



2019 FOURTH QUARTER AND CONSOLIDATED BUDGET IMPLEMENTATION REPORT



BUDGET OFFICE OF THE FEDERATION
Ministry of Finance, Budget and National Planning

FOREWORD

It is with pleasure that I present to you the Fourth Quarter and Consolidated 2019 Budget Implementation Report (BIR), which analyses the budget performance for the year. The FGN Budget is a key policy instrument for delivering on the objectives of Government. The 2019 Budget was titled “Budget of Continuity” and is the fourth full year budget by the present administration. The Budget, like the two preceding ones, continues to align with the Economic Recovery and Growth Plan (ERGP) designed to restore the Nigerian economy to the path of robust, sustainable and inclusive growth.

The publication of this report is in line with Sections 30 and 50 of the Fiscal Responsibility Act (FRA), 2007 which requires the Budget Office of the Federation (BOF) to prepare quarterly Budget Implementation Reports. These Reports are to be submitted to the Joint Finance Committee of the National Assembly (NASS) and the Fiscal Responsibility Commission (FRC). They are also to be circulated widely to all stakeholders and the general public through electronic and other media. I congratulate the Budget Office of the Federation and the relevant Ministries, Departments and Agencies (MDAs) for their hard work and intense efforts in preparing this Report. I also appreciate the critical roles of both the Fiscal Responsibility Commission and the National Assembly’s Joint Finance Committee in promoting best practices in public financial management. I look forward to the continued strengthening of our cooperative work in this regard.

Lastly, I encourage all readers of the budget implementation report to continue to show interest in public financial management in Nigeria. I also implore all stakeholders to take advantage of the various opportunities provided by the government to contribute towards the improvement of budgetary outcomes for the benefit of all Nigerians.

Zainab Shamsuna Ahmed (Mrs)

Honourable Minister of Finance, Budget and National Planning

PREFACE

The Budget Office of the Federation (BOF) carries out quarterly monitoring and evaluation of the implementation of Annual Budgets and produces the reports thereof in accordance with the provisions of the Fiscal Responsibility Act 2007. This Fourth Quarter and Consolidated Budget Implementation Report (BIR) is one of the reports prepared by the BOF for the assessment of the 2019 budget performance. In addition to adherence to the provisions of the FRA 2007, these reports are prepared to enhance budget transparency, accountability and credibility as a key element of Nigeria's commitment to the Open Government Partnership (OGP).

The budget preparation, execution, monitoring and evaluation system in Nigeria has continued to evolve. The BOF has continued to implement critical reforms/initiatives that have progressively delivered more purposeful, implementable and fairly comprehensive budget in a more effective way. Appropriate technologies and models are being adopted to ensure timely and accurate budget preparation, implementation and evaluation. Revenue projection and mobilization however remains a key challenge for budget implementation in Nigeria especially as the key source has factually remained concentrated in a very volatile oil sector. Revenue estimations for 2019 have so far fallen significantly short of targets.

The execution of the 2019 Budget, as has been the case for several years now, was made further challenging due to its late passage and the extended implementation of the previous year's budget. Despite these challenges, Government was able to deliver ₦1,165.51 billion capital expenditure under the 2019 budget by end of December of 2019. This considerably contributed to the positive GDP growth recorded in the period under review. The extension of the 2018 capital budget to 30th June, 2019 enabled the government to continue its reflationary expenditure programme enabling additional ₦1,123.49 billion capital expenditure in the period.

This Report is a product of joint efforts of financial and statistical agencies of government which provided necessary macroeconomic data. I am very pleased by the combined efforts of the various Departments of the Budget Office of the Federation in producing this report. I commend their hard work and wish them every success as they continue to carry out this important function.

Ben Akabueze

Director General (Budget Office of the Federation)

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A/C:	Account	MDAs:	Ministries, Departments and Agencies
AIE:	Authority to Incur Expenditure	MPR:	Monetary Policy Rate
AF:	Alternative Funding	MTFF:	Medium Term Fiscal Framework
AEs:	Advanced Economies	N:	Naira
B:	Billion	NBS:	National Bureau of Statistics
BDC:	Bureau De-Change	NDDC:	Niger Delta Development Commission
BOF:	Budget Office of the Federation	NHRC:	National Human Rights Commission
BREXIT:	Britain Exist	NJC:	National Judiciary Commission
CBN:	Central Bank of Nigeria	NNPC:	Nigerian National Petroleum Corporation
CIT:	Company Income Tax	NTB:	Nigerian Treasury Bills
DMO:	Debt Management Office	OAGF:	Office of the Account General of the Federation
ECA:	Excess Crude Account	OGP:	Open Government Partnership
EMDEs:	Emerging Markets and Developing Economies	ONSA:	Office of National Security Adviser
EMEs:	Emerging Markets Economies	OPEC:	Organization of Petroleum Exporting Countries
ERGP:	Economic Recovery & Growth Plan	OTC-FMDQ-OTC:	Over the Counter Financial Market Dealer Quotation
FAAC:	Federation Account Allocation Committee	PCC:	Public Complaint Commission
FGN:	Federal Government of Nigeria	PPT:	Petroleum Profit Tax
FMF:	Federal Ministry of Finance	PSC:	Production Sharing Contracts
GDP:	Gross Domestic Product	SC:	Service Contracts
IMF:	International Monetary Fund	SWF:	Sovereign Wealth Fund
INEC:	Independent National Electoral Commission	TSA:	Treasury Single Account
IPPIS:	Integrated Payroll and Personnel Information System	UBEC:	Universal Basic Education Commission
JVC:	Joint Venture	US:	United States
LNG:	Liquefied Natural Gas	VAT:	Value Added Tax
M2:	Money Supply	WEO:	World Economic Outlook
MB&NP:	Ministry of Budget and National Planning	ZBB:	Zero Base Budgeting
MBPD:	Million Barrels Per Day		

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EXECUTIVE SUMMARY

The 2019 Budget was themed “Budget of Continuity” and was proposed to move the economy further on the track of diversified and sustainable growth so as to continue to lift significant numbers of Nigerians out of poverty. The 2019 revenue assumptions and forecasts were designed to reflect current realities while expenditure allocations to Ministries, Departments and Agencies (MDAs) of Government were guided by the 3 core objectives of the ERGP, which are; Restoring and Sustaining Growth; Investing in our People; and Building a Globally Competitive Economy.

Nigeria’s Gross Domestic Product (GDP), in real terms, grew by 2.55 percent (year-on-year) in the fourth quarter of 2019. This reflects a 0.17 percentage point expansion when compared with the 2.38 percent recorded in the fourth quarter of 2018. It also reflects a 0.27 percent point growth expansion when compared with 2.28 percent recorded in the third quarter of 2019. The aggregate Real GDP stood at ₦39,577.34 billion, representing an increase of 12.34 percent over the performance reported in the fourth quarter of 2018. Overall, this resulted in annual real growth rate of 2.27 percent in 2019 as against 1.91 percent reported in 2018.

Headline Inflation (year-on-year) rose steadily to 11.98 percent in December 2019 from 11.85 percent, 11.61 percent and 11.24 percent in November, October and September 2019 respectively. The increase in inflation resulted from the increases in both the food and core components. Food Inflation rose to 14.67 percent in December 2019 from 13.51 percent in September 2019 while core Inflation increased to 9.33 percent in December 2019 from 8.90 percent in September 2019. The rising price level in the year could be attributed to a combination of structural and supply side factors; the expansionary fiscal policy and growth in money supply arising from rising excess liquidity in the banking industry due to changes in the central bank’s OMO policy.

Monetary aggregates grew in the fourth quarter relative to the third quarter of 2019. Broad Money Supply (M2) grew by 7.21 percent (₦1,933.07 billion) from ₦26,826.27 billion in September 2019 to ₦28,759.34 billion in December 2019. The increase in M2 was mainly driven by Net Domestic Credit (NDC), which grew by 1.58 percent (₦564.03 billion) from ₦35,618.56 billion in September 2019 to ₦36,182.59 billion in December 2019. The development in NDC

reflected improvements in Credit to Private Sector which grew by 3.90 percent (~~₦~~1,001.54 billion) from ~~₦~~25,698.25 billion in September 2019 to ~~₦~~26,699.79 billion in December 2019. On the other hand, Credit to Government fell by 4.41 percent (~~₦~~437.52 billion) from ~~₦~~9,920.31 billion in September 2019 to ~~₦~~9,482.79 billion in December 2019.

In the review period, the Central Bank of Nigeria (CBN) maintained Monetary Policy Rate (MPR) at the 13.5 percent that was adopted in March 2019. It however increased the Cash Reserve Ratio (CRR) from 22.5 percent to 27.5 percent in the review period. The Liquidity Ratio was however retained at 30 percent signifying moderate tightening during the period. The average interbank call rate however decreased from 11.61 percent in September to 3.82 percent in December 2019 on high industry liquidity. The average prime lending rate also fell from 15.15 percent in September to 14.99 percent in December 2019. The average maximum lending rate equally declined from 31.43 percent in September to 30.72 percent in December 2019.

The Naira foreign exchange rates remained relatively stable across all segments of the foreign exchange market over the review period. Specifically, the Naira/Dollar exchange rate at the Official/Inter-Bank markets opened at a monthly average of ~~₦~~306.92/US\$ in September but, depreciated slightly to ~~₦~~306.96/US\$ in October before appreciating slightly again to ~~₦~~306.95/US\$ in both November and December 2019 respectively. On the other hand, the rate of at the Bureau De-Change (BDC) remained stable at ~~₦~~359.0/US\$ from September to November before depreciating to ~~₦~~360.25/US\$ in December 2019. Nigeria's gross official (external) reserve decreased at the end of the fourth quarter of 2019. It fell from US\$40.69 billion at the end of September to US\$38.09 billion in December 2019.

Nigeria's total public debt outstanding as at December 31st 2019 stood at US\$84,053.32 million (N27,401.38 billion). This indicates an increase of US\$4,616.60 million (~~₦~~3,014.31 billion or 5.81 percent) when compared to the N24,387.07 billion (US\$79,436.72 million) recorded at the end of December 2018. This comprised US\$27,676.14 million (~~₦~~9,022.42 billion or 32.93 percent) external debt and US\$56,377.18 million (~~₦~~18,378.96 billion or 67.07 percent) domestic debt stock. This translates to a net present value of total public Debt to GDP ratio of 19.0 percent as at the end of December 2019. This is below the country specific threshold of 25 percent and the international threshold of 56 percent for comparator countries. Actual solvency ratio of

external debt and domestic debt as percentages of GDP as at 31st December, 2019 were 6.80 percent and 13.85 percent respectively.

The implementation of the budget in the 2019 fiscal year was affected by the poor revenue outturn as oil production and exports remained below the Budget estimates while the low growth of the economy continued to limit non-oil revenue receipt. The price of crude oil at the international market averaged US\$60.50 per barrel in the fourth quarter of 2019, yearly average of US\$63.62 per barrel year and an increase of US\$3.62 per barrel (6.03 percent) above the US\$60.0 per barrel crude oil price benchmark set for the 2019 Budget. This could be ascribed to the trade tension between China and the United States of America (USA) and the implementation of OPEC agreement to cut down crude oil production. However, domestic crude oil production lagged at an average of 2.02mbpd in 2019 and 1.90mbpd in the fourth quarter of 2019, below the 2.30mbpd projected in the budget.

Revenue shortages therefore continued with Gross Oil Revenue of ₦4,604.49 billion in 2019. This translate to a ₦4,722.47 billion (50.63 percent) and ₦941.13 billion (16.97 percent) shortfall below the annual budget and ₦5,545.62 billion generated in the corresponding period of 2018. The shortfall is attributable to lower output and high production cost. Gross non-oil revenue of ₦3,548.56 billion was received in 2019. This signifies a shortfall of ₦731.87 billion (17.10 percent) below the annual estimate of ₦4,280.43 billion. With the exception of Customs & Excise Duties, all the other non-oil revenue items fell below their expected annual projections. The net distributable revenue to the three tiers of government after cost deductions therefore stood at ₦6,191.46 billion in 2019, representing a shortfall of ₦5,586.13 billion (47.43 percent).

A total of ₦4,120.09 billion was received to fund the FGN budget in 2019. This comprises ₦1,373.18 billion (33.33 percent) oil revenue and ₦2,746.91 billion (66.67 percent) non-oil revenue. The amount received is ₦2,878.40 billion (41.13 percent) below the 2019 annual revenue estimate but ₦253.60 billion (6.56 percent) higher than the ₦3,866.49 billion recorded in 2018.

Actual expenditure in 2019 stood at ₦8,298.82 billion, signifying a decrease of ₦618.14 billion (6.93 percent) below the annual projection. The 2019

expenditure was however ₦760.79 billion (10.09 percent) higher than the ₦7,538.03 billion total expenditure in 2018. A total of ₦4,251.11 billion was spent as non-debt recurrent expenditure in 2019 implying an increase of ₦185.17 billion (4.55 percent) above the annual estimate of ₦4,065.94 billion. It was also above the non-debt recurrent expenditure of ₦3,238.10 billion reported in 2018 by ₦1,013.01 billion (31.28 percent). Statutory Transfers amounts to ₦428.46 billion during the review period.

Total Debt Service stood at ₦2,453.74 billion in 2019. This represents an increase of ₦199.72 billion (8.86 percent) above the ₦2,254.01 billion projected for the year. Domestic debt service cost amounts to ₦1,661.03 billion while external debt service amounted to ₦448.66 billion during the period under review. Domestic debt service was lower than the annual projection by ₦49.19 billion (2.88 percent). A total of ₦1,165.51 billion was released and cash backed for the 2019 capital projects and programmes of MDAs.

The revenue and expenditure outturn of the Federal Government resulted in a fiscal deficit of ₦4,178.73 billion in the year (2.9 percent of the 2019 GDP) and ₦1,233.81 billion in the fourth quarter of 2019. The Annual deficit was ₦2,260.26 billion (117.82 percent) higher than the projected fiscal deficit of ₦1,918.47 billion for the period. The 2019 fiscal deficit was also higher than the ₦3,671.53 billion deficit recorded in 2018. The deficit was partly-financed through Domestic Borrowing of ₦912.82 billion.

Overall, the nation's economy grew by 2.55 percent in the fourth quarter of 2019, an indication that the Nigerian economy had continued to stabilize after its exit from recession over two years ago. Revenue challenges however persisted, hampering full budget implementation. Execution of the budget however remained on course except for the capital component which was adversely affected by lower revenue receipt, the extension of 2018 capital budget to 30th June, 2019 and late borrowings. 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

The Federal Budget is an important tool for achieving Government's strategic purposes and plans for the socio-economic development of the nation. It contains how resources are allocated by the government to different sectors/agencies in the bid to provide public goods and services to the people. The Federal Budget is not all about expenditure allocations as it is often assumed by many. Revenue remains an important aspect of the FGN budget. In recent times, revenue generation has been a key challenge in the preparation and implementation of FGN's annual budgets but this is being tackled vigorously.

The 2019 Budget was themed "Budget of Continuity" and was proposed to ensure diversified and sustainable growth so as to continue to lift significant numbers of Nigerians out of poverty. The 2019 revenue assumptions and forecasts considered economic realities while expenditure allocations to Ministries, Departments and Agencies of Government were guided by the core objectives of the ERGP, which are; Restoring and Sustaining Growth; Investing in our People; and Building a Globally Competitive Economy.

The 2019 Budget was prepared based on the 2019-2021 MTEF/FSP, along with fiscal policy objectives and spending priorities of the government over the three-year period. The framework also includes strategies for achieving government's defined objectives, and highlights the basic assumptions behind revenue projections and fiscal targets as well as likely fiscal risks over the medium term. Furthermore, it articulates the nature of Federal Government's debt obligations, their fiscal consequence, and measures aimed at reducing them. The MTEF also provides the groundwork for the preparation of revenue and expenditure estimates for the Annual Federal Budget. Hence, the MTEF indicates efforts towards multi-year perspective budgeting.

As a means of getting full value for monies spent by the Government over time and to avoid duplication and waste, emphasis was placed on the completion of ongoing projects. Hence, provisions were made to carry over projects that were not likely to be fully funded under the 2018 budget to the 2019 capital budget. In addition, funds were set aside for the Presidential Amnesty Programme and take-off grant for the North East Development Commission. In order to further support Small and Medium Scale Enterprises, which are the centre of the government industrialization drive, funds were also provided for the recapitalization of the Bank for Agriculture and the Bank of

Industry for the purpose of subsidizing the interest rates charged on loans to the EMSEs. This was proposed to make it possible for them to access single digit interest loans from the Bank of Industry. Social Intervention Projects (SIP) was also retained in the Budget, reflecting the Federal Government continued resolve to pursue inclusive and pro-poor growth.

In order to build modern and up-to-date infrastructure for economic development, power, roads and rail projects were accorded priority in the 2019 Budget. In addition to completing the Ibadan-Kano Rail line, provisions were made to undertake and quickly complete the Eastern Rail from Port-Harcourt to Maiduguri passing through Aba, which will connect to Abakaliki, Awka, Enugu, Owerri, Umuahia, then through Makurdi, Jos, Bauchi and Gombe. The Coastal Rail from Calabar to Lagos is also being funded to build a true national rail network that links all State capitals. Road projects being fast-tracked for early completion under the Presidential Infrastructure Development Fund include the Abuja-Kaduna-Kano Expressway, the Second Niger Bridge and the Lagos-Ibadan Expressway. Generation, transmission and distribution of power from the national grid were also expanded along the development of innovative off grid solutions for schools, hospitals and markets.

The 2019 Budget benefited from extensive consultations and stakeholder engagements, in recognition of the fact that all stakeholders have vital roles to play in the journey towards sustainable and all-inclusive development. It further confirms the commitments of government to deliver the dividends of democracy to all Nigerians in a more comprehensive manner. It also indicates another important step in building the Nigeria of our dreams. A vision that is to be achieved with the determination and support of all Nigerians.

This Report gives detailed information on the 2019 Fourth Quarter and Consolidated Budget Implementation. The other parts of the Report are arranged as follows: 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

Global growth slowed in 2019 to 2.9 percent from 3.6 percent in 2018 signifying a 0.7 percentage point decline during the period. This could be attributed to the impact of trade tensions and policy uncertainty, geopolitical tensions, as well as idiosyncratic stress in key emerging market economies which continued to weigh on global economic activity, especially manufacturing and trade. The growth reduction reflects a growth plunge in both the Advanced Economies (AEs) as well as in the Emerging Markets and Developing Economies (EMDEs). Growth in the AEs fell from 2.2 percent in 2018 to 1.7 percent in 2019 driven mainly by a slowdown in growth of 0.6 percentage points and 0.7 percentage points in the United States and the Euro Area respectively. The EMDEs also witnessed a 0.8 percentage points reduction in growth from 4.5 percent in 2018 to 3.7 percent in 2019.

Under extreme uncertainty, growth in the global economy is projected to fall from 2.9 percent in 2019 to a sharp contraction of 3.0 percent in the 2020 fiscal year. This indicates a 5.9 percentage points slump, surpassing the contraction of the 2007-09 recession and is as a result of the current coronavirus pandemic. This also represents a 6.3 percentage points reduction in growth from the 3.3 percent expansion in global economy projected in the IMF's WEO of January 2020. The global economy is however projected to rebound with a growth of 5.8 percent in 2021 on normalization of economic activities, helped by policy support and on the assumption that the COVID-19 pandemic is contained in the second quarter of 2020.

Downside risks remain and is projected to dominate in the near term with tightening financial conditions, collapsing international trade and crumbling commodity prices. Policies are to focus on containing the fallout from the COVID-19 outbreak; cushioning the impact of the decline in activity on people, firms, and the financial system; reducing the persistent scarring effects from the expected slowdown; and driving quick economic recovery once the pandemic fades. The IMF advises that fiscal stimulus response though swift

and sizable, particularly in many advanced economies, would need to be increased if recovery is too weak after restrictions had been lifted up. Strong multilateral cooperation including in helping financially constrained countries facing twin health and funding shocks was also advised.

