



2018 THIRD QUARTER BUDGET IMPLEMENTATION REPORT



BUDGET OFFICE OF THE FEDERATION
Ministry of Budget and National Planning

FOREWORD

It gives me great pleasure to present to you this Third Quarter Budget Implementation Report (BIR) for 2018, which gives detailed information on the distribution of public resources among contending socio-economic needs in the period. The Report serve as mechanisms through which the Ministries, Departments and Agencies (MDAs) of Government are held accountable for the revenue and expenditure that were put in their control, and the realization of objectives of government as contained in the Economic Recovery and Growth Plan (ERGP). The 2018 Budget was titled “Budget of Consolidation” and continued to align with the Economic Recovery and Growth Plan (ERGP) designed to ensure the restoration of the Nigerian economy to the path of robust and sustainable growth.

The publication of this report is mandated by Section 30 and 50 of the Fiscal Responsibility Act, 2007 which requires the Budget Office of the Federation to prepare and submit Quarterly Budget Implementation Reports to the Joint Finance Committee of the National Assembly (NASS) and the Fiscal Responsibility Commission (FRC). These reports are also circulated to all other stakeholders and the general public through electronic and other media. The 2018 First and Second Quarters BIRs were duly published earlier in 2018, and partly informed the proposal for the 2019 budget.

This Third Quarter Budget Implementation Report is the product of meticulous planning, monitoring, evaluation and analytical work conducted by the Budget Office of the Federation in collaboration with National Monitoring and Evaluation Department of the Ministry of Budget and National Planning as well as the MDAs. I commend the team for their hard work and also wish to recognize the active roles of the National Assembly’s Joint Finance Committee and the Fiscal Responsibility Commission in adhering to best practices in public financial management through their collaborative efforts.

Lastly, I recommend all readers of this Report to carry on with the exhibition of active interest in government’s ability to live up to its promises. This will serve as the necessary impetus for the efficient and effective management of government finances.

Sen. Udoma Udo Udoma, CON

Honourable Minister of Budget and National Planning

PREFACE

Pursuant to Section 30 of the Fiscal Responsibility Act, 2007, the Budget Office of the Federation (BOF) produces Budget Implementation Reports on a quarterly basis. This third quarter Budget Implementation Report (BIR) is one of many in-year reports prepared by the BOF on the assessment of the 2018 budget implementation. They are also part of the efforts of the Ministry of Budget and National Planning (MBNP) to fulfil the FRA 2007 and more significantly to uphold budget transparency and accountability as a key component of Nigeria's commitment to the Open Government Partnership (OGP).

Government is placing greater emphasis on budget monitoring and evaluation for enhanced performance. Budget implementation in Nigeria is however, still undergoing transformational changes in its preparation, execution, monitoring and evaluation. Critical performance enhancing initiatives have continued to be applied, leading to the budget progressively being a critical instrument for the delivery of government objectives. In view of this, despite the socio-economic challenges that continued to face the Nigerian economy, government had continued to maintain a robust share of the capital budget relative to the total budget. The careful crafting and cautious implementation of these budgets were key to Nigeria's exit from economic recession and the sustained positive GDP growth witnessed in recent period.

The execution of the 2018 Budget in the third quarter of the year was very challenging mainly due to the extension of the 2017 capital budget to 12th June, 2018 effectively halting execution of the 2018 capital budget in the first half of the fiscal year. The execution of the 2018 budget was also adversely impacted by the late passage of the Budget as well as the shortfall in expected oil and non-oil revenue receipts. However, the Government had released the first trench of the capital development fund to the MDAs and continued to meet its non-discretionary expenditures.

This Report is an outcome of the joint efforts of financial and statistical agencies of government which provided necessary macro-economic data, and the combined efforts of various departments of the BOF, particularly the Budget Monitoring and Evaluation Department. I applaud their efforts as they continue to perform this vital function.

Ben Akabueze

Director General (Budget Office of the Federation)

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A/C: Account

AIE: Authority to Incur Expenditure

AF: Alternative Funding

AEs: Advanced Economies

B: Billion

BDC: Bureau De-Change

BOF: Budget Office of the Federation

BREXIT: Britain Exist

CBN: Central Bank of Nigeria

CIT: Company Income Tax

DMO: Debt Management Office

ECA: Excess Crude Account

EMDEs: Emerging Markets and Developing Economies

EMEs: Emerging Markets Economies

FAAC: Federation Account Allocation Committee

FGN: Federal Government of Nigeria

FMF: Federal Ministry of Finance

GDP: Gross Domestic Product

IMF: International Monetary Fund

INEC: Independent National Electoral Commission

JVC: Joint Venture

LNG: Liquefied Natural Gas

M2: Money Supply

MB&NP: Ministry of Budget and National Planning

MBPD: Million Barrels Per Day

MDAs: Ministries, Departments and Agencies

MPR: Monetary Policy Rate

MTFF: Medium Term Fiscal Framework

N: Naira

NBS: National Bureau of Statistics

NDDC: Niger Delta Development Commission

NHRC: National Human Rights Commission

NJC: National Judiciary Commission

NNPC: Nigerian National Petroleum Corporation

NTB: Nigerian Treasury Bills

OAGF: Office of the Account General of the Federation

ONSA: Office of National Security Adviser

OPEC: Organization of Petroleum Exporting Countries

OTC-FMDQ-OTC: Over the Counter Financial Market Dealer Quotation

PCC: Public Complaint Commission

PPT: Petroleum Profit Tax

PSC: Production Sharing Contracts

SC: Service Contracts

SWF: Sovereign Wealth Fund

TSA: Treasury Single Account

UBEC: Universal Basic Education Commission

US: United States

VAT: Value Added Tax

WEO: World Economic Outlook

ZBB: Zero Base Budgeting

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EXECUTIVE SUMMARY

The main objective of the 2018 Budget was to reinforce and build on the recent accomplishments of the Federal Government. Specifically, it was proposed to sustain the reflationary policies of the past two year budgets. The 2018 Budget was titled “Budget of Consolidation”. The key parameters and assumptions for the budget are set out in the 2018-2020 Medium Term Expenditure Framework (MTEF) and Fiscal Strategy Paper (FSP) with its main thrust derived from the goals of the present Administration as articulated in the Economic Recovery and Growth Plan (ERGP) 2018-2020.

Nigeria’s Gross Domestic Product (GDP) grew by 1.81 percent (year-on-year) in real terms in the third quarter of 2018. This was 0.64 percent points higher when compared to the third quarter of 2017 where a growth of 1.17 percent was reported. It was also 0.31 percentage points higher than 1.50 percent recorded in the second quarter of 2018. On a quarter on quarter basis, real GDP growth was 9.05 percent to ₦18.08 trillion in the third quarter of 2018.

Inflation outlook suggested a mild resurgence of inflationary pressure in the economy, traceable largely to cost-push factors, election related spending, amongst other domestic factors. Headline Inflation (year-on-year) trended downwards from 11.23 percent in June to 11.14 percent in July 2018 before inching upward to 11.23 percent and 11.28 percent in August and September 2018 respectively. Similarly, Food Inflation (year-on-year) fell from 12.98 percent in June to 12.85 percent in July 2018 before rising to 13.16 percent and 13.31 percent in August and September 2018 respectively. On the other hand, Core Inflation (year-on-year) declined from 10.39 percent in June to 10.18 percent, 10.02 percent and 9.84 percent in July, August and September 2018 respectively.

Monetary aggregates grew in the third quarter of 2018 relative to the second quarter of 2018. Broad Money Supply (M2) grew by ₦463.07 billion (or 1.87 percent) from ₦24,814.0 billion in June 2018 to ₦25,277.07 billion in September 2018. The increase in M2 was mainly driven by increase in Net Foreign Assets (NFA) in September 2018. Net Domestic Credit grew by ₦884.95 billion (or 3.53 percent) from ₦25,086.87 billion in June 2018 to ₦25,971.82 billion in September 2018. This was driven by the increase in Net Credit to Government by ₦606.35 billion (or 21.62 percent) from ₦2,805.0 billion in June 2018 to

₦3,411.35 billion in September 2018. Credit to Private Sector also improved by ₦278.60 billion (or 1.25 percent) from ₦22,281.87 billion in June 2018 to ₦22,560.47 billion in September 2018.

The Central Bank of Nigeria (CBN) maintained a Monetary Policy Rate (MPR) of 14 percent in the review period, thus making the rate constant since the second half of 2016. Other key monetary policy instruments were equally retained during the review period as the Cash Reserve Ratio (CRR) and the Liquidity Ratio continued at 22.5 percent and 30 percent respectively. The average interbank call rate however fell from 5.0 percent in June to 2.86 percent and 2.45 percent in July and August respectively before rising to 4.57 percent in September 2018. The average prime lending rate on the other hand, inched upward from 16.78 percent in June to 16.83 percent in July before falling to 16.65 percent and 16.59 percent in August and September 2018 respectively. The average maximum lending rate dropped persistently from 31.17 percent in June to 31.09 percent, 30.93 percent and 30.77 percent in July, August and September 2018 respectively.

The average Naira exchange rate remained moderately stable and converging at both the Bureau-de-Change (BDC) and the 'Investors and Exporters' (I&E) window segments of the foreign exchange market during the review period. Specifically, the Naira/Dollar exchange rate at the Official/Inter-Bank markets opened at a monthly average of ₦305.87/US\$ in June and appreciated slightly to ₦305.81/US\$ in July before depreciating marginally to ₦306.06/US\$ and ₦306.27/US\$ in August and September 2018 respectively. On the other hand, the monthly average exchange rate of the Naira/Dollar at the Bureau De-Change (BDC) depreciated slightly from ₦360.66/US\$ in June to ₦359.25/US\$ in September 2018. The relative stability in the foreign exchange market was attributable to the sustained policies of the CBN to increase the supply of foreign exchange from independent sources.

The Federal Government domestic debt stock stood at ₦12,286.81 billion as at end of September 2018, representing an increase of ₦135.37 billion (or 1.11 percent) above the ₦12,151.44 billion recorded in the second quarter of 2018. Nigeria's external debt stock stood at US\$21,591.68 million in the period indicating a decrease of US\$491.76 million (or 2.23 percent) below US\$22,083.44 million recorded in the second quarter of 2018 but US\$6,239.55

million (or 40.64 percent) above US\$15,352.13 million reported in the third quarter of 2017. The total public debt stock as at 30th September, 2018 translates to Debt/GDP ratio of 18.12 percent, which was below the country specific threshold of 25 percent and international threshold of 56 percent.

The implementation of the budget in the three quarter of the year 2018 was affected by the poor revenue outturn as oil production and exports remained below the Budget estimates while the performance of the economy, though improving, continued to impact negatively on non-oil revenue. The price of crude oil at the international market averaged US\$75.28 per barrel in the third quarter of 2018, indicating an increase of US\$0.93 per barrel (or 1.25 percent) and US\$23.19 per barrel (or 44.52 percent) above US\$74.35 per barrel and US\$52.09 per barrel reported in the second quarter of 2018 and third quarter of 2017 respectively. This could be attributed to the increase in its demand at the world market and the agreement reached by OPEC and other oil producing countries to cut down on production and supply.

Revenue shortages hence continued with Gross Oil Revenue of ₦4,080.31 billion in the three quarters of the year of 2018. This reflect a decline of ₦1,633.23 billion (or 28.59 percent) below the prorated budget estimate for the period and ₦1,222.0 billion (or 42.75 percent) above the ₦2,858.31 billion realized in corresponding period in 2017. Gross non-oil revenue of ₦2,405.60 billion received in the first three quarters of 2018 also portrayed a shortfall of ₦918.27 billion (or 27.63 percent) below the prorated estimate of ₦3,323.87 billion. The net distributable revenue to the three tiers of government after cost deductions therefore stood at ₦5,242.78 billion in the first three quarters of 2018, representing a shortfall of ₦2,596.84 billion (or 33.12 percent).

A total of ₦2,578.39 billion, excluding other funding sources, was received to fund the budget in the first three quarters of 2018. This comprises ₦1,433.85 billion (or 55.61 percent) oil revenue and ₦1,144.54 billion (or 44.39 percent) non-oil revenue. The aggregate revenue receipt for the period was ₦2,796.02 billion (or 52.02 percent) lower than the prorated budget for 2018 but ₦963.19 billion (or 59.63 percent) higher than the ₦1,615.20 billion reported in the first three quarters of 2017. Total inflow to fund the FGN 2018 budget in the first

three quarters of the year stood at ₦2,814.30 billion indicating a shortfall of ₦2,560.10 billion (or 47.64 percent) below the prorated budget estimate.

Actual expenditure in the first three quarters of 2018 stood at ₦5,329.11 billion, indicating a decrease of ₦1,511.15 billion (or 22.09 percent) below the prorated budget estimate. It was however ₦1,183.58 billion (or 28.55 percent) higher than the actual expenditure of ₦4,145.53 billion recorded in the corresponding period of 2017. A total of ₦2,242.08 billion was spent as non-debt recurrent expenditure in the period implying a decline of ₦395.28 billion (or 14.99 percent) from the prorated budget estimate of ₦2,637.36 billion. It was however above the non-debt recurrent expenditure of ₦1,939.17 billion reported in the first three quarters of 2017 by ₦302.91 billion (or 15.62 percent). Statutory Transfer was also allocated a total sum of ₦342.34 billion while ₦930.45 billion was released for capital projects in the review period.

Total Debt Services in the first three quarters of 2018 stood at ₦1,814.24 billion indicating an increase of ₦161.36 billion (or 9.76 percent) above the ₦1,652.88 billion projected for the period. The sum of ₦1,574.58 billion was used for domestic debt service while ₦195.36 billion was spent for external debt service during the period under review. The amount used for domestic debt service indicates an increase of ₦254.76 billion (or 19.30 percent) above the budget estimate for the period.

The revenue and expenditure outturn of the Federal Government resulted in a fiscal deficit of ₦2,514.80 billion in the first three quarters of 2018. This was ₦1,048.95 billion (or 71.56 percent) above the projected deficit of ₦1,465.85 billion for the period. It was also above the fiscal deficit of ₦1,103.82 billion recorded in the same period of 2017. The deficit was financed through foreign borrowing of ₦303.58 billion and domestic borrowing of ₦605.00 billion, thereby reflecting a negative net financing of ₦1,606.21 billion in the period under review.

The outlook for key macroeconomic indicators points to positive economic growth in the last quarter of 2018. The expectation is premised on the anticipated increase in the level of external reserves, the continued implementation of the 2018 budget, relative stability in the foreign exchange

market and high level of activities, mainly at the Investors and Exporters (I&E) window of the foreign exchange market, as well as increase in crude oil production and prices. The GDP growth however remained largely fragile and could benefit from further macroeconomic and socio-political adjustments.

1.0 INTRODUCTION

World growth remained robust in 2018 to 3.7 percent, though, a nudge of 0.2 percentage points from 2.9 percent earlier forecast for 2018 and 2019. It was sustained by the momentum maintained in many Advanced Economies particularly in the United States of America (USA) where fiscal stimuli continued to be maintained. Strong growths were also recorded in many the Emerging Markets and developing Economies (EMDEs). Growth has also become uneven in both the Advanced Economies as well as in the EMDA. Downside risks to growth has equally become larger while the prospects of growth surprises have waned.

The main objective of the 2018 Budget was to strengthen and build on the recent accomplishments of the Federal Government. Specifically, it was intended to sustain the reflationary policies of the past two year budgets. The 2018 Budget was titled “Budget of Consolidation”. The key parameters and assumptions for the budget are as set out in the 2018-2020 Medium Term Expenditure Framework (MTEF) and Fiscal Strategy Paper (FSP) with its key thrust derived from the goals of the present Administration as articulated in the Economic Recovery and Growth Plan (ERGP) 2018-2020.

In line with the 2018-2020 fiscal strategy of the Federal Government, the 2018 Budget focuses on broadening revenue receipts by broadening tax base, as well as identifying and plugging revenue leakages. Government would also focus on improving the efficiency and quality of capital spending, placing greater emphasis on delivering of critical infrastructure, rationalization of recurrent expenditure, and gradual fiscal consolidation to maintain the fiscal deficit within 3 percent of GDP as prescribed by the FRA, 2007.

To consolidate on the momentum of the 2017 Budget’s implementation, many ongoing capital projects were rolled over and provided for in the 2018 Budget. This was in line with government’s commitment to appropriately fund ongoing capital projects to completion. By allocating 30.8 percent of the 2018 Budget to capital expenditure, the Federal Government had also remained faithful to its strong commitment to investing in critical infrastructure capable of stimulating growth and creating jobs in the Nigerian economy. Key capital spending allocations in the 2018 Budget included: Power, Works and Housing; Transportation; Special Intervention Programmes; Defence;

Agriculture and Rural Development; Water Resources; Industry, Trade and Investment; Interior; Education; Health etc.

In addition, the 2018 Budget was also anticipated to continue with the implementation of strategic projects by making adequate provisions for their counterpart funding obligations. It will focus on completing all ongoing projects and carrying forward all strategic projects that were previously budgeted for but which were unable to kick start due to liquidity challenges, late passage of the budget, prolonged contractual negotiations, and other matters. Specifically, attention is expected to be given to the following key projects and programmes: Mambilla Hydro Power Project; Earmarked Transmission Lines and Substations; National Housing Programme; the 2nd Niger Bridge; and Construction and Rehabilitation of the Strategic Roads, among others.

The 2018 Budget, as in previous budgets, also provided for Human Capital Development and Social Intervention Programme. This is an indication of the Federal Government's commitment to pursuing a gender-sensitive, pro-poor programme that caters for the most vulnerable as well as to achieving inclusive growth. The implementation of the Conditional Cash Transfer (CCT) programme, as well as the National Home-Grown School Feeding programme will continue in 2018. These initiatives are already creating jobs and economic opportunity for local farmers and cooks, providing funding to artisans, traders and youths, as well as supporting small businesses with business education and mentoring.

This Report provides comprehensive information on the 2018 Third Quarter Budget Implementation. The other parts of the Report are arranged as follows: Following this, introductory section, Section 2 reviews the macroeconomic performance, highlighting performance of the real, monetary and external sectors. Section 3 presents an analysis of government's revenue receipts and expenditure in the period under review, while Section 4 is a brief conclusion of the Report.

2.0 MACROECONOMIC DEVELOPMENTS AND ANALYSIS

2.1 PERFORMANCE OF THE GLOBAL ECONOMY

The expectation of a growth surge in the near-term waned in the review period as forecast for 2018 was moderated in the third quarter of year. The developments were mainly a reflection of mounting trade tensions resulting in widespread uncertainty and declining investor confidence. Accordingly, global growth forecast in 2018 was reduced to 3.7 percent from the earlier projection of 3.9 percent. Growth moderated in major advanced economies in the third quarter of 2018. Growth in the Emerging Markets and Developing Economies (EMDEs) however remained divergent, reflecting a mixture of country-specific factors.

Economic growth in the advanced economies is expected to remain at 2.4 percent in 2018, supported by robust output growth in the US which was projected at 2.9 percent. The U.S. expansionary fiscal stand, strong wage growth and continued inflow of capital into U.S. dollar denominated assets, are likely to provide the impetus for growth. In the United Kingdom, growth remained fragile, hindered by uncertainties around Brexit negotiations. Growth in the Euro Area, projected at 2.0 percent, appears to be subdued by low domestic aggregate demand amidst fairly high unemployment and reduced global trade. In the Emerging Markets and Developing Economies, growth was reviewed downwards to 4.7 percent from the earlier projection of 4.9 percent, mostly in anticipation of a slowdown in China as the country is challenged with an adverse external trade environment.

Overall, the downside risks to global economic activity lingered on: high financial instabilities and policy uncertainties, the gradual erosion of rule based multilateral trading arrangement, tighter financial environments with hidden disorderly portfolio alterations, enlarged capital flow setbacks with possibilities for heightened exchange rate depreciation and some instability, fiscal uncertainties and increased debt burden, geo-political tensions and increasingly depressed aggregate demand in some countries. These factors will continue to shape developments for the rest of 2018 and into 2019.

Monetary policy in most advanced economies, particularly the US, continued on a path of stabilization in view of strong wage growth and decreasing unemployment. The Bank of England hiked its policy rate in August 2018, while the European Central Bank (ECB) has given directive to terminate its

asset purchase programme in December 2018. There were concerns that these developments will in the medium term, heighten capital flow problems from emerging and developing economies, including Nigeria.

2.2 DOMESTIC MACROECONOMIC PERFORMANCE

The Nigerian economy continued to record positive output growth during quarters one to three of 2018. This is attributable to the stability in the foreign exchange market, implementation of the 2017 capital budget up to the first half of 2018 and the on-going intervention of the Central Bank of Nigeria (CBN) in the real sector of the economy. However, the recent incidence of flooding across the country and the impact of herdsmen attack on farming communities could affect output growth in the last quarter of the year. Though output recovery remains fragile, the effective implementation of the 2018 capital budget, relative increase in power supply, improvement in counter-insurgency in the North-East and continued intervention by the CBN in the real sector, will expand the investment environment and reduce unemployment.

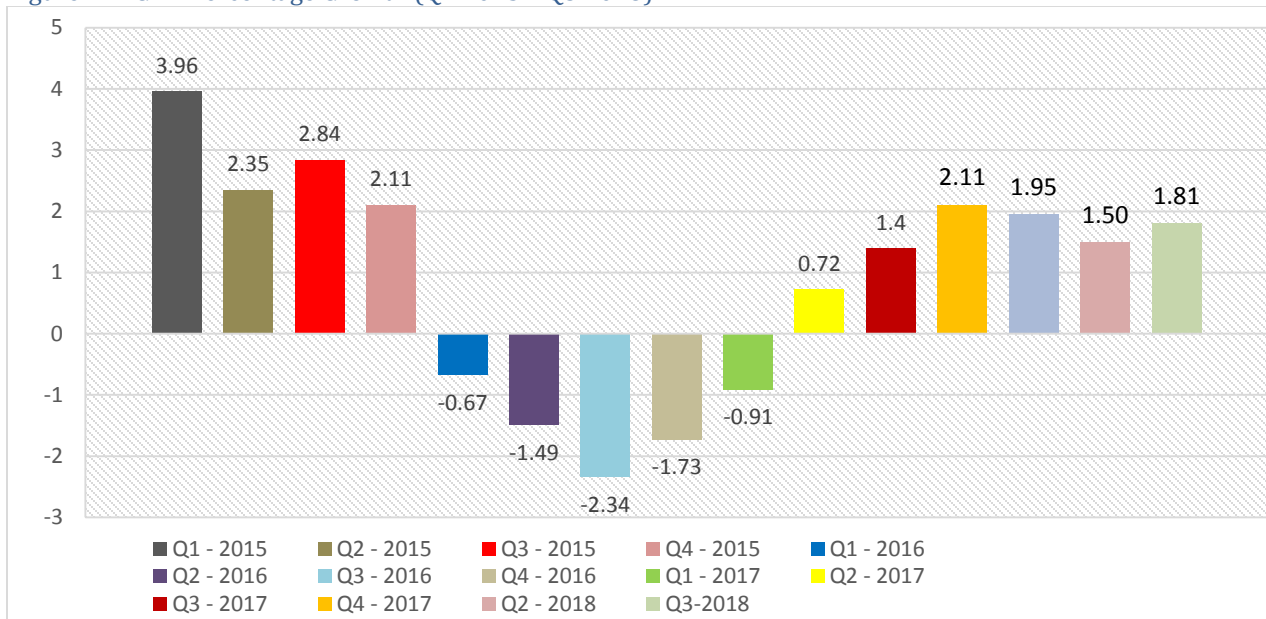
2.2.1 Developments in Real Sector

2.2.1.1 GDP Growth:

Nigeria's Gross Domestic Product (GDP) grew by 1.81 percent (year-on-year) in real terms, in the third quarter of 2018. This indicates a growth of 1.17 percent or 0.64 percentage points increase relative to the third quarter of 2017 figure. It also represents 0.31 percentage points improvement from the second quarter growth of 1.50 percent. Quarter on quarter, real GDP growth was 9.05 percent.

Aggregate GDP therefore stood at N33.37 trillion in nominal terms in the quarter under review. This performance was higher when compared to the third quarter of 2017 which recorded an aggregate GDP of N29.38 trillion, indicating a year on year nominal growth rate of 13.58 percent. The growth rate was also higher relative to growth recorded in the third quarter of 2017 and the previous quarter by 2.88 percentage points and 0.01 percentage points respectively.

Figure 2.1: GDP Percentage Growth (Q1 2015 – Q3 2018)

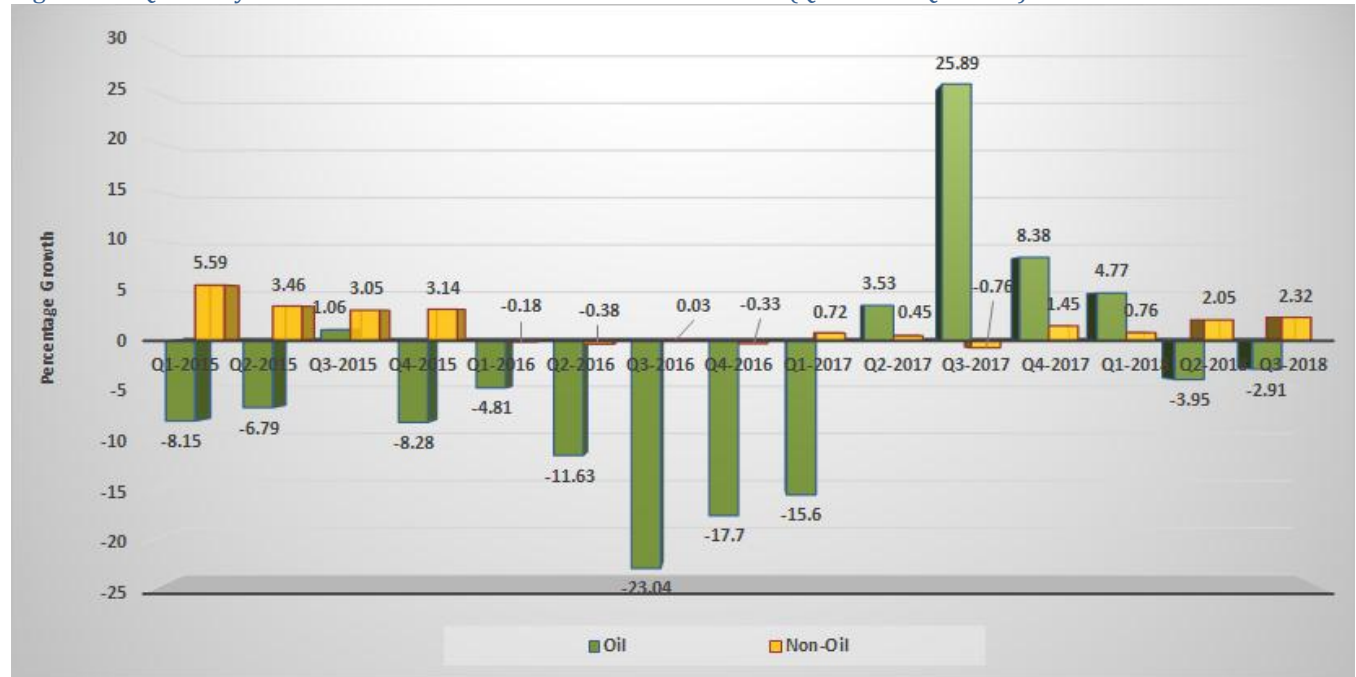


Source: National Bureau of Statistics, 2018

2.2.1.2 Oil Sector:

An average daily oil production of 1.94 million barrel per day (mbpd) was recorded in the third quarter of 2018. This figure was 0.08mbpd lower than the daily average production of 2.02mbpd reported in the same quarter of 2017. However, the performance in the third quarter of 2018 was 0.10mbpd higher than the average daily oil production volume of 1.84mbpd recorded in the second quarter of 2018. Real growth of the oil sector was therefore -2.91 percent (year-on-year) in third quarter of 2018 representing a decrease of -25.94 percentage points when compared to the rate stated in the corresponding quarter of 2017. Relative to the -3.95 percent growth in the second quarter of 2018, real growth of the oil sector increased by 1.04 percent in the third quarter of 2018. Quarter-on-Quarter, the oil sector recorded a growth rate of 19.64 percent in third quarter of 2018. The oil sector also contributed 9.38 percent to total real GDP in the third quarter of 2018, thereby signifying a slight decline from the 9.84 percent recorded in the corresponding period of 2017 and an increase when compared to 8.55 percent the preceding quarter of 2018.

Figure 2.2: Quarterly Oil and Non-Oil Real GDP Growth Rate Percent (Q1 2015 – Q3 2018)



Source: National Bureau of Statistics, 2018

2.2.1.3 Non-Oil Sector:

The non-oil sector grew by 2.32 percent in real terms in the quarter under review. This performance was 3.08 percent and 0.28 percent higher than the figures reported in the third quarter of 2017 and second quarter of 2018 respectively. The performance of the sector was driven mainly by Information & Communication. Other drivers were Agriculture, Manufacturing, Trade, Transportation & Storage and Professional, Scientific and Technical Services. In real terms, the non-oil sector contributed 90.62 percent to the nation’s GDP. This represent an increase over the 90.16 percent share of the sector in the third quarter of 2017 and a decline from its 91.45 percent share in the second quarter of 2018. The Agricultural Sector grew by 18.32 percent year-on-year in nominal terms, indicating a decrease of 5.82 percentage points from the figure reported in the same quarter of 2017. When compared with the 10.64 percent recorded in the second quarter of 2018, the agricultural sector increased by 7.68 percent., The Sector contributed 25.52 percent to nominal GDP in the third quarter of 2018. This was higher than the 24.50 percent and 18.78 percent contributions recorded in the third quarter of 2017 and second quarter of 2018 respectively. Crop Production remains the major driver of the sector accounting for 91.1 percent of the sector’s nominal GDP.

