRCRI, Umudike	N43.7m	Mar-09	2014	Nil	Nil	N8.7m	1.8m	N1.2m	N36.8m	5%	50%	Nil
3	Procurement of 2 No. Tractors & Implements (Plough, Harrow, Disc Redger, Jungle Swipe & Fine Swipe	Chidex Int'l Nig. Ltd & Brasfield Resources Ltd Abuja	N36.7m	Jun-09	Nov-14	Nil	Nil	N10.5m	N2.2m	N9.9m	N26.1m	Completed the process for supply	50%	29.00
<b>FEDERAL COLLEGE OF LAND RESOURCES TECHNOLOGY OWERRI</b>														
1	Construction of College Auditorium (phase 1)	Mac-Godwin & Co.(Nig),	N51.2m	2008	2013	Nil	Nil	N54.7m	N7.7m	N7.7m	N6m	15%	12%	Nil
2	Procurement of 3 No. Sound Proof Generator set	Abertina Nig Ltd	N12m	2011	2013	Nil	Nil	N9.2m	N2.7m	N2.7m	N9.9m	20%	23%	30
3	Procurement of Library Equipments	Couraw Nig. Ltd	N10m	2011	2013	Nil	Nil	N6.3m	N3.8m	N3.8m	N3.8m	33%	38%	31
<b>RUBBER RESEARCH INSTITUTE OF NIGERIA, BENIN</b>														
1	Construction / Rehabilitation of RRIN Access and Farm Road	Paulosa Nig. Ltd	N550m	Jan-08	Jan-15	Nil	Nil	N52.5m	N12.m	N12.9m	N113.4m	Covered 7Km of clearing and sub-base works, etc	20%	Nil
2	Research and Development of Rubber Based Product	RRIN Nig Ltd.	N564.9m	Jan-08	Dec-11	Nil	Nil	N5.6m	N1.3m	N1.3m	N84m	2%	27%	Nil
<b>FEDERAL MINISTRY OF ENVIRONMENT</b>														
1	Completion of Agaei Erosion Control	Messrs Olu Top Ventures Ltd	N36m (Phase I)	Jan-11	Mar-11	Nil	NIL	N44.3m	N17.4m	N17.4m	N17.4m	First phase completed	100% completed	32

ANNEXURE 3: MISCELLANEOUS PROJECTS' PHOTOS

REFERENCED PICTURES OF MISCELLANEOUS PROJECTS



Picture 1



Picture 2



Picture 3



Picture 4



Picture 5



Picture 6



Picture 7



Picture 8



Picture 9



Picture 10



Picture 11



Picture 12



Picture 13



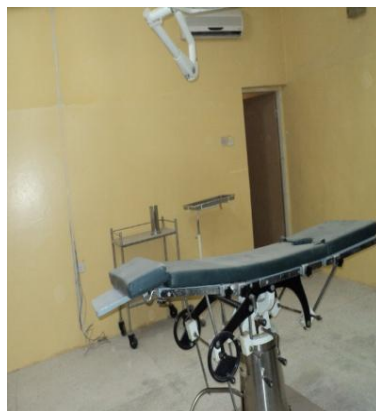
Picture 14



Picture 15



Picture 16



Picture 17



Picture 18



Picture 19



Picture 20



Picture 21 (a)



Picture 21 (b)



Picture 22



Picture 23



Picture 24



Picture 25



Picture 26



Picture 27



Picture 28



Picture 29



Picture 30



Picture 31



Picture 32

*NOTES*

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