2.2 DOMESTIC MACROECONOMIC PERFORMANCE

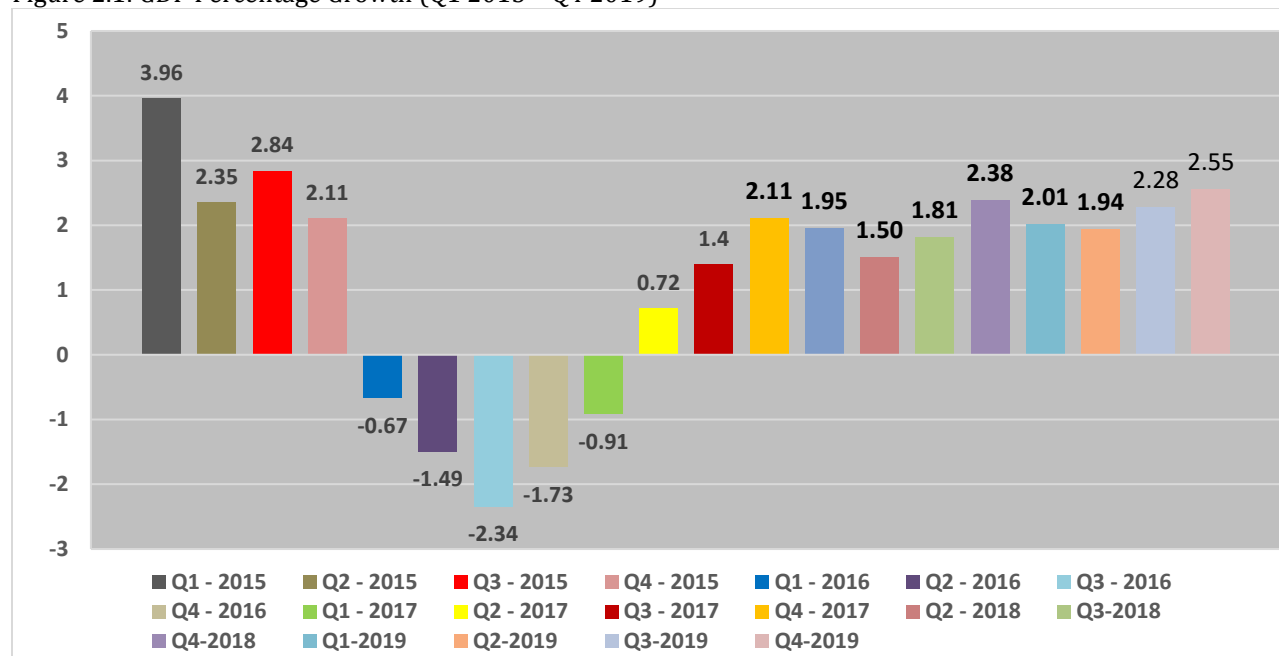
2.2.1 Developments in Real Sector

2.2.1.1 GDP Growth:

Nigeria's Gross Domestic Product (GDP) grew by 2.55 percent (year-on-year) in real terms in the fourth quarter of 2019. When compared with the 2.38 percent 2018 fourth quarter growth rate, this represents an increase of 0.17 percent points. Compared with 2.28 percent recorded in the third quarter of 2019, the real growth rate reflects an increase of 0.27 percent points. The strong fourth quarter 2019 growth rate is also remarkable being the highest quarterly growth performance since the 2016 recession. Overall, the economy recorded annual real growth rate of 2.27 percent in 2019 as against the 1.91 percent reported in 2018. Quarter on quarter, real GDP growth was 5.59 percent.

The GDP performance recorded in the fourth quarter of 2019 followed a corresponding robust third quarter performance. In the fourth quarter of 2019, aggregate GDP stood at N39,577.34 billion in nominal terms. This was higher than the fourth quarter of 2018 which recorded an aggregate of N35,230.61 billion reflecting a year on year nominal growth rate of 12.34 percent. This growth rate was 0.96 percent and 0.31 percentage points lower than the growth rates reported in the third quarter of 2019 and fourth quarter of 2018 respectively.

Figure 2.1: GDP Percentage Growth (Q1 2015 – Q4 2019)



Source: National Bureau of Statistics, 2019

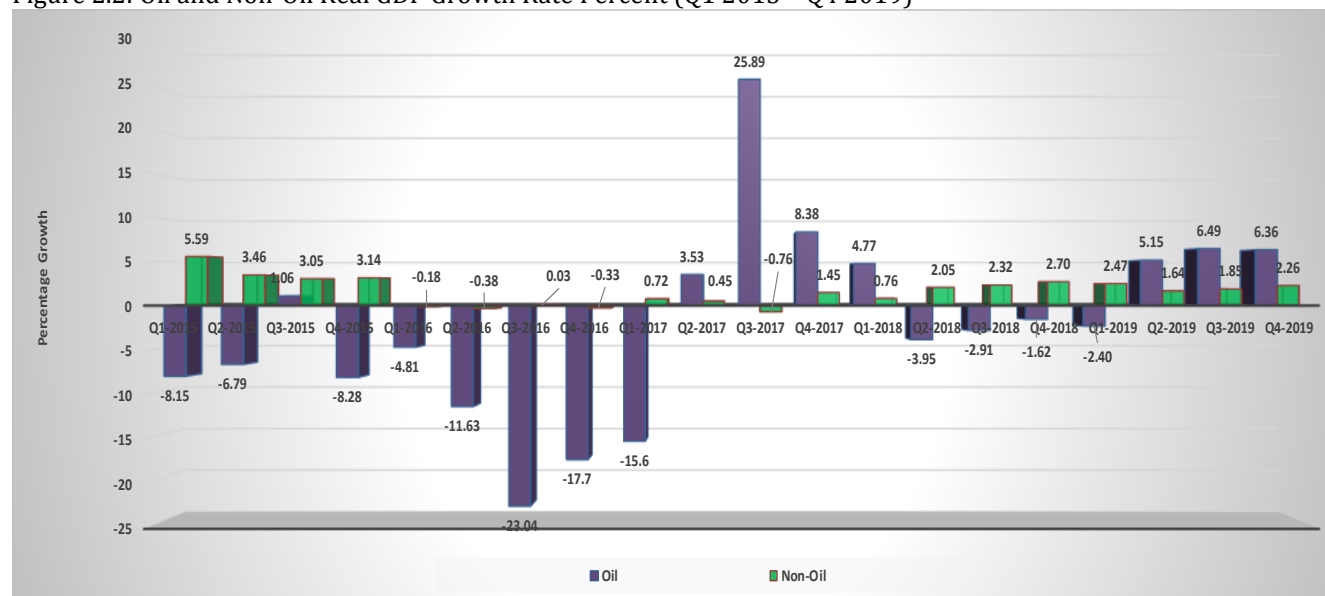
2.2.1.2 Oil Sector:

Nigeria recorded an average daily oil production of 1.98 million barrels per day (mbpd) in the fourth quarter of 2019. This was 0.07mbpd higher than the daily average oil production of 1.91mbpd reported in fourth quarter of 2018. However, it was 0.13mbpd lower than the 2.11mbpd recorded in the third quarter of 2019. It is noteworthy that oil production (including condensates) was at average of 2.04mbpd in 2019.

Oil sector real GDP grew by 6.36 percent (year-on-year) in the fourth quarter of 2019. This represents an increase of 7.98 percentage points relative to the rate recorded in the corresponding quarter of 2018. The rate was however 0.13 percent lower than 6.49 percent reported in the third quarter of 2019. Quarter-on-quarter, oil sector output declined by 20.87 percent in the fourth quarter of 2019. On an annual basis, the oil sector recorded 4.59 percent growth in 2019 as against 0.97 percent reported in 2018. The sector contributed 7.32 percent to total real GDP in the fourth quarter of 2019 which was higher than the 7.06 percent contributed in the corresponding period of 2018. The 2019 fourth quarter contribution was however lower than the 9.77

percent contribution recorded in the third quarter of 2019. Overall, the oil sector contributed 8.78 percent to real GDP in 2019.

Figure 2.2: Oil and Non-Oil Real GDP Growth Rate Percent (Q1 2015 – Q4 2019)



Source: National Bureau of Statistics, 2019

2.2.1.3 Non-Oil Sector:

The non-oil sector grew by 2.26 percent in real terms during the quarter under review. This represents a decrease of 0.44 percent but an increase 0.42 percent when compared with the growth reported in the fourth quarter of 2018 and third quarter of 2019 respectively. The growth of the non-oil sector was mainly driven by Information and Communication (Telecommunications), Agriculture (Crop Production), Financial and Insurance Services (Financial Institutions), and Manufacturing. In real terms, the non-oil sector contributed 92.68 percent to the nation's GDP in the fourth quarter of 2019 as against 90.23 percent and 92.94 percent recorded in the third quarter of 2019 and fourth quarter of 2018 respectively. The annual contribution of the non-oil sector stood at 91.22 percent in 2019.

The Agricultural sector grew by 13.80 percent year-on-year in nominal terms in the fourth quarter of 2019, a decline of 4.78 percentage points when compared with the same quarter of 2018. When compared with the preceding quarter of 2019 growth rate of 14.88 percent, it showed a decline of 1.08 percentage points. Crop Production remained the major driver of the sector, quarter on quarter, growth stood at –5.40 percent in the fourth quarter of 2019

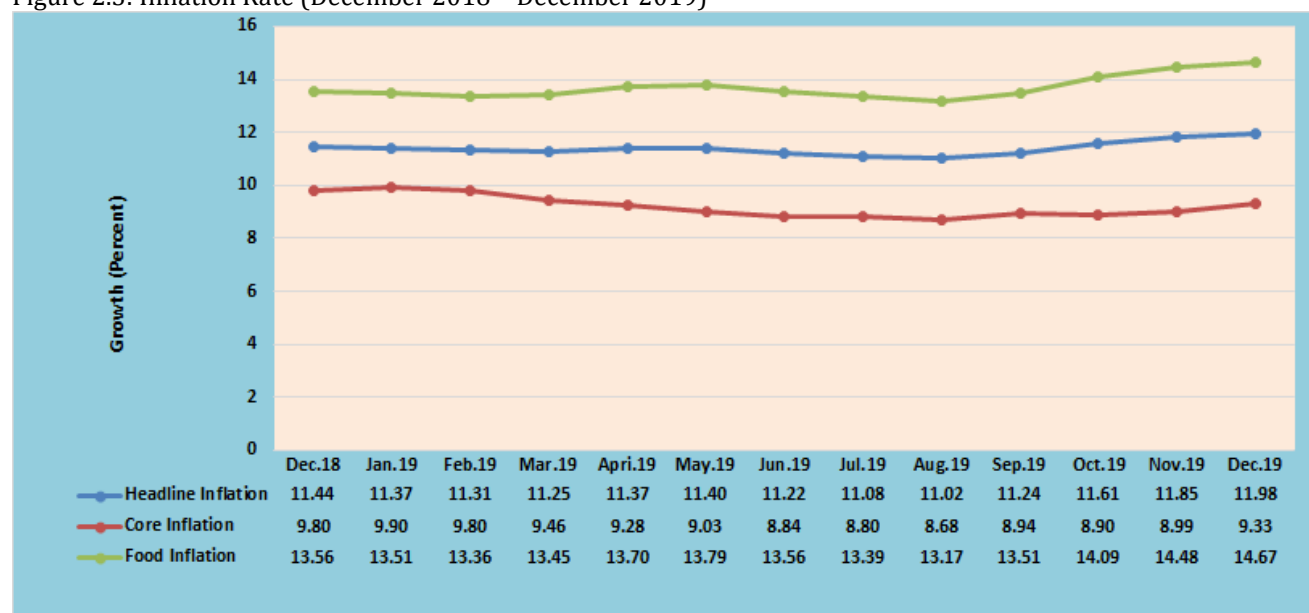
and 16.56 percent for annual growth in 2019. Agriculture contributed 23.38 percent to nominal GDP during the quarter. This was higher than the 23.08 percent but lower than the 25.88 percent rates recorded in the fourth quarter of 2018 and third quarter of 2019 respectively. Agriculture annual contribution in 2019 stood at 22.12 percent which was higher than the 21.43 percent recorded in 2018.

In real terms, the agricultural sector grew by 2.31 percent (year-on-year) in the fourth quarter of 2019, representing a decrease of 0.14 percentage points from the corresponding period of 2018 and an increase of 0.03 percentage points from the 2.28 percent recorded in the preceding quarter of 2019. The sector grew on a quarter on quarter basis at –5.82% while the annual growth rate stood at 2.36%, higher than the 2.12% recorded in 2018. In terms of contribution, the sector accounted for 26.09 percent of overall real GDP during the quarter which was slightly lower than the contributions of 26.15 percent and 29.25 percent reported in the fourth quarter of 2018 and third quarter of 2019 respectively. The full year 2019 contribution was 25.16 percent as against 25.13 percent recorded in 2018.

2.2. Prices Developments

There were great worries over domestic inflation, which increased consecutively in the last 4 months of 2019. The rising price level is attributable to a combination of structural and supply side factors, expansionary fiscal policy and growth in money supply arising from rising excess liquidity in the banking industry due to changes in the CBN's OMO policy. Headline Inflation (year-on-year) rose to 11.98 percent in December 2019 from 11.85 percent, 11.61 percent and 11.24 percent in November, October and September 2019 respectively.

Figure 2.3: Inflation Rate (December 2018 – December 2019)



Source: National Bureau of Statistics, 2019

The increase in inflation is traceable to increase in both the food and core components. Food Inflation rose to 14.67 percent in December 2019 from 14.48 percent, 14.09 percent and 13.51 percent in November, October and September 2019 respectively. The increase in the food component reflects largely seasonal effects and the impact of the prolonged closure of the borders and continued insurgency in some food producing areas of the country. Similarly, Core Inflation increased to 9.33 percent in December 2019 from 8.99 percent in November 2019 and 8.90 percent in both October and September 2019 respectively.

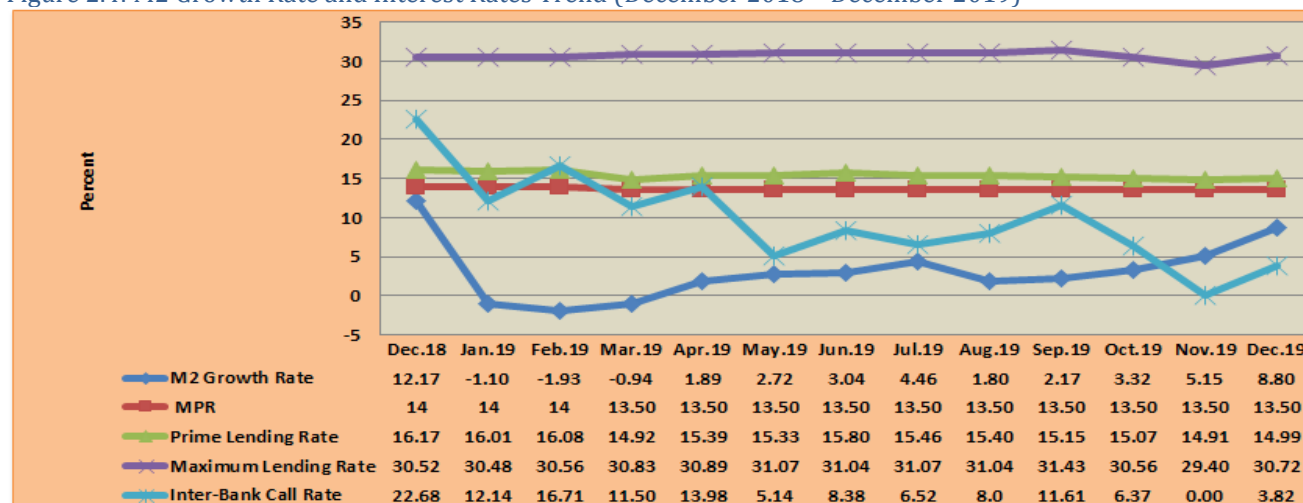
With monetary policy becoming constrained, efforts need to be scaled up to address the structural problems including infrastructure deficit and the long-standing clashes between herdsmen and farmers, which are constraining domestic production and contributing substantially to the rise in food inflation. The Government also need to introduce new and innovative ways of addressing the security challenges across the country in order to boost aggregate food supply. Efforts to increase production of domestic substitute of imported food and other tradeables which contributed to the rise in price levels, particularly in agriculture and manufacturing sectors should also be intensified.

2.2.3 Developments in Money Market

Monetary aggregates grew in the fourth quarter relative to the third quarter of 2019. Broad Money Supply (M2) grew by 7.21 percent (₦1,933.07 billion) from ₦26,826.27 billion in September 2019 to ₦28,759.34 billion in December 2019. The increase in M2 was mainly driven by Net Domestic Credit (NDC), which grew by 1.58 percent (₦564.03 billion) from ₦35,618.56 billion in September 2019 to ₦36,182.59 billion in December 2019. The development in NDC reflected improvements in Credit to Private Sector which grew by 3.90 percent (₦1,001.54 billion) from ₦25,698.25 billion in September 2019 to ₦26,699.79 billion in December 2019. On the other hand, Credit to Government decreased during the period under review. Credit to Government fell by 4.41 percent (₦437.52 billion) from ₦9,920.31 billion in September 2019 to ₦9,482.79 billion in December 2019. When compared to the level at the end of fourth quarter of 2018, broad money supply expanded by 6.21 percent (₦1,680.51 billion) in December 2019.

Relative to the third quarter of 2019, Narrow Money Supply (M1) accelerated in the fourth quarter of 2019. The M1 registered 8.97 percent (₦866.56 billion) growth from ₦9,663.76 billion in September 2019 to ₦10,530.32 billion at the end of the fourth quarter of 2019. The increase in M1 as at December 2019 is traceable to the growth in both the Demand Deposit and the Currency Outside Bank from September 2019 rates.

Figure 2.4: M2 Growth Rate and Interest Rates Trend (December 2018 – December 2019)



Source: Central Bank of Nigeria, 2019

The Central Bank of Nigeria CBN maintained a Monetary Policy Rate (MPR) of 13.5 percent adopted in March 2019 in the review period. The Cash Reserve Ratio (CRR) was however raised from 22.5 percent to 27.5 percent in the review period. Other key monetary policy instruments were retained during the review period as the Liquidity Ratio remained at 30 percent. Maintaining monetary policy rate at its present level is vital for sustainable support to growth before any possible alterations. On the downsides, it was noted that holding would reduce the speed of economic recovery relative to loosening, exert a drag on output growth, as Deposit Money Banks (DMBs) continue to utilize bonds sales instead of engaging in financial intermediation to the private sector.

The average interbank call rate decreased from 11.61 percent in September to 6.37 percent, zero percent and 3.82 percent in October, November and December 2019 respectively. The average prime lending rate followed similar trend during the period under review, falling from 15.15 percent in September to 15.07 percent, 14.91 percent and 14.99 percent in October, November and December 2019 respectively. Following the same form, the average maximum lending rate declined from 31.43 percent in September to 30.56 percent, 29.40 percent and 30.72 percent in October, November and December 2019 respectively. (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 reduced in 2019 with significant reduction in the growth of exports even as imports remained robust. Total trade increased by ~~N~~4.45 trillion or 14.05 percent to ~~N~~36.15 trillion in 2019, from ~~N~~31.70 trillion in 2018. The growth moderation was driven by significant reduction of growth in exports during the review period. The expansion in exports reversed the recovery of 2018, only rising by ~~N~~0.66 trillion or 3.56 percent to ~~N~~19.19 trillion in 2019, from ~~N~~18.53 trillion in 2018. Imports however rose sharply by ~~N~~3.79 trillion or 28.82 percent to ~~N~~16.95 trillion in 2019, from ~~N~~13.17 trillion in 2018 with significant expansion in the second and fourth quarter of the fiscal year.

The above developments resulted in a significant contraction of trade balance in the period under review. Nigeria's trade balance slumped to ₦2.23 trillion indicating a ₦3.13 trillion or 58.41 percent contraction in net trade from ₦5.37 trillion in 2018. The contraction in trade balance was driven by the significant decrease in export expansion as its recovery in the third quarter of the year could not be sustained while imports remained robust.

Analysis by export components indicates that the contraction in export expansion was as a result of the sharp slide in crude oil exports, which continued to dominate exports. The non-crude and the non-oil exports however continued to recover, posting impressive performance during the review period. Non-crude exports rose by ₦1.13 trillion or 33.37 percent to ₦4.50 trillion in 2019, from ₦3.38 trillion in 2018. Similarly, the non-oil exports improved significantly by ₦1.33 trillion or 111.29 percent to ₦2.52 trillion in 2019, from ₦1.19 trillion in 2018. This indicates a sustained and significant recovery in the non-oil exports as efforts to diversify the nation's export base continues to yield fruits. Crude exports, though moderating, continued to dominate exports accounting for 76.5 percent of total and therefore its poor performance dwarfed the performance of the non-oil exports. The export sub-component contracted in the review period decreasing by ₦0.47 trillion or 3.08 percent to ₦14.69 trillion during the review period from ₦15.16 trillion in 2018.

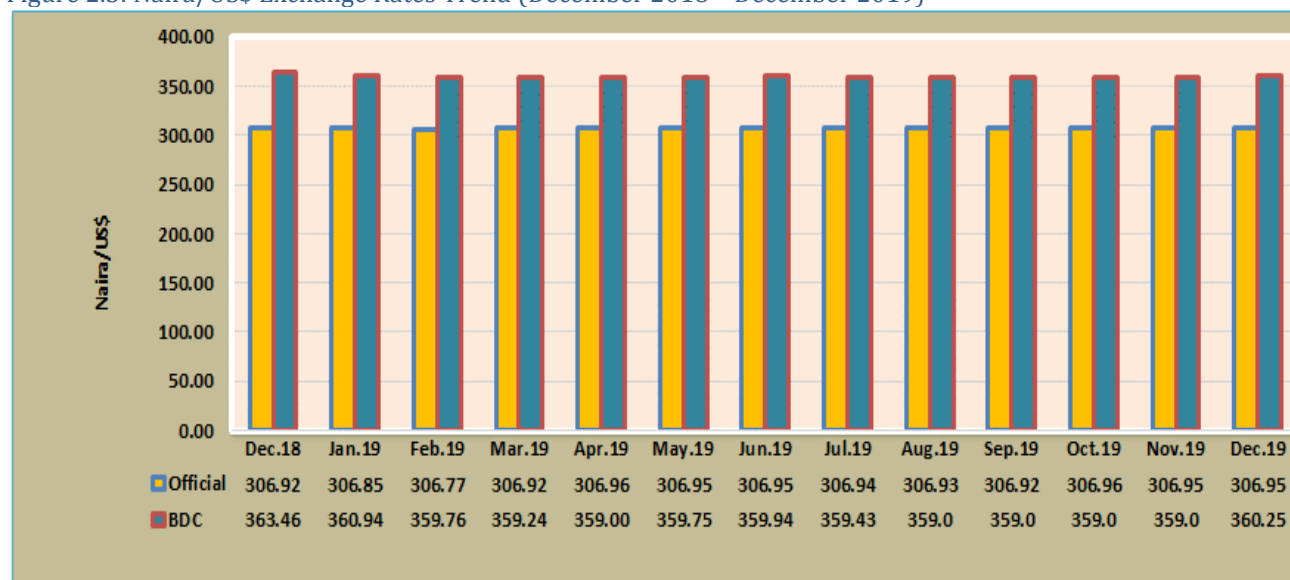
Nigeria recorded US\$6.95 billion Current Account deficit during the fourth quarter of 2019, higher than the US\$0.35 billion deficit in the corresponding period of 2018. The higher deficit results from adverse developments in all the segments of the Balance of Payment (BOP) in the review period. Specifically, the Goods and Services account recorded a deficit for the first time ever standing at US\$1.50 billion in the fourth quarter of 2019, compared to a surplus of US\$4.92 billion in the corresponding period of 2018. This reflects not just the impact of the galloping imports but also the moderation in exports during the fiscal year. The deficit in Services (net) also increased to US\$9.26 billion in the quarter under consideration, from US\$8.29 billion during the same period in 2018. The deficit in the income account remained high at US\$3.18 billion during the review period only marginally falling from the US\$3.30 billion in the corresponding period in 2018. The transfer segment of the BOP however recorded a surplus of US\$6.99 billion during the review

period only surging from the US\$6.31 billion it recorded in the corresponding period in 2018.