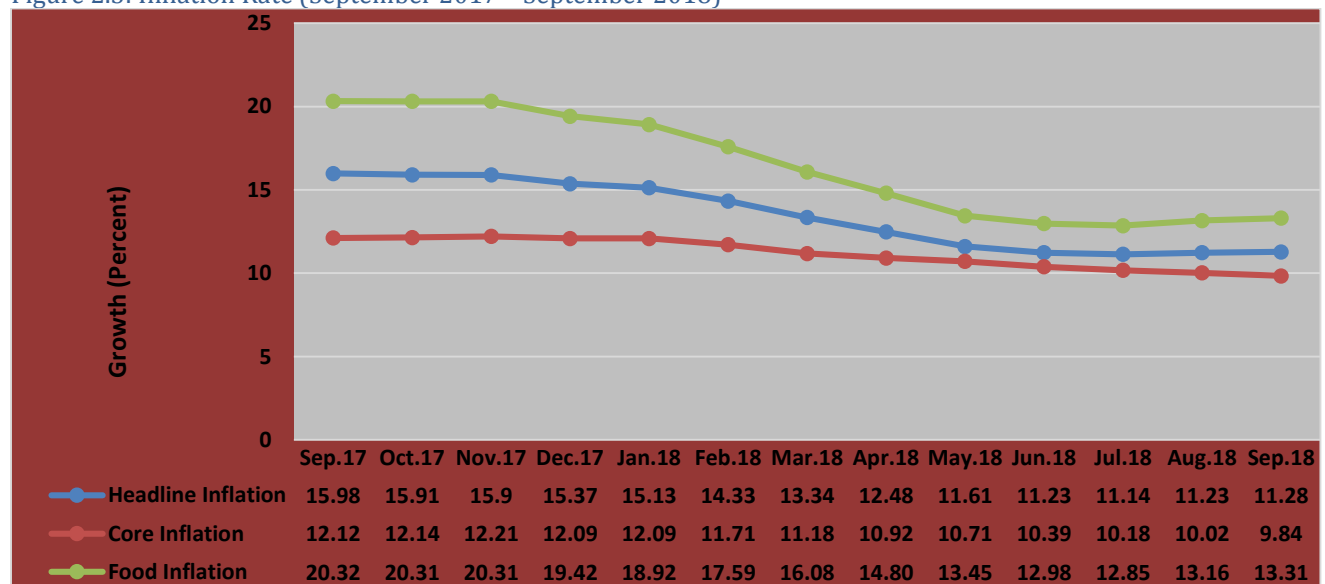
The agricultural sector in the third quarter of 2018 equally grew by 1.91

percent (year-on-year) in real terms, indicating a decrease of 1.16 percentage points from the corresponding period of 2017 and an increase of 0.72 percentage points above the preceding quarter. The sector's share to overall GDP in real terms stood at 29.25 percent increasing slightly from 29.22 percent and 22.86 percent recorded in the third quarter of 2017 and second quarter of 2018 respectively.

2.2.2 Developments in Prices

Inflation outlook suggested a mild resurgence of inflationary pressure in the economy, traceable largely to cost-push factors, election related spending, amongst other domestic factors. The moderating factors to the outlook would include; improved power supply, increased expenditure on capital projects and improved security conditions, all of which may exert downward pressure on consumer prices in the near-term. Headline Inflation (year-on-year) trended downwards for the eighteenth consecutive month from 11.23 percent in June to 11.14 percent in July 2018 before inching upward to 11.23 percent and 11.28 percent in August and September 2018 respectively. This was driven by the Food Inflation (year-on-year) which fell from 12.98 percent in June to 12.85 percent in July 2018 before rising to 13.16 percent and 13.31 percent in August and September 2018 respectively. Core Inflation (year-on-year) however declined consistently from 10.39 percent in June to 10.18 percent, 10.02 percent and 9.84 percent in July, August and September 2018 respectively.

Figure 2.3: Inflation Rate (September 2017 – September 2018)



Source: National Bureau of Statistics, 2018

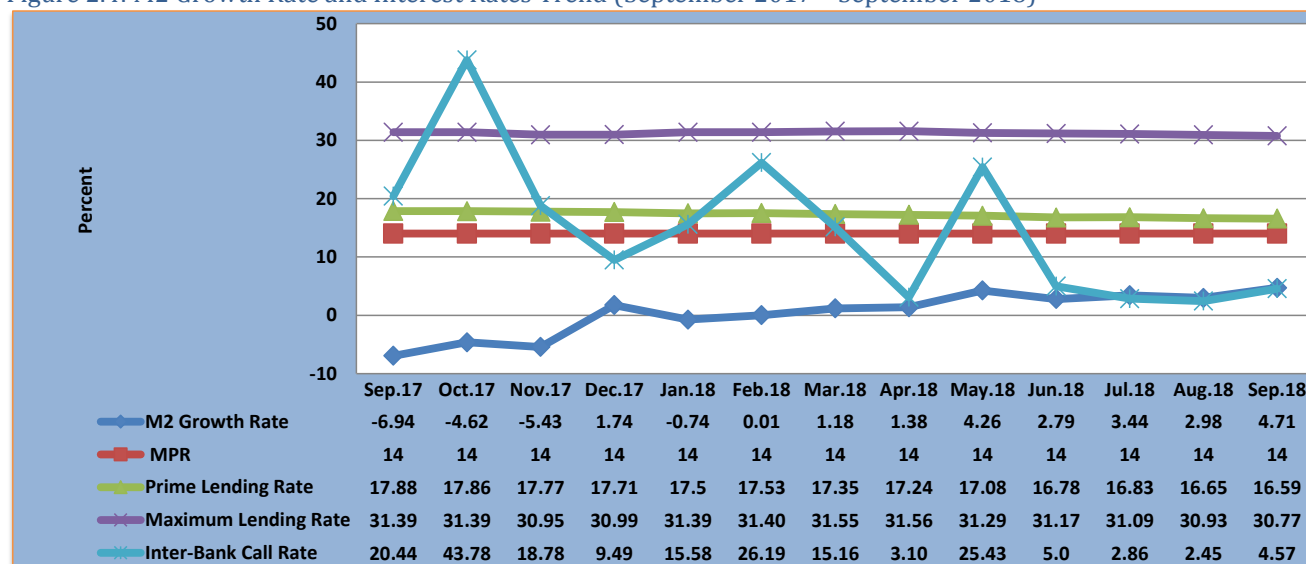
The rise in headline inflation was from food driven by supply side factors, while core inflation declined consistently during the quarter under review. The near-term upside risks to inflation remained the dissipation of the base effect, expected 2019 election-related spending, continued herdsmen attack on farmers and the current episodes of flooding which has destroyed crops and would affect food supply and prices. In view of this, fiscal authorities were being focused on ensuring sustained implementation of the 2018 capital budget to relieve the supply side growth constraints. There is also the need to address the flooding incidence which has become perennial, on a permanent basis.

2.2.3 Developments in Money Market

Monetary aggregates grew in the third quarter of 2018 relative to the second quarter of 2018. Broad Money Supply (M2) grew by ₦463.07 billion (or 1.87 percent) from ₦24,814.0 billion in June 2018 to ₦25,277.07 billion in September 2018. The increase in M2 was mainly driven by increase in Net Foreign Assets (NFA) in September 2018. The NFA expansion also replicated growth in foreign receipts arising from favourable crude oil prices. Net Domestic Credit, also increased during the period under review driven by expansion in Net Credit to Government and Credit to Private Sector. Net Domestic Credit grew by ₦884.95 billion (or 3.53 percent) from ₦25,086.87 billion in June 2018 to ₦25,971.82 billion in September 2018. This was driven largely by the increase in Net Credit to Government which expanded by ₦606.35 billion (or 21.62 percent) from ₦2,805.0 billion in June 2018 to ₦3,411.35 billion in September 2018. Credit to Private Sector also improved by ₦278.60 billion (or 1.25 percent) from ₦22,281.87 billion in June 2018 to ₦22,560.47 billion in September 2018. When compared to the level at the end of third quarter of 2017, broad money supply expanded by ₦3,323.08 billion (or 15.14 percent) in September 2018.

Relative to the second quarter of 2018, Narrow Money Supply (M1) decelerated in the third quarter of 2018. The M1 recorded a ₦19.62 billion (or 0.18 percent) decline from ₦10,701.11 billion in June 2018 to ₦10,681.49 billion at the end of the third quarter 2018. The drop in M1 is traceable to the decline in both the Demand Deposit and the Currency Outside Bank as at September 2018 from the June 2018 rates.

Figure 2.4: M2 Growth Rate and Interest Rates Trend (September 2017 – September 2018)



Source: Central Bank of Nigeria, 2018

The Central Bank of Nigeria (CBN) maintained a Monetary Policy Rate (MPR) of 14 percent in the review period, ensuring the rate remained the same since the second half of 2016. Other key monetary policy instruments were equally retained during the review period as the Cash Reserve Ratio (CRR) and the Liquidity Ratio were maintained at 22.5 percent and 30 percent respectively. The decision to hold all policy parameters constant was aimed at sustaining continuing expansions in output growth.

The average interbank call rate fell from 5.0 percent in June to 2.86 percent and 2.45 percent in July and August respectively before rising to 4.57 percent in September 2018. The average prime lending rate on the other hand, inched upward from 16.78 percent in June to 16.83 percent in July before falling to 16.65 percent and 16.59 percent in August and September 2018 respectively. The average maximum lending rate dropped persistently from 31.17 percent in June to 31.09 percent, 30.93 percent and 30.77 percent in July, August and September 2018 respectively (figure 2.4).

2.2.4 Developments in the External Sector

2.2.4.1 External Trade

Nigeria's external trade improved significantly in the third quarter of 2018.

Total trade expanded by ₦2,961.95 billion from ₦6,064.01 billion in third quarter of 2017 to ₦9,025.97 billion in the review period. This was driven the sharp rise in imports even as growth in exports remain robust. Import jumped by 67.71 percent (year-on-year) to ₦4,172.35 billion in the third quarter of 2018 from ₦2,487.84 billion in the same period of 2017. This was as a result of the importation of very expensive oil drilling facilities in the August 2018. It is therefore a deviation from the trend and exports are expected to return to a lower level in the next quarter.

Exports from Nigeria remained robust powered by continued improvement in domestic production and relative robust international oil prices. Specifically, exports expanded to ₦4,853.62 billion in the third quarter of 2018 from ₦3,576.17 billion in the same period in 2017. Exports expansion was driven by the oil related exports which accounts for 96.75 percent of the increase. Specifically, crude oil and non-oil exports grew by 39.53 percent and 17.00 percent respectively compared to the third quarter 2017 figures. The developments in exports and imports resulted in the shrinking of trade balance in the review period. Trade Balance stood at ₦407.07 billion in the third quarter of 2018 indicating a 37.40 percent contraction from ₦1,224.30 billion recorded in the corresponding period in 2017.

2.2.4.2 Balance of Payment

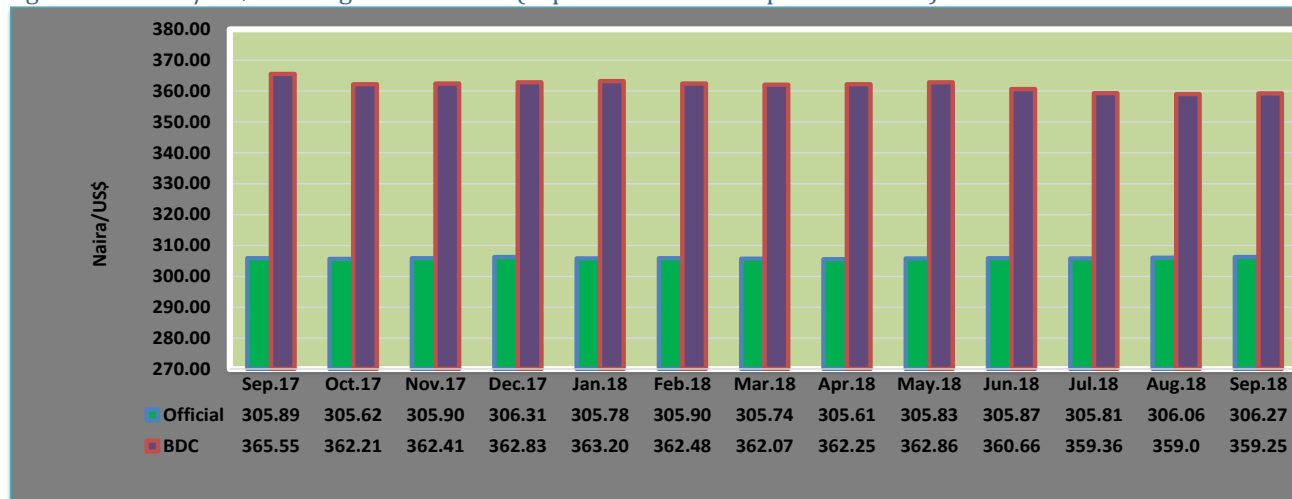
Preliminary data from the CBN indicates that Nigeria's Balance of payment Position deteriorated in the third quarter of 2018 with both Good and Services sectors worsening. Specifically, the Current Account Balance fell to US\$-3,105.09 million in the third quarter of 2018 from US\$4,452.74 million in the corresponding quarter in 2017. This was driven by the worsening of the Goods and Services sectors to US\$2,125.72 million and US\$-7,024.57 million in the Q3 of 2018 from US\$7,510.31 million and US\$-5,187.15 million in the preceding quarter respectively. The other components including net income and net transfers all worsened in the review period.

2.2.4.3 Exchange Rates

The average Naira exchange rate remained moderately stable and converging at both the Bureau-de-Change (BDC) and the 'Investors and Exporters' (I&E) window segments of the foreign exchange market during the review period. Specifically, the Naira/Dollar exchange rate at the Official/Inter-

Bank markets opened at a monthly average of ₦305.87/US\$ in June and appreciated slightly to ₦305.81/US\$ in July before depreciating marginally to ₦306.06/US\$ and ₦306.27/US\$ in August and September 2018 respectively. On the other hand, the monthly average exchange rate of the Naira/Dollar at the Bureau De-Change (BDC) depreciated slightly from ₦360.66/US\$ in June to ₦359.36/US\$, ₦359.0/US\$ and ₦359.25/US\$ in July, August and September 2018 respectively. The relative stability in the foreign exchange market was attributable to the sustained policies of the CBN to increase the supply of foreign exchange from independent sources.

Figure 2.5: Naira/US\$ Exchange Rates Trend (September 2017 – September 2018)

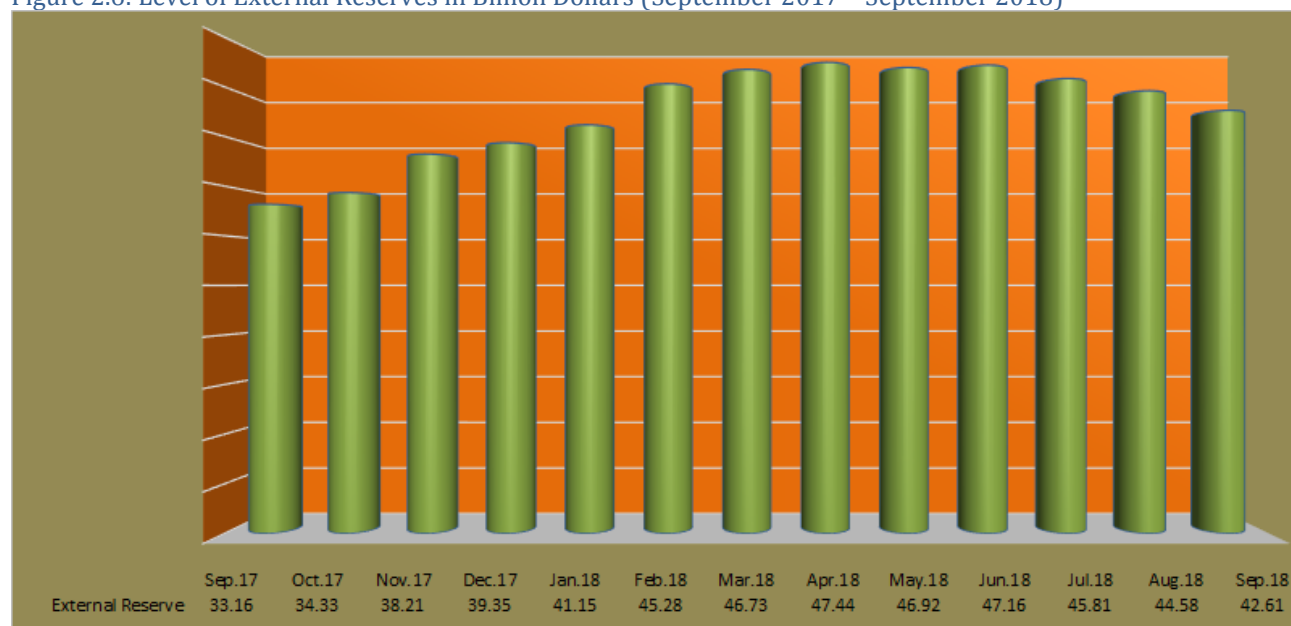


Source: Central Bank of Nigeria, 2018

2.2.4.4 External Reserves

Figures from the CBN revealed that Nigeria’s gross official (external) reserves was on the decrease in the third quarter of 2018. It declined from US\$47.16 billion at the end of June to US\$45.81 billion, US\$44.58 billion and US\$42.61 billion in July, August and September 2018 respectively. This represented a decrease of US\$4.55 billion (or 9.65 percent) below the figure reported at the end of June 2018. Relative to the end of third quarter of 2017 level of US\$33.16 billion, the external reserves at the end of third quarter of 2018 grew by US\$9.45 billion (or 28.50 percent). Despite the fall in gross external reserves during the period under review, there are still likely possibilities of expected increase in its level in the near term, bearing in mind the promising crude oil prices and production. The level of the nation’s foreign reserve remains robust and was capable of funding 13.7 months of imports.

Figure 2.6: Level of External Reserves in Billion Dollars (September 2017 – September 2018)



Source: Central Bank of Nigeria, 2018

2.2.5 Debt Stock

2.2.5.1 Domestic Debt Stock

The Federal Government domestic debt stock stood at ₦12,286.81 billion as at end of September 2018, representing an increase of ₦135.37 billion (or 1.11 percent) above the ₦12,151.44 billion recorded in the second quarter of 2018. The 2018 third quarter debt figure was however ₦208.94 billion (or 1.67 percent) below the ₦12,495.75 billion reported in the same period of 2017. The increase in domestic debt relative to the second quarter of 2018 was due to the increase in net issuance of FGN Bonds and FGN Savings Bond during the period. A breakdown of the domestic debt stock as at 30th September, 2018 revealed that ₦9,201.39 billion (or 74.89 percent) is for FGN Bonds, ₦2,814.01 billion (or 22.90 percent) is for Nigerian Treasury Bills (NTBs), ₦150.99 billion (or 1.23 percent) is for Treasury Bonds, ₦9.73 billion (or 0.08 percent) is for FGN Savings Bond, ₦100.0 billion (or 0.81 percent) is for FGN Sukuk and ₦10.69 billion (or 0.09 percent) is for Green Bond.

2.2.5.2 External Debt Stock

Nigeria's external debt stock (mostly low interest funds from multilateral financial institutions) as at 30th September, 2018, stood at US\$21,591.68 million indicating a decrease of US\$491.76 million (or 2.23 percent) below US\$22,083.44 million recorded in the second quarter of 2018 and US\$6,239.55 million (or 40.64 percent) above US\$15,352.13 million reported in the third quarter of 2017. A breakdown of the external debt stock as at 30th September, 2018 revealed that Multilateral Debts amounted to US\$10,885.63 million (or 50.42 percent), Non-Paris Club Bilateral Debts amounted to US\$2,406.05 million (or 11.14 percent) while Commercial (Euro-Bond) accounted for the balance of US\$8,300.0 million (or 38.44 percent).

2.2.5.3 Total Public Debt Stock

The total public debt stock as at 30th September, 2018 translates to a net present value of total public Debt/GDP (external and domestic) ratio of 18.12 percent, which was below the country specific threshold of 25 percent and international threshold of 56 percent.

3.0 FINANCIAL ANALYSIS OF THE 2018 BUDGET IMPLEMENTATION

3.1 Key Assumptions and Projections

The 2018 Budget was derived from the 2018-2020 Medium Term Fiscal Framework (MTFF) which was in accordance with the objectives of the ERGP. To ensure that Nigerian public were carried along in the preparation of the Federal Budget, series of consultations were held with different stakeholders within the economy. Developments at the international level were also put into consideration before arriving at some of the key assumptions in the framework. The key Assumptions and Targets of the 2018 Budget are as tabulated in table 3.1.

Table 3.1: Key Assumptions and Targets for the 2016 - 2018 Budget

KEY ASSUMPTION & TARGETS	2016	2017	2018
Projected Production (in mbpd)	2.2	2.20	2.30
Budget Benchmark Price (per barrel in US)	38	44.50	51
Technical Cost of JVC Pbl to Oil Companies			
Operating Expenses (T1) in US \$	10.29	10.43	11.24
Capital Expenses (T2) in US \$	11.12	10.85	11.97
Technical Cost of PSC Pbl to Oil Companies			
Operating Expenses (T1) in US \$	8.22	8.85	8.7
Capital Expenses (T2) in US \$	19.62	17.86	11.01
Investment Tax Credit	4.94	2.85	2.13
Technical Costs of SC pbl to Oil Company			
Operating Expenses (T1) in US \$	18.62	18.62	22.79
Capital Expenses (T2) in US \$	2.44	2.05	2.05
Investment Allowances	2.996	0.46	0.46
Weighted Average Contribution Rates			
Weighted Average Rate of PPT - JV Oil	85%	85%	85%
Weighted Average Rate of PPT - PSC Oil	50.17%	50.2%	50.2%
Weighted Average Rate of PPT - SC Oil	85%	85%	85%
Weighted Average Rate of PPT - Independent (Indigenous)	85%	85%	85%
Weighted Average Rate of PPT - Marginal	51.6%	51.6%	85%
Royalty Rates			
Weighted Average Rate of Royalties - JV Oil	19.1%	19.1%	18.67%
Weighted Average Rate of Royalties - PSC	4.5%	4.5%	2.3%
Weighted Average Rate of Royalties - SC Oil	18.5%	18.5%	18.5%
Weighted Average Rate of Royalties -Independent	19.3%	19.3%	19.31%
Weighted Average Rate of Royalties - Marginal	9.3%	9.3%	9.3%
Average Exchange Rate (NGN/US\$)	197	305	305
VAT Rate	5%	5%	5%
CIT Rate	30%	30%	30%

Source: BOF, NNPC, FIRS and NCS, 2018

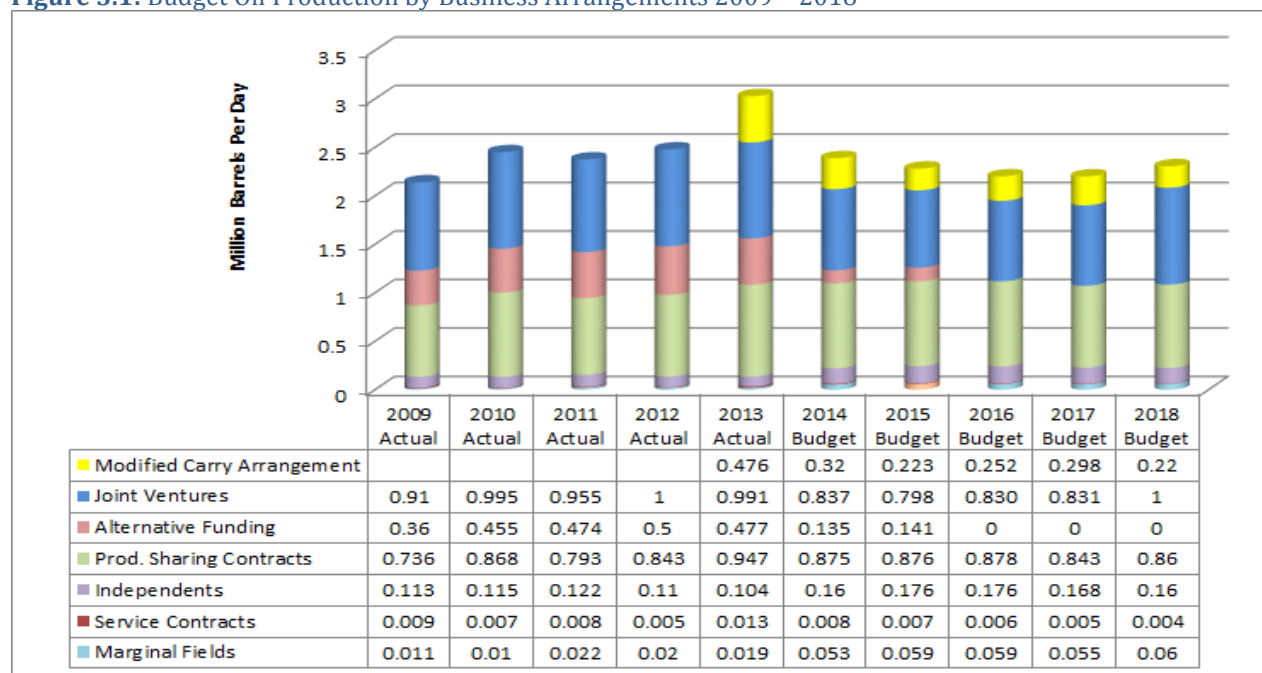
3.1.1 Budget Benchmark Oil Price and Production

Government continued the use of benchmark oil production and price for its yearly budgets given the instability associated with oil price at the world market. This was to shield budget expenditures from the uncertainties in the prices of oil at the global market. The budget benchmark price of oil for the 2018 Budget was therefore pegged at US\$51.0/barrel while oil production was fixed at 2.3 million barrels per day (mbpd).

Government policy to increase efficiency and therefore maximize revenue from the oil sector was reflected in the budget framework for 2018 fiscal year. The Technical Cost comprising average of operating expenses and capital expenses were moderated in the 2017 as well as in the 2018 fiscal year compare to the rates in 2016 particularly for the Production Sharing Contracts (PSCs). The average expenses [Capital (T1) and Operating (T2)] for the JVs production arrangement fell from US\$21.41 per barrel in 2016 to US\$21.28 per barrel in 2017 before rising to US\$23.21 per barrel in 2018 indicating an increase of US\$1.93 per barrel over the period. The average expenses for the PSC however, fell considerably to US\$19.71 per barrel in 2018 from US\$26.71 in 2017. This is driven by the drastic reduction in Capex for PSC and it is expected to be driven further downwards in the near to medium term period to complement efforts at increasing revenue inflow for the country.

The share of oil production by business arrangements remained relatively stable with the JVs and PSCs dominating at approximately 43 and 37 percent respectively. Information on expected contributions of oil production by business arrangements are presented in Figure 3.1 while the analysis of contributions and duties for key oil taxes that are projected to accrue to the Federation are also represented in *Table 3.2*. These rates remained largely unchanged with the rates in the 2017 budget framework.

Figure 3.1: Budget Oil Production by Business Arrangements 2009 – 2018



Source: NAPIMS/NNPC, 2018

Table 3.2: Detailed Assumptions for Oil Production and Taxes (2018)

	2018 Production Volume (mbpd)	2018 Percentage
Share of Oil Production		
Joint Ventures	1.00	43.48%
Alternative Funding		
Modified Carry Arrangement	0.22	9.57%
Production Sharing Contracts	0.86	37.39%
Independents	0.16	6.96%
Service Contracts	0.004	0.17%
Marginal	0.06	2.61%
Base Production	2.30	100%
Repayment Arrears	0.21	8.37%
Total Oil Production	2.51	100%
PPT Rates		
Weighted Average -JV/AF/Independent/Marginal		85%
Weighted Average -PSC		50.2%
Weighted Average -SC		85%
Royalties Rates		
Weighted Average-JV/AF/Independent/Marginal		18.67%
Weighted Average-PSC		2.3%
Weighted Average-SC Oil		19.31%

Source: NNPC and BOF, 2018

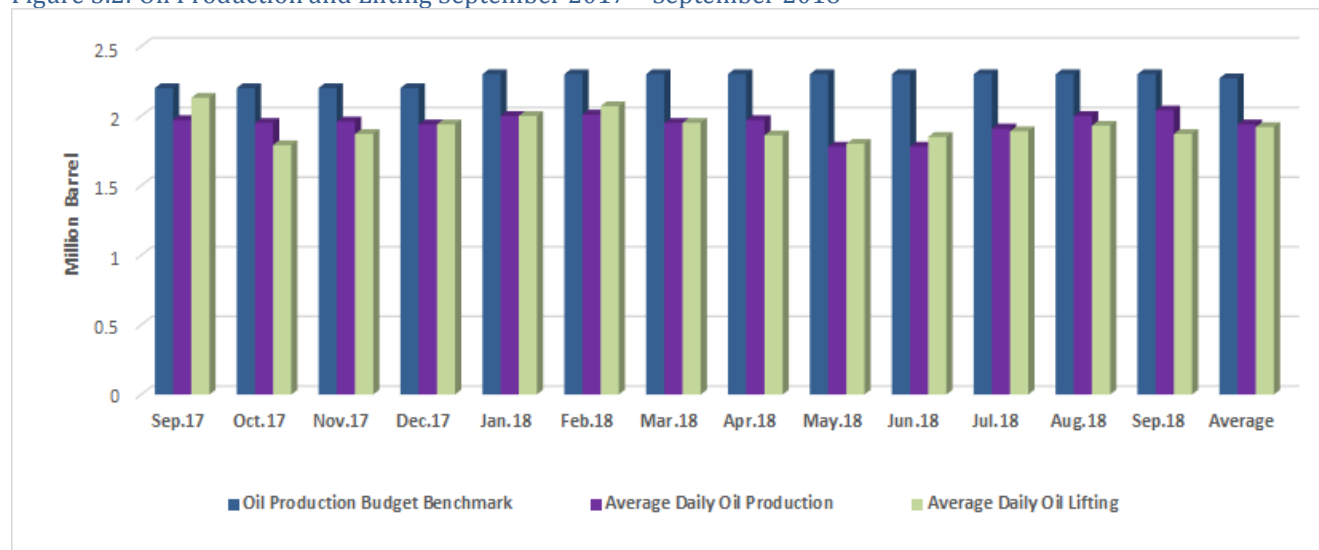
3.2 Analysis of Revenue Performance:

3.2.1 Performance of Key Oil Revenue Parameters:

The price of crude oil at the international market averaged US\$75.28 per barrel in the third quarter of 2018, indicating an increase of US\$0.93 per barrel (or 1.25 percent) and US\$23.19 per barrel (or 44.52 percent) above US\$74.35 per barrel and US\$52.09 per barrel reported in the second quarter of 2018 and third quarter of 2017 respectively. The rise in the price of crude oil during the period can be ascribed to the increase in its demand at the world market and the agreement reached by OPEC and other oil producing countries to cut down on production and supply.

