



# 2018 FOURTH QUARTER AND CONSOLIDATED BUDGET IMPLEMENTATION REPORT



**BUDGET OFFICE OF THE FEDERATION**

**Ministry of Budget and National Planning**

## **FOREWORD**

I am pleased to present to you the Fourth Quarter and Consolidated Budget Implementation Report (BIR) for the 2018 fiscal year. The Report provides information on the allocation and use of the Federal Government's financial resources in the review period. The 2018 Budget, themed "Budget of Consolidation", was the third full year budget by the present administration and largely reflects the key execution priorities of the Economic Recovery and Growth Plan (ERGP). The main objective of the budget was to ensure the restoration of the Nigerian economy to the path of strong, diversified and sustainable growth.

The publication of this report is mandated by Sections 30 and 50 of the Fiscal Responsibility Act (FRA), 2007 which requires the Budget Office of the Federation (BOF) to prepare and submit periodic Budget Implementation Reports (BIRs) to the Joint Finance Committee of the National Assembly (NASS) and the Fiscal Responsibility Commission (FRC). They are also to be extensively circulated to other stakeholders and the general public through electronic and other media.

This Report is a result of meticulous planning, monitoring, evaluation and analytical works by the Budget Office of the Federation in collaboration with the National Monitoring and Evaluation Department of the Ministry of Budget and National Planning as well as other relevant MDAs. I commend the team for their hard work and also appreciate the vital roles of both the Fiscal Responsibility Commission and the National Assembly's Joint Finance Committee in encouraging best practices in public financial management through their cooperative works in this regard.

Lastly, I charge the readers of this report to maintain active interest in public financial management in Nigeria and to use the numerous media provided by government to provide feedback on areas of budgeting in Nigeria. 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**

The 2018 Fourth Quarter and Consolidated Budget Implementation Report (BIR) is one of many reports prepared by the BOF on the evaluation of the 2018 budget implementation. It is one of the efforts of the Ministry of Budget and National Planning to conform to Section 30 and 50 of the FRA 2007. Its key objective is to assess how fiscal policies and controls, through budget implementation, impacted developments during the period. It is also used to foster budget transparency, accountability and probity consistent with Nigeria's commitments to the Open Government Partnership (OGP).

This Report presents highlights of key macroeconomic developments in Nigeria as well as detail budget performance analysis within the review period. It was designed to support government's resolve to improve the economy through focus on provision of physical and human infrastructure. Specifically, 28% of the FGN budget was dedicated to capital expenditure in 2018 reflecting an average of 31.13% during 2016 to 2018 fiscal year from 16% in 2015. This significantly contributed to the improvements in GDP growth in the country since the exit from recession in quarter two of 2017.

The execution of the budgets has however continued to be constrained by low and unstable revenue inflow to the government. This has particularly continued to hinder higher execution of capital budget and therefore efforts at driving higher growth in the country. Government has however continued to meet its non-discretionary expenditures as and when due. The key initiatives of government to shore up its revenue would therefore be intensified in the short to near term in addition to continuing policies already yielding positive result in areas of revenue generation and expenditure control. The execution of the 2018 budget was also impacted by its late passage in June 2019, as such, efforts would be intensified, working with the 9<sup>th</sup> Assembly, to return the nation to a predictable January to December fiscal year.

This Report is the product of joint efforts of financial and statistical agencies of government which provided necessary macro-economic data. I commend the efforts of these agencies as well as the various departments of the Budget Office of the Federation in producing the report, and wish them every success as they continue to perform this vital function.

**Ben Akabueze**

*Director General (Budget Office of the Federation)*

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## **TABLE OF ACRONYMS**

**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 key parameters and assumptions of the 2018 Budget (Budget of Consolidation) are as set out in the 2018-2020 Medium Term Expenditure Framework (MTEF) and Fiscal Strategy Paper (FSP) and are aligned with the ERGP 2018-2020. Its key objective was to reinforce and build on the recent achievements of the Federal Government. Precisely, it was intended to sustain efforts at diversifying the economy to foster strong and inclusive growth.

Nigeria's Gross Domestic Product (GDP) grew by 2.38 percent (year-on-year) in real terms in the fourth quarter of 2018 to N19.04 trillion from N18.60 trillion in the fourth quarter of 2017. This reflects a 0.27 percentage points increase relative to the 2.11 percent growth in the fourth quarter of 2017 as well as a 0.57 percentage points rise over the 1.81 percent recorded in the third quarter of 2018.

A resurgence in inflationary pressure in the economy was witnessed in the fourth quarter of 2018 after the consistent declined in quarters one to three of the year. Headline inflation (year-on-year) crept up slightly to 11.44 percent in December 2018 from 11.28 percent in September 2018. This was driven by food inflation which rose to 13.56 percent in December 2018 from 13.31 percent in September 2018 and reflect rise in the prices of some selected food items. Core inflation however moderated marginally to 9.80 percent in December 2018 from 9.84 percent in September 2018.

Monetary aggregates grew in the fourth quarter relative to the third quarter of 2018. Broad Money Supply (M2) increased by ₦1,518.17 billion (5.94 percent) from ₦25,560.66 billion in September 2018 to ₦27,078.83 billion in December 2018. The increase in M2 was largely driven by a 24.31 percent growth in Net Domestic Assets (NDA) which more than compensated for the 2.2 percent decline in Net Foreign Asset (NFA). The growth in NDA was a result of the expansion in both Net Domestic Credit (NDC) and Other Assets (Net) by 4.41 percent and 12.25 percent respectively. A breakdown of the NDC suggests incident of crowding out as Net Claims on Federal Government increased by ₦1,425.07 billion (41.42 percent) while Claims on Private Sector declined by ₦0.26 billion or 1.13 percent from ₦22,967.44 billion in September 2018 to ₦22,708.22 billion in December 2018.

Monetary policy remained tight with the Central Bank of Nigeria (CBN) maintaining the Monetary Policy Rate (MPR), the Cash Reserve Ratio (CRR) and the Liquidity Ratio at 14 percent, 22.5 percent and 30 percent respectively in the review period. The average interbank call rate therefore rose from 8.68 percent in September to 22.68 percent in December 2018. The average prime lending rate however declined slightly from 16.59 percent in September to 16.17 percent in December 2018. The average maximum lending rate similarly dropped marginally from 30.77 percent in September to 30.52 percent in December 2018.

The average Naira exchange rate remained moderately stable but largely diverged between the rate at the Bureau-de-Change (BDC) and the Inter-Bank segments of the foreign exchange market during the review period. Specifically, the Naira/Dollar exchange rate at the Official/Inter-Bank markets stood at a monthly average of ₦306.27/US\$ at end-September and depreciated slightly and consistently to ₦306.92/US\$ in December 2018. Similarly, the monthly average exchange rate of the Naira/Dollar at the Bureau De-Change (BDC) depreciated from ₦359.25/US\$ in September to ₦363.46/US\$ in December 2018. This translates to divergence on ₦56.54/US\$ in December from ₦52.98/US\$ in September 2019. The relative stability at both the Bureau-de-Change (BDC) and the Inter-Bank segment of the market was due to improved FOREX inflow as well as the CBN's proactive exchange rate management policies.

The total public debt stock as at 31<sup>st</sup> December, 2018 stood at US\$79,436.72 million (or N24,387.07 billion) indicating an increase of US\$8,437.46 million (₦2,661.30 billion) or 11.88 percent when compared to the US\$70,999.26 million (₦21,725.77 billion) reported at the end of December 2017. This translates to a net present value of total public Debt/GDP ratio of 19.09 percent as at the end of December 2018. This was largely driven by the increase in the external debt stock which rose by US\$3,682.68 million (or 17.06 percent) to US\$25,274.36 million as at 31<sup>st</sup> December, 2018, from US\$21,591.68 million recorded in the third quarter of 2018. The Federal Government domestic debt stock which stood at ₦12,774.41 billion as at end of December 2018, also rose by ₦487.60 billion (or 3.97 percent) above the ₦12,286.81 billion recorded in the third quarter of 2018.

The price of crude oil at the international market averaged US\$67.76 in the fourth quarter of 2018. This reflects a US\$7.52 or 9.99 percent decline from an average of US\$75.28 in the third quarter of the year as concerns over US-China trade war and global stock level exerts downward pressure on prices. It however remain above the budget benchmark by US\$16.76 or 32.86 percent. This also translates to an average of US\$71.05 per barrel in 2018, an increase of US\$20.05 per barrel (or 39.31 percent) above the US\$51.0 per barrel oil price benchmark for the 2018 Budget. Domestic crude oil production however lagged at an average of 1.93mbpd in December 2018 and 1.91mbpd in the fourth of 2018 representing 0.37mbpd and 0.35mbpd shortages respectively from the budget benchmark.

Revenue shortages hence continued with Gross Oil Revenue of ₦5,545.62 billion in 2018. This translate to a ₦2,072.44 billion (or 27.20 percent) shortfall below the annual budget but was significantly above the ₦4,084.35 billion generated in the corresponding period of 2017. Gross non-oil revenue of ₦3,225.53 billion received in 2018 also signifies a shortfall of ₦1,206.30 billion (or 27.22 percent) below the annual estimate of ₦4,431.83 billion with all the non-oil revenue items falling below their expected annual projections. The net distributable revenue to the three tiers of government after cost deductions therefore stood at ₦7,106.71 billion in 2018, representing a shortfall of ₦3,346.05 billion (or 32.01 percent).

A total of ₦3,480.90 billion, excluding other funding sources was received to fund the budget in 2018. This comprises ₦1,960.85 billion (or 56.33 percent) oil revenue and ₦1,520.05 billion (or 43.67 percent) non-oil revenue. The aggregate revenue receipt for the period was ₦3,684.97 billion or 51.42 percent lower than the annual projection but ₦1,103.89 billion or 46.44 percent higher than the ₦2,377.01 billion reported in 2017. Total inflow for funding the FGN 2018 budget stood at ₦3,866.49 billion indicating a shortfall of ₦3,299.37 billion or 46.04 percent below the annual estimate for the period.

Actual expenditure in 2018 stood at ₦7,511.19 billion, indicating a decrease of ₦1,609.15 billion or 17.64 percent below the annual projection. The 2018

expenditure was however ₦1,047.58 billion or 16.21 percent higher than the expenditure of ₦6,463.61 billion recorded in 2017. A total of ₦3,238.10 billion was spent as non-debt recurrent expenditure in 2018 implying a reduction of ₦278.38 billion or 7.92 percent below the annual estimate of ₦3,516.48 billion. It was however, above the non-debt recurrent expenditure of ₦2,765.33 billion reported in 2017 by ₦472.77 billion or 17.10 percent. Statutory Transfer was also allocated a total sum of ₦456.46 billion in the review period.

Total Debt Services in 2018 stood at ₦2,161.37 billion indicating a decrease of ₦42.46 billion or 1.93 percent below the ₦2,203.84 billion projected for the year. The sum of ₦1,797.90 billion was used for domestic debt servicing while ₦292.40 billion was spent for external debt servicing during the period under review. The amount used for domestic debt servicing reflects an increase of ₦38.14 billion or 2.17 percent from its annual projection.

A total of ₦1,862.22 billion was released and cash backed to MDAs for their 2018 capital projects and programmes. The data also revealed that ₦1,655.26 billion (88.89 percent) of the total amount released and cash-backed and 58.17 percent of appropriation was utilized by MDAs as at 30th June, 2019.

The revenue and expenditure outturn of the Federal Government resulted in a fiscal deficit of ₦3,644.70 billion in the year (2.85 percent of the 2018 GDP) and ₦892.40 billion in the fourth quarter of 2018. The Annual deficit was ₦2,466.31 billion or 209.30 percent higher than the projected fiscal deficit of ₦1,954.47 billion for the period. It was however, lower than the fiscal deficit of ₦3,805.94 billion reported in 2017. The deficit was financed to the tune of ₦2,503.22 billion through Foreign Borrowing of ₦1,165.67 billion and Domestic Borrowing of ₦1,337.55 billion. This resulted in a ₦1,141.48 billion net deficit financing for the review period.

Generally, the nation's economy recorded another positive growth of 2.38 percent in the fourth quarter of 2018, an indication that the Nigerian economy

had continued to stabilize after the exit from recession in the second quarter of 2017. Nevertheless, revenue challenges persisted and budget implementation remained on course except for the capital component which was adversely affected by lower revenue receipt. Government would therefore intensify efforts at increasing and further diversifying its revenue base in addition to addressing legacy factors including infrastructure gap, particularly power supply; as well as general poor business environment and insecurity in parts of the country.

## 1.0 INTRODUCTION

There was mixed development in performance of most economies in 2018 leading to moderation in global output. This was driven by a combination of factors including: financial market volatilities, trade war between the US and China, continuing monetary policy normalization by the US, prospect of a no deal Brexit, the termination of the European Central Bank's (ECB) asset purchase program in December 2018 and the slowdown in the Chinese economy. They have also further increased the uncertainties for the global economy in 2019. Consequently, global growth has been downgraded by the IMF to 3.5 percent in 2019, from 3.6 percent in 2018.

The 2018 Budget was titled "Budget of Consolidation". Its key parameters and assumptions are as set out in the 2018-2020 Medium Term Expenditure Framework (MTEF) and Fiscal Strategy Paper (FSP) which had its main thrust derived from the goals of the present Administration as articulated in the Economic Recovery and Growth Plan (ERGP) 2018-2020. The key objective of the 2018 Budget was to reinforce and build on the recent achievements of the Federal Government. Precisely, it was intended to sustain the reflation of the economy of the past two years budgets.

In line with the 2018-2020 fiscal strategy of the Federal Government, the 2018 Budget focused on expanding revenue receipts by broadening the tax base, as well as identifying and plugging revenue leakages. Emphasis was also placed on improving the efficiency and quality of capital spending, greater importance was placed on critical infrastructure, rationalization of recurrent expenditure, and gradual fiscal consolidation to maintain the fiscal deficit below 3 percent of GDP as prescribed by the FRA, 2007.

In order to consolidate on the effect of the 2017 Budget implementation, many ongoing capital projects were rolled over and provided for in the 2018 Budget. This was in line with the government's promise to properly fund ongoing capital projects to completion. By allotting 30.8 percent of the 2018 Budget to capital expenditure, the Federal Government maintained its strong commitment to investing in critical infrastructure capable of supporting growth and generating jobs in the Nigerian economy. Key capital spending sector 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 also continued the execution of strategic projects by making adequate provisions for their counterpart funding requirements. It focused more on completing all ongoing projects and carried-forward strategic projects that were previously budgeted for but which were unable to kick start due to liquidity challenges, late passage of the budget, lengthy contractual negotiations, and other matters. In detail, attention was given to the following important projects and programmes: Mambilla Hydro Power Project; Earmarked Transmission Lines and Substations; National Housing Programme; the 2nd Niger Bridge; Construction and Rehabilitation of the Strategic Roads; among others.

Human Capital Development and Social Intervention Programme were also accorded priority in the 2018 Budget. The implementation of the Conditional Cash Transfer (CCT) programme, as well as the National Home-Grown School Feeding programme continued 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 professional education and mentoring. This demonstrates the Federal Government's intent on pursuing gender-sensitive, pro-poor policies that would cater for the most vulnerable as well as aid the attainment of inclusive growth objective.

This Report offers complete information on the 2018 Fourth Quarter and Consolidated Budget Implementation. The other parts of the Report are organized 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 broad-based upswing in cyclical growth in global economic activities that lasted for nearly two years decelerated to about 3.2% in the second half of 2018 from about 4 percent and 3.8 percent in 2017 and the first half of 2018 respectively. Overall growth slowed to 3.6 percent in 2018, two percentage points decline from the rate in 2017. The slump in growth in the second half of 2018 was driven by trade tension between the United States and China, decline in business confidence, tightening of financial condition and higher policy uncertainty across many countries. Market sentiments however rebounded in early 2019 after the notable tightening in late 2018.

Growth in Advanced Economies moderated by 0.2 percentage points to 2.2 percent in 2018 reflecting a broad-based slowdown in growth across major advanced economies except for the United States where growth remained robust amid a tight labor market and strong consumption growth. In Emerging Market and Developing Economies (EMDE), regulatory tightening in China to, among others, contain debt including softening of spending on durable goods as well as further pressure from diminishing exports orders on US tariff actions dragged growth. Overall, growth in EMDEs declined by 0.3 percentage points to 4.5% in 2018 from 4.8% in 2017.

Industrial production softened especially for capital goods exceeding expected slowdown as a result of countries producing above potential. This was accompanied by slowing global trade as trade tension and policy uncertainty intensified in late 2018. Specifically, World Trade in volumes of goods and services crashed to 3.8% in 2018, a 1.6 percentage points decline from 5.4% recorded in 2017. The decline impacted across the Advance Economies as well as the EMDEs in both import and exports.

General downward trend in inflation was witnessed during the second half of 2018 with oil price declining by 17% from \$81 a barrel in October 2018 to \$61 in February 2019. Financial conditions remain marginally tighten in Advance Economies and EMDEs compare to October 2018 position. This was buoyed by signs of slowing global growth, moderately less buoyant corporate

earnings and concerns on the pace of US Federal Reserve Policy tightening. As a result, there were mixed exchange rate developments in Advanced Economies. While the US Dollar earlier appreciation in late 2018 was reversed on shift in market expectations about the pace and extent of policy tightening, the Euro depreciated while the Yen and Pound strengthened over the period. Exchange rates in the EMDEs generally strengthened on halt in rate hike by the US Federal Reserve and the resolution of the US – China trade dispute. Capital flow to emerging market therefore improved, reflected in the stabilization and subsequent recovery in portfolio flow.

Growth momentum is projected to remain subdued in the early part of 2019, stabilizing in the first half of the year and recovering thereafter. Risks to growth include further escalation in trade tension; further deterioration and weakening of market sentiments as well as long run risks like climate change and political discords. The weaker market sentiments could result in reallocation from risky assets, wider rate spread and therefore tightening of financial condition particularly in emerging markets. Others risks are no-deal BREXIT withdrawal from EU, persistent of expectation of slowdown in global growth, prolonged fiscal uncertainty and rapid market reassessment of US monetary policy stand.

The IMF advised that policy should aim to use monetary policy to achieve inflation target and/or stabilize it at the target while fiscal policy should ensure balance between supporting demand and ensuring debt is on a sustainable path. Actions to boost potential output growth, improve inclusiveness and strengthen resilience should also be pursued while accommodative monetary policy be adopted if slowdown becomes protracted than expected. There is also the need to resolve globally, trade disagreements, cooperatively without distortionary barriers.

## **2.2 DOMESTIC MACROECONOMIC PERFORMANCE**

The recovery in output of the domestic economy continued to strengthen with progressive increases in real GDP growth during the 2018 fiscal year. The services and agricultural sectors continued to drive output growth,

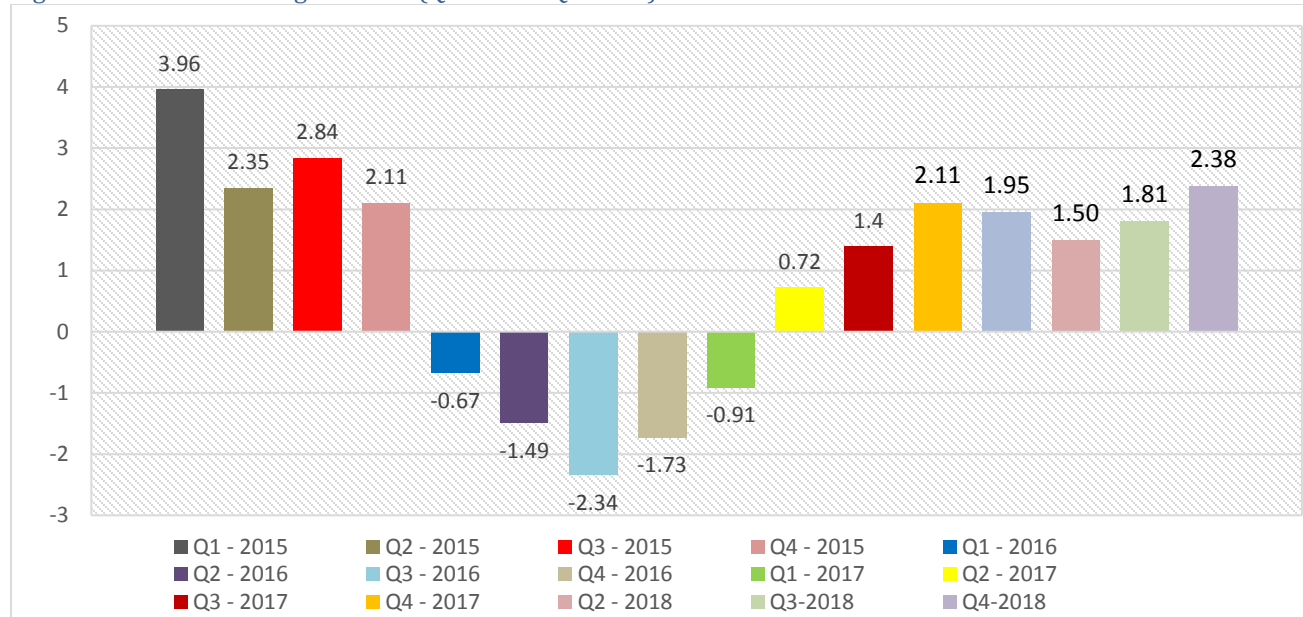
contributing 1.19 and 0.56 percent, respectively. Progress continues to be dragged by persistence of herdsmen attack on farmers, cattle rustling and flooding in some parts of the country affected agricultural and livestock output. The outlook for growth, also, remains fragile as the late implementation of the 2018 budget and the lingering impact of flooding and security challenges, constitute headwinds to growth. Despite the above, the effective implementation of the 2018 capital budget and the ERGP, improvement in the security situation, and continued stability in the foreign exchange market will continue to enhance aggregate demand and output growth.

### **2.2.1 Developments in Real Sector**

#### **2.2.1.1 GDP Growth:**

Gross Domestic Product (GDP) grew by 2.38 percent (year-on-year) in real terms in the fourth quarter of 2018 a 0.27 percentage points increase relative to the fourth quarter of 2017 growth of 2.11 percent. This also represents a 0.57 percentage points increase from the growth rate of 1.81 percent recorded in the third quarter of 2018. Quarter on quarter basis, real GDP growth was 5.31 percent. On an annual basis, real GDP recorded a growth rate of 1.93 percent in 2018 as against 0.82 percent recorded in 2017, this implies an increase of 1.11 percentage points. During the quarter, aggregate nominal GDP stood at N35.23 trillion in contrast to N31.28 trillion recorded in fourth quarter of 2017, which was a nominal growth rate of 12.63 percent. The annual nominal GDP was therefore recorded at N127.76 trillion representing a nominal growth rate of 12.36 percent compared to N113.71 trillion reported in 2017.

Figure 2.1: GDP Percentage Growth (Q1 2015 – Q4 2018)

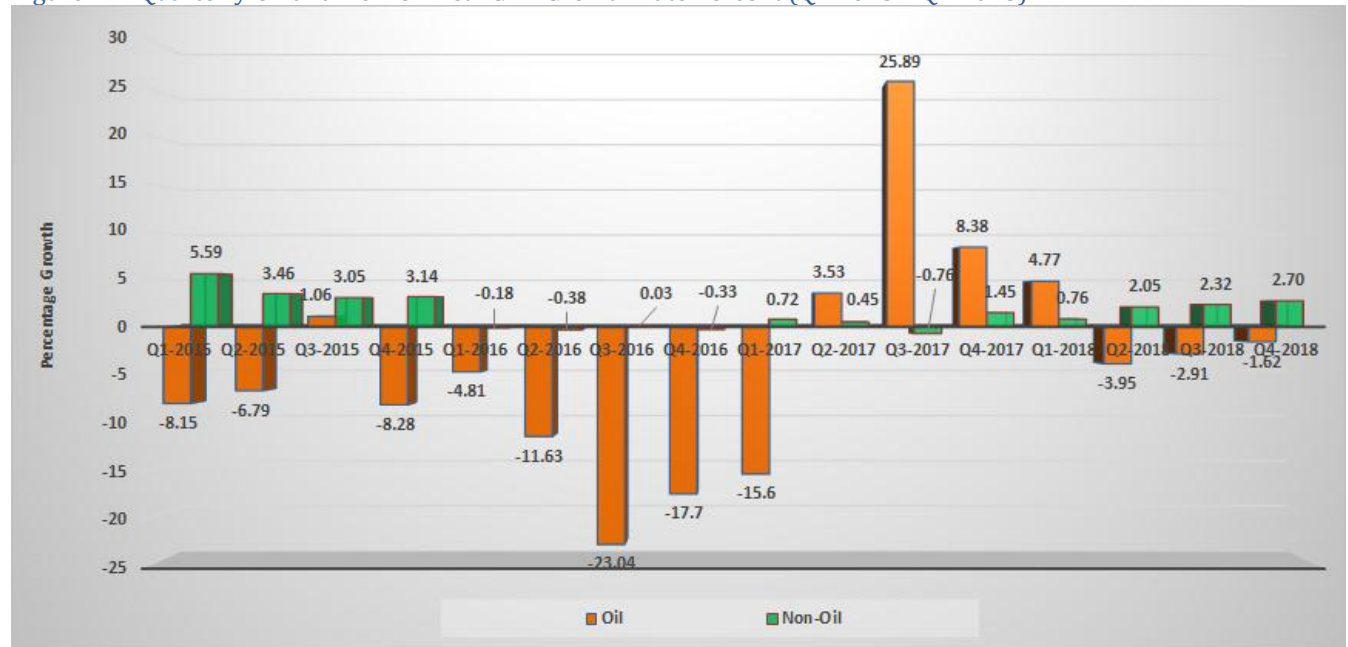


**Source:** National Bureau of Statistics, 2018

#### 2.2.1.2 Oil Sector:

An average daily oil production of 1.96 million barrel per day (mbpd) was recorded in the fourth quarter of 2018. This figure was 0.01mbpd higher than the daily average production of 1.95mbpd reported in the same quarter of 2017. Similarly, the performance in the fourth quarter of 2018 was 0.02mbpd higher than the average daily oil production volume of 1.94mbpd recorded in the third quarter of 2018. Real growth of the oil sector was -1.62 percent (year-on-year) in fourth quarter of 2018 representing a decrease of -12.81 percentage points when compared to the rate stated in the corresponding quarter of 2017. Relative to the -2.91 percent growth in the third quarter of 2018, real growth of the oil sector increased by 1.29 percentage points in the fourth quarter of 2018. On an annual basis, real GDP growth for the oil sector stood at 1.14 percent as against 4.69 percent recorded in 2017. The Oil sector contributed 7.06 percent to real GDP in the fourth quarter of 2018, down from contributions recorded in the corresponding period of 2017 and the preceding quarter of 2018 of 7.35 percent and 9.38 percent respectively. For 2018, the contribution of the oil sector to aggregate real GDP was 8.60 percent, slightly lower when compared with 8.67 percent in 2017.

Figure 2.2: Quarterly Oil and Non-Oil Real GDP Growth Rate Percent (Q1 2015 – Q4 2018)



Source: National Bureau of Statistics, 2018

### 2.2.1.3 Non-Oil Sector:

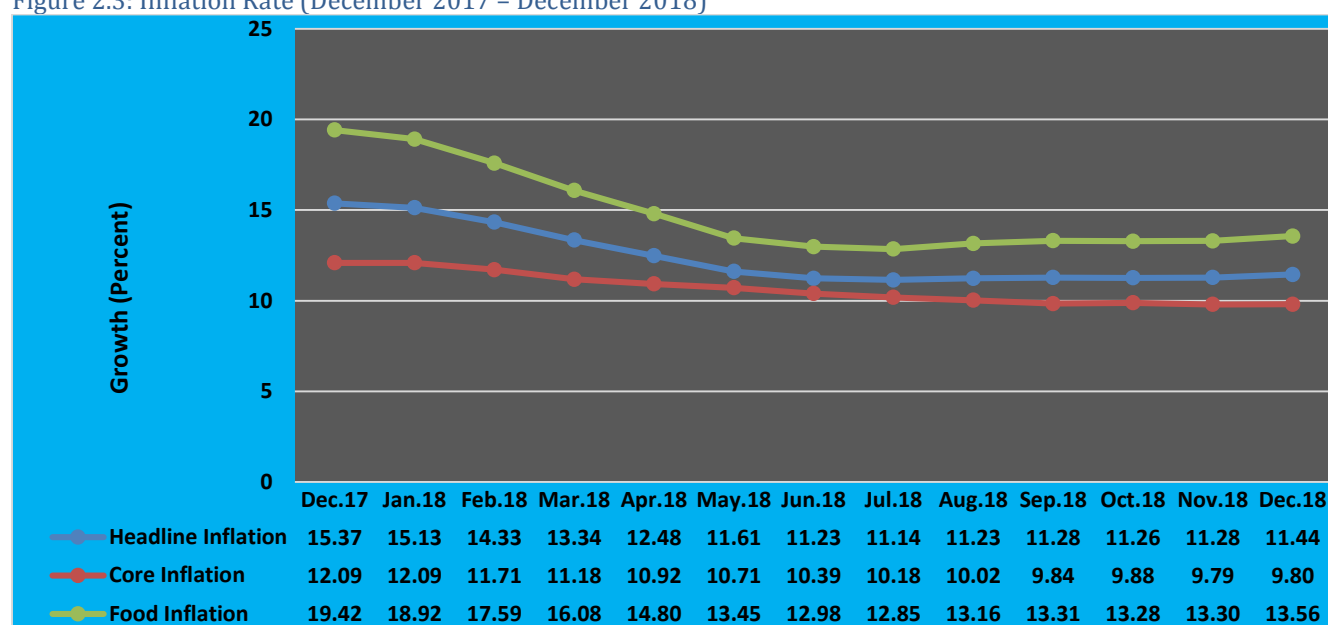
In the quarter under review, the non-oil sector grew by 2.70 percent in real terms. This performance was 1.25 percentage points and 0.38 percentage points higher than the figures reported in the fourth quarter of 2017 and third quarter of 2018 respectively. On an annual basis, the non-oil sector recorded a growth rate of 2.0 percent in 2018, performing considerably better than 0.47 percent recorded in 2017. The key performing activities during the quarter were Information and communication, Transportation & Storage, Arts & Entertainment, Agriculture and Manufacturing. The Non-Oil sector contributed 92.94 percent to real GDP in the fourth quarter of 2018, this is slightly higher than the 92.65 percent recorded in the fourth quarter of 2017. Non-oil sector annual contribution for 2018 was 91.40 percent as against 91.33 percent in 2017. Key performing activities on an annual basis included Transport, Information & Communication, Electricity, Water, as well as Arts & Entertainment.

### 2.2.2 Developments in Prices

A resurgence in inflationary pressure in the economy was witnessed in the fourth quarter of 2018 after the consistent declined in quarters one to three of the year. Headline inflation (year-on-year) crept up slightly to 11.44 percent

in December 2018 from 11.28 percent in September 2018. This was driven by food inflation which rose to 13.56 percent in December 2018 from 13.31 percent in September 2018 and reflect rise in the prices of some selected food items. Core inflation however moderated marginally to 9.80 percent in December 2018 from 9.84 percent in September 2018. The uptick in inflation was ascribed to seasonal factors which impacted mainly on food. Although there was an increase in the inflation rate for the second consecutive month, month-on-month inflation continued to moderate, demonstrating that the year-on-year measures will also moderate in the near term. This development was sustained by the stability in the naira exchange rate.