2.2.4.2 Exchange Rates

The Naira foreign exchange movement continued to be relatively stable over the review period. This was due to considerable increase in inflow into the market as well as the strategic interventions of the CBN which made up for the increased outflow on higher demands for imports. The Naira exchange rates were therefore stable across all segments of the foreign exchange market during the review period. Specifically, the Naira/Dollar exchange rate at the Official/Inter-Bank markets opened at a monthly average of ₦306.92/US\$ in September, depreciating slightly to ₦306.96/US\$ in October before appreciating slightly to ₦306.95/US\$ in both November and December 2019 respectively. On the other hand, the rate of the Naira/Dollar at the Bureau De-Change (BDC) remained stable at ₦359.0/US\$ from September to November before depreciating to ₦360.25/US\$ in December 2019. The relative stability in the foreign exchange market provides confidence to foreign investors.

Figure 2.5: Naira/US\$ Exchange Rates Trend (December 2018 – December 2019)



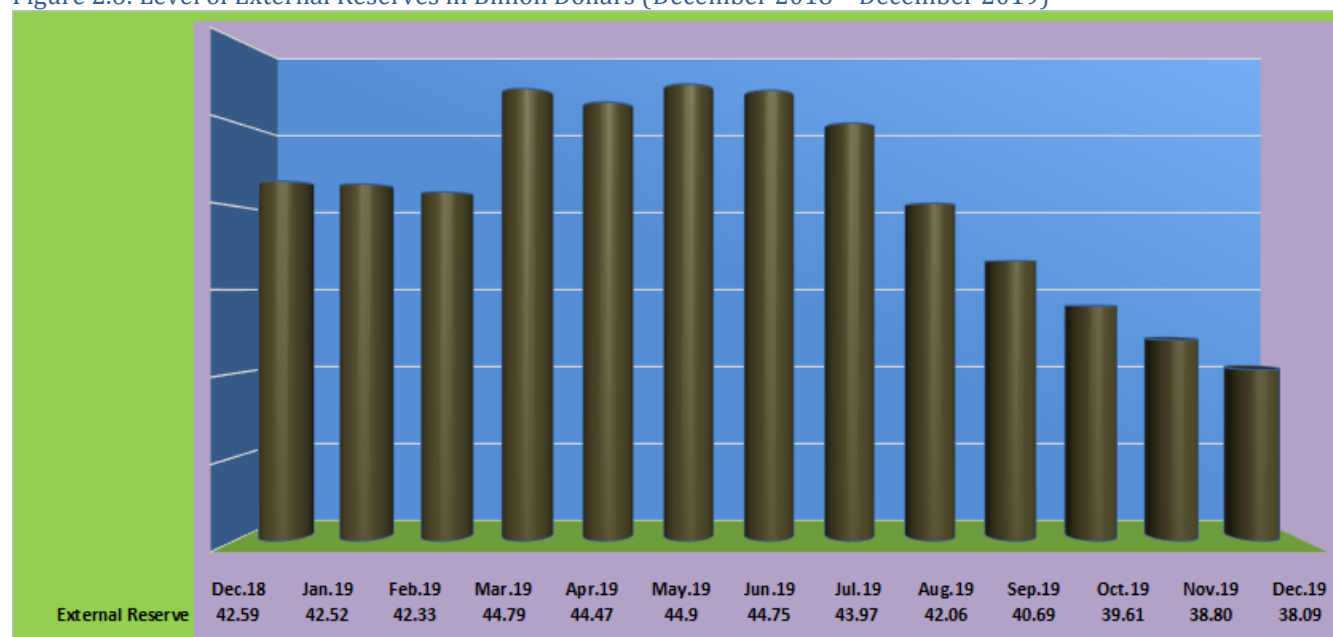
Source: Central Bank of Nigeria, 2019

2.2.4.3 External Reserves

Figures from the CBN showed that Nigeria's gross official (external) reserve decreased at the end of the fourth quarter of 2019. It fell from US\$40.69 billion

at the end of September to US\$39.61 billion, US\$38.80 billion and US\$38.09 billion in October, November and December 2019 respectively. The performance at the end of December represents a decrease of US\$2.60 billion (6.39 percent) below the figure reported at the end of September 2019. Relative to the end of fourth quarter of 2018 level of US\$42.59 billion, it fell by US\$4.50 billion (10.57 percent). There are possibilities of further decrease in the external reserves level in the near term, due to crude oil price decline.

Figure 2.6: Level of External Reserves in Billion Dollars (December 2018 – December 2019)



Source: Central Bank of Nigeria, 2019

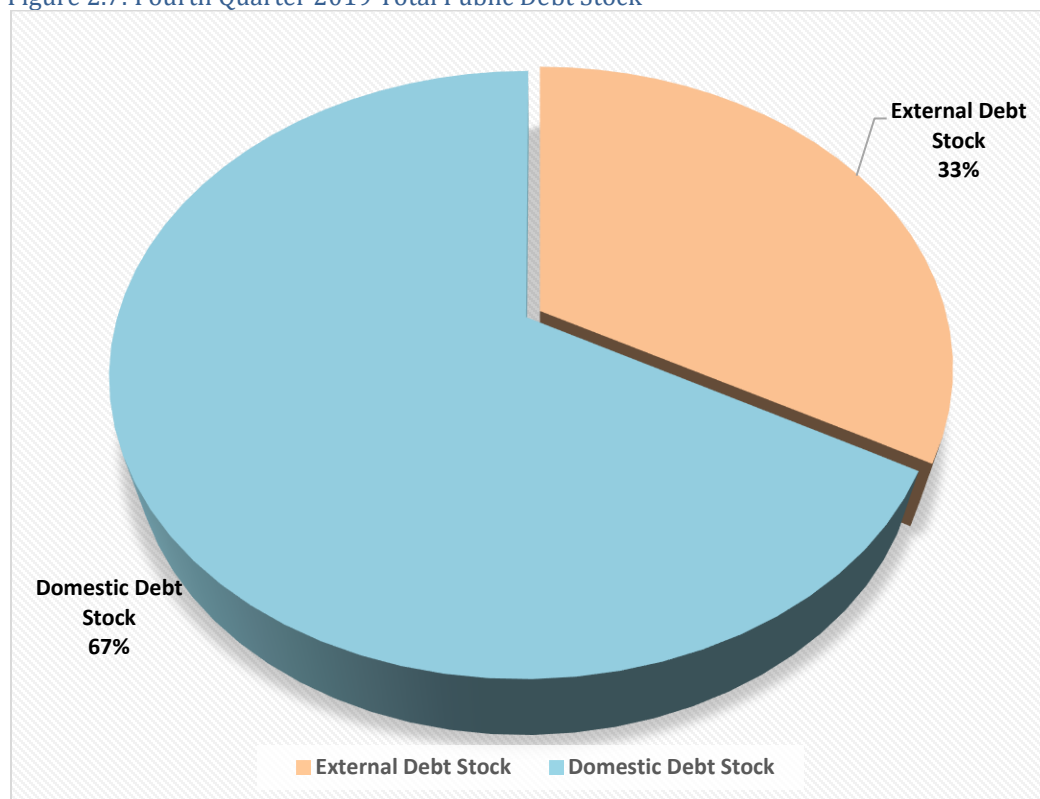
2.2.5 Debt Stock

2.2.5.1 Total Public Debt Stock

The total public debt stock as at 31st December, 2019 stood at US\$84,053.32 million (N27,401.38 billion) indicating an increase of US\$4,616.60 million (N3,014.31 billion or 5.81 percent) when compared to the N24,387.07 billion (US\$79,436.72 million) recorded at the end of December 2018. The breakdown comprised of US\$27,676.14 million (N9,022.42 billion or 32.93 percent) for external debt while the balance of US\$56,377.18 million (N18,378.96 billion or 67.07 percent) was for domestic debt stock. This

translates to a net present value of total public Debt to GDP ratio of 19.0 percent as at the end of December 2019. This is below the country specific threshold of 25 percent and the international threshold of 56 percent. Actual solvency ratio of external debt and domestic debt as percentages of GDP as at 31st December, 2019 were 6.80 percent and 13.85 percent respectively.

Figure 2.7: Fourth Quarter 2019 Total Public Debt Stock



Source: Debt Management Office, 2019

2.2.5.2 Domestic Debt Stock

The Federal Government's domestic debt stock stood at ₦14,272.64 billion as at end of December 2019, representing an increase of ₦371.09 billion (2.67 percent) above the ₦13,901.55 billion recorded in the third quarter of 2019. It was also ₦1,498.23 billion (11.73 percent) above the ₦12,774.41 billion reported in the same period of 2018. The increase in domestic debt relative to the third quarter of 2019 was due to the new issues of FGN bonds and FGN Savings bond during the period. A breakdown of the domestic debt stock as at

31st December, 2019 reveal that ₦10,524.16 billion (73.74 percent) is for FGN Bonds, ₦2,651.51 billion (18.58 percent) is for Nigerian Treasury Bills (NTBs), ₦125.99 billion (0.88 percent) is for Treasury Bonds, ₦12.67 billion (0.09 percent) is for FGN Savings Bond, ₦200.0 billion (1.40 percent) is for FGN Sukuk, ₦25.69 billion (0.18 percent) is for Green Bond and ₦732.62 billion (5.13 percent) is for Promissory Notes.

2.2.5.3 External Debt Stock

Nigeria's external debt stock as at 31st December 2019, stood at US\$27,676.14 million indicating an increase of US\$734.64 million (2.73 percent) and US\$2,401.78 million (9.50 percent) above US\$26,941.50 million and US\$25,274.36 million recorded in the third quarter of 2019 and fourth quarter of 2018 respectively. A breakdown of the external debt stock as at 31st December, 2019 revealed that Multilateral Debts amounted to US\$12,660.38 million (45.74 percent), Non-Paris Club Bilateral Debts amounted to US\$3,847.41 million (13.90 percent) while Commercial (Euro-Bond) accounted for the balance of US\$11,168.35 million (40.35 percent).

3.0 FINANCIAL ANALYSIS OF THE 2019 BUDGET IMPLEMENTATION

3.1 Key Assumptions and Projections

The 2019 Budget was based on the 2019-2021 Medium Term Fiscal Framework (MTFF) and was aligned with the ERGP. In line with the Federal Government efforts to run an inclusive government, several consultations were held with relevant stakeholders within the economy in the course of formulating the Budget. Developments at the international level was also taken into consideration in arriving at some of the key assumptions in the framework. Table 3.1 presents the key Assumptions and Targets of the 2019 Budget.

Table 3.1: Key Assumptions and Targets for 2016 - 2019 Budget

KEY ASSUMPTION & TARGETS	2016	2017	2018	2019
Projected Production (in mbpd)	2.2	2.20	2.30	2.30
Budget Benchmark Price (per barrel in US)	38	44.50	51	60
Technical Cost of JVC Pbl to Oil Companies				
Operating Expenses (T1) in US \$	10.29	10.43	11.24	20.45
Capital Expenses (T2) in US \$	11.12	10.85	11.97	14.89
Petroleum Investment Allowance (10%)				0.51
Technical Cost of PSC Pbl to Oil Companies				
Operating Expenses (T1) in US \$	8.22	8.85	8.7	10.01
Capital Expenses (T2) in US \$	19.62	17.86	11.01	10.04
Investment Tax Credit	4.94	2.85	2.13	1.54
Technical Costs of SC pbl to Oil Company				
Operating Expenses (T1) in US \$	18.62	18.62	22.79	29.49
Capital Expenses (T2) in US \$	2.44	2.05	2.05	5.49
Investment Allowances	2.996	0.46	0.46	2.67
Weighted Average Contribution Rates				
Weighted Average Rate of PPT - JV Oil	85%	85%	85%	85%
Weighted Average Rate of PPT - PSC Oil	50.17%	50.2%	50.2%	50.1%
Weighted Average Rate of PPT - SC Oil	85%	85%	85%	85%
Weighted Average Rate of PPT - Independent (Indigenous)	85%	85%	85%	85%
Weighted Average Rate of PPT - Marginal	51.6%	51.6%	85%	85%
Royalty Rates				
Weighted Average Rate of Royalties - JV Oil	19.1%	19.1%	18.67%	18.67%
Weighted Average Rate of Royalties - PSC	4.5%	4.5%	2.3%	2.83%
Weighted Average Rate of Royalties - SC Oil	18.5%	18.5%	18.5%	18.50%
Weighted Average Rate of Royalties -Independent	19.3%	19.3%	19.31%	19.31%
Weighted Average Rate of Royalties - Marginal	9.3%	9.3%	9.3%	9.29%
Average Exchange Rate (NGN/US\$)	197	305	305	305
VAT Rate	5%	5%	5%	5%
CIT Rate	30%	30%	30%	30%

Source: BOF, NNPC, FIRS and NCS, 2019

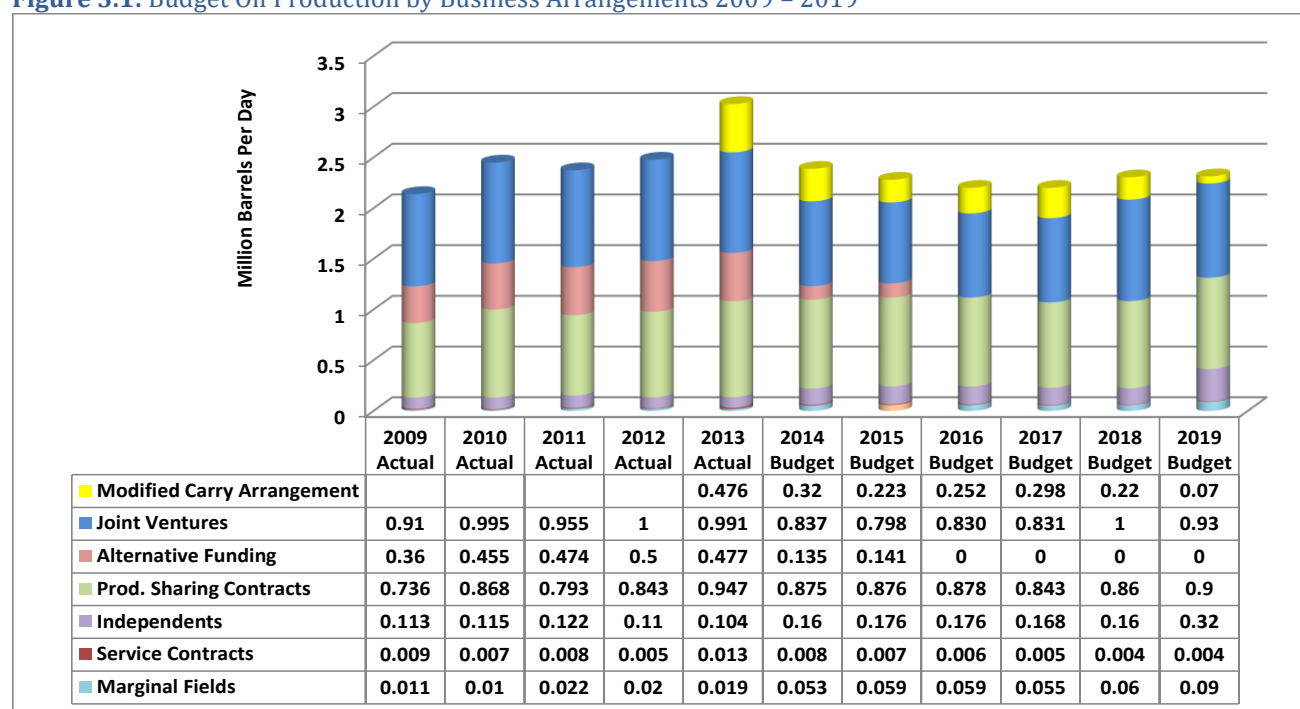
3.1.1 Budget Benchmark Oil Price and Production

The FGN continued the use of benchmark oil production and prices for its yearly budgets to moderate the impact of oil revenue volatility on expenditure. The oil price benchmark for the 2019 Budget was pegged at US\$60.0/barrel while oil production was fixed at 2.3 million barrels per day (mbpd).

The output and subsequently cost expenses in the oil sector was projected to increase in the 2019 fiscal year. The Technical Cost comprising average of operating and capital outlays were adjusted in the 2018 as well as in the 2019 fiscal year as against the rates in 2017 for both the Joint Ventures (JVs) and the Production Sharing Contracts (PSCs). The average expenses [Capital (T1) and Operating (T2)] for the JVs production arrangement increased from US\$23.21 per barrel in 2018 to US\$35.34 per barrel in 2019 indicating an increase of US\$12.13 per barrel over the period. The average expenses for the PSC also increased slightly to US\$20.05 per barrel in 2019 from US\$19.71 in 2018. This was driven by the rise in Operating Expenses for PSC.

The share of oil production by business arrangements remained fairly stable with the JVs and PSCs dominating at approximately 37.8 and 36.7 percent respectively. Information on expected contributions of oil production by business arrangements are presented in Figure 3.1 while the analysis of contributions and duties for key oil taxes that are projected to accrue to the Federation are also represented in Table 3.2. These rates remained largely unchanged with the rates in the 2018 budget framework.

Figure 3.1: Budget Oil Production by Business Arrangements 2009 – 2019



Source: NAPIMS/NNPC, 2019

Table 3.2: Detailed Assumptions for Oil Production and Taxes (2018 and 2019)

	2018 Production Volume (mbpd)	2018 Percentage	2019 Production Volume (mbpd)	2019 Percentage
Share of Oil Production				
Joint Ventures	1.00	43.48%	0.93	37.8%
Alternative Funding				
Modified Carry Arrangement	0.22	9.57%	0.07	2.8%
Production Sharing Contracts	0.86	37.39%	0.90	36.7%
Independents	0.16	6.96%	0.32	12.8%
Service Contracts	0.004	0.17%	0.004	0.2%
Marginal	0.06	2.61%	0.09	3.5%
Base Production	2.30	100%	2.3	100%
Repayment Arrears	0.21	8.37%	0.15	6.2%
Total Oil Production	2.51	100%	2.45	100%
PPT Rates				
Weighted Average -JV/AF/Independent/Marginal		85%	85%	
Weighted Average -PSC		50.2%	50.10%	
Weighted Average -SC		85%	85%	
Royalties Rates				
Weighted Average -JV/AF/Independent/Marginal		18.67%	18.67%	
Weighted Average -PSC		2.3%	2.83%	
Weighted Average -SC Oil		19.31%	19.31%	

Source: NNPC and BOF, 2019

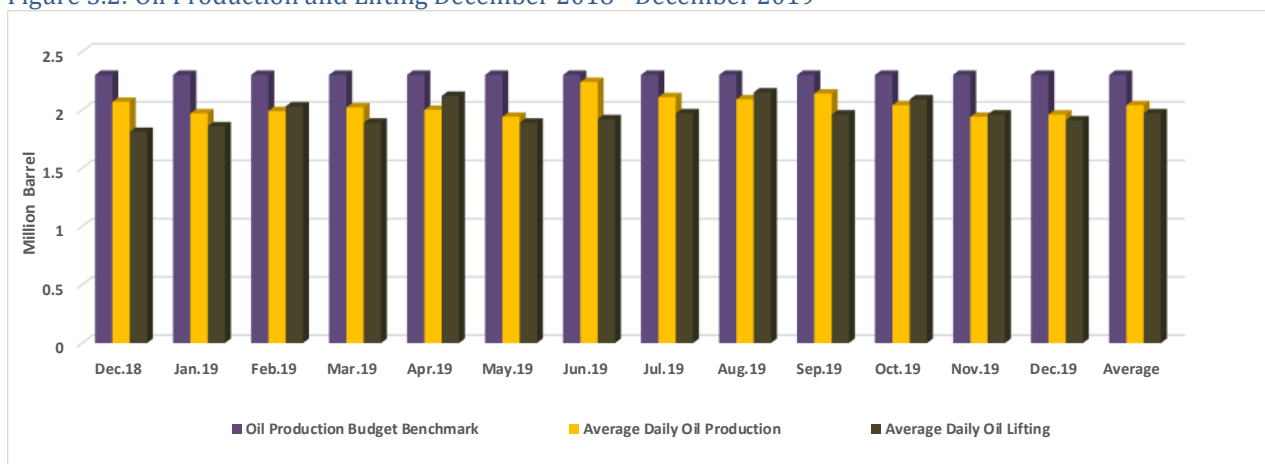
3.2 Analysis of Revenue Performance

3.2.1 Performance of Key Oil Revenue Parameters

The price of crude oil at the international market averaged US\$64.31 per barrel in 2019 and US\$63.26 per barrel in the fourth quarter, indicating an increase of US\$1.32 per barrel (2.13 percent) above US\$61.94 per barrel and US\$4.50 per barrel (6.64 percent) below US\$67.76 per barrel recorded in the third quarter of 2019 and fourth quarter of 2018 respectively. It also represents an increase of US\$3.26 per barrel (5.43 percent) above the US\$60.0 per barrel oil price benchmark for the 2019 Budget. The reduction in the price of crude oil during the period could be attributed to slowing global economic momentum amid US-China trade tensions and the prospect of lower growth in global oil demand.