Average oil production and lifting (including Condensates) in the third quarter of 2018 was 1.94mbpd and 1.90mbpd respectively. The average oil production figure showed a shortfall of 0.36mbpd (or 15.65 percent) below the 2.3mbpd projected for the 2018 Budget. The volume of oil production in the period was also 0.10mbpd above the 1.84mbpd reported in the second quarter of 2018 and 0.05mbpd below the 1.99mbpd recorded in the third quarter of 2017.

Figure 3.2: Oil Production and Lifting September 2017 – September 2018



Source: NNPC, 2018

The above translates to an average monthly oil production and lifting of 60.80 million barrels and 58.17 million barrels respectively in the third quarter of the

year. The reduction in the quantity of oil production during the quarter as against the projected budget figure could be ascribed to legacy issues of crude oil theft, illegal bunkering and pipeline vandalism as well as delays in the take-off of new oil fields during the period under review.

3.3 Aggregate Revenue of the Federation:

The 2018 Fiscal Framework projected a gross Federally Collectible Revenue of ₦13,218.23 billion, consisting of ₦7,618.07 billion (or 57.63 percent) oil revenue and ₦5,600.16 billion (or 42.37 percent) non-oil revenue. This translates to prorated quarterly projection of ₦1,904.52 billion and ₦1,400.04 billion in gross oil and non-oil revenue respectively. The breakdown of the performance of the oil and non-oil revenue earnings in the third quarter of 2018 is as follows:

3.4 Oil Revenue Performance:

Gross Oil Revenue stood at ₦1,394.19 billion in the third quarter of 2018. This translates to a ₦510.32 billion (or 26.80 percent) shortfall when compared with the quarterly budget estimate. The performance was also ₦3.87 billion (or 0.28 percent) below the ₦1,398.06 billion reported in the second quarter of 2018 but ₦123.57 billion (or 9.73 percent) above the ₦1,270.62 billion generated in the corresponding period of 2017. A breakdown of the oil revenue performance in the third quarter of 2018 revealed that only Crude Oil Sales of ₦384.59 billion and Gas Sales of ₦92.80 billion exceeded their quarterly estimate of ₦305.69 billion and ₦63.02 billion by ₦78.90 billion (or 25.81 percent) and ₦29.78 billion (or 47.25 percent) respectively. The other remaining oil revenue items fell below their respective quarterly projections. Petroleum Profit and Gas Taxes of ₦566.03 billion, Royalties (Oil & Gas) of ₦348.53 billion, Rent of ₦0.38 billion, Gas Flared Penalty of ₦0.76 billion and Other Oil & Gas Revenue of ₦1.11 billion fell below their quarterly estimates of ₦895.97 billion, ₦483.03 billion, ₦0.42 billion, ₦1.18 billion and ₦1.46 billion by ₦329.94 billion (or 36.83 percent), ₦134.50 billion (or 27.84 percent), ₦0.04 billion (or 9.38 percent), ₦0.42 billion (or 35.72 percent) and ₦0.36 billion (or 24.25 percent) respectively. On the other hand, Licenses & Early License Renewal and Exchange Gain yielded nothing in the quarter. Please see *Table 3.4*.

3.4.1 Net Oil Revenue:

The actual Net Oil Revenue that accrued into the Federation Account in the third quarter of 2018, was ₦906.18 billion, depicting a decrease of ₦634.21 billion (or 41.17 percent) below the estimated quarterly budget of ₦1,540.39 billion. The net oil revenue inflow in the third quarter of 2018 was also lower than the ₦998.61 billion recorded in the second quarter of 2018 by ₦92.43 billion (or 9.26 percent). However, the amount was ₦213.78 billion (or 30.88 percent) above the ₦692.40 billion performance recorded in the third quarter of 2017. The poor Net Oil Revenue performance in the third quarter of 2018 when compared with the quarterly projection can be attributed to the inability to meet key oil revenue items. It is also attributed to inadequate crude oil production and lifting due to challenges like crude oil theft, illegal bunkering and destruction of pipelines that ensued during the period. These data are presented in *Table 3.4*.

3.4.2 Year to Date Oil Revenue Performance

Gross Oil Revenue of ₦4,080.31 billion was collected in the three quarters of the year of 2018 as against ₦5,713.55 billion projected in the 2018 budget for the period. This reflect a decline of ₦1,633.23 billion (or 28.59 percent) below the prorated budget estimate for the period but was ₦1,222.0 billion (or 42.75 percent) above ₦2,858.31 billion realized the corresponding period in 2017. A breakdown of the revenue by sub-heads showed that only Crude Oil Sales of ₦1,086.70 billion and Gas Sales of ₦304.53 billion surpassed their three quarters of the year projections of ₦917.07 billion and ₦189.07 billion by ₦169.63 billion (or 18.50 percent) and ₦115.47 billion (or 61.07 percent) respectively.

The remaining Oil Revenue items fell below their respective three quarters of the year projections. Petroleum Profit & Gas Taxes of ₦1,783.52 billion, Royalties (Oil & Gas) of ₦898.39 billion, Rent of ₦0.59 billion, Gas Flared Penalty of ₦2.48 billion and Other Oil and Gas Revenue of ₦4.10 billion fell below their three quarters of the year projected estimates of ₦2,687.90 billion, ₦1,449.09 billion, ₦1.26 billion, ₦3.55 billion and ₦4.39 billion by ₦904.37 billion (or 33.65 percent), ₦550.70 billion (or 38.0 percent), ₦0.67 billion (or 53.06 percent), ₦1.07 billion (or 30.14 percent) and ₦0.29 billion (or 6.71 percent)

respectively (Table 3.4). On the other hand, Licenses & Early License Renewal and Exchange Gain yielded nothing in the three quarters of the year period.

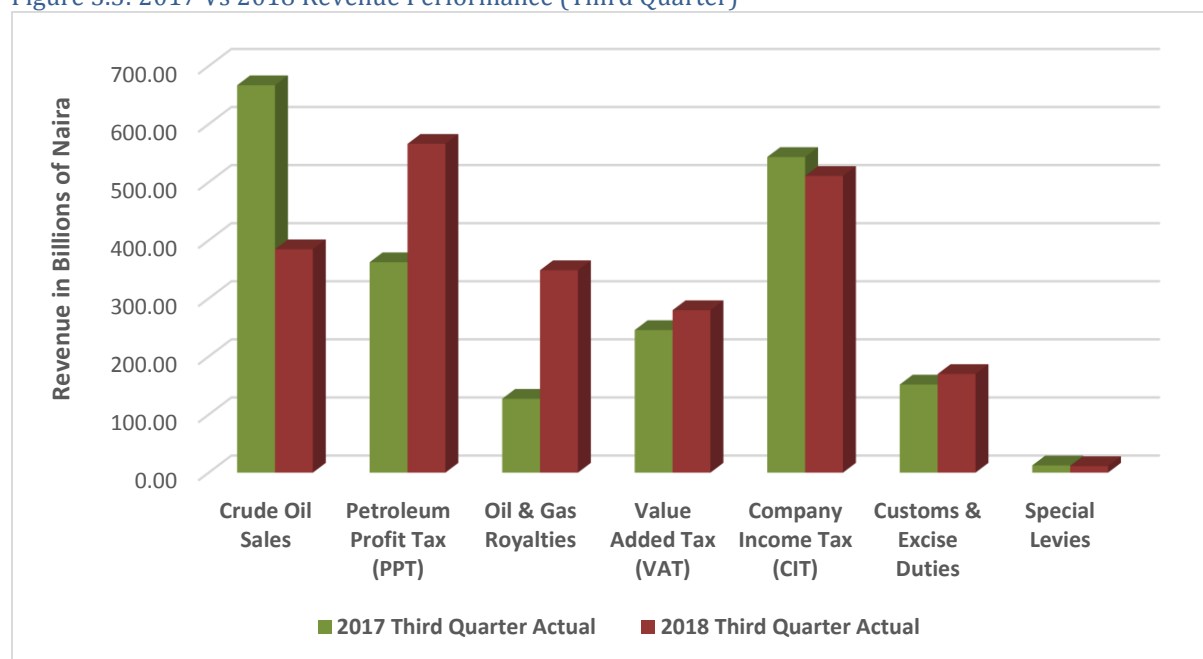
Table 3.3: Performance of Revenue in the Third Quarter of 2018 Vs 2017

Revenue Items	2017	2018	Variance	
	3rd Quarter Actual	3rd Quarter Actual	3rd Quarter 2018 Vs 3rd Quarter 2017	
Oil Revenue	N'bns	N'bns	N'bns	%
Crude Oil Sales	666.94	384.59	-282.35	-42.34
Petroleum Profit Tax (PPT)	362.23	566.03	203.80	56.26
Royalties	127.18	348.53	221.35	174.04
Gross Oil Revenue	1,270.62	1,394.19	123.57	9.73
Net Oil Receipts	692.40	906.18	213.78	30.88
Non-Oil Revenue				
Value Added Tax (VAT)	245.42	279.69	34.27	13.96
Company Income Tax (CIT)	543.40	510.79	-32.61	-6.00
Customs & Excise Duties	151.68	169.84	18.16	11.97
Special levies	12.47	11.21	-1.26	-10.10
Gross Non-Oil Revenue	952.97	971.54	18.57	1.95
Net Non-Oil Receipts	904.17	927.25	23.08	2.55

Source: OAGF and Budget Office of the Federation, 2018

Revenue performance improved significantly when compared with their corresponding levels in 2017 for most of the revenue sources and broad category in the third quarter of 2018 (Figure 3.3). This reveals a stronger revenue drive by the government and it is likely that the tempo will be sustained going forward.

Figure 3.3: 2017 Vs 2018 Revenue Performance (Third Quarter)



Source: OAGF and Budget Office of the Federation, 2018

3.5 Non-Oil Revenue Performance:

Gross non-oil revenue of ₦971.54 billion was realized in the third quarter of 2018 signifying a shortfall of ₦136.42 billion (or 12.31 percent) below the quarterly estimate of ₦1,107.96 billion. A breakdown of the non-oil revenue items showed that only Company Income Tax of ₦510.79 billion performed above its quarterly projection of ₦432.95 billion by ₦77.84 billion (or 17.98 percent). All the other non-oil revenue items fell below their respective quarterly expectations. Value Added Tax of ₦279.69 billion, Customs & Excise Duties of ₦169.84 billion and Special Levies of ₦11.21 billion were below their quarterly estimates of ₦386.0 billion, ₦180.06 billion and ₦32.08 billion by ₦106.31 billion (or 27.54 percent), ₦10.21 billion (or 5.67 percent) and ₦20.86 billion (or 65.04 percent) respectively. On the other hand, Revenue Dividend by Companies / Investments Funded by FAAC, Solid Minerals & Other Mining Revenue, Tax Amnesty and Surcharge on Luxury Items which had quarterly projections of ₦16.11 billion, ₦0.70 billion, ₦76.25 billion and ₦0.63 billion respectively yielded nothing in the quarter.

When compared with their corresponding second quarter performances, Value Added Tax, Company Income Tax and Customs & Excise Duties grew by ₦15.69 billion (or 5.94 percent), ₦195.66 billion (or 62.09 percent) and ₦12.22 billion (or 7.75 percent) respectively while Special Levies fell by ₦0.77 billion (or 6.40 percent). The improved performances of some of the non-oil revenue items in the third quarter of 2018 can be credited to the growth in economic activities, expansion in the tax base and the improvement in the performance of the revenue collecting agencies during the period. It is expected that the revenue outturn from the sector would get better in the last quarter of 2018 following the likely release of additional funds for 2018 capital projects/programmes.

3.5.1 Year to Date Non-Oil Revenue Performance:

The gross non-oil revenue in the three quarters of the year amounted to ₦2,405.60 billion portraying a shortfall of ₦918.27 billion (or 27.63 percent) below the three quarters of the year estimate of ₦3,323.87 billion. The result also show that earnings from all the non-oil revenue items were below their corresponding projections. Value Added Tax of ₦813.75 billion, Company Income Tax of ₦1,082.78 billion, Customs & Excise Duties of ₦476.0 billion and Special Levies of ₦33.07 billion respectively fell short by ₦344.25 billion (or 29.73 percent), ₦216.07 billion (or 16.64 percent), ₦64.17 billion (or 11.88 percent) and ₦63.15 billion (or 65.63 percent) when compared with their forecasts for three quarters of the year 2018. On the other hand, Revenue Dividend by Companies / Investments Funded by FAAC, Solid Minerals & Other Mining Revenue, Tax Amnesty and Surcharge on Luxury Items which had three quarters of the year estimations of ₦48.32 billion, ₦2.09 billion, ₦228.75 billion and ₦1.88 billion respectively yielded nothing in the three quarters of the year period.

Table 3.4: Net Distributable Revenue as at September, 2018 (Oil Revenue at Benchmark Assumptions)

S/NO	DESCRIPTION	2018 BUDGET			ACTUAL						VARIANCE			
		Annual	Quarterly	3QRTS	First Quarter	Second Quarter	Third Quarter	3QRTS	3rd Quarter Actual Vs Quarterly Budget	Actual Budget	3rd Quarter Vs 2nd Quarter (Actual)	Actual Vs Budget (3QRTS)		
A	OIL REVENUE	Nb	Nb	Nb	Nb	Nb	Nb	Nb	Nb	%	Nb	%	Nb	%
1	Crude Oil Sales Export	1,222.76	305.69	917.07	261.63	440.48	384.59	1,086.70	78.90	25.81	-55.89	-12.69	169.63	18.50
2	Crude Oil Sales Domestic													
3	Gas Sales (NLNG Feedstock Sales & Upstream Liquid Gas)	252.09	63.02	189.07	97.58	114.15	92.80	304.53	29.78	47.25	-21.35	-18.71	115.47	61.07
4	PPT & Gas Income @ 30% CITA	3,583.86	895.97	2,687.90	665.36	552.14	566.03	1,783.52	-329.94	-36.83	13.88	2.51	-904.37	-33.65
5	Oil Royalties & Gas Royalties	1,932.12	483.03	1,449.09	260.98	288.89	348.53	898.39	-134.50	-27.84	59.65	20.65	-550.70	-38.00
6	Rent	1.68	0.42	1.26	0.11	0.10	0.38	0.59	-0.04	-9.38	0.28	266.54	-0.67	-53.06
7	Gas Flared Penalty	4.73	1.18	3.55	0.82	0.90	0.76	2.48	-0.42	-35.72	-0.14	-15.18	-1.07	-30.14
8	Licenses & Early License Renewal	395.00	98.75	296.25	0.00	0.00	0.00	0.00	-98.75	-100.00	0.00		-296.25	-100.00
9	Exchange Gain	219.97	54.99	164.98	0.00	0.00	0.00	0.00	-54.99	-100.00	0.00		-164.98	-100.00
10	Other Oil and Gas Revenue	5.86	1.46	4.39	1.59	1.40	1.11	4.10	-0.36	-24.25	-0.29	-20.89	-0.29	-6.71
11	Sub Total	7,618.06	1,904.52	5,713.55	1,288.06	1,398.06	1,394.19	4,080.31	-510.32	-26.80	-3.87	-0.28	-1,633.23	-28.59
12	DPR Cost of Collection	0.00	0.00	0.00	10.54	11.65	14.03	36.22	14.03		2.38	20.44	36.22	
13	Joint Venture Cash Calls	0.00	0.00	0.00	68.64	214.08	173.58	456.30	173.58		-40.51	-18.92	456.30	
14	Transfer to Lagos State 13% Derivation	0.00	0.00	0.00	0.13	0.00	0.00	0.13	0.00				0.13	
15	Gas Infrastructure Development & Other Gas Expenses	297.71	74.43	223.28	0.00	0.00	0.00	0.00	-74.43	-100.00	0.00		-223.28	-100.00
16	NESS Fees	238.11	59.53	178.58	0.00	0.00	0.00	0.00	-59.53	-100.00	0.00		-178.58	-100.00
17	Transfer to Excess Crude Oil, on PPT from Oil	0.00	0.00	0.00	0.00	24.50	165.00	189.50	165.00		140.50	573.47	189.50	
18	Sub-Total	7,082.24	1,770.56	5,311.68	1,208.75	1,147.83	1,041.58	3,398.16	-728.98	-41.17	-106.24	-9.26	-1,913.52	-36.02
19	13% Derivation of Net Oil Revenue	920.69	230.67	690.02	157.14	149.22	135.41	441.76	-94.77	-41.17	-13.81	-9.26	-248.76	-36.02
20	TO FEDERATION ACCOUNT (OIL)	6,161.55	1,540.39	4,621.16	1,051.62	998.61	906.18	2,956.40	-634.21	-41.17	-92.43	-9.26	-1,664.76	-36.02
B	DIVIDEND OF COMPANIES/INVESTMENTS FUNDED BY FAAC													
21	Dividend of Companies/Investments Funded by FAAC	64.43	16.11	48.32	0.00	0.00	0.00	0.00	-16.11	-100.00	0.00		-48.32	-100.00
22	TO FEDERATION ACCOUNT (DIVIDEND OF COMPANIES/INVESTMENTS FUNDED BY FAAC)	64.43	16.11	48.32	0.00	0.00	0.00	0.00	-16.11	-100.00	0.00		-48.32	-100.00
C	SOLID MINERALS & OTHER MINING REVENUE													
23	Total Solid Minerals	2.78	0.70	2.09	0.00	0.00	0.00	0.00	-0.70	-100.00	0.00		-2.09	-100.00
24	Less 13% Derivation of Net Solid Minerals	0.36	0.09	0.27	0.00	0.00	0.00	0.00	-0.09	-100.00	0.00		-0.27	-100.00
25	TO FEDERATION ACCOUNT (SOLID MINERALS)	2.42	0.60	1.81	0.00	0.00	0.00	0.00	-0.60	-100.00	0.00		-1.81	-100.00
D	NON-OIL REVENUE													
26	Value Added Tax (VAT)	1,544.00	386.00	1,158.00	270.06	264.00	279.69	813.75	-106.31	-27.54	15.69	5.94	-344.25	-29.73
27	Tax Amnesty	305.00	76.25	228.75	0.00	0.00	0.00	0.00	-76.25	-100.00	0.00		-228.75	-100.00
28	Surcharge on Luxury Items	2.50	0.63	1.88	0.00	0.00	0.00	0.00	-0.63	-100.00	0.00		-1.88	-100.00
29	Corporate Tax (CIT, Stamp Duties & CGT)	1,731.81	432.95	1,298.85	256.86	315.13	510.79	1,082.78	77.84	17.98	195.66	62.09	-216.07	-16.64
30	Customs: Import, Excise & Fees	720.23	180.06	540.17	148.54	157.62	169.84	476.00	-10.21	-5.67	12.22	7.75	-64.17	-11.88
31	Special Levies (Federation Account)	128.30	32.08	96.23	9.88	11.98	11.21	33.07	-20.86	-65.04	-0.77	-6.40	-63.15	-65.63
32	Sub-Total	4,431.83	1,107.96	3,323.87	685.34	748.73	971.54	2,405.60	-136.42	-12.31	222.81	29.76	-918.27	-27.63
33	Cost of Collection and Other Deductions	226.63	56.66	169.97	37.93	37.04	44.29	119.27	-12.36	-21.82	7.25	19.57	-50.70	-29.83
34	4% Cost of Collection (VAT)	61.76	15.44	46.32	10.80	10.56	11.19	32.55	-4.25	-27.54	0.63	5.95	-13.77	-29.73
35	4% Cost of collection (Tax Amnesty)	12.20	3.05	9.15	0.00	0.00	0.00	0.00	-3.05	-100.00	0.00	#DIV/0!	-9.15	-100.00
36	4% Cost of Collection (CIT)	68.27	17.07	51.20	10.03	12.52	20.43	42.99	3.36	19.71	7.91	63.17	-8.22	-16.05
37	7% Cost of Collection (Customs)	50.42	12.60	37.81	10.40	11.03	11.89	33.32	-0.72	-5.67	0.86	7.75	-4.49	-11.88
38	7% Cost of Collection (Special Levies)	8.98	2.25	6.74	0.69	0.84	0.78	2.32	-1.46	-65.04	-0.05	-6.40	-4.42	-65.63
39	FIRS Tax Refunds	25.00	6.25	18.75	6.01	2.09	0.00	8.10	-6.25	-100.00	-2.09	-100.00	-10.65	-56.82
40	TO FEDERATION ACCOUNT (NON-OIL)	2,427.67	606.92	1,820.75	388.15	458.25	658.74	1,505.14	51.83	8.54	200.50	43.75	-315.61	-17.33
41	Total VAT Pool	1,482.24	370.56	1,111.68	259.25	253.44	268.50	781.20	-102.06	-27.54	15.06	5.94	-330.48	-29.73
42	Net Tax Amnesty	292.80	73.20	219.60	0.00	0.00	0.00	0.00	-73.20	-100.00	0.00		-219.60	-100.00
43	Net Surcharge on Luxury Items	2.50	0.63	1.88	0.00	0.00	0.00	0.00	-0.63	-100.00	0.00		-1.88	-100.00
44	Net Non-oil Revenue	4,205.20	1,051.30	3,153.90	647.40	711.69	927.25	2,286.33	-124.06	-11.80	215.56	30.29	-867.57	-27.51
45	Sub-Total: FEDERATION ACCOUNT	8,656.06	2,164.02	6,492.05	1,439.76	1,456.86	1,564.92	4,461.54	-599.10	-27.68	108.06	7.42	-2,030.51	-31.28
46	Actual Balances in Special Accounts	19.17	4.79	14.38	0.00	0.00	0.00	0.00	-4.79	-100.00	0.00		-14.38	-100.00
47	TOTAL FEDERATION ACCOUNT	8,675.24	2,168.81	6,506.43	1,439.76	1,456.86	1,564.92	4,461.54	-603.89	-27.84	108.06	7.42	-2,044.89	-31.43
E	TOTAL DISTRIBUTION													
1	Federation Account	8,675.24	2,168.81	6,506.43	1,439.76	1,456.86	1,564.92	4,461.54	-603.89	-27.84	108.06	7.42	-2,044.89	-31.43
2	VAT Pool Account	1,482.24	370.56	1,111.68	259.25	253.44	268.50	781.20	-102.06	-27.54	15.06	5.94	-330.48	-29.73
3	Net Tax Amnesty	292.80	73.20	219.60	0.00	0.00	0.00	0.00	-73.20	-100.00	0.00		-219.60	-100.00
4	Net Surcharge on Luxury Items	2.50	0.63	1.88	0.00	0.00	0.00	0.00	-0.63	-100.00	0.00		-1.88	-100.00
5	GRAND TOTAL	10,452.77	2,613.19	7,839.58	1,699.02	1,710.30	1,833.42	5,242.73	-779.77	-29.84	123.13	7.20	-2,596.84	-33.12

Source: OAGF and Budget Office of the Federation, 2018

Table 3.5: Actual Performance of Non-Oil Revenue Categories (Third Quarter) 2009 – 2017

Description	THIRD QUARTER (ACTUAL)									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	9 - Year Average
	N'bn	N'bn	N'bn	N'bn	N'bn	N'bn	N'bn	N'bn	N'bn	N'bn
Customs & Excise Duties	35.47	36.53	50.91	57.26	43.95	68.35	57.10	62.15	68.41	53.35
Company Income Tax	89.23	99.24	119.64	185.61	221.20	131.34	187.71	209.37	250.21	165.95
Value Added Tax	17.08	19.80	23.88	23.33	26.13	25.99	27.16	28.27	32.98	24.96
FGN Independent Revenue	9.84	15.63	45.06	(5.33)	150.47	98.88	23.47	108.03	35.76	53.53

Source: OAGF and BOF, 2018

Further analysis of third quarter non-oil revenue performance showed that the key non-oil revenue sub-heads, had shown some trend of improvement especially in 2017, aside some few years of fluxes. Table 3.5 and 3.6.

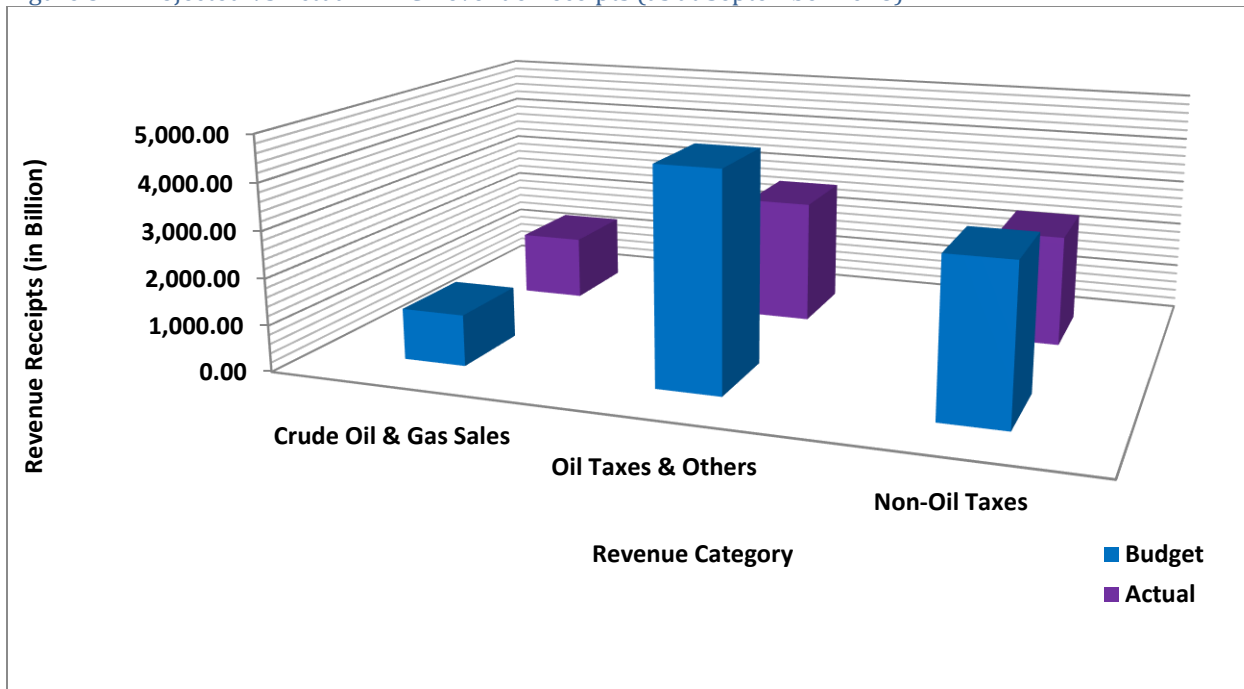
Table 3.6: Percentage Growth in Non-Oil Revenue Performances (Third Quarter) 2010 – 2017

Description	2010	2011	2012	2013	2014	2015	2016	2017	8 - Year Average
	%	%	%	%	%	%	%	%	%
Customs & Excise Duties	2.99	39.36	12.47	-23.24	55.52	-16.46	8.84	10.07	11.19
Company Income Tax	11.22	20.56	55.14	19.17	-40.62	42.92	11.54	19.51	17.43
Value Added Tax	15.93	20.61	-2.30	12.00	-0.54	4.50	4.09	16.66	8.87
FGN Independent Revenue	58.84	188.29	-111.83	-2923.08	-34.29	-76.26	360.29	-66.90	-325.62

Source: OAGF and BOF, 2018

Generally, with the exception of Crude Oil & Gas Sales, the actual performance of other revenue categories were below their 2018 three quarters of the year budgeted figures. The underperformance was however, more severe for Oil Taxes & Others as well as Non-Oil Taxes (Figure 3.4).

Figure 3.4: Projected Vs Actual FAAC Revenue Receipts (as at September 2018)

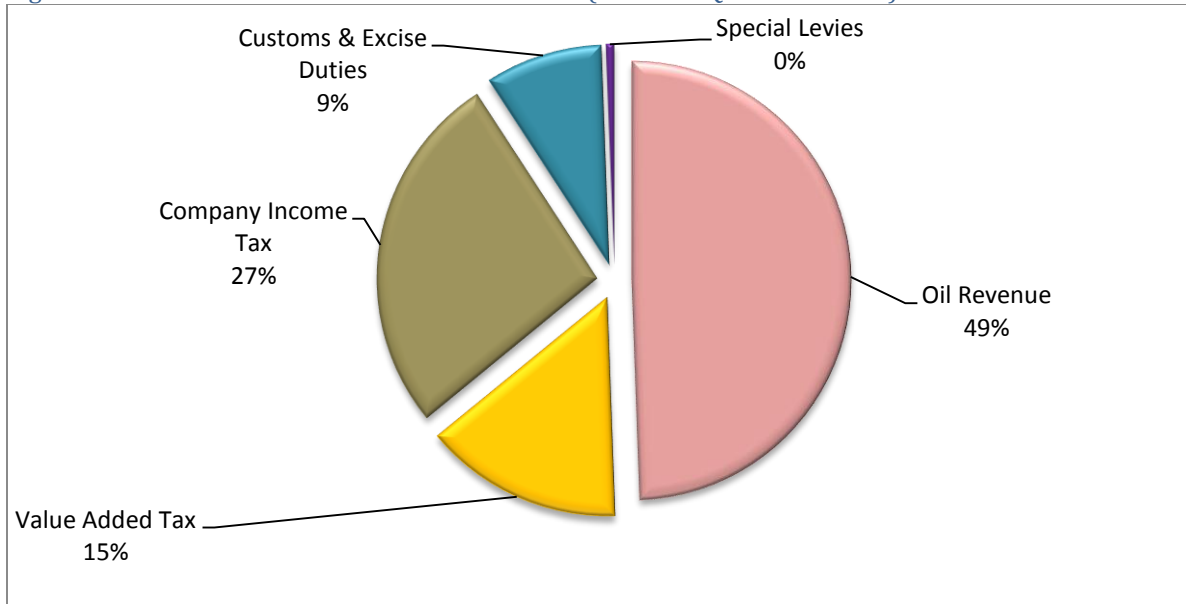


Source: Budget Office of the Federation, 2018

3.6 Distributable Revenue:

The net distributable revenue available for sharing among the three tiers of government stood at ₦1,833.42 billion in the third quarter of 2018. This represented a shortfall of ₦779.77 billion (or 29.84 percent) when compared with the quarterly projection of ₦2,613.19 billion. A breakdown by sources indicated that oil revenue accounted for 81.33 percent of the shortfall while the balance came from non-oil revenue items; 13.09 percent from VAT, 0.59 percent from Customs & Excise and 2.48 percent from Special Levies etc. (Figure 3.5).