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



Source: National Bureau of Statistics, 2018

Near-term risks to inflation are projected to still persist, the lingering impact of flooding on agricultural output, insecurity in parts of the food producing belts of the country and exchange rate pass-through to inflation due to dwindling oil price. Consequently, the Federal Government would sustain its recent effort towards improving security to ease the food supply chain bottlenecks as well as efforts to shore-up food production including through the anchor borrowers program.

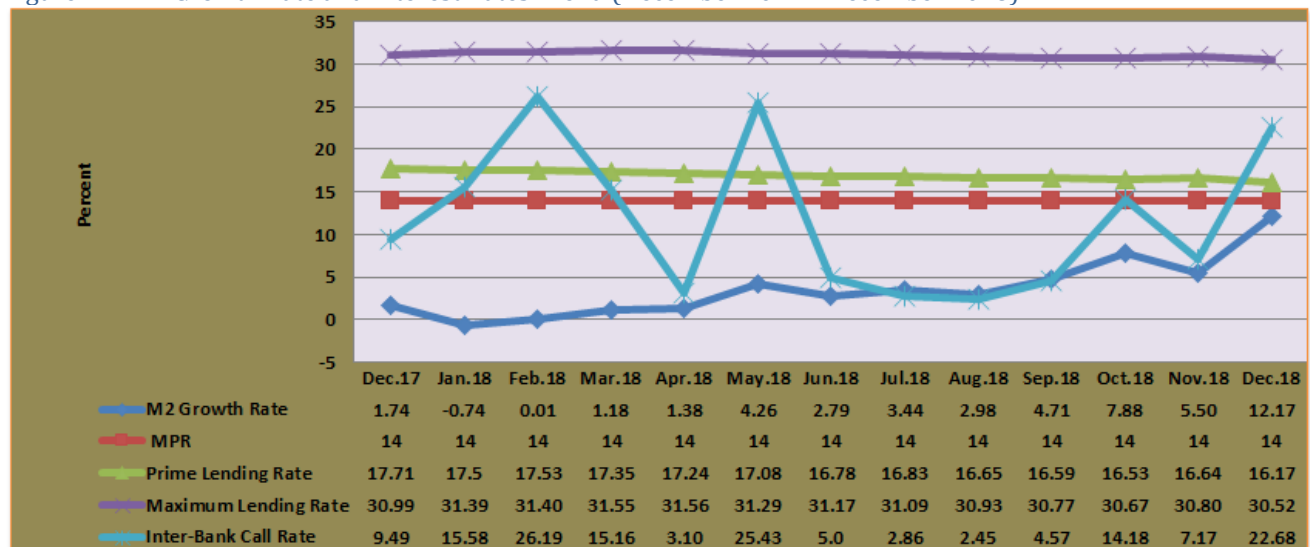
### 2.2.3 Developments in Money Market

Monetary aggregates grew in the fourth quarter relative to the third quarter of 2018. Broad Money Supply (M2) increased by ₦1,518.17 billion (5.94

percent) from ₦25,560.66 billion in September 2018 to ₦27,078.83 billion in December 2018. The increase in M2 was largely driven by a 24.31 percent growth in Net Domestic Assets (NDA) which more than compensated for the 2.2 percent decline in Net Foreign Asset (NFA). The growth in NDA was a result of the expansion in both Net Domestic Credit (NDC) and Other Assets (Net) by 4.41 percent and 12.25 percent respectively. A breakdown of the NDC suggests incident of crowding out as Net Claims on Federal Government increased by ₦1,425.07 billion (41.42 percent) while Claims on Private Sector declined by ₦0.26 billion or 1.13 percent from ₦22,967.44 billion in September 2018 to ₦22,708.22 billion in December 2018. The decline in credit to the private sector was noted to be a major constraint to growth in the real sector. However, there is optimism of improvement in lending, through the sustained effort of the CBN to enhance credit delivery to small and medium scale industries in the economy.

Comparative to the third quarter of 2018, Narrow Money Supply (M1) accelerated in the fourth quarter of 2018. The M1 recorded a ₦993.45 billion (or 9.23 percent) increase from ₦10,757.69 billion in September 2018 to ₦11,751.14 billion at the end of the fourth quarter of 2018. The surge in M1 is traceable to the rise in both the Demand Deposit and the Currency Outside Bank as at December 2018 from the September 2018 rates.

Figure 2.4: M2 Growth Rate and Interest Rates Trend (December 2017 - December 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, the same rate which had existed 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 left at 22.5 percent and 30 percent respectively. A decision to hold all policy parameters constant was based on the view that a loose policy may drive the banks to reprise their assets; thus increasing the cost of credit as well as elevating credit risk in the economy and also aggravate the position of non-performing loans of the banks.

The average interbank call rate rose from 8.68 percent in September to 14.18 percent in October and fell to 7.17 percent in November before rising again to 22.68 percent in December 2018. The prime lending rate on the other hand, declined from 16.59 percent in September to 16.53 percent in October, rose to 16.64 percent in November before falling again to 16.17 percent in December 2018. The maximum lending rate similarly dropped marginally from 30.77 percent in September to 30.67 percent in October, rose to 30.80 percent in November before falling again to 30.52 percent in December 2018 (Figure 2.4).

#### 2.2.4 Developments in the External Sector

##### 2.2.4.1 External Trade

The rate of expansion of Nigeria's foreign trade remained robust and in fact quickened in 2018. Total trade rose by ₦9.10 trillion or 39.31 percent to ₦32.26 trillion in 2018, from ₦23.26 trillion in 2017. The increase was driven by significant expansion in exports and import during the review period. Imports rose sharply by ₦3.60 trillion or 37.67 percent to ₦13.17 trillion in 2018, from ₦9.56 trillion in 2017 mainly due to improved import in the second half of the fiscal year. Exports continued to improve, rising by ₦5.50 trillion or 40.46 percent to ₦19.10 trillion in 2018, from ₦13.60 trillion in 2017.

The trade balance therefore remained robust and improving in the period under review. Nigeria's trade balance jumped to ₦5.93 trillion indicating a ₦1.90 trillion or 47.05 percent expansion in net trade from ₦4.04 trillion in 2017. The rebound in trade balance was driven by the sustained recovery in exports from the third quarter of 2016, as oil export prices improved. The

recovery was however dampened by the resurgence in imports particularly in the second quarter of 2018.

Analysis by export components indicates that though the nation continued to maintain significant improvements in crude, which continued to dominate exports, the non-oil exports posted the most impressive performance during the review period. Non-oil exports improved significantly by ₦0.56 trillion or 89.23 percent to ₦1.19 trillion in 2018, from ₦0.63 trillion in 2017. This indicates a sustained and significant recovery, and surpassed the 2015 level for the first time since the drop in non-oil revenue. Crude exports however continued to dominate exports accounting for 82.3 percent of total. The export sub-component also continued to post impressive performance rising by ₦4.70 trillion or 42.50 percent to ₦15.72 trillion during the review period from ₦11.03 trillion in 2017.

#### 2.2.4.2 Balance of Payment

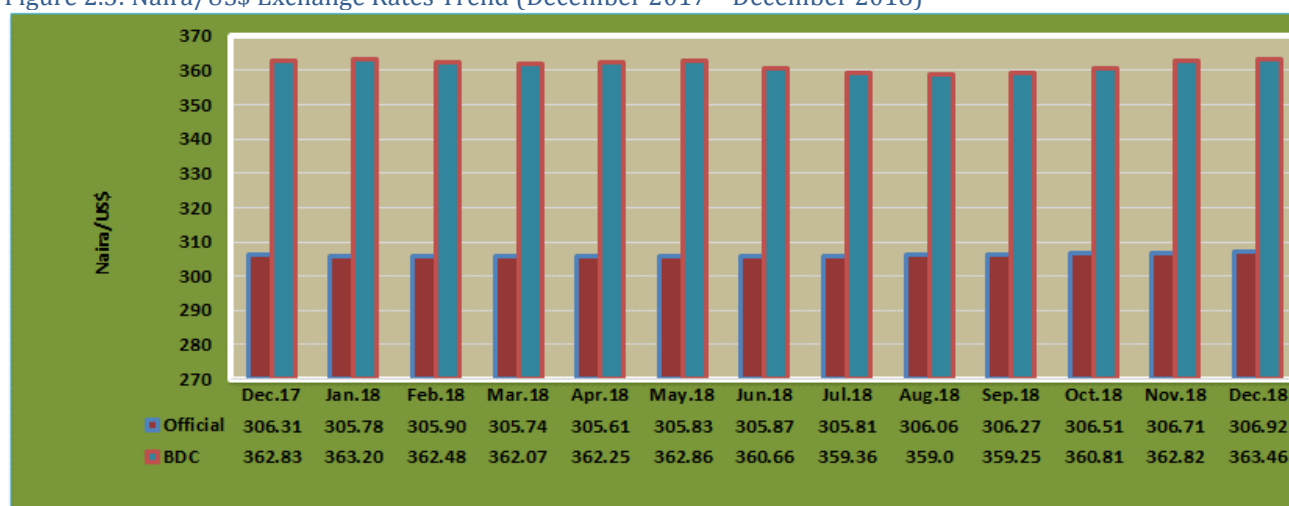
Nigeria's Balance of payment Position improved in the fourth quarter of 2018 driven by the significant recovery in the Good sector as well as improvements in net income and net current transfers. Specifically, the Current Account Balance rose from US\$-1,544.41 million in the third quarter of 2018 to US\$1,104.57 million in the third quarter of 2018 but remains way below the US\$3,657.18 it posted in the corresponding quarter in 2017. This was driven by the recovery in the Goods sectors from US\$3,759.88 million in the Q3 of 2018 to US\$6,793.60 million. This reflect a US\$3,033.72 million or 80.69 percent increase over the Q3 2018 figure and US\$1,320.86 million or 24.14 percent over Q4 2017 period on recovery in exports. The service sector continued to worsen to US\$8,287.57 million in Q4 2018 from US\$7,112.78 million and US\$4,686.20 million in Q3 2018 and Q4 2017 respectively. The net income and net transfers all improved in the review period to mitigate the impact of worsening net services account.

#### 2.2.4.3 Exchange Rates

The average Naira exchange rate remained moderately stable but diverged between the Bureau-de-Change (BDC) and the official window segments of

the foreign exchange market during the review period. Specifically, the Naira/Dollar exchange rate at the Official/Inter-Bank markets closed at a monthly average of ₦306.27/US\$ in September and depreciated slightly to ₦306.51/US\$, ₦306.71/US\$ and ₦306.92/US\$ in October, November and December 2018 respectively. Similarly, the monthly average exchange rate of the Naira/Dollar at the Bureau De-Change (BDC) depreciated from ₦359.25/US\$ in September to ₦360.81/US\$, ₦362.82/US\$ and ₦363.46/US\$ in October, November and December 2018 respectively. The relative stability at both the Bureau-de-Change (BDC) and the Official/Inter-Bank markets window of the foreign exchange market was supported by the CBN proactive exchange rate management policies. Another major contributor to the stability in the market was the contribution of the implementation of the Bilateral Currency Swap Agreement (BCSA) with China and the inflow of the US\$2.8 billion Euro bond.

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



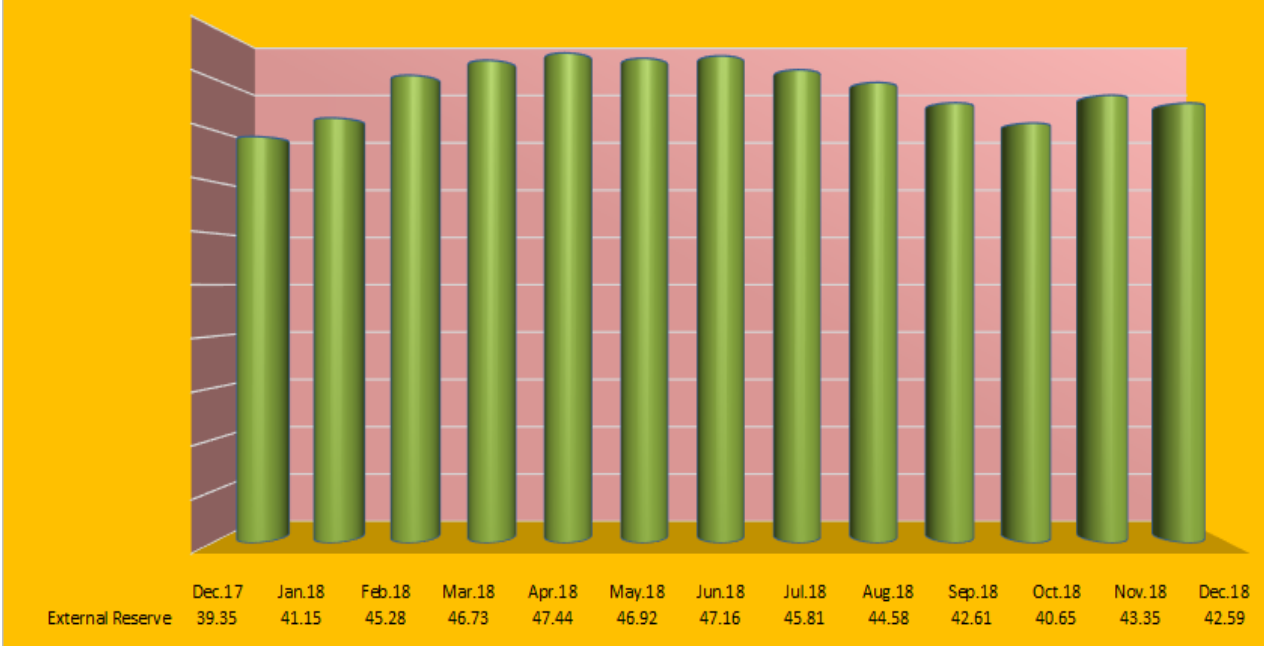
Source: Central Bank of Nigeria, 2018

#### 2.2.4.4 External Reserves

Nigeria's gross official (external) reserves decrease in the fourth quarter of 2018 from US\$42.61 billion at the end of September to US\$40.65 billion in October, increased to US\$43.35 billion November before falling again to US\$42.59 billion in December 2018. This represented a decrease of US\$0.02 billion (or 0.05 percent) below the figure reported at the end of September 2018. Relative to the end of fourth quarter of 2017 level of US\$39.35 billion, the external reserves at the end of fourth quarter of 2018 grew by US\$3.24 billion (or 8.23 percent).

Despite the slight drop in gross external reserves during the period under review, there are likelihoods of expected increase in its level in the near term, bearing in mind the anticipated increase in crude oil price and production. The Federal Government would continue to shore-up oil production and exports including by ensuring peace in the Niger Delta region as well as intensify the diversification of the non-oil sector to improve the balance of trade.

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



Source: Central Bank of Nigeria, 2018

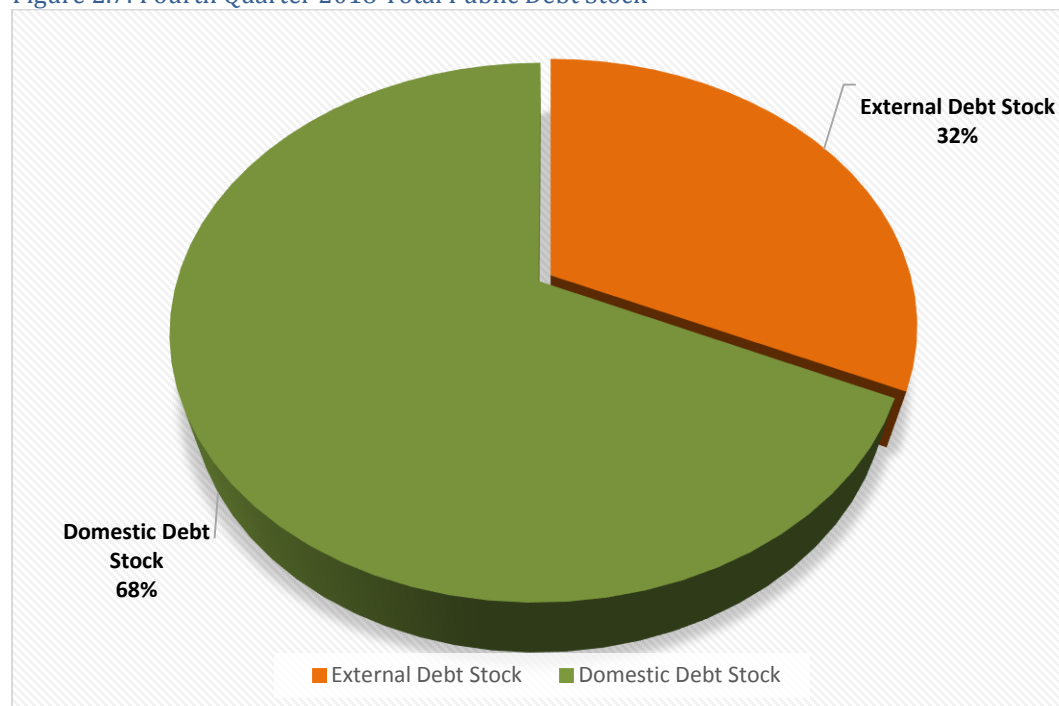
2.2.5 Debt Stock

2.2.5.1 Total Public Debt Stock

The total public debt stock as at 31<sup>st</sup> December, 2018 stood at US\$79,436.72 million (N24,387.07 billion) indicating an increase of US\$8,437.46 million (N2,661.30 billion or 11.88 percent) when compared to the US\$70,999.26 million (N21,725.77 billion) reported at the end of December 2017. The breakdown comprised of US\$25,274.36 million (N7,759.23 billion or 31.82 percent) for external debt while the balance of US\$54,162.35 million (N16,627.84 billion or 68.18 percent) was for domestic debt stock. This translates to a net present value of total public Debt to GDP ratio of 19.09

percent as at the end of December 2018. This is below the country specific threshold of 25 percent and the international threshold of 56 percent.

Figure 2.7: Fourth Quarter 2018 Total Public Debt Stock



**Source:** Debt Management Office, 2018

#### 2.2.5.2 Domestic Debt Stock

The Federal Government domestic debt stock stood at ₦12,774.41 billion as at end of December 2018, representing an increase of ₦487.60 billion (or 3.97 percent) above the ₦12,286.81 billion recorded in the third quarter of 2018. It was also ₦184.92 billion (1.47 percent) above the ₦12,589.49 billion reported in the same period of 2017. The increase in domestic debt relative to the third quarter of 2018 was due to the increase in net issuance of FGN Bonds, FGN Savings Bond, FGN Sukuk and new Promissory Notes during the period. A breakdown of the domestic debt stock as at 31<sup>st</sup> December, 2018 revealed that ₦9,334.74 billion (73.07 percent) is for FGN Bonds, ₦2,735.97 billion (21.42 percent) is for Nigerian Treasury Bills (NTBs), ₦150.99 billion (1.18 percent) is for Treasury Bonds, ₦10,750.44 billion (0.08 percent) is for FGN Savings Bond, ₦200.0 billion (1.57 percent) is for FGN Sukuk, ₦10.69 billion (0.08 percent) is for Green Bond and ₦331.27 billion (2.59 percent) is for Promissory Notes.

#### 2.2.5.2 External Debt Stock

Nigeria's external debt stock as at 31<sup>st</sup> December, 2018, stood at US\$25,274.36 million indicating an increase of US\$3,682.68 million (17.06 percent) and US\$6,360.92 million (33.63 percent) above US\$21,591.68 million and US\$18,913.44 million recorded in the third quarter of 2018 and fourth quarter of 2017 respectively. A breakdown of the external debt stock as at 31<sup>st</sup> December, 2018 revealed that Multilateral Debts amounted to US\$11,014.34 million (43.58 percent), Non-Paris Club Bilateral Debts amounted to US\$3,091.68 million (12.23 percent) while Commercial (Euro-Bond) accounted for the balance of US\$11,168.35 million (44.19 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 Expenditure Framework (MTEF) and Fiscal Strategy Paper (FSP) which was in line with the objectives of the ERGP. Series of consultations were carried out with various stakeholders within the economy to ensure inclusiveness in the preparation of the Federal Budget. Economic developments at the domestic and global levels were considered before reaching some of 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*

<b>KEY ASSUMPTION &amp; TARGETS</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Projected Production (in mbpd)	2.2	2.20	2.30
Budget Benchmark Price (per barrel in US)	38	44.50	51
<b>Technical Cost of JVC Pbl to Oil Companies</b>			
Operating Expenses (T1) in US \$	10.29	10.43	11.24
Capital Expenses (T2) in US \$	11.12	10.85	11.97
<b>Technical Cost of PSC Pbl to Oil Companies</b>			
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
<b>Technical Costs of SC pbl to Oil Company</b>			
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
<b>Weighted Average Contribution Rates</b>			
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%
<b>Royalty Rates</b>			
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%

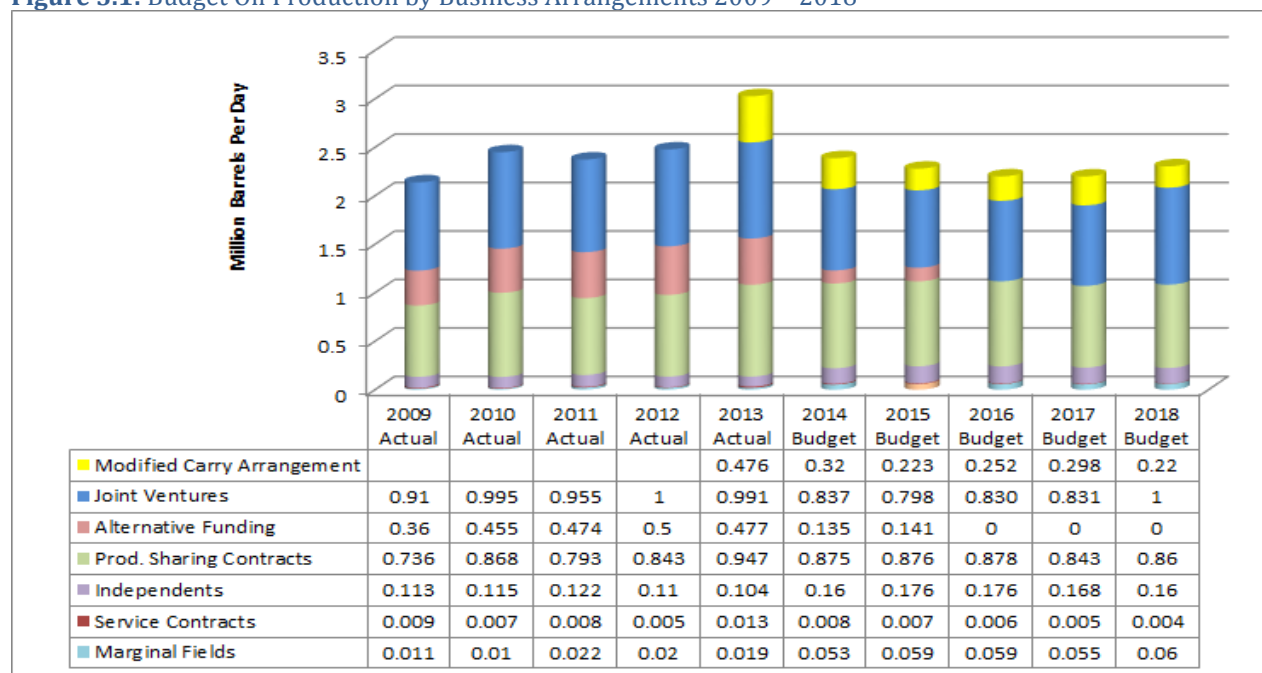
**Source:** BOF, NNPC, FIRS and NCS, 2018

### 3.1.1 Key Oil Production Cost Assumptions

Government policy to improve productivity and consequently reduce cost in the oil sector was replicated in the budget framework for 2018 fiscal year. The Technical Cost comprising average of operating expenses and capital expenses were adjusted 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 was driven by the drastic reduction in Capex for PSC and it is expected to be decreased further in the near to medium term to complement efforts at increasing revenue inflow for the country.

The share of oil production by business arrangements remained fairly 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 expected to accrue to the Federation are also presented 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)**

	<b>2018 Production Volume (mbpd)</b>	<b>2018 Percentage</b>
<b>Share of Oil Production</b>		
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%
<b>PPT Rates</b>		
Weighted Average -JV/AF/Independent/Marginal		85%
Weighted Average -PSC		50.2%
Weighted Average -SC		85%
<b>Royalties Rates</b>		
Weighted Average-JV/AF/Independent/Marginal		18.67%
Weighted Average-PSC		2.3%
Weighted Average-SC Oil		19.31%

**Source:** NNPC and BOF, 2018

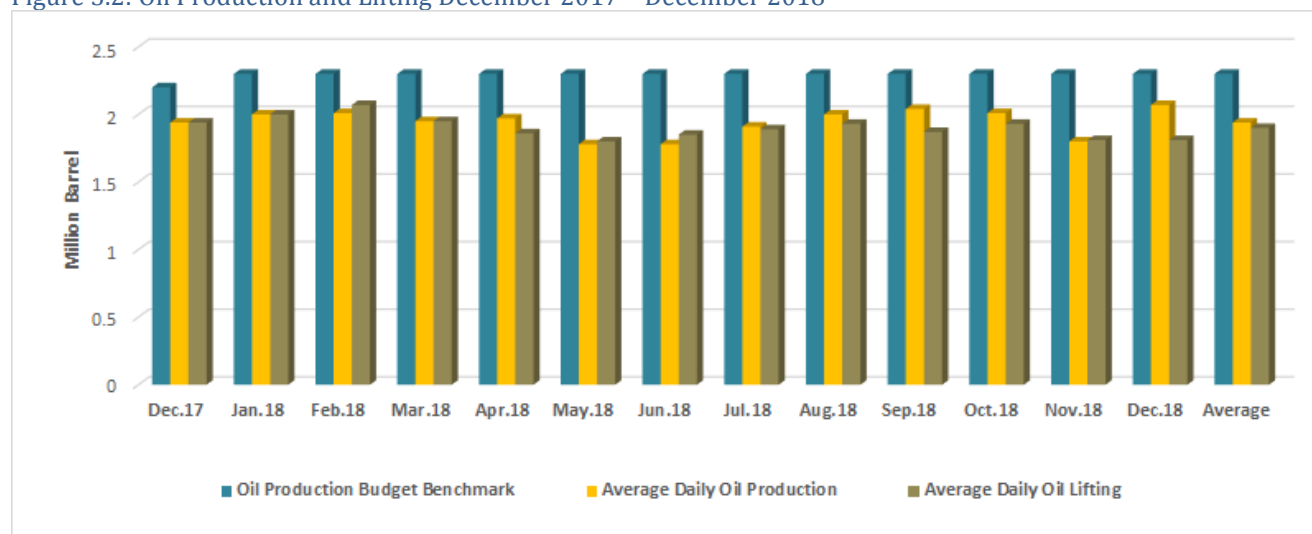
## 3.2 Analysis of Revenue Performance:

### 3.2.1 Performance of Key Oil Revenue Parameters:

The price of crude oil at the international market averaged US\$71.05 per barrel in 2018 and US\$67.76 per barrel in the fourth quarter, indicating a decrease of US\$7.52 per barrel (or 9.99 percent) below US\$75.28 per barrel recorded in the third quarter of 2018 but an increase of US\$13.49 per barrel (or 24.86 percent) above US\$54.27 per barrel reported in the fourth quarter of 2017. It also represents an increase of US\$20.05 per barrel (39.31 percent) above the US\$51.0 per barrel oil price benchmark for the 2018 Budget. The reduction in in the price of crude oil during the period can be attributed to slowing global economic momentum amid US-China trade tensions and the prospect of lower growth in global oil demand..

Average oil production and lifting (including Condensates) was 1.93mbpd and 1.90mbpd in 2018 and 1.96mbpd and 1.85mbpd in the fourth quarter respectively. The average oil production figure in 2018 showed a shortfall of 0.37mbpd (or 16.09 percent) below the 2.3mbpd projected for the 2018 Budget. The volume of oil production in the fourth quarter was however 0.02mbpd and 0.01mbpd above the 1.94mbpd and 1.95mbpd reported in the third quarter of 2018 and fourth quarter of 2017 respectively.

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



Source: NNPC, 2018

The above transforms to an average monthly oil production and lifting of 60.13 million barrels and 56.74 million barrels respectively in the fourth quarter of the year. The reduction in the quantity of oil production during the quarter as against the budget benchmark figure could be ascribed to legacy issues of crude oil theft, illegal bunkering and pipeline vandalism the non-commission of some oil wells 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 (57.63 percent) oil revenue and ₦5,600.16 billion (42.37 percent) non-oil revenue. This translates to prorate quarterly projection of ₦1,904.52 billion and ₦1,400.04 billion in gross oil and non-oil revenue respectively. Below are the breakdowns of the real performance of the oil and non-oil revenue earnings in the fourth quarter of 2018.

### 3.4 Oil Revenue Performance:

Gross Oil Revenue stood at ₦1,465.31 billion in the fourth quarter of 2018. This implies to a shortfall of ₦439.21 billion (23.06 percent) when compared with the quarterly budget estimate. However, the performance was ₦71.12 billion (5.10

percent) below the ₦1,394.19 billion reported in the third quarter of 2018 and ₦239.27 billion (19.52 percent) above the ₦1,226.04 billion generated in the corresponding period of 2017. A breakdown of the oil revenue performance in the fourth quarter of 2018 revealed that only Crude Oil Sales of ₦308.96 billion, Gas Sales of ₦108.74 billion and Gas Flared Penalty of ₦2.03 billion exceeded their quarterly estimate of ₦305.69 billion, ₦63.02 billion and ₦1.18 billion by ₦3.27 billion (1.07 percent), ₦45.72 billion (72.54 percent) and ₦0.85 billion (71.64 percent) respectively. The other remaining oil revenue items fell below their respective quarterly projections. Petroleum Profit and Gas Taxes of ₦707.37 billion, Royalties (Oil & Gas) of ₦336.80 billion, Rent of ₦0.09 billion and Other Oil & Gas Revenue of ₦1.32 billion fell below their quarterly estimates of ₦895.97 billion, ₦483.03 billion, ₦0.42 billion and ₦1.46 billion by ₦188.60 billion (21.05 percent), ₦146.23 billion (30.27 percent), ₦0.33 billion (78.65 percent) and ₦0.14 billion (9.56 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 fourth quarter of 2018, was ₦1,086.60 billion, reflecting a decrease of ₦453.79 billion (29.46 percent) below the estimated quarterly budget of ₦1,540.39 billion. The net oil revenue inflow in the fourth quarter of 2018 was also higher than the ₦906.18 billion net oil revenue recorded in the third quarter of 2018 by ₦180.42 billion (19.91 percent). Similarly, the Net Oil Revenue in the fourth quarter of 2018 was ₦313.13 billion (40.48 percent) above the ₦773.47 billion performance recorded in the fourth quarter of 2017. The poor Net Oil Revenue performance in the fourth quarter of 2018 when compared with the quarterly projection can be attributed to lower 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 ₦5,545.62 billion was collected in the year as against ₦7,618.06 billion projected for the 2018 budget. This reflect a decline of ₦2,072.44 billion (27.20 percent) below the annual budget estimate but ₦1,461.27 billion (35.78 percent) above the gross oil revenue of ₦4,084.35 billion realized in 2017. A breakdown of the revenue by sub-heads showed that only Crude Oil Sales of ₦1,395.65 billion and Gas Sales of ₦413.27 billion surpassed their annual projections of ₦1,222.76 billion and ₦252.09 billion by ₦172.89 billion (14.14 percent) and ₦161.18 billion (63.94 percent) respectively.