Provisional data from the Nigerian National Petroleum Corporation (NNPC) revealed that the average oil production and lifting (including Condensates) was 2.04mbpd and 1.98mbpd in 2019 and 1.98mbpd and 1.99mbpd in the fourth quarter respectively. The average oil production figure in 2019 showed a shortfall of 0.26mbpd (11.30 percent) below the 2.3mbpd projected for the 2019 Budget. The volume of oil production in the fourth quarter was also 0.13mbpd below 2.11mbpd and 0.02mbpd above 1.96mbpd reported in the third quarter of 2019 and fourth quarter of 2018 respectively.

Figure 3.2: Oil Production and Lifting December 2018 –December 2019



Source: NNPC, 2019

On average, 60.81 million barrels of oil was produced monthly while 60.94 million barrels were lifted in the fourth quarter of the year. The shortfall in oil production during the quarter could be ascribed to terminal shut-in losses due to leakages, occupation by host communities and scheduled maintenance as well as limited explorable OPEC quota for the period. Others are legacy issues of crude oil theft, illegal bunkering and pipeline vandalism during the period under review.

3.3 Aggregate Revenue of the Federation

The sum of ₦14,950.16 billion was projected as gross Federally Collectible Revenue in 2019. This comprise of ₦9,326.95 billion (62.39 percent) oil revenue and ₦5,623.21 billion (37.61 percent) non-oil revenue. This amounts to prorated quarterly projection of ₦2,331.74 billion and ₦1,405.80 billion in gross oil and non-oil revenue respectively.

3.4 Oil Revenue Performance

Gross Oil Revenue stood at ₦1,150.60 billion in the fourth quarter of 2019. This represents a shortfall of ₦1,181.14 billion (50.66 percent) when compared with the quarterly prorated estimate. The performance was also 100.07 billion (8.0 percent) and ₦314.71 billion (21.48 percent) below the ₦1,250.66 billion and ₦1,465.31 billion reported in the third quarter of 2019 and corresponding period of 2018 respectively.

A breakdown of the oil revenue performance in the fourth quarter of 2019 showed that Concessional Rentals of ₦0.43 billion, Gas Flared Penalty of ₦26.47 billion, Licenses & Early License Renewal of ₦46.90 billion and Other Oil & Gas Revenue items of ₦1.66 billion exceeded their quarterly estimate of ₦0.42 billion, ₦1.18 billion, ₦22.50 billion and ₦1.46 billion by ₦0.02 billion (3.68 percent), ₦25.29 billion (2,139.83 percent), ₦24.40 billion (108.43 percent) and ₦0.20 billion (13.41 percent) respectively. Other oil revenue items fell below their respective quarterly projections. Crude Oil Sales of ₦185.03 billion, Gas Sales of ₦12.48 billion, Petroleum Profit and Gas Taxes of ₦525.51 billion and Royalties (Oil & Gas) of ₦352.12 billion fell below their quarterly estimates of

₦397.61 billion, ₦171.41 billion, ₦1,075.30 billion and ₦549.52 billion by ₦212.58 billion (53.46 percent), ₦158.93 billion (92.72 percent), ₦549.79 billion (51.13 percent) and ₦197.40 billion (35.92 percent) respectively. 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 2019, was ₦827.83 billion, depicting a decrease of ₦1,073.35 billion (56.46 percent) below the estimated quarterly budget of ₦1,901.18 billion. The inflow was ₦143.57 billion (20.98 percent) higher than the ₦684.26 billion net oil revenue reported in the preceding quarter of 2019 and ₦258.77 billion (23.81 percent) below the ₦1,086.60 billion net oil revenue recorded in the fourth quarter of 2018 respectively (*Table 3.4*). The poor Net Oil Revenue performance in the fourth quarter of 2019 when compared with the quarterly projection can be attributed to lower crude oil production and lifting due to challenges like crude oil production and lifting, the inability to conclude negotiation of the PSC New Terms Negotiation during the period leading to a revenue loss of ₦320 billion; PMS under-recovery deductions which constitute a 55 percent deduction on NNPC's profit and pipeline repair costs, among others. These oil revenue data are presented in *Table 3.4*.

3.4.2 Year to Date Oil Revenue Performance

Gross Oil Revenue of ₦4,604.49 billion was collected in the year as against ₦9,326.95 billion projected for the 2019 budget. This reflect a decline of ₦4,722.47 billion (50.63 percent) and ₦941.13 billion (16.97 percent) below the annual budget estimate and gross oil revenue of ₦5,545.62 billion realized in 2018. A breakdown of the revenue by sub-heads showed that only Gas Flared Penalty of ₦94.09 billion and Licenses & Early License Renewal of ₦236.86 billion surpassed their annual projections of ₦4.73 billion and ₦90.0 billion by ₦89.36 billion (1,890.24 percent) and ₦146.86 billion (163.17 percent) respectively.

The inflow on the remaining Oil Revenue items fell short of their respective 2019 projections. Crude Oil Sales of ₦603.55 billion, Gas Sales of ₦133.28 billion,

Petroleum Profit & Gas Taxes of ₦2,114.27 billion, Royalties (Oil & Gas) of ₦1,415.93 billion, Rent of ₦0.79 billion and Other Oil and Gas Revenue of ₦5.72 billion fell below their yearly projected estimates of ₦1,590.45 billion, ₦685.64 billion, ₦4,301.18 billion, ₦2,198.06 billion, ₦1.68 billion and ₦5.86 billion by ₦980.90 billion (62.05 percent), ₦552.36 billion (80.56 percent), ₦2,186.92 billion (50.84 percent), ₦782.13 billion (35.58 percent), ₦0.88 billion (52.68 percent) and ₦0.14 billion (2.36 percent) respectively (Table 3.4). These low performances were as a result of the lower prices and other cost related outcomes during the period.

Table 3.3: Fourth Quarter Revenue Performance

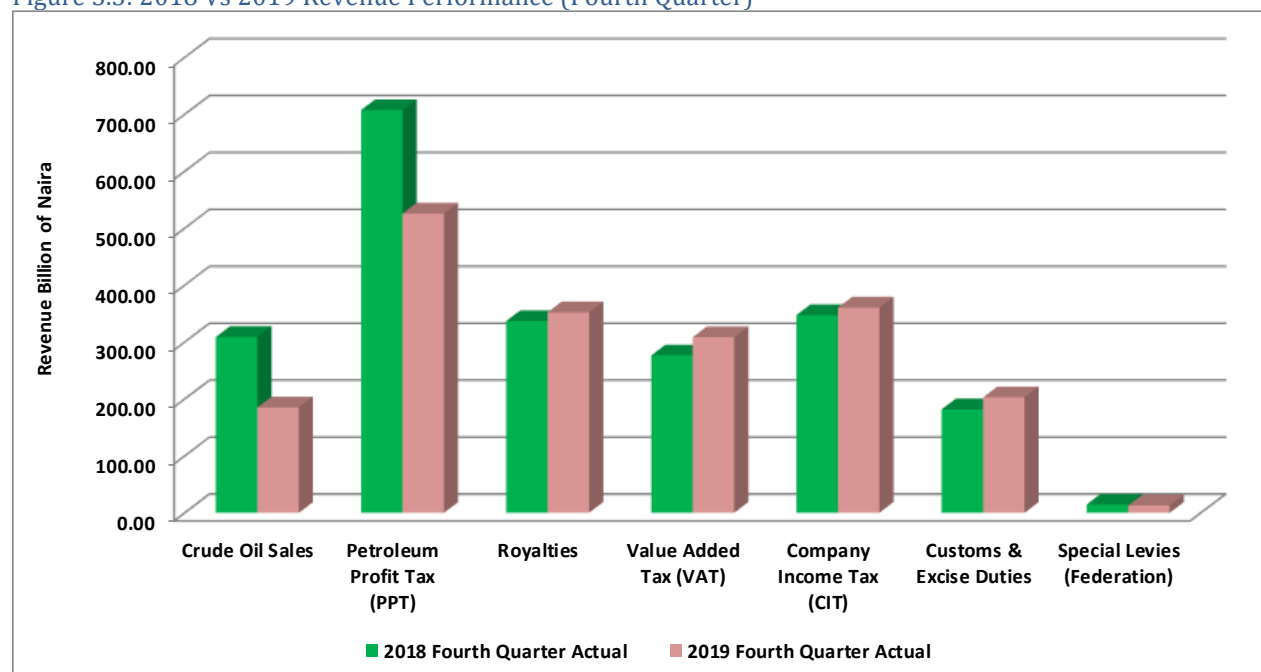
Revenue Items	2018	2019	Variance	
	Fourth Quarter Actual	Fourth Quarter Actual	4th Quarter 2019 Vs 4th Quarter 2018	
Oil Revenue	N'bns	N'bns	N'bns	%
Crude Oil Sales	308.96	185.03	-123.93	-40.11
Petroleum Profit Tax (PPT)	707.37	525.51	-181.86	-25.71
Royalties	336.80	352.12	15.32	4.55
Gross Oil Revenue	1,465.31	1,150.60	-314.71	-21.48
Net Oil Receipts	1,086.60	827.83	-258.77	-23.81
Non-Oil Revenue				
Value Added Tax (VAT)	276.41	308.48	32.07	11.60
Company Income Tax (CIT)	347.15	360.53	13.38	3.85
Customs & Excise Duties	181.88	202.76	20.88	11.48
Special Levies	14.50	12.97	-1.53	-10.55
Gross Non-Oil Revenue	819.93	884.74	64.81	7.90
Net Non-Oil Receipts	777.39	838.49	61.10	7.86

Source: OAGF and Budget Office of the Federation, 2019

The performance of Non-Oil Revenue improved considerably when compared with their corresponding levels in 2018 for most of the revenue sources and broad category in the fourth quarter of 2019 (Figure 3.3). This reveals a stronger revenue drive by the government and is expected that the tempo will be sustained. This is predicated on the signing of the new Finance Act; the new PSC fiscal regime in Nigeria (Deep offshore at and inland basin amendment act); the border closure and institution of operation white and

expected price reversal due to NNPC from project Cheetah and Falcon. The nation is also exploring means of cost reduction including synergy, cooperation and resource sharing among oil companies using new technologies along the hydrocarbon value chain. Others are improved host communities/stakeholders' management; participation of domestic lenders and improved contracting cycle, among others.

Figure 3.3: 2018 Vs 2019 Revenue Performance (Fourth Quarter)



Source: OAGF and Budget Office of the Federation, 2019

3.5 Non-Oil Revenue Performance

Gross non-oil revenue of ₦884.74 billion was received in the fourth quarter of 2019 representing a shortfall of ₦185.36 billion (17.32 percent) below the quarterly estimate of ₦1,070.11 billion. A breakdown of the non-oil revenue items showed that only Customs & Excise Duties of ₦202.76 billion performed above its quarterly projection of ₦172.30 billion by ₦30.46 billion (17.68 percent). All the other non-oil revenue items fell below their respective quarterly expectations. Value Added Tax of ₦308.48 billion, Company Income Tax of ₦360.53 billion and Special Levies of ₦12.97 billion were below their quarterly estimates of ₦425.97 billion, ₦440.38 billion and ₦30.83 billion by ₦117.49

billion (27.58 percent), ₦79.85 billion (18.13 percent) and ₦17.85 billion (57.91 percent) respectively. On the other hand, Revenue Dividend by Companies / Investments Funded by FAAC and Surcharge on Luxury Items which had quarterly projections of ₦20.56 billion and ₦0.63 billion respectively yielded nothing in the quarter while Solid Minerals & Other Mining Revenue of ₦1.25 billion exceeded its quarterly estimate of ₦0.76 billion by ₦0.48 billion (63.34 percent).

When compared with their equivalent third quarter performances, only Value Added Tax grew by ₦33.37 billion (12.13 percent) while Solid Minerals & Other Mining Revenue, Company Income Tax, Customs & Excise Duties and Special Levies fell by ₦0.30 billion (19.59 percent), ₦127.37 billion (26.11 percent), ₦2.38 billion (1.16 percent) and ₦0.45 billion (3.37 percent) respectively. The poor performances of some of the non-oil revenue items in the fourth quarter of 2019 could be ascribed to the fact that most revenue returns are made in the second and third quarters of the years. It is expected that the performances of these revenue items will further improve in the subsequent quarters of 2020 following the proposed introduction of new Finance Act and the extended implementation of the 2019 capital budget to 2020.

3.5.1 Year to Date Non-Oil Revenue Performance

The gross non-oil revenue in the year amounted to ₦3,548.56 billion depicting a shortfall of ₦731.87 billion (17.10 percent) below the annual estimate of ₦4,280.43 billion. The result also revealed that with the exception of earnings from Solid Minerals & Other Mining Revenue of ₦5.0 billion and Customs & Excise Duties of ₦792.06 billion which surpassed their annual projections by ₦1.95 billion (63.78 percent) and ₦102.86 billion (14.92 percent) respectively. The remaining non-oil revenue items fell below their corresponding projections. Value Added Tax of ₦1,188.58 billion, Company Income Tax of ₦1,517.51 billion and Special Levies of ₦50.40 billion respectively fell short by ₦515.31 billion (30.24 percent), ₦244.01 billion (13.85 percent) and ₦72.90 billion (59.12 percent) when compared with their forecasts for the 2019 fiscal year. On the other hand, Revenue Dividend by Companies / Investments Funded by FAAC

and Surcharge on Luxury Items which had annual estimations of ₦82.25 billion and ₦2.50 billion respectively yielded nothing in the year.

Table 3.4: Net Distributable Revenue as at December 2019 (Oil Revenue at Benchmark Assumptions)

S/NO	FISCAL ITEMS	2019 BUDGET		2019 ACTUAL				2018		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)	%	2019 Vs 2018 (Actual)	%
A	OIL REVENUE	Nb	Nb	Nb	Nb	Nb	Nb	Nb	Nb	Nb	%	Nb	%	Nb	%	Nb	%
1	Profit from Crude Oil & Gas Sales (Gross)	1,590.45	397.61	144.27	119.95	154.29	185.03	603.55	1,395.65	-212.58	-53.46	30.74	19.92	-986.90	-62.05	-792.10	-56.75
2	Gas Income @ 30% CITA (Net of Cost Recovery)	685.64	171.41	9.58	73.25	37.98	12.48	133.28	413.27	-158.93	-92.72	-25.51	-67.16	-552.36	-80.56	-279.99	-67.75
3	Petroleum Profits Tax on Oil & Gas	4,301.18	1,075.30	493.22	502.99	592.55	525.51	2,114.27	2,490.89	-549.79	-51.13	-67.04	-11.31	-2,186.92	-50.84	-376.62	-15.12
4	Oil & Gas Royalties	2,198.06	549.52	346.49	352.67	364.66	352.12	1,415.93	1,235.20	-197.40	-35.92	-12.54	-3.44	-782.13	-35.58	180.73	14.63
5	Concessional Rentals	1.68	0.42	0.27	0.03	0.07	0.43	0.79	0.68	0.02	3.68	0.37	551.55	-0.88	-52.68	0.11	16.18
6	Gas Flared Penalty	4.73	1.18	11.34	6.58	49.70	26.47	94.09	4.50	25.29	2,139.83	-23.23	-46.73	89.36	1,890.24	89.59	1990.89
7	Incidental Oil Revenue (Royalty Recovery, Marginal Field Licences & Early Licence Renewal)	90.00	22.50	80.17	59.73	50.06	46.90	236.86	0.00	24.40	108.43	-3.16	-6.32	146.86	163.17	236.86	
8	Exchange Gain (Based on Budget)	449.36	112.34	0.00	0.00	0.00	0.00	0.00	0.00	-112.34	-100.00	0.00		-449.36	-100.00	0.00	
9	Miscellaneous (Pipeline Fees etc)	5.86	1.46	1.44	1.25	1.36	1.66	5.72	5.42	0.20	13.41	0.30	22.19	-0.14	-2.36	0.30	5.54
10	Sub-Total	9,326.95	2,331.74	1,086.77	1,116.45	1,250.66	1,150.60	4,604.49	5,545.62	-1,181.14	-50.66	-100.07	-8.00	-4,722.47	-50.63	-941.13	-16.97
11	DPR 4% Cost of Collection		0.00	11.13	12.75	14.38	12.60	50.85	49.86	12.60		-1.78	-12.37	50.85		0.99	1.99
12	FIRS 4% Cost of Collection on Gas Income Tax		0.00	0.38	2.93	1.52	0.50	5.33		0.50		-1.02	-67.16	5.33		5.33	
13	Other Federally Funded Upstream Projects (Gas Infrastructure Development, NESS Fees etc)	585.91	146.48	201.03	337.90	302.99	161.75	1,003.69	0.00	15.28	10.43	-141.24	-46.61	417.77	71.30	1,003.69	
14	Transfer to ECA		0.00	0.00	35.00	87.00	0.00	122.00	309.50	0.00		-87.00	-100.00	122.00		-187.50	-60.58
15	Transfer of Lagos State 13% Derivation		0.00	0.00	0.00	0.00	0.04	0.04	0.13	0.04		0.04		0.04		-0.09	-69.66
16	Sub-Total	8,741.04	2,185.26	874.22	727.87	844.78	975.71	3,422.58	4,657.12	-1,209.56	-55.35	130.93	15.50	-5,318.47	-60.84	-1,234.54	-26.51
17	13% Derivation of Net Oil Revenue	1,136.34	284.08	139.78	143.10	160.52	147.87	591.28	604.13	-136.21	-47.95	-12.65	-7.88	-545.06	-47.97	-12.85	-2.13
18	TO FEDERATION ACCOUNT (OIL)	7,604.71	1,901.18	734.44	584.77	684.26	827.83	2,831.30	4,043.00	-1,073.35	-56.46	143.57	20.98	-4,773.41	-62.77	-1,211.70	-29.97
B	DIVIDEND BY COMPANIES/INVESTMENTS FUNDED BY FAAC																
19	Total Dividend Payment	82.25	20.56	0.00	0.00	0.00	0.00	0.00	0.00	-20.56	-100.00	0.00		-82.25	-100.00	0.00	
20	TO FEDERATION ACCOUNT (DIVIDEND BY COMPANIES/INVESTMENTS FUNDED BY FAAC)	82.25	20.56	0.00	0.00	0.00	0.00	0.00	0.00	-20.56	-100.00	0.00		-82.25	-100.00	0.00	
C	SOLID MINERAL & OTHER MINING REVENUES																
21	Total Solid Minerals Revenue	3.05	0.76	1.20	1.00	1.55	1.25	5.00	0.00	0.48	63.34	-0.30	-19.59	1.95	63.78	5.00	
22	Less 13% Derivation	0.40	0.10	0.16	0.13	0.20	0.16	0.65	0.00	0.06	63.34	-0.04	-19.59	0.25	63.78	0.65	
23	TO FEDERATION ACCOUNT (SOLID MINERALS)	2.66	0.66	1.05	0.87	1.35	1.08	4.35	0.00	0.42	63.34	-0.26	-19.59	1.69	63.78	4.35	
D	NON-OIL REVENUE																
24	Value-Added Tax	1,703.89	425.97	293.04	311.94	275.12	308.48	1,188.58	1,090.15	-117.49	-27.58	33.37	12.13	-515.31	-30.24	98.43	9.03
25	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		-2.50	-100.00	0.00	
26	Corporate Tax	1,761.53	440.38	226.71	442.38	487.90	360.53	1,517.51	1,429.93	-79.85	-18.13	-127.37	-26.11	-244.01	-13.85	87.58	6.12
27	Customs: Import, Excise & Fees	689.21	172.30	184.81	199.36	205.14	202.76	792.06	657.88	30.46	17.68	-2.38	-1.16	102.86	14.92	134.18	20.40
28	Special Levies (Federation Account)	123.30	30.83	12.22	11.78	13.43	12.97	50.40	47.57	-17.85	-57.91	-0.45	-3.37	-72.90	-59.12	2.83	5.95
29	Sub-Total	4,280.43	1,070.11	716.78	965.47	981.58	884.74	3,548.56	3,225.53	-185.36	-17.32	-96.83	-9.86	-731.87	-17.10	323.03	10.01
30	Cost of Collections and Other Deductions	209.62	52.40	34.96	55.56	55.98	46.25	192.76	161.81	-6.15	-11.74	-9.73	-17.38	-16.86	-8.04	30.95	19.13
31	4% Cost of Collection (VAT & Surcharge on Luxury Items)	68.26	17.06	11.72	12.48	11.00	12.34	47.54	43.61	-4.72	-27.69	1.33	12.13	-20.71	-30.35	3.93	9.01
32	4% Cost of Collection (CIT)	59.48	14.87	9.45	20.31	20.68	14.81	65.24	56.73	-0.06	-0.41	-5.87	-28.37	5.76	9.68	8.51	15.00
33	7% Cost of Collection (Customs)	48.24	12.06	12.94	13.96	14.36	14.19	55.44	46.05	2.13	17.68	-0.17	-1.16	7.20	14.92	9.39	20.39
34	7% Cost of collection (Special Levies)	8.63	2.16	0.86	0.82	0.94	0.91	3.53	3.33	-1.25	-57.91	-0.03	-3.37	-5.10	-59.12	0.20	6.01
35	FIRS Tax Refunds	25.00	6.25	0.00	8.00	9.00	4.00	21.00	12.10	-2.25	-36.00	-5.00	-55.56	-4.00	-16.00	8.90	73.55
36	TO FEDERATION ACCOUNT (NON-OIL)	2,432.67	608.17	400.49	610.44	661.48	542.35	2,214.76	2,017.17	-65.82	-10.82	-119.14	-18.01	-217.91	-8.96	2,214.76	109.80
37	Total VAT Pool	1,635.74	408.93	281.32	299.47	264.11	296.14	1,141.04	1,046.55	-112.79	-27.58	32.03	12.13	-494.70	-30.24	94.49	9.03
38	Net Surcharge on Luxury Items	2.40	0.60	0.00	0.00	0.00	0.00	0.00	0.00	-0.60	-100.00	0.00		-2.40	-100.00	0.00	
39	Net Non-Oil Revenue after Costs & Deductions	4,070.81	1,017.70	681.81	909.90	925.60	838.49	3,355.80	3,063.72	-179.21	-17.61	-87.10	-9.41	-715.01	-17.56	292.08	9.53
40	Sub-Total: FEDERATION ACCOUNT	10,122.28	2,530.57	1,135.98	1,196.08	1,347.09	1,371.26	5,050.41	6,060.17	-1,159.31	-45.81	24.17	1.79	-5,071.87	-50.11	-1,009.76	-16.66
41	Actual Balances in Special Accounts	17.17	4.29	0.00	0.00	0.00	0.00	0.00	0.00	-4.29	-100.00	0.00		-17.17	-100.00	0.00	
42	TOTAL FEDERATION ACCOUNT	10,139.46	2,534.86	1,135.98	1,196.08	1,347.09	1,371.26	5,050.41	6,060.17	-1,163.60	-45.90	24.17	1.79	-5,089.04	-50.19	-1,009.76	-16.66
E	TOTAL DISTRIBUTION																
1	Federation Account	10,139.46	2,534.86	1,135.98	1,196.08	1,347.09	1,371.26	5,050.41	6,060.17	-1,163.60	-45.90	24.17	1.79	-5,089.04	-50.19	-1,009.76	-16.66
2	Total VAT Pool	1,635.74	408.93	281.32	299.47	264.11	296.14	1,141.04	1,046.55	-112.79	-27.58	32.03	12.13	-494.70	-30.24	1,141.04	109.03
3	Net Surcharge on Luxury Items	2.40	0.60	0.00	0.00	0.00	0.00	0.00	0.00	-0.60	-100.00	0.00		-2.40	-100.00	0.00	
4	GRAND TOTAL	11,777.59	2,944.40	1,417.29	1,495.55	1,611.20	1,667.41	6,191.45	7,106.71	-1,276.99	-43.37	56.21	3.49	-5,586.14	-47.43	-915.26	-12.88