Figure 3.5: Contributions to Distributable Revenue (in the 3rd Quarter of 2018)



Source: Budget Office of the Federation, 2018

3.7 Excess Crude Account

The Excess Crude Account (ECA) recorded a total transfer of US\$541.21 million in the third quarter of 2018. The sum of US\$10.31 million being accrued interest on fund investment (May – July) was also received into the ECA within the period of this report. On the other hand, nothing was withdrawn from the account during the period. The ECA had an opening balance of US\$1,916.74 million as at 30th June, 2018 and a closing balance of US\$2,468.27 million as at 30th September, 2018. These data are presented in Table 3.7.

Table 3.7: Net Excess Crude Account

Description	2017 Actual (N'bn)				2018 Actual (N'bn)			
	First Quarter	Second Quarter	Third Quarter	Jan - Sept	First Quarter	Second Quarter	Third Quarter	Jan - Sept
Inflows								
Transfer to Excess Crude Oil Account	97.89	33.65	0	131.54	0	0	US\$541.21 million	US\$541.21 million
Accrued Interest on Fund Investment							US\$10.31 million	US\$10.31 million
Total Inflow					0	0	US\$551.52 million	US\$551.52 million
Outflows								
Payment for Petroleum Product Subsidy	0	0	0	0	0	0	0	0
Augmentation: Distribution among tiers of Govt.	0	0	0	0	0	0	0	0
Transfer for Special Intervention Fund	0	0	0	0	0	0	0	0
Transfers Int. trf - SWF	0	0	0	0	0	0	0	0
Transfer to Nigeria Sovereign Investment Authority	US\$250.0 million (or N76.25 billion)	0	0	US\$250.0 million (or N76.25 billion)	0	0	0	0
Amount approved by Mr. President as advance payment for the purchase of Super Tucano Aircraft	0	0	0	0	US\$496.37 million	0	0	US\$496.37 million
Bank Charges					0	US\$122.23	0	US\$122.23
Total Outflow	US\$250.0 million (or N76.25 billion)	0	0	US\$250.0 million (or N76.25 billion)	US\$496.37 million	US\$122.23	0	US\$496.37 million
Net Excess Crude Account	21.64	33.65	0.00	55.29	(US\$496.37 million)	(US\$122.23)	US\$551.52 million	US\$55.15 million

Source: Office of the Accountant General of the Federation, 2018

3.8 FGN Budget Revenue

The sum of ₦7,165.87 billion was projected to fund the Federal Budget, translating to a quarterly share of ₦1,791.47 billion. A total of ₦882.12 billion, excluding other funding sources, was received in the third quarter of 2018. This amount was ₦909.35 billion (or 50.76 percent) and ₦7.52 billion (or 0.84 percent) lower than the quarterly projection and figure reported in the second quarter of 2018 respectively. The aggregate revenue in the third quarter of 2018 was also ₦153.31 billion (or 21.04 percent) above the ₦728.81 billion recorded in the third quarter of 2017.

The sum of ₦439.50 billion received in the third quarter of 2018 from oil sources was lower than the quarterly estimate of ₦747.09 billion by ₦307.59 billion (or 41.17 percent) for the period. With the exception of FGN Share of Company Income Tax of ₦237.83 billion which was above its quarterly estimate of ₦198.67 billion by ₦39.15 billion (or 19.71 percent). All other non-oil revenue items fell below their quarterly budget projections. FGN Share of VAT of ₦37.59

billion, Customs & Excise Duties of ₦76.61 billion, Special Levies of ₦5.06 billion and Independent Revenue of ₦85.54 billion were below their corresponding quarterly budget estimates of ₦51.88 billion, ₦81.21 billion, ₦14.47 billion and ₦211.99 billion by ₦14.29 billion (or 27.54 percent), ₦4.61 billion (or 5.67 percent), ₦9.41 billion (or 65.04 percent) and ₦126.44 billion (or 59.65 percent). On the other hand, FGN Share of Company Investment by FAAC, FGN Share of Solid Minerals Revenue, Share of Net Tax Amnesty, Share of Surcharge on Luxury Items, Share of Actual Balances in Special Accounts, Domestic Recoveries, Other Recoveries, Proceeds of Oil Assets and Grant & Donor Funding yielded nothing in the quarter. Some of the above, mentioned followed the same pattern of their respective performances at the Federation Account level. The data are presented in *Table 3.8*.

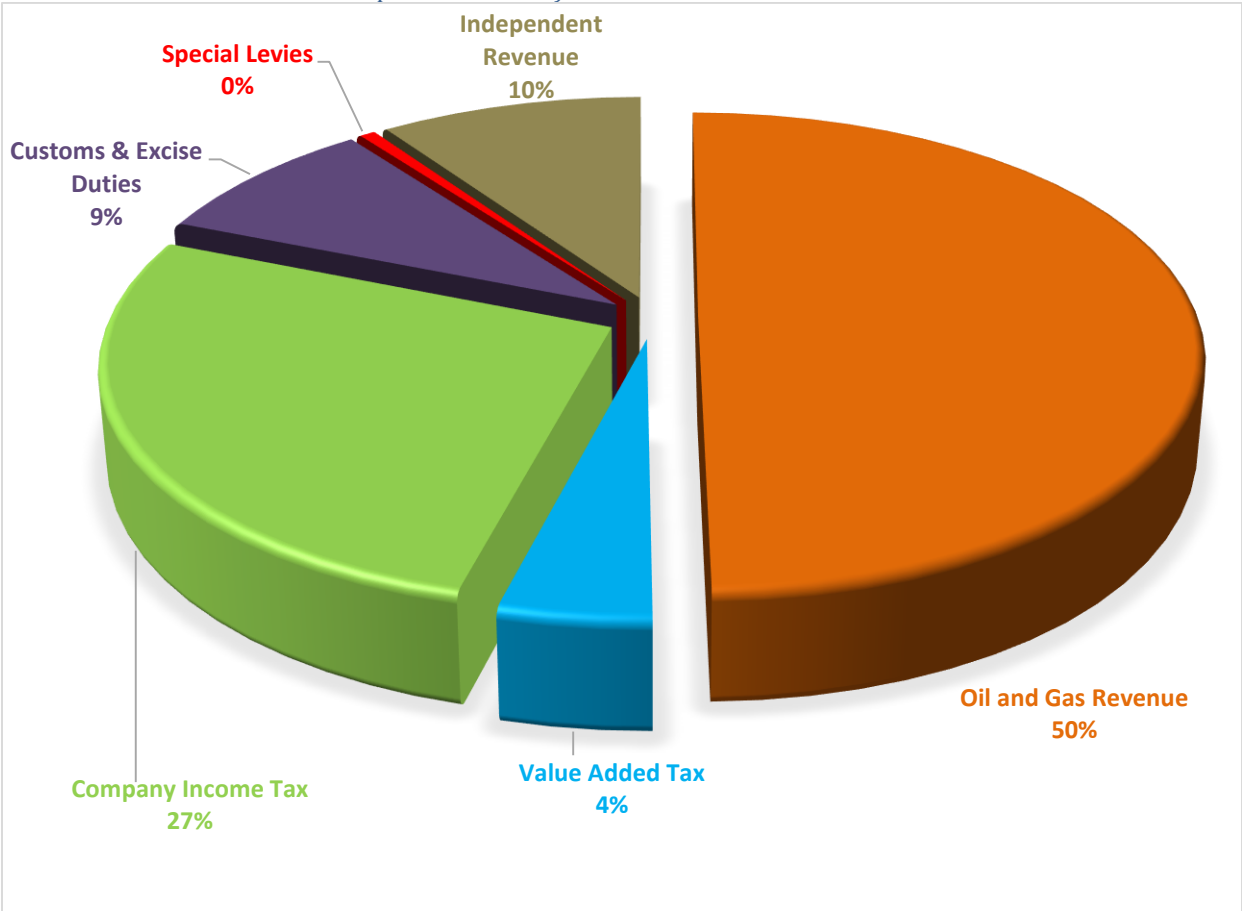
Table 3.8: Inflows to the 2018 Federal Budget as at September 2018

S/No	DESCRIPTION	2018 BUDGET			ACTUAL				VARIANCE					
		Annual	Quarterly	3QRTS	First Quarter	Second Quarter	Third Quarter	3QRTS	3rd Quarter Actual Vs Quarterly Budget		3rd Quarter Vs 2nd Quarter (Actual)		3QRTS Actual Vs 3QRTS Budget	
1	Inflow for the Federal Budget (CRF)	Nb	Nb	Nb	Nb	Nb	Nb	Nb	Nb	%	Nb	%	Nb	%
2	FGN Share of Oil Revenue	2,988.35	747.09	2,241.27	510.03	484.33	439.50	1,433.85	(307.59)	(41.17)	(44.83)	(9.26)	(807.41)	(36.02)
3	FGN Share of Non-Oil Revenue	1,630.00	407.50	1,222.50	224.55	257.73	357.08	839.36	(50.42)	(12.37)	99.35	38.55	(383.14)	(31.34)
4	FGN Share of Dividend of Companies/Investments Funded by FAAC	31.25	7.81	23.44	-	-	-	-	(7.81)	(100.00)	0.00		(23.44)	(100.00)
5	FGN Share of Solid Minerals & Other Mining Revenue	1.17	0.29	0.88	-	-	-	-	(0.29)	(100.00)	0.00		(0.88)	(100.00)
6	FGN Share of Value Added Tax (VAT)	207.51	51.88	155.63	36.30	35.48	37.59	109.37	(14.29)	(27.54)	2.11	5.94	(46.27)	(29.73)
7	FGN Share of Tax Amnesty	87.84	21.96	65.88	-	-	-	-	(21.96)	(100.00)	0.00		(65.88)	(100.00)
8	FGN Share of Surcharge on Luxury Items	1.21	0.30	0.91	-	-	-	-	(0.30)	(100.00)	0.00		(0.91)	(100.00)
9	FGN Share of Company Income Tax (CIT)	794.69	198.67	596.02	116.80	145.75	237.83	500.37	39.15	19.71	92.07	63.17	(95.64)	(16.05)
10	FGN Share of Customs (Imports, Exports & Fees)	324.86	81.21	243.64	67.00	71.09	76.61	214.70	(4.61)	(5.67)	5.51	7.75	(28.95)	(11.88)
11	FGN Share of Special Levies (Federation Account)	57.87	14.47	43.40	4.46	5.40	5.06	14.92	(9.41)	(65.04)	(0.35)	(6.40)	(28.48)	(65.63)
12	FGN Share of Actual Balances in Special Accounts	9.30	2.32	6.97	-	-	-	-	(2.32)	(100.00)	0.00		(6.97)	(100.00)
13	FGN's Share of Signature Bonus	114.30	28.57	85.72	-	-	-	-	(28.57)	(100.00)	0.00		(85.72)	(100.00)
14	FGN Independent Revenue	847.95	211.99	635.96	72.05	147.58	85.54	305.18	(126.44)	(59.65)	(62.04)	(42.04)	(330.78)	(52.01)
15	Unspent Balance from 2017	250.00	62.50	187.50	-	-	-	-	(62.50)	(100.00)	0.00		(187.50)	(100.00)
16	FGN's Balances in Special Levies Accounts	27.21	6.80	20.41	-	-	-	-	(6.80)	(100.00)	0.00		(20.41)	(100.00)
17	Domestic Recoveries + Assets + Fines	374.00	93.50	280.50	-	-	-	-	(93.50)	(100.00)	0.00		(280.50)	(100.00)
18	Other FGN Recoveries	138.44	34.61	103.83	-	-	-	-	(34.61)	(100.00)	0.00		(103.83)	(100.00)
19	Earmarked Funds (Proceeds of Oil Assets Ownership Restructuring)	710.00	177.50	532.50	-	-	-	-	(177.50)	(100.00)	0.00		(532.50)	(100.00)
20	Grants and Donor Funding	199.92	49.98	149.94	-	-	-	-	(49.98)	(100.00)	0.00		(149.94)	(100.00)
21	TOTAL RETAINED REVENUE	7,165.87	1,791.47	5,374.41	806.63	889.64	882.12	2,578.39	(909.35)	(50.76)	(7.52)	(0.84)	(2796.02)	(52.02)
22	Other Financing Sources	-	-	-	12.98	159.85	63.08	235.91	63.08		(96.77)	(60.54)	235.91	
23	Exchange Rate Difference	-	-	-	12.98	26.38	17.66	57.02	17.66		(8.73)	(33.07)	57.02	
24	Revenues from Special Accounts	-	-	-	-	133.47	45.42	178.89	45.42		(88.05)	(65.97)	178.89	
25	TOTAL INFLOW	7,165.87	1,791.47	5,374.41	819.62	1,049.49	945.20	2,814.30	(846.27)	(47.24)	(104.29)	(9.94)	(2560.10)	(47.64)

Source: Budget Office of the Federation and the OAGF, 2018

Oil and Gas revenue continued to dominate revenue inflow of government accounting for 50 percent of total revenue in the review period. Other revenue sources are as depicted in figure 3.6.

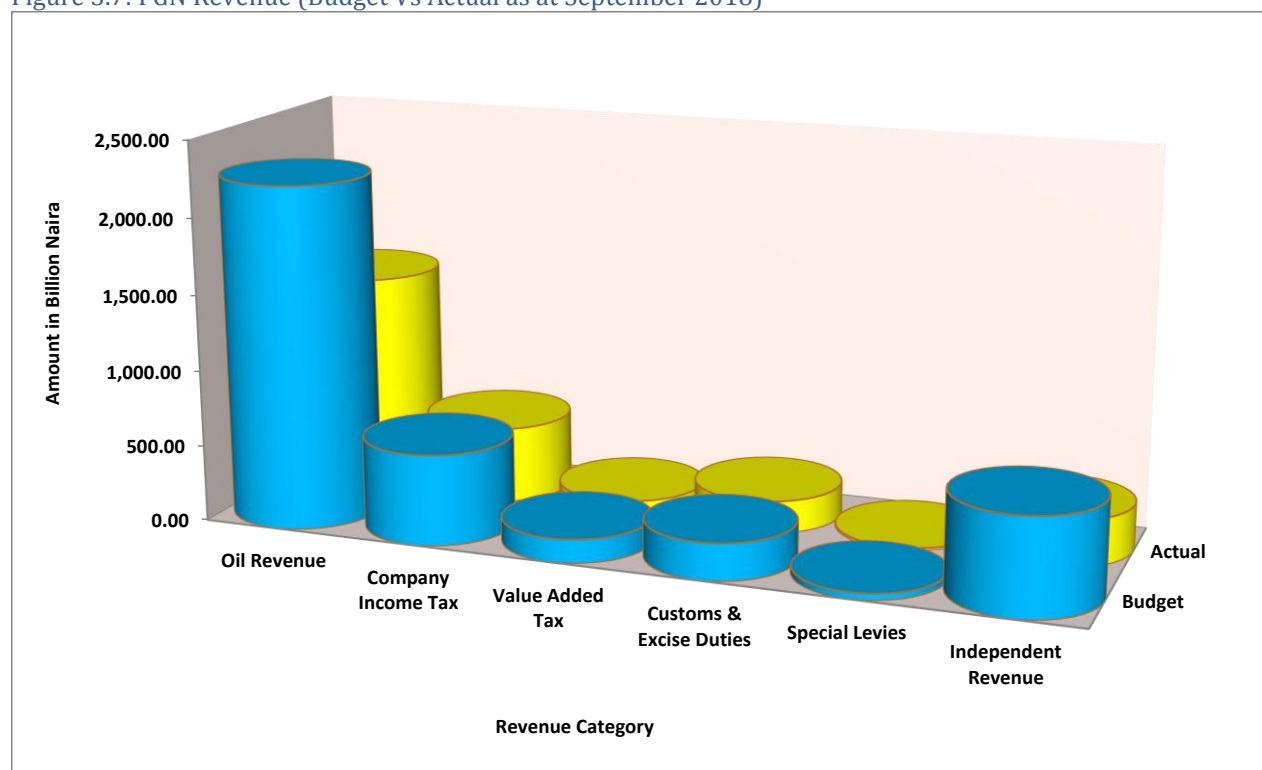
Figure 3.6: Contributions to the FGN Budget Revenue in the Third Quarter of 2018 (Excluding FGN's Unspent Balances and FGN's Balances in Special Accounts)



Source: The OAGF and Budget Office of the Federation, 2018

The oil revenue also contributed largely to the revenue shortfall experienced in the quarter under review accounting for ₦307.59 (or 33.83 percent) of the entire revenue shortfall. Other major contributors included the Earmarked Fund accounting for ₦177.50 (or 19.52 percent), Independent Revenue accounting for ₦126.44 (or 13.90 percent) and Customs, Special Levies, Share of Signature Bonus, Domestic Recoveries, Other FGN Recoveries, Grant & Donor Funding and Unspent Balances with combined share of ₦292.30 billion (or 32.14 percent) etc. of the revenue shortfall (Figure 3.7).

Figure 3.7: FGN Revenue (Budget Vs Actual as at September 2018)



Source: The OAGF and Budget Office of the Federation, 2018

3.8.1 Total Inflow of the Federal Government

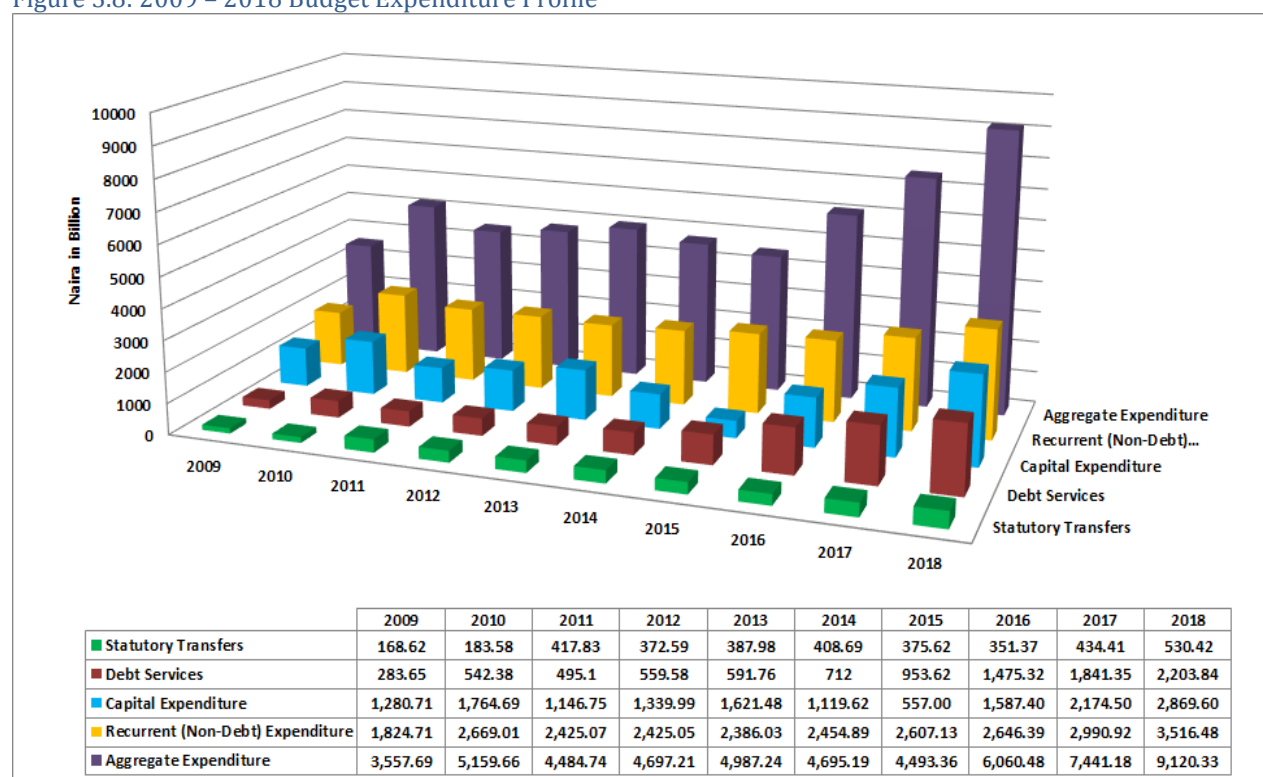
Total Retained Revenue of the Federal Government stood at ₦2,578.39 billion augmented by Other Financing sources totaling ₦235.91 billion. The augmentation to retained revenue is comprised of Exchange Rate Difference of ₦57.02 billion and Revenue from Special Accounts of ₦178.89 billion. Total inflow as at the end September 2018 therefore stood at ₦2,814.30 billion representing a shortfall of ₦2,560.10 billion (or 47.64 percent) of prorata budget estimate for the period.

3.9 Expenditure Developments:

A total of ₦9,120.34 billion was appropriated for expenditure in the 2018 Budget. Of this amount, ₦3,516.48 billion (or 38.56 percent) was for Recurrent (Non-Debt) Expenditure, ₦2,203.84 billion (or 24.16 percent) was for Debt Services, ₦530.42 billion (or 5.82 percent) was for Statutory Transfers and ₦2,869.60

billion (or 31.46 percent) was for Capital Expenditure. The aggregate Federal Government expenditure for the period translates to prorated quarterly expenditure outlay of ₦2,280.08 billion in 2018. Actual expenditure in the third quarter of 2018 stood at ₦1,819.53 billion, translating to a ₦460.56 billion (or 20.20 percent) expenditure shortfall for the period. The detail breakdown is presented in Table 3.10.

Figure 3.8: 2009 – 2018 Budget Expenditure Profile



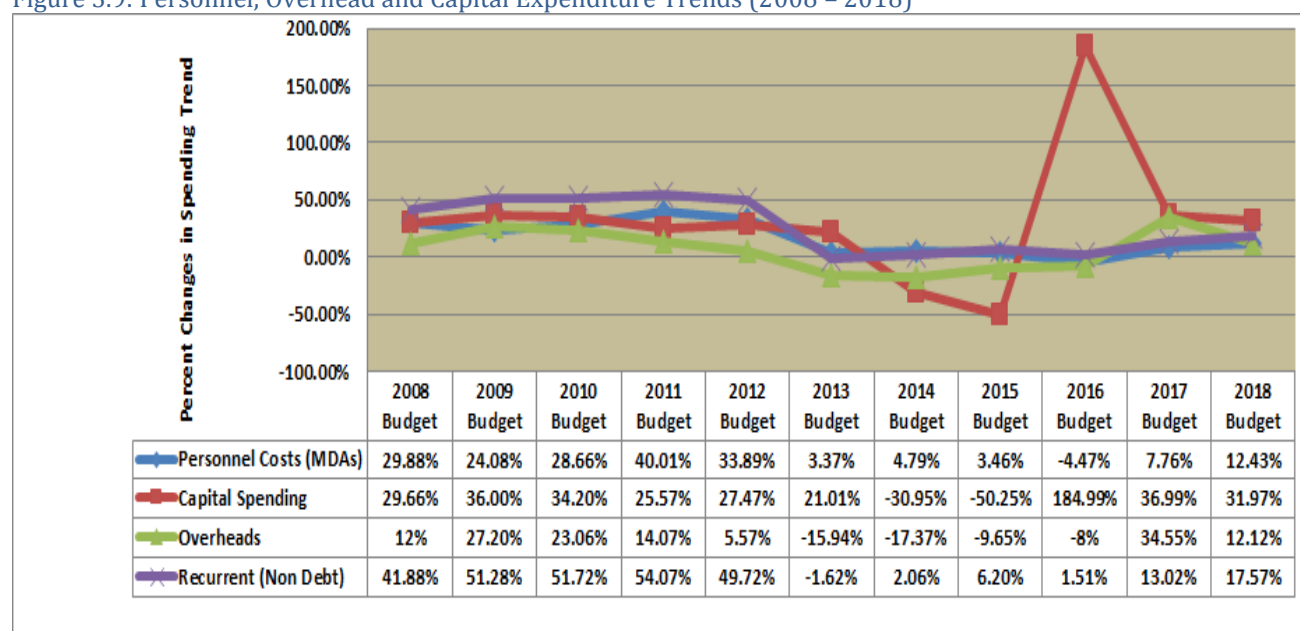
Source: Budget Office of the Federation, 2018

3.9.1 Non-Debt Recurrent Expenditure

Total non-debt recurrent expenditure of ₦773.06 billion was spent in the third quarter of 2018. This implies a decrease of ₦106.06 billion (or 12.06 percent) below the quarterly estimate of ₦879.12 billion. It was also ₦71.33 billion (or 8.45 percent) below the ₦844.40 billion reported in the second quarter of 2018 but ₦156.95 billion (or 25.47 percent) above the ₦616.11 billion level of expenditure recorded in the third quarter of 2017. Government continued to rank

capital expenditure above nonessential recurrent non-debt expenditure like overtime in the face of continuing revenue constraint. Tactical initiatives of Government aimed at cutting down recurrent costs were therefore strongly pursued during the period. This include the continued roll-out of the Integrated Payroll and Personnel Information System (IPPIS) across MDAs, activation of more module like (Assets, Inventory and Procurement Subsystem) of the GIFMIS platform as well as the use of the Treasury Single Account (TSA). The above efforts have also assisted the government to halt further increases in overhead as well as help in the substantial increases in capital expenditure from the 2017 fiscal year (Figure 3.9).

Figure 3.9: Personnel, Overhead and Capital Expenditure Trends (2008 – 2018)



Source: BOF and OAGF, 2018

3.9.2 Debt Service:

Total Debt Services in the third quarter of 2018 stood at ₦740.99 billion representing an increase of ₦190.03 billion (or 34.49 percent) above the ₦550.96 billion projected for the quarter. A total of ₦439.94 billion was proposed for domestic debt service in the quarter under review but ₦633.58 billion was actually used for the service of the debt. This indicated a difference of ₦193.64

billion (or 44.01 percent) above the quarterly estimate.

The sum of ₦63.52 billion was proposed for the service of external debt in the quarter under review. Actual external debt service payment however amounted to ₦83.84 billion (or US\$849.97 million) indicating a difference of ₦20.32 billion (or 31.99 percent) above the quarterly projection.

Table 3.9: FGN Budget Expenditure and Fiscal Account (in N' Billion) as at September 2018

S/No	Item	2018 BUDGET			ACTUAL				VARIANCE					
		Annual	Quarterly	3QRTS	First Quarter	Second Quarter	Third Quarter	3QRTS	3rd Quarter Actual Vs Quarterly	3rd Quarter Vs 2nd Quarter (Actual)	3QRTS Actual Vs 3QRTS Budget			
		Nb	Nb	Nb	Nb	Nb	Nb	Nb	%	Nb	%	Nb	%	
A	RETAINED REVENUE	7,165.87	1,791.47	5,374.40	806.63	889.64	882.12	2,578.39	(300.35)	(80.70)	(7.52)	(8.85)	(2,796.01)	(52.02)
B	Exchange Rate Difference	-	-	-	12.98	26.38	17.66	57.02	17.66		(8.72)	(33.06)	57.02	
C	Revenues from Special Accounts	-	-	-	-	133.47	45.42	178.89	45.42		(88.05)	(65.97)	178.89	
D	TOTAL INFLOW	7,165.87	1,791.47	5,374.40	819.62	1,049.49	945.20	2,814.31	(846.27)	(47.24)	(104.29)	(9.94)	(2,560.09)	(47.63)
E	EXPENDITURE:													
1	RECURRENT (NON-DEBT):													
2	Personnel Cost	2,118.27	529.57	1,588.70	498.89	507.16	521.74	1,527.80	(7.82)	(1.48)	14.58	2.87	(60.90)	(3.83)
3	CRF Pensions	198.95	49.74	149.21	47.51	47.51	47.51	142.52	(2.23)	(4.49)	0.00	0.00	(6.70)	(4.49)
4	SWV Pensions [+ Special Interventions for 2016 only]	43.00	10.75	32.25	-	-	-	-	(10.75)	(100.00)	0.00		(32.25)	(100.00)
5	Overhead Cost	246.49	61.62	184.87	22.08	78.99	23.93	125.00	(37.69)	(61.17)	(55.06)	(69.71)	(59.87)	(32.39)
6	SWV Power Sector Reform Programme	193.34	48.33	145.00	-	-	-	-	(48.33)	(100.00)	0.00		(145.00)	(100.00)
7	Other Service Wide Votes (+ Pension Redemption)	301.44	75.36	226.08	43.64	62.27	56.35	162.26	(19.00)	(25.22)	(5.92)	(9.50)	(63.81)	(28.23)
8	Presidential Amnesty Programme	65.00	16.25	48.75	12.50	15.00	16.07	43.57	(0.18)	(1.10)	1.07	7.14	(5.18)	(10.62)
9	Special Intervention (Recurrent)	350.00	87.50	262.50	-	-	65.10	65.10	(22.41)	(25.61)	65.10		(197.41)	(75.20)
10	Payments from Special Accounts	-	-	-	-	133.47	42.37	175.83	42.37		(91.10)	(68.26)	175.83	
11	Sub-Total (Non-Debt)	3,516.48	879.12	2,637.36	624.61	844.40	773.06	2,242.08	(106.06)	(12.00)	(71.33)	(8.45)	(390.28)	(14.99)
12	Domestic Debts Service	1,759.76	439.94	1,319.82	643.63	297.37	633.58	1,574.58	193.64	44.01	336.21	113.06	254.76	19.30
13	Foreign Debts	254.08	63.52	190.56	54.08	57.44	83.84	195.36	20.32	31.99	26.40	45.95	4.80	2.52
14	Total Debt Service	2,013.84	503.46	1,510.38	697.71	354.81	717.42	1,769.94	213.96	42.50	362.60	102.20	259.56	17.19
15	Interest on Ways & Means	-	-	-	6.74	13.00	16.65	36.39	16.65		3.65	28.12	36.39	
16	Sinking Fund to Retire Maturing Loans	190.00	47.50	142.50	-	0.99	6.92	7.91	(40.58)	(85.43)	5.94	601.42	(134.59)	(94.45)
17	Sub-Total (Debt)	2,203.84	550.96	1,652.88	704.45	368.80	740.99	1,814.24	190.03	34.49	372.19	100.92	161.36	9.76
18	Total Recurrent Expenditure	5,720.31	1,430.08	4,290.23	1,329.07	1,213.19	1,514.05	4,056.31	83.97	5.87	300.86	24.80	(233.92)	(5.45)
19	Capital Expenditure - 2017 in 2018	-	-	-	507.16	231.93	-	739.09	0.00		(231.93)	(100.00)	739.09	
20	Capital Expenditure - 2018:								0.00		0.00		0.00	
21	Capital Development Fund (Main)	2,172.08	543.02	1,629.06	-	-	191.36	191.36	(351.66)	(64.76)	191.36		(1,437.70)	(88.25)
22	Capital Supplementation	377.60	94.40	283.20	-	-	-	-	(94.40)	(100.00)	0.00		(283.20)	(100.00)
23	Special Intervention (Capital)	150.00	37.50	112.50	-	-	-	-	(37.50)	(100.00)	0.00		(112.50)	(100.00)
24	Grants and Donor Funded Projects	169.92	42.48	127.44	-	-	-	-	(42.48)	(100.00)	0.00		(127.44)	(100.00)
25	Total Capital Expenditure - 2018	2,869.60	717.40	2,152.20	507.16	231.93	191.36	930.45	(526.04)	(73.33)	(40.57)	(17.49)	(1,221.75)	(56.77)
26	TRANSFERS:								0.00		0.00		0.00	
27	Statutory Transfers	530.42	132.61	397.82	114.11	114.11	114.11	342.34	(18.49)	(13.94)	0.00	0.00	(55.47)	(13.94)
28	TOTAL ACTUAL EXPENDITURE	9,120.34	2,280.08	6,840.25	1,950.34	1,559.24	1,819.53	5,329.11	(460.56)	(20.20)	260.29	16.69	(1,511.15)	(22.09)
29	Fiscal Deficit	(1,954.47)	(488.62)	(1,465.85)	(1,130.72)	(509.75)	(874.33)	(2,514.80)	(305.71)	78.94	(364.58)	71.52	(1,045.95)	71.56
F	FINANCING ITEMS								0.00		0.00		0.00	
1	Privatization Proceeds	306.00	76.50	229.50	-	-	-	-	(76.50)	(100.00)	0.00		(229.50)	(100.00)
2	Non-Oil Asset Sales	5.00	1.25	3.75	-	-	-	-	(1.25)	(100.00)	0.00		(3.75)	(100.00)
3	Foreign Borrowing	849.67	212.42	637.26	167.91	-	135.68	303.58	(76.74)	(36.13)	135.68		(333.67)	(52.36)
4	Domestic Borrowing	793.79	198.45	595.34	280.00	130.00	195.00	605.00	(3.45)	(1.74)	65.00	50.00	9.66	1.62
5	Sub-Total	1,954.47	488.62	1,465.85	447.91	130.00	330.68	908.58	(157.94)	(32.32)	200.68	154.37	(557.27)	(38.62)
6	Net Deficit/Surplus	-	-	-	(682.82)	(379.75)	(543.65)	(1,606.21)	(543.65)		(163.90)	43.16	(1,606.21)	

Source: OAGF and Budget Office of the Federation, 2018

3.9.3 Statutory Transfers:

Expenditures for the statutory transfers stood at ₦114.11 billion in the third quarter of 2018. The same amount was released as transfers in the second quarter of 2018 and it translates to ₦18.49 billion (or 13.94 percent) decrease from the quarterly estimate of ₦132.61 billion in the 2018 budget. The quarterly releases under this subhead are made on request by the beneficiaries and also subject to budgetary provisions and availability of funds. All releases are expected to be reconciled at the end of the year.