The inflow on the remaining Oil Revenue items fell short of their respective 2018 projections. Petroleum Profit & Gas Taxes of ₦2,490.89 billion, Royalties (Oil & Gas) of ₦1,235.20 billion, Rent of ₦0.68 billion, Gas Flared Penalty of ₦4.50 billion and Other Oil and Gas Revenue of ₦5.42 billion fell below their yearly projected estimates of ₦3,583.86 billion, ₦1,932.12 billion, ₦1.68 billion, ₦4.73 billion and ₦5.86 billion by ₦1,092.97 billion (30.50 percent), ₦696.93 billion (36.07 percent), ₦1.0 billion (59.46 percent), ₦0.22 billion (4.70 percent) and ₦0.43 billion (7.42 percent) respectively (Table 3.4). On the other hand, Licenses & Early License Renewal and Exchange Gain yielded nothing in the year under review. These low performances were as a result of the lower prices and other cost related outcomes during the period.

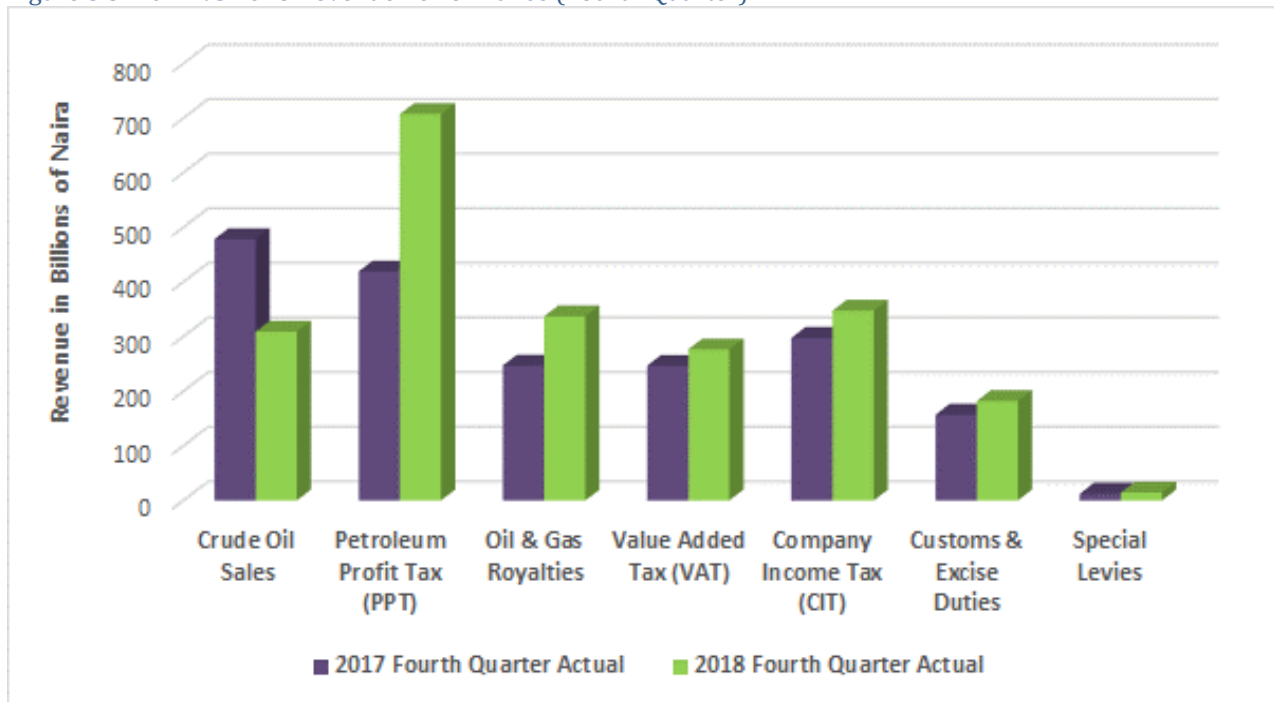
*Table 3.3: Performance of Revenue in the Fourth Quarter of 2018 Vs 2017*

Revenue Items	2017	2018	Variance	
	4th Quarter Actual	4th Quarter Actual	4th Quarter 2018 Vs 4th Quarter 2017	
<b>Oil Revenue</b>	<b>N'bns</b>	<b>N'bns</b>	<b>N'bns</b>	<b>%</b>
Crude Oil Sales	478.28	308.96	-169.32	-35.40
Petroleum Profit Tax (PPT)	419.19	707.37	288.18	68.75
Royalties	246.92	336.80	89.88	36.40
Gross Oil Revenue	1,226.04	1,465.31	239.27	19.52
<b>Net Oil Receipts</b>	<b>773.47</b>	<b>1,086.60</b>	<b>313.13</b>	<b>40.48</b>
<b>Non-Oil Revenue</b>				
Value Added Tax (VAT)	246.53	276.41	29.88	12.12
Company Income Tax (CIT)	297.56	347.15	49.59	16.67
Customs & Excise Duties	156.82	181.88	25.06	15.98
Special Levies	12.23	14.50	2.27	18.56
Gross Non-Oil Revenue	713.14	819.93	106.79	14.97
<b>Net Non-Oil Receipts</b>	<b>674.50</b>	<b>777.39</b>	<b>102.89</b>	<b>15.25</b>

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

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

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



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

### 3.5 Non-Oil Revenue Performance:

Gross non-oil revenue of ₦819.93 billion was received in the fourth quarter of 2018 representing a shortfall of ₦288.03 billion (26.0 percent) below the quarterly estimate of ₦1,107.96 billion. A breakdown of the non-oil revenue items showed that only Customs & Excise Duties of ₦181.88 billion performed above its quarterly projection of ₦180.06 billion by ₦1.82 billion (1.01 percent). All the other non-oil revenue items fell below their respective quarterly expectations. Value Added Tax of ₦276.41 billion, Company Income Tax of ₦347.15 billion and Special Levies of ₦14.50 billion were below their quarterly estimates of ₦386.0 billion, ₦432.95 billion and ₦32.08 billion by ₦109.59 billion (28.39 percent), ₦85.81 billion (19.82 percent) and ₦17.58 billion (54.81 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, ₦0.69 billion, ₦76.25 billion and ₦0.63 billion respectively yielded nothing in the quarter.

When compared with their equivalent third quarter performances, Customs & Excise Duties and Special Levies grew by ₦12.04 billion (7.09 percent), and ₦3.28 billion (29.29 percent) respectively while Value Added Tax and Company Income Tax fell by ₦3.29 billion (1.17 percent) and ₦163.65 billion (32.04 percent). The improved performances of some of the non-oil revenue items in the fourth 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. Nonetheless, it is expected that these developments together with the other remaining non-oil revenue item will get better in 2019 following stricter revenue drive as mandated through the circular from the Secretary to the Government of the Federation (SGF) and the extended implementation of the 2018 capital budget to 2019.

#### **3.5.1 Year to Date Non-Oil Revenue Performance:**

The gross non-oil revenue in the year amounted to ₦3,225.53 billion depicting a shortfall of ₦1,206.30 billion (27.22 percent) below the annual estimate of ₦4,431.83 billion. The result also revealed that earnings from all the non-oil revenue items were below their corresponding projections. Value Added Tax of ₦1,090.15 billion, Company Income Tax of ₦1,429.93 billion, Customs & Excise Duties of ₦657.88 billion and Special Levies of ₦47.57 billion respectively fell short by ₦453.84 billion (29.39 percent), ₦301.88 billion (17.43 percent), ₦62.35 billion (8.66 percent) and ₦80.73 billion (62.92 percent) when compared with their forecasts for the 2018 fiscal year. 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 annual estimations of ₦64.43 billion, ₦2.78 billion, ₦305.0 billion and ₦2.50 billion respectively yielded nothing in the year.

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

S/NO	DESCRIPTION	2018 BUDGET		ACTUAL				2017		VARIANCE							
		Annual	Quarterly	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Annual	Annual Actual	4th Quarter Actual Vs Quarterly Budget	4th Quarter Actual Vs 3rd Quarter (Actual)	Actual Vs Budget (Annual)	2018 Vs 2017 (Actual)				
		Nb	Nb	Nb	Nb	Nb	Nb	Nb	Nb	Nb	%	Nb	%	Nb	%	Nb	%
<b>A</b>	<b>OIL REVENUE</b>																
1	Crude Oil Sales (Export)	1,222.76	305.69	261.63	440.48	384.59	308.96	1,395.65	2,025.49	3.27	1.07	-75.63	-19.67	172.89	14.14	-629.84	-31.10
2	Crude Oil Sales (Domestic)																
3	Gas Sales (NLNG Feedstock sales & Upstream Liquid Gas)	252.09	63.02	97.58	114.15	92.80	108.74	413.27	240.34	45.72	72.54	15.94	17.18	161.18	63.94	172.93	71.95
4	PPT & Gas Income @ 30% CITA	3,583.86	895.97	665.36	552.14	566.03	707.37	2,490.89	1,205.56	-188.60	-21.05	141.34	24.97	-1,092.97	-30.60	1,285.33	106.62
5	Oil Royalties & Gas Royalties	1,932.12	483.03	260.98	288.89	348.53	336.80	1,235.20	595.82	-146.23	-30.27	-11.73	-3.37	-696.93	-36.07	639.38	107.31
6	Rent	1.68	0.42	0.11	0.10	0.38	0.09	0.68	0.31	-0.33	-78.65	-0.29	-76.44	-1.00	-59.46	0.37	119.33
7	Gas Flared Penalty	4.73	1.18	0.82	0.90	0.76	2.03	4.50	3.81	0.85	71.64	1.27	167.02	-0.22	-4.70	0.69	18.24
8	Licenses & Early License Renewal	395.00	98.75	0.00	0.00	0.00	0.00	0.00	0.00	-98.75	-100.00	0.00	0.00	-395.00	-100.00	0.00	0.00
9	Exchange Gain	219.97	54.99	0.00	0.00	0.00	0.00	0.00	0.00	-54.99	-100.00	0.00	0.00	-219.97	-100.00	0.00	0.00
10	Other Oil and Gas Revenue	5.86	1.46	1.59	1.40	1.11	1.32	5.42	13.02	-0.14	-9.56	0.22	19.39	-0.43	-7.42	-7.60	-58.36
11	<b>Sub-Total</b>	<b>7,618.06</b>	<b>1,904.52</b>	<b>1,288.06</b>	<b>1,398.06</b>	<b>1,394.19</b>	<b>1,465.31</b>	<b>5,545.62</b>	<b>4,084.35</b>	<b>-439.21</b>	<b>-23.06</b>	<b>71.12</b>	<b>5.10</b>	<b>-2,072.44</b>	<b>-27.20</b>	<b>1,461.27</b>	<b>35.78</b>
12	DPH Cost of Collection	0.00	0.00	10.54	11.65	14.03	13.64	49.86	29.32	-0.39	-2.80	49.86	20.54	70.07	20.54	70.07	70.07
13	Joint Venture Cash Calls (Exploration)	0.00	0.00	68.64	214.08	173.58	82.71	539.00	1,236.98	82.71	-90.87	-52.35	539.00	-697.98	-56.43	-697.98	-56.43
14	Transfer to Lagos State 13% Derivation	0.00	0.00	0.13	0.00	0.00	0.00	0.13	0.20	0.00	0.00	0.00	0.13	-0.07	-0.07	-35.00	-35.00
15	Gas Infrastructure Development & Other Gas Expenses	297.71	74.43	0.00	0.00	0.00	0.00	0.00	0.00	-74.43	-100.00	0.00	0.00	-297.71	-100.00	0.00	0.00
16	NESS Fees	238.11	59.53	0.00	0.00	0.00	0.00	0.00	0.00	-59.53	-100.00	0.00	0.00	-238.11	-100.00	0.00	0.00
17	Transfer to Excess Crude Oil, on PPT from Oil	0.00	0.00	0.00	24.50	165.00	120.00	309.50	151.54	120.00	0.00	-45.00	-27.27	309.50	0.00	157.96	104.24
18	<b>Sub-Total</b>	<b>7,082.24</b>	<b>1,770.56</b>	<b>1,208.75</b>	<b>1,147.83</b>	<b>1,041.58</b>	<b>1,248.96</b>	<b>4,647.12</b>	<b>2,666.32</b>	<b>-521.60</b>	<b>-29.46</b>	<b>207.38</b>	<b>19.91</b>	<b>-2,435.12</b>	<b>-34.38</b>	<b>1,980.80</b>	<b>74.29</b>
19	13% Derivation of Net Oil Revenue	920.69	230.17	157.14	149.22	135.41	162.36	604.13	346.62	-67.81	-29.46	26.96	19.91	-316.57	-34.38	257.51	74.29
20	<b>TO FEDERATION ACCOUNT (OIL)</b>	<b>6,161.55</b>	<b>1,540.39</b>	<b>1,051.62</b>	<b>998.61</b>	<b>906.18</b>	<b>1,086.60</b>	<b>4,043.00</b>	<b>2,319.70</b>	<b>-453.79</b>	<b>-29.46</b>	<b>180.42</b>	<b>19.91</b>	<b>-2,118.55</b>	<b>-34.38</b>	<b>1,723.30</b>	<b>74.29</b>
<b>B</b>	<b>DIVIDEND OF COMPANIES/INVESTMENTS FUNDED BY FAAC</b>																
21	Dividend of Companies /Investments Funded by FAAC	64.43	16.11	0.00	0.00	0.00	0.00	0.00	0.00	-16.11	-100.00	0.00	0.00	-64.43	-100.00	0.00	0.00
22	<b>TO FEDERATION ACCOUNT (DIVIDEND OF COMPANIES/INVESTMENTS FUNDED BY FAAC)</b>	<b>64.43</b>	<b>16.11</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-16.11</b>	<b>-100.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-64.43</b>	<b>-100.00</b>	<b>0.00</b>	<b>0.00</b>
<b>C</b>	<b>SOLID MINERALS &amp; OTHER MINNING</b>																
23	Total solid Mineral Revenue	2.78	0.69	0.00	0.00	0.00	0.00	0.00	0.00	-0.69	-100.00	0.00	0.00	-2.78	-100.00	0.00	0.00
24	Less 13% Derivation of Net Solid Minerals	0.36	0.09	0.00	0.00	0.00	0.00	0.00	0.00	-0.09	-100.00	0.00	0.00	-0.36	-100.00	0.00	0.00
25	<b>TO FEDERATION ACCOUNT (SOLID MINERALS)</b>	<b>2.41</b>	<b>0.60</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-0.60</b>	<b>-100.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-2.41</b>	<b>-100.00</b>	<b>0.00</b>	<b>0.00</b>
<b>D</b>	<b>NON-OIL REVENUE</b>																
26	Value Added Tax (VAT)	1,544.00	386.00	270.06	264.00	279.69	276.41	1,090.15	957.27	-109.59	-28.39	-3.29	-1.17	-453.84	-29.39	132.88	13.88
27	Tax Amnesty	305.00	76.25	0.00	0.00	0.00	0.00	0.00	0.00	-76.25	-100.00	0.00	0.00	-305.00	-100.00	0.00	0.00
28	Surcharge on Luxury Items	2.50	0.63	0.00	0.00	0.00	0.00	0.00	0.00	-0.63	-100.00	0.00	0.00	-2.50	-100.00	0.00	0.00
29	Corporate Tax (CIT, Stamp Duties & CGT)	1,731.81	432.95	256.86	315.13	510.79	347.15	1,429.93	1,206.29	-85.81	-19.82	-163.65	-32.04	-301.88	-17.43	223.64	18.54
30	Customs: Import, Excise & Fees	720.23	180.06	148.54	157.62	169.84	181.88	657.88	579.56	1.82	1.01	12.04	7.09	-62.35	-8.66	78.32	13.51
31	Special Levies (Federation Account)	128.30	32.08	9.88	11.98	11.21	14.50	47.57	48.47	-17.58	-54.81	3.28	29.29	-80.73	-62.92	-0.90	-1.86
32	<b>Sub-Total</b>	<b>4,431.83</b>	<b>1,107.96</b>	<b>685.34</b>	<b>748.73</b>	<b>971.54</b>	<b>819.93</b>	<b>3,225.53</b>	<b>2,791.58</b>	<b>-288.03</b>	<b>-28.00</b>	<b>-151.61</b>	<b>-15.61</b>	<b>-1,208.30</b>	<b>-27.22</b>	<b>433.95</b>	<b>15.54</b>
33	Cost of Collection and Other Deductions	226.63	56.66	37.93	37.04	44.29	42.54	161.81	167.16	-14.12	-24.92	-1.76	-3.96	-64.82	-28.60	-5.35	-3.20
34	4% Cost of Collection (VAT)	61.76	15.44	10.80	10.56	11.19	11.06	43.61	37.20	-4.38	-28.39	-0.13	-1.18	-18.15	-29.39	6.41	17.22
35	4% Cost of Collection Amnesty	12.20	3.05	0.00	0.00	0.00	0.00	0.00	0.00	-3.05	-100.00	0.00	0.00	-12.20	-100.00	0.00	0.00
36	4% Cost of Collection (CIT)	68.27	17.07	10.03	12.52	20.43	13.74	56.73	48.58	-3.33	-19.52	-6.70	-32.77	-11.54	-16.91	8.15	16.77
37	7% Cost of Collection (Customs)	50.42	12.60	10.40	11.03	11.89	12.73	46.05	40.57	1.13	1.01	0.84	7.09	-4.36	-8.66	5.48	13.51
38	7% Cost of Collection (Special Levies)	8.98	2.25	0.69	0.84	0.78	1.01	3.33	3.39	-1.23	-54.81	0.23	29.29	-5.65	-62.92	-0.06	-1.86
39	FIRS Tax Refunds	25.00	6.25	6.01	2.09	0.00	4.00	12.10	37.42	-2.25	-36.00	4.00	0.00	-12.90	-51.62	-25.32	-67.68
40	<b>TO FEDERATION ACCOUNT (NON-OIL)</b>	<b>2,427.67</b>	<b>606.92</b>	<b>388.15</b>	<b>458.25</b>	<b>658.74</b>	<b>512.04</b>	<b>2,017.17</b>	<b>1,704.32</b>	<b>-84.88</b>	<b>-15.53</b>	<b>-145.11</b>	<b>-22.27</b>	<b>-110.50</b>	<b>-15.81</b>	<b>312.85</b>	<b>18.36</b>
41	Total VAT Pool	1,482.24	370.56	259.25	253.44	268.50	265.35	1,046.55	920.07	-105.21	-28.39	-3.15	-1.17	-435.69	-29.39	126.48	13.75
42	Net Amnesty	292.80	73.20	0.00	0.00	0.00	0.00	0.00	0.00	-73.20	-100.00	0.00	0.00	-292.80	-100.00	0.00	0.00
43	Net Surcharge on Luxury Items	2.50	0.63	0.00	0.00	0.00	0.00	0.00	0.00	-0.63	-100.00	0.00	0.00	-2.50	-100.00	0.00	0.00
44	Net Non-Oil Revenue	4,205.20	1,051.30	647.40	711.68	927.24	777.39	3,063.72	2,624.38	-273.91	-26.05	-149.86	-16.16	-1,141.49	-27.14	439.34	16.74
45	<b>Sub-Total: FEDERATION ACCOUNT</b>	<b>8,656.06</b>	<b>2,164.01</b>	<b>1,439.76</b>	<b>1,456.85</b>	<b>1,564.92</b>	<b>1,598.63</b>	<b>6,060.17</b>	<b>4,024.02</b>	<b>-565.38</b>	<b>-26.13</b>	<b>33.71</b>	<b>2.15</b>	<b>-2,595.89</b>	<b>-29.99</b>	<b>2,036.15</b>	<b>50.60</b>
46	Actual Balances in Special Accounts	19.17	4.79	0.00	0.00	0.00	0.00	0.00	0.00	-4.79	-100.00	0.00	0.00	-19.17	-100.00	0.00	0.00
47	<b>TOTAL FEDERATION ACCOUNT</b>	<b>8,675.23</b>	<b>2,168.81</b>	<b>1,439.76</b>	<b>1,456.85</b>	<b>1,564.92</b>	<b>1,598.63</b>	<b>6,060.17</b>	<b>4,024.02</b>	<b>-570.18</b>	<b>-26.29</b>	<b>33.71</b>	<b>2.15</b>	<b>-2,615.06</b>	<b>-30.14</b>	<b>2,036.15</b>	<b>50.60</b>
<b>E</b>	<b>TOTAL DISTRIBUTION</b>																
1	Federation Account	8,675.23	2,168.81	1,439.76	1,456.85	1,564.92	1,598.63	6,060.17	4,024.02	-570.18	-26.29	33.71	2.15	-2,615.06	-30.14	2,036.15	50.60
2	VAT Pool Account	1,482.24	370.56	259.25	253.44	268.50	265.35	1,046.55	920.07	-105.21	-28.39	-3.15	-1.17	-435.69	-29.39	126.48	13.75
3	Net Tax Amnesty	292.80	73.20	0.00	0.00	0.00	0.00	0.00	0.00	-73.20	-100.00	0.00	0.00	-292.80	-100.00	0.00	0.00
4	Net Surcharge on Luxury Items	2.50	0.63	0.00	0.00	0.00	0.00	0.00	0.00	-0.63	-100.00	0.00	0.00	-2.50	-100.00	0.00	0.00
5	<b>GRAND TOTAL</b>	<b>10,452.76</b>	<b>2,613.19</b>	<b>1,699.02</b>	<b>1,710.29</b>	<b>1,833.42</b>	<b>1,863.98</b>	<b>7,106.71</b>	<b>4,944.09</b>	<b>-749.21</b>	<b>-28.67</b>	<b>30.56</b>	<b>1.67</b>	<b>-3,348.06</b>	<b>-32.01</b>	<b>2,162.62</b>	<b>43.74</b>

**Table 3.5: Actual Performance of Non-Oil Revenue Categories (Fourth Quarter) 2010 – 2018**

Description	FOURTH QUARTER (ACTUAL)									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	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	39.47	51.82	54.58	57.70	70.72	58.95	64.02	156.82	181.88	81.77
Company Income Tax	85.03	93.34	78.26	78.72	91.89	129.96	86.57	297.56	347.15	143.16
Value Added Tax	17.89	22.14	24.71	29.84	25.92	23.89	28.15	246.53	276.41	77.28
FGN Independent Revenue	72.73	44.51	83.54	41.68	62.44	8.97	23.09	37.50	90.03	51.61

**Source:** OAGF and BOF, 2018

Further analysis of fourth quarter non-oil revenue performance showed that key non-oil revenue sub-heads, had displayed some trends of improvement especially in 2017, aside some few years of fluctuations. Table 3.5 and 3.6.

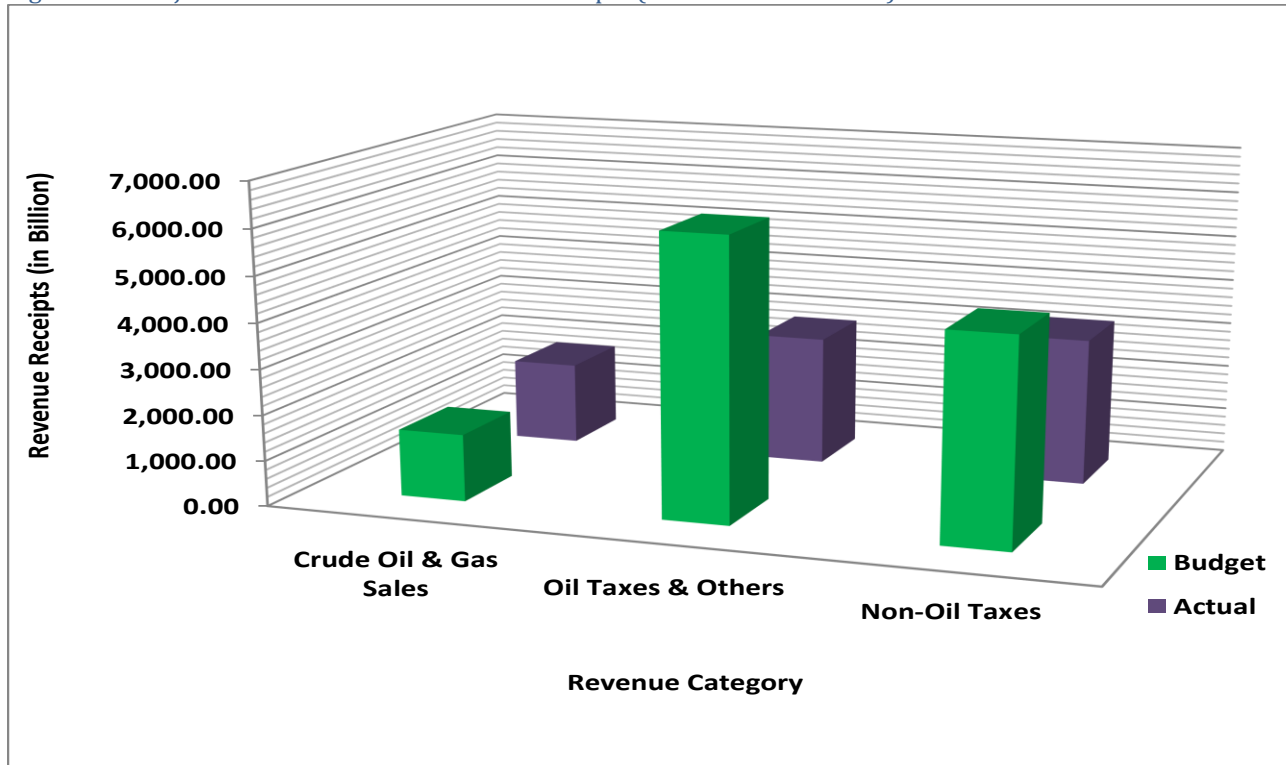
**Table 3.6: Percentage Growth in Non-Oil Revenue Performances (Fourth Quarter) 2011 – 2018**

Description	2011	2012	2013	2014	2015	2016	2017	2018	8 - Year Average
	%	%	%	%	%	%	%	%	%
Customs & Excise Duties	31.29	5.33	5.72	22.56	-16.64	8.60	144.95	15.98	27.22
Company Income Tax	9.77	-16.16	0.59	16.73	41.43	-33.39	243.72	16.67	34.92
Value Added Tax	23.76	11.61	20.76	-13.14	-7.83	17.83	775.77	12.12	105.11
FGN Independent Revenue	-38.80	87.69	-50.11	49.81	-85.63	157.41	62.41	140.08	40.36

**Source:** OAGF and BOF, 2018

Overall, with the exception of Crude Oil & Gas Sales which exceeded its 2018 target, Other Oil and Non-Oil Taxes fell below their annual budget projections. 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 December 2018)

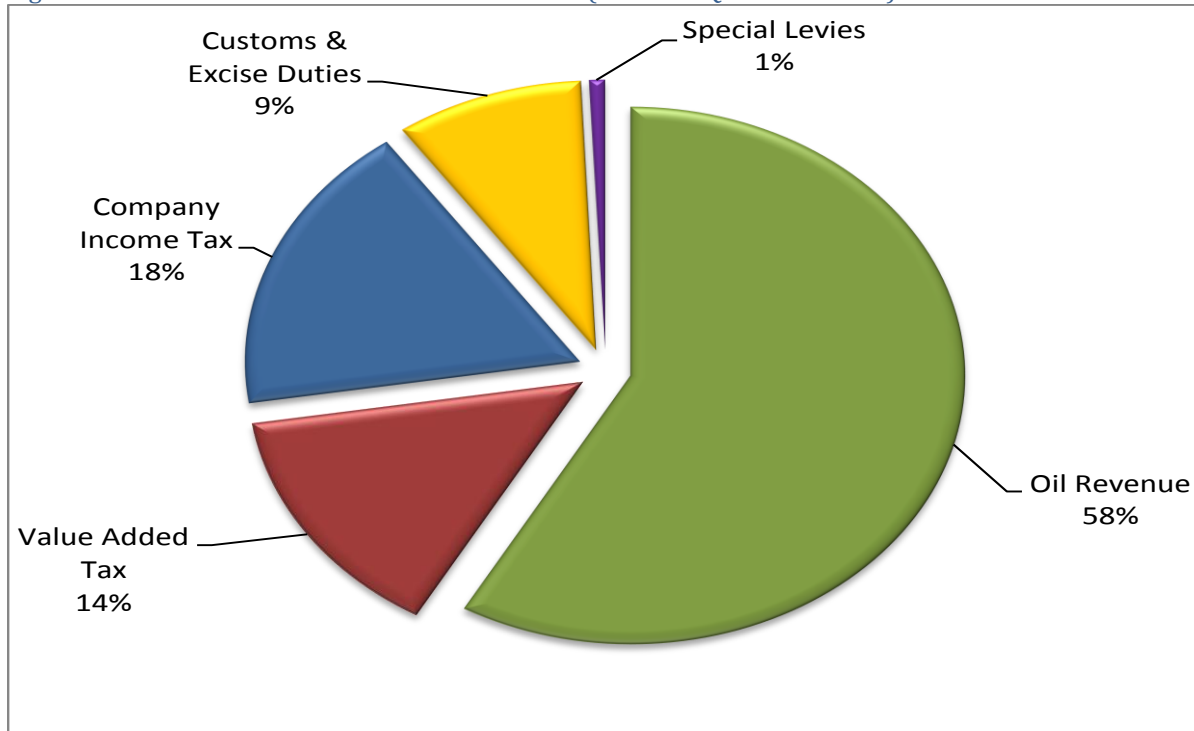


Source: Budget Office of the Federation, 2018

### 3.6 Distributable Revenue:

The net distributable revenue available for sharing among the three tiers of government after the deduction of all costs stood at ₦1,863.98 billion in the fourth quarter of 2018. This represents a shortfall of ₦749.21 billion (28.67 percent) when compared with the quarterly projection of ₦2,613.19 billion. A breakdown by sources indicated that oil revenue accounted for 60.57 percent of the shortfall while the balance came from non-oil revenue items; 14.04 percent from VAT, 10.71 percent from CIT and 2.18 percent from Special Levies etc. (Figure 3.5).