Source: OAGF and Budget Office of the Federation, 2019

Table 3.5: Fourth Quarter Non-Oil Revenue Performance, 2010 – 2019

Description	FOURTH QUARTER (ACTUAL)										
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	10 - Year Average
	N'bn	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	202.76	93.87
Company Income Tax	85.03	93.34	78.26	78.72	91.89	129.96	86.57	297.56	347.15	360.53	164.90
Value Added Tax	17.89	22.14	24.71	29.84	25.92	23.89	28.15	246.53	276.41	308.48	100.40
FGN Independent Revenue	72.73	44.51	83.54	41.68	62.44	8.97	23.09	37.50	90.03	130.38	59.49

Source: OAGF and BOF, 2019

Further analysis of second quarter non-oil revenue performance revealed that the key non-oil revenue sub-heads, had shown some improvement especially between 2017 and 2019, notwithstanding some few years of fluctuations. Table 3.5 and 3.6.

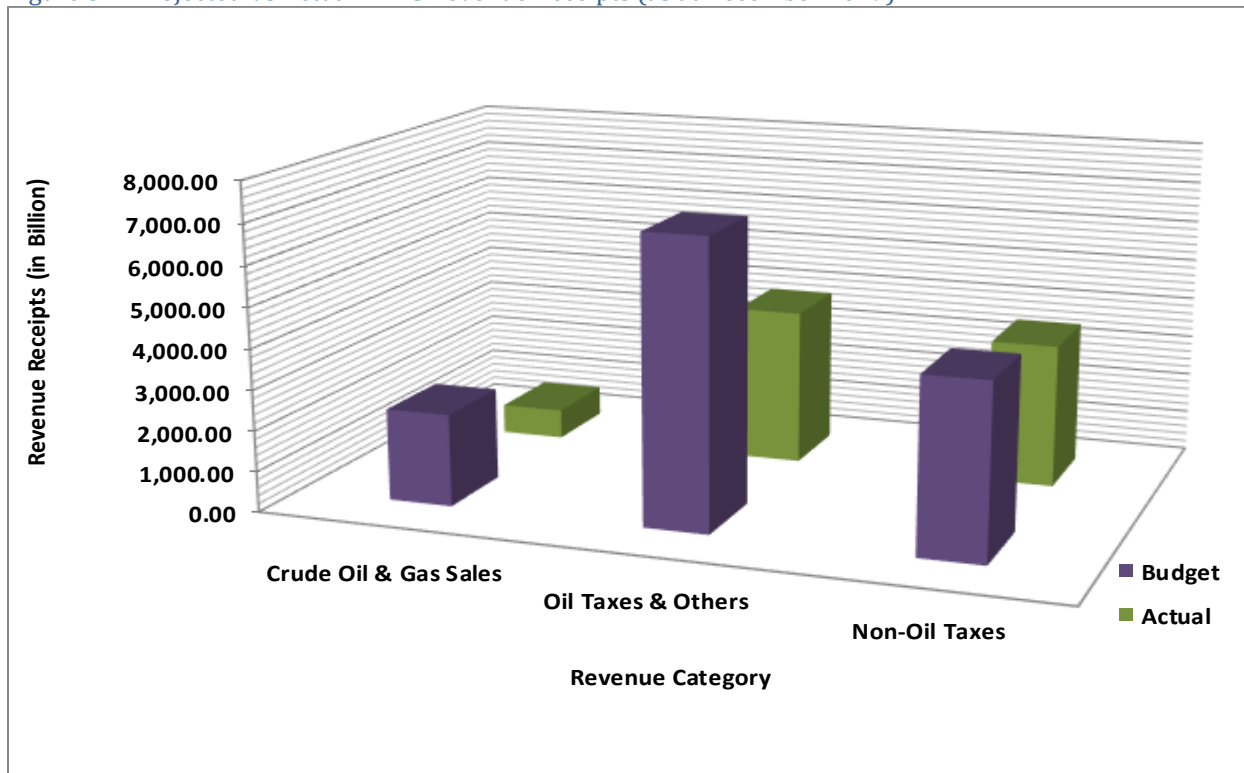
Table 3.6: Growth in Fourth Quarter Non-Oil Revenue Performance, 2011 – 2019 (Percent)

Description	2011	2012	2013	2014	2015	2016	2017	2018	2019	9 - Year Average
	%	%	%	%	%	%	%	%	%	%
Customs & Excise Duties	31.29	5.33	5.72	22.56	-16.64	8.60	144.95	15.98	11.48	25.47
Company Income Tax	9.77	-16.16	0.59	16.73	41.43	-33.39	243.72	16.67	3.85	31.47
Value Added Tax	23.76	11.61	20.76	-13.14	-7.83	17.83	775.77	12.12	11.60	94.72
FGN Independent Revenue	-38.80	87.69	-50.11	49.81	-85.63	157.41	62.41	140.08	44.82	40.85

Source: OAGF and BOF, 2019

Overall, none of the key oil revenue items met their respective 2019 annual budget targets. They all fell below their annual budget projections. The underperformance was however, more severe for Oil Taxes & Others (Figure 3.4).

Figure 3.4: Projected Vs Actual FAAC Revenue Receipts (as at December 2019)

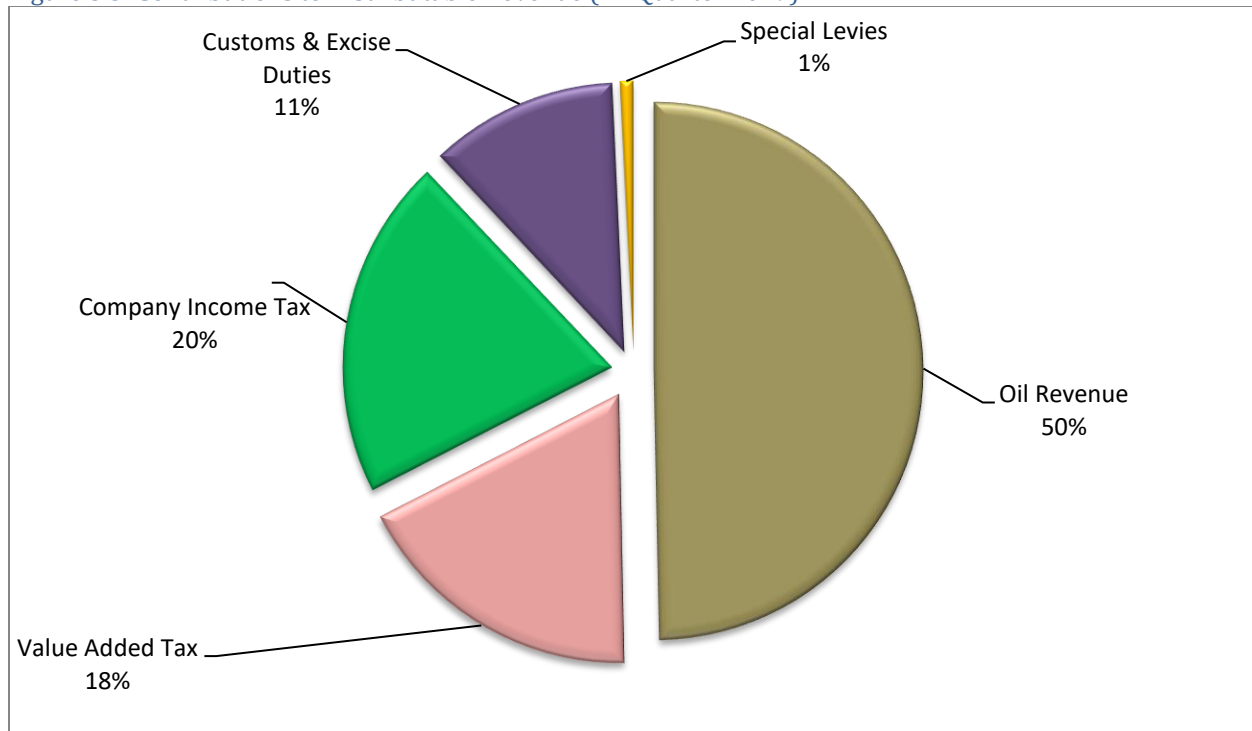


Source: Budget Office of the Federation, 2019

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 ₦2,631.23 billion in the fourth quarter of 2019. This represents a shortfall of ₦313.17 billion (10.64 percent) when compared with the quarterly projection of ₦2,944.40 billion. A breakdown by sources indicated that oil revenue accounted for 31.46 percent of the distributable revenue while the balance came from non-oil revenue items (Figure 3.5).

Figure 3.5: Contributions to Distributable Revenue (4th Quarter 2019)



Source: Budget Office of the Federation, 2019

3.7 Excess Crude Account

Analysis of the reports of the Excess Crude Account (ECA) revealed that the Excess Crude Account (ECA) had an opening balance of US\$328.12 million as at 1st October, 2019. The sum of US\$1.36 million being accrued interest on fund investment (September - November) was received into the account in the fourth quarter of 2019. On the other hand, US\$4.51 million was withdrawn from the account during the period. This resulted to a closing balance of US\$324.97 million as at 31st December, 2019 (Table 3.7).

Table 3.7: Net Excess Crude Account

Description	2018 Actual					2019 Actual				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Jan - Dec	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Jan - Dec
Inflows										
Transfer to Excess Crude Oil Account	0	0	US\$541.21 million	US\$526.15 million	US\$1,067.36 million	0	US\$105.55 million	US\$340.14 million	0	US\$445.69 million
Accrued Interest on Fund Investment	0	0	US\$10.31 million	US\$11.87 million	US\$22.18 million	US\$2.25 million	US\$0.21 million	US\$0.31 million	US\$1.36 million	US\$4.14 million
Reconciliation of Inflow and Outflow	0	0	0	0	0	0	0	US\$10.15 million	0	US\$10.15 million
Total Inflow	0	0	US\$551.52 million	US\$538.02 million	US\$1,089.54 million	US\$2.25 million	US\$105.76 million	US\$350.60 million	US\$1.36 million	US\$459.98 million
Outflows										
Consultancy Fee & Litigation Expenses	0	0	0	0	0	US\$350.0 million	0	0	0	US\$350.0 million
NSIA Payment for Fertilizer Purchase	0	0	0	0	0	US\$14.55 million	0	0	0	US\$14.55 million
Payment of Commission/Exchange Rate Loss on Transfers	0	0	0	0	0	US\$1.28 million	0	0	US\$4.51 million	US\$5.79 million
Amount approved by Mr. President as advance payment for the purchase of Super Tucano Aircraft	US\$496.37 million	0	0	0	US\$496.37 million	0	0	0	0	0
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	US\$380.51 million	US\$380.51 million	0	0	0	0	0
Paris Club Refund to States & FCT	0	0	0	US\$1,761.03 million	US\$1,761.03 million	US\$68.28 million	US\$225.22 million	US\$85.49 million	0	US\$378.99 million
Bank Charges	0	US\$122.23	0	0	US\$122.23	0	0	0	0	0
Charges for Breaking Investment	0	0	0	0	0	0	US\$0.30 million	0	0	US\$0.30 million
States Matching Grants to UBEC	0	0	0	US\$233.29 million	US\$233.29 million	US\$16.80 million	0	0	0	US\$16.80 million
Total Outflow	US\$496.37 million	US\$122.23	0	US\$2,374.83 million	US\$2,871.20 million	US\$450.92 million	US\$225.52 million	US\$85.49 million	US\$4.51 million	US\$766.44 million
Net Excess Crude Account	(US\$496.37 million)	(US\$122.23)	US\$551.52 million	(US\$1,836.81 million)	(US\$1,781.66 million)	(US\$448.67) million	(US\$119.76 million)	US\$265.11 million	(US\$3.15 million)	(US\$306.46) million

Source: Office of the Accountant General of the Federation, 2019

3.8 FGN Budget Revenue

Based on the approved 2019 Budget Framework, the sum of ₦6,998.49 billion was projected to fund the Federal Budget, indicating a quarterly share of ₦1,749.62 billion. A total of ₦1,322.39 billion was received in the fourth quarter of 2019. This amount was ₦427.23 billion (24.42 percent) lower than the ₦1,749.62 billion quarterly budget projection for 2019 but ₦270.20 billion (25.68 percent) higher than the ₦1,052.19 billion recorded in the fourth quarter of 2018. The 2019 fourth quarter performance was also ₦263.58 billion (24.89 percent) higher than the ₦1,058.81 billion performance reported in the preceding quarter of 2019.

The sum of ₦401.50 billion received in the fourth quarter of 2019 from FGN Share of Oil Revenue was lower than the quarterly estimate of ₦922.07 billion by ₦520.57 billion (56.46 percent) for the period. The FGN Share of Solid

Minerals & Other Mining Revenue of ₦0.53 billion, Customs & Excise Duties of ₦91.45 billion, Signature Bonus of ₦326.37 billion, FGN's Balances in Special Levies Accounts of ₦99.75 billion and Domestic Recoveries of ₦55.78 billion were above their respective quarterly estimates of ₦0.32 billion, ₦77.72 billion, ₦21.06 billion, ₦3.23 billion and ₦50.84 billion by ₦0.20 billion (63.34 percent), ₦13.74 billion (17.68 percent), ₦305.31 billion (1,449.93 percent), ₦96.52 billion (2,990.61 percent) and ₦4.94 billion (9.71 percent).

The rest of the Non-Oil Revenue items fell below their quarterly projections. FGN Share of Company Income Tax of ₦165.73 billion, VAT of ₦41.46 billion, Federation Account Levies of ₦5.85 billion and Independent Revenue of ₦133.97 billion were below their corresponding quarterly estimates of ₦203.34 billion, ₦57.25 billion, ₦13.90 billion and ₦157.77 billion by ₦37.61 billion (18.50 percent), ₦15.79 billion (27.58 percent), ₦8.05 billion (57.91 percent) and ₦23.80 billion (15.09 percent) respectively. On the other hand, FGN Share of Dividend, Surcharge on luxury Items, Actual Balances in Special Account, Earmarked Funds and Grants & Donor Funding yielded nothing during the period. Most of the above-mentioned revenue items followed the same pattern of their respective performances at the Federation Account level (*Table 3.8*).

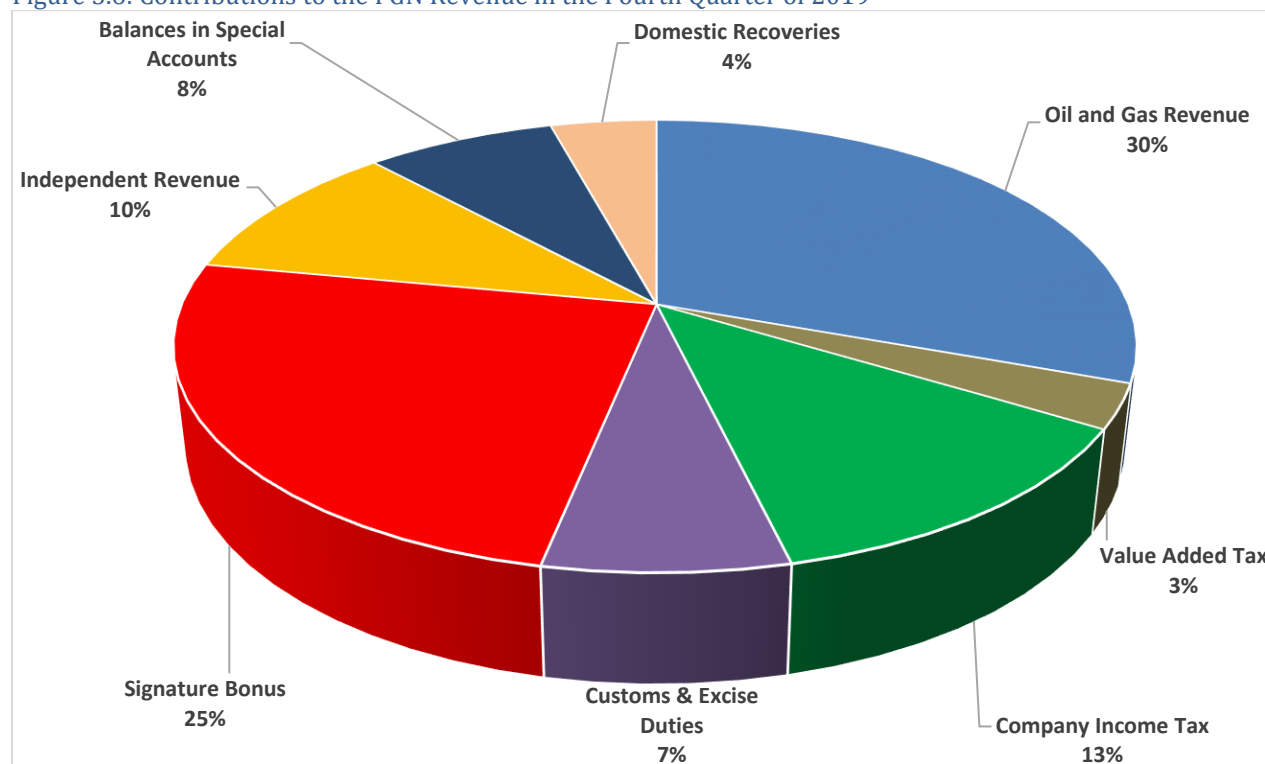
Table 3.8: Federal Government Revenue Inflows as at December 2019

S/NO	FISCAL ITEMS	2019 BUDGET		2019 ACTUAL					2018	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)		2019 Vs 2018 (Actual)			
1	Inflow for the FGN Budget	₦b	₦b	₦b	₦b	₦b	₦b	₦b	₦b	₦b	%	₦b	%	₦b	%	₦b	%
2	FGN Share of Oil Revenue	3,688.28	922.07	356.20	283.61	331.86	401.50	1,373.18	1,960.85	-520.57	-56.46	69.63	20.98	-2,315.10	-62.77	-587.67	-29.97
3	FGN Share of Dividend (NLNG)	39.89	9.97	0.00	0.00	0.00	0.00	0.00	0.00	-9.97	-100.00	0.00		-39.89	-100.00	0.00	
4	FGN Share of Minerals & Mining	1.29	0.32	0.51	0.42	0.65	0.53	2.11	0.00	0.20	63.34	-0.13	-19.59	0.82	63.78	2.11	
5	FGN Share of Non-Oil Revenue	1,501.74	375.44	233.62	337.99	380.10	630.87	1,582.58	1,124.84	255.43	68.04	250.77	65.98	1,522.01	101.35	457.74	40.69
6	FGN Share of Company Income Tax (CIT)	813.37	203.34	105.37	200.83	222.24	165.73	694.17	660.13	-37.61	-18.50	-56.51	-25.43	-119.20	-14.65	34.04	5.16
7	FGN Share of Value Added Tax (VAT)	229.00	57.25	39.38	41.93	36.98	41.46	159.75	146.52	-15.79	-27.58	4.48	12.13	-69.26	-30.24	13.23	9.03
8	FGN Share of Surcharge on Luxury Items	0.34	0.08	0.00	0.00	0.00	0.00	0.00	0.00	-0.08	-100.00	0.00		-0.34	-100.00	0.00	
9	FGN Share of Customs (Imports, Exports & Fees)	310.87	77.72	83.36	89.92	92.53	91.45	357.26	296.74	13.74	17.68	-1.07	-1.16	46.39	14.92	60.52	20.39
10	FGN Share of Special Levies (Federation Account)	55.62	13.90	5.51	5.32	6.06	5.85	22.73	21.46	-8.05	-57.91	-0.20	-3.37	-32.88	-59.12	1.27	5.92
11	FGN Share of Actual Balances in Special Accounts	8.33	2.08	0.00	0.00	0.00	0.00	-	0.00	-2.08	-100.00	0.00		-8.33	-100.00	0.00	
12	FGN Share of Signature Bonus	84.23	21.06	0.00	0.00	22.30	326.37	348.67	0.00	305.31	1,449.93	304.07	1,363.54	-83.04	-98.59	348.67	
13	FGN's Balances in Special Levies Accounts	12.91	3.23	238.83	71.66	138.86	99.75	549.10	0.00	96.52	2,990.61	-39.11	-28.17	536.19	4,153.26	549.10	
14	Independent Revenue	631.08	157.77	111.81	104.22	207.34	133.97	557.34	395.21	-23.80	-15.09	-73.37	-35.39	-73.74	-11.68	162.13	41.02
15	Domestic Recoveries + Assets + Fines	203.38	50.84	0.00	0.00	0.00	55.78	55.78	0.00	4.94	9.71	55.78		-147.60	-72.57	55.78	
16	Earmarked Funds (Proceeds of Oil Assets Ownership Restructuring)	710.00	177.50	0.00	0.00	0.00	0.00	0.00	0.00	-177.50	-100.00	0.00		-710.00	-100.00	0.00	
17	Grants and Donor Funding	209.92	52.48	0.00	0.00	0.00	0.00	0.00	0.00	-52.48	-100.00	0.00		-209.92	-100.00	0.00	
18	Other Financing Sources		-	-	-	-	-	0.00	385.59							-385.59	-100.00
19	AMOUNT AVAILABLE FOR FGN BUDGET	6,998.49	1,749.62	940.97	797.90	1,058.81	1,322.39	4,120.09	3,866.49	-427.23	-24.42	263.58	24.89	-2,878.40	-41.13	253.60	6.56

Source: Budget Office of the Federation and the OAGF, 2019

Oil & Gas revenue, Signature Bonus and Company Income Tax dominated the revenue inflow of the Federal Government, accounting for 30 percent, 25 percent and 13 percent of total revenue respectively in the review period. The contribution of other revenue sources are as depicted in figure 3.6.