3.9.4 Capital Expenditure Performance:

Greater share of Government's available budgetary resources were directed to structural reforms of the economy and the provision of critical infrastructure like the roads, power, housing, rail and aviation sectors as well as the provision of physical and food security, among others. In view of this, a total of ₦2,869.60 billion was allocated to capital spending in the 2018 Budget.

MDAs' Capital Vote Utilization:

The late passage of the 2018 Appropriation Bill, the delays in procurement of external loans, the shortfall in expected revenue as well as the increasing non-discretionary expenditures of government affected the implementation of capital projects in the 2018 Budget. Funds for capital expenditure were released to MDAs in batches based on the availability of resources and government priorities. An analysis of the data from the Office of the Accountant General of the Federation on 2018 capital performance for MDAs as at 30th September, 2018 showed that a total of ₦441.84 billion was released and cash backed to MDAs for their 2018 capital projects and programmes. The sum of ₦356.72 billion was released in the first batch or warrant and ₦85.02 billion as Authority to Incur Expenditure (AIEs).

Performance as at 30th September, 2018:

The data also revealed that ₦143.52 billion (or 32.48 percent) of the total amount released and cash-backed was utilized by MDAs as at 30th September, 2018. *Appendix 1* to this Report shows the funds released to and utilized by MDAs in the period. A breakdown of the forty one (41) MDAs reported upon by the Office of the Accountant-General of the Federation (OAGF) indicated different levels of utilization among the MDAs. Eight (or 19.51 percent) of the MDAs including: Presidency, Agriculture, Defence, Foreign Affairs, Power, Works & Housing, Budget & National Planning, ONSA and Public Complaints Commission had utilized more than the overall average utilization rate of 32.48 percent of the amount cash-backed. Only Public Complaints Commission had 100 percent utilization of its cash-backed funds while four out of them which included Presidency, Defence, Budget & National Planning and ONSA had above fifty percent utilization rate.

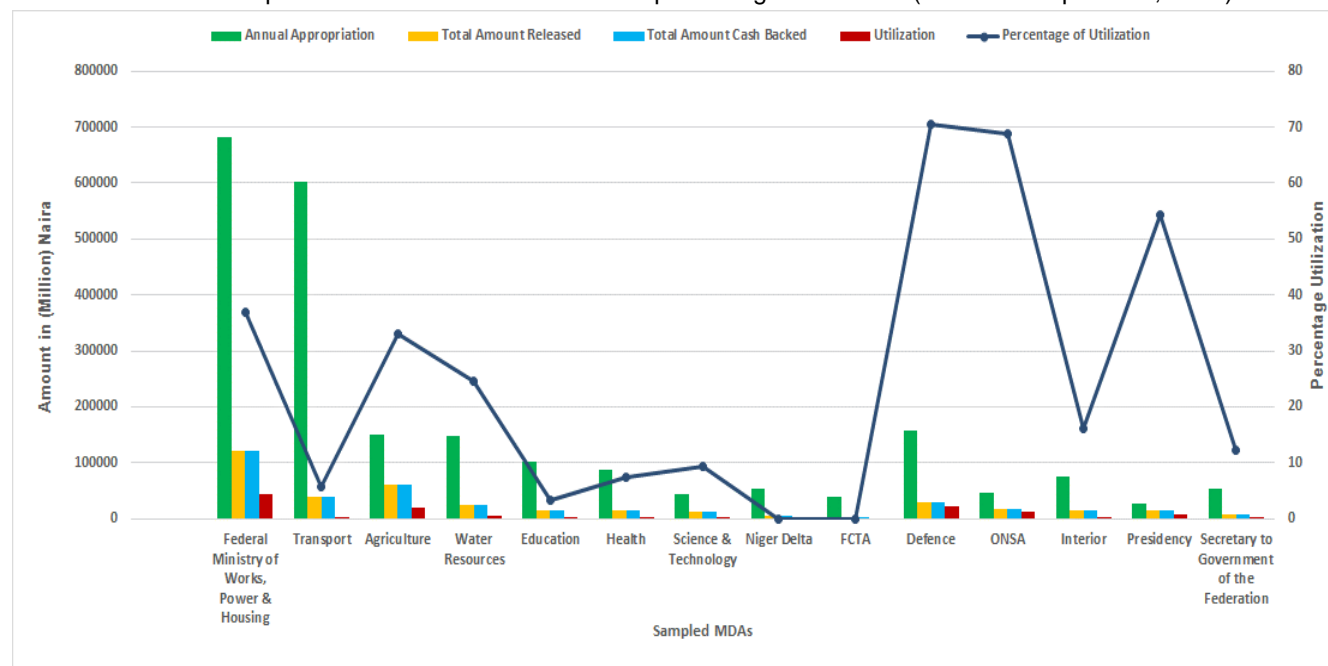
The utilization report also revealed that 17 MDAs (or 41.46 percent) which included: OSGF, Health, Education, Science & Technology, Water Resources, Interior, Information, Transport, Justice, Finance, Trade & Investment, Mines & Steel utilized below the average utilization rate of 32.48 percent of their cash-backed funds. On the other hand, 16 MDAs (or 39.02 percent) which included FCTA, Petroleum, Niger Delta, Youth Development, National Salaries & Wages, Environment, Police Service Commission, ICRC, FCSC, Communication Technology, ICPC and Federal Character Commission were yet to make any utilization. *Table 3.10* is an extract from *Appendix 1* highlighting the utilization rates of fourteen MDAs considered to be key to the actualization of the Federal Government's objectives.

Table 3.10: Capital Budget Utilization by MDAs (as at 30th September, 2018)

MDA	Annual Appropriation	Total Amount Released	Total Amount Cash Backed	Utilization			
	N	N	N	N	As % of Annual Capital Appropriation	As % of Cash-Backed Funds	As % of Budgetary Releases
Federal Ministry of Works, Power & Housing	682,959,550,242	122,184,244,576	122,184,244,576	45,076,896,955	6.60	36.89	36.89
Transport	603,202,289,635	38,004,900,718	38,004,900,718	2,204,877,536	0.37	5.80	5.80
Agriculture	149,198,139,037	60,198,266,171	60,198,266,171	19,856,757,623	13.31	32.99	32.99
Water Resources	147,199,614,645	24,936,506,581	24,936,506,581	6,113,312,378	4.15	24.52	24.52
Education	102,907,290,833	16,023,905,787	16,023,905,787	532,406,132	0.52	3.32	3.32
Health	86,485,848,198	13,953,412,307	13,953,412,307	1,027,143,392	1.19	7.36	7.36
Science & Technology	43,230,296,244	12,256,314,509	12,256,314,509	1,147,530,542	2.65	9.36	9.36
Niger Delta	53,892,500,002	5,808,250,000	5,808,250,000	0	0.00	0.00	0.00
FCTA	40,297,122,872	3,229,812,287	3,229,812,287	0	0.00	0.00	0.00
Defence	157,715,439,613	30,206,615,131	30,206,615,131	21,319,162,962	13.52	70.58	70.58
ONSA	46,656,125,631	17,230,663,463	17,230,663,463	11,852,056,260	25.40	68.78	68.78
Interior	75,098,144,455	15,847,748,914	15,847,748,914	2,547,773,977	3.39	16.08	16.08
Presidency	27,779,999,975	14,083,043,388	14,083,043,388	7,658,094,462	27.57	54.38	54.38
Secretary to Government of the Federation	52,937,424,968	6,693,346,312	6,693,346,312	812,971,997	1.54	12.15	12.15
Total Average Utilization by All MDAs (Inclusive of Capital	2,873,400,351,825	441,837,251,178	441,837,251,178	143,520,926,367	4.99	32.48	32.48

Source: OAGF and BOF, 2018

Chart 3.9: Pictorial Representation of Selected MDAs Capital Budget Utilization (as at 30th September, 2018)



Source: BOF and OAGF, 2018

3.9.5 Budget Deficit and Performance of the Financing Items:

The 2018 Fiscal Framework estimated a quarterly fiscal deficit of ₦488.62 billion to be financed through earnings from Privatization Proceeds of ₦76.50 billion, Foreign Borrowing of ₦212.42 billion, Domestic Borrowing (FGN Bond) of ₦198.45 billion and Non-Oil Asset Sales of ₦1.25 billion.

The revenue and expenditure outturn of the Federal Government resulted in a fiscal deficit of ₦874.33 billion in the third quarter of 2018. This was ₦385.71 billion (or 78.94 percent) higher than the projected fiscal deficit of ₦488.62 billion for the period. It was also higher than the fiscal deficit of ₦509.75 billion recorded in the second quarter of 2018. The deficit in the third quarter of 2018 was financed to the tune of ₦330.68 billion through Foreign Borrowing of ₦135.68 billion and Domestic Borrowing of ₦195.0 billion. This resulted in a ₦543.65 billion net deficit financing for the review period.

4.0 CAPITAL PROJECT IMPLEMENTATION REPORT

INTRODUCTION:

The Ministry of Budget and National Planning in conjunction with representatives of MDAs conducted physical inspection of selected capital projects and programmes for the Third Quarter 2018 from **Monday 14th to Friday 25th January, 2019**. This exercise was held concurrently across the six (6) geo-political zones of the country in furtherance to the Administration's commitment to deliver on its promises as well as promote transparency and accountability.

The objective of the exercise was to track projects performances and assess their levels of completion vis-à-vis funds expended. This is to ensure that funds released for projects are judiciously utilized and expected outcomes delivered to the Nigerian citizenry. A total of eighteen (18) selected MDAs were covered viz: Agriculture; Communication Technology, Environment, Finance, Transportation; Power, Works and Housing; Interior; Defence; and Water Resources. Others are: Health, Education, FCTA, Niger Delta, Science & Technology, Solid Minerals, OSGF, Youth and Sports and Labour and Employment.

4.1 AGRICULTURAL SECTOR

The policy thrust of the Government in this sector is to improve agricultural productivity for economic diversification, food production and job creation. To achieve this, a total of N149.19 billion was allocated to the sector in the 2018 budget to execute its capital projects/programmes. Out of this amount, N103.83 billion was released and cash backed while, N63.29 billion was utilized as at 31st December of the year. The following institutions/projects were monitored by the team.

4.1.1 NATIONAL AGRICULTURAL EXTENSION REASERCH AND LIAISON SERVICES, (NAERLS), ZARIA

The mandate of the institute is to advance the frontiers of agricultural extension research services, conduct agricultural performance assessment

and provide feedbacks. In addition, it is charged with the responsibility of building the capacity and skills of key actors in agricultural extension services and package, disseminate improved agricultural innovations to target users in Nigeria.

To achieve this mandate, a total of N758.16 million was allocated to the institute in the 2018 Budget to execute its capital projects/programmes. Of this amount, N227.44 million was released and N75.81 million utilized to execute five (5) of the approved projects which includes:

i). *Promotion of Modern and Commercial Agriculture in Adopted Villages:*

The project was conceived to promote modern and commercial agriculture in seven (7) model and adopted villages (2 in the headquarters and 5 in Agro – Ecological zones in Nigeria). It involves the provision of media facilities, teaching and training aids, farm implements, agricultural science and home economics textbooks and furniture.

The contract was awarded to Messrs Building Resources Ltd. in 2017 at a cost of N12.71 million and scheduled for completion in June 2019. In the 2018 Budget, the sum of N12.79 million was appropriated, released and utilized to achieve 100% level of completion.

Findings:

At the time of visit, all the components of the project had been procured and ready for use. The team was informed that the project is continuous by design to promote commercial agriculture and consequently boost productivity in line with government objectives.



Picture 1: *Training Facilities for Promotion of Modern Adopted Villages at NAERLS, Zaria*

Socio-economic Impact:

The deployment of modern and current agricultural research technology and innovation to adopted modern villages and schools is expected to robustly promote agriculture, boost productivity for self-reliance and improve GDP of the nation.

ii). Farmers Helpline Center

This project is an enlightenment programme aimed at providing facility for disseminating Agriculture extension services using modern communication technology as it provides an avenue for instant responses or clarification to farmers complains and queries. It entails equipping and furnishing of national helpline center, supply and installation of 30nos. desktops computers and a backup server for the call center application, etc.

It was awarded to a consortium of contractors (Messrs Interia Networks Ltd & 3 others) in June, 2016 at a cost of N150.29 million and expected to be completed in June, 2019. In the 2018 Budget, the sum of N40.0 million was appropriated to the project while N22.87 million was released and utilized. A total of N82.56 million had so far been committed to achieve 55% level of completion.

Findings:

At the time of this report, the structural component (building) had been completed and in use. Also, 10nos desktop computers had been supplied and installed. Subscription of IT line has also been substantially achieved. In addition, the supply and installation of the pick-up sever, additional photocopy machine had been installed and put to use. Other components of the equipping and furnishing were awaiting completion for formal commissioning. However, it is presently being test run.



Picture 2: Installed Computers/Server at the Farmers Helpline Centre, NAERLS Zaria

Socio-economic Impact:

On completion, the helpline project is expected to provide modern agriculture market and technology information to farmers for improved production (quality/quantity). It will also assist prospective agriculture business individuals, researchers and policy makers.

4.1.2 NATIONAL VETERINARY RESEARCH INSTITUTE (NVRI), VOM

The institution is located in Vom, Plateau State. It is charged with the responsibility of vaccine research, development and production. A total of N1.25 billion was appropriated to the institution in the 2018 Budget for the implementation of its capital projects and programmes. N375.33 million was released and cash backed while N85 million was utilized to execute among others the following projects:

i). Vaccine Research, Development and Production

The project involves the supply of MBE 0430 Electrical and Software Components consumables for BOC Edward Lyofast 7.0 freeze dryer machine, hardware service fees for comprehensive routine check, offshore and domestic logistics to client site, payment for Jos Electricity Distribution Company Recharge Unit etc. The objective is to produce doses/vials of vaccines to different stakeholders across the country.

The contract was awarded to Messrs Fixcon Network Limited & others in June 2016 at a cost of N2.15 billion and was expected to be completed by July 2017. The sum of N452.25 million was appropriated in 2018 budget, out of which, N101.065 million was released and utilized. A total of N892.67

million had so far been committed to the project since inception to achieve 42% level of completion.

Findings:

At the time of visit, the production of 50ml doses/ vials of vaccines were in progress while components of the consumables for the freeze dryer machine had been fixed.



Picture 3: Refurbished Freeze Dryer Machine at NVRI, Vom

Socio-economic Impact:

The Vaccines produced by the research institute are sold to State Governments, Non- governmental Organizations, individual farmers, institutions, International organizations (CAMA VET SARC, FAO, Nigeria etc.) and other outlets in the country to boost the farm produce and reduce the spread of diseases to animals & birds(fowl pox, new castle diseases), etc.

Challenge:

The major constraint faced by the institute is low production capacity to meet adequate vaccines requirements for the country and the reason for this is that the machines used for the production of the vaccines are obsolete.

4.1.3 LAKE CHAD RESEARCH INSTITUTE, MAIDUGURI

The Institute's mandates is to research into the genetic improvement of agricultural production by way of developing improved technologies for adoption by farmers to obtain higher yields and provide varieties of quality wheat. It had an appropriation of ₦726.36 million in the 2018 Budget for the implementation of its capital projects and programmes. Out of this amount,

₦72.63 million was released, cash backed and ₦44.69 million utilized as at third quarter of the year. The following projects were monitored:

j). Development of high yielding heat tolerant and good quality varieties of wheat, barley and development of early maturing and high yielding millet varieties

The project involves the development of high yielding heat tolerant and quality variety of barley, wheat and early maturing high yielding millet as well as developing the capacity of farmers, scientists and extension-workers in its production, processing and storage procedures.

The project was executed by the institute in January, 2018 at a cost of N226 million with an expected completion date of December 2018. The sum of N226 million was appropriated in the 2018 Budget. Of this amount, N38.89 million was released while N30.75 million was utilized to achieve 15% level of completion.

Findings:

At the time of monitoring, the team was informed that ten wheat genotypes advanced for preliminary yield trial had been evaluated for stability and 300 valid genotypes were screened and characterized respectively.



Picture 4: Development of High Yield Wheat/Barley and Early Maturing High Yield Millet

Socio-economic Impact:

The project had trained members of the host communities and famers in north east zone in adopting an improved high yielding wheat/barley. This is expected to enhance their agricultural productivity and improve their income generation respectively.

4.1.4 NATIONAL ROOT CROP RESEARCH INSTITUTE, UMUDIKE

The institution was allocated a total of N1.87 billion in the 2018 Budget for the implementation of its capital projects/programmes. Of this amount, N693.68 million was released while N607.305million was utilized as at third quarter of the year to execute the following projects:

j). Renovation of National Agricultural Extension and Research Service (NAERC) Complex Building

The project entails the complete renovation of the NAERC Headquarters. The contract was awarded to Messrs Wallfit Homies Ent. Ltd in October, 2018 at a cost of N22.5 million with an expected completion date of January 2019. The sum of N22.5 million was appropriated in the 2018 budget, out of which N20.5 million was released and utilized as at third quarter of the year to achieve 98% cumulative performance.

Findings:

At the time of this report, work completed includes; replacement of the dilapidated doors and windows, painting of the complex, re-roofing, wall finishing, floor finishing, electrical and mechanical services installations, and furnishing amongst others.



Picture5: The Renovated National Agricultural Extension and Research Service (NAERC) Complex Building at NRCRI, Umudike.

4.2 DEFENCE SECTOR

The Sector was allocated a total of N157.72 billion in the 2018 Budget to implement its Capital projects/programmes. Of this amount, N86.73 billion was released and cash backed while, N77.63 billion was utilized as at the end of

the third quarter. The following Institutions/projects were monitored:

4.2.1 ARMED FORCES COMMAND & STAFF COLLEGE JAJI- KADUNA STATE

The College was allocated a total of N3.44 billion to implement its eight (8) capital projects/programmes in the 2018 budget, of this amount, N2.83 billion was released and utilized to execute its projects. The following project were monitored:

j). Construction & Furnishing of 40 x 1 Bedroom Flats

The project involves construction & furnishing of 40 x 1 bedroom flats storey building with supporting infrastructure such as lecture halls and landscaping. It is aimed at providing accommodation for junior course students of the college.

The contract was awarded to Messrs P&E Enterprises Nig. Ltd. in July 2017 at a cost of N910 million and it is expected to be completed in June 2019. The sum of N280 million was appropriated in the 2018 budget, out of which N246.95 million was released and utilized thus bringing total financial commitment since inception to N596.95 million to achieve 95% level of completion.

Findings:

At the time of monitoring, the sub-structure and superstructure including roofing and electrical installation were all completed. In addition, significant quantum of furnishing materials such as air conditioners, refrigerators, television sets had already been procured and installed. Works in progress includes; painting, electrical fittings, fixing of entrance doors and landscaping.



Picture 6: Exterior and Interior views of the 40Nos of 1-Bedroom Building in progress at Armed Forces Command & Staff College, Jaji

Socio-economic Impact:

Prior to the project, there was shortage of accommodation due to increase number of officers. The completion of the project had provided a conducive accommodation for the officers thus boosting their morale and enhancing their general performance.

ii). Remodeling of Sports Center Facilities

This project entails the provision of football field, track field, 3nos spectator’s stands, 2nos. each of Volleyball, Badminton, and Lawn Tennis courts. Others are Basketball and Handball courts, changing rooms, lockup shops, 2nos boreholes, conveniences, General landscaping, access road networks and fencing of the entire complex.

The contract was awarded to Messrs Fromeb Associates and others in July, 2017 at a total cost of N833.17 million with expected completed date of December 2020. The sum of N532.79 million was appropriated, released and utilized to the project bringing total commitment to N433.17 million to achieve 50% level of completion.

Findings:

At the time of monitoring, the 2nos boreholes had been sunk and 10,000 liters capacity water tanks fabricated. The construction of the main and practice fields, 2nos gate houses, spectators stand, table tennis and lawn tennis courts, lockup shops and drainage works were in progress simultaneously. The team observed an appreciable progress of work as the contractor has demonstrated proven capacity to deliver the project on schedule.



Picture 7: Ongoing Construction of Sport Complex at Armed Forces Command & Staff College, Jaji

Socio-economic Impact:

Presently, the project is providing employment to both skilled and unskilled youth of the area as more than fifty (50) youths were engaged on daily basis. This has so far helped to arrest some levels of youth restiveness in the area. On completion, the sporting facilities is expected to increase fitness and level of alertness among the college officers, and by extension the neighbouring communities. The availability of a befitting sports centre will boost sport and academic activities thereby fostering esprit de corps among the officers.

Challenge:

Lack of expertise and non-availability of relevant sporting materials for sport construction projects in Nigeria were reported as hindrance to the timely delivery of the project as most of the materials are majorly foreign based imported.

4.2.2 DEFENCE INDUSTRIES CORPORATION OF NIGERIA (DICON), KADUNA

The Corporation was established by an Act of Parliament in 1964 with the aim of catalysing the efforts of all Directorates and units as well as streamline the interest of other stakeholders for maximum output towards National Defence and enterprise.

To achieve this mandate, a total of N3.73 billion was appropriated in the 2018 budget to implement its seventeen (17) capital projects/ programmes. Of this amount, N1.61 billion was released and utilized as at the time of inspection. The following projects amongst others were monitored:

i). Construction and Furnishing of 50-Bedroom Hostel Accommodation for DICON Training School

The project is located at Kakuri Area of Kaduna State and it involves complete construction and furnishing of a 50 bedroom hostel accommodation to house trainees of the school. It also comprise common rooms, canteen, kitchen, reception and electrical control room, etc. It was awarded to Messrs Adimat Resources and Investment Limited in August 2017 at a total cost of N492.39 million and scheduled to be completed by December 2020.)

In the 2018 Budget, the sum of N417.39 million was appropriated to the project while N172.34 million was released and utilized. A total of N344.67 million had been committed to achieve cumulative performance of 61.29%.

Findings:

At the time of this report, both the sub-structure and super-structure had been completed. Other works include: roofing, plastering, fixing of windows & doors, frames and ceilings, works were substantially achieved while filling of the floors and electrical works were in progress. The upper floor was equally receiving attention such as fixing of doors, painting, tilling and furnishing.



Picture 8: Ongoing Construction of 50-Bedrooms Complex at DICON, Kaduna

Socio-economic Impact:

The construction works had generated employment opportunities for more than sixty (60) skills and unskilled labour. This has enhanced their living standard as well as reduced restiveness among the youths. On completion, the hostel is expected to provide conducive accommodation to a minimum of 100 trainees/participants of the school for enhanced commitment and academic performance.

4.2.3 NATIONAL DEFENCE COLLEGE (NDC), ABUJA

The college was appropriated the sum of N8.49 billion in the 2018 budget to execute its capital projects and programmes. Out of this amount, N5.05 billion was released and utilized to execute the following projects which were monitored:

i) Construction of Administrative Block

The project involves the construction of Administrative Block in Piwoyi (NDC Permanent Site). Component of work consists: construction of 8 - Storey building with a basement, 303nos. offices, 2nos. auditorium (300 capacity each), 9nos. conference rooms, 7nos. seminar and 23nos. syndicate rooms. Others include: construction of 25nos of stores, 198nos. conveniences, 3nos. vaults, 1no. strong room, archives, reference bookstore, research and e-library.

The contract was awarded to Messrs Bullet International (Nigeria) Limited in March 2017 at a cost of N11.89billion with a completion date of December 2025. The sum of N3.01 billion was appropriated in the 2018budget, out of which N1.9 billion was released and utilized to bring total financial commitment to N3.2 billion to achieve 26.88% level of completion.

Findings:

At the time of visit, construction of the substructure and basement works were in progress.



Picture 9: Ongoing Construction of Administrative Block at National Defence College Piwoyi

Socio-economic Impact:

When completed, it will help to solve the problem of office accommodation and create a more conducive working and learning environment for the officers and students of the college.

4.2.4 NIGERIAN AIRFORCE (NAF)

The NAF is charged with the responsibility of providing air defense to the nation. In the 2018 Budget, the sum of N44.65 billion was appropriated, out of which N2.00 billion was released and utilized as at the end of third quarter of the year to implements capital projects/programmes. The following project were monitored:

i). Periodic Depot Maintenance (PDM) of C-130H Aircraft (NAF 917)

The project involves the periodic maintenance of Aircraft NAF 917 in readiness for operations against insurgents. The contract was awarded to Messrs Sabena Technic Limited in September 2018 at a cost of N311.29 million with an expected completion date of December 2018. The sum of N311.28 was appropriated in the 2018 budget of which same amount was released and utilized on the project to achieve 100% level of completion.

Findings:

At the time of this report, work done includes: completion of installation of tiles, painting, electrical fittings, purchase of 3nos engine and rigging of main landing gear in Aircraft 917. Outstanding works include: fixing of tyres, engine, wings and test run of the air craft are in progress.



Picture 10: Ongoing PDM Work on NAF 917 Aircraft

Socio-economic Impact:

The Aircraft maintenance activities had developed the skills and competencies of the personnel of the Nigerian Air force. On completion, it

will prepare the force for combat readiness and provide rapid response against any impending aggression.

ii). Procurement of Various Aircraft Spares:

This project involves the procurement of various Aircraft spares parts for maintenance. The contract was awarded to Messrs Vendors Ltd at a cost of N1.4 billion in September, 2018 and was expected to be completed in December, 2019. The sum of N1.4 billion was appropriated in the 2018 budget, out of which N163.95 million was released and utilized as at third quarter to achieve 45% level of completion.

Findings:

At the time of visit, the following spare parts have been procured: nos aircraft engines from Germany, 1no Weather Radar Transceiver (WRT) for C130 aircraft and Cameras. Others include: 1500nos. Jackets and Helmet, 50nos bullet proof plates and kits.



Picture11: Procured Aircraft Engines and Spare Parts at NAF, Lagos

Socio-economic Impact:

On completion, the project will enhance prompt response to operations and enhance air service operations/delivery for the Nigerian Airforce.

4.2.5 NIGERIAN ARMED FORCES RESETTLEMENT CENTRE (NAFRC), LAGOS

The Centre was established in 1945 and is saddled with the responsibility of preparing retiring military personnel from the military settings to rejoining the

society as civilians. Thus, the Centre offers various courses which would prepare the retirees for their post service life and also to enable them blend with the peculiarities of life after retirement.