Figure 3.5: Contributions to Distributable Revenue (in the 4<sup>th</sup> Quarter of 2018)



**Source:** Budget Office of the Federation, 2018

### 3.7 Excess Crude Account

The Excess Crude Account (ECA) had an opening balance of US\$2,468.27 million as at 1<sup>st</sup> October, 2018. Due to the improvement in the price of oil in the world market, a total of US\$526.15 million was transferred to the ECA while the sum of US\$11.87 million being accrued interest on fund investment (August - November) was received into the account in the fourth quarter of 2018. On the other hand, US\$2,374.84 million was withdrawn from the account during the period. This resulted to a closing balance of US\$631.45 million as at 31<sup>st</sup> December, 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	Fourth Quarter	Jan - Dec	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Jan - Dec
<b>Inflows</b>										
Transfer to Excess Crude Oil Account	97.89	33.65	0	20.00	151.54	0	0	US\$541.21 million	US\$526.15 million	US\$1,067.36 million
Accrued Interest on Fund Investment	0	0	0	0	0.00	0	0	US\$10.31 million	US\$11.87 million	US\$22.18 million
<b>Total Inflow</b>	<b>97.89</b>	<b>33.65</b>	<b>0</b>	<b>20.00</b>	<b>151.54</b>	<b>0</b>	<b>0</b>	<b>US\$551.52 million</b>	<b>US\$538.02 million</b>	<b>US\$1,089.54 million</b>
<b>Outflows</b>										
Payment for Petroleum Product Subsidy	0	0	0	0	0.00	0	0	0	0	0
Augmentation: Distribution among tiers of Govt.	0	0	0	0	0.00	0	0	0	0	0
Transfer for Special Intervention Fund	0	0	0	0	0.00	0	0	0	0	0
Transfers Int. trf - SWF	0	0	0	0	0.00	0	0	0	0	0
Transfer to Nigeria Sovereign Investment Authority	US\$250.0 million (or N76.25 billion)	0	0	0	US\$250.0 million (or N76.25 billion)	0	0	0	0	0
Amount approved by Mr. President as advance payment for the purchase of Super Tucano Aircraft	0	0	0	0	0	US\$496.37 million	0	0	0	US\$496.37 million
Bank Charges	0	0	0	0	0	0	US\$122.23	0	0	US\$122.23
Amount approved by Mr. President for the first batch of procurement of critical equipment for the Nigerian Army, Navy and Defence Intelligence Agency	0	0	0	0	0	0	0	0	US\$380.51 million	US\$380.51 million
Paris Club Refund to States	0	0	0	0	0	0	0	0	US\$1,761.03 million	US\$1,761.03 million
States Matching Grants to UBEC	0	0	0	0	0	0	0	0	US\$233.29 million	US\$233.29 million
<b>Total Outflow</b>	<b>US\$250.0 million (or N76.25 billion)</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>US\$250.0 million (or N76.25 billion)</b>	<b>US\$496.37 million</b>	<b>US\$122.23</b>	<b>0</b>	<b>US\$2,374.83 million</b>	<b>US\$2,871.20 million</b>
<b>Net Excess Crude Account</b>	<b>21.64</b>	<b>34</b>	<b>0.00</b>	<b>20.00</b>	<b>75.29 (US\$496.37 million)</b>	<b>(US\$122.23)</b>	<b>US\$551.52 million</b>	<b>(US\$1,836.81 million)</b>	<b>(US\$1,781.66 million)</b>	

**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 ₦902.51 billion, excluding other funding sources, was received in the fourth quarter of 2018. This amount was ₦888.96 billion (49.62 percent) lower than the quarterly budget projection but ₦20.39 billion (2.31 percent) higher than the figure reported in the third quarter of 2018. The aggregate revenue in the fourth quarter of 2018 was also ₦243.81 billion (37.01 percent) above the ₦658.70 billion recorded in the fourth quarter of 2017.

The sum of ₦527.0 billion received in the fourth quarter of 2018 from oil sources was lower than the quarterly estimate of ₦747.09 billion by ₦220.09 billion (29.46 percent) for the period. FGN Share of Customs & Excise Duties of ₦82.04 billion was above its quarterly estimate of ₦81.21 billion by ₦0.82 billion (1.01 percent). All other non-oil revenue items however fell below their quarterly

budget projections. FGN Share of VAT of ₦37.15 billion, Company Income Tax of ₦159.76 billion, Special Levies of ₦6.54 billion and Independent Revenue of ₦90.03 billion were below their corresponding quarterly budget estimates of ₦51.88 billion, ₦198.67 billion, ₦14.47 billion and ₦211.99 billion by ₦14.73 billion (28.39 percent), ₦38.91 billion (19.58 percent), ₦7.93 billion (54.81 percent) and ₦121.96 billion (57.53 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. The data are presented in *Table 3.8*.

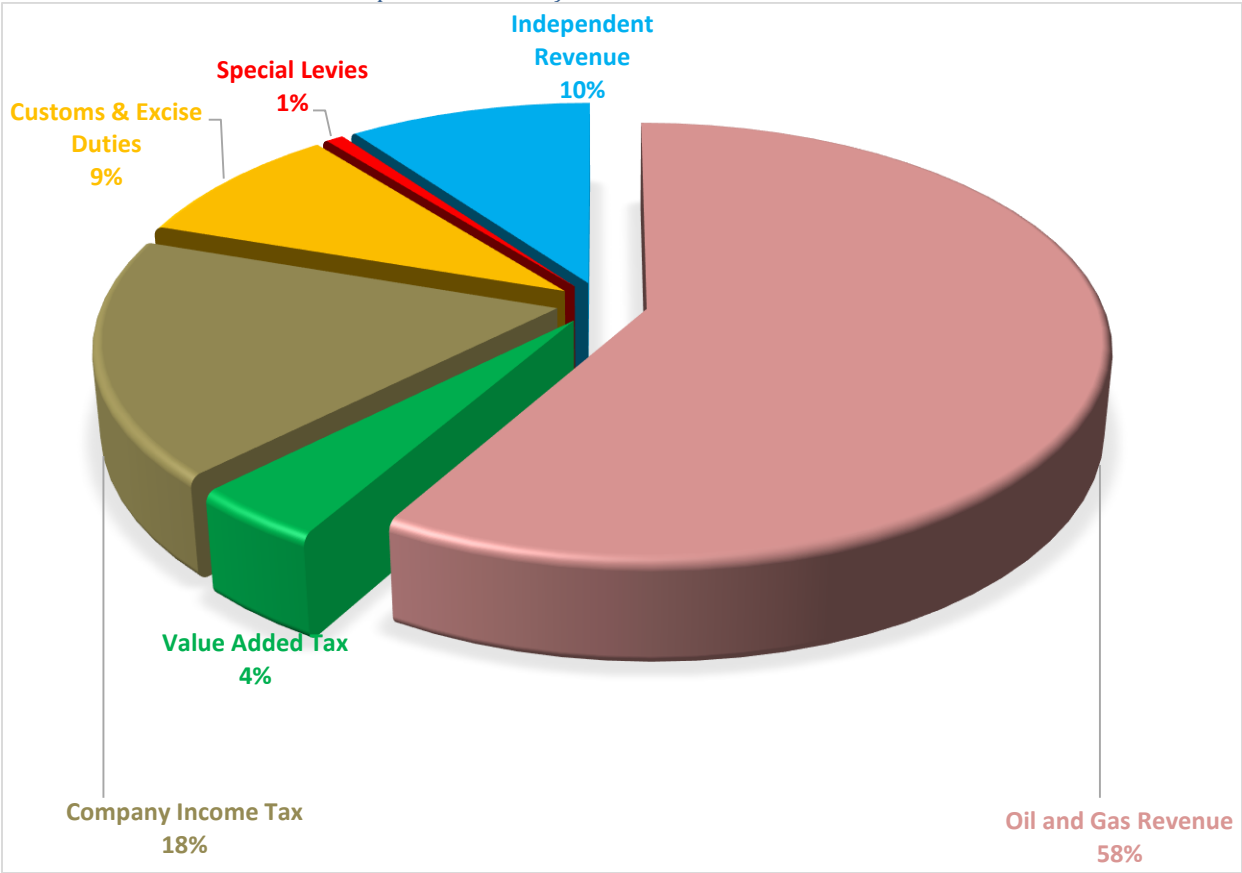
**Table 3.8: Inflows to the 2018 Federal Budget as at December 2018**

S/NO	ITEMS	2018 BUDGET		2018 ACTUAL					2017	VARIANCE							
		Annual	Quarterly	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Annual	Annual Actual	4th Quarter Actual Vs Quarterly Budget		4th Quarter Vs 3rd Quarter (Actual)		Actual Vs Budget (Annual)		2018 Vs 2017 (Actual)	
1	Inflow for the Federal Budget (CRF)	Nb	Nb	Nb	Nb	Nb	Nb	Nb	Nb	Nb	%	Nb	%	Nb	%	Nb	%
2	FGN Share of Oil Revenue	2,988.35	747.09	510.03	484.33	439.50	527.00	1,960.85	1,125.05	(220.09)	(29.46)	87.50	19.91	(1,027.50)	(34.38)	835.80	74.29
3	Share of Non-Oil Revenue	1,630.00	407.50	224.55	257.73	357.08	285.49	1,124.84	956.67	(122.01)	(29.94)	(71.59)	(20.05)	(505.15)	(30.99)	168.17	17.58
4	FGN Share of Dividend of Companies/Investments Funded by FAAC	31.25	7.81	-	-	-	-	-	-	(7.81)	(100.00)	-	-	(31.25)	(100.00)	-	-
5	FGN Share of Solid Minerals & Other Mining Revenue	1.17	0.29	-	-	-	-	-	-	(0.29)	(100.00)	-	-	(1.17)	(100.00)	-	-
6	FGN Share of Value Added Tax (VAT)	207.51	51.88	36.30	35.48	37.59	37.15	146.52	130.05	(14.73)	(28.39)	(0.44)	(1.17)	(61.00)	(29.39)	16.47	12.66
7	FGN Share of Tax Amnesty	87.84	21.96	-	-	-	-	-	-	(21.96)	(100.00)	-	-	(87.84)	(100.00)	-	-
8	FGN Share of Surcharge on Luxury Items	1.21	0.30	-	-	-	-	-	-	(0.30)	(100.00)	-	-	(1.21)	(100.00)	-	-
9	FGN Share of Company Income Tax (CIT)	794.69	198.67	116.80	145.75	237.82	159.76	660.13	543.34	(38.91)	(19.58)	(78.06)	(32.82)	(134.55)	(16.93)	116.79	21.50
10	FGN Share of Customs (Imports, Exports & Fees)	324.86	81.21	67.00	71.09	76.61	82.04	296.74	261.41	0.82	1.01	5.43	7.09	(28.12)	(8.66)	35.33	13.51
11	FGN Share of Special Levies (Federation Account)	57.87	14.47	4.46	5.40	5.06	6.54	21.46	21.86	(7.93)	(54.81)	1.48	29.29	(36.41)	(62.92)	(0.40)	(1.85)
12	FGN Share of Actual Balances in Special Accounts	9.30	2.32	-	-	-	-	-	-	(2.32)	(100.00)	-	-	(9.30)	(100.00)	-	-
13	FGN's Share of Signature Bonus	114.30	28.57	-	-	-	-	-	-	(28.57)	(100.00)	-	-	(114.30)	(100.00)	-	-
14	FGN Independent Revenue	847.95	211.99	72.05	147.58	85.54	90.03	395.21	295.29	(121.96)	(57.53)	4.48	5.24	(452.74)	(53.39)	99.92	33.84
15	Unspent Balance from Previous Year	250.00	62.50	-	-	-	-	-	-	(62.50)	(100.00)	-	-	(250.00)	(100.00)	-	-
16	FGN's Balances in Special Levies Accounts	27.21	6.80	-	-	-	-	-	-	(6.80)	(100.00)	-	-	(27.21)	(100.00)	-	-
17	Domestic Recoveries + Assets + Fines	374.00	93.50	-	-	-	-	-	-	(93.50)	(100.00)	-	-	(374.00)	(100.00)	-	-
18	Other FGN Recoveries	138.44	34.61	-	-	-	-	-	-	(34.61)	(100.00)	-	-	(138.44)	(100.00)	-	-
19	Earmarked Funds (Proceeds of Oil Assets Ownership)	710.00	177.50	-	-	-	-	-	-	(177.50)	(100.00)	-	-	(710.00)	(100.00)	-	-
20	Grants and Donor Funding	199.92	49.98	-	-	-	-	-	-	(49.98)	(100.00)	-	-	(199.92)	(100.00)	-	-
21	<b>TOTAL RETAINED REVENUE</b>	<b>7,165.87</b>	<b>1,791.47</b>	<b>806.63</b>	<b>889.64</b>	<b>882.12</b>	<b>902.51</b>	<b>3,480.90</b>	<b>2,377.01</b>	<b>(888.96)</b>	<b>(49.62)</b>	<b>20.39</b>	<b>2.31</b>	<b>(3,684.97)</b>	<b>(51.42)</b>	<b>1,103.89</b>	<b>46.44</b>
22	Other Financing Sources	-	-	12.98	159.85	63.08	149.68	385.59	280.66	149.68		86.60	137.29	385.59		104.93	37.39
23	Exchange Rate Difference	-	-	12.98	26.38	17.66	22.02	79.04	134.39	22.02		4.36	24.69	79.04		(55.35)	(41.18)
24	Revenues from Special Accounts	-	-	-	133.47	45.42	127.66	306.55	-	127.66		82.24	181.07	306.55		306.55	
25	Other Categories	-	-	-	-	-	-	-	146.26							(146.26)	(100.00)
26	<b>TOTAL INFLOW</b>	<b>7,165.87</b>	<b>1,791.47</b>	<b>819.62</b>	<b>1,049.49</b>	<b>945.20</b>	<b>1,052.19</b>	<b>3,866.49</b>	<b>2,657.67</b>	<b>(739.27)</b>	<b>(41.27)</b>	<b>106.99</b>	<b>11.32</b>	<b>(3,299.37)</b>	<b>(46.04)</b>	<b>1,208.82</b>	<b>45.48</b>

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

Oil and Gas revenue continued to dominate revenue inflow of government accounting for 58.39 percent of total revenue in the review period. Other revenue sources are as depicted in figure 3.6.

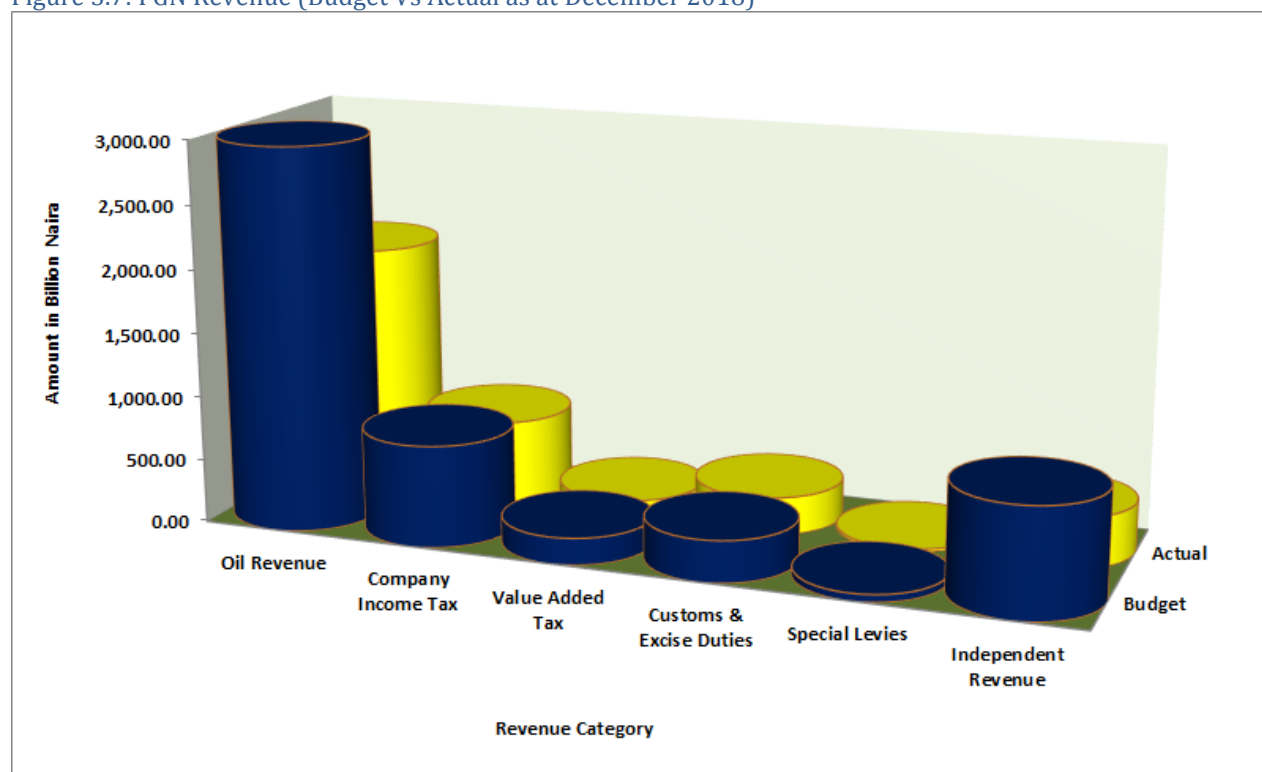
Figure 3.6: Contributions to the FGN Budget Revenue in the Fourth Quarter of 2018 (Excluding FGN's Unspent Balances and FGN's Balances in Special Accounts)



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 ₦220.09 (24.76 percent) of the entire revenue shortfall. Other major contributors included the Earmarked Fund accounting for ₦177.50 (19.97 percent), Independent Revenue accounting for ₦121.96 (13.72 percent) and others with combined share of ₦277.09 billion (31.17 percent) etc. of the revenue shortfall (Figure 3.7).

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



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

### 3.8.1 Total Inflow of the Federal Government

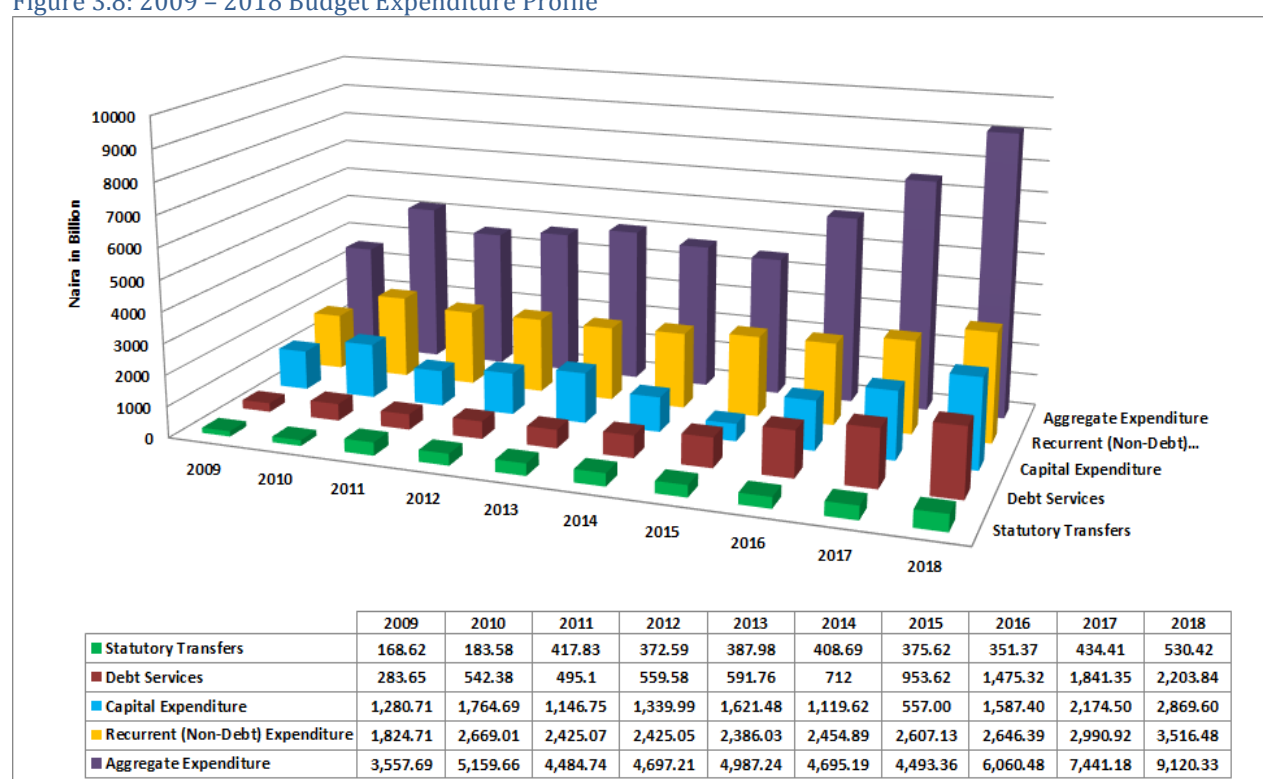
Total Retained Revenue of the Federal Government stood at ₦3,480.90 billion sustained by other sources totaling ₦385.59 billion. The retained revenue was augmented by Exchange Rate Difference of ₦79.04 billion and Revenue from Special Accounts of ₦306.55 billion. Total inflow as at the end December 2018 therefore stood at ₦3,866.49 billion representing a shortfall of ₦3,299.37 billion (or 46.04 percent) of the annual budget estimate for 2018.

### 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 (38.56 percent) was for Recurrent (Non-Debt) Expenditure, ₦2,203.84 billion (24.16 percent) was for Debt Services, ₦530.42 billion (5.82 percent) was for Statutory Transfers and ₦2,869.60 billion (31.46 percent) was for Capital Expenditure. The aggregate Federal Government

expenditure for the period translates to prorate quarterly expenditure outlay of ₦2,280.08 billion in 2018. Actual expenditure in 2018 stood at ₦7,511.19 billion, indicating a decrease of ₦1,609.15 billion or 17.64 percent below the annual projection. The 2018 expenditure was however ₦1,047.58 billion or 16.21 percent higher than the expenditure of ₦6,463.61 billion recorded in 2017. Actual expenditure in the fourth quarter of 2018 stood at ₦1,944.60 billion, translating to a ₦335.49 billion (14.71 percent) expenditure shortfall for the period. The detail breakdown is presented in Table 3.10.

Figure 3.8: 2009 – 2018 Budget Expenditure Profile



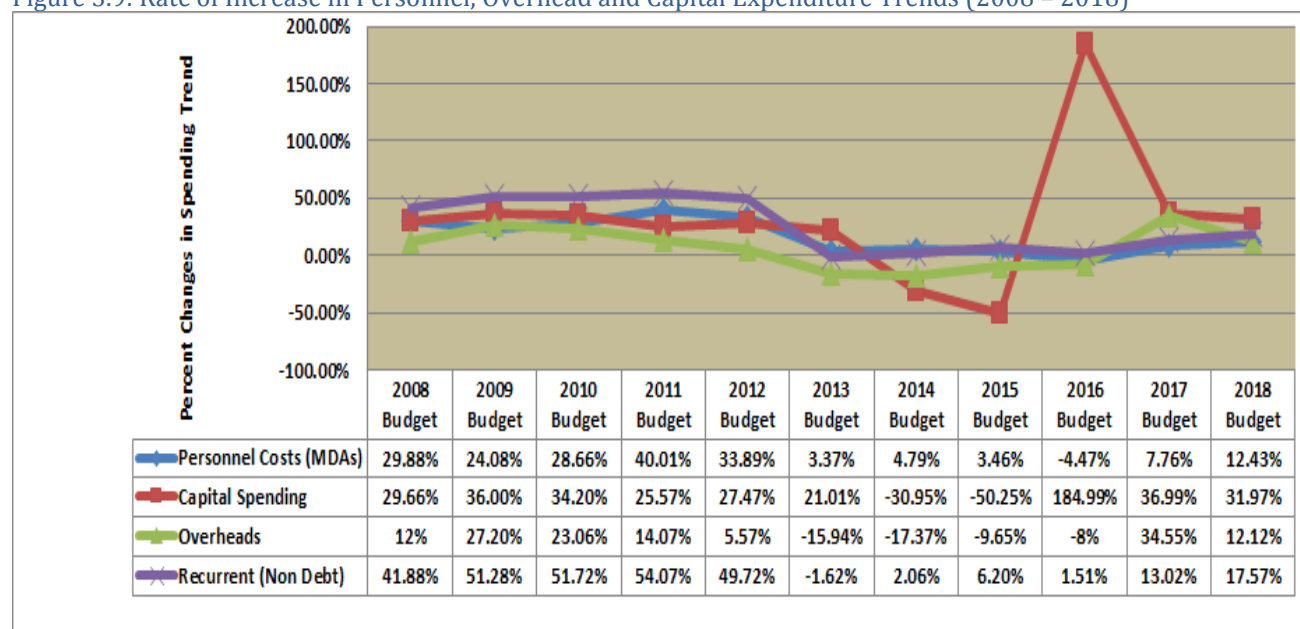
Source: Budget Office of the Federation, 2018

### 3.9.1 Non-Debt Recurrent Expenditure

Total non-debt recurrent expenditure of ₦938.19 billion was spent in the fourth quarter of 2018. This implies an increase of ₦59.07 billion (6.72 percent) above the quarterly estimate of ₦879.12 billion. It was also ₦150.01 billion or 19.03 percent above the ₦788.18 billion recorded in the third quarter of 2018 and

₦80.11 billion or 9.34 percent above the ₦858.08 billion level of expenditure reported in the fourth quarter of 2017. Government continued to prioritize capital expenditure above discretionary recurrent non-debt expenditure like overtime in the face of continuing revenue constraint. The strategic initiatives of Government aimed at cutting down recurrent costs were therefore strongly pursued during the period. This included among others the continued roll-out of the Integrated Payroll and Personnel Information System (IPPIS) across MDAs, restriction on some overhead items as well as the use of the Treasury Single Account (TSA). The above efforts have also aided the government to stop further increases in overhead while at the same time gave room for substantial increases in capital expenditure since 2016 fiscal year (Figure 3.9).

Figure 3.9: Rate of Increase in Personnel, Overhead and Capital Expenditure Trends (2008 – 2018)



Source: BOF and OAGF, 2018

### 3.9.2 Debt Service:

Total Debt Services in the fourth quarter of 2018 stood at ₦347.14 billion representing a decrease of ₦203.82 billion (36.99 percent) below 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 ₦223.33 billion was

actually to service the debt during the period. This indicated a difference of ₦216.61 billion (49.24 percent) below the quarterly estimate.

The sum of ₦63.52 billion was proposed to service the external debt in the quarter under review. Actual external debt service payment however amounted to ₦97.04 billion indicating a difference of ₦33.52 billion (52.77 percent) above the quarterly projection. Actual foreign debt service payment in the year amounted to ₦292.40 billion (US\$1,472.04 million).

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

S/NO	ITEMS	2018 BUDGET		ACTUAL				2017		VARIANCE							
		Annual	Quarterly	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Annual	Annual Actual	4th Quarter Actual Vs Quarterly Budget	4th Quarter Vs 3rd Quarter (Actual)	Actual Vs Budget (Annual)		2018 Vs 2017 (Actual)			
		Nb	Nb	Nb	Nb	Nb	Nb	Nb	Nb	Nb	%	Nb	%	Nb	%	Nb	%
A	RETAINED REVENUE	7,165.87	1,791.47	806.63	889.64	882.12	902.51	3,480.90	2,377.01	(888.96)	(49.62)	20.39	2.31	(3,684.97)	(51.42)	1,103.89	46.44
B	Exchange Rate Difference	-	-	12.98	26.38	17.66	22.02	79.04	134.39	22.02		4.36	24.69	79.04		(55.35)	(41.18)
C	Revenues from Special Accounts	-	-	-	133.47	45.42	127.66	306.55	-	127.66		82.24	181.07	306.55		306.55	
D	Other Categories	-	-	-	-	-	-	-	146.26	-	-	-	-	-		(146.26)	(100.00)
E	TOTAL INFLOW	7,165.87	1,791.47	819.62	1,049.49	945.20	1,052.19	3,866.49	2,657.67	(739.27)	(41.27)	106.99	11.32	(3,299.37)	(46.04)	1,208.82	45.48
F	EXPENDITURE:																
1	RECURRENT NON-DEBT:																
2	Personnel Cost	2,118.27	529.57	533.68	507.31	520.29	529.01	2,090.29	1,865.62	(0.56)	(0.11)	8.71	1.67	(27.97)	(1.32)	224.67	12.04
3	CRF Pensions	198.95	49.74	47.51	47.51	47.51	55.26	197.77		5.52	11.10	7.75	16.32	(1.18)	(0.59)	197.77	
4	SWV Pensions (+ Special Interventions for 2016 only)	43.00	10.75	-	-	-	-	-	191.46	(10.75)	(100.00)	-	-	(43.00)	(100.00)	(191.46)	(100.00)
5	Overhead Cost	246.49	61.62	57.31	51.54	40.50	27.67	177.02	140.05	(33.95)	(55.09)	(12.82)	(31.66)	(69.47)	(28.18)	36.97	26.40
6	SWV Power Sector Reform Programme	193.34	48.33	-	-	-	27.62	27.62	-	(20.71)	(42.86)	27.62		(165.72)	(85.71)	27.62	
7	Other Service Wide Votes (+ Pension Redemption Presidential Amnesty Programme)	301.44	75.36	43.64	62.27	56.35	75.33	237.60	568.20	(0.03)	(0.04)	18.98	33.68	(63.84)	(21.18)	(330.60)	(58.18)
8	Special Intervention (Recurrent)	65.00	16.25	12.50	15.00	16.07	16.07	59.64	-	(0.18)	(1.10)	-	-	(5.36)	(8.24)	59.64	
9	Payments from Special Accounts	350.00	87.50	-	-	65.10	79.11	144.21	-	(8.39)	(9.59)	14.02	21.53	(205.79)	(58.80)	144.21	
10	Sub-Total (Non-Debt)	3,516.48	879.12	694.63	817.10	788.18	938.19	3,238.10	2,765.33	59.07	6.72	150.01	19.03	(278.38)	(7.92)	472.77	17.10
11	Domestic Debts Service (Interest Payment)	1,759.76	439.94	643.63	297.37	633.58	223.33	1,797.90	1,455.53	(216.61)	(49.24)	(410.25)	(64.75)	38.14	2.17	342.37	23.52
12	Foreign Debts	254.08	63.52	54.08	57.44	83.84	97.04	292.40	181.40	33.52	52.77	13.20	15.74	38.32	15.08	111.00	61.19
14	Total Debt Service	2,013.84	503.46	697.71	354.81	717.42	320.36	2,090.30	1,636.93	(183.09)	(36.37)	(397.05)	(55.34)	76.47	3.80	453.37	27.70
15	Interest on Ways & Means		-	6.74	13.00	16.65	26.78	63.16	9.51	26.78		10.13	60.81	63.16		53.65	564.17
16	Sinking Fund to Retire Maturing Loans	190.00	47.50	-	0.99	6.92	-	7.91	177.46	(47.50)	(100.00)	(6.92)	(100.00)	(182.09)	(95.84)	(169.55)	(95.54)
17	Sub-Total (Debt)	2,203.84	550.96	704.45	368.79	740.99	347.14	2,161.37	1,823.89	(203.82)	(36.99)	(393.85)	(53.15)	(42.46)	(1.93)	337.48	18.50
18	Total Recurrent Expenditure	5,720.31	1,430.08	1,399.08	1,185.89	1,529.17	1,285.33	5,399.47	4,589.22	(144.75)	(10.12)	(243.84)	(15.95)	(320.84)	(5.61)	810.25	17.66
19	Capital Expenditure - 2017 in 2018	-	-	507.16	231.93	-	-	739.09	739.09	-	-	-	-	739.09	-	0.00	0.00
20	Capital Expenditure - 2018:																
21	Capital Development Fund (Main)	2,172.08	543.02	-	-	191.36	385.13	576.48	700.88	(157.89)	(29.08)	193.77	101.26	(1,595.60)	(73.46)	(124.40)	(17.75)
22	Capital Supplementation	377.60	94.40	59.04	14.40	30.96	110.90	215.30	-	16.50	17.47	79.94	258.20	(162.31)	(42.98)	215.30	
23	Special Intervention (Capital)	150.00	37.50	69.07	30.00	1.81	48.65	149.54	-	11.15	29.73	46.84	2,581.86	(0.46)	(0.31)	149.54	
24	Grants and Donor Funded Projects	169.92	42.48	-	-	1.21	0.48	1.69	-	(42.00)	(98.86)	(0.72)	(59.98)	(168.23)	(99.01)	1.69	
25	Capital Expenditure - 2018 in 2019							712.26								712.26	
26	Total Capital Expenditure - 2018	2,869.60	717.40	635.28	276.33	225.34	545.15	1,655.27	1,439.97	(172.25)	(24.01)	319.82	141.93	(1,214.34)	(42.32)	215.30	14.95
27	TRANSFERS																
28	Statutory Transfers	530.42	132.61	114.11	114.11	114.11	114.11	456.46	434.41	(18.49)	(13.94)	-	-	(73.97)	(13.94)	22.05	5.07
29	TOTAL ACTUAL EXPENDITURE	9,120.34	2,280.08	2,148.47	1,576.34	1,868.62	1,944.60	7,511.19	6,463.61	(335.49)	(14.71)	75.97	4.07	(1,609.14)	(17.64)	1,047.58	16.21
30	TOTAL OUTFLOW	9,120.34	2,280.08	2,148.47	1,576.34	1,868.62	1,944.60	7,511.19	6,463.61	(335.49)	(14.71)	75.97	4.07	(1,609.14)	(17.64)	1,047.58	16.21
31	Fiscal Deficit	(1,954.47)	(488.62)	(1,328.86)	(526.85)	(923.42)	(892.40)	(3,644.70)	(3,805.94)	(403.79)	82.64	31.02	(3.36)	(1,690.23)	86.48	161.24	(4.24)
G	FINANCING ITEMS																
1	Privitization Proceeds	306.00	76.50	-	-	-	-	-	-	(76.50)	(100.00)	-	-	(306.00)	(100.00)	-	-
2	Non-Oil Asset Sales	5.00	1.25	-	-	-	-	-	-	(1.25)	(100.00)	-	-	(5.00)	(100.00)	-	-
3	Foreign Borrowing	849.67	212.42	167.91	-	135.68	769.71	1,073.30	1,165.67	557.30	262.36	634.04	467.32	223.62	26.32	(92.37)	(7.92)
4	Domestic Borrowing	793.79	198.45	280.00	130.00	195.00	63.79	668.79	1,337.55	(134.66)	(67.86)	(131.21)	(67.29)	(125.00)	(15.75)	(668.76)	(50.00)
5	Sub-Total	1,954.47	488.62	447.91	130.00	330.68	833.51	1,742.09	2,503.23	344.89	70.58	502.83	152.06	(212.38)	(10.87)	(761.14)	(30.41)
6	Net Deficit/Surplus	(0.00)	(0.00)	(880.95)	(396.85)	(592.75)	(58.90)	(1,902.61)	(1,302.71)	(58.90)		533.85	(90.06)	(1,902.61)		(599.90)	46.05

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 fourth quarter of 2018. The same amount was released as transfers in the third quarter of 2018 and translates to ₦18.49 billion (13.94 percent) decline from the quarterly estimate of ₦132.61 billion in the 2018 budget.