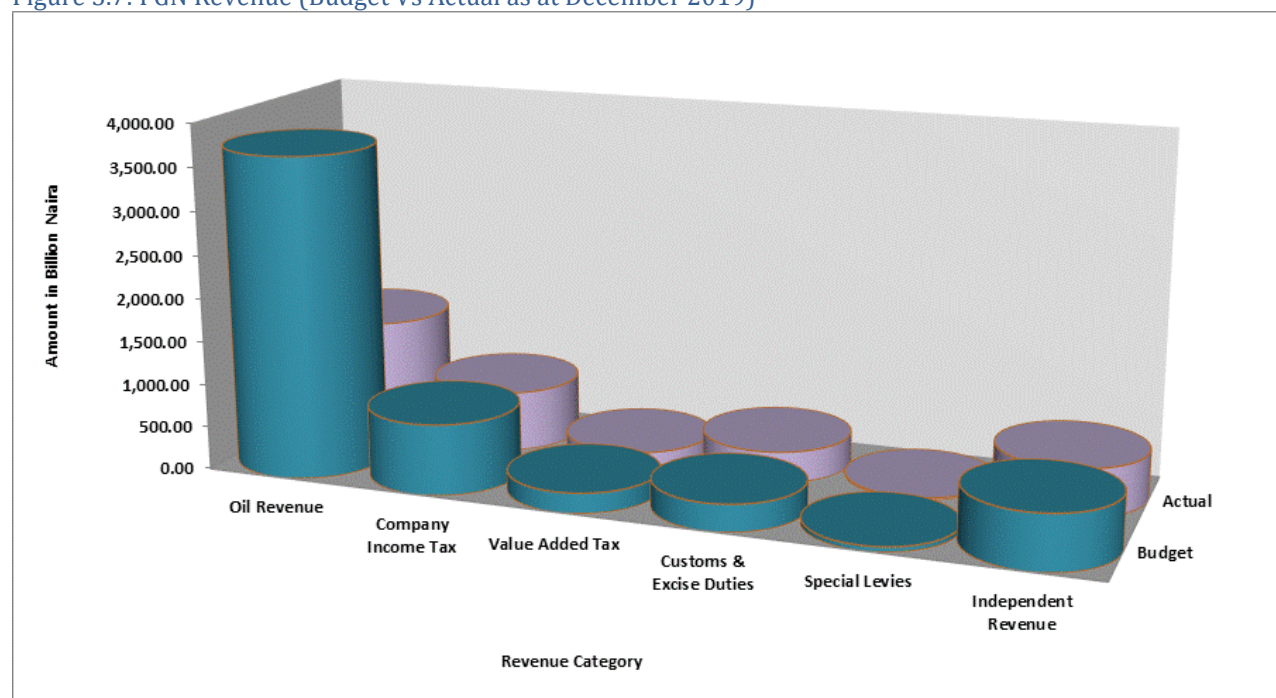
Figure 3.6: Contributions to the FGN Revenue in the Fourth Quarter of 2019



Source: The OAGF and Budget Office of the Federation, 2019

The Oil and Gas Revenue equally contributed largely to the revenue shortfall experienced in the quarter under review contributing ₦520.57 of the entire revenue shortfall. Other major contributors include the Earmarked Fund accounting for ₦177.50, Grant & Donor Funding accounting for ₦52.48, Company Income Tax and Independent Revenue with combined share of ₦61.41 billion of the revenue shortfall (Figure 3.7).

Figure 3.7: FGN Revenue (Budget Vs Actual as at December 2019)



Source: The OAGF and Budget Office of the Federation, 2019

3.8.1 Total Inflow of the Federal Government

Total Revenue Inflow of the Federal Government stood at ₦4,120.09 billion as at the end of December 2019. This represents a ₦2,878.40 billion (41.13 percent) shortfall from 2019 annual budget estimate.

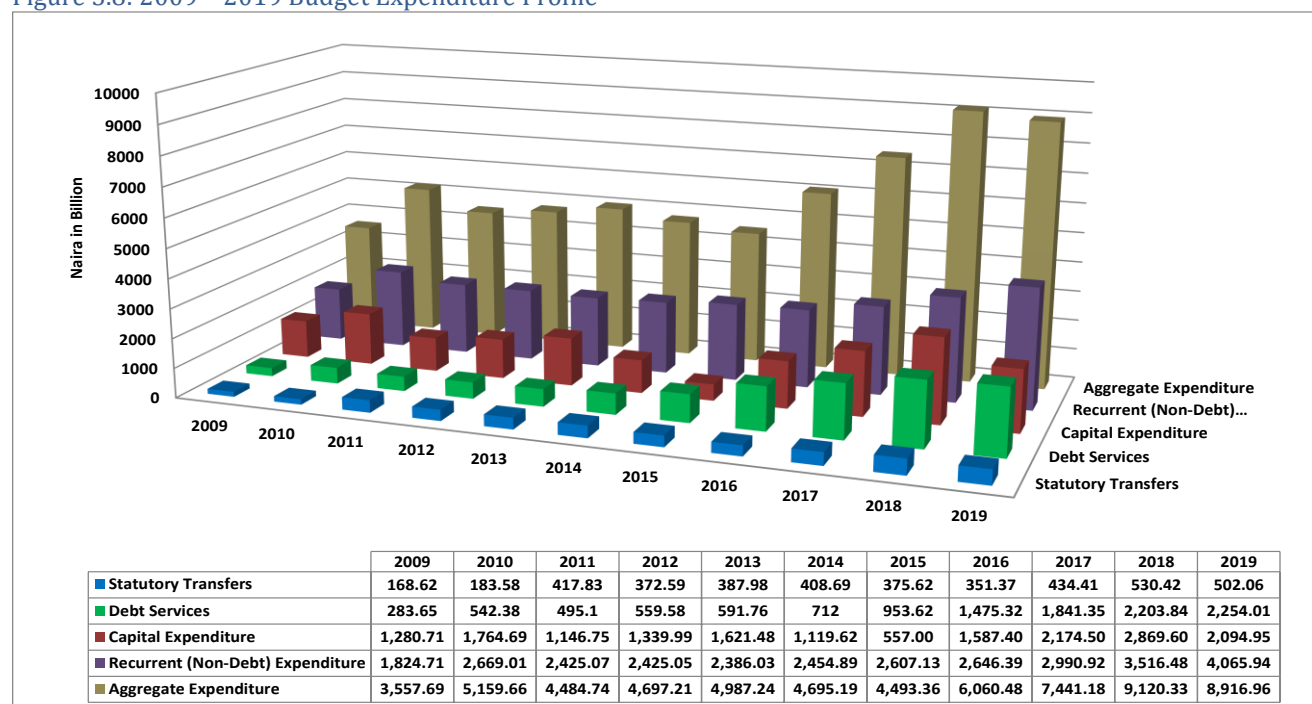
3.9 Expenditure Developments

A total of ₦8,916.96 billion (excluding GOEs Budget & Project-tied Loans) was appropriated for expenditure in the 2019 Budget. This comprises of ₦4,065.94 billion (45.6 percent) for Recurrent (Non-Debt) Expenditure, ₦2,254.01 billion (25.28 percent) for Debt Services, ₦502.06 billion (5.63 percent) for Statutory Transfers and ₦2,094.95 billion (23.49 percent) for Capital Expenditure. This translates to prorate quarterly expenditure outlay of ₦2,229.24 billion in 2019.

Actual expenditure of ₦2,556.20 billion was recorded in the fourth quarter of 2019, translating to a ₦326.96 billion (14.67 percent) expenditure above the

quarterly budget projection for the year. The detail breakdown is presented in table 3.9.

Figure 3.8: 2009 – 2019 Budget Expenditure Profile



Source: Budget Office of the Federation, 2019

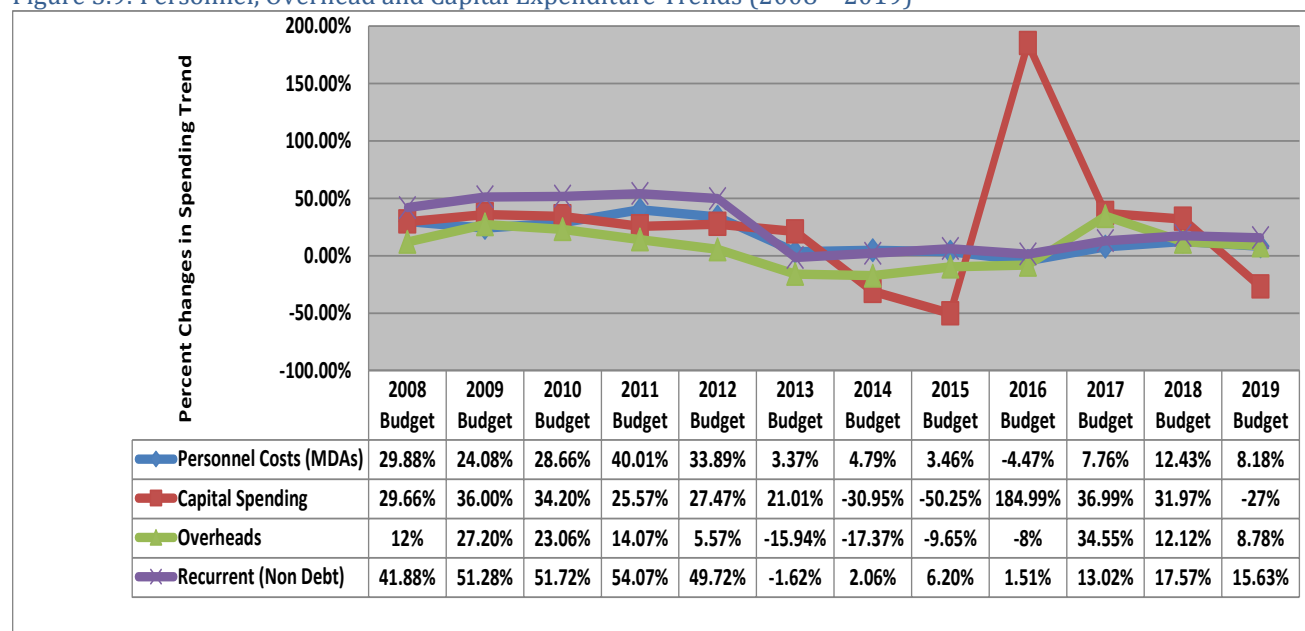
3.9.1 Non-Debt Recurrent Expenditure

Total non-debt recurrent expenditure of ₦1,084.53 billion was spent in the fourth quarter of 2019. This implies an increase of ₦68.04 billion (6.69 percent) from the quarterly estimate of ₦1,016.49 billion. It is however ₦31.20 billion (2.80 percent) below ₦1,115.73 billion but ₦146.34 billion (15.60 percent) above ₦938.19 billion levels of expenditure reported in the third quarter of 2019 and fourth quarter of 2018 respectively.

Government's determination to cut down the growth in recurrent expenditures as stated in the 2019-2021 MTEF and Fiscal Strategy Paper continued to be pursued using the 2019 Budget implementation. The initiatives include the continued roll-out of the Integrated Payroll and Personnel Information System (IPPIS) across MDAs including the Military, Police and the Academic Institutions and is expected to bring about some savings in personnel costs. Others are the activation of more module of the GIFMIS platform; the Presidential Initiative on

Continuous Audit; as well as the use of the Treasury Single Account (TSA). As a result, the growth in personnel and overhead costs moderated in the review period compared to 2018 though capital expenditure declined as part of government efforts to reduce debt (Figure 3.9).

Figure 3.9: Personnel, Overhead and Capital Expenditure Trends (2008 – 2019)



Source: BOF and OAGF, 2019

3.9.2 Debt Service

Total Debt Service in the fourth quarter of 2019 stood at ₦530.10 billion indicating a decrease of ₦33.40 billion (5.93 percent) below the ₦563.50 billion prorated for the quarter. A total of ₦427.55 billion was prorated for domestic debt service in the fourth quarter but ₦254.04 billion was actually used for that purpose during the period. This indicated a difference of ₦173.51 billion (40.58 percent) below the quarterly estimate.

The sum of ₦108.45 billion was prorated for external debt service during the quarter. Actual external debt service payment however amounted to ₦133.32 billion indicating a difference of ₦24.87 billion (22.94 percent) above the quarterly projection.

Table 3.9: FGN Budget Expenditure and Fiscal Account (in N' Billion) as at December 2019

S/NO	ITEMS	2019 BUDGET		2019 ACTUAL				2018		VARIANCE							
		Annual	Quarterly	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Annual	Annual	4th Quarter Actual Vs Quarterly Budget		4th Quarter Actual Vs 3rd Quarter (Actual)		Actual Vs Budget (Annual)		2019 Vs 2018 (Actual)	
		Nb	Nb	Nb	Nb	Nb	Nb	Nb	Nb	Nb	%	Nb	%	Nb	%	Nb	%
A	TOTAL FGN REVENUE	6,998.49	1,749.62	940.97	797.90	1,058.81	1,322.39	4,120.09	3,866.49	(427.23)	(24.42)	263.58	24.89	(2,878.40)	(41.13)	253.60	6.56
B	EXPENDITURE																
1	RECURRENT (NON-DEBT)																
2	Personnel Cost	2,288.58	572.14	550.79	572.51	616.19	549.08	2,288.58	2,090.29	(23.07)	(4.03)	(67.12)	(10.89)	0.00	0.00	198.29	9.49
3	CRF Pensions	528.07	132.02	73.68	73.68	72.51	87.51	307.38	197.77	(44.51)	(33.71)	15.00	20.69	(220.69)	(41.79)	109.61	55.42
5	Overhead Cost	268.13	67.03	48.85	66.92	56.85	77.62	250.24	177.02	10.59	15.80	20.78	36.55	(17.89)	(6.67)	73.22	41.36
6	SWV Power Sector Reform Programme	150.40	37.60	27.62	55.24	27.62	0.00	110.48	27.62	(37.60)	(100.00)	(27.62)	(100.00)	(39.92)	(26.54)	82.86	300.00
7	Other Service Wide Votes (+ Pension Redemption)	364.55	91.14	83.62	36.59	99.05	135.28	354.55	237.60	44.14	48.44	36.23	36.57	(10.00)	(2.74)	116.95	49.22
8	Presidential Amnesty Programme	65.00	16.25	10.83	16.25	16.25	21.66	65.00	59.64	5.41	33.32	5.41	33.31	0.00	0.00	5.36	8.99
9	Basic Health Care Fund (1% of CRF)	51.22	12.81	0.00	0.00	0.00	10.00	10.00	0.00	(2.81)	(21.91)	10.00		(41.22)	(80.48)	10.00	
10	Special Intervention (Recurrent)	350.00	87.50	48.50	72.69	109.91	109.33	340.43	144.21	21.83	24.95	(0.58)	(0.53)	(9.57)	(2.73)	196.22	136.07
11	Payments from Special Accounts	0.00	0.00	245.56	67.52	117.34	94.04	524.45	303.95	94.04		(23.29)	(19.85)	524.45		220.50	72.55
12	Sub-Total (Non-Debt)	4,065.94	1,016.49	1,089.45	961.41	1,115.73	1,084.53	4,251.11	3,238.10	68.04	6.69	(11.20)	(2.00)	185.17	4.55	1,013.01	31.28
13	RECURRENT (DEBT)																
14	Domestic Debts Service	1,710.22	427.55	610.28	189.83	606.87	254.04	1,661.03	1,797.90	(173.51)	(40.58)	(352.83)	(58.14)	(49.19)	(2.88)	(136.87)	(7.61)
15	Foreign Debts	433.80	108.45	99.06	103.10	113.18	133.32	448.66	292.40	24.87	22.94	20.15	17.80	14.87	3.43	156.26	53.44
16	Total Debt Service	2,144.01	536.00	709.34	292.94	720.05	387.37	2,109.69	2,090.30	(148.64)	(27.73)	(332.68)	(46.20)	(34.32)	(1.60)	19.39	0.93
17	Interest on Ways & Means		0.00	38.78	67.43	90.69	142.56	339.45	63.16	142.56		51.87	57.19	339.45		276.29	437.45
18	Sinking Fund to Retire Maturing Loans	110.00	27.50	0.00	3.45	0.96	0.18	4.59	7.91	(27.32)	(99.35)	(0.78)	(81.27)	(105.41)	(95.82)	(3.32)	(41.93)
19	Sub-Total (Debts)	2,254.01	563.50	748.12	363.82	811.70	530.10	2,453.74	2,161.37	(33.40)	(5.93)	(281.59)	(34.69)	199.72	8.86	292.37	13.53
20	Total Recurrent Expenditure	6,319.96	1,579.99	1,837.58	1,325.22	1,927.42	1,614.63	6,704.85	5,399.47	34.64	2.19	(312.79)	(16.23)	384.90	6.09	1,305.38	24.18
21	CAPITAL EXPENDITURE																
23	Capital Expenditure - 2017 in 2018								739.09							(739.09)	(100.00)
24	Capital Dev. Fund (Main) - 2019	1,445.73	361.43	0.00	0.00	243.60	630.32	873.92		268.89	74.39	386.72	158.75	(571.81)	(39.55)	873.92	
25	Capital Dev. Fund (Main) - 2018								576.48					0.00		(576.48)	(100.00)
26	Capital Supplementation	289.30	72.33	0.00	0.00	61.83	228.41	290.23	215.30	156.08	215.80	166.58	269.44	0.93	0.32	74.93	34.80
27	Special Intervention (Capital)	150.00	37.50	0.00	0.00	0.00	0.00	0.00	149.54	(37.50)	(100.00)	0.00		(150.00)	(100.00)	(149.54)	(100.00)
28	Grants and Donor Funded Projects	209.92	52.48	0.00	0.00	0.00	1.36	1.36	1.69	(51.12)	(97.41)	1.36		(208.56)	(99.35)	(0.33)	(19.53)
29	Total Capital Expenditure (Exclusive of 2018 in 2019 Capital)	2,094.95	523.74	0.00	0.00	305.43	860.08	1,165.51	1,682.10	336.35	64.22	554.66	181.60	(929.44)	(44.37)	(516.59)	(30.71)
30	TRANSFERS																
31	Statutory Transfers	502.06	125.51	114.87	115.30	116.81	81.49	428.46	456.46	(44.03)	(35.08)	(35.32)	(30.24)	(73.60)	(14.66)	(28.00)	(6.13)
33	TOTAL FGN BUDGET	8,916.96	2,229.24	1,952.44	1,440.52	2,349.66	2,556.20	8,298.82	7,538.03	326.96	14.67	206.55	8.79	(618.14)	(6.93)	760.79	10.09
35	Total Fiscal Deficit	(1,818.47)	(479.42)	(1,011.47)	(642.62)	(1,290.85)	(1,233.81)	(4,178.73)	(3,671.53)	(794.19)	157.25	57.03	(4.42)	(2,980.29)	117.82	(267.20)	13.81
C	FINANCING ITEMS																
1	Privitization Proceeds	210.00	52.50	0.00	0.00	0.00	0.00	0.00		(52.50)	(100.00)	0.00		(210.00)	(100.00)	0.00	
2	Multi-lateral / Bi-lateral Project-tied Loans	92.84	23.21	0.00	0.00	0.00	0.00	0.00		(23.21)	(100.00)	0.00		(92.84)	(100.00)	0.00	
3	Foreign Borrowing	802.82	200.71	0.00	0.00	0.00	0.00	0.00	1,073.30	(200.71)	(100.00)	0.00		(802.82)	(100.00)	(1,073.30)	(100.00)
4	Domestic Borrowing	802.82	200.70	285.00	125.00	260.00	242.82	912.82	668.79	42.11	20.98	(17.18)	(6.61)	110.00	13.70	244.03	36.49
5	Sub-Total	1,908.48	477.12	285.00	125.00	260.00	242.82	912.82	1,742.09	(234.30)	(48.11)	(17.18)	(6.61)	(995.66)	(52.17)	(829.27)	(47.60)
7	Net Deficit/Surplus (Exclusive of 2018 Capital in 2019)	(10.00)	(2.50)	(726.47)	(517.62)	(1,030.85)	(990.99)	(1,285.91)	(1,929.45)	(988.49)	39,543.64	39.85	(3.87)	(3,255.91)	32,562.37	(1,336.46)	69.27

Source: OAGF and Budget Office of the Federation, 2019

3.9.3 Statutory Transfers

Statutory transfers stood at ~~N~~81.49 billion in the fourth quarter of 2019 as against N116.81 billion released in the third quarter of 2019. This translates to ~~N~~44.03 billion (35.08 percent) decrease below the quarterly estimate of ~~N~~125.51 billion in the 2019 budget.