To achieve these, the NAFRC was allocated a total of N2.29 billion in the 2018 budget. Out of this amount, N1.11 billion was released, cash backed and utilized as at the third quarter for the implementation of its projects/programmes. The following projects were monitored:

j). Construction, Renovation and Furnishing of Trainees Accommodation Coy-B

The project is located within the premises of the Nigerian Armed Forces Resettlement Centre in Oshodi, Lagos State. It comprises: construction, renovation and furnishing of Coy B, trainees' accommodation for the retired men of the Nigerian Armed Forces. The project was executed in two phases. Phase 1 involves the remodeling of an old dormitory structure of 14 blocks of 14 domes and a general toilet block for all the trainees, to a standard modern self-contained structure of 113 rooms, 2 offices, 3 stores and 2 viewing centers.

Phase II involves: furnishing of the remodeled structure. The contract was executed through direct labour by the Centre at a cost of N150 million for the construction and renovation, and N130 million for furnishing respectively, in October 2018 with completion date scheduled for December 2018. The sum of N280.91 million was appropriated, released and utilized in the 2018 budget to achieve 100% level of completion.

Findings:

During the monitoring exercise, the project had been completed and well furnished. Items seen inside the remodeled and painted structure were air conditioners, fridges, beddings and sheets, pillows and blankets, reading tables and chairs, wardrobes and shoe racks in each of the 113 rooms. The two (2) viewing centers were equally furnished with televisions and cushions.

Socio-economic Impact:

The project had been completed and put to use. It has provided conducive

leaning environment for trainees, improve their welfare and boost their morale.



Picture 12: Part of the Construction/Renovation and Furnishing of Trainees Accommodation Coy-B at Armed Forces Resettlement Centre, Lagos

4.3 FEDERAL MINISTRY OF POWER, WORKS & HOUSING

The Ministry is responsible for achieving infrastructural renewal in roads, power and housing in Nigeria. In order to enhance productivity, lower the cost of doing business and create the foundation for sustainable economic growth and development, a total of N682.96 billion was allocated to the sector in the 2018 budget to execute its projects/ programmes. Out of this amount, N289.21 billion has so far been released and cash backed while N171.56 billion was utilized as at the time of monitoring.

4.3.1 POWER SECTOR

i). 10 MW Katsina Wind Farm Project

The project involves engineering, procurement, construction and installation of 37Nos GEVMP (275KW) Wind Turbines, step-up transformer for each turbine 215KVA/33KV/400V and Scada system. Other components includes: supply and installation of 2x 7.5 MVA transformer and accessories, with a two years operations, maintenance and spare parts.

The contract was initially awarded to Messrs Vergnet S.A of France in June 2009 at a cost of £18.50 million plus N494.02 million. However, the project was later stalled for some years due to kidnapping of one of their Engineers.

In 2016, the project was terminated and taken over by Messrs CREDCO Ltd.as approved by the Federal Executive Council (FEC) with completion date of March 2019. There was an upward review of the contract cost by €2.35 million plus N79.88 million because of the additional materials procured to replace the ones damaged by rodents or vandalized as a result of long time abandonment.

In the 2018 budget, the sum of N1.81billion was appropriated to the project but there was no release as at the time of monitoring. However, a total of €19.66 million plus N419.44 million had been committed to the project since inception to achieve 95% cumulative performance.

Findings:

The design, procurement, construction and installation of 33nos wind turbines were completed since April 2012 and had been commissioned. Currently, 15nos wind Farm turbines namely; E4 – E16 are in operation and producing energy. The remaining 22nos had also been installed and test run. The delay in commissioning of the 22nos was due to non-availability of the required critical components.



Picture 13: Part of the Installed Turbines at Katsina Wind Farm

Socio-economic Impact:

Presently, over 4MW of electricity was reported to have been generated and transmitted to Katsina State Transmission Company of Nigeria (TCN) sub-station. On completion, the project is expected to add 10MW of power generation to the grid network. This will help to solve the epileptic power supply to Katsina State and its environs. In addition, it will supply power to

some other institutions such as the universities and steel plant industries and consequently increase economic activities in the area.

Recommendation:

The team recommends that Government should intervene in the funding of these laudable project through any special intervention to facilitate timely procurement of the critical components and consumables which will aid the prompt commissioning of the remaining 22 turbines.

ii). Construction and Installation of 10KM of 33/11KV Lines and Associated 2x15MVA Injection Substation, Ibuzor, Delta State

The project involves construction and installation of 10KM 33/11KV and associated 2x15MVA injection substation at Ibuzor, Oshimili North Local Government Area of Delta State. The contract was awarded to Messrs Power Control & Appliances in December 2014 at a cost of N325.79 million with a completion date of June 2016. The sum of N125.85 million was appropriated in the 2018 Budget but there was no release to the project by the supervisory ministry as at the time of the visit. However, a total of N209.87 million had been committed to the project since inception to achieve 74% level of completion.

Findings:

At the time of monitoring, supply and installation of diesel generating house and substation fence had been completed while construction of 10km 33/11KV Line, supply of 2x15MVA transformer, battery bank, underground materials, supply and installation of current transformers with support lighting arrestor and construction of control room were at different stages of completion. The team was however informed that, some of the equipment were vandalized at the site which affected the delivery of the project as scheduled.



Picture 14: Ongoing Construction & Installation of 10KM of 33/11KV Lines and Associated 2x15MVA Injection Substation, Ibuzor, Delta State

Socio-economic Impact:

On completion, it will improve power supply in Ibuzor town and its environs

iii). Benin North – Oshogbo 33KV DC Line

The project is located across three states of Edo, Ondo, and Osun states. It entails construction of 33kv DC Line of two hundred and fifty (250) kilometers length transmission line on steel lattice structures of double circuit turn in and turns out from Benin – Oshogbo to New Akure substation. The transmission line will evacuate the Azura, Ihovbor and Ethiope IPP in Edo State to the National Grid. A total of five hundred and fifty-six (556) numbers of towers are expected to be laid for evacuation of power to the national grid.

The contract was awarded to Messrs Gammon India Limited in October 2010 at a cost of N11.18 billion with an initial expected completion date of October, 2013. The expected completion date was however revised to December, 2015. The team was informed that the contractor had applied for variation of N758.94 million with another extension date to December 2019 due to additional scope of work on the project.

The sum of N677.69 million was appropriated in the 2018 budget. Out of which N67.77 million was released and cash backed while only N28.67 million was utilized as at the time of visit. However, a total of N11.10 billion had been committed to the project since inception to achieve 91% level of completion.

Findings:

At the time of monitoring, there was no construction activity at the site due to funding issues. However, work completed includes: 268nos. of tower foundations, installation of 225nos. of towers while stringing, foundation and installation of the remaining number of towers were still outstanding. The team was informed that delays in the release of funds and delays in payment for compensation on right of way (ROW) in some locations were identified as slowing down the pace of the project.

Socio-economic Impact:

Though the project is still ongoing, it has provided employment opportunities for a number of skilled and other classes of workers who are currently involved in the construction work. When completed, it would improve power supply to the three states within the road corridors and evacuate the remaining power to the national grid.



Picture 15: On-Going Installation of Towers for Power Evacuation of the Benin North – Oshogbo 33KV DC Line

iv). Construction of 132km of 330kv Double Circuit Transmission Power Line in Erukan to Omotosho

The project is located at Erukan to Omotosho in Ogun and Ondo state respectively. The scope of work includes: construction of 132km of 330kv double circuit transmission power line at Erukan (Ogidjo) to Omotosho for bulk power supply. Other components of the project include: design,

engineering and procurement of steel structures.

It was awarded to Messrs Energo Nigeria Limited in December, 2010 at a cost of N9.3 billion (Offshore and Onshore) with an expected completion date of December, 2019 which was later revised to April 2020 due to time lag. The sum of N629.3million was appropriated in the 2018 budget, out of which N62.9 million was released and cash backed while N62.9 million was utilized. A total of N2.3 billion had been committed to the project since inception to achieve 40% level of completion.

Findings:

At the time of monitoring, work completed includes: preliminary line route, profile and tower spotting, line site survey, supply of 126 pieces of tower members out of AAH 306 pieces tower expected. Others include: 52nos. tower foundations and 42nos. tower erections covering 25km from Erukan outbound. While, assembling of tower members and erecting of lattice structures were ongoing. However, construction of more tower foundation, importation of 180 pieces remaining towers and others items were outstanding.

Challenges:

The major challenge(s) recorded on the project includes: delay in achieving targeted period of project completion due to right of way acquisition, timely payment of compensation to local communities, where the transmission line run through and timely release of funds to the project.

Socio-economic Impact:

Although the project is still ongoing, it had provided employment opportunities for both skilled and unskilled labour currently involved in the construction work. In addition, it had improved security and trading activities in the immediate community and its environs. On completion, it is expected to provide additional megawatts to Omotosho power Plant I and Plant II to Lagos and Ogun States for Industrial, Commercial and Socio –economic development of people therein and Nigeria in general.

4.3.2 WORKS SECTOR

j). Construction of Oju/Loko-Oweto Bridge to Link Loko and Oweto with Approach Roads C/No 6108

The project entails the construction of 2nos. double bridges referred to as bridge 1 and bridge 2 linking Loko and Oweto. The Northern bridges (Bridge no.1) are 1,835m long each measured between abutment axes, while the southern Bridges (Bridge 2) are 220 each measured between axes. The island between the northern and the southern bridges is 550m long while the space between the eastern and western bridges is 8m.

The scope of work includes: construction of 3,850m long approach road at Loko end, 3090m long approach road at Oweto end and 550m long road linking the two bridges at the island separating the southern and the northern bridges. The road width is 12.8m and includes 7.3m carriageways and 2.75m shoulders, placement of top soil on embankments and grassing, stone-pitching and concrete kerbs.

The contract was awarded to Messrs R.C.C. Nig. Ltd. in November 2011 at a cost of N51.61 billion with an initial completion date of Forty-Eight (48) months which was later extended to November 2018. The sum of N3.39 billion was appropriated, released and utilized in the 2018 budget. A total of N42.37 billion had so far been committed to the project since inception to achieve 80.16% level of completion.

Findings:

At the time of this report, bridges one (1) and two (2) of the East side of the road had been completed while, Bridges one (1) and two (2) of the west were still in progress. Other components of work in progress at the west side of the bridges 1 & 2 includes: pier segments, closures, approach slabs, expansion beams, parapet walls, walkways and expansion joints.



Picture16: Completed Portion & On-Going Construction Work on Loko-Oweto Bridge

Socio-economic Impact:

The project had created employment opportunities to over 800 skilled and unskilled labour in the immediate community and its environs. On completion, it will open up more communities along the road corridor, reduce travel time, and improve vehicular movement and transportation of goods and services between the North and the eastern part of the country. Besides, the project will also enhance socio-economic activities between Nasarawa and Benue States respectively.

ii). The Dualisation of Kano – Maiduguri Road Section1 (Kano–Wudil –Shuarin) Contract No; 5878

The project entails the dualisation/reconstruction of approximately 101.365 km of new/ existing dual carriage way with drains, culverts, bridges and interchanges. It involves; provision of a new standard carriageway from Kano through Wudil and Gaya to Shuarin with a total distance of 202.73km. Others are: reconstruction of the existing carriageway, construction of 3nos bridges, 2nos interchanges, culverts and other concrete works.

The contract was awarded to Messrs Dantata & Sawoe Construction Company Nig. Ltd in October 2006 at an initial cost of N37.047 billion with a planned completion date of February 2010. However, the contract sum was reviewed to N55.12 billion and now rescheduled for completion in December 2019 due to funding issues.

The sum of N3.34 billion was appropriated in the 2018 budget, out of which N932.66 million was released and utilized. This brings the total financial

commitment to N31.802 billion since inception to achieve 58.40% level of completion. There was a further intervention of N3 billion Sukuk fund to support the project.

Findings:

At the time of monitoring, work completed includes: fly overs 1 & 2 (at the beginning and exit of the bypass), construction of 3nos river bridges and street lighting inside Kano Metropolis. Other works include: wearing course 68.92km, binder course 137.82km, base course 137.48km, 218nos. pipe culverts and 221nos. box culverts. On- Going works include: wearing course between Gamoji and Bakin Numa areas and other portion of the road.



Picture 17: Ongoing Wearing Course at Gamoji and Bakin Ruwa Areas of Kano-Wudil-Shuarin Road



Picture 18: Completed Bridge No.1 at Kano-Wudil-Shuarin Road Project

Socio-economic Impact:

The project had created job opportunities for the people of the adjoining communities. The completed segments has reduced accidents and travel time especially from Wudil to Kano. On completion, it will link Kano – Jigawa- Bauchi – Yobe and Borno States and promote economic activities along the

road corridor especially with Kano as a major commercial centre.

The team was informed that a Nursery/Primary school, library, water and other rescue missions were provided to Gaya and other communities as part of the contractor's corporate Social Responsibility. This has enhanced the educational level and living standards of the local communities.

Challenges:

The monitoring team was informed that insecurity, insufficient and untimely release of funds and inflation affected the timely delivery of the project. Hence, the need to sustain the SUKUK intervention fund to facilitate its early completion.

iii). Reconstruction, Rehabilitation and Expansion of Lagos - Ibadan Expressway Section I

The project located along Lagos – Ibadan expressway entails reconstruction, rehabilitation and expansion of 43.6km three (3) lane dual carriageway from old toll gate in Oregun/Ikosi in Ketu, Lagos State and terminates at Shagamu interchange in Ogun state.

The scope of work includes: site clearing, excavation, scarification of existing bituminous surface, provision and laying of 200mm crushed stone base, sub - base, provision and laying of 150mm thick asphaltic macadam, 60mm thick asphaltic binder course and 40mm asphaltic wearing course, provision of asphaltic lay-by, drainage system, median barriers, kerbs and chutes. Others are: stone pitching, culverts, provision of road furniture, signs and markings, construction of interchanges, rehabilitation of existing bridges and construction of 3km service lanes.

The contract was awarded to Messrs Julius Berger Nigeria Plc. in July 2013 at an initial cost of N70.75 billion with an expected completion date of July 2017. This was reviewed in May 2018 to N134.86 billion with an extended completion date of May 2022 due to additional works not captured in the initial design. The sum of N7.75 billion was appropriated in the 2018, out of which N2.73 billion was released and utilized. A total of N38.60 had been committed to the project since inception to achieve 34.1% level of

completion.

Findings:

At the time of monitoring, work completed includes: 32.2km of wearing course on both bounds, 37.91km of binder course, 38.31km of asphalt macadam, 36.4km of median barrier, and 16.2km of v/drain; while excavation of unsuitable sand and filling of laterite material at kilometer (27+300) were currently ongoing. Outstanding works are: macadam and asphaltic wearing course.

Challenges:

It was noted that frequent accident as a result of reckless driving by commuters, heavy flow of vehicular movement and delays in the payment of certified works affect the prompt completion of the project.

Socio-economic Impact:

Though the project is still ongoing, it had provided employment opportunities for skilled and unskilled labour. When completed, movement of motorist along the axis is expected to ease up and there would be reduction in road accidents, vehicle operating cost and increase in business opportunities in its linkage to the Trans-African states.



Picture19: On-going Construction of Lagos – Ibadan Expressway Section I

iv). Dualization of Kano – Maiduguri Road, Section II (Shuwarin-Azare): Contract No. 5879.

This involves the construction of 177.78km new alignment of two lanes and rehabilitation of the existing road between Shuwarin-Azare. The carriageway

comprises: a pavement 7.30m wide on both sides with 2.75m surface-dressed outer shoulders and 1.5m surface-dressed inner shoulders. The scope of works include: 200mm thick laterite sub-base, 200mm stone base course, primed with bitumen emulsion, an asphalt binder course of 60mm and wearing course of 40mm and a spur of 24.4km dualisation from Dutse to Kwanar Huguma in Jigawa State.

The contract was awarded to Messrs. Setraco Nig. Limited in October 2006 at an initial cost of ₦35.84 billion with a completion date of February 2010. However, this was revised to ₦65.31 billion and rescheduled to be completed in December 2017 due to the addition of 24.4km dualisation road from Dutse to Kwanar Huguma in Jigawa State. In the 2018 budget, the sum of ₦3.70 billion was appropriated while ₦425 million was released and utilized. A total of ₦46.14 billion had so far been committed to the project since inception to achieve 68.38% level of completion.

Findings:

At the time of this report, work completed include: 117.30km asphaltic binder course, 110.30km wearing course and various culverts/drains. Others are: 75m Kiyawa Bridge, 315m Jama'are Bridge and 40m Shuwarin Flyover. However, the completion of Azare bye-pass, rehabilitation of existing alignment from Jama'are - Azare etc were still outstanding.



Picture 20: Completed Dualisation of Kano – Maiduguri Road, Section II (Shuwarin-Azare)

Socio-economic Impact:

The completed section of the road had improved the movement of goods and services, reduce the rate of accidents, travel time and cost of vehicle maintenance along the road. It had also provided employment opportunities

to over 320 skilled and unskilled youths of the areas as well as open up communities along the road corridor.

v). Construction of 2nd Niger Bridge Including Access Roads, Phases 2a and 2b in Anambra and Delta States.

The project which is a second connection across the River Niger is to provide link between the South East Geo-political zone and other parts of the country. The work is divided into 2 components viz: early works which involves the provision of access road phases 2a and 2b in Anambra and Delta states and the main works (construction of the 2nd Niger Bridge).

The scope of work includes: construction of 1.59km bridge, two secondary bridges at Amakom, Atani roads spanning 21.7m each, demolition of existing flyover, construction of new interchange at Onitsha Owerri road and 3.3km road on the Asaba side and 7.0km road on the Onitsha side of the main bridge. Others include a Toll plaza at CH25+700 consisting eight lanes in each direction and Site clearance on the Right of Way.

The contract was awarded to Messrs Julius Berger Nigeria Plc. in September 2018 at a cost of N206.15 billion with a completion date of February 2022. The sum of N9.19 billion was appropriated in the 2018 budget, but there was no release to the project. A total of N49.12 billion had been committed to the project since the inception to achieve 16.41% level of completion of early works and 3.5% of the main works respectively.

Findings:

At the time of visit, installation of main yard in Onitsha and Asaba had been completed. The monitoring team also observed that the marine equipment like jack-up platform, speed boat, tug boat, pontoon, the installation of bentonite plant, dredging equipment has been installed on site. In addition, prefabrication works which includes iron bending for pile cap, skirting, main bridge, secondary bridge and culverts are ongoing.



Picture 21: Construction of 2nd Niger Bridge in progress at the Project Site

Socio-economic Impact:

The project had provided job opportunities for skilled and unskilled labour in the immediate community and surrounding environs. On completion, it will reduce the strain on the existing bridge, improve traffic gridlock, enhance the security of the road users and increase the volume of economic activities between the East and other parts of the country.

4.3.3 HOUSING SECTOR

i). Construction of Federal Secretariat, Oshogbo

The project is located at Oke-Baale, opposite Osun State University, in Ibokun road, Oshogbo. It entails the construction of three (3)-storey building with reinforced concrete frame structure for the provision of office accommodation for staff of Federal Ministries in the state. The building has about 402 offices, one reception, one exhibition hall, one banking hall, one post office and four committee rooms. It is also equipped with a car parking space for about two hundred cars.

It was awarded in February 2012 to Messrs Golden Construction Company Limited at an initial cost of N2.55 billion with an expected completion date of February 2014. The contract sum was later reviewed upwards in June, 2014 to N2.66 billion. In 2018 budget, the sum of N4.27 billion was allocated for the construction of six (6) Federal secretariats in six states of which, N54.67 million was released and utilized to the project. A total of N1.35 billion had been committed to the project since inception to achieve 51% level of completion.

Findings:

At the time of monitoring, work was seen to be ongoing at the site. Jobs completed include substructure and block work at ground floor, first floor and second floor while columns, beams, slab up till gutter and rafter beam were ongoing. Outstanding works include: floors, tiling, plumbing, electrical, doors, windows, plastering, roofing, ceiling and painting.

Socio-economic Impact:

Though the project is still ongoing, it has provided employment opportunities for over five hundred skilled and other classes of workers who are currently involved in the construction project. The location site of the project has also opened up villages of Igbokun, Igbeda, Boredun, Coker, Iludun and Kilebe located around the ongoing Secretariat building. On completion, it is expected to provide office accommodation for over 1,500 Federal staff.



Picture 22: Ongoing Construction of Federal Secretariat, Osgogbo

ii). Construction of Federal Secretariat Complex, Yenegoa

The project located at Lake Central Business District Yenegoa, Bayelsa State, involves the construction of 455 offices, with conference rooms and other ancillary. The contract was awarded to Messrs Trenur Nigeria Limited in March 2012 at an initial cost of N2.56 billion with a completion date of December 2017. The cost was later revised to N3.18 billion due to additional works with a new completion date of December 2019.

The sum of N4.27 billion was appropriated for the construction of six (6) Federal Secretariats in the 2018 Budget, out of which N334.15 million was released and utilized to bring total commitment on the project to N2.97 billion

to achieve 82% level of completion.

Findings:

At the time of visit, the superstructure, walls, upper floor frames, doors and windows had been completed. Works in progress include: compacting/stabilization of the sand filled external areas, laying of kerbs, internal painting, and preparation of the concrete areas of the roof for felting and erection of poles for perimeter lighting while, supply and installation of power cables, external painting, pavements/parks, supply and installation of transformers were still outstanding.



Picture 23: Ongoing Construction of Federal Secretariat Complex, Yenagoa, Bayelsa State

Socio-economic Impact:

Although the project is yet to be completed, it has provided employment opportunities for skilled and unskilled labour. On completion, it will provide a conducive office accommodation for Federal Government Agencies and its staff.

4.4 WATER RESOURCES SECTOR

The sector was allocated a total of N147.19 billion in the 2018 budget to implement its capital projects/programmes. Of this amount, N60.5 billion was released and N44.87 billion utilized as at the end of third quarter to execute amongst others the following projects:

i). Zobe Water Supply Project (Phases 1 & 2)

The project is being executed in two (2) phases. Phase 1 (civil works) involves supply and fixing of electro–mechanical components of the project

and transmission to seven (7) Local Government Areas in Katsina state. Phase II is the completion of the electro- mechanical dedicated power supply from Kankiya to headworks zone. Others includes: construction of steel overhead tank at Dutsin-Ma hills and supply, excavate and laying of 800mm/700mm of ductile iron pipes from Dutsin-Ma to Katsina town, measuring 63km etc.

The project was awarded to Messrs CGC Nig Ltd in December 2010 at a cost of N22.12 billion (phases 1 & 2) and initially planned to be completed in December 2014. This was however not achieved due to funds challenge. The project is now rescheduled for completion in December 2019. In the 2018 budget, the sum of N1.81 billion was appropriated to the project out of which N332.04 million was released and N300 million utilized. A total of N16.83 billion had been committed to the project since inception to achieve 75% cumulative performance.

Findings:

At the time of monitoring, work completed include: treatment water main from Dutsin–Ma hill to Katsina reservoir, raw water intake, clarifier, compressor room, chemical buildings etc. Works in progress include: servicing of existing pumps and generators, closing of chambers and valves, testing of the scheme for the production components. However, the supply, installation of the 50% electro- mechanical components (pumps, transformers, cables) aerators and its components were outstanding.



Picture 24: Installed Facilities at Zobe Water Project, Katsina State

Socio-economic Impact:

The project has generated employment for more than 300 skilled and

unskilled labour within Katsina and its environs. Currently, it has improved the water supply for approximately 1.5 million people in Katsina town. This has reduced the incidence of water borne diseases in these areas.

Challenges:

Funding constraints and vandalism of materials/properties in some locations of the project were identified as slowing down the pace of work.

ii). Rehabilitation/Reticulation of Fugar Water Works at Etsako Central LGA in Edo State

The project involves drilling of 6nos productive solar powered boreholes with submersible pumps and panels at Ogbona communities (Akhigbe, Azuakhala and Fugar) in Etsako Central LGA, Edo State. It entails the construction of 2nos (200m³) and a 100m³ pressed corrugated steel welded tanks, rehabilitation of existing reticulation line and expansion of the distribution networks in Fugar, etc.

The contract was awarded to Messrs Atlantic Drilling Fluid Services Limited in November 2017 at a cost of N433.16 million with a completion date of December 2017. However, a new completion date is being processed. The sum of N252.50 million was appropriated in the 2018 budget, out of which N206.92 million was released and utilized. A total of N306.92 million had been committed to the project since inception to achieve 80% level of completion.

Findings:

At the time of monitoring, drilling of 6nos. boreholes, rehabilitation of 250KVA generating set and 22nos. malfunction boreholes, supply of submersible pumps and construction of 2nos. corrugated steel tanks had been completed. The construction of fetching points at Azuakhala, rehabilitation of existing reticulation and 500m³ ground reinforced tank, etc were at different stages of completion.



Picture 25: Part of the Rehabilitated Water Works Equipment at Etsako Central LGA, Edo State

Socio-economic Impact:

Prior to the project, the communities suffered from acute water shortage which led to long-term cases of water-borne diseases. The completion of the project will improve water supply to approximately 25,000 people and also reduce the problem of water borne diseases.

iii). Construction of Kashimbilla Multipurpose Dam

The project was designed as a buffer to mitigate the threat of flood from the imminent break of structurally weak volcanic Lake Nyos situated upstream along Cameroun line of volcanic activity. It involves the supply of raw water to the water treatment plant, construction of 11km access road from Takum junction to the dam site and rehabilitation of 21km Jato-Aka to Kashimbila. Others are: construction of a hydropower plant of 40MW; development of irrigation activities and construction of 1.2km Air strip emergency evacuation, etc.

The contract was awarded to Messrs SCC (Nigeria) Limited in May 2007 at an initial cost of N42.94 billion (65% Euro component and 35% naira) with a completion date of April, 2010. This was however revised upward to N152.53 billion in May, 2017 with a new completion of December 2019. In the 2018 budget, the sum of N9.70 billion was appropriated to the project but there was no release. A total of N121.47 billion had so far been committed to the project since inception to achieve 84.44% cumulative performance.

Findings:

At the time of visit, works completed include: renovation of engineering camp, completion of the main dam (embankment), spillway, maintenance

work on hydropower station and 40km access road. Outstanding works include: the completion of water supply and treatment plant and commencement of irrigation work.



Picture26: The Completed Kashimbilla Dam and Hydro Power Station at Taraba State

Socio-economic Impact:

The project had created employment for over 1000 skilled and unskilled labour. The water reservoir has boosted fishery development while the access road has also facilitated the development of Small and Medium Enterprise (SMEs) within Kashimbilla and other neighboring communities. On completion, it will provide potable water and enhance irrigation activities as well as boost tourism.

4.4.1 SOKOTO RIMA RIVER BASIN DEVELOPMENT AUTHORITY

The River Basin was allocated the sum of N9.72 billion in the 2018 budget for execution of capital projects. Out of this amount, N1.07 billion was released, cash-backed and utilized as at the end of third quarter. The following project was monitored:

i). Middle Rima Irrigation Project

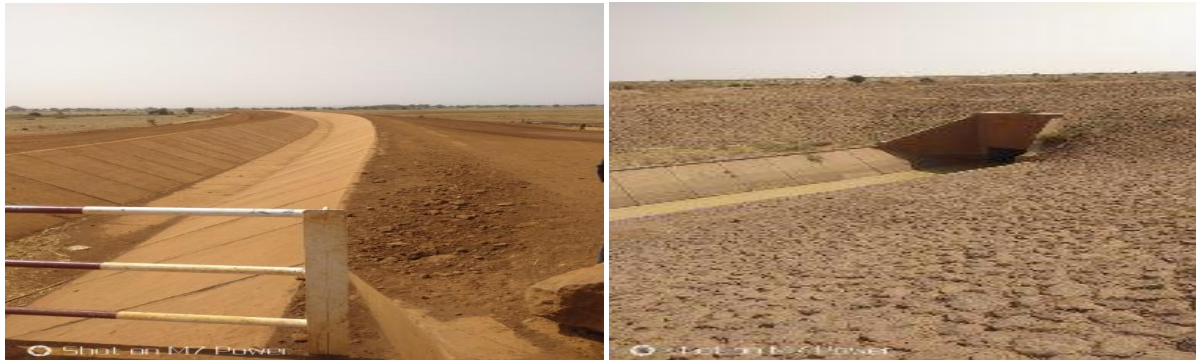
The project entails the channeling of water through the construction of canals from Goroyo Dam to the irrigation areas. It was split into two phases: Phase I which has a total area of 736ha had been completed and handed over. Phase II with a total of 3900ha irrigation area covering about 8.4km.

The contract was awarded to Messrs Gilmore Engineering Ltd. at an initial cost of N21.20 billion in May 2012 with a planned completion date of June 2015. The project cost was later revised to N34.5 billion in March, 2015 with

a new completion date of June 2019.

Findings:

At the time of inspection, construction of major structures such as sector turnout, field regulators, field canals, walk ways and completion of Rima main canal had been completed in phase II of the project. Outstanding works were completion of laterite canals and irrigation blocks in sectors 2, 3 and 4.



Picture 27: Ongoing Walk Ways and Completed Main Canal from Goroyo Dam

Socio-economic Impact:

The project has provided employment for over 600 workers and 3 sub-contractors. In addition, it has provided water for all year round agricultural activities thereby enhancing development and reducing rural–urban migration during the dry seasons. When completed, about 35000 metric tons of paddy rice alongside other products can be produced.

4.5 TRANSPORTATION

The priority of this ministry is to invest in infrastructural renewal and investment with a view to providing an enabling environment for Nigerian Entrepreneurs and businesses to thrive in the global market. In order to achieve this objective and to create an efficient intermodal transport system, a total of N251.42 billion was allocated to the sector in the 2018 budget. Out of this amount, N107.98 billion (representing 33.63%) was released and cash-backed while, N36.31 billion was utilized as at 31st December, 2018 for the implementation of its capital projects/programmes. The following projects were monitored:

4.5.1 TRANSPORT SECTOR:

4.5.1.1 NIGERIA RAILWAY CORPORATION

j). Nigerian Railway Modernization Project Idu – Kaduna Rail Line.

The project involves the construction of 186.5km standard gauge railway line from Idu to Rigasa, Kaduna. The scope of work includes: survey, design, procurement, manufacture, construction, installation, testing, training, pre operation and maintenance of the railway line. Others include: Formation, construction of bridges, culverts, track works, railway stations, power supply, communication and signaling.