### **3.9.4 Capital Expenditure Performance:**

Greater share of Government's available budgetary resources were directed to structural reform of the economy through the provision of critical infrastructure in the roads, power, housing, rail and aviation sectors as well as the provision of physical and food security. A total of ₦2,869.60 billion was therefore allocated to capital spending in the 2018 Budget.

#### ***MDAs' Capital Vote Utilization:***

The late passage of the 2018 Appropriation Bill, the extension of the implementation of the 2017 capital budget to 12<sup>th</sup> June, 2018, 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. Also, the usual general releases of quarterly Capital Development Warrants and AIEs to MDAs were not followed. Instead, funds 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 30<sup>th</sup> June, 2019, showed that a total of ₦1,862.22 billion was released and cash backed to MDAs for their 2018 capital projects and programmes. The sum of ₦1,446.57 billion was released as the usual capital, ₦328.54 billion as Capital Supplementation and ₦43.56 billion as Sukuk Proceeds. The sum of ₦343.88 billion as First Releases, ₦423.45 billion as Second Releases, ₦36.33 billion as Additional Second Releases, ₦185.57 billion as Third Releases, ₦10.91 billion as Additional Releases, ₦472.10 billion as Online Authority to Incur Expenditure (AIEs) and ₦389.99 billion as Manual AIEs.

### Performance as at 30<sup>th</sup> June, 2019:

The data also revealed that ₦1,655.26 billion (or 88.89 percent) of the total amount released and cash-backed was utilized by MDAs as at 30<sup>th</sup> June, 2019. *Appendix 1* to this Report shows the funds released to and utilized by MDAs in the period. A breakdown of the forty (40) MDAs reported upon by the Office of the Accountant-General of the Federation (OAGF) indicated different levels of utilization among the MDAs. Twenty (or 50 percent) of the MDAs had utilized more than the overall average utilization rate of 88.89 percent of the amount cash-backed. Only three out of them had 100 percent utilization of their cash-backed funds while twenty nine (or 72.5 percent) had above eighty percent utilization rate. The utilization report also revealed that 34 MDAs (or 85 percent) utilized above 70 percent of their cash-backed funds. On the other hand, 6 MDAs (or 15 percent) had utilization rates of below seventy percent. *Table 3.10* below 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 30<sup>th</sup> June, 2019)

MDA	Annual Appropriation	Total Amount Released	Total Amount Cash Backed	Utilization			
	N	N	N	N	As % of Annual Capital Appropriation	As % of Budgetary Releases	As % of Cash-Backed Funds
Federal Ministry of Works, Power & Housing	682,959,550,242	382,217,370,741	382,217,370,741	329,780,070,804	48.29	86.28	86.28
Transportation	251,420,000,000	139,284,767,211	139,284,767,211	128,909,623,957	51.27	92.55	92.55
Agriculture	149,198,139,037	145,119,430,371	145,119,430,371	135,153,773,726	90.59	93.13	93.13
Water Resources	147,199,614,645	75,455,990,926	75,455,990,926	71,510,531,034	48.58	94.77	94.77
Education	102,907,290,833	63,022,665,887	63,022,665,887	46,518,021,748	45.20	73.81	73.81
Health	86,485,848,198	63,481,134,996	63,481,134,996	52,987,503,480	61.27	83.47	83.47
Science & Technology	68,556,569,020	43,745,834,734	43,745,834,734	36,603,626,471	53.39	83.67	83.67
Niger Delta	53,892,500,002	28,813,825,001	28,813,825,001	23,267,685,870	43.17	80.75	80.75
FCTA	32,298,122,872	14,500,037,860	14,500,037,860	9,689,436,862	30.00	66.82	66.82
Defence	157,715,439,613	132,768,537,897	132,768,537,897	126,167,829,931	80.00	95.03	95.03
ONSA	46,656,125,631	65,964,164,185	65,964,164,185	65,964,145,690	141.38	100.00	100.00
Interior	75,098,144,455	108,342,244,520	108,342,244,520	93,470,988,876	124.47	86.27	86.27
Presidency	27,779,999,975	28,605,274,505	28,605,274,505	20,558,054,630	74.00	71.87	71.87
Secretary to Government of the Federation	52,937,424,968	38,125,005,142	38,125,005,142	27,178,236,078	51.34	71.29	71.29
<b>Total Average Utilization by All MDAs (Inclusive of Capital Supplementation)</b>	<b>2,870,916,138,506</b>	<b>1,862,222,353,664</b>	<b>1,862,222,353,664</b>	<b>1,655,256,116,538</b>	<b>57.66</b>	<b>88.89</b>	<b>88.89</b>

**Source:** OAGF and BOF, 2019

**Figure 3.10:** Pictorial Representation of Selected MDAs Capital Budget Utilization (as at 30<sup>th</sup> June, 2019)



**Source:** BOF and OAGF, 2019

### 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 **₦3,644.70** billion in the year (2.85 percent of the 2018 GDP) and **₦892.40** billion in the fourth quarter of 2018. The Annual deficit was **₦1,690.23** billion or 86.48 percent higher than the projected fiscal deficit of **₦1,954.47** billion for the period. It was however, lower than the fiscal deficit of **₦3,805.94** billion reported in 2017. The deficit was financed to the tune of **₦1,742.09** billion through Foreign Borrowing of **₦1,073.30** billion and Domestic Borrowing of **₦668.79** billion. This resulted in a **₦1,902.61** billion net deficit financing for the review period.

## 4.0 CAPITAL PROJECT IMPLEMENTATION REPORT

### INTRODUCTION

Section 30 (1) of the Fiscal Responsibility Act 2007, mandates the Budget Office of the Federation to monitor and evaluate MDAs' annual budget, assess the attainment of fiscal targets and report thereon to the Joint Finance Committee of the National Assembly (NASS) and the Fiscal Responsibility Commission. In fulfillment of this responsibility, the Ministry of Budget and National Planning in conjunction with representatives of MDAs conducted physical inspection of selected capital projects and programmes for the Full Year (Consolidated) 2018 budget from **Monday 17<sup>th</sup> – Friday 28<sup>th</sup> June 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 and Technology, Solid Minerals, OSGF, Youth and Sports and Labour and Employment.

#### 4.1 MINISTRY OF POWER, WORKS AND HOUSING

The Ministry is responsible for achieving infrastructural renewal in roads, power and housing. In order to enhance productivity, lower the cost of doing business and create the foundation for a sustainable economic growth and development, Government allocated a total of N682.96 billion in the 2018 budget to implement its capital projects and programmes. Out of this amount, N382.22 billion was released and cash backed, while N329.78 billion was utilized as at the end of the fiscal year. The following projects were monitored:

#### 4.1.1 WORKS SUB-SECTOR

a). **Rehabilitation and Reconstruction of Enugu – Port-Harcourt Dual Carriageway Section I: Lokpanta-Umuahia Tower, Contract No. 6208**

The project involves the rehabilitation and construction of 59.5km dual carriageway from Lokpanta to Umuahia tower (CH 61 000- CH 120+500) in Abia State. The scope of the work include: scarification of existing bituminous surface, sand filling, cement stabilization, 200mm crushed stone base on the carriageway and shoulders, construction of new culverts and drains. Others are: provision of asphaltic binder and wearing course on the carriageway and shoulders, rehabilitation of existing 2nos bridges and provision of 2nos trailer parks at Lokpanta cattle market (Ch.61+500).

The contract was awarded to Messrs. Setraco Nigeria Limited in September 2013 at a cost of N39.55 billion with an initial completion date of March 2017. This was however, revised to March, 2019 due to paucity of funds. In the 2018 Budget, the sum of N5.60 billion was appropriated, out of which N3.56 billion was released and utilized in the year. A total of N21.55 billion (National Budget N13.24 billion & N8.31 billion SUKUK Intervention) has been committed to the project since inception to achieve 77% level of completion.

***Findings:***

At the time of monitoring, work done includes: construction of 46km dual carriageway, 44.96km pulverization, earth works, cement/sand stabilization, crushed stone base, binder and wearing course. Work in progress includes: construction of U drain, sand filling, stone base and asphaltting while construction of 13km dual carriageway is still outstanding.



*Picture 1: On-going Rehabilitation and Reconstruction of Enugu to Port-Harcourt Dual Carriageway Section I*

***Socio-economic Impact:***

Although the project is still on-going, it had created job for over 345 skilled and unskilled labour. It has also improved the flow of traffic and reduced accident and vehicle operating cost.

***b). Dualisation of Ibadan-Ilorin Road, Section II: Oyo-Ogbomosh***  
***Contract No. 1793A***

The project is an extension of Lagos-Ibadan road. It has a total length of 52.00km and starts at KM23 in Oyo town and terminates at Ogbomosh. Scope of works involves clearing, earthworks, construction of 5nos. bridges and 12nos. underpasses, reinforced concrete box and pipe culverts as well as subsoil drains in high water table zones. Others are: provision of 200mm thick sub-base and crushed stone base course, laying of 60mm, 40mm and 150mm thick asphaltic concrete binder, wearing course and stone pitching on embankments respectively, etc.

The Contract was awarded to Messrs. RCC Nig. Ltd. in June 2010 at a cost of N47.51 billion with an initial completion date of October 2013. However, the completion date was extended to December 2018 due to funding constraints. The sum of N2.82 billion was appropriated in the 2018 budget, out of which N107.46 million was released and utilized. A total of N26.78 billion (including SUKUK Intervention of N2.56 billion) had been committed to the project since inception to achieve cumulative performance of 61.67%. However, the contractor had an outstanding payment of N3.20 billion (for certificates No.14 and 15).

### **Findings:**

At the time of monitoring, site clearance and earthworks had been achieved up to 22.85km and 20.75km respectively. In addition, 45nos. of 900mm and 4nos. of 1200mm diameter pipes culverts, 11nos. underpasses and 61.81% of subsoil drains had been completed. Others works achieved are: sub-base, base course, priming and asphaltic binder course on carriageway. Works in progress include: earthworks at KM46 and piles/abutment and reinforcement for the pile capes and piers at bridge 17 (Km80 – north & south bounds, Odo-oba village). Bridge work is yet to commence at the project site.



*Picture 2: Ongoing Stone Base at KM46, Piles/Abutment and Reinforcement for Pile Caps and Piers in progress at Bridge 17*

### **Socio-economic Impact:**

Although the project is yet to be completed, the road works has improved the movement of goods and services, reduced accidents. On completion, it will reduce travel time, vehicles operating costs and boost economic activities along the road corridor.

### **Challenges:**

Increase in cost of materials, excessive thickness of top soils, rock outcrops in some locations and inadequate budgetary provisions were reported to have affected the timely delivery of the project.

### **c). Constriction of Bodo – Bonny Road With Bridge Accross Opobo Channel, Route 430 In Rivers – State**

The project links the maimland of Bodo with the Island of Bonny in Rivers

State. It is co-funded by the Federal Government and the NLNG Nigeria Liquefied Natural Gas. Components of works include: construction of 40km single carriage way of 7.3m width and 2.75m wide shoulders on either side, pre-stressed bridges at Afa Creek (550m), Opobo Creek (1,000M) and Nanabie Creek (640M). Others include: 10nos. small bridges (between ch. 6+100 and ch. 21+900) with a pipeline crossing the bridges.

The Contract was awarded to Messrs Julius Berger Nigeria in December 2014 at a cost of ₦120.62 billion with an initial completion date of December 2019. The completion date was however revised to August 2022 due to funding issues. In the 2018 budget, the sum of ₦8.71 billion was appropriated, out of which ₦1.35 billion was released and utilised as at the end of the fiscal year. This brings total financial commitment to ₦21.65 billion since inception to achieve 13.75% level of completion.

***Findings:***

At the time of monitoring, works completed include: construction of 4nos. box culverts, 11nos pile caps, bridge and abutment works. Others are: 9nos. piers and 5nos. spans of the bridge deck at Afa bridge. Site clearance, earthworks and pavement, excavation, filling/compaction, sub-base, base course, prime coat, binder course, culverts & drains were in progress and at various levels of completion.



*Picture 3: Ongoing Construction of Bodo–Bonny Road with Bridge accross Opobo Channel, Route 430 in Rivers – State*

***Socio-economic Impact:***

On completion, the project is expected to provide arterial link to Bonny Island where the Nigeria Liquefied Nature Gas (NLNG) Limited carries out its major operations. It will also aid in the transportation of gas from Bonny to Bodo as well as provide access road for the communities along the road corridor.

***Challenges:***

The topographical nature of the area, compensation and non-payment of certified works and youth restiveness within the host community were reported to have affected the progress of work.

***d). Rehabilitation of Sokoto-Tambuwal-Jega-Kontagora-Makera Section I, Phase 2 In Sokoto/Kebbi States: C/NO.6161***

The project is located within Sokoto and Kebbi states and it involves the rehabilitation of 186km length and an 8km bye pass starting from Jega Town. The road passes through others towns like Giwa, Towanso, and Koko township roundabout and terminating at the bridge in Birnin-Yauri town.

Scope of work includes: site clearance, scarification of existing bituminous and asphaltic concrete surface, sand filling/cutting on carriageway and embankment. Others include: provision of literate sub-base course, pulverization of scarified failed asphaltic surface, provision of stone base course, 60mm asphaltic concrete binding course and 40m asphaltic concrete wearing course, 2nos pedestrian bridges and an under pass (including access rail/road interchange and 2nos trailer parks at Ch.129+800).

The contract was awarded in December 2012 to Messrs. Triacta Nig. Ltd. at an initial cost of N19.89 billion which was later reviewed to N30.46 billion through an addendum in January 2015 with an expected completion date of February 2018. The sum of N4.38 billion was appropriated in the 2018 budget, out of which N2.73 billion was released and utilized as at the end of fourth quarter. A total of N20.84 billion has been committed to the project since inception to achieve 68.52% cumulative performance.

**Findings:**

At the time of the monitoring, construction of culverts and drainages at Maiyama, Kuchi, Saminaka, Koko and Yelwan-Yauri towns, and construction of bridge at Keri town were substantially completed and opened to traffic. Maintenance works on Jega bridge, repair works on culverts at various locations, high embankments protection, chutes and wearing course at Koko town were all in progress, and at various stages of completion. Also, at the Yauri end of the road, work had also commenced with scarification and filling up to stone base level.



*Picture 4: Laying of Asphalt and Scarification Works at Yauri Town of the Road Project*

**Socio-economic Impact:**

Though the project is still ongoing, it has improved free flow of traffic, reduced travel time and enhanced economic activities along the road corridor. In addition, employment opportunities were generated for over 300 skilled and unskilled labour.

**e). Completion of Gombe-Numan-Yola Road Phase II (Gombe-Kaltungo) Contract No. 6261**

The project involves the construction of 68km length of road with a carriage way of 8.0m and 2.75m wide surface dressed shoulders on both sides. The scope of works include: site clearance, earthworks, pulverization, sub-base/base materials on carriage way and shoulders, 200mm crushed stone,

60mm asphaltic concrete binder course and 40mm asphaltic concrete wearing course. Others include: provision of single coat surface dressing on the shoulders, kerbs, construction of a bridge at Gada Uku and other embankment protective devices.

It was awarded to Messrs. Triacta Nig. Ltd. in January 2015 at an initial cost of N7.2 billion and scheduled to be completed in July 2017. However, there was an upward review of the contract cost to N8.28 billion with an extended completion date of December 2019. The sum of N2.29 billion was appropriated in the 2018 budget, of which N675 million was released and utilized as at end of the year. A total of N6.44 billion had so far been committed to the project from inception to date to achieve 78% cumulative performance.

***Findings:***

At the time of monitoring, 64.95km of the road has been completed to the asphaltic wearing course level including 7nos culverts pipes and 1nos bridge while work was in progress on the remaining 3.05km section of the road. Outstanding works include: Asphaltic and binder course of the 3.05km section, approach slabs to the bridge at Ch44+000, protection of engagement and abutments of the bridge and road sign/lane marking on the remaining sections of the road.



*Picture 5: Ongoing completion of Gombe-Numan-Yola Road Phase II (Gombe-Kaltungo)*

### ***Socio-economic Impact:***

The project has created job opportunities for more than forty-five (45) skilled and unskilled workforce from the communities located around the project site. It has also increased the flow of traffic, reduced travel time and rate of accident between Gombe and Kaltungo. In addition, there is a significant reduction in the cost of transporting goods & services and vehicular maintenance has been reduced.

#### **4.1.2 HOUSING SUB – SECTOR**

##### ***a). Model Building Craft Training School at Ikeduru, Imo state***

The project involves construction of a model building for craft training comprising: 2nos. blocks of 3-classrooms, an ICT centre, 2nos. workshop halls and offices an administrative block, a store and a 60-room's capacity hostel. The hostel component was earlier commenced in 2012 but was later abandoned due to funding challenges.

In February 2013, four of the components namely 2nos. blocks of 3-classrooms, an ICT centre, 2nos. workshop halls and offices an administrative block and a store building were awarded Messrs. Jamec West African Ltd., Messrs. Guguru company Ltd and three (3) others at a total cost of N395.10 million and is expected to be completed by December 2019. The sum of N268.17 million was appropriated in the 2018 budget, out of which N98.86 million was released and same utilised on the the workshops and Administrative components of the project. This brings the total financial commitment to N283.20 million to achieve a cumulative performance of 72%.

##### ***Findings:***

At the time of monitoring, the Workshop, Classroom blocks and ICT buildings were completed and ready for use. However, the Substructure and blocks work for the Administrative building had reached lintel level and awaiting roofing while work at the 60nos. rooms' hostel was stalled due to funding constraints.



*Picture 6: Ongoing construction of Classrooms and Administrative Building at the Model Building Craft Training School, Ikeduru – Imo state*

**Socio-economic Impact:**

The various components of the project has provided employment opportunities for over 120 skilled and unskilled labour. On completion, it will provide office/residential accommodation while the workshops and classrooms provide for practical trainings/skills acquisition and lectures. In addition, the ICT centre and facilities will aid ICT related programs thereby enhancing the productivity of staff and trainees of the centre.

**b). Construction of Federal Secretariat in Ado Ekiti, Ekiti State**

The project involves the construction of a Federal Secretariat Complex to provide office accommodation for Federal Government Agencies located in Ekiti State. It is a 3-storey reinforced concrete-framed structure comprising: of 15 blocks (ground, first, second and third floor) and approximately 364 offices including Conference room, banking hall, reception, exhibition halls, Post office and Committee rooms.

The contract was awarded to Messrs. Deux-Project Ltd. at a cost of ~~N~~3.34 billion in April 2017 with a completion date scheduled for June 2020. The sum of ~~N~~427 million was appropriated in the 2018 budget, of which N185.34 million was released and utilised in the year under review. A total of N887.94 million had been committed since inception to achieve 40% level of completion.

### ***Findings:***

At the time of the monitoring, foundation works, erection of columns and slabs for the ground floor had been achieved while block works was in progress at the site.



*Picture 7: On-going Construction of Federal Secretariat Building, Ekiti, Ekiti State*

### ***Socio-economic Impact:***

The presence of the project had created employment opportunities for over 250 skilled and unskilled labour thereby enhancing their socio-economic life. On completion, the edifice is expected to provide a centralized and more convenient office accommodation for the various Federal staff in the state. In addition, it will help to boost economic activities around the area thereby facilitating development for the state.

### ***c). Construction of National Housing Programme, Maiduguri***

The project is located in Auno, Maiduguri and it entails the construction of twenty (2) houses of various types comprising: 13nos. 2-bedrooms and 7nos. 2-blocks of 3-bedroom flats and others. The objective of the project is to provide quality, accessible and affordable housing

The contracts were awarded to Messrs. Charms Associates Nig. Ltd. & nineteen (19) other companies at the total cost of N771.4 million in April 2017 with completion period scheduled for July 2017. This completion period was however not achieved because of funding constraints. The sum of N533.06 million was appropriated to the project in the 2018 budget, out of which

N369.4 million was released and utilized in the year under review. A total of N501.41 million had been financially committed to date to achieve 65% level of completion.

***Findings:***

At the time of monitoring, 5nos. of 3-bedroom flats have been completed while, the others are at various levels of completion. Major outstanding works include amongst others: site infrastructures such as drainage, electricity, road networks etc.



*Picture 8: Some of the Houses Constructed at Finishing Levels under the National Housing Programme*

***Socio-economic Impact:***

Although, the projects were yet to be completed, they had provided employment opportunities to the youths of the communities who were ravaged by insurgency. When completed, it will provide mass and affordable residential accommodation to the people of Maiduguri metropolis and environs.

***Challenge:***

The pace of work was hindered by the menace of insurgency in the area.

***d). Construction of Federal Secretariat Complex, Awka in Anambra State***

The project is a three storey office complex comprising of 402 offices, a Conference hall, exhibition hall, post office, 4nos. committee rooms,

reception & banking hall. Others are: parking spaces, and provision of 48 Generators (5-10KVA unit), conveniences and ramps to all floor levels for the physically challenged.

The contract was awarded to Messrs. Cosco Nigeria limited at a cost of N2.77 billion in December 2011 with a completion date of May 2018. In the 2018 budget, the sum of N449.50 million was appropriated, released and utilized. This brings the total financial commitment to the project since inception to N2.49billion to achieve 90% level of completion.

***Findings:***

At the time of inspection, the super structure had been completed while painting, fixing of doors and fixing of air conditioners were ongoing. However, the external works was still outstanding. The team observed that significant quantum of materials was on ground to complete the project.



*Picture 9: On-going Construction of Secretariat Complex at Awka in Anambra State*

***Socio-economic Impact:***

When completed, it will alleviate the problem of office accommodation and provide a conducive working environment to Federal Civil Servants in the state for maximum output.

**e). Completion of Construction of Federal Secretariat in Zamfara State**

The project, located in Gusau, Zamfara state entails the construction of a 3-storey Building of three (3) wings to provide office accommodation for the Federal Civil Servants in the state. Components of the works include: provision of 208 offices, a conference room, a banking hall, a post office and conveniences.

The contract was awarded in December 2011 to Messrs. Sagato Nig. Limited at a cost of N2.62 billion with an initial completion date of December 2013. The contract sum was however reviewed to the sum of N5.69 billion due to the additional scope of works not envisage in the original design. The new date of completion has been extended to December 2019. The sum of N4.27 billion was appropriated in the 2018. Out of this amount, N171.05 million was released and utilized as at the end of the fourth quarter of the year. A total of N2.62 billion has been committed to the project since inception to achieve 58% level of completion.

***Findings:***

At the time of monitoring, the contractor was not on site. The team however observed that the main structure of the 3-storey building, landscaping from the gate to the main building and the construction of the gate & security house had been completed. While, fixing of doors & windows, electrical piping & wiring, mechanical works etc., were still outstanding.



***Picture 10: On-going Construction of Federal Secretariat Gusau, Zamfara State***

***Socio-economic Impact:***

Though the project is still ongoing, it has created jobs opportunities for various classes of workers. On completion, the project is expected to provide a centralized and conducive office accommodation for the Federal Civil Servants in the state.

***f). Construction of Federal Secretariat Complex, Yenegoa***

The project, located at the Central Business District in Yenegoa, Bayelsa State involves the construction of a 3-storey building comprising: 400nos offices, 9nos of committee rooms, conference hall, 2nos of ramps, a banking hall, post office and conveniences.

The contract was awarded to Messrs Trenur Nig. Ltd. in 2011 at a cost of ~~N~~2.56 billion with a completion date of December 2018. However, there was an upward review of the contract cost to ~~N~~3.17 billion with an extended completion date of December 2019. In the 2018 budget, the sum N4.27 billion was appropriated for construction of Federal Secretariats in Anambra, Bayelsa, Ekiti, Nasarawa, Osun and Zamfara States. Out of the appropriated amount, N334.15 million was released and utilised for the project thus bringing total financial commitment to N2.97 billion to achieve 91.5% level of completion.

***Findings:***

At the time of monitoring, works completed include: plastering, roofing, plumbing, piping, tiling and electrical fittings and installation of air conditions to all the offices. Works in progress include: installation of transformers, construction of generator room, water reticulation and provision of packing space.



*Picture 11: On-going construction of Federal Secretariat Complex, Yenegoa*

***Socio-economic Impact:***

The project has boosted economic activities for petty traders and food vendors in the host community. On completion, it is expected to provide offices for Federal civil servants in the state.

**4.2 MINISTRY OF TRANSPORTATION**

The mandate of the ministry is to ensure a safe, efficient and effective growth and development of the transport sector. To achieve this, Government allocated a total of N251.42 billion in the 2018 budget. Out of this amount, N139.28 billion was released and cash backed while N128.91 billion was utilised for the implementation of its capital projects and programme. The following projects were monitored:

**4.2.1. TRANSPORT SECTOR**

**4.2.1.1 MARITIME ACADEMY OF NIGERIA (MAN), ORON**

The Academy was established in 1979 to educate and train shipboard officers, ratings, shore-based management personnel and other sea farers to become maritime professional cadets. The sum of N1.35 billion was appropriated in the 2018 budget for the implementation of its capital projects/programmes. Out of this amount, N899.89 million was released, cash backed and utilized as at the end of fiscal year. The following projects were monitored:

### **a. Completion of Abandoned Male Cadets Hostel at MAN**

The project involves the completion of the abandoned male hostel for cadets' trainees of the academy including: provision of common rooms, canteen, electrical control room and a reception, etc. The contract was awarded to Messrs Dipengee Global Resources Ltd. in March 2019 at a cost of N197.33 million and was scheduled to be completed in ninety (90) days. In the 2018 Budget, the sum of N197.33 million was appropriated to the project while N55.36 million was released and utilized to achieve 38% level of completion.

#### ***Findings:***

At the time of visit, the super structure had been completed and roofed. Works in progress includes: plastering, fixing of doors & windows, tiling, ceiling and electrical fittings, amongst others.



*Picture 12: Completion Works of Male Cadet's Hostel at MAN, Oron*

#### ***Socio-economic Impact:***

The projects had generated employment opportunities for over fifty (50) skilled and unskilled workforce thereby reducing restiveness among the youths. On completion, it will improve the accommodation needs for cadets' trainees at the Academy and as well, increase the number of enrolment for the Maritime programmes.

### **b. Completion and Furnishing of 300 Seats Library/Resource Centre**

The project was conceived to improve the quality of learning, research and development for students and maritime professionals. The contract was awarded to Messrs Inisthom Ventures Nigeria Limited in December 2009 at a cost of N379.45 million with an expected completion date of December

2018. In the 2018 budget, the sum of N43.58 million was appropriated, released and utilised. A total of N361.20 million had so far been committed to the project since inception to achieve 95% level of completion.

***Findings:***

At the time of monitoring, the building had been completed, furnished and commissioned. However, there is 5% outstanding of the total sum for payment on the project.



*Picture 13: Completed Library/Resource Centre at the Maritime Academy, Oron*

***Socio-economic Impact:***

The project has added to aesthetics feature of the Academy. It has also improved the quality of learning, research and development for students and maritime professionals.

**4.2.2 AVIATION SECTOR**

***a). The Construction Of The New Akanu Ibiam International Airport, Enugu Terminal Building.***

The project involves the construction of a new terminal building at Akanu Ibiam International Airport Enugu. The scope of work includes: Provision of

cargo terminal, foundation and structural works for the terminal building, steel structures, external walls, escalators and lifts. Others include: check-in counter, arrival and departure lounge, airport seats, granite tiling, sewage plant, water reticulation, security equipment and conveniences.

The contract was awarded to Messrs CCECC Nigeria Limited in March 2013 at a cost of N14.0 billion with an initial completion date of November 2015. However, the completion date was extended to December 2020 due to paucity of funds. The sum of N2.0 billion was appropriated in the 2018 budget. Out of this amount, N1.53 billion was released and utilized as at the end of fourth quarter. A total of N9.0 billion had so far been committed to the project since inception to achieve 49.86% level of completion.

***Findings:***

At the time of monitoring, the sub-structure and superstructure of the terminal building had been completed. Works in progress include: wall screeding, partitioning, plumbing, mechanical & electrical installations, cabling system and renewable energy (solar power system). However, outstanding works include: construction of cargo terminal, tiling work, provision of balustrades & handrails, demountable partitions, taxi and ticketing kiosk/cubicles, wooden windows, suspended ceilings, Baggage and conveyers, granite & ceramic tiling and aluminum roller shutter doors.