3.9.4 Capital Expenditure Performance

Government continued to prioritize budgetary resources to enable the structural reform of the economy including the provision of critical infrastructure in the roads, power, housing, rail and aviation sectors as well as the provision of social infrastructure and food security. In view of this, a total of ~~N~~2,094.95 billion (excluding capital expenditure of top 9 GOEs and project tied loans) was allocated to capital spending in the 2019 Budget.

3.9.5 Budget Deficit and Performance of the Financing Items

The 2019 Fiscal Framework projected a quarterly fiscal deficit of ~~N~~479.62 billion to be financed through earnings from Privatization Proceeds of ~~N~~52.50 billion, Foreign Borrowing of ~~N~~200.71 billion, Domestic Borrowing (FGN Bond) of ~~N~~200.70 billion and Multi-lateral/Bi-lateral Project-tied Loan of ~~N~~23.21 billion.

Federal fiscal operations resulted in a fiscal deficit of ~~N~~1,233.81 billion in the fourth quarter of 2019. This reflected an increase in deficit to the tune of ~~N~~754.19 billion (157.25 percent) of the prorated ~~N~~479.62 billion deficit for the period. However, only ~~N~~242.82 billion was raised from Domestic Borrowing (FGN Bond).

4.0 CAPITAL PROJECT IMPLEMENTATION

4.1 INTRODUCTION

The Ministry of Finance, Budget and National Planning (MFBNP) in conjunction with representatives of MDAs conducted physical inspection of selected capital projects/programmes for the Full Year 2019 from **Monday 20th January to 14th February, 2020**. This exercise was undertaken 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 project performances and assess levels of completion vis-à-vis funds expended. This is to ensure that funds released for projects are judiciously utilised and expected outcomes delivered to the Nigerian citizenry. A total of twenty (20) MDAs were selected for monitoring viz: Agriculture; Aviation, Defence, Education, FCTA, Health, Water Resources, Interior, Trade & Investment, Niger Delta, Police Affairs, OSGF and Transportation. Others are: Power; Works and Housing; Science & Technology, State House, Ministry of Finance, Budget & National Planning and Youth & Sports. The key highlights of the monitored MDAs, projects and programmes are as follows:

4.2 DEFENCE SECTOR

The Ministry's primary focus is to defend the country against external aggression including through strengthening global partnership on security. In order to sustain and consolidate the fight against incidences of insurgency, the sector was allocated a total of N159.13 billion in the 2019 budget for the implementation of its capital projects/ programmes. Out of this amount, N106.84 billion was released and cash backed, while N103.11 billion was utilized as at 31st December 2019. The following agencies and projects were monitored:

4.2.1 DEFENCE INDUSTRIES CORPORATION OF NIGERIA (DICON), KADUNA

The Corporation, located at Kakuri area in Kaduna State, is established by

Act of Parliament in 1964 as the state-run defence Corporation of Nigeria and operated by the Nigerian Armed forces. It is responsible for the production of defence equipment and civilian products such as artillery, explosives, munitions, small arms, Armoured vehicles, etc. To achieve this mandate, a total of N3.23 billion was allocated in the 2019 appropriation to implement its capital projects/programmes. Out of this amount, N1.29 billion was released, cash backed and utilised to execute, amongst others, the following projects:

a.) **Turn Around Maintenance and Rehabilitation of Machines at the ORDFAC**

The project involves the overhaul, repairs and refurbishment of machines and equipment at various factories of the Corporation for effective operations. Other component of works includes; replacement and installation of all lighting systems, tiling, ceiling, damaged roofs, partitioning, correction & clean-up of all leakages drainages, replacement of sanitary systems and painting.

It was awarded to Messrs Dinam Engineering Limited in October 2018 at a cost of N248.31 million and is scheduled to be completed in December 2019. The sum of N200 million was appropriated in the 2019 budget, out of which N158.30 million was released and utilised bringing total financial commitment on the project to N248.31 million to achieve 100% completion.

Findings:

At the time monitoring, the project had been completed.



Picture 1: Some of the Rehabilitated Facilities at DICON, Kaduna

Socio-economic Impact:

The completion of the project has enhanced the capabilities of the machines/equipment and facilitated the production of military hardware at the Corporation. It has also provided a serene environment thereby increasing staff productivity.

b.) Furnishing of Training School

The project involves the provision of furniture (chairs, tables, office cabinets, etc), 160nos. desktop computers, refrigerators and inverter batteries for power back up. The contract was awarded to Messrs. Joppet and Allied Associate Limited in November 2019 at a cost of N98.49 million and was expected to be completed in February 2020. In the 2019 budget, the sum of N120 million was appropriated while N98.49 million was released and committed to the project to achieve 95% completion.

Findings:

At the time of monitoring, all the furniture and equipment had been procured while the installation of air conditioners and tables amongst others for the cyber cafe/computer training centre were in progress and at different levels of completion.



Picture 2: Some of the Furniture Supplied at the Training School, DICON Kaduna

Socio-economic Impact:

The completion of the project will provide a training facility for both the military and civilian trainees on engineering and non-engineering courses.

Also, the cyber cafe will ensure easy access to the internet while the computer training centre will be used for Computer Based Training programmes and other professional recruitment examinations. On completion, it will provide a safe and conducive learning environment for trainees as well as increase the revenue generation capacity of the Corporation.

4.2.2 DEFENCE RESEARCH AND DEVELOPMENT BUREAU (DRDB), ABUJA.

The mandate of the Bureau is to provide strategic intelligence on security technology through research and development while leveraging on the expertise of indigenous and international partners. The sum of ₦1.10 billion was appropriated in the 2019 budget for the implementation of its capital projects/ programmes. Out of this amount, ₦440 million was released and cash backed while, ₦439.99 million was utilized as at the end of the fiscal year. The following projects were monitored:

a.) Construction of DRDB Headquarters Annex Building and Gate House

The project involves the construction of a 2-storey building comprising: 25nos offices, conference room, meeting room and conveniences. The contract is being executed through direct labour by officers of the bureau at a cost of ₦1.08 billion with an expected completion date of December 2020. The sum of ₦1.08 billion was appropriated in the 2019 budget, out of which ₦439.98 million was released and utilized. A total of ₦610.08 million had been expended on the project since inception to achieve 40% level of completion.

Findings:

At the time of monitoring, the DPC, fencing and drainages had been completed while casting of beams, columns and reinforcement works for the

decking of the first floor were in progress. In addition, significant quantum of materials such as gravels, chippings and various sizes of iron rods amongst others were on ground for the construction.



Picture 3: Ongoing construction of DRDB Headquarters Annex Building

Socio economic Impact:

Although the project is still ongoing, it has created job opportunities for 80-skilled and unskilled work force. On completion, it will provide a conducive office accommodation for the principal officers and their supporting staff who are currently occupying a rented building. In addition, the amount spent on yearly rent will be saved.

4.2.3 DEFENCE SPACE ADMINISTRATION

A total of N1.6 billion was appropriated for the Institution in the 2019 budget for capital projects/programmes. The sum of N971.2 million was released, cashed back and utilized at the end of the fiscal year to execute amongst others, the following projects:

a.) Development of Cyber Security System

The aim of the project is to provide power supply to Armed Force of Nigeria (AFN) for effective cyber security tracking. Components of the work include: installation of independent power supply, cyber security tools, supply of cisco identity cyber engine and commissioning. Others include: supply of workstation and connectivity and the overhaul of current infrastructure for COCs.

The contract was awarded to a consortium of contractors (Messrs. Nix Limited and others) in November 2019 at a total cost of N309.49 million with an expected completion date of January 2020. The sum of N309.49 million was appropriated, released and utilized in the 2019 budget to achieve 100% completion.

Findings

At the time of monitoring, the project has been completed and ready for use.



Picture 4: Installed Solar Power Panel and Cyber Control Room at Defence Space Administration Headquarters, Abuja

Socio-economic Impact

The project when put to use will enhance the capacity of the Institution to tackle security challenges relating to cybercrimes in the nation.

4.2.4 ARMED FORCES COMMAND AND STAFF COLLEGE, (AFCSC) JAJI

The AFCSC was allocated the sum of N3.44 billion in the 2019 budget for the implementation of its capital projects/programmes. Out of this amount, N1.87 billion was released, cash backed and utilised as at the end of the fiscal year. The following project amongst others was monitored.

a. Construction and Furnishing of Ultra-Modern Lecture Theatre

The project is located at the AFCSC HQ Jaji. The scope of works includes: construction of 2nos modern lecture theatres (220 seating capacity), 10nos. offices, a clinic with 6-bedded facilities (male and female) and two standby

generators. The contract was executed through direct Labour from July 2018 at a sum of N500 million with a completion date of June 2019. The sum of N500 million was appropriated, released and utilised in the 2019 budget to achieve 100% completion.

Findings:

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



Picture 5: The completed Ultra-Modern Lecture Theatre and Examination Hall at AFCSC, HQ, Jaji

Socio economic Impact:

The project had created job opportunities for 30 skilled and 55 unskilled labour. When put to use, it will provide a conducive learning environment for staff and participant of the college as well as facilitate the conduct of both internal and external examinations.

4.3 MINISTRY OF POWER, WORKS AND HOUSING

The Ministry was allocated a total of N394.91 billion in the 2019 budget to implement its capital projects/programmes. Out of this amount, N218.68 billion was released and cash backed while, N179.92 billion was utilised as at 31st of December 2019. The following projects were monitored:

4.3.1 POWER SECTOR

a) Construction of 215 MW LFPO/Gas Fired Kaduna Power Plant

The project is located adjacent to the Industrial area of Southern Kaduna metropolis. It entails the engineering, procurement and construction of a dual fired (LFPO/Gas) 215MW and was conceived primarily to add and support regular power supply to industrial and domestic consumers as well to the national grid.

The contract was awarded to a consortium of contractors namely: Messrs. General Electric International Operations Nigeria; Messrs. Nuovo Pignone S.P.A of Italy; Messrs. Rockson Engineering Company Limited; and Messrs Rockson International Group Limited, UK. in November 2009 at a total cost of Euro 135.84 million plus N6.07 billion (inclusive of 3bn provisional sum) with a completion period of thirty-six (36) months. In October 2016, the contract sum was revised to Euro 147.21 million plus N8.96 billion due to additional works arising from change of site from a brownfield (Old NEPA Power plant) to a greenfield location.

In the 2019 budget, the sum of N250 million was appropriated and released to the project while, N18.87 million was utilised. A total of Euro 141.74 million plus N6.23 billion had so far been committed to the project since inception comprising: Euro 132.33 million plus N5.34 billion (for original contract) and Euro 9.41 million plus N889.51 million (for the addendum contract). The project had achieved a cumulative performance of 88.67%.

Findings:

At the time of monitoring, there was no activity at the site due to unresolved issues on the contract. However, the Engineering, Procurement and Construction works had attained 95%, 93% and 75% completion respectively. Some of the completed works include: installation and pre-alignment of all 8nos. GTs, 3x75MVA installation, 8nos. Control cabins on foundation, HV switchyard gantry and equipment structures, and LPFO 1.5 million litre day tank and underground drain tanks for GT. Others are: Black-start/EDG foundations, Admin, Canteen, Clinic building, Car park, perimeter fence work and gate house.

The team was informed that one of the Contractors (Messrs. Rockson Engineering Company Limited) went into Receivership and therefore AMCON took over the management of the Company after a Court judgement in July 2017. Since then, there was no project schedule discussed or submitted to the Client/PC. It was gathered that the Ministry is still expecting a revised project schedule from the EPC consortium of General Electric and Rockson Engineering Limited (in Receivership by AMCON) for the completion of the project.



Picture 6: One of the Gas turbines, Switch Yard and Filtration Components Installed at the Project site, Kaduna

Socio-economic Impact:

On completion, the project is expected to increase power supply to industrial and domestic consumers in Kaduna and its neighbouring states. It will also improve the nation's generation capacity and voltage profile of the national grid.

Challenges/Recommendation:

The major challenges of the project are: lack of project schedule to facilitate project completion, delay in procurement, shipment, and installation of equipment and materials to site, inadequate quality and quantity of onsite manpower, and lack of funding of the letter of credit to procure all outstanding offshore balance of Plant equipment. The team therefore recommends that the Ministry of Power should as a matter of urgency organise a meeting for all the stakeholders to discuss and resolve the lingering issues so as to come up with a revised project schedule to facilitate its timely completion.

b.) Construction of Lines Bays Extension at Delta (Ughelli) and Port-Harcourt 330/132KV Substation

The project involves the construction of line bays extension of 330/132KV Substation at Delta (Ughelli) and Port-Harcourt, Rivers State. Component of works include: bush clearing, site survey, soil test, civil works, equipment foundation and erection of HV equipment. Others are: procurement of 25nos circuit breaker, 20nos. set of 330KV isolators box, 32nos. current transformers, 25nos. capacitor voltage transformer and steel structure materials.

The contract was awarded to Messrs MBH Power Limited in December 2011 at a cost of ₦353.43 million plus \$4.40 million with an initial completion date of December 2013 which was later revised to December 2020. The sum of ₦223.87 million was appropriated in the 2019 Budget but there was no release to the project by the supervisory ministry. However, a total of ₦53.01 million plus \$3.56 million had been committed to the project since inception to achieve 55% level of completion.

Findings:

At the time of monitoring, the contractor had stopped work. However, the preliminary soil test, bush clearing and site survey had been done while 70% component of the offshore equipment had been procured and delivered to site awaiting installation. Outstanding works were: civil works, equipment foundation, erection of HV equipment amongst others.



Picture 7: On-going Lines Bays Extension of 330/132KV Substation at Delta (Ughelli) and Port-Harcourt State

Socio-economic Impact:

The project will provide an alternative evacuation route for 2 x 250 KV generated by Transcorp and improve power supply to Delta, Port-Harcourt and its environs. On completion, it will increase the electricity wheeling capacity of the national grid by 750 megawatts.

c.) Construction of Omotosho-Erukan (Ogijo) 132KM 330KVA Double Circuit Transmission Line

The project entails the construction of 132km 330KVA Double Circuit Transmission Line from Omotosho to Erukan power plant, connecting two proposed substations at Omotosho and Ogidjo (Erukan) so as to double power supply to Lagos and Ogun States. Components of the work includes: design, engineering, procurement and construction of tower members. Others are: geo-technical investigation, tower foundation, erection, stringing and commissioning.

The contract for the project was awarded on 21st December, 2010 to Messrs Energo Nigeria Limited at an initial cost of USD\$20.54 million plus N1.92 billion. An additional cost of N314.35 million being variation cost due to changes in scope was approved with a revised completion date of December 2019. The sum of N118.16 million was appropriated in 2019 budget but there was no release to the project in the year. So far, works done on the project included the engineering design among others to bring total level of completion to 69.52%.

Findings:

At the time of monitoring, engineering design, 43% of right of way compensation, 97nos foundation and installation of 59nos. towers had been achieved. Other components were ongoing at various levels of completion.



Picture 8: Some of the Materials Procured for 330KVA Double Circuit Transmission Line at the Energo Yard in Ijebu-Ode, Ogun State

Socio-economic Impact:

The project when completed will improve the grid efficiency and power supply especially in Lagos and Ogun states.

c.) Construction of 330 KV D/C Transmission Line Kano – Katsina

The project which transverses across Kano-Katsina states in the North-West region of Nigeria is a 330kv Direct Circuit transmission line of 154km length. It involves engineering design, procurement and construction of 361nos. foundations, 361nos. tower erection and 154km stringing. It was awarded to Messrs Trans rail-FCEP JV in November, 2010 at a cost of USD 28.72 million plus N2.92 trillion and was initially scheduled to be completed by May 2013. The completion date was however being reviewed to December 2021 due to the demobilisation of the initial contractors.

In the 2019 budget, N135.20 million was appropriated to the project but there was no release in the year. However, a total of USD14.36 million plus N545.13 million had been committed to the project since inception to achieve 35% level of completion.

Findings:

At the time of monitoring, the survey of 154km had been completed while foundation laying and Tower erection were in progress. In addition, significant quantum of materials were fully on ground for the job. However, stringing work is yet to commence especially around the Kano axis due to

encroachment of the right of way by settlers. The team observed that there is need for both Kano & Katsina states government as a matter of urgency resolve this lingering issue.



Picture 9: Ongoing Transmission Line of 33KV DC from Kano – Katsina

Socio economic Impact:

When completed, it is expected to provide Katsina and Kano States with improved capacity to wheel additional power supply thereby enhancing the growth of cottage industries. It will also cut cost on alternative source of power.

4.3.2 WORKS SECTOR

a). The Dualization of Lokoja–Benin Road, Section IV: Ehor – Benin City, Edo State. C/No. 6138

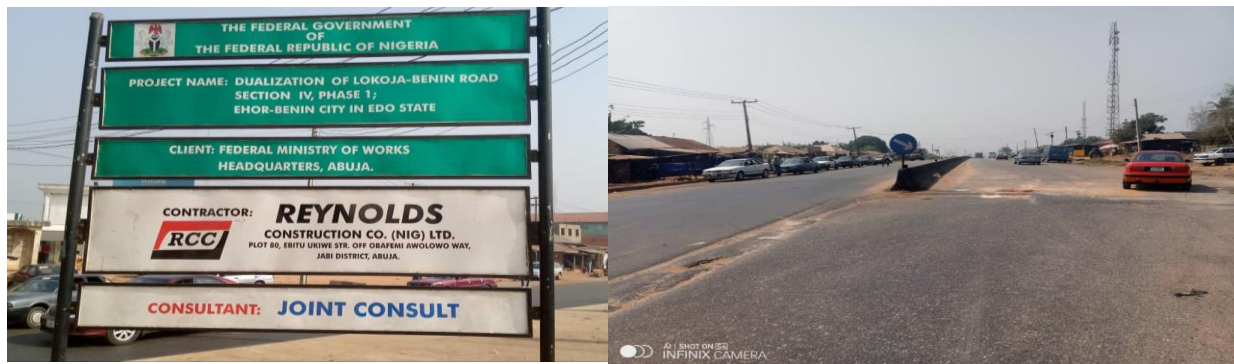
The project entails the dualization of 47.4km from Ramat park in Benin (township area) to Ehor (rural area) in Edo state. The scope of works includes: bush clearing, scarification of existing carriageway, provision of 200mm laterite sub-base, 200mm crushed stone-base, 60mm asphaltic concrete binder and 40mm asphaltic concrete wearing courses. Others are: provision of concrete side drains, crash barriers, 900mm diameter double cell concrete pipe culvert, 2nos round-about, 2nos pedestrian bridges and bypass.

The contract was awarded to Messrs Reynolds Construction Company Nig. Ltd. in December 2012 at an initial cost of ₦11.67 billion with a planned

completion date of December 2015. However, the contract sum was revised to ₦35.25 billion due to additional works. The completion date was also extended to December 2018. The sum of ₦1.59 billion was appropriated in the 2019 budget, out of which ₦365 million was released and cash-backed while, ₦360 million was utilised. This brings the total financial commitment to ₦18.58 billion since inception to achieve 38.51% level of completion.

Findings:

At the time of monitoring, the dualization of 14.1km new alignment up to wearing course and 21.5km binder course had been completed. Other work done includes: reinstatement of the washout portions at Ch.36+775 – Ch.36+900 at Obagie village and repair works on failed sections of the existing carriageway from Ch.14+200 – Ch.67+000. However, the completion of the remaining 26km dualization of the road was still outstanding. The team was informed that the contractor had applied for augmentation and extension of contract period which is currently being processed at the headquarters.