The contract was awarded to Messrs CCECC Nigeria Limited in October 2009 at an initial cost of NUS\$849.75 million. However, there was an upward review of the contract sum to US\$1.040 billion due to additional scope of works which were originally not anticipated in the Bill of Engineering and Measurement Evaluation (BEME). The completion date had been extended to December 2019. In the 2018 budget, there was no release to the project in the 2018 budget, from the supervisory Ministry. However, a total of US\$966.69 million had so far been expended on the project since inception to achieve 94.91% level of completion.

Findings:

At the time of monitoring, the project had been completed, commissioned and already in operation. However, the contractor is still carrying out the completion of the additional works that were not envisaged in the initial contract. These includes: freight yard in Abuja and Kaduna Stations, fencing of the rail tracks, provision of a dedicated 33KVA power station and connecting it to the national grid as well as building a cargo terminal at Kaduna Station. Although the building of the freight yard and cargo terminal have been completed, the fencing of the Rail Tracks, energizing of the power line and maintenance works are still in progress.



Picture 28: Completed Cargo Building at Idu-Kaduna Rail Project

Socio-economic Impact:

The Passenger trains are currently running at full capacity. This has enhanced the mass movement of over one million passengers between the periods of January – December, 2018. On the whole, it had provided a safer, cheaper and an affordable means of transportation, reduced the rate of accidents and increase the life span of our highways.

Challenges:

The major challenge affecting the operation is that only three (3) power cars generate electricity to power the Trains and all the nine (9nos) rail stations are using generators as they are not yet connected to the National Grid. As at now, there are two generators each for the nine stations which resulted to high expenditure on diesel. In addition, the Idu Station Manager informed the team that the Railway needs more coaches and locomotives to cater for the increasing passenger services as well as spare parts for maintenance purposes.

4.5.1.2 NIGERIA INSTITUTE OF TRANSPORT TECHNOLOGY (NITT), ZARIA

The sum of N15.31 billion was appropriated to the Institute in the 2018 budget to execute a total of twenty- six (26) capital projects and programmes. Out of this amount, N8.06 billion had been released and cash backed while N3.72 billion was utilized as at 31st December to execute amongst others the following projects monitored by the team.

i). Construction of Workshop and Fire Fighting Equipment

The project entails construction and completion of a block of storey building

with a penthouse comprising 2nos workshops with 6nos offices (up and down), a fire fighting truck, conference room, surface tank, kitchen, conveniences and external works.

It was awarded to Messrs. Hily Lash Nigeria Limited in .October 2017 at a cost of N492.12 million and scheduled to be completed in December 2019. The sum of N120 million was appropriated to the project in the 2018 budget while N68.44 million was released and utilized. A total of N194.79 million had been committed to the project to achieve 49% level of completion.

Findings:

At the time of monitoring, the storey building including surface water tank had been concluded. Also, the fire-fighting truck had been procured and ready for use. However, external works was in progress and at the final stage of completion.



Picture 29: Constructed Fire Service Station and a Fire Fighting Truck procured at NITT, Zaria

Socio-economic Impact:

The project when fully completed will provide a centre for training of personnel as well as improve learning for safety measures against fire outbreak in the Institute thereby saving lives and properties.

4.5.2 AVIATION SECTOR

4.5.2.1 NIGERIA AIRPORT AUTHORITY

i). Construction of Terminal Building at Enugu Airport

The project involves the construction of a new International Airport Terminal

Building at the existing airport. The scope of work includes: construction of the main terminal halls, office accommodation, arrival and departure wing, canonical area, installation of central chilling system (air condition) and conveyer belts. Others are: escalators, lifts, reception/customers desk, VIP lounge, Security and airline offices, landscaping and access road, etc.

The contract was awarded to Messrs CCECC (Nig.) Ltd. in March 2012 at a cost of N14.80 billion with an expected completion date of December 2015. It was however, reviewed upward to December, 2019 due to funds constraints. In 2018 Budget, the sum of N530.80 million was appropriated while N249.51 million was released and utilized as at the time of this monitoring, thereby bringing total financial commitment to N5.39 billion since inception to attain 44.81% level of completion.

Findings:

At the time of monitoring, the Terminal building had been completed and roofed. Work in progress includes: supply of 2nos escalators, fire fittings, water supply reticulation piping, Air conditioners and lift installation, electrical and general mechanical works. However, construction of cargo terminal, provision of safety tank, sewage system, etc. were all outstanding. The team was informed by the Airport Authority that the contractor recently remobilized to site after the payment of part of his outstanding liabilities.



Picture 30: Ongoing Construction of New Terminal Building at Enugu Airport

Socio-economic Impact:

Though the project is still ongoing, it has generated employment for over 325 skilled and unskilled labour. Upon completion, it will improve the movement of passengers and goods within and outside the country as well as boost economic activities.

4.5.2.2 NIGERIAN COLLEGE OF AVIATION TECHNOLOGY (NCAT), ZARIA

The College was allocated the sum of N4.59 billion in the 2018 appropriation for the execution of its capital projects and programmes. Out of this amount, N2.58 billion was released and cash-backed while N237.99 million was utilized as at end of December of the year. The following projects were monitored:

i). *Rehabilitation of Third Hanger*

The project entails the rehabilitation of the third hanger which involves replacement of the hanger roof, tiling, ceilings, doors, electrical installations, plumbing and mechanical works, etc. The contract was awarded to Messrs Mashajfahaj in November, 2013 at a cost of N248.10 million with an expected completion date of June 2016. The completion date has however been reviewed severally due to funding constraints. A new completion date had been scheduled for June 2019.

In the 2018 budget, the sum of N63.3 million was appropriated, released and utilized thus bringing total financial commitment to N135.95 million since inception to achieve 70% level of completion.

Findings:

As at the times of visit, the Hanger roof has been replaced, tiling, fixing of ceilings, painting and plumbing works were also completed. Fixing of Hanger doors and electric fittings were outstanding as the materials were being expected.



Picture 31: The rehabilitation of Third Hanger in progress at NCAT Zaria.

Socio-economic Impact:

The project when completed will provide adequate Hanger floor space workshop for the repair/maintenance of light and medium size Aircrafts at the Centre. The offices and stores will provide more comfortable accommodation for the officers for enhance service delivery and operations.

4.6 HEALTH SECTOR

In the 2018 appropriation, the sum of N86.49 billion was allocated to the sector while N21.62 billion was released and cash backed as at the end of December. N13.36 billion was utilized for the implementation of the capital projects/programmes. The under listed institutions and their projects were monitored by the team.

4.6.1 FEDERAL MEDICAL CENTER, KATSINA

The Center was allocated the sum of N411.49 million in the 2018 budget to execute seven (7) capital projects/programmes. As at the end of December 2018, N41.148 million had been released while N38.605 million was utilized to execute amongst others, the following:

j). Construction of Emergency Center for Obstetrics and Gynecology

The scope of the project include the construction of 2nos suite theaters, 4nos offices for Doctors and Anaesthetics, 3nos laboratories and call duty rooms. Others are: changing and common rooms, reception, recovery room and conveniences.

It was awarded to Messrs Muntasrab Global in September 2018 at a cost of N46.75million and is expected to be completed in June 2019. In the 2018 budget, the sum of N50 million was appropriated while N20.95 million was released and committed to achieve 89% level of completion.

Findings:

At the time of visit, block works, superstructures including roofing for both the theater and laboratories had been completed. In addition, windows and door frames, tilling and ceiling works at the Obstetric building were at various

stages of completion. Fixing of windows at the laboratory block, concreting and tiling of scrub were also in progress.



Picture 32: Ongoing Construction of Obstetrics/Gynecology Theatre Complex and a Laboratory at FMC Katsina

Socio-economic Impact:

Presently, the theaters, laboratories and recovery sections were scattered and far off from one another at the Centre. This often makes effective coordination and discharge of medical service delivery difficult, as patients have to be moved from one location to another for medical attention. Therefore, the completion of the project will facilitate proper management of surgical cases in the hospital as the theatres and laboratories are now concentrated in one location.

4.6.2 FEDERAL MEDICAL CENTRE, JABI, ABUJA

The hospital had an appropriation of N923.11 million in the 2018 budget for the implementation of its capital projects/programs. Of this amount, N441.42 million was released and utilized as at third quarter of the fiscal year for the execution of the following projects/programs.

i). Completion and Furnishing of 1 Unit Block of 6Nos 3 Bedrooms Flats Doctors Quarters

The projects involves the completion of a 2 storey building of doctors' quarters comprising of one-unit block of 6nos of 3-bedroom flats. The scope of works includes: plastering, fixing of doors and windows, plumbing, electrical works, toilet fittings, staircase railings and tiling.

The contract was awarded to Messrs Archwork Nigeria limited in October

2018 at a cost of N148.49 million with completion date scheduled for March 2019. The sum of N150 million was appropriated in the 2018 budget of which N125.032 million was released and utilized to achieve 100% level of completion.

Findings:

At the time of monitoring, the project had been completed and put to use.



Picture 33: Completed and Furnished 1Unit Block of 6Nos.3 Bedroom Flats Doctors' Quarters at FMC, Jabi

Socio-economic Impact:

The project had provided accommodation for Resident Doctors and Consultants thereby improving their productivity.

4.6.3 FEDERAL MEDICAL CENTRE (FMC), YENEGOA

The Institution was appropriated the sum of N779.22 million in the 2018 budget. Out of this amount, N149.90 million was released and utilized to implement its capital projects and programmes. The following project among others was monitored:

i). Procurement and Installation of Generators

The project entails the procurement and installation of 3nos. generating sets. The contract was awarded to Messrs Eti Health & Leisure Limited in September 2018 at a cost of N67.97 million and was expected to be completed by January 2019. In the 2018 budget, the sum of N68 million was allocated to the project out of which N67.97 million was released and utilized to achieve 98% level of completion.

Finding:

At the time of monitoring, 3nos. JMC generators (550KVA, 330KVA and 200KVA) had been delivered, commissioned and put to use.



Picture 34: Procured Generating Sets at Federal Medical Centre (FMC) Yenegoa

Socio-economic Impact:

The project has improved electricity supply thereby enhancing the quality of healthcare delivery in the hospital.

4.6.4 FEDERAL MEDICAL CENTRE, YOLA

The Medical centre had an allocation of N344.08 million in the 2018 Budget for the implementation of its capital projects/ programmes. Of this amount, N33.41 million was released and utilized as at the end of third quarter to execute amongst others the following project:

i). Procurement of Hospital Equipment

The project involves the supply and installation of 4nos. operating LED lights for operation theatre. The contract was awarded to Messrs Pekamol Venture Nig. Ltd. at a cost of N44.80 million in October, 2018 with completion date of December 2018. The sum of N44.08 million was appropriated for the project in 2018 Budget, while N33.40 million was released, and utilized to achieve 100% level of completion.

Findings:

At the time of visit, the 4nos. LED operation/surgery light at the 4 (Four) suites theatres had been supplied and put to use.



Picture 35: Procured LED Operation/Surgery Light at FMC, Yola

Socio-economic Impact:

The equipment had improved the quality of health care and upgraded the standard of service delivery in the hospital.

4.6.5 OBAFEMI AWOLOWO UNIVERSITY TEACHING HOSPITAL

The Medical centre had an allocation of N1.44 billion in the 2018 Budget for the implementation of its capital projects/ programmes. Of this amount, N144.83 million was released and utilized as at the end of third quarter to execute amongst others the following project:

i). Construction of Cardiac Centre Building

The project entails the construction of a Cardiac Centre for the support of heart patients in the Institution. Components of the project include: Out Patient department, Wards and Theatre rooms. It was awarded to Messrs Quick Born Nigeria Limited in October 2011 at an initial cost of N246.54 million and was expected to have been completed by October 2013. The work suffered a setback between 2013 and 2017 due to paucity of funds. In 2018, the cost of the project was reviewed upwards to N283.29 million with the completion date extended to March, 2019.

In the 2018 budget, the sum of N120.00 million was appropriated, while N110.00 million was released, cash backed and N29.97 million utilized. A total of N167.89 million had been committed to the project since inception to achieve 71% level of completion.

Findings:

At the time of monitoring, works completed include: block work, roofing and windows while suspended ceiling, tiling, electrical wiring, floor, wall tiles and plumbing were ongoing. The installation of doors, plastering, painting and fittings were however outstanding.



Picture 36: On-going Construction of Cardiac Centre at OAUTH, Ile-Ife

Socio-economic Impact:

Though the project is still ongoing, it has provided employment opportunities for skilled and other classes of workers who are currently involved in the construction work.

4.6.6. FEDERAL MEDICAL CENTRE (FMC), UMUAHIA

The hospital was allocated a total of N1.48 billion in the 2018 Budget. Of this amount, N147.9million was released, while N97.0 million was utilized for the implementation of its capital project/programmes as at the end of third quarter. The following project was monitored:

i). Procurement of Vital Medical Equipment

The project involves the procurement of a Colonoscopy, Bronchoscopy, endoscopy and Ophthalmic machines used by Cardiologists for surgery, internal medicine and Obstetrics and Gynecology (O&G). The contract was awarded to Messrs Terminal Link Ventures in November 2018 at a cost of N250 million with an expected completion date of December, 2018. The sum of N250 million was appropriated in the 2018 budget. Of this amount, N49.99 million was released and utilized to achieve 19% cumulative performance.

Findings:

At the time of visit, the complete set of endoscopy machine and its accessories had been procured with (Optera CV-170) and HDTV optional accessories while the Installation and training of the medical personnel on use of the equipment was ongoing. However, the procurement of modern endoscopy machine, Bronchoscopy and Ophtalmic machines were still outstanding.



Picture 37: The Procured Endoscopy Machine HDTV Optional Accessories Perform Under Power Low Voltage at the FMC, Umuahia

Socio-economic Impact:

The availability of these specialized machines is expected to enhance medical service delivery at the Centre.

4.7 EDUCATION SECTOR

A total of N102.91 billion was allocated to the sector in the 2018 budget to execute its capital projects and programmes. Of this amount, N33.44 billion was released and cash backed while N22.49 billion was utilized as at 31st December. The following Institutions/projects were monitored:

4.7.1 BAYERO UNIVERSITY, KANO

The University was allocated a total of N1.79 billion in the 2018 budget to execute nine (9) capital projects and programmes. Of this amount, N735.10 million was released and cash backed while N267.40 million was utilized as at the end of third quarter. The following project was monitored:

j). Furnishing of and Equipping of Pharmaceutical Sciences Laboratory

The project involves the furnishing and equipping of Pharmaceutical

sciences laboratory at the University old campus. Some of these equipment include: centrifuges, water bath, meturlar balance and 2nos. melt of point apparatus. Others are: spectro metameter, hot plate magnetic steer, etc.

The contract was awarded to Messrs. Belloh Systems Company Ltd. and 1 other in November 2016 at a total cost of N84.49 million with a planned completion date of December 2018. The sum of N40 million was appropriated and released to the project in the 2018 budget while N33.19 million was utilized thus bringing total releases to N51.30 million to achieve 60% level of completion.

Findings:

At the time of monitoring, some of the equipment have been supplied and put to use.



Picture 38: Some of the Equipment Procured at the Pharmaceutical Sciences Laboratory

Socio-economic Impact:

The availability of these equipment has enhanced the capacity of the Institution to conduct laboratory activities. On completion, it will aid the conduct of practical, research and staff training for undergraduate and postgraduate students of pharmaceutical sciences.

4.7.2. UNIVERSITY OF JOS

In the 2018 budget, the Institution had an appropriation of N250.19 million for the implementation of its capital projects / programmes. Of this amount, N75 million was released and utilized. The following project was monitored:

i). Construction of Administrative Block/Senate Chamber

The project involves the construction of a four wing, four storey building comprising: 200nos. offices, a senate chamber, 4nos seminar rooms, 250 toilets and other offices for principal officers and their support staff viz; Vice chancellor, bursary, registry, internal audit, and academic planning units.

The contract was awarded to Messrs ENL consortium limited in May 2009 at a cost of N914.92 million with an initial completion date of February 2011. The completion date was later reviewed to December, 2019. The sum of N150 million was appropriated in the 2018 Budget, out of which N75 million was released and N22 million utilized as at the end of third quarter. A total of N839 million had been expended on the project since inception to achieve 70% level of completion.

Findings:

At the time of monitoring, the superstructure had been completed. Works in progress include: fixing of interlocking tiles, drainages, landscaping, painting and decorations.



Picture 39: Ongoing Construction of Administrative Block/Senate Chamber at the University of Jos

Socio-economic Impact:

The project had created employment opportunities for over 50 skilled and unskilled labour. On completion, it will provide a conducive working environment for the staff of the University thus enhancing service delivery and productivity.

4.7.3 FEDERAL UNIVERSITY, KASHERE

The sum of N1.22 billion was appropriated to the institute in the 2018 budget. Of this amount, N221.75 million was released and utilized as at the end of third quarter for the implementation of amongst others, the following project:

i). Construction and Furnishing of Faculty of Education Complex, Phase 1

The project is a storey building comprising of 14 staff offices, laboratories, 5 classrooms, conference and lecture rooms, etc. The contract was awarded to Messrs Jamaji Nig. Ltd. in January, 2018 at a cost of N223.13 million and is expected to be completed in May, 2019. The sum of N120.19 million was appropriated in the 2018 Budget. Of this amount, N96.39 million was released and utilized as at the end of third quarter to achieve 65% level of completion.

Findings:

At the time of monitoring, the structure had been roofed and plastered while electrical fittings, painting, plumbing, tiling, fixing of windows and doors were ongoing at various stages of completion.

Socio-economic Impact:

Although the project is still ongoing, it has generated employment opportunities for 20 skilled and unskilled labour. The project when completed will accommodate more principal officers and students of the school. It will also enhance better learning environment for the students.

4.7.4 UNIVERSITY OF BENIN

The Institution had an allocation of N69.19 million in the 2018 budget, out of which N36.91 million was released for the implementation of its capital projects/programmes. The following project was monitored:

i). Construction of Faculty of Agriculture

The project is located at the main campus of the University of Benin. It entails the construction of a 3-Storey building comprising: 2nos. Multi-purpose halls of 300-capacity each, 6nos. Lecture halls, 4nos. seminar rooms, 2nos.

Laboratories, a Library, Board room, Offices for Dean and Assistant Dean, etc.

The contract was awarded to Messrs Ebonite Nigeria Limited in November 2008 at a cost of N434.52 million with an initial completion date of November 2010. The completion date was later extended to December 2019 due to funding constraints. In the 2018 budget, the sum of N45.92 million was appropriated while N36.92 million was released and N26.27 million utilized. A total of N543.61 million had been committed to the project since inception to achieve 90% level of completion.

Findings:

At the time of visit, the superstructure, plastering, tiling of the ground floor, plumbing, painting, fixing of doors and windows had been completed. However, ceiling, landscaping electrical and mechanical fittings etc were still outstanding. Although, the project was still ongoing, the contract sum had been exhausted. The team was informed that the processing of an upward review of the contract sum was on-going.



Picture 40: Ongoing Construction of the Faculty of Agriculture at University of Benin

Socio-economic Impact:

When completed, it will provide more conducive teaching and learning environment for staff and students of the Faculty of Agriculture as well as increase students' enrolment.

4.7.5 ALEX EKWUEME FEDERAL UNIVERSITY, NDUFU-ALIKE, ABAKALIKI

The University had a total of N1.60 billion appropriated in the 2018 budget for the implementation of its capital projects/programmes. Of this amount,

N160.02 million was released and utilized to execute its projects /programmes as at the third quarter as follows:

i). Construction of College of Medicine Academic Block

The project involves the construction of a storey building comprising of the Chief Medical Director's and Chairman Medical Advisory Committee's (CMAC) office. Other component includes: staff offices, conference room, lecture rooms and conveniences.

The contract was awarded to Messrs Sagepac Nig. Ltd. in November 2018 at a cost of N144.94 million with an expected completion date of April, 2019. In 2018 budget, the sum of N150.19 million was allocated out of which N141.059 million was released and utilized to achieve 45% cumulative performance.

Findings:

At the time of monitoring, the substructure had been completed. Block/concrete works, re-enforcement of the lintel level, casting beams for the first floor, electrical conduit piping and mechanical work were ongoing and at different levels of completion.



Picture 41: Ongoing Construction of College of Medicine Academic Block

Socio-economic Impact:

The project has provided employment opportunities for over 250 skilled and unskilled labour. When completed, it is expected to increase students' enrolment and performance in the faculty and other related courses.

4.7.6 NATIONAL MATHEMATICAL CENTRE SHEDA, ABUJA

The Centre had an allocation of N1.21 billion in the 2018 budget for the implementation of its capital projects/programmes. Of this amount, N221.41 million was released and cash backed while N165.98 million was utilized as at third quarter of the fiscal year. The following project, amongst others was monitored.

i). Construction/Furnishing of Participants Hostel:

The project involves the construction of a storey building to house participants, resource persons and scientists at the centre. It consists of 24nos. self-contained rooms, a conference and common room, and a reception hall.

The contract was awarded to Messrs Daniels Construction Company Nigeria Limited in August 2010 at a cost of N107.24 million with completion date scheduled for September 2018. The sum of N18.37 million was appropriated in the 2018 budget, of which N10 million was released and utilized. A total of N99.15 million had so far been committed to the project since inception to achieve 97% level of completion.

Findings:

At the time of monitoring, the building had been completed and commissioned by the Hon Minister of Education and already in use.



Picture 42: Completed/Furnished Participants' Hostel at National Mathematical Centre Sheda, Abuja

Socio-economic Impact:

The project had created employment opportunities for a number of skilled and unskilled labour which has helped to enhance their standard of living.

The project has helped to ease accommodation problems currently being experienced at the Centre.

4.8 FEDERAL CAPITAL TERRITORY ADMINISTRATION

The sector had an appropriation of N32.29 billion in the 2018 budget for the implementation of its capital projects/programmes. Of this amount, N9.69 billion was released and cash backed, while N2.72 billion was utilized for the execution of its projects. The following projects were monitored:

i). Rehabilitation and Expansion of Outer/Southern Expressway (OSEX), Phase 1

The project entails the construction of left and right service carriage ways including four interchange structures, 4nos. pedestrian bridges, street lighting reinforced concrete, crash barrier and kerbstone. Others are provision of concrete line drains and telecom duct. The objective is to remove traffic bottle necks, improve movements of goods and services and also reduce travel time.

The contract was awarded to Messrs CGC Nig. Ltd. in January, 2014 at a cost of N39.83 billion with final completion date of December 2018. In 2018 budget, the sum of N1.0 billion (National Budget) and N500 million (Statutory) was allocated to the project. Of this amount, N1.0 billion was released and utilized in the year to bring total financial commitment to N19.80 billion to achieve 40.50% level of completion.

Findings:

At the time of monitoring, site clearance and earthworks had achieved up to 78% completion, water distribution networks 38.43%, culverts 60.4% and surface water drainage 10.84%. Bridge works has attained 31% and retaining wall 52%, etc. Other components such as culverts, ducts, telecommunication, etc. were in progress and at different stages of completion. The team was informed that the sum of N2.65 billion is outstanding for payment to the contractor for certified works done.



Picture 43: Ongoing Works At the Apo Bridge and Old CBN Sections of the Project

Socio-economic Impact:

Presently, over 266 Nigerian professionals including artisans and 14 foreigners are currently being engaged at the project. The partial completion of the project has aided free vehicular movement around the project area and the city. When completed, traffic within and outside the metropolis is expected to be decongested along with increase in economic activities.

ii). Extension of Inner Southern Expressway (ISEX) from Southern Parkway (S8/S9) to Ring Road Expressway (Rr2).

The project involves the extension of inner Southern expressway from Southern parkway (S8/S9) to Galadimawa roundabout. The scope of works includes: site clearance, earthworks, construction of 6nos interchanges, 8nos river bridges and 4nos pedestrian bridges. Others are: storm water drainage system, road works, culverts, power supply and street lighting and conduits for telecommunication, etc.

It was awarded to Messrs CGC Nigeria Limited in January 2015 at a cost of N43.46 billion with a completion date of June 2019. The sum of N2.5 billion was appropriated in the 2018 budget, out of which N1.5 billion was released and utilized as at the third quarter. A total of N7.49 billion had been expended on the project since inception to achieve 29.06% level of completion.

Findings:

At the time of monitoring, the substructure and pile cap for the full global interchange at Galadimawa roundabout and River Parapata Bridge had been

completed. However, road works storm water drainage system bridge works, confirmatory site tests, retaining walls, culverts, power supply and street lighting were in process and at various levels of completion.

Socio-economic Impact:

The project had created jobs opportunities for over 40 skilled and unskilled labour. On completion, the project is expected to reduce travel time and create easy access through and fro the metropolis.

iii). Provision of Roads and Engineering Infrastructure for the New Layout and Diplomatic Area at Guzape Lot II, Phase II

The project which is located at Guzape District is a new layout and diplomatic area intended to cater for cancelled Plots in Lot I. Scope of works comprises: site clearance, earth works, road networks of 10.944km, underground storm and foul networks (12.840km/19.02km), 8nos reinforced concrete box and pipe culverts, surface water drainage and sewage treatment plant. Others are: water reservoir of 2000m³, 50m³ break pressure tank, 18nos compact unit transformers, 33/11KVA power substation and telecoms conduit (23.15km), etc.

The contract was awarded to Messrs Gilmore Engineering Nig. Ltd. in August 2013 at a cost of ₦22.60 billion with the initial completion date scheduled for March, 2016 which was later reviewed to April, 2019. In the 2018 budget, the sum of ₦4 billion was appropriated out of which ₦500 million was released and utilized as at third quarter. A total of ₦10.13 billion had so far been committed from inception to achieve 36.3% level of completion.

Findings:

At the time of visit, work was in progress with the following achieved: site clearance and earth work (73.72%), surface water drainage (2.168km), road works (2.897km), kerb-stones and asphaltic binder course (1.503km) and 7nos concrete culverts, etc. The team observed that the pace of work was impressive as the contractor possess the capacity to deliver.



Picture 44: Earthworks in Progress at the Project Site (Guzape Lot II)

Socio-economic Impact:

Although the project is still in progress, it had created job opportunities for a number of skilled and unskilled labour of the neighbouring communities thereby enhancing their socio-economic wellbeing. On completion, the project is expected to open up the area for economic activities as well as provide linkages within the city.

4.9 INTERIOR SECTOR

The sector was allocated the sum of N75.09 billion in the 2018 budget for the implementation of its projects and programmes. Of this amount, N36.31 billion was released, cash backed and was utilized as at third quarter. The following Agencies were monitored:

4.9.1 NIGERIAN SECURITY AND CIVIL DEFENCE CORPS

The Agency had an appropriation of N6.46 billion in the 2018 budget for the implementation of its capital projects/programmes. Of this amount N345.77 million was released and utilized as at the third quarter. The following project amongst others was monitored:

i). Construction and Completion of Barracks at Sauka, Abuja

The project entails construction and completion of three (3) out of eight (8) barracks at Sauka – Abuja. The components are: construction of a storey building comprising: one (1) bedroom of 20 units self-contained flats, 2-storey building of 12 units of 2-bedroom flats and 4-storey building of one (1) bedroom - 20 units self-contained flats for junior, middle cadre and senior officers of the Corps respectively.

The contract was awarded to Messrs Prime Holdings Limited and two (2) others at a total cost of N1.62 billion in September 2010 and was expected to be completed by December 2012. This was however not achieved because of low budgetary provisions over the years. The sum of N433.39 million was appropriated in the 2018 budget, out of which N144.75 million was released while N144.10 million was utilized as at third quarter of the year. A total of N648.026 million had so far been committed to the project since inception to achieve 76% level of completion.

Findings:

At the time of this report, the superstructure of the three (3) accommodations viz: the junior staff quarters, the middle level and senior staff quarters have been completed, roofed and plastered. Ongoing works includes: ceiling, plumbing, electrical work, fixing of doors, windows, and tiling. Outstanding work includes: External works, electrical fittings landscaping, painting and decoration.



Picture 45: Ongoing Completion of Barracks at NSCDC Sauka, Abuja

Socio-economic Impact:

The project had created employment opportunities for masons, artisans and labourers of the immediate community. On completion, it will provide a conducive accommodation for officers and men of the corps thereby improving their welfare and productivity.

4.9.2 FEDERAL FIRE SERVICE (FFS), ABUJA

The mandate of the Agency is to prevent, control and extinguish fire; save and protect lives and properties and render humanitarian service, amongst

others. To achieve this, a total of N5.49 billion was allocated in the 2018 budget to execute forty (40) capital projects and programmes. Out of this amount, N749.61million was released and utilized as at the end of the third quarter. The following projects were visited by the team:

j). Construction of 2Nos. Female Hostel Accommodation at NFA, SHEDA, Abuja

The project involves the construction of 2nos. Female Hostel to accommodate the trainees' officers at National Fire Service, Sheda. It comprises of 18nos of room that can house 49 officers. The contract was awarded to Messrs El-Salemco International Limited at the cost N177.52 million in November, 2017 with an expected completion date of December, 2018. In the 2018 budget, the sum of N113.49 million was appropriated, out of which N5.0 million was released and utilized bringing the total commitment to N31.62 million to achieve 18% level of completion.

Findings:

At the time of visit, the two wings substructure had been completed while block work had reached lintel level.



Picture 46: Ongoing Construction of 2Nos. Female Hostel Accommodation at Federal Fire Service, Sheda, Abuja

Socio-economic Impact:

The project has created job opportunities for various classes of workers engaged in the construction work. On completion, more accommodation facilities will be available for the trainees/officers at the training centre.

4.10 SCIENCE AND TECHNOLOGY SECTOR

In the 2018 budget, the sector was allocated a total of N68.31 billion to

execute its capital projects and programmes. Out of this amount, N13.13billion (representing 52.60%) was released and cash backed while N6.91billion was utilized as at end of third quarter. The following institutions/projects were monitored:

4.10.1 HYDRAULIC EQUIPMENT DEVELOPMENT INSTITUTE (HEDI), KANO

The Institute is one of NASENI's Engineering Infrastructural Development Centre (EID-C) established in 1994. It's mandated is to develop technologies for local manufacturing of hydraulic/pneumatic equipment, device, etc that produces fluid for useful work. These include pumps, valves, fittings, jacks and small wind turbines that are basic to Water, Agriculture, Transportation, Construction and Energy sectors of the economy.

To achieve this mandate, the sum of N765 million was allocated in the 2018 budget while N176.48 million was released, cash backed and utilized as at 31st December. The following projects amongst others were monitored:

i). Production of Hydraulic Pumps Cylinders, Compressors and Actuators for Industrial Sector

The project involves the production and maintenance of locally made hydraulic and pneumatic spare parts for industries, and development of human capacity and skills, etc. It was awarded to consortium of contractors namely: Messrs. Ladsis Synergy Nig. Ltd. & 7 others; in October 2016 at a total cost of N168.85million and is expected to be completed in December 2020. In the 2018 budget, the sum of N122 million was appropriated to the project out of which N71.20 million was released and same utilized. A total of N73.43 million had been committed to achieve 43.5% to date.

Findings:

At the time of visit, research had successfully been conducted in Challawa, Sharada and Bompai textile industries in Kano state. Also skills and capacities were developed in identified areas to aid the production of hydraulic related materials. The maintenance of hydraulic and pneumatic equipment was currently being undertaken to actualize the plans and mandate of the institute.

Socio-economi Impact:

The development of skills for local production of industrial facilities and installation of hydraulic automation trainers has helped to improve economic growth and local content development in the country.

ii). Installation of Small Hydro Power Turbines

The project is the provision of equipment for installation of small hydro power turbines in rural communities. It involves: identification for suitable installation sites for smart mono float hydro turbine in selected communities of Kano and Katsina states for electricity generation; as well as capacity building on the operations and maintenance of hydro power turbines.

It was awarded to a consortium of expert contractors (Messrs Global Golden Resources Nig. Ltd. & 7 others) in September 2016 at a total cost of N274.63 million and scheduled to be completed by 2021. The sum of N154 million was appropriated to the project in the 2018 budget while N51.14 million was released and utilized as at December. A total of N80.04 million had been committed to achieve 30% level of completion.

Findings:

At the time of monitoring, some of the hydraulic turbines had been procured and feasibility studies conducted for the identification of suitable sites/communities for installation of small hydro power turbines. In addition, alignment and design requirements for installation capacities was carried out. The project is still ongoing.



Picture 47: One of the Turbines Procured at Hydraulic Equipment Research Centre, Kano

Socio-economic Impact:

The project targets rural communities not connected to national electricity grid. Hence, the installation of the hydro power turbines will provide electricity to the affected communities thereby enhancing economic growth, employment generation and poverty reduction which is in line with government policy objective.

4.10.2 NATIONAL CENTRE FOR PETROLEUM RESEARCH AND DEVELOPMENT (NCPRD), BAUCHI

The centre is saddled with the responsibility to organize all aspects of research and development in fossil fuel power generation in establishing a world class research centre that is financially self-sustaining. In the 2018 Budget, a total of ₦598.02 million was appropriated, out of which ₦109.80 million was released, cash backed and utilized to achieve 66% cumulative performance. The following project was monitored:

i). Construction of Administrative Building

The project entails construction of a two-storey Administrative building comprising: office for the Chief Executive, a boardroom for members of the College, offices for management staff and others. The contract was awarded to Messrs. Inno & C Ventures Ltd in November, 2016 at a cost of ₦195.71 million and is expected to be completed in December, 2018. In the 2018 Budget, the sum of ₦20.15 million was appropriated to the project out of which ₦19.13 million was released and same utilized thus bringing total financial commitment to ₦151.9 million to achieve 75% level of completion.

Findings:

At the time of this monitoring, the super structure had been completed and roofed. Other finishing works such as internal/external walls plastering, suspended slabs in all floors, window frames, fabrication of hand rails and construction of the entrance canopy were at finishing stages. In addition, materials required to complete the project were on ground.



Picture 48: On-Going Completion of Administrative Building at NCPRD, Bauchi

Socio-economic Impact:

When completed and operational, the project will help to decongest the existing structure as more offices and adequate space would be provided. This is expected to boost staff morale and commitment for greater research and development in fossil fuel power generation at the college.

4.11 MINES AND STEEL (SOLID MINERALS) SECTOR

The sector was allocated a total of N12.28 billion in the 2018 budget to execute its capital projects and programmes. As at end of the third quarter, N1.54 billion (representing 55.43%) was released and N851.52 million utilized. The following Agencies amongst others were monitored:

4.11.1 NATIONAL STEEL RAW MATERIALS EXPLORATION AGENCY, KADUNA

The Agency was established by Decree 49 of 1992 to carry out the exploration of steel raw materials in all parts of Nigeria. To achieve this mandate, the Agency was allocated the sum of N1.05 billion in the 2018 budget to implement its capital projects and programmes. Of this amount, N150.42 million was released and utilized as at the end of third quarter. The following projects were monitored:

i). *Manganese Exploration*

This project entails exploration of manganese materials at Maikujeri area of Zamfara state. It involves the procurement of Towing Van Truck, Robotic Total Station, Geophysical Logging machines and 2nos Double Axles project vehicles, etc.

The project is being executed directly by the Agency at the cost of N1.54 billion. It commenced in October 2016 and it is expected to be completed in December 2020. In the 2018 Budget, the sum of N250.18 million was appropriated while N83.21 million was released and utilized. This brings the total financial commitment to N98.5 million since inception to achieved 10% level of completion.

Findings:

At the time of visit, a Towing Van Truck (1621) had been procured and delivered. The team was informed that the supporting equipment were yet to be procured due to the lean budgetary releases. This was reported to have slowed down the timely delivery of the project.



Picture 49: Towing Van Truck Procured at the Agency Headquarters, Kaduna

Socio-economic Impact:

The completion of the project will help to facilitate the detailed exploration and sourcing of Ferro Alloy and other related materials used by Ajaokuta Steel and other Steel and Aluminum Smelting Company across the Country. The Towing Van Truck when put to use will ease movement of heavy duty equipment to and from the project sites.

ii). Chromite Exploration:

The project is located at Tungan Kudaku, Zamfara state and it entails sourcing for Ferro Alloy materials used by Ajaokuta steel, Aluminum Smelting and other related Steel Companies. It also involves field operations, procurement of Thin Sectioning, Cutting and Grinding machine. Others are: procurement of Mechanical SPT (percussion) Sampling Machine and

Procurement of Scanning Electron Microscope (SEM).

The contract was awarded to Messrs NSRMEA in July 2016 at a cost of N1.66 billion with a planned completion date of December, 2019. In the 2018 budget, the sum of N300.4 million was allocated to the project while N67.20 million was released and utilized. A total of N125.2 million had been committed to the project since inception to achieve 12% level of completion.

Findings:

At the time of visit, 1no. Scanning Electron Microscopic Machine (SEM) had been procured and put to use. The team was informed that other equipment are awaiting execution through the 2019 Budget as funds release as at third quarter of the year was grossly inadequate.



Picture 50: Scanning Electron Microscope procured and Installed at Steel Raw Materials Exploration Agency, Kaduna

Socio-economic Impact:

Though the project is ongoing, the availability of the Scanning Electron Microscopic (SEM) machine has aided the sample analysis and identification activities by the Agency for chromite exploration at the target areas.

Challenges:

The hazardous nature of the exploration work, chemical analysis activities and security challenges at the project site has affected the desired project performance and delivery.

4.11.2 METALLURGICAL TRAINING INSTITUTE (MTI), ONITSHA

The mandate of the Institute is to train low and intermediate level technical manpower to maintain and repair works for both steel and allied industries in Nigeria. To achieve this mandate, the sum of N866.91 million was allocated in the 2018 budget to implement its capital projects and programmes. As at end of the third quarter, N86.69 million was released and utilized to execute three projects namely:

i). Renovation of Existing (18) Students' Hostels and Surrounding Facilities

The project involves total renovation of dilapidated students' hostel in the institute. Components of works include: removal and replacement of roof, ceilings, doors and windows, plumbing and electrical fittings and painting, etc.

The project was awarded to Messrs. Dilicon Limited in November 2018 at a cost of N94.53 million. In the 2018 budget, the sum of N100 million was appropriated out of which N22.18 million was released and utilized at the end of the third quarter to achieve 30% level of completion.

Findings:

At the time of visit, renovation of six (6) out of the eighteen (18) hostels had been completed.



Picture 51 Some of the Renovated Student's Hostel at the Institute, Onitsha

4.11.3 NIGERIAN GEOLOGICAL SURVEY AGENCY

The Agency had an allocation of N2.61 billion in the 2018 budget. Of this amount, N260.79 million was released, and utilized for the implementation

of its capital projects/programmes which includes the following:

j) Procurement of Rigs

This project involves the procurement of 4nos rigs (two each of small and big) and 2nos. Lowbed at Nigerian Geological Survey Agency, Abuja. It was awarded to Messrs Interact Nigeria Limited in January 2017 at a cost of N985 million with a completion date of December 2019. In the 2018 budget, the sum of N510.0 million was appropriated, out of which N150.14 million was released while N150.0 million was utilized. The sum of N150.0 million had been committed to the project since inception to achieve 20% level of completion.

Findings:

At the time of monitoring, 2Nos. small rigs had been supplied while the procurement of 2nos. Lowbed and 2nos. (big) rigs were still outstanding.



Picture 52: The 2Nos Rigs Supplied at the Nigerian Geological Survey Agency, Abuja

Socio-economic Impact:

Prior the procurement of the Rigs, the Agency hires rigs for field operations, on completion, the project will assist the Agency in its activities in terms of mineral explorations and mining.

4.12 MINISTRY OF LABOUR AND EMPLOYMENT

The sector was allocated a total of N19.69 billion in the 2018 budget, to execute its capital projects and programmes. Out of this amount, N2.28 billion was released while N964.50 million was utilized as at end of the third quarter. The following projects amongst others were monitored:

4.12.1 NATIONAL PRODUCTIVITY CENTRE

The sum of N816.26 million was appropriated to the Centre in the 2018 budget. N81.62 million released while N78.90 million was utilized to execute amongst others the following projects as monitored by the team(s):

i). Productivity Promotion and Advocacy

The project located at the headquarters, Abuja entails promotion of productivity development through jingles (English, Pidgin English, Hausa, Yoruba and Igbo), documentaries, coaching and mentoring to stimulate the consciousness of the citizenry.

The contract was awarded in November, 2018 to Messrs Sanhs Investment Nigeria Limited at a cost of N28.37 million with an expected completion date of December, 2018. In 2018 budget, the sum of N28.37 was allocated to the project, while N28.28 million was released and utilized to achieve 100% level of completion.

Findings:

At the time of monitoring, it was observed that the programme had been completed. Jingles and documentaries in Pidgin and English were already ongoing on television and radio stations. CD's and Pictures of activities had also been made available.



Picture 53: Some of CD's on Jingles and Documentary for Promotion and Advocacy in Productivity

Socio-economic Impact:

The sustainability of the programme will immensely inculcate the culture of self-development especially amongst the youth.

4.13 NIGER DELTA SECTOR

The Niger Delta sector was allocated a total of N58.08 billion in the 2018 budget to execute its capital projects and programmes. N5.81 billion was released while N5.69 billion was utilized as at end of the third quarter. The following projects amongst others were monitored:

i). Construction of Gbaregolor-Ogriagbene Road, Delta State (18.7km)

The project entails the provision of 16.1km stretch from Gbaregolor-Ogriagbene and 2.6km spur to Enekorogha Township in Bomadi, Delta State. Scope of works include: construction of a wide asphaltic concrete single carriageway from Gbaregolor to Ogriagbene in Bomadi. Others are: 3nos reinforced concrete bridges and protection works.

The contract was awarded to Messrs Setraco Nigeria Limited in March 2012 at a cost N8.56 billion with an initial completion date of March, 2014. This was later revised to July 2020 due to funding constraints. In the 2018 budget, the sum of N1.64 billion was appropriated to the project while N30 million was released and utilized. A total of N5.39 billion had been committed to the project since inception to achieve 84.39% level of completion.

Findings:

At the time of monitoring, works completed include: 2nos. bridges, 2.6km Spur at Enekorogha, 34nos. culverts and cement stabilization. Wearing course, stone base, 1x20m bridge span at CH.15+300 and 5nos. culvert were ongoing and at various stages of completion.



Picture 54: Ongoing Construction of Gberegolor-Ogriagbene Road, Delta State

Challenges:

Apart from the paucity of fund, the major challenge affecting the project was constant obstruction and restriction of work by the host communities following various request for works not captured in the road design.

Socio-economic Impact:

The project had created employment for over 50 skilled and unskilled workers in the communities and its environs. When completed, it will reduce travel time and promote socioeconomic activities in the various communities along the road corridor.

4.14 ENVIRONMENT SECTOR

The sector was allocated the sum of N17.49 billion in the 2018 budget to execute capital projects and programmes. Out of this amount, N2.46 billion was released while N1.81 was utilized as at end of December. The following Institute amongst others was visited:

4.14.1 FORESTRY RESEARCH INSTITUTE OF NIGERIA, IBADAN

The Institute was allocated the sum of N4.89 billion in the 2018 budget to execute its capital projects and programmes. Out of this amount, N889.42 million was released while N409.30 million was utilized to execute amongst others the following projects.

i). Rehabilitation and Upgrading of Central Library Building

The project which is located at the head Quarters of the institute entails expansion, rehabilitation and upgrading of the existing library building and provision of internet facilities for research. Components of the work includes: Construction of a storey building attached to the existing library which is to be extended by providing four (4) additional offices and four (4) toilets to create enough accommodation for staff and also to provide internet facilities for the research institute.

The contract is divided into two components and was awarded to different contractors. The first component which is rehabilitation and upgrading of library building was awarded to Messrs Prime TAAD Nigeria Limited at a cost of N154.79 million while, Access to internet facilities was awarded to Messrs JRB Solar Investment Limited at a cost of N57.14 million.

The contracts were awarded in November 2018 with an expected completion date of March 2019. In 2018 budget, the sum of N240 million was allocated to the project, while N38.51 million was released, cash backed and utilized. A total of N77.64 had been committed to the projects since inception to achieve 40% level of completion.

Findings:

At the time of monitoring, there was no construction activity at the site. However, works completed include: substructure and block work, while rafter, roofing, electrical, plumbing, plastering, flooring, ceiling and painting were still outstanding.



Picture 55: Ongoing Rehabilitation/Upgrading of Central Library Building and Internet facility at Forest Research Institute of Nigeria

Socio-economic Impact:

Though the project is still ongoing, it has provided employment opportunities for a number of skilled and other classes of workers who are currently involved in the construction work. On completion, it would decongest the current library by providing office accommodation for staff and access to internet facilities to the entire management of the institute.

5.0 SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

The third quarter monitoring exercise gives an insight into the performance of sampled MDAs in the implementation of their respective mandates as set out in the 2018 MTEF and MTSS. A general summary of observations and recommendations are further highlighted as follows:

5.1 OBSERVATIONS:

Key observations made during the physical visits to the MDAs' project sites, scoping interviews and the administration of templates revealed the following:

- i). Late and inadequate release of funds led to uncertainties thereby affecting capital Budget implementation. MDAs complained that the fund released were too meagre for the implementation of meaningful projects. Thus, in some MDAs, their releases were lying fallow in the CBN vault unutilized;
- ii). There were cases of misinterpreting the Budget line items by some MDAs. For instance, some MDAs embark on new construction as against line items such as renovation, rehabilitation, reconstruction, or remodeling as approved in the appropriation.
- iii). Success factors were recorded in the collaborative efforts of the Police, FRSC, Fire Service, NEMA in managing incidences of traffic challenges and criminality associated with highway construction;
- iv). MDAs complained that the different monitoring bodies such as: NASS, OAGF, BPP, FRS, OAUGF, MBNP give varied interpretations of narration of capital budget line item contained in the Appropriation Act thereby creating the problem of clarity;

- v). The failure to implement the 2018 Budget from January–December as planned adversely affected the pace of the implementation of the budget cycle;
- vi) Some MDAs suggested that it would be wise to be allowed to engage in direct labour in the implementation of their projects because of the peculiar nature of their services in order to achieve cost effectiveness.
- vii). MDAs complain that in the revision of their proposed priority projects and programmes by the National Assembly, the appropriation Act brought on stream Projects that were unplanned in terms of needs assessment, MTSS, engineering designs and bill of quantities thereby distorting the MDAs' project implementation plans;
- viii). Some MDAs were observed to have demolished Federal Government properties under the guise of rehabilitation and remodeling to give way for choice design of buildings based on the personal tastes of the implementing body; and
- ix). Some MDAs were unable to utilize their releases due to absence of certified works thereby portraying poor project planning;
- x). Some MDAs were charging ground rent from their corporate tenants like churches, banks, eateries who used their land spaces to construct edifices. This is against the rule of law which vested such powers to State and Local Governments only;

To ensure prudent use of public funds in order to reduce poverty and promote public sector administration through effective project implementation, there is the need to communicate these observations to MDAs. This would further assist them to chart the way forward so as to inculcate effective project management policies and practices.

5.2 CONCLUSION

The macroeconomic indices that propelled the economy's exit from recession had continued to be positive and is likely to remain so in the near-term. Data from the National Bureau of Statistics (NBS) shows that the economy grew by 1.81 percent in the third quarter of 2018. The oil sector recorded a real growth of -2.91 percent (year-on-year) in the third quarter of 2018 signifying a decrease of -25.94 percent points relative to the rate recorded in the corresponding quarter of 2017. The non-oil sector grew by 2.32 percent in real terms during the referenced quarter. This represents 3.08 percentage points increase compared to the rate recorded in the same quarter of 2017. The performance of the non-oil sector was mainly driven by Information and Communication Services. Other notable drivers included Agriculture, Manufacturing, Trade, Transportation & Storage, Professional, Scientific and Technical Services. All things being equal, the positive growth recorded in the third quarter of 2018 is expected to continue in the last quarter of the year.

The Federal Government had sustained its non-discretionary expenditures even as budget execution continued to be adversely impacted by poor revenue outturn. The economic performance in the quarter revealed better outlook and prospects for revenue and therefore budget implementation in the 2018 fiscal year. Revenue performance of the non-oil sector is expected to improve in the last quarter and combined with the recovery in oil production and possible increases in prices would result in higher outcome of 2018 Budget implementation.

The MBNP will remain committed to advance openness, transparency and accountability in budget preparation, implementation, monitoring & evaluation and feedback. In view of this, firm adherence to budget implementation guidelines and the governance framework on monitoring capital budget implementation will continue to be followed. Efforts would also be focused on improving efficiency in budget implementation, while creating effective project management planning geared towards improving the level of capital budget implementation in the country.

5.3 RECOMMENDATIONS:

Drawing from the above observations, the following recommendations are pertinent towards enabling the Federal Government combat the menace of slow pace of capital projects implementation in the country:

- i). The issue of MDAs charging ground rent from their corporate tenants should be referred to the Ministry of Justice for clarification with a view to drafting a circular for the guidance as against exercising powers that does not belong to them;
- ii). Budgetary discipline should be emphasized in capital budget implementation to avoid cases of abuse. This type of excesses could be achieved through sensitization and sanction;
- iii). MDAs should be reminded of the SGF's circular requiring them to commence early procurement plans before the release of their capital allocations;
- iv). There must be synergy in all levels of Government in the execution of capital project/programmes affecting communities in Federal, States and Local Government Areas;
- v). FERMA and FRSC should be encouraged to engage in regular policing of our road networks through monitoring and control with a view to reducing despoliation, overloading and maintenance costs. In order to ensure the safety and durability of the road, measures such as speed breakers, Weigh Bridge, road hunters and tollgate should be put in place.
- vi). There should be a circular to streamline the mandates of the different Agencies viz; NASS, OAGF, BPP, FRS, OAUGF, MBNP etc. engaged in monitoring exercises in order to dispel confusion faced by MDAs over the interpretations of narration of capital budget line item contained in the Appropriation Act;
- vii). MDAs releases should be tied to specific line items expressed in the Appropriation Act so as to reduce the spate of illegal

virement, promote transparency and engender effective capital budget implementation;

- ix). The Executive and Legislative arms of Government should cooperate and ensure the early passage of the Annual Budget so as to improve the pace of capital budget releases and implementation;
- x). The Federal Ministry of Power, Works and Housing should be granted appellate advisory jurisdiction to oversee MDAs capital projects engineering design and control to avoid incessant changes to the bill of engineering measurement experienced in most of the MDAs;
- xi). The Procurement Act should make provision for the execution of specialized capital projects through direct labour. MDAs especially, the Military, Research Institutes and other service organizations need special consideration because of the sensitivity of their operations.

Finally, the Federal Government of Nigeria will increase the pace of project implementation if the observations and recommendations made in this report are implemented. This would further enhance openness, transparency and accountability of project implementation and also reduce the proliferation of non-capital projects that does not add up to the delivery of dividends of democracy to Nigerians.

APPENDIX I

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

2018 UNSPENT MDAs CAPITAL ON THE GIFMIS PLATFORM AS AT 31ST DECEMBER, 2018 TO BE ROLLED-OVER

2018 CAPITAL PERFORMANCE FOR MINISTRIES DEPARTMENTS AND AGENCIES (MDAs) AS AT 31ST DECEMBER, 2018

MINISTRY	2018 APPROPRIATION	1ST RELEASES =N=	2ND RELEASES =N=	3RD RELEASES =N=	4TH RELEASES =N=	ADDITIONAL RELEASES =N=	ONLINE AIEs =N=	MANUAL AIEs =N=	TOTAL RELEASES = N=	CASHBACKED =N=	MDAs BALANCE @ 31ST DEC., 2018 =N=	UTILISATION =N=	UTILISATION %	
													RELEASES	CASHBACK
PRESIDENCY	76,312,212,980	2,067,097,193	5,517,635,003	-	-	-	10,055,355,165	3,549,779,192	21,189,866,553	21,189,866,553	3,592,540,281	17,697,326,272	83.05	83.05
SECRETARY TO GOVT. OF THE FEDERATION (SGF)	99,269,081,007	5,852,946,751	7,278,461,247	-	-	-	3,608,354,836	-	16,739,762,834	16,739,762,834	12,836,444,626	3,903,318,209	23.32	23.32
YOUTH DEVELOPMENT	12,647,318,560	1,112,217,438	-	-	-	-	1,550,816,437	-	2,662,833,874	2,662,833,874	1,321,022,844	1,341,811,031	50.39	50.39
WOMEN AFFAIRS	9,548,949,635	1,275,218,040	-	-	-	-	-	-	1,275,218,040	1,275,218,040	377,187,429	898,030,611	70.42	70.42
AGRICULTURE	247,596,693,136	30,198,266,171	13,628,790,745	-	-	-	60,000,000,000	-	103,827,056,915	103,827,056,915	40,531,415,076	63,295,641,840	60.96	60.96
WATER RESOURCES	262,741,570,603	24,936,506,581	36,009,842,981	-	-	-	-	-	60,946,349,562	60,946,349,562	16,074,390,105	44,871,959,456	73.63	73.63
AUDITOR-GEN.	345,119,685	99,050,982	191,458,836	-	-	-	-	-	290,509,818	290,509,818	224,287,218	66,222,600	22.80	22.80
DEFENCE	300,321,871,494	28,993,097,744	21,952,392,738	-	-	-	35,781,328,971	-	86,726,819,452	86,726,819,452	9,095,785,759	77,631,033,694	89.51	89.51
ICPC	2,646,929,669	311,786,517	-	-	-	-	-	-	311,786,517	311,786,517	284,986,223	26,800,294	8.60	8.60
EDUCATION	163,388,753,228	15,948,905,787	17,200,000,000	-	-	-	291,350,235	-	33,440,256,022	33,440,256,022	10,943,016,552	22,497,239,469	67.28	67.28
FCTA	32,298,122,872	3,229,812,287	6,459,624,574	-	-	-	-	-	9,689,436,862	9,689,436,862	6,965,201,254	2,724,235,608	28.12	28.12
FOREIGN & INTER GOVT. AFFAIRS	27,590,458,271	2,122,219,684	1,932,930,330	-	-	-	1,657,735,024	-	5,712,885,037	5,712,885,037	2,005,792,288	3,707,092,749	64.89	64.89
FINANCE	144,888,392,983	8,341,861,993	1,300,432,100	-	-	-	16,168,481,473	55,118,245	25,865,893,811	25,865,893,811	15,797,950,600	10,067,943,211	38.92	38.92
HEALTH	143,222,005,727	13,883,819,252	3,008,900,000	-	-	-	4,724,666,176	-	21,617,185,429	21,617,185,429	8,253,956,595	13,363,228,833	61.82	61.82
TRADE & INVESTMENT	188,252,665,943	11,515,617,685	-	-	-	-	1,165,140,000	100,000,000	12,780,757,685	12,780,757,685	7,601,002,234	5,179,755,451	40.53	40.53
INFORMATION	25,731,045,403	2,489,173,315	1,338,114,497	-	-	-	4,339,968,850	-	8,167,256,661	8,167,256,661	4,014,383,752	4,152,872,909	50.85	50.85
COMMUNICATION TECHNOLOGY	19,470,445,818	2,304,915,914	-	-	-	-	2,500,000,000	-	4,804,915,914	4,804,915,914	271,252,704	4,533,663,210	94.35	94.35
INTERIOR	148,294,396,342	11,014,217,810	47,628,827	-	-	-	25,248,067,435	-	36,309,914,072	36,309,914,072	13,392,512,902	22,917,401,170	63.12	63.12
HEAD OF SERVICE	5,316,764,188	624,017,674	15,000,000	-	-	-	1,500,000,000	-	2,139,017,674	2,139,017,674	778,165,283	1,360,852,390	63.62	63.62

JUSTICE	13,812,364,321	821,994,663	-	-	-	-	231,000,000	-	1,052,994,663	1,052,994,663	311,933,431	741,061,232	70.38	70.38
LABOUR & PRODUCTIVITY	30,866,655,348	2,285,391,838	-	-	-	-	-	-	2,285,391,838	2,285,391,838	1,320,884,792	964,507,047	42.20	42.20
POWER	1,389,204,314,286	119,000,000,000	108,019,754,399	-	-	-	44,480,245,601	17,708,178,862	289,208,178,862	289,208,178,862	117,646,947,175	171,561,231,687	59.32	59.32
SCIENCE AND TECH.	121,721,188,398	12,256,314,509	447,689,292	-	-	-	426,000,000	-	13,130,003,801	13,130,003,801	6,223,654,799	6,906,349,002	52.60	52.60
TRANSPORTATION	603,202,289,635	38,004,900,718	69,978,361,088	-	-	-	-	-	107,983,261,805	107,983,261,805	71,670,492,696	36,312,769,109	33.63	33.63
PETROLEUM	14,891,886,028	540,609,567	-	-	-	-	-	-	540,609,567	540,609,567	351,000,195	189,609,372	35.07	35.07
MINES & STEEL	26,108,145,002	1,536,150,000	-	-	-	-	-	-	1,536,150,000	1,536,150,000	684,630,119	851,519,881	55.43	55.43
NATIONAL WAGES & SALARIES	310,311,888	26,312,192	-	-	-	-	-	-	26,312,192	26,312,192	4,845	26,307,346	99.98	99.98
ENVIRONMENT	29,064,489,478	2,349,295,583	106,250,000	-	-	-	-	-	2,455,545,583	2,455,545,583	649,011,568	1,806,534,016	73.57	73.57
BUDGET AND NATIONAL PLANNING	8,742,378,717	1,048,713,870	1,617,427,740	-	-	-	1,060,000,000	-	3,726,141,610	3,726,141,610	1,358,799,683	2,367,341,927	63.53	63.53
OFFICE OF NATIONAL SECURITY ADVISER	101,264,691,129	5,915,612,563	5,978,857,399	-	-	-	12,063,993,320	-	23,956,463,283	23,956,463,283	1,848,524,030	22,107,939,252	92.28	92.28
NIGER DELTA FISCAL RESPONSIBILITY COMMISSION	99,378,790,660	5,808,250,000	-	-	-	-	-	-	5,808,250,000	5,808,250,000	117,489,620	5,690,760,380	97.98	97.98
ICRC	302,151,912	20,015,539	-	-	-	-	-	-	20,015,539	20,015,539	3,275,339	16,740,200	83.64	83.64
NAT. POPULATION CODE OF CONDUCT BUREAU	576,098,965	53,431,025	-	-	-	-	-	-	53,431,025	53,431,025	53,431,025	-	-	-
NAT. POPULATION CODE OF CONDUCT TRIBUNAL	9,553,103,687	800,000,000	-	-	-	-	-	-	800,000,000	800,000,000	14,803,512	785,196,488	98.15	98.15
PUBLIC COMPLAINTS COMMISSION	6,274,000,087	119,485,426	-	-	-	-	-	-	119,485,426	119,485,426	119,485,436	(10)	(0.00)	(0.00)
REV. MOB. ALL.	1,100,327,017	51,361,671	-	-	-	-	-	-	51,361,671	51,361,671	1,550,109	49,811,561	96.98	96.98
FCSC	-	-	-	-	-	-	-	-	-	-	-	-	-	-
POLICE SERVICE COMMISSION	445,236,405	102,909,334	-	-	-	-	150,000,000	-	252,909,334	252,909,334	35,096,719	217,812,615	86.12	86.12
FED. CHARACT. COMM.	68,626,751	24,617,183	-	-	-	-	-	-	24,617,183	24,617,183	18,117,183	6,500,000	26.40	26.40
CAPITAL SUPPLEMENTATION	1,558,516,515	175,890,000	-	-	-	-	-	-	175,890,000	175,890,000	0	175,890,000	100.00	100.00
CAPITAL SUPPLEMENTATION	986,976,266	59,308,099	306,131,931	-	-	-	56,300,000	-	421,740,030	421,740,030	59,308,099	362,431,931	85.94	85.94
GRAND TOTAL	6,000,000,000	-	-	-	-	-	603,556,999	-	603,556,999	603,556,999	-	603,556,999	549.96	549.96
GRAND TOTAL	694,519,791,292	-	-	-	-	-	102,375,448,342	297,284,765,051	399,660,213,393	399,660,213,393	-	399,660,213,393	100.00	100.00
GRAND TOTAL	5,063,835,121,331	357,321,112,595	302,333,683,726	-	-	-	329,434,051,865	318,697,841,351	1,307,786,689,536	1,307,786,689,536	356,849,734,100	950,936,955,436	72.71	72.71
SUKUK PROCEEDS														
GREEN BONDS														
GRAND TOTAL	5,063,835,121,331	357,321,112,595					329,434,051,865	318,697,841,351	1,307,786,689,536	1,307,786,689,536	356,849,734,100	950,936,955,436	73	73