*Picture 14: On-going Construction of the New Akanulbiam International Airport, Enugu Terminal Building*

***Socio-economic Impact:***

Although the project is yet to be completed, it has created employment opportunities for over 200 skilled and unskilled labour in the immediate community. On completion, the project will attract both domestic and international passengers and boost the economic activities within the Airport.

**b). NIGERIAN AIRSPACE MANAGEMENT AUTHORITY (NAMA), LAGOS**

In the 2018 budget, the sum of N4.25 billion was allocated to execute its capital projects and programmes. Out of this amount, N2.33 billion was released and cash backed and utilised to implement amongst others the following projects:

***i. Upgrade and Expansion of Aeronautical Information Services (AIS) Automation***

The project entails the provision and upgrade of the 54 Very Small Aperture Terminals (VSAT) Indoor Units (IDU 5000 to IDU 7000 in twenty-six (26) Airports and NEMA Headquarter in Abuja. The components include: upgrade of 54 Radio Frequency Terminal (RFT 40) to RFT 60 and upgrade of the associated UPS systems and antenna from low wind to high wind where required.

The Contract was awarded to Messrs MOCOM Communication in November 2018 at a cost of N2.27 billion and is expected to be completed in December 2020. In the 2018 budget, the sum of N167.15 million was appropriated, released and utilised to achieve 10% level of completion.

***Findings:***

At the time of monitoring, the Microwave units have been installed and in use in Lagos, Kano and Abuja Airports and installation of outdoor units (Antennas, RF cables and RFT) were completed, aligned with satellite and tested in Port-Harcourt, Abuja and NAMA Headquarters. In addition, the server for the Aeronautical Information Services (AIS) Database has been installed at NAMA Headquarters.

The team was informed that the 12 IDU 7000 for six (6) stations have been

shipped to Nigeria since December 2018 but are yet to be cleared from the Apapa Wharf due to rejection of waiver request from Federal Ministry of Finance. However, the supply of the VSAT system for nineteen (19) stations, 2nos Air Traffic Services Message Handling Systems (AMHS) for Lagos and Kano Airports, installations and commissioning were still outstanding.

***Socio-economic Impact:***

On completion, the project is expected to resolve the upper airspace communication challenges as it provides the communication backbone on which signals of remote VHF radios will ride to the two Area Control Centers in Lagos and Kano. It will also assist other airports users to easily connect their services to the VSAT network. On the whole, the project will provide a platform for the ICAO mandatory transition from Aeronautical Information Service (AIS) to Aeronautical Information management and from Aeronautical Fixed Telecommunication Network (AFTN) to Air Traffic Services Message Handling Systems (AMHS).

***ii). Extended Range (ER) VHF Coverage***

The project involves installation and commissioning of Sapphire Park Air model of Very High Frequency (VHF) radios in fourteen (14) sites namely: Kano, Lagos, Abuja, Port-Harcourt and ten (10) other airports. It also includes Factory Acceptance Test and training of twenty-eight (28) Engineers.

The contract was awarded to Messrs Deo-Makro Nigeria Limited in 2018 at a cost of N1.65 billion and is expected to be completed by December 2020. The sum of N538.93 million was appropriated and released in the 2018 budget while, N257.85 million was utilized to achieve 33% level of completion.

***Findings:***

At the time of monitoring, the equipment (Sapphire Park Air model of Very High Frequency (VHF) radios) had been procured and delivered to NAMA's store. Factory Acceptance Test and training of the twenty-eight (28) Engineers had also been conducted. However, the installation, integration and commissioning were yet to be carried out.



Picture 15: Procured Equipment for the Extended Range (ER) VHF Coverage Project at NAMA Headquarters, Lagos

**Socio-economic Impact:**

The project when completed is expected to provide modern Very High Frequency (VHF) radio to replace the existing analogue radio and will help to achieve the required radio coverage of the entire airspace. Consequently, the improved facility is expected to eliminate radio blind spots in the upper airspace for smooth operations and safety.

**iii. Maiduguri Airport**

The project involves the procurement and installation of Conveyor Belt, illumination of navigation aids as well as the production and installation of information desk to provide prompt safety and security. The projects were spread over three (3) budget codes under ERGP to engender prioritization and accountability.

The contract was awarded to Messrs Merry Aviation Communications Electronics & Industries Nig. Ltd. at a cost of N2.3 billion in December 2013 and is expected to be completed in December 2020. The sum of N439.5 million was appropriated to the projects in the 2018 Budget, out of which N76 million was released and utilized to bring the total commitment to N725.4 million to achieve 45% cumulative performance.

**Findings:**

At the time monitoring, works done include: installation of inverters, air-conditions, charge controllers, solar panels on Airfield lightening, edge light and approach light spots. The Conveyor Belt had been procured but was yet

to be installed. The Airport Manager informed the monitoring team that the appropriation covers several projects in various designated airports in the country.



*Picture 16: Procured Conveyor Belt and other Navigational Equipment at the Maiduguri Airport*

#### ***Socio-economic Impact:***

Although the project is yet to be completed, it has enhanced operational efficiency and empowered the local youths and businesses around the Airport. On completion, it will also facilitate the accreditation of the airport for international flights.

#### ***iv. Airside Rehabilitation of Nnamdi Azikwe International Airport, Abuja***

The project encompasses various components, some of which have since been completed and put to use. The coverage of the 2018 fiscal year includes completion of electricity infrastructure, construction of powerhouse, provision of cable ducts, underground cable laying and offices among others.

The contract was awarded to Messrs Julius Berger Nig. Ltd. in December 2012 at a cost ₦9.5 billion with a completion date of December 2016. The date was later reviewed to December 2021 because of poor funding. The sum of ₦200 million was appropriated, released and utilized in the 2018 budget thus bringing the total financial commitment to ₦9.1 billion since inception to achieve 85% level of completion.

**Findings:**

At the time of site visit, 2nos. 7.5 Mega Volt Amps (MVA) transformers with 33KV outdoor circuit breakers had been installed while, construction of a new powerhouse with an adjoining administrative building where the 2 sets of 33kv switch and 11kw switch gear will be contained had been completed. Work in progress include provision of underground cable route and installation of prefabricated cable ducts. However, the connection of 1no 7.5 MVA transformer linking the powerhouse to the Airport was outstanding.



*Picture 17: Newly Installed 7.5 Mega Volt Amps (MVA) Transformer and Powerhouse with an adjoining Administrative Building at NAIA Abuja*

**Socio-economic Impact:**

The installation of the 2nos 7.5 MVA transformers and outdoor switch breakers which replaced the old 5Kva transformers has stabilized the supply of electricity to the airport. The project has also provided employment for 180 skilled and unskilled workforce thereby enhancing their wellbeing.

**4.3 MINISTRY OF WATER RESOURCES**

The major thrust of this Ministry is to provide sustainable access to safe water and irrigable Agriculture. In order to ensure the attainment of national food security, Government allocated a total of N147.20 billion to the sector in the 2018 budget to execute its capital projects and programmes. Out of this amount, N75.46 billion was released and cash backed while, N71.51 billion was utilized to their capital projects and programmes. The following

Institutions/projects were monitored:

#### **4.3.1 BENIN-OWENNA RIVER BASIN DEVELOPMENT AUTHORITY**

The River Basin had an allocation of N5.05 billion in the 2018 budget to implement its capital projects and programmes out of which N3.08 billion was released and N2.66 billion utilized as at the end of the fiscal year. The following project amongst others was monitored:

##### **a. Construction of Idanre Regional Water Scheme**

The project entails the construction of a regional water scheme to Idanre community in Ondo state. It was originally conceived to harness water from the natural spring on Idanre hill which is about 198m high and has 660 steps. This could not be achieved because of the difficulty in moving the already supplied steel and PVC pipes materials to the top hill, hence, the project was re-scoped to provide 2nos. boreholes with a solar power inverter, 50,000 liters-capacity overhead tank, filtration system and 2km reticulation/fetching bays.

The Contract was awarded to Messrs Pacesetters Global Technology Ltd. in September 2013 at a cost of N169 million with an initial completion date of December 2015. However, following the change in the scope of project, the completion date was rescheduled to be in 2018. In the 2018 budget, the sum of N16 million was appropriated, released and utilized to the project thus bringing total financial commitment since inception to N155.59 million to achieve 93% cumulative performance.

##### ***Findings:***

At the time of monitoring, the construction of filtration system, control room (inverter coupled with solar power) and overhead tank had been completed. In addition, the various pipes for the pipeline of 10,000m has also been procured and awaiting electromechanical installations.



**Picture 18:** Completed Overhead Tank and Control Room at Idanre Water Supply Scheme

**Socio-economic Impact:**

The project has substantially been completed and the host community is currently benefitting from 10nos. fetching bays that had been provided for the people. On completion, potable water will be made available for Idanre community thereby reducing the incidence of water borne diseases currently being experienced.



**Picture 19:** Installed Water Tank and Water Treatment Plant at Shagari Dam Area, Sokoto

**Socio-economic Impact:**

The project had created employment opportunities to indigenes of the benefitting communities. On completion, it is expected to provide potable water supply to about 8,600 beneficiaries within Shagari and neighboring communities.

#### **4.3.2 CROSS RIVER BASIN DEVELOPMENT AUTHORITY (CRBDA)**

The Authority had an allocation of N12.54 billion in the 2018 budget to implement its capital projects/programmes. Out of this amount, N6.07 billion was released and cash backed while N5.80 billion was utilized as at the end of the fiscal year to execute amongst others the following projects:

**a. Regional Water Scheme at Nung Ikot Udo-Offiong, Oruk Anam LGA, AKS.**

The project involves the provision of regional water schemes comprising: construction of 2nos boreholes with elevated water tank and perimeter fence/taps for the communities at Nung Ikot, Udo-Offiong of Oruk Anam Local Government Area in Akwa Ibom State. Others are: rehabilitation of 3nos water schemes at Ijom, Biase local government and Odoro Ikot and Afaha Iman communities.

The contract was awarded to Messrs Chris James Jeri Limited at a cost of ~~N~~49.60 million in December 2018 and is expected to be completed within (3) months. The sum of ~~N~~64 million was appropriated in the 2018 Budget, out of which ~~N~~30.72 million was released and utilized. A total of N42.74 million had so far been committed to the project from inception to achieve 92% level of completion.

***Findings:***

At the time of inspection, the projects within these communities: Nung Ikot, Udo-Offiong, Oruk Anam LGA had been completed and in use. The team was informed that the project is currently undergoing one-year retention period.



**Picture 20:** One of the Completed Regional Water Schemes at Nung Ikot, Udo-Offiong, OrukAnam LGA, Akwa-Ibom State

**Socio-economic Impact:**

The completion of the project has provided easy access to potable drinking water thereby reducing the rate of water borne diseases, amongst other benefits.

**4.3.3 CHAD BASIN RBDA, MAIDUGURI**

The Authority was created in 1973 to execute projects aimed at tapping the surface and underground water resources and agricultural potentials of the Chad Basin area. It was allocated N2.60 billion in the 2018 budget to implement its capital projects/programmes. Out of this amount, N1.31 billion was released, cash-backed and utilized as at the end of the fiscal year. The following project amongst others was monitored:

**a. Erosion Control Work/Land Reclamation and Drainage Work in Borno, Yobe and North Part of Adamawa**

The project was conceived to protect and reclaim plots of land degraded by erosion as well as construct drainage to checkmate its growing menace in Maiduguri metropolitan river course which was affecting residential areas. The reclamation works also cuts across Yobe and the Northern part of Adamawa state.

The contract was awarded to Messrs Archimism Internal Ltd. at a cost of N902.0 million in November 2017 with completion date scheduled for November 2021. The sum of N72.0 million was appropriated in the 2018

budget, out of which N36.0 million was released and utilized to bring total commitment to N72.0 million since inception to achieve 20% level of completion.

***Findings:***

At the time of monitoring, works done in Maiduguri metropolis includes: reclamation of 30meters of concrete barrier, back filing and compaction of the land. The team gathered that, the design for the Bill of Engineering Measurement (BEME) for the three (3) projects located in the three states had been completed to augment the inadequate allocation.



*Picture 21: Portion of the Reclaimed Land in the Erosion Prone Area in Maduguri Metropolis*

***Socio-economic Impact:***

Although, the project is yet to be completed, it had empowered the local youths of the area and the reclaimed critical portion of the land devastated by erosion is currently in use by the beneficiaries. On completion, it will further checkmate erosion menace and render the land valuable for usage.

***4.4 MINISTRY OF HEALTH***

The Ministry is saddled with the responsibility of improving infrastructure in health-related tertiary institutions, provide access to quality medical facilities and reduce the incidence of maternal and child mortality rate amongst

others. In order to achieve this, the Ministry was allocated a total of N86.49 billion. Out of this amount, N63.48 billion was released and cash backed while, N52.99 billion was utilized for the implementation of its capital projects/programmes in the 2018 fiscal year.

#### **4.4.1 FEDERAL MEDICAL CENTRE (FMC), UMUAHIA**

The hospital was allocated the sum of N1.48 billion in the 2018 budget. Out of this amount, N838.59 million was released and cash backed while, N838.51 billion was utilized to implementation its capital project/programmes. The following projects were monitored:

##### ***a. Procurement of Medical Equipment***

The project involves the procurement of medical equipment for various departments. These include: Arthroscopy, Endoscopy Colonoscopy, Bronchoscopy, and Ophthalmic Machines. The contract was awarded to Messrs Terminal Link Ventures and two (2) others in November 2018 at a total cost of N250 million with an expected completion date of December 2018. The sum of N250 million was appropriated in the 2018 budget. Out of this amount, N149.89 million was released and utilized to achieve 75% level of completion.

##### ***Findings:***

At the time of visit, Endoscopy, Arthroscopy, Colonoscopy and Ophthalmic machines had been procured with HDTV optional accessories while the procurement of Bronchoscopy machine was still outstanding.



**Picture 22:** Procured Endoscopy and Colonoscopy Machines at the FMC, Umuahia

**Socio-economic Impact:**

The Supply of the equipment has improved the quality of healthcare delivery in the Centre especially for patients with cardiac challenges.

**b. Procurement of Medical Equipment for the Intensive Care Unit (ICU):**

The project involves the procurement of a Ventilator/Monitor (Siaaretron Cardiac Echo, 500 KVA soundproof generator, patients monitor, 20nos ICU beds, infusion pump, & suction machine.

The contract was awarded to Messrs Danarc Nig. Ltd. and two (2) others in November 2018 at a total cost of N250 million with an expected completion date of December 2018. The sum of N250 million was appropriated in the 2018 budget. Out of this amount, N197.24 million was released and utilized to achieve 80% cumulative performance.

**Findings:**

At the time of visit, the Ventilator/monitor, ECG machine and 500 KVA Generating set had been procured, installed and put to use while the procurement of high-end ICU beds, patient monitor infusion pump and suction machines were still outstanding.



**Picture 23: Procured ECG Machine and Operational Ventilator Installed at FMC Umuahia**

***Socio-economic Impact:***

The project has increased the quality of healthcare service delivery and the number of patients attended to by the Hospital.

**4.4.2 FEDERAL MEDICAL CENTRE, EBUTE-METTA, LAGOS STATE**

The Centre was allocated the sum of N453.50 million in the 2018 budget to implement its capital projects /programmes. Out of this amount, N219.08 million was released and cash backed while, N217.70 million was utilized as at end of the fiscal year. The following project amongst others was monitored:

**a. Construction/provision of Hospital/Health Centres**

The project entails complete rehabilitation of dilapidated male medical and female surgical walls and the lift shaft block. It includes the supply and replacement of furniture items such as beds, air conditions, curtain rails, painting, mechanical and electrical fittings.

It was awarded to Messrs. Trident Oil and Gas Limited and two (2) others in December 2018 at a total cost of N70 million and is scheduled to be completed in February 2019. The sum N70 million was appropriated in 2018 budget, out of which N57.61 million was released and utilized to achieve 83% level of completion.

***Findings:***

At the time of monitoring, rehabilitation works for both male and female wards were completed. In addition, all the furniture items had been supplied and installed. However, the rehabilitation of lift shaft was in progress. The team observed a highly qualitative and commendable job.



**Picture 24:** Part of the 24-Beds Space provided at Female Surgical Ward, FMC Eubte-Metta

***Socio-economic Impact:***

The project has provided modest accommodation for patients and affordable quality health care services for the large population of patients of Ebute-Metta community and its environs. In addition, the state-of-the-art facilities have beautified the hospital.

**4.4.3 ABUBAKAR TAFAWA BALEWA UNIVERSITY TEACHING HOSPITAL, BAUCHI**

The hospital which was inherited from the State Government was redesigned by the FGN to render tertiary healthcare and clinical services, medical training and research. To achieve this objective, it was allocated a total N722.05 million in the 2018 budget. Out of this amount, N568.54 million was released, cash-backed and N468.35 million utilised to execute amongst others the following projects:

**a. Expansion of Psychiatric/Nutritional Rehabilitation Centre**

The project entails the expansion of psychiatric building to contain the increasing number of victims from North East crisis who are suffering from post-traumatic attacks. It involves the construction of Nutritional rehabilitation Centre comprising: wards for patients, laboratory, consulting and conference rooms and a reception hall. Others are: a store, a kitchen, a cold room and conveniences.

The contract was awarded to Messrs Edil Nigeria Ltd. at a cost of N200 million in November 2017 and scheduled to be completed in June 2019. The

sum of N86.5 million was appropriated in the 2018 budget out of which N58.6 million was released and utilized. A total of N171.6 million had so far been committed to the project to achieve a cumulative performance of 75%.

***Findings:***

At the time of monitoring, the foundation works had been completed while block works had been achieved up to head course level. Outstanding works include: roofing, finishing and external works.

***Socio-economic Impact:***

The project had created employment for the youths and empowered the local businesses around the project site. When completed, the project is expected to provide a conducive accommodation as well as facilitate the effective management and rehabilitation of psychiatric victims in the North East region.

**4.4.4 UNIVERSITY OF ABUJA TEACHING HOSPITAL, GWAGWALADA**

The hospital had an appropriation of N400.83 million in the 2018 budget to implement its capital projects/programmes. The sum of N267.35 million was released, cash backed and N233.26 million utilized as at the end of the fiscal year. The following project amongst others was monitored:

***a. Expansion of Emergency Casualty Unit***

The project involves the construction and expansion of a new Emergency Casualty Unit in the hospital. The components of works include: pharmacy unit, Triage, Medical records section, 2nos. nursing stations, mini-theatre, 32nos male and female bed spaces, a payment counter and 16nos. offices. It was awarded to Messrs Unitrust Nig. Ltd. in August 2018 at a cost of ₦217 million and was scheduled to be completed by December 2018. The sum of ₦120 million was appropriated, released and utilized to achieve 85% level of completion.

***Findings:***

At the time of Monitoring, the superstructure had been completed, roofed

and plastered. Painting, mechanical and electrical fittings amongst others were ongoing at various stages of completion.



**Picture 25:** Ongoing Expansion of Emergency Casualty Unit at University of Abuja Teaching Hospital, Gwagwalada

**Socio-economic Impact:**

The project had created job opportunities to over 40 skilled and unskilled labour of the neighboring localities. On completion, it will provide more space for the management of emergency cases at the hospital.

#### **4.4.5 JOS UNIVERSITY TEACHING HOSPITAL**

The hospital had an allocation of N361.25 million in the 2018 budget for the implementation of its capital projects/programmes. Out of this amount, N140.82 million was released and cash backed while, N83.14 million was utilized as at the end of the fourth quarter of the year. The following project amongst others was monitored:

**a. Construction of Additional Amenity Ward**

The project involves construction of a storey building comprising: consulting rooms, Amenity ward for VIPs, treatment rooms, laboratories and pharmacy. Others include: nurses' stations, waiting areas, stores, call rooms, lounge, kitchen, board room, theatres, laboratories and changing rooms.

The contract was awarded to Messrs Andex Press & Allied Services Limited in November 2017 at a cost of N400 million with a planned completion date

of December 2019. The sum of N150 million was appropriated in the 2018 budget, out of which N141.18 million was released and utilized as at the end of the fiscal year. A total of N207.00 million has so far been committed to the project since inception to achieved 44% level of completion.

***Findings:***

At the time of monitoring, the superstructure had been completed. Works in progress include: partitioning of the first floor and formwork for roofing; Wiring, plumbing, plastering, floor finishing, ceiling, fixing of doors & windows, fittings and painting were still outstanding.

***Socio-economic Impact:***

Though the project is still ongoing, it has provided job opportunities for over seven (7) skilled and fifty (50) other classes of workers who are currently involved in the construction work. When completed, it is expected to provide among others, additional wards for VIP patients.



***Picture 26: On-going Expansion of Amenity ward at JUTH***

#### **4.4.6 UNIVERSITY OF PORTHARCOURT TEACHING HOSPITAL**

The hospital had an allocation of N2.03 billion in the 2018 Budget for the implementation of its capital projects/programmes. Out of this amount, N1.36 billion was released and utilized as at the end of the 2018 fiscal year to execute amongst others the following project:

**a. Renovation of Block A (Lot 2) at UPTH**

The project involves the renovation works comprising: the main wards, private wards, common room, consultant office, nursing rooms and conveniences, amongst others. The contract was awarded to Messrs Angry Engineering Machines & Logistics International Ltd. in January 2018 at a cost of N115.20 million with completion date scheduled for June 2019. In the 2018 budget, the sum of N100.20 million was appropriated, out of which N62.28 million was released and utilized to achieve 54% level of completion.

***Findings:***

At the time of monitoring, repairs of leakages of the roof and painting had been completed. However, works such as plumbing, tiling, mechanical and electrical works, among others were ongoing at different stages of completion.



**Picture 27:** Ongoing Renovation of Block A (Lot 2) at UPTH

***Socio-economic Impact:***

The project had created employment opportunities for fifty (50) skilled and unskilled work force. On completion, the project would create a conducive working environment for both staff and patients in the hospital.

## **4.5 AGRICULTURE SECTOR**

The Ministry of Agriculture is saddled with the responsibility of reducing the country's dependence on food imports, creating jobs through empowerment

of farmers and provision of export opportunities for agricultural products with the aim of diversifying the country's revenue sources. To achieve this, the sector was allocated a total of N149.20 billion in the 2018 budget. Out of this amount, N145.12 billion was released and cash backed while, N135.15 billion was utilized as at the end of the fiscal year to implement its capital projects and programmes. The following projects were monitored:

#### **4.5.1 FEDERAL COLLEGE OF AGRICULTURE, ISHIAGU**

The institution was allocated a total of N1.69 billion in the 2018 Budget for the implementation of its capital projects/programmes. Out of this amount N1.93 billion was released while N1.86 billion was utilized to execute the following projects:

##### **a. Completion, Furnishing and Landscaping of 300 Bed Capacity for Male and Female Hostel**

This project involves the procurement of the 300 beddings for male and female hostel, landscaping of the hostel perimeter and general renovation for both mechanical and electrical works. The contract was awarded to Messrs El-Pedro Ventures Ltd in August 2018 at a cost of N40.0 million with an expected completion date of December 2018. The sum of N40.0 million was appropriated in the 2018 budget, out of which same amount was released and utilized to complete the project.

##### ***Findings:***

At the time of monitoring, renovation and furnishing of the male and female hostel had been completed and in use. However, the landscaping component of the project would be executed in the next phase.



**Picture 28:** Completed 300 Bed Capacity for Male and Female Hostel at Federal College of Agriculture, Ishiagu

***Socio-economic Impact:***

On completion, it will solve the perennial problem of accommodation faced by the college and provide a conducive working environment of learning to students of the institution.

**4.5.2 FEDERAL COLLEGE OF HORTICULTURE, DADIN KOWA**

The College had an allocation of N3.21 billion in the 2018 budget for implementation of its capital projects. Out of this amount, N2.88 billion was released, cash backed and N2.87 billion utilized as at the end of fiscal year. The following projects amongst others were monitored:

***a. Construction of Office Complex, Classes and Laboratory***

The project involves construction of office complex, classes and laboratory. It was awarded to Messrs Khaleeb Services Limited at a cost of N91.42 million in December 2018 and is expected to be completed in December 2019. The sum of N101.15 million was appropriated in the 2018 budget, out of which N91.48 million was released and utilised to achieve 85% level of completion.

***Findings:***

At the time of monitoring, all the super structures had been constructed while painting, electrical fittings, fixing of doors and landscaping were in progress at different level of completion



**Picture 29:** Construction of Office Complex, Classes and Laboratory at the College

***Socio-economic Impact:***

The availability of these structures will enhance efficiency and provide good working and learning environment for research works. In addition, it will increase students' enrolment as well as revenue generation for the college.

**4.5.3 INSTITUTE OF OCEANOGRAPHY AND MARINE RESEARCH, LAGOS**

The Institute was established in November 1975 with the mandate of Genetic improvement of marine and brackish water living resources in Nigeria. It also conducts amongst others, studies of the abundance, distribution and biology of aquatic resources in Nigerian marine waters. To achieve this objective, a total of N1.96 billion was allocated to the institute in the 2018 budget to implement its capital projects and programmes. Out of this amount, N1.85 billion was released while N1.74 billion was utilized as at end of the fiscal year to execute amongst others the following project:

**a. Procurement of Scientific Equipment**

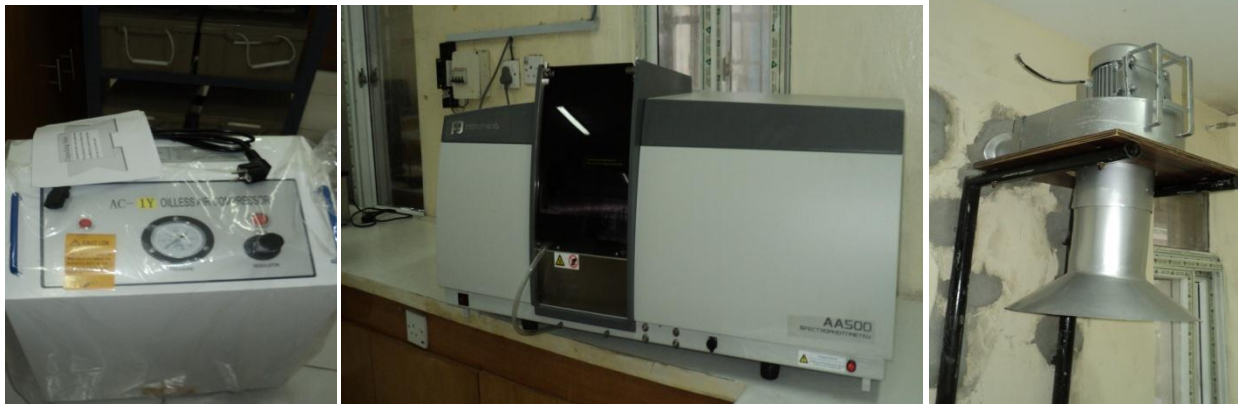
The project involves the procurement of chemical equipment and accessories for laboratories to enhance research activities in the Institute. Some of the equipment include: Nano drop spectrophometer, Fume cupboard, Multi-per meter water checker, River ray-ADCP, AA 500 flame Atomic Absorption spectrophometer with integral PC system, etc.

The Contract was awarded to Messrs. Equilab Business Solutions Ltd. and

Messrs Skystream Global Concept Ltd. in October 2018 and March 2019 respectively at a total cost of N82.18 million and is expected to be completed within three (3) months. The sum of N82.18 million was appropriated, released and utilized in the 2018 budget to achieve 100% level of completion.

***Findings:***

At the time of monitoring, all the equipment and accessories had been procured, delivered and being put to use.



***Picture 30: Atomic Absorption Spectrophotometer and Accessories procured at the Institute***

***Socio-economic Impact:***

Prior to the award of the contract, the existing equipment were malfunctioning due to excessive use hence affecting the smooth conduct of research activities. However, the newly procured equipment had enhanced effective conduct of multiple samples of research analysis. In addition, it has also increased the internally generated revenue of the Institute.

**4.5.4 LAKE CHAD RESEARCH INSTITUTE, MAIDUGURI**

The mandate of the Institute is to conduct research into the production of high yielding, heat tolerant and early maturing wheat, barley & millets seeds and the transfer of its research findings to farmers. To achieve this objective, a total of N726.36 million was allocated to the institute in the 2018 budget to implement its capital projects/programmes. Out of this amount, N677.99 million was released and cash-backed while N405.45 million was utilised to

execute amongst others the following project:

**a. Development of High Yielding Wheat, Barley & Millet Varieties**

The project involves the development of high yielding heat tolerant and good quality wheat and barley varieties. It also includes the creation of early maturing and high yielding millet species with effective processing qualities as well as the strengthening the capacity of the farmers to utilize the improved seedlings.

It was designed to be executed in-house by the Institute's team of researchers at a cost of N226 million in December 2018 with completion date of December 2020. The sum of N226 million was appropriated in the 2018 Budget, out of which N150 million was released, while N120.5 million was utilized to achieve 80% cumulative performance.

***Finding:***

At the time of monitoring, the team was informed that ten (10) seed genotypes (wheat, barley and millet, etc) were successful at the preliminary yield trial stage in Bauchi, Jigawa, Kaduna, Katsina and Sokoto, while 40 pearl millet hybrids had been crossed and evaluated.

***Socio-economic Impact:***

Although, the programme is yet to be completed, it had empowered the Institute's scientists to acquire hands-on experience in research protocol. When completed, the programme will improve the yield of wheat and barley currently obtained by farmers in the area.

**4.5.5 INSTITUTE OF AGRICULTURAL RESEARCH (IAR), ZARIA**

The Research Institute had an allocation of N592.95 million in the 2018 Budget to execute its capital projects and programmes. Out of this amount, N560.02 million was released and cash backed while, N547.69 million was utilized for the implementation of its capital projects/programmes as at the end of the fiscal year. The following project amongst others was monitored;

**a. Completion and Equipping of the Conference Hall**

The project is located within the premises of IAR at Samaru, Zaria. It involves the construction of a building with twin conference halls of 1200 capacity each equipped with basement facilities. The basement comprises of Six (6) toilets, Ten (10) bathrooms for both male and female, a kitchen and store. Other components include: VIP suits, changing room and two (2) offices amongst others.

The contract was awarded in December 2012 to Messrs Danbale Nigeria Limited at a cost of N200 million in January 2009 with a completion date of December 2011. However, the completion date was revised to December 2018 due to funding constraints. In the 2018 budget, the sum of N63.65 billion was appropriated, released and utilized as the end of the fiscal year. A total of N200 million has been committed to the project since inception to achieve 100% cumulative performance.

***Findings:***

At the time of the monitoring, the conference hall had been completed.



**Picture 31:** *External and Internal view one of the two Conference Halls at IAR, Zaria*

***Socio-economic Impact:***

The project had generated employment for more than five hundred (500) classes of workers within the host community. When commissioned, the

conference hall will serve as a venue for research, training, workshops, and other agricultural programmes for both the institute and other research organisations within and outside Zaria.

#### **4.5.6 NATIONAL CEREAL RESEARCH INSTITUTE, BADEGGI, NIGER STATE**

The institute had an allocation of ₦1.38 billion in the 2018 budget for the implementation of its capital projects/ programmes. Out of this amount, ₦1.31 billion was released and utilised to execute amongst others the following project:

##### ***a. Construction of a New Conference and Library Hall***

The project which is located within the premises of the Institute involves the construction of a 450-seater capacity conference hall and a library. The contract was awarded to Messrs Menarco Nig. Ltd. in November 2018 at a cost of ₦120 million with an expected completion date of December 2019. In the 2018 budget, the sum of ₦50 million was appropriated to the project while ₦47 million was utilised to achieve 40% level of completion.

##### ***Findings:***

At the time of monitoring, works in progress include: excavation, clearing of site, setting out foundation, trenches, column bases as well as column blinding. Materials for the completion of the sub-structure had also been supplied.



**Picture 32:** *Ongoing Construction of a New Conference and Library Hall at National Cereal Research Institute, Badeggi, Niger State*

***Socio-economic Impact:***

The project had created job opportunities for over 40 skilled and unskilled workers. When completed, the institute will have a standard hall for conferences.

**4.5.7 FEDERAL UNIVERSITY OF AGRICULTURE MAKURDI**

The institution had an allocation of N1.20 billion in the 2018 budget for the execution of its capital projects/programmes. Out of this amount, N897.79 million was released and cash backed while, N584.69 million was utilized as at the end of the fiscal year to execute amongst others the following project:

**a. Construction of Senate Building**

The project entails the provision of modern administrative block and senate Chamber for the university's top management staff. The contract was to be awarded in two phases; (i) construction of senate chamber and (ii) construction of an administrative block.

The contract for building of the senate chamber with gallery and toilets was awarded in November 2018 to Messrs Ijiptul Nigeria Limited and two others at a cost of N1.35 billion with an expected completion date of July 2019. In 2018 budget, the sum of N263.73 million was appropriated, released and utilised to achieve 50% level of completion.

***Findings:***

At the time of monitoring, the substructure, columns, beams, reinforcement, casting and construction of part of the super structure were in progress. Outstanding works include: roofing, ceiling, electrical, tiling, doors, windows, painting, plumbing and fittings.

***Socio- economic Impact:***

Though the project is still ongoing, it has provided employment opportunities for about twenty (20) skilled and forty-five (45) other classes of workers who are currently involved in the construction work. When completed, it is expected to provide a modern befitting senate chamber with gallery for the

university's senate.



**Picture 33:** Ongoing Construction of Senate Chamber at the FUA, Makurdi

## 4.6 DEFENCE SECTOR

The mandate of this Ministry is to provide administrative and support services, timely and effectively to enable the Armed Forces of the Federal Republic of Nigeria to maintain the territorial integrity of the country. In order to prepare the Nigeria Armed Forces for combat readiness on Land, Sea and Air, Government allocated a total of N157.72 billion in the 2018 Budget to implement its Capital projects/programmes. Out of this amount, N132.77 billion was released and cash backed while, N126.17 billion was utilised as at the end of the fourth quarter of the year. The following projects were monitored:

### 4.6.1 NATIONAL DEFENCE COLLEGE (NDC), ABUJA

The College had an appropriation of N8.49 billion in the 2018 budget to implement its capital projects/programmes. Out of this amount, N5.62 billion was released and utilized to execute amongst others the following projects.

#### **a. Construction of Directing Staff (DS) Quarters**

The project involves the construction of residential apartments for Directing Staff at Piwoyi. Components of the works includes: construction of 7-Storey building, 56nos, 3-bedroom flats and another supporting ancillary.

The contract was awarded to Messrs Stabilini Visinoni Limited in July 2017

at a cost of N6.18 billion with a completion date of December 2020. In the 2018 budget, the sum of N1.78 billion was appropriated, out of which N1.56 billion was released and utilized. A total of N2.64 billion had been committed to the project since inception to achieve 75% level of completion.

***Findings:***

At the time of monitoring, the substructure, superstructure and electrical piping had been completed; while, the construction of roof members and plastering works were in progress.



***Picture 34: On-going Construction of DS Quarters at Piwoyi (NDC Permanent Site)***

***Socio-economic Impact:***

On completion, the project will provide good accommodation and conducive living environment for the staff of National Defence College.

***b. Construction of Administrative Block***

The project involves the construction of Administrative Block in Piwoyi (NDC Permanent Site). It consists of 10-Storey building with a 303nos. offices, 2nos. Auditorium (300 capacity each), 9nos. Conference rooms, 7nos. Seminar and 23nos. Syndicate rooms. Others includes: 25nos. stores, 198nos. conveniences, 3nos. vaults, basement, 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 N11.89 billion with a completion date of December

2025. The sum of N3.01 billion was appropriated to the project in the 2018 budget, out of which N2.16 billion was released and utilized. A total of N3.46 billion had been committed to the project since inception to achieve 29.09% level of completion.

***Findings:***

At the time of monitoring, construction of foundations for the substructure and basement, retaining walls, re-enforcements and concrete works were in progress and at various levels of completion.



***Picture 35: On-going Construction of Administrative Block at National Defence College Piwoyi-Abuja***

***Socio-economic Impact:***

When completed, it is expected to solve the problem of office accommodation and create a conducive working and learning environment for the staff and participants of the College.

**4.6.2 NIGERIAN ARMED FORCES RESETTLEMENT CENTRE, OSHODI  
– LAGOS**

The Centre was established in 1972 with the mandate of resettling able-bodied combatants and those with low disability so that they can enjoy a productive post service life. To achieve this objective, Government allocated a total of N2.29 billion in the 2018 budget to implement its capital projects and programmes. Out of this amount, N1.27 billion was released and utilized to execute amongst others the following project:

**a. Renovation/Procurement/Refurbishing of Industrial Machines and Equipment in the Workshops through Direct Labour**

The project entails renovation of buildings and the procurement of equipment for the workshops at the Centre. Some of this equipment are: water imprint machines, drying, weaving, industrial wood cutting and sewing machines, electric spraying oven (1,800 capacities). Others are: CNC Wood Router, CNC Wood carving machine, Spindlier molder machine, Automation, Mold, Core and sand, melting and Heat treatment machines, etc.

The contract was executed by NAFRC Direct Labour Execution Committee (DLEC) at a cost of N201.16 million. Work commenced in October 2018 and was expected to be completed by February 2019. The sum of N201.16 million was appropriated in the 2018 budget, out of which N70.40 million was released and utilized to achieve 35% level of completion.

***Findings:***

At the time of monitoring, renovation of Woodwork, Foundry, Electrical and Auto mechanical workshops had been completed. In addition, the following equipment were procured and put to use: 5nos. big water imprint machines, 4nos. drying machines, 50nos. sewing machines, 10nos weaving machines, 2nos electric bread oven and Industrial wood cutting and planner machines. Others include: one each of CNC Wood Router, CNC Wood carving machine, Automation, Mold, Core and sand, Melting and Heat treatment machines, etc.

***Socio-economic Impact:***

The project though not yet completed, has provided standard workshops for proper hands-on training so as to enable participants acquire the required skills during training sessions. On completion, better and modern specialized equipment would be readily available at the Centre to facilitate effective training and skills acquisition by retiring Armed Forces personnel for self-employment as they join the civilian society on retirement.

#### **4.6.3 NIGERIAN NAVY (NN)**

The Nigeria Navy is tasked with the responsibility of assisting in enforcement of Customs laws, conducting hydrographic surveys, and training of officers and men in naval duties. The sum of ₦27.45 billion was allocated in the 2018 budget to implement its capital projects and programmes. Out of this amount, ₦23.78 billion was released, cash backed and utilized as at the end of the fiscal year. The following projects were amongst others monitored:

##### ***i) Procurement of 20 X Reinforced Hull Inflatable Boats (RHIBS)***

The project involves the procurement of Balance of Reinforced Hull Inflatable 9-inches Boats (RHIBS) used for training officers and men on naval duties. The boat has two tanks, GPS, a hand radar which aids navigation, VHA radio for communication and fast operation and a draft that shows the boats balance on the sea.

The contract was awarded to Messrs Nautic Africa/Paramount Group, South Africa in January 2016 at a cost of N1.17 billion with an expected completion date of December 2018. The sum of N630 million was appropriated in the 2018 budget out of which N271.39 million was released and utilized to achieve 60% level of completion.

##### ***Findings:***

At the time of monitoring, six (6) boats (10-seater capacity) had been procured and on ground at the Maritime Security Training Centre. However, arrangement is being concluded for the procurement of eight (8) more boats.



**Picture 36:** Procured Reinforced Hull Inflatable Boats (RHIBS) at Joint Maritime Training Centre, Lagos

**Socio-economic Impact:**

The project had enhanced training of about one hundred and thirty (130) personnel of the NN thus saving the country a lot of foreign exchange. In addition, the technological transfer has impacted positively on the personnel of the services thereby contributing greatly to nation building.

**ii). Balance of Fund for Procurement of 3x24m Ocean Boats (Hydrography Survey Ship NNS NGURU)**

This project involves the procurement of a 3nos. Ocean Boats (Hydrography Survey Ships) for interdiction, surveys, patrols of territorial waters on illegal vessels at sea. The contract was awarded to Messrs Ocean SAS France at a cost of N8.69 billion in January 2016 and was expected to be completed by December 2019. The sum of N1.20 billion was appropriated in the 2018 budget, out of which same amount was released and utilized as at the end of the fiscal year. A total of N8.69 billion had been committed to the project to achieve 90% level of completion.

**Findings:**

At the time of monitoring, 2nos. boats (NNS NGURU and NNS OSE) had been procured, delivered and commissioned while Hull formed, machinery and equipment installation were in progress. However, the delivery of the third boat is expected in September 2019.



**Picture 37:** Procured Hydrographic Survey ship at NNS Boat Service Camp, Lagos

**Socio-economic Impact:**

The project though yet to be fully completed has enhanced naval operations

on patrols of vessels thereby reducing the incidences of maritime crime such as smuggling, kidnapping, oil bunkering and militancy in the country's water ways.

#### **4.6.4 NIGERIAN ARMY UNIVERSITY, BIU**

The University was established in 2019 as a conventional higher institution to develop manpower and engage in military-orientated research as well as the provision of standard academic infrastructure and equipment. It inherited the site and facilities of the Nigeria Army Institute of Technology and Environment Studies which relocated to Makurdi. To achieve its mandate, a total of N300 million was allocated in the 2018 for the implementation of its capital projects/programmes. Out of this amount, N185.10 million was released and cash backed while N185.03 million was utilized to execute amongst others, the following project:

##### ***a. Construction of Faculty of Environmental Sciences Building***

The project entails the construction of office block, renovation of staff quarters, procurement of ICT facilities for the offices and residential accommodation and equipping of the faculty e-library. The contract was awarded at a total cost of N300 million to Messrs Loko Resources Ltd. & three (3) others. Work commenced in December 2018 with completion date of March 2019. The sum of N300 million was appropriated in the 2018 budget, out of which N165 million was released and utilised to achieve 60% completion.

##### ***Findings:***

At the time of monitoring, the ICT instructional materials, 50 laptops and other computer consumables were on ground. The construction of office block, renovation of staff quarters were however in progress at various levels of completion.



**Picture 38:** The ICT Instructional Materials and On-going Construction of Faculty Building and at Nigerian Army University, Biu in Borno State

**Socio-economic Impact:**

The e-library project has facilitated research work and increase productivity for both the staff and students of the university. In addition, the construction project has provided employment opportunities for over forty (40) skilled and unskilled labour of the neighbouring communities.

**4.6.5 NIGERIA AIRFORCE (NAF), ABUJA**

The Nigeria Air Force is charged with the responsibility of providing air defense to the nation and ensuring the integrity of the airspace by gaining and maintaining control of the nation's airspace. To achieve this objective, a total of N44.65 billion was allocated to this Arm of the military to implement its capital projects/programmes. Out of this amount, N27.83 billion was released, cash backed and utilised in the 2018 fiscal year. The following projects were monitored:

**a. Periodic Deport Maintenance of C-130H Aircraft (NAF/913)**

The project entails the periodic maintenance of C-130H Aircraft (NAF/913) at NAF deport for sustenance of NAF airlift and logistic capabilities. The contract was awarded to Messrs Shaheen Foundation in September 2018 at a cost of N2.02billion with a completion date of May 2019. In the 2018 budget, the sum of N2.02billion was appropriated, released and utilised to achieve 100% level of completion.

**Findings:**

At the time of monitoring, the contractor was at the site and first milestone of periodic depot maintenance of aircraft had been concluded while the second milestone was in progress.



**Picture 39:** Ongoing Periodic Depot Maintenance of C-130H Aircraft (NAF/913)

**Socio-economic Impact:**

On completion, the project is expected to reposition the NAF for effective, efficient and timely deployment of air power in response to Nigeria's national security challenges.

**4.6.6 NIGERIAN DEFENCE ACADEMY, KADUNA (NDA)**

The Nigeria Defence Academy had an allocation of N8.96 billion in the 2018 budget. Out of this amount, N4.69 billion was released, cash backed and utilized for the implementation of its capital projects/programmes as at the end of fourth quarter of the fiscal year. The following projects were monitored:

**a. Construction of Corporal Accommodation at NDA Permanent Site (Phase I)**

The project is located within the premises of the NDA in Kaduna State. It entails the construction and furnishing of 8 units of 2-bedrooms flats each for accommodation of corporals. The contract was awarded in April, 2019 to Messrs Artra Ventures at a cost of N198.09 million with an expected completion date of August 2019. In the 2018 budget, the sum of N200 million

was allocated while N138.66 million was released and utilized to achieve 50% level of completion.

**Findings:**

At the time of monitoring, foundation and block works up to the roofing level for all the units and Plastering works in 2 of the 8 blocks had been completed. Preparatory works for roofing and construction of suck away and lateritic sand filling were on-going in most of the units. However, outstanding works include: roofing, ceiling, plastering, electrical piping, wiring, mechanical and other external works.



**Picture 40:** Ongoing Construction of Residential Quarters for Corporals at NDA, Kaduna

**Socio-economic Impact:**

Though the project is yet to be completed, it has created job opportunities for over 60 indigenous architects, artisans and labourers. On completion, it will reduce the shortage of accommodation currently faced by corporal officers in the Nigerian Defense Academy.

**4.7 EDUCATION SECTOR**

The Ministry is responsible for human capital development, creating access to quality education and increase in the enrolment rate in the country's educational institutions. To achieve these objectives, the sector was allocated a total of N89.09 billion. Out of this amount, N63.02 billion was

release while N46.52 billion was utilized for the implementation of its capital projects/programmes as at the end of the 2018 fiscal year. The following institutions were monitored:

#### **4.7.1 FEDERAL UNIVERSITY, NDUFU-ALIKE, ABAKALIKI**

The institution was allocated a total of N1.60 billion in the 2018 budget for the implementation of its capital projects/programmes. Out of this amount, N907.31 million was released, cash-backed and utilized for the execution of amongst others the following project;

##### **a. Construction of College of Medicine Academic Block**

The project involves the construction of a storey building comprising of 5nos offices, 6nos lecture halls, a conference room and 15nos conveniences. The contract was awarded to Messrs Sagepac Limited & Ultimate Cost Consult in September 2018 at a cost of N150.19 million with a completion date of May 2019. In the 2018 Budget, the sum of N150.19 million was appropriated, released and utilized to achieve 100% level of completion.

##### ***Findings:***

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



**Picture 41:** Completed College of Medicine Academic Block Federal University, Ndufu-Alike, Abakaliki

##### ***Socio-economic Impact:***

The completion of the project had improved the quality of research, teaching and learning in the medical College.

#### **4.7.2 UNIVERSITY OF IBADAN**

The university was appropriated a total of N79.20 million in the 2018 budget and same was released and cash backed while, N57.38 million was utilized for the implementation of its capital projects/programmes as at end of the 2018 fiscal year to execute amongst others, the following project:

**a. Laying of 355mm OD. HDPE Pipes, Fittings and Accessories**

The project entails the procurement and laying of 355mm OD. HDPE pipes to replace the aged (28 years) dilapidated and weak AC pipes which no longer withstand water pressure in the university. The pipe laying is to be linked from the university reservoir to an overhead tank for treatment and distribution. Scope of works include: clearing of pipeline route, excavation, procurement of recurred fitting valves and materials. Others are: laying of 355mm outside diameter HDPE pipes, fittings and appurtenances, backfilling, testing and commissioning.

The contract was awarded to Messrs Folak Nig. Ltd. in April 2018 at a cost of N107 million and is expected to be completed in December 2019. The sum of N40.61 million was appropriated in the 2018 budget while N37.92 million was released and utilized to achieve 36% level of completion.

***Findings:***

At the time of monitoring, all the required HDPE materials had been supplied to site. Excavation works had been carried out at some portions of the project length with 600meters pipes already laid. In addition, hydraulic pressure testing of the pipes had been carried out and the leakages discovered have been fixed.



**Picture 42:** Some of the HDPE Materials Stocked at the Project Site, University of Ibadan

**Socio-economic Impact:**

The project when completed will provide potable water to the university community.

**4.7.3 ABUBAKAR TAFAWA BALEWA UNIVERSITY, BAUCHI**

The mission of the University includes manpower development, research and the provision of basic academic standard. To achieve this objective, a total of N89.20 million was allocated in the 2018 budget for the implementation of its capital projects/programmes. Out of this amount, N63.82 million was released, cash-backed and utilised to execute amongst others the following Project:

**a Rehabilitation of Academic Buildings/Staff Quarters**

The project involves the renovation of dilapidated residences and critical equipment and offices. Scope of work includes: renovating / furnishing of governing council chairman’s lodge, medical Centre, staff quarters, graphic studio, classrooms, professorial office furniture, car shade and construction of fence. The contracts were awarded to Messrs Inno & C. Ventures and 5 others at a total cost of N50 million in November 2018 with an expected completion date of January 2019. The sum of N50 million was appropriated, released and utilized in the 2018 budget to achieve 100% level of performance.

**Findings:**

At the time of monitoring, works done included: rehabilitation of five (5) faculty buildings, offices and staff residences. Others are: construction of fence, gate house and provision of an incinerator.



**Picture 43:** Completed Construction of Senate Building Fence, Gate House and Car Shade at the ABTU, Gubi

**Socio-economic Impact:**

The project had created employment for the youths and empowered the local businesses in the town. In addition it has also provided accommodation facilities to the staff of the institution at the new permanent site at Gubi.

**4.7.4 USMAN DANFODIO UNIVERSITY, SOKOTO**

The institution had an allocation of N344.20 million in the 2018 budget. Out of which same amount was released and cash backed while, N229.79 million was utilized for the implementation of its capital projects/programmes as at the end of the third quarter of the fiscal year. The following projects were monitored:

**a. Provision of Critical Equipment and Other Supplies for Accreditation Purposes:**

The project is located within the University premises at Sokoto. It entails the procurement of critical items necessary for the accreditation of the Mechanical & Civil Engineering, Radiography, Electrical & Electronics, Geology and Nursing departments of the University. Components of the project include: 1no X-ray Fluorescent Spectrometer Machine, 2nos Fusion

Machines, and 1no Thin Section Detector Machine for the Department of Geology. Other components include; 1no Computerized Radiography (CR) Reader Machine (5000 plus model), 1no CR Automated Cassette Machine, 2nos X-ray Machines, 1no Ultrasound Scanning (Siemens model) Machine and 1no Anthropomorphic Phantom Machine amongst others.

The contracts were awarded to Messrs Meliga Khalid Integrated Links limited and 3 others in January 2018 at a total cost of N250 million with an expected completion date of May 2019. In 2018 budget, the sum of N250 million was allocated to the projects and released while N152.84 million was utilized as at the end of the fiscal. A total of N169.87 million has been committed to the project since inception to achieve 67.95% level of completion.

**Findings:**

At the time of the monitoring, most of the equipment has been procured, awaiting installation and training. The team was informed of the capital-intensive nature of the equipment and the need to have the equipment in place as a prerequisite for accreditation of additional courses in the University by the National Universities Commission (NUC).



**Picture 44:** *Some Critical Equipment Supplied for Accreditation Purposes at University of Sokoto*

**Socio-economic Impact:**

The project had created employment opportunities for indigenous contractors. When distributed and put to use, general performance of staff is

expected to be boosted especially in the area of research and teaching.

#### **4.7.5 FEDERAL POLYTECHNIC UKANA**

The Polytechnic had an appropriation of N284.31 million in the 2018 budget. Out of this amount, N218.07million was released, cash backed and utilized for the implementation of its capital projects/programmes. The following project amongst others was monitored:

a). **Construction of Library Complex**

The project involves the construction of 4 apartments comprising of an open library with serial & reference section, an e-library and 8nos staff offices. The contract was awarded to Messrs Haco-Ida Engineering Limited at a cost of N204.26million in 2016 with a completion date of December 2019. The sum of N30.56 million was appropriated, released and utilized in the 2018 budget. A total of N133.99 million had been committed to the project since inception to achieve 65% level of completion.

***Findings:***

At the time of monitoring, the super structure has been completed. Ongoing works are: fixing of hand reels and window frames while plumbing, electrical works, doors & windows, landscaping, painting and decorations were outstanding.



**Picture 45:** Ongoing Construction of Library Complex Federal Polytechnic Ukana

***Socio-economic Impact:***

On completion, the Library is expected to improve the quality of teaching and learning in the institution.

**4.8 SCIENCE AND TECHNOLOGY SECTOR**

The sector was allocated a total of N68.56 billion in the 2018 budget to execute its capital projects and programmes. Of this amount, N43.75 billion was released while N36.60 billion was utilized as at the end of fiscal year. The following Agencies were monitored:

**4.8.1 FEDERAL INSTITUTE OF INDUSTRIAL RESEARCH (FIIRO), OSHODI-LAGOS**

The institute had an appropriation of N2.75 billion in the 2018 budget for the implementation of its capital projects/programmes. Out of this amount, N2.56 billion was released and N1.20 was utilized to execute amongst others the following project:

**a. Establishment of State-of-the-Art Laboratory for enhanced Research and Development**

The project involves construction of office building, rehabilitation and furnishing of laboratory for enhanced research and development and upgrading of exhibition Dome environment, etc. It was awarded to a consortium of contractors: Messrs. Design and Dwell Associates & six (6) others in November 2007 at a total cost of N585.90 million and is scheduled to be completed in December 2010.

In the 2018 budget, the sum of N170 million was appropriated to the project out of which N169.77 million was released and N146.80 million utilized thus bringing total financial commitment to N263.61 million to achieve cumulative performance of 48%.

***Findings:***

At the time of monitoring, the upgrading of the exhibition dome and its environment had been achieved while rehabilitation (renovation and furnishing) works at the four (4) departmental laboratories were in progress.

Major outstanding work is the supply of relevant equipment as provided in the scope of contract.



**Picture 46:** Ongoing Rehabilitation Works at the Institute's Laboratories at Federal Institute of Industrial Research (FIRO), Oshodi-Lagos

### ***Socio-economic Impact:***

Though the project is yet to be completed, the upgrade of the exhibition dome and its environs has provided a serene environment thereby enhancing the image of the Institute. On completion, the project is expected to increase capacity building of SMEs, researches and development in line with the mandate of the Institute.

## **4.8.2 NATIONAL OFFICE OF TECHNOLOGY ACQUISITION AND PROMOTION, ABUJA**

The institution was allocated a total of N820.92 million in the 2018 budget. Out of this amount, N487.55 million was released, cash backed and N273.94 million was utilized for the implementation of its capital projects/programmes. The following project amongst others was monitored:

### **a. Construction of Headquarter Office Building:**

The project involves the construction of a 4-storey building for staff of the institution. The contract was awarded to Messrs Multisystem Consultants Limited at a cost of N750.00 million in July, 2017 with completion date of December, 2019. In the 2018 budget, the sum of N170.70 million was appropriated, out of which N166.59 was released and utilized as the end of the fiscal year. A total of N371.19 million had so far been committed to the

project since inception to achieve 42% level of completion.

**Findings:**

At the time of monitoring, the substructure had been completed while reinforcement works, beams, columns and block works were ongoing at different levels of completion.



**Picture 47:** Construction of Headquarter Office Building at NOTAP, Abuja

**Socio-economic Impact:**

The construction works had created employment opportunities for skilled and unskilled labour of the host community. On completion, the project is expected to provide accommodation for staff of the Agency.

**4.8.3 NATIONAL CENTRE FOR PETROLEUM RESEARCH AND DEVELOPMENT**

The Centre was established to organize amongst others, fossil fuel research and training of highlevel manpower in petroleum. It was allocated N598.02 million in the 2018 budget to implement its capital projects and programmes. Out of this amount, the sum of N314.57 million was released and cash-backed while N313.92 million was utilized. The following project amongst others was monitored:

**a. Research and Development**

The project involves the development of Integrated Modular Refinery (i.e design of instrumentation diagram, provision of sensors/actuators specifications, and controller platform) at ATBU and the procurement of two

(2) units of project monitoring vehicles (14-wheel drive VM 5000) and a 28 - seater bus.

It was awarded to Messrs SAB-AGRO Allied Company Ltd. and one (1) other at the total cost of N63 million in March 2019 and expected to be completed within one month. The sum of N63 million was appropriated released and utilized to achieve 100% completion.

**Findings:**

At the time of monitoring, the project had been concluded and in use.



**Picture 48:** Monitoring Vehicles, 28-Seater Bus and a Compressor Drilling Machine Procured for Research Activities at NCPRD, Abuja

**Socio-economics Impact:**

The completed project has enhanced petroleum research related activities. In addition, the availability of the vehicles has facilitated easy movements by the scientists for the research exercises. The objective was to fulfil the Centre's mandate in information dissemination, research and development on energy and to solve the problem of research logistics issues and ease monitoring and staff movement.

**4.9 MINES AND STEEL DEVELOPMENT SECTOR**

The Ministry is responsible for developing a sustainable and flexible structure that encourage investors to invest in mining activities. In order to generate a reliable data bank on Geological and Geo-physical survey, Government allocated a total of N12.28 billion in the 2018 budget. Out of this amount, N6.01 billion was released and cash backed while, N5.59 billion was utilized

for the implementation of its capital projects and programmes. The following agencies were monitored:

#### **4.9.1 NATIONAL STEEL RAW MATERIAL EXPLORATION AGENCY, KADUNA**

The National Steel Raw Material Exploration Agency had an allocation of N1.50 billion in the 2018 budget. Out of this amount, N702.47 million was released, cash backed and utilized for the implementation of its capital projects/ programmes as at the end of the fiscal year. The following project was monitored:

##### ***a. Procurement of 1no Crawler Mounted Core Drilling Rigs***

The project is located at Malali, Kaduna North Local Government Area of Kaduna State. It consists of the procurement of a Crawler Mounted Core Drilling Rig which can drill to the depth of 350 feet.

The contract was awarded in January, 2018 to Messrs Afribase Project Nig. Limited at a cost of N499.35 million with an expected completion date for December, 2019. In the 2018 budget, the sum of N499.35 million was allocated to the project. Out of this amount, N255.46 million was released and utilized to achieve 51% level of completion.

##### ***Findings:***

At the time of monitoring, the Crawler Mounted Core Drilling Rig has been procured but yet to be delivered. The team was informed that the contractor had received part of the contract sum while the remaining balance is to be paid on final delivery of the equipment.

##### ***Socio-economic Impact:***

On completion, the project is expected to enhance drilling activities of the Agency and the identification of mineral deposits in specified locations of the country.

#### **4.9.2 NIGERIA GEOLOGICAL SURVEY AGENCY**

In fulfilling its' statutory role of providing relevant and up-to-date geosciences

information necessary for economic development of Nigeria through a systematic process of gathering, collating, assessing and disseminating all information related to rocks, minerals and groundwater resources of the country; the sum of N2.61 billion was allocated to it in the 2018 budget. Out of this amount, N1.22 billion had been released, cash backed, and utilized for the implementation of its capital projects/programmes. The following were monitored:

**a. Detailed Mineral Resources Evaluation of Phosphate Industrial Minerals for Pharmaceuticals, Construction and Fertilizer**

The project involves amongst others the identification of site, rock samples, Geophysical interpretation, and maps showing drill targets with size and positions at Birnin Gwari, Sokoto and other places. It is being executed directly by the Agency at a cost of N538.00 million from June 2016 and is expected to be completed in December 2020. The sum of N216 million was appropriated in the 2018 budget out of which N178.15 million was released and utilized. A total of N209.68 million was committed to the project since inception to achieve 65% completion.

***Findings:***

At the time of monitoring, the Geophysical and Geological Maps as well as core data had been obtained.

***Challenge:***

The team was informed that the low pace of work was due to security challenge and late release of funds.

**4.9.3 NIGERIA MINING CADASTRE OFFICE & CENTRE**

The Nigeria Mining Cadastre Office & Centre was established in 2007 with the mandate of administration and management of mineral titles in Nigeria. The sector had an appropriation of ₦504 million in the 2018 budget for the execution of its capital projects/programmes. Out of this amount, ₦235.37 million was released and N228.81 million was utilized as at end of the fiscal year. The following project amongst others was monitored:

**a. Re-Furnishing of MCO HQ Conference Room and Office**

The project entails the procurement and furnishing of the conference room and office furnitures such as shelves, tables, chairs and air conditioners, amongst others. It was awarded to Messrs Steron International Resource Limited in January 2019 at a cost of N15.44 million with an expected completion period of four (4) weeks.

The sum of N60.00 million was appropriated in the 2018 budget. Out of this amount, N15.44 million was released and utilised in the fiscal year to achieve 100% level of completion.

***Findings:***

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



**Picture 49:** Part of the Furniture Procured at the Mining Cadastre Office Headquarters, Abuja

***Socio-economic Impact:***

The project has provided a conducive office environment and room for meetings and conferences at the Centre.

**4.9.4 NATIONAL METALLURGICAL TRAINING INSTITUTE, ONITSHA.**

This Institute was established in 1981 with the mandate to train Nigerians in the area of maintenance engineering with the aim of fast tracking technology development in the Country. To actualize its mandate, the sum of N866.91 million was allocated to the institute in the 2018 appropriation. Out of this amount, N404.84 million was released and utilized to execute amongst

others the following projects/ programmes.

**a. Renovation of 18nos existing but Totally Dilapidated Students' Hostels and its Surroundings**

The project involves the renovation of 18nos Males and Females hostels at the institute. The components of works include: tilling, painting, fixtures and fittings, ceilings as well as changing of doors and windows. It was awarded to Messrs Dillicon Limited at a sum of N94.53 million in November 2018 with a completion date of November 2019. In the 2018 budget, N100 million was appropriated to the project while N73.19 million was released and utilized to achieve 70% level of completion.

***Findings:***

At the time of monitoring, 11nos. of the Students hostels have been fully renovated and put to use while work was ongoing at hostel 12. However, work is yet to commence on the remaining six (6) hostels.



***Picture 50: Some of the Renovated Hostel Blocks at the MTI, Onitsha***

***Socio-economic Impact:***

The renovated hostels have increased the number of students living in the campus. In addition, it has also provided a conducive learning environment for both the staff and students of the Institute.

**b. Installation of Solar Energy Systems (Powering of Institutes Workshops & Equipment)**

The project involves provision of solar panels, racks and control room, rack for the batteries and other installation materials. It was awarded to Messrs Godonna Petroleum & Energy Services Limited in November 2018 at a cost of N138.00 million with expected completion date of June 2019. In the 2018 budget, the sum of N150.00 million was appropriated to the project out of which N103.39 million was released and utilized to achieve 70% level of completion.

***Findings:***

At the time of monitoring, forty (40) Solar panels had been supplied and fully installed but yet to be connected to the workshops. In addition, the rack and battery base were constructed. Additional sixteen (16) solar panels were procured and in store.



***Picture 51: Installation of Solar Energy Panel at Metallurgical Training Institute, Onitsha***

***Socio economic Impact:***

Though the project is yet to be completed, it has generated job opportunities to eleven (11) skilled and unskilled labour in the immediate community. When completed, it will improve power supply to the institute for effective training programmes and provide alternative power supply to energize the Institutes workshops and equipment.

#### **4.10 MINISTRY OF PETROLEUM**

The Ministry has the mandate to enhance the commercialization of discoveries and development of the requisite skills and infrastructure for production in the oil and gas and other minerals sectors as well as improve access to competitive, reliable and secure supply of petroleum products. In order to achieve this, Government allocated a total of N5.41 billion in the 2018 budget for the implementation of its capital projects/programmes. Out of this amount, N2.52 billion was released and cash backed while, N2.05 billion was utilized as at the end of fiscal year.

##### **4.10.1 PETROLEUM PRODUCT PRICING REGULATORY AGENCY**

The Agency was allocated the sum of N1.34 billion in the 2018 budget to execute its capital projects and programmes. Out of this amount, N625.73 million was released and cash backed while N396.23 million was utilized as at the end of fourth quarter of the year. The following project amongst others was monitored:

###### **a. Partitioning and Furnishing of Petroleum Products Pricing Regulatory Agency (PPPRA) Head Office**

The project involves the partitioning and furnishing of the Headquarters in Abuja. Scope of work includes: demarcation and provision of Office spaces, Library, Conference Halls, among others.

The contract was awarded to Messrs Beam System Ltd. and Abumel Nig Ltd in December, 2018 at a cost of ~~N~~360.0 million with an expected completion date of December, 2020. The sum of ~~N~~360.0 million was appropriated in the 2018 budget out of which, ~~N~~284.0 million was released and utilized to achieve 78% level of completion.

###### ***Findings:***

At the time of monitoring, the partitioning (using medium density fiber and aluminum) and furnishing works from 1<sup>st</sup> to 4<sup>th</sup> floors had been achieved while work was ongoing at the 5<sup>th</sup> and 6<sup>th</sup> floors.



**Picture 52:** *On-going Partitioning and Furnishing of PPPRA Head Office, Abuja*

***Socio-economic Impact:***

The project has created job opportunities for fifty (50) artisans/carpenters at the site. On completion, it is expected to create additional office spaces for staff while the canteen will reduce the frequency of staff visit to outdoor eateries.

**4.10.2 DEPARTMENT OF PETROLEUM RESOURCES (DPR)**

This Agency is saddled with maintaining the records of petroleum industry operations, particularly on matters relating to petroleum reserves, production/exports, licenses and leases. The sum of N681.02 million was appropriated in the 2018 budget, out of which N318.04 million was released and N317.79 was utilized for the implementation of its projects/programmes. The following projects amongst others were monitored:

***a. National Production Monitoring System***

The project involves the upgrade or phased migration of National Production Monitoring System from analogue to real time electronic Oil production Data collection and reporting thereby increasing Oil and Gas accounting. The scope of works include: procurement of 26nos of Remote Transmission Units (RTU) and connection of same to the servers of 26nos Oil Terminal Locations.

The contract was awarded to Messrs Anchor Specialties in October 2016 at a cost of N1.56 billion with a completion date of December 2019. The sum

of N474.60 million was appropriated in the 2018 budget, out of which N171.51 million was released and utilized. A total of N1.04 billion had been expended on the project since inception to achieve 60% level of completion.

**Findings:**

At the time of monitoring, the connection of the Remote Transmission units to the servers of 9nos Terminals had been completed and commissioned.



**Picture 53:** Procured Remote Transmission Units (RTU) at DPR Headquarters, Lagos

**Socio-economic Impact:**

The gradual automation of the processes of operation has given the Department of Petroleum Resources the leverage to collect data on oil production and lifting from the fields in real time. It has also enhanced the establishment of data communication and analysis between National Production Monitoring System database and the installed Remote transmission units at the terminal.

**b. Complete Renovation of DPR Headquarters, Lagos**

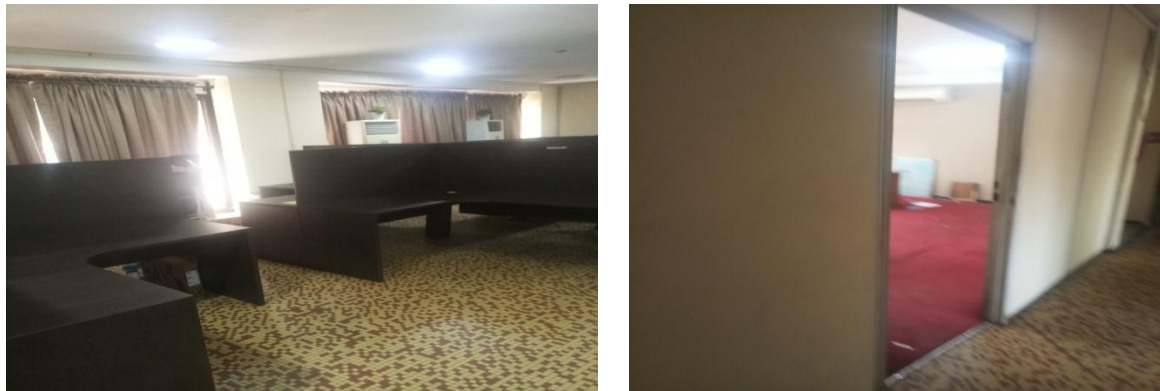
The project involves the complete renovation and partitioning of Seven (7) floors headquarters building at Kofo Abayomi Street, Victoria Island, Lagos. The contract was awarded to Messrs Architecture Plus in November 2016 at a cost of N1.45 billion with completion date scheduled for December 2018. However, this was not achieved because of paucity of funds.

The sum of N61.92 million was appropriated to the project in the 2018 budget, out of which N41.92 million was released and utilized in the year. A

total of N1.12 billion had so far been committed to the project since inception to achieve 85% level of completion.

***Findings:***

At the time of monitoring, floors 4<sup>th</sup>, 5<sup>th</sup>, 6<sup>th</sup>, 7<sup>th</sup> and 8<sup>th</sup> had been completed. However, work was still in progress at the ground and first floors where the wellness centre, the Creche, Kitchen and Staff Canteen are been upgraded.



***Picture 54:*** Ongoing renovation of offices at DPR Headquarters, Lagos

***Socio-economic Impact:***

On completion, the project will provide a conducive working environment for staff of the Agency as well as boost their morale and enhance their productivity.

#### **4.11 MINISTRY OF INDUSTRY, TRADE & INVESTMENT**

The mandate of this Ministry is to help create wealth and employment, reduce poverty and enhance service delivery. In order to stimulate the growth of the domestic economy, Government allocated a total of N105.16 billion in the 2018 budget for the implementation of its capital projects/programmes. Out of this amount, N55.98 billion was released and cash backed while, N28.62 billion was utilized as at the end of the fiscal year.

##### **4.11.1 NIGERIA EXPORT PROMOTION COUNCIL**

The Agency had an appropriation of N1.08 billion in the 2018 budget for the

implementation of its capital projects/programmes. Out of this amount, N646.50 million was released and N587.71 was utilized. The following projects were monitored:

***a. Construction/Provision of Office Building***

The project involves the renovation of a 4-storey glass house (including a penthouse). Components of works include: partitioning of two (2nos) executive offices, a board room, conference/meeting rooms, an auditorium, library, banking hall and a reception. Others are: a generator house, security out post, a motorized gate, store, a Chapel and Mosque.

The contract was awarded to Messrs Godab Nigeria Limited and others in January 2018 at a cost of N420 million with an expected completion date of December 2019. The sum of N324.97 million was appropriated in the 2018 budget, of which same amount was released and utilized to achieve 60% level of completion.

***Findings:***

At the time of monitoring, a substantial part of the partitioning from first to fifth floor has been completed. Other works achieved includes: fencing, green landscaping, concrete paring, ground water tank and external lighting.



***Picture 55: Completed Security Out-Post and a Motorized Gate at the Nigeria Export Promotion Council, Abuja***

***Socio-economic Impact:***

The project had provided more office space for staff of the Agency and security of the property and environment.

#### 4.11.2 OIL AND GAS FREE ZONES AUTHORITY

The Agency has the mandate of facilitating public-private partnership investments in the nation's oil and gas free zones as vehicle for promoting accelerated growth and sustainable development. The sum of N3.59 billion was allocated in the 2018 budget for the implementation of its capital projects and programmes. Out of this amount, N2.53 billion was released and cash backed while N1.82 billion was utilized. The following project amongst others was monitored:

##### **a. Fencing and Landscaping of Head Office Building Premises**

The project involves land reclamation, fencing and landscaping of the Head Office premises. The contract was awarded to Messrs Lexington Global Investment Nigeria Limited and Stan & Deka Limited at a total cost of N339.54 million in November 2018 budget and is expected to be completed in December 2019. The sum of N339.54 million was appropriated in the year 2018 budget. Out of this amount, N312.94 million was released and utilized to achieve 92% level of completion.

##### ***Findings:***

At the time of monitoring, land reclamation was fully completed while concrete base, fencing (with merged wire) and interlocking tiles had achieved up to 92% completion.



**Picture 56:** Ongoing Fencing and Landscaping of OGFZ Head Office, Port-Harcourt

***Socio-economic Impact:***

The project had added to the aesthetic feature of the Agency, as well as secured the office environment.

**4.12 MINISTRY OF NIGER DELTA AFFAIRS:**

The Ministry was allocated a total of N53.89 billion in 2018 Budget. Out of this amount, N28.81 billion was released and cash backed while N23.27 billion was utilized for the implementation of its capital projects/programmes. The following projects were monitored:

***a) Dualization of East –West Road , (Section IV) Eket-Oron in Akwa-Ibom State***

The project involves dualisation and improvement of 51km existing single carriageway to a dual carriageway. The scope of work includes: strengthening of the existing embankment, pavement layers, provision of new asphaltic concrete course, construction of additional lane running parallel the existing alignment. Others include: provision of laterite materials, crush stone base, sub-base, 6no bridges, binder and wearing courses.

The contract was awarded to Messrs Gitto Construzioni Generali Nigeria Limited in September, 2006 at a cost of N37.5 billion with an initial completion date of April, 2010 which was later extended to February, 2016 due to lack of funds. A new completion date is being worked out for approval by the Authority of the Ministry of Niger Delta Affairs. In the 2018 Budget, the sum of N2.09 billion was appropriated, while nothing was released in the year. However, a total of N32.76 billion had so far been committed to the project since inception to achieved 94% level of completion.

***Findings:***

At the time of monitoring, work done included: 5nos of bridges, 43no. and 15no. 900mm diameter single and double cell pipe culverts and earthwork. Others include: rehabilitation of existing drainages, asphaltic binder and wearing courses. Outstanding work include: construction of bridge 6 at Qua Iboe River.

The contractor informed the team that approval has not been granted by the Ministry for the construction of 398m major Eket Bridge over Qua Iboe River which require review of contract sum due to redesign of the bridge.



**Picture 57:** Completed Portion of Dualization of East –West Road , (Section IV) Eket-Oron in Akwa-Ibom State

**Socio-economic Impact:**

Although, the project is yet to be completed, it has linked up the oil communities of Rivers and Akwa-Ibom states as well as opened the agricultural communities therein. On completion, it will ensure a seamless flow of persons, goods and services.

#### **4.13 FEDERAL CAPITAL DEVELOPMENT AUTHORITY**

The Ministry was allocated a total of N32.30 billion in the 2018 budget for the implementation of its capital projects and programmes. Out of this amount, N14.50 billion (AIE of N4.81 billion) was released and cash backed while N9.69 billion was utilised as at the end of the fiscal year. The following projects amongst others were monitored:

**a) Completion of Road B6, B12, and Circle Road, Central Area, Abuja**

The project involves the construction of a dual carriage way from the city gate passing through the constitution and independent avenues and terminating at the three arms zone. It comprises the provision of grade separations for dualized Roads B6, B12 and Airport Expressway at the City Gate Arena.

Components of the work included: construction of 41nos bridges of various spans, 112nos retaining walls, full scope development of roads AR16 & AR19 with separations at roads B6 & B12 intersections and provision of AR14/16 link road. Others include: dualization of road Ns4 between roads B6 & B12, relocation of Abuja city gate, construction of additional ramps of some road intersections and provision of access road to indoor sports complex of the Abuja national stadium.

The contract was awarded to Messrs Julius Berger Nigeria Plc. In May 2007 at an initial cost of N48.52 billion with a completion date of May 2011. However, there was an upward review of the contract cost to N66.83 billion with an extended completion date of January 2020. The sum of N2.5 billion was appropriated in 2018 budget, of which N1.86 billion was released and utilised as at the end of the fiscal year. A total of N50.88 billion had been expended on the project since inception to achieve 69.86% level of completion.

***Findings:***

At the time of monitoring, works completed includes: 27nos of bridges, 480m of underground water channel, 2nos box culverts & 4nos pipe culverts, 102nos of retaining walls, construction of circle and link roads AR14/16. Work in progress includes: construction of 12nos bridges at superstructure stage, 12nos retaining walls and asphaltic binder course at road B12 (independence avenue).



***Picture 58:*** Ongoing Completion of Road B6, B12, and Circle Road at Independence Avenue, Abuja

***Socio-economic Impact:***

The project had created job opportunities for skilled and unskilled workforce involved in the construction activities. According to the development master plan, the road is expected to promote interconnectivity from the city gate to the central area of the Abuja metropolis.

***b) Extension of Inner Southern Expressway [ISEX] from Southern Parkway (S8/S9) to Ring Road 2 Expressway (RR2)***

The project involves the Extension of Inner Southern Expressway from Christian Centre/CBN to Galadimawa Roundabout in FCT. The scope of work include: Site clearance, earthworks, Storm Water Drainage, provision of 6nos Interchanges, 8nos, River Bridges and 4nos Pedestrian Bridges. Others are: 1no Viaduct Bridges, Confirmatory site tests, Retaining walls, Culverts, Power Supply/Street lighting, Conduit for Telecommunication and Service ducts.

The contract was awarded to Messrs CGC Nig. Ltd. in January, 2015 at a cost ₦43.4 Billion with an expected completion date of June, 2020. In the 2018 Budget, the sum of ₦2.5 billion was appropriated, out of which ₦1.5 billion (N1 billion national budget & N500 million statutory allocation) were released and utilised in the fiscal year. A total of ₦7.4 billion had been committed to the project since inception to achieve 27% level of completion.

***Findings:***

At the time of monitoring, works completed include: laterite sub-base, 150mm crushed rock sub-base, 100mm crush rock base, 150mm macadam base, 60mm asphalt binder course and crash barrier while Pier-cap of 12nos pier at the Galadimawa roundabout was in progress.



**Picture 59:** *On-going Construction of Bridge Superstructure at the Galadimawa Interchange of the Extension of Inner southern Expressway Abuja*

**Socio-economic Impact:**

Though the project is yet to be completed, it has provided job opportunities for over 150 artisans including iron benders, welders, masons and trained labourers. The completed portion has reduced the traffic congestion experienced at the Area of the interchange.

## **5.0 SUMMARY OF FINDINGS, OBSERVATIONS, RECOMMENDATIONS AND CONCLUSION**

The MBNP teams undertook physical site inspection of the MDAs on-going capital projects and programmes between Monday 17<sup>th</sup> and Friday 28<sup>th</sup> June 2019 across the six (6) geo-political zones of the country. The monitoring exercise gives an insight into the performance of the sampled MDAs in their efforts at achieving the annual planned deliverables as set out in the MTEF and the MTSS. The following findings/observations amongst others were made:

- i. The implementation of MDAs capital projects/programmes was marred by the late approval of the budget by the National Assembly. This resulted in the late release of funds which came almost at the tail end of third quarter of the fiscal year.
- ii. The submission of some MDAs' financial transcript and that of their contractors often reveals discrepancies in figures that gives room for suspicion. This is noticeable in many agencies particularly, Power, Works & Housing, Niger Delta Affairs, Water Resources and Aviation sectors.
- iii. The Appropriation Act is overburdened with unimplementable projects and programmes from the MDAs especially the River Basin Development Authorities and some Institutions of the Federal Ministry of Agriculture.
- iv. Adjustments of MDAs' projects and programmes by the National Assembly without conceptualization and design often distorts the implementation of MDAs budget as most of these projects are outside their core mandate;
- v. The non-provision of maintenance cost for MDAs' capital appropriation leads to some critical projects and programmes being left to completely deteriorate before their rehabilitation;

- vi. Seasonal weather conditions have negative effects on the capital budget implementation and the Government's strategic objectives. Often, releases do not factor in the seasonal periods resulting to poor performance in a budget cycle;
- vii. Some MDAs engage in procurement of items which at the end of the day will be abandoned or left to be vandalized at the project site. This kind of practices amount to waste of Government resources;
- viii. The provisions in the Appropriation Act for some MDAs' line items are more than the project total cost. This has become a recurring decimal in the Appropriation act.
- ix. The narrations of some MDAs capital line items were captured in a way that the subject matter is not properly described thereby allowing them to engage in illegal virement. This has overall negative effect on the capital budget implementation discipline and the Government's strategic objectives; and
- x. The major challenges faced by MDAs revolves around inadequate funding. This has caused a lot of setbacks in the implementation of capital projects and programmes.

Based on the above observations, the MBNP will continue to identify these issues to the MDAs and work out the modalities for developing effective project plans and programmes geared towards improving the level of capital budget implementation.

## **5.2 RECOMMENDATIONS**

Drawing from the above observations and the urgent need to correct these negative project management practices in some of the MDAs, the following recommendations are hereby proffered:

- i. The effort by the Government to return the nation to a predictable January – December fiscal year should be sustained. This will improve effective budget implementation by the MDAs;

- ii. There is the need for the reconciliation of the financial transcripts of Contractors and the Supervising Ministries to ensure uniformity in submission of figures and for the purpose of transparency and accountability;
- iii. MDAs should be encouraged to submit realistic number of projects during the budget preparation in view of funds challenges;
- iv. There is need to set aside funds for the maintenance of critical and completed projects to ensure longevity and avoid deterioration;
- v. Government should take into cognizance the weather conditions (dry and rainy season) and the priority sector in releasing funds for execution of capital projects in a budget cycle. This is important to achieve value for money and an improved budget performance.
- vi. Government should ensure that all procurement made by MDAs are properly secured and put to use or redirected to other use as deemed appropriately. This will bring about prudence in the utilization of Government funds.
- vii. There should be greater harmony between budget monitoring and preparation such that the monitoring reports is used as a feedback for the yearly budget preparation processes.
- viii. There is need for greater synergy between the Executive and the Legislature to address the issue of recurring distortions of MDAs capital line items in the budget; and
- ix. Government should continue to explore other project financing windows such as PPP and Privatization in order to enhance project funding and infrastructure development in the country.

### 5.3 CONCLUSION

The recovery in output growth in the domestic economy continued as real GDP grew by 2.38 percent in the fourth quarter progressively increasing from 1.81 percent and 1.50 percent in the third and second quarter of 2018 respectively. The oil sector recorded a real growth of -1.62 percent (year-on-year) in the fourth quarter of 2018 signifying a decrease of -12.81 percentage points relative to the rate recorded in the corresponding quarter of 2017. The non-oil sector however grew by 2.70 percent in real terms during the reference quarter. This represents 1.25 percentage points increase compared to the rate recorded in the same quarter of 2017.

The Federal Government had continued to invest increasingly in capital projects in addition to consistently meeting its non-discretionary expenditures even as budget execution continued to be adversely obstructed by poor revenue outturn. Specifically, capital expenditure has increased from ₦1.2 trillion, ₦1.4 trillion and ₦1.7 trillion in 2016, 2017 and 2018 fiscal years respectively. This has contributed to the recovery especially in key performing sectors like the Transport, Information & Communication, Electricity, Water, as well as Arts & Entertainment. The economic performance in the year points to a stable outlook and prospects for increased revenue and therefore better budget performance in the 2019 fiscal year. Revenue prospect of the non-oil sector is expected to improve in 2019 and when combined with the recovery in oil production and possible increases in prices would result in higher inflow for 2019 Budget implementation.

The MBNP will remain resolute 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 in enhancing revenue as well as improving efficiency in budget implementation, while creating effective project management planning geared towards improving the level of capital budget implementation in the country.

# APPENDIX 1

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

**2018 CAPITAL PERFORMANCE FOR MINISTRIES DEPARTMENTS AND AGENCIES (MDAs) AS AT 31ST MAY, 2019**

												UTILISATION %			
S/N	MINISTRY	2018 APPROPRIATION	1ST RELEASES =N=	2ND RELEASES =N=	ADDITIONAL 2ND RELEASES =N=	3RD RELEASES =N=	ADDITIONAL RELEASES =N=	ONLINE AIEs =N=	MANUAL AIEs =N=	TOTAL RELEASES = N=	CASHBACKED =N=	MDAs BALANCE @ 31ST MAY, 2019 =N=	UTILISATION =N=	RELEASES	CASHBACK
	a	c	d	e	f	g	h	i	i	j=(d+e+f+g+h+i)	k=(d+e+f+g+h+i)	l	m=(k-l)	n=m/j*100	o=m/k*100
1	PRESIDENCY	27,779,999,975	2,067,097,193	8,979,370,701	2,054,630,891	3,633,376,889	124,740,000	11,246,058,831	500,000,000	28,605,274,505	28,605,274,505	8,047,219,874	20,558,054,630	71.87	71.87
2	SECRETARY TO GOVT. OF THE FEDERATION (SGF)	52,937,424,968	5,852,946,751	7,278,461,247	23,814,000	15,932,926,572	598,409,657	7,395,063,565	1,043,383,350	38,125,005,142	38,125,005,142	10,946,769,064	27,178,236,078	71.29	71.29
2	YOUTH DEVELOPMENT	5,408,611,977	1,112,217,438	494,816,089	-	149,358,996	500,000,000	2,223,631,612	-	4,480,024,134	4,480,024,134	519,590,874	3,960,433,260	88.40	88.40
3	WOMEN AFFAIRS	5,752,180,400	1,275,218,040	1,310,182,220	1,734,700,000	135,772,043	15,811,000	-	-	4,471,683,303	4,471,683,303	16,849,941	4,454,833,362	99.62	99.62
4	AGRICULTURE	149,198,139,037	30,209,020,750	13,345,846,458	-	40,435,952,164	127,800,000	61,000,811,000	-	145,119,430,371	145,119,430,371	9,965,656,645	135,153,773,726	93.13	93.13
5	WATER RESOURCES	147,199,614,645	25,000,000,000	36,009,842,981	3,159,526,016	10,789,355,124	-	497,266,805	-	75,455,990,926	75,455,990,926	3,945,459,892	71,510,531,034	94.77	94.77
6	AUDITOR-GEN.	290,509,818	99,050,982	191,458,836	-	-	-	-	-	290,509,818	290,509,818	50,800,000	239,709,818	82.51	82.51
7	DEFENCE	157,715,439,613	28,993,097,744	21,952,392,738	-	9,998,171,368	-	65,252,159,535	6,572,716,512	132,768,537,897	132,768,537,897	6,600,707,965	126,167,829,931	95.03	95.03
8	ICPC	1,617,865,170	311,786,517	467,679,776	-	108,396,966	-	-	-	887,863,259	887,863,259	491,928,072	395,935,187	44.59	44.59
9	EDUCATION	89,085,777,855	13,119,603,191	17,668,407,402	17,704,876,656	11,432,740,722	88,244,800	3,008,793,116	-	63,022,665,887	63,022,665,887	16,504,644,139	46,518,021,748	73.81	73.81
10	FCTA	32,298,122,872	3,229,812,287	6,459,624,574	-	-	-	4,810,600,999	-	14,500,037,860	14,500,037,860	4,810,600,999	9,689,436,862	66.82	66.82
11	FOREIGN & INTER GOVT. AFFAIRS	8,865,414,968	988,904,411	2,049,113,585	2,255,875,602	2,299,464,911	-	5,516,875,366	-	13,110,233,876	13,110,233,876	1,158,826,145	11,951,407,731	91.16	91.16
12	FINANCE	2,965,210,224	279,061,023	1,300,432,100	-	359,083,327	-	1,979,600,800	55,118,245	3,973,295,494	3,973,295,494	921,717,500	3,051,577,994	76.80	76.80
13	HEALTH	86,485,848,198	13,889,619,252	22,047,456,026	3,109,528,045	9,819,028,206	7,419,987,570	7,195,515,897	-	63,481,134,996	63,481,134,996	10,493,631,516	52,987,503,480	83.47	83.47
14	TRADE & INVESTMENT	105,156,176,854	11,515,617,685	29,598,565,363	-	10,113,257,573	1,205,237,920	3,444,612,514	100,000,000	55,977,291,055	55,977,291,055	27,361,268,001	28,616,023,055	51.12	51.12
15	INFORMATION	14,475,947,821	2,489,173,315	3,201,909,062	5,068,052,390	2,023,083,818	-	4,339,968,850	-	17,122,187,434	17,122,187,434	2,059,036,545	15,063,150,890	87.97	87.97
16	COMMUNICATION TECHNOLOGY	8,049,159,142	804,915,914	2,414,747,748	-	1,344,209,577	500,000,000	4,500,000,000	-	9,563,873,239	9,563,873,239	3,645,727,054	5,918,146,184	61.88	61.88
17	INTERIOR	75,098,144,455	11,014,217,810	8,971,824,824	-	3,527,530,604	-	50,103,230,029	34,725,441,253	108,342,244,520	108,342,244,520	14,871,255,643	93,470,988,876	86.27	86.27
18	HEAD OF SERVICE	3,940,176,735	624,017,674	480,418,391	15,000,000	460,487,148	-	2,392,000,000	89,804,217	4,061,727,430	4,061,727,430	133,026,746	3,928,700,683	96.72	96.72
19	JUSTICE	5,533,691,629	821,994,663	1,540,326,364	239,528,000	260,014,646	20,000,000	270,528,000	670,773,200	3,823,164,873	3,823,164,873	165,803,452	3,657,361,421	95.66	95.66
20	LABOUR & PRODUCTIVITY	19,685,448,390	2,285,391,838	5,710,812,996	45,000,000	1,262,425,042	70,835,225	161,500,000	-	9,535,965,102	9,535,965,102	1,782,396,494	7,753,568,607	81.31	81.31
21	POWER	682,959,550,242	119,000,000,000	108,019,754,399	34,034,000	21,909,070,475	-	115,546,333,005	17,708,178,862	382,217,370,741	382,217,370,741	52,437,299,938	329,780,070,804	86.28	86.28
22	SCIENCE AND TECH.	68,556,569,020	12,256,314,509	15,787,519,889	772,330,375	7,802,760,355	238,333,181	6,888,576,425	-	43,745,834,734	43,745,834,734	7,142,208,263	36,603,626,471	83.67	83.67
23	TRANSPORT	251,420,000,000	38,004,900,718	69,978,361,088	-	19,703,770,041	-	11,597,735,365	-	139,284,767,211	139,284,767,211	10,375,143,254	128,909,623,957	92.55	92.55
24	PETROLEUM	5,406,095,671	540,609,567	1,621,828,701	-	362,208,410	-	-	-	2,524,646,678	2,524,646,678	990,865,687	1,533,780,992	60.75	60.75
25	MINES & STEEL	12,281,500,000	1,536,150,000	3,581,474,843	-	822,860,500	-	70,250,998	-	6,010,736,341	6,010,736,341	422,868,930	5,587,867,411	92.96	92.96

26	NATIONAL WAGES & SALARIES	263,121,916	26,312,192	78,936,575	-	43,941,360	-	-	-	149,190,126	149,190,126	2,134,790	147,055,336	98.57	98.57
27	ENVIRONMENT	17,492,955,833	2,349,295,583	4,732,363,993	93,750,000	3,215,150,924	-	2,300,000,000	-	12,690,560,501	12,690,560,501	5,308,709,540	7,381,850,961	58.17	58.17
28	BUDGET AND NATIONAL PLANNING	4,367,867,027	1,048,713,870	1,617,427,740	-	618,578,701	-	3,102,964,255	-	6,387,684,566	6,387,684,566	122,523,361	6,265,161,205	98.08	98.08
29	OFFICE OF NATIONAL SECURITY ADVISER	46,656,125,631	5,915,612,563	5,976,857,399	-	1,742,035,268	-	29,889,166,420	22,440,492,535	65,964,164,185	65,964,164,185	18,496	65,964,145,690	100.00	100.00
30	NIGER DELTA	53,892,500,002	5,808,250,000	18,005,575,000	-	5,000,000,000	-	-	-	28,813,825,001	28,813,825,001	5,546,139,130	23,267,685,870	80.75	80.75
31	FISCAL RESPONSIBILITY COMMISSION	200,155,392	20,015,539	60,046,618	-	33,425,950	-	-	-	113,488,107	113,488,107	7,749	113,480,358	99.99	99.99
32	ICRC	534,310,245	53,431,025	260,293,074	-	35,798,786	-	-	-	349,522,884	349,522,884	23,419,664	326,103,220	93.30	93.30
33	NAT. POPULATION	4,736,308,554	800,000,000	1,040,000,000	-	-	-	1,000,000,000	-	2,840,000,000	2,840,000,000	3,052	2,839,996,948	100.00	100.00
34	CODE OF CONDUCT BUREAU	694,854,364	119,485,426	179,228,155	-	46,555,242	-	-	-	345,268,823	345,268,823	84,703,853	260,564,970	75.47	75.47
35	CODE OF CONDUCT TRIBUNAL	513,616,706	51,361,671	154,085,012	-	85,773,990	-	-	-	291,220,672	291,220,672	7,108	291,213,564	100.00	100.00
36	PUBLIC COMPLAINTS COMMISSION	230,000,000	-	-	-	-	-	150,000,000	-	150,000,000	150,000,000	2,240	149,997,760	-	-
37	REV. MOB. ALL.	329,093,337	102,909,334	12,909,334	-	22,049,254	-	150,000,000	-	287,867,921	287,867,921	59,295	287,808,626	99.98	99.98
38	FCSC	46,171,826	24,617,183	383,818,013	21,554,644	-	-	-	-	429,989,840	429,989,840	3,310,040	426,679,800	99.23	99.23
39	POLICE SERVICE COMMISSION	758,900,000	175,890,000	175,890,000	-	-	-	-	-	351,780,000	351,780,000	3,020,699	348,759,301	99.14	99.14
40	FED. CHARACT. COMM.	593,080,989	59,308,099	306,131,931	-	39,736,426	-	56,300,000	-	461,476,456	461,476,456	10,875,477	450,600,979	97.64	97.64
41	CAPITAL SUPPLEMENTATION	694,519,791,292	-	-	-	-	-	66,008,438,783	262,530,197,343	328,538,636,126	328,538,636,126	-	328,538,636,126	100.00	100.00
####	GRAND TOTAL	2,845,761,472,793	343,875,941,754	423,446,191,244	36,332,200,619	185,568,351,378	10,909,399,353	472,097,982,169	346,436,105,517	1,818,666,172,034	1,818,666,172,034	206,966,237,126	1,611,699,934,908	88.62	88.62
43	SUKUK PROCEEDS								43,556,181,630	43,556,181,630	43,556,181,630		43,556,181,630		
44	GREEN BONDS														
45	GRAND TOTAL	2,845,761,472,793	343,875,941,754	423,446,191,244	36,332,200,619	185,568,351,378	10,909,399,353	472,097,982,169	389,992,287,148	1,862,222,353,664	1,862,222,353,664	206,966,237,126	1,655,256,116,538	89	89