Picture 10: Completed Single Carriageway Section of the Dualization of Lokoja–Benin Road, Section IV: Ehor – Benin City, Edo State. C/No. 6138

Socio economic Impact:

The project though ongoing, had created job opportunities for 2,500 skilled and unskilled work force. The completed segment has reduced the traffic gridlock, travelling time and the rate of accidents on the road. In addition, it has created access road and constructed drainages to prevent flooding in the communities along the road corridor.

b) Construction of Kaduna Eastern By-pass: Contract No. 5346

The project starts from Kakau hill near Kakau village along the Kaduna – Abuja road to Rigachikun on the Zaria road. It involves the construction of a 48.5km length of dual carriageway, (7.30km wide on either side of 0.6m) concrete median crash barrier and the provision of 1.8m and 2.75m wide inner and outer hard shoulders respectively. Others are: 6km length of 2-lane single carriage way, Ramps at the interchanges and a 10km dual carriageway spur to Rabah road.

It was awarded to Messrs Eksiogullari Construction (Nig.) Ltd. in November 2002 at a cost of N16 billion with a completion date of November 2005. This was however not achieved due to funding constraints. Consequently, the project cost was augmented to N38.19 billion with new completion date of May 2021. In the 2019 budget, the sum of N1.06 billion was appropriated, out of which N270.15 million was released and utilised. A total of N18.84 billion had been committed since inception to achieve 38.97% level of completion. The team was informed that the sum of N1.21 billion was released in the year from SUKUK intervention fund.

Findings:

At the time of monitoring, works had been substantially completed from CH 0 + 000 to Ch 16 + 000 (Kakau interchange to Kachia interchange) and has been opened to traffic. In addition, all the pressure released culverts and 5nos. location of Cathodic protection with the civil works across NNPC pipelines have been completed. Works in progress include: lateral base, provision of median, parapet, earth works to formation level at Rabah interchange, box culvert, etc.



Picture 11: Ongoing Construction Works at the Kaduna Eastern Bypass

Socio-economic Impact:

The project though not yet completed, has attracted the developments of new settlements along the road corridor. It has also created job opportunities to more than 1000 youths of the area thereby enhancing their living standards. On completion, the by-pass is expected to decongest the traffic from main Kaduna city, reduce travel time and the rate of accidents by commuters.

Challenges:

The team was informed that the contractor left site in 2015 due to lack of funding and delay in approval of the augmentation but later resumed on the 17th May, 2017. This was said to have slowed the progress of work.

c) Rehabilitation and Reconstruction of Enugu - Portharcourt Dual Carriage Section II: Umuahia Tower and Aba Township Rail/Road Bridge Crossing (Ch 120+500 Ch 176+600) In Abia State Contract (No 6209)

The project involves the construction of 51.6km road starting from Umuahia to Aba in Abia State. It is the major route in the south east that links at least five states in the region which includes Enugu, Anambra, Abia, Imo and Rivers States. The scope of work includes: pavement overlay of the existing dual carriage way with 7.3m asphaltic concrete and 1.2m inner surface dress shoulders. Other components include: scarification of existing bituminous surface, improvement of the road alignment, provision of culverts and drains, asphaltic binder and wearing courses with kerbs and chutes.

The Contract was awarded in September 2013 to Messrs Arab Contractors Nig. Ltd. at a cost of N50.89 Billion with a completion date of March 2017 which was later revised to March 2020 due to funding constraint. In the 2019 budget, the sum of N1.6 Billion was appropriated while, N450 Million was released and utilized. A total of N24.67 Billion has been committed to the project since inception to achieve 33% of level of completion.

Findings:

At the time of monitoring, works such as earthworks, crushed stone base, cement stabilization, kerbs, binder and wearing courses were ongoing concurrently and at various levels of completion.



Picture 12: On-going Rehabilitation/Reconstruction of Enugu-Port Harcourt Dual-Carriage Section II

Socio-economic Impact

Although the project is still ongoing, it has created job opportunities for over 232 skilled and 530 unskilled workers. In addition, economic activities of the nearby towns and villages on the road has been boosted. When completed, it will ease the movement of goods and passengers, reduce travel time and vehicle operating cost.

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

The project involves the construction of 177.78km of a new road of two lanes and rehabilitation of the existing road between Shuwarin and Azare towns. The scope of works includes: 200mm laterite sub-base, 200mm stone base, 60mm asphalt binder & 40mm wearing courses and an extended spur of 24.4km dualization from Dutse to Kwanar-Huguma in Jigawa State. Others include: pavement of 7.30m wide on both sides with 2.75m surface-dressed outer shoulders and 1.5m surface-dressed inner shoulders.

The contract was awarded to Messrs Setraco Nigeria Limited in October

2006 at an initial cost of N35.84 billion with an expected completion date of February 2010. However, this was later revised to N65.31 billion with a new completion date of December 2020. The upward review of the project was as a result of the additional spur of 24.4km dualization from Dutse to Kwanar Huguna in Jigawa State.

The sum of N1.77 billion was appropriated in the 2019 budget, out of which N300.0 million was released and utilised. A total of N51.99 billion had been committed to the project since inception to achieve 78.63% level of completion.

Findings:

At the time of monitoring, stone base, prime coat, 131km RHS and LHS of binder course, 119km RHS and 111km LHS of wearing course had been completed. While 20km RHS and LHS of wearing course and shoulder dressing at Azare bye-pass was still outstanding.



Picture 13: Completed Portion of Dualization of Kano – Maiduguri Road, Section II (Shuwarin-Azare)

Socio-economic Impact:

On completion, the road will improve the transportation of goods and services within the state and neighbouring states. The project had created job opportunities to about 350 skilled and unskilled workers in the host communities and environs.

e) Rehabilitation of Outstanding Of Onitsha – Enugu Expressway
Amansea – Enugu Road Contract No. 6266

The project involves the rehabilitation of 58km dual carriage way starting from Amansea by Ezu River in Enugu State to Umunya – Amawbia section of Onitsha – Enugu expressway in Anambra State. The scope of works includes: the dualization of 18km Enugu bound carriageway and 40km Onitsha bound carriage way.

The Contract was awarded to Messrs RCC Nig. Ltd in January, 2015 at an initial cost of N24.24 billion with an initial completion date of February 2018. However, there was an upward review of the cost to N62.061 billion with a completion date of December 2020. The sum of N1.47 billion was appropriated in the 2019 budget, out of which N700 million was released and N300 million was utilized. A total of N23.77 billion had been committed to the project since inception to achieve 27.69% level of completion.

Findings:

At the time of monitoring, works completed include: binder course from Km20+000 to 26+000 on the Enugu bound carriage way, excavation of pipe culverts and 13km length of drains. However, work in progress includes: earthworks, sand filling, cement stabilization, laying of stone base, priming, binder course, concrete works and side drains.



Picture 14: On-going Rehabilitation of an outstanding section of Onitsha – Enugu Expressway

Socio-economic Impact:

Although, the project is still on-going, it had created employment

opportunities for about 450 skilled and unskilled labour. When completed, it will reduce travelling time, increase free flow of traffic, reduce vehicle operating cost and boost economic activities.

4.3.3 HOUSING SECTOR

a) Construction of Federal Secretariat Complex, Yenegoa

The project located in Yenegoa, Bayelsa State, involves the construction of a 3-storey building comprising: 455nos office, 9nos committee rooms, conference hall, 32nos generator rooms, 2nos ramp for the disable, reception/waiting room and conveniences. Others include: a banking hall, provision of underground and overhead water tanks, water treatment plant and 33/11, 415 KVA power substations.

The Contract was awarded to Messrs Trenur Nigeria Limited in December 2011 at an initial cost of ₦2.56 billion with a completion date of December 2017. However, there was an upward review of the cost to ₦3.18 billion due to additional scope of works with a new completion date of December 2019. The sum of ₦4.27 billion was appropriated in the 2019 Budget for the construction of the Secretariats. Out of this amount, ₦650 million was released and utilized bringing for the Secretariat in Yenegoa bringing the total commitment on the project since inception to ₦3.01 billion to achieve 87% level of completion.

Findings:

At the time of monitoring, the superstructure had been completed, roofed and furnished. Works in progress include: sand filling/compaction of internal road network, supply of 3nos transformers and internal painting while, internal road network, supply and installation of power cables, external painting, concrete pavement, external lightening and a car park were still outstanding. The team was informed by the project manager that the contractor is processing the variation of the contract cost because of fluctuation in the prices of goods in the market.



Picture 15: Ongoing Construction of Federal Secretariat Complex, Yenagoa, Bayelsa State.

Socio-economic Impact:

Although the project is yet to be completed, it has created job opportunities for over 75 skilled and unskilled labour. When completed, it will provide a conducive office accommodation for Federal Government Agencies in Bayelsa State.

4.4 AGRICULTURAL SECTOR

The Ministry of Agriculture is saddled with the responsibility of reducing the country's dependence on food importation, job creation through empowerment of farmers and to provide windows for export of agricultural products. To achieve this, the sector had an allocation of ₦107.21 billion in the 2019 budget. Out of this amount, ₦44.96 billion was released and cash-backed while, ₦41.76 billion was utilized as at the end of the year to implement its capital projects and programmes. The following projects were monitored:

4.4.1 INSTITUTE FOR AGRICULTURAL RESEARCH (IAR), SAMARU – ZARIA

The Institute is charged with the responsibility of generic improvement of cowpea, cotton, groundnut, maize, sorghum, castor, jatropha, artemisia and sunflower. It also handles problems of production of all agricultural food crops grown in the North west agro-ecological zone of the country. To achieve this mandate, a total of ₦626.91 million was allocated to the Institute in the 2019 budget to implement its capital projects/programmes. Out of this

amount, N260.76 million was released and cash backed while, N244.47 million was utilised to execute amongst others the following project:

a). Breeder and Foundation seeds of IAR mandate crops

The projects entail the conduct of research and production of breeder and foundation seeds of the Institute mandate crops namely: cotton, cowpea, maize, sorghum, groundnut castor, sunflower and jatropha. The research programmes are conducted in the following areas: artemisia, legumes, farming system, fibre, irrigation, agricultural engineering mechanization, biotechnology and product development.

The research programme was executed by the IAR Integrated Links Limited at a cost of N24.14 million. The research programme commenced in 2010 and is still ongoing. In the 2019 budget, the sum of N20.14 million was appropriated to the project, out of which N16.11 million was released and utilised to achieve 80% level of completion.

Findings:

At the time of monitoring, various research activities/programmes were conducted on the different mandate crops with various breeders and foundation seeds produced and made available to the farmers including starter packs. In addition, diverse training programmes were conducted for the farmers on techniques of producing good quality seeds of crop varieties.



Picture 16: Some of the Breeder and Foundation Seeds at Institute of Agricultural Research, Zaria.

Socio-economic Impact:

The results of the research programmes facilitate the production of various seedlings which boost agricultural production in the North West region of the country. It also serves as a source of income generation and improves their livelihood. On the overall, the project facilitates the attainment of the food security objectives of the federal government.

4.4.2 NATIONAL ROOT CROPS RESEARCH INSTITUTE, UMUDIKE – ABIA STATE

The institute was allocated a total of N1.1 billion in the 2019 budget to implement its capital projects/programmes. Out of this amount, the sum of N464.26 million was released and utilised as at the end of the fiscal year. The following project amongst others was monitored:

a) Development of New Varieties of Cassava, Sweet Potatoes and Cocoyam for all Agro Ecological Zones in Nigeria for Processing and Export

The project was designed to provide increase in the production of agricultural raw materials, guaranteeing the provisions of high-quality seeds, food security and sustainability, creation of employment opportunities, making farming more profitable and alleviation of poverty in the country.

The project was executed directly by NRCRI in January 2018 at a cost of N84.42 million with a completion date of December 2019. The sum of N84.42 million was appropriated in the 2019 budget, out of which N63.26 million was released and utilized to achieve 75% level of completion.

Findings:

At the time of monitoring, new varieties of cassava, potato and cocoyam seedlings were at various stages of observations. The expected final output is to boost agricultural produce for internal consumption and export.



Picture 17: Development of New Varieties of Cocoyam and other Agro-Products Ongoing at the Institute

Socio-economic impact:

When completed, the project will supply new improved seedlings and improve on the existing agricultural activities by reaching out to more farmers. This is expected to boost food production and increase all year-round irrigation farming.

4.4.3 RUBBER RESEARCH INSTITUTE OF NIGERIA (RRIN), BENIN

The Institute's mandate is to develop and transform the natural rubber, gum arabic and other aspects of latex industry in applying cutting edge scientific know-how in providing maximum economic benefit to Nigeria. A total of ₦512.65 million was allocated to the Institute in the 2019 budget out of which ₦262.1 million was released while ₦204.96 million was utilized as at the end of the fiscal year to implement its capital projects/programmes. The following projects were monitored:

a) Maintenance and Rehabilitation of 500 Hectares of Matured Rubber Research Plantation

The project involves the periodic maintenance and rehabilitation of 500 hectares of matured rubber research plantation aimed at adding value to agricultural raw materials such as gum Arabic, rubber latex and rubber coagula. The contract was awarded to Messrs Sabity Nigeria Ltd. & Messrs Soteria consultant in October 2019 at a total cost of ₦150 million and it is expected to be completed in December 2020. In the 2019 budget, the sum

of ₦80.5 million was appropriated while ₦25.95 million was released and utilized to achieve 17.3% level of completion.

Findings:

At the time of monitoring, the maintenance and rehabilitation of 500 hectares of matured rubber research plantation had been carried out.



Picture 18: Maintenance and Rehabilitation of 500 Hectares of Matured Rubber Research Plantation at RRIN

Socio-economic Impact:

The maintenance and rehabilitation programmes aided the prevention of pests from attacking the rubber and gum arabic plantation. Consequently, it is expected to increase the genetic improvement of natural rubber and gum Arabic, enhance agricultural productivity and improve income generation for the Institute.

4.4.4 INSTITUTE OF AGRICULTURAL RESEARCH & TRAINING (I.A.R.&T.), IBADAN

The Institute was allocated a total of N736.0 million in the 2019 budget to implement its capital projects/programmes. Out of this amount, N201.0 million was released and utilized to execute among others the project monitored by the team:

a) Procurement of Modern Farming Equipment to Farmers in Selected States

The project involves the procurement of modern farming equipment (tractors and accessories) for farmers and researchers with the aim of enhancing farming and research activities in the states. It was awarded to Messrs Essence Construction Limited in January 2019 at a cost of N66.8 million with a completion date of December 2019. The sum of N66.80 million was appropriated in 2019 budget, out of which N48.70 million was released and utilized to achieve 72% level of completion.

Findings:

At the time of monitoring, all the tractors and their accessories had been supplied.



Picture 19: Farming Equipment and its Accessories at IAR&T, Ibadan

Socio-economic Impact:

Prior to the award of the contract, the existing equipment were out of use, hence, affecting the smooth conduct of research and farming activities. The newly procured equipment would enhance effective conduct of multiple samples of research analysis and easy farming in the selected areas of priority.

4.4.5 NATIONAL VETERINARY RESEARCH INSTITUTE (NVRI), VOM

The Research Institute is charged with the responsibility of vaccine research, development and production in the country. To achieve this mandate, a total of N1.19 billion was appropriated in the 2019 budget to implement its capital projects/programmes. Out of this amount, N476.77 million was released,

cash backed and utilized to execute amongst others the following projects:

a.) Surveillance Diagnosis and Control of Economically Important Animal Disease in Nigeria (Avian Influenza Newcastle Disease, Gumboro, Rabies, cbpp, asf, Brucellosis, Fowl Typhoid, etc)

The Programme Entails Surveillance Diagnosis and Control of animal disease in Nigeria including the supply of two (2) 4WD Toyota Hilux aimed at preventing the outbreak of diseases of livestock. The contract was awarded to Messrs Kojo Motors & Lead Assurance Co. Ltd. in June 2017 at a cost of N655.20 million and is expected to be completed in Dec. 2021. The sum of N80.0 million was appropriated in 2019 budget while N47.35 million was released and N46.14 million was utilized. A total of N211.57 million had been committed to the project since inception to achieve 32% level of completion.

Findings:

At the time of visit, 2nos. Toyota Hilux had been Procured and put to use while surveillance diagnosis and control of animal disease were ongoing.



Picture 20: The 2Nos. Toyota Hilux procured at NVRI, Vom

Socio economic Impact:

The project will facilitate easy surveillance diagnosis and control of animal diseases thereby reducing its spread. When completed, it will improve human nutrition & animal health as well as boost income of farmers.

4.5 WATER RESOURCES SECTOR

The major thrust of this Ministry is to provide sustainable access to safe water and irrigable Agriculture. The sector was allocated the sum of N92.18 billion in the 2019 budget to implement its capital projects/programmes. Out of this amount, N38.46 billion was released and cash back while, N33.90 billion was utilised as at the end of fiscal year. The following Agency/projects were monitored:

4.5.1 SOKOTO RIMA RIVER BASIN DEVELOPMENT AUTHORITY (SRRBDA), SOKOTO

In the 2019 budget, a total of N5.07 billion was allocated to the River Basin Development Authority to implement its capital projects/programmes. The sum of N2.24 billion was released and cash backed as at 31st December to execute amongst others the following projects:

a). Construction of Bangola Earth Dam in Kebbi State

The project is located at Gulma village in Argungu LGA, Kebbi state and is designed to provide water for irrigation and livestock consumption. The dam is structured to comprise the following salient features: reservoir capacity 11.59mm³, length of spillway 40m, sill level of 223.0m and a full supply level of 226.0m. the dam length, height and width is 887m, 7m and 6.0m respectively.

The contract was awarded to Messrs. Akoon Multi services Ltd in June 2018 at a cost of N450.55 million and was scheduled to be completed within thirty-six (36) months. Actual work commenced in December 2018 and with new completion date scheduled for December 2020. In the 2019 budget, the sum of N108.58 million was appropriated out of which N56 million was released and utilised in the year. A total of N208 million had been committed to achieve 46% level of completion.

Findings:

At the time of monitoring, clearing of the reservoir, cotrench, construction of water (sluice) intake and the access road had substantially been achieved. In addition, 3nos. boreholes were provided for water supply at the project site

to ease project execution. The construction of dam axis/embankment was in progress while the completion of the dam and spillway were still outstanding.



Picture 21: Water Intake Works and Construction of Dam Axis in Progress at Bangola Earth Dam in Kebbi State

Socio-economic Impact:

Though the project is ongoing, it has provided employment to seven (7) skilled and twenty-five (25) unskilled people of the area which enhanced their living standards. On completion, the dam is expected to provide water for irrigation and fishery activities for the residents of the surrounding communities namely: Zazagawa, Gulam, Bangola, Kukadu and Taguas. In addition, it will provide water for livestock consumption thereby solving the persistent clashes between the farmers and the herdsmen in the area due to encroachment of farm lands. On the overall, the project is expected to contribute to the national food security and job creation objectives of the FGN.

b). Water Treatment Plants in the Headquarters' complex

The project entails the supply and installation of parkage treatment plant set at the River Basin's Headquarters, Sokoto to provide potable water for the residential staff and the environs. Components of works are: sterilization, flotation, segmentation and filtration as well as reticulation to the overhead tank. It involves the procurement and installation of a 7.5 horse power, 4nos. Pumping machines, 3nos. Filtration chambers, a Steriliser and 5nos. Storage tanks, etc.

The contract was awarded to Messrs Brizo Concept Nigeria Limited in

August 2018 at a cost of N15.24 million and was expected to be completed in December 2019. In the 2019 budget, the sum of N5.28 million was appropriated, released and utilised to the project thereby bringing total financial commitment to N9.96 million to achieve 90% level of completion.

Findings:

At the time monitoring, all the relevant components or items had been supplied and installed and waiting connection to the overhead tank, and testing. However, the team was informed by the supervising engineer that the sum of N5.03 million was outstanding for payment to the contractor.



Picture 22: The Installation of Water Treatment Plants almost completed at the River Basin Headquarters' Complex, Sokoto

Socio-economic Impact:

Presently, the existing water content is unhealthy for human consumption. When completed, it will provide potable water thereby ensuring a healthy and hygienic living condition.

4.5.2 UPPER BENUE RIVER BASIN DEVELOPMENT AUTHORITY (YOLA)

The River Basin had an appropriation of ~~N~~4.39 billion in the 2019 budget, out of which ~~N~~1.83 billion was released and utilized to implement its capital projects/programmes. The following projects amongst others were monitored:

a.) Yola Reclamation (Lake Geriyo) Project

The project involves the Rehabilitation of Irrigation Canal, mechanical works, access road and culverts. The contract was awarded to Futajalon Global Resource Ltd. in February 2019 at a cost of N146.42 million and was to be completed by August 2019. The sum of N154.71 million was appropriated in the 2019 budget, out of which N137.21 million was released and utilized to achieve 70% level of completion.

Findings:

At the time of monitoring, the Irrigation canal, mechanical works, Remedial works on access road, Ring culvert, Repairs of 2nos 8" and 1no. 18" irrigation pumps, supply of 45,000 litres of diesel and 8 drums of azola total hydraulic oil had achieved 95% completion.



Picture 23: Ongoing Rehabilitation of Irrigation Canal Yola Reclamation (Lake Geriyo)

Socio economic Impact:

The project has created employment opportunities across the rice value chain and other Agro-allied produce. It has also helped to check flood within the host community and its environs and increased economic activities especially in the areas of rice production.

b). Construction of Gambaki, Chinade, Madan and Bulkachuwa Water Supply Scheme

The project involves the drilling of productive solar powered boreholes with submersible pumps and panels at Gambaki Communities (Buskuri, Almari,

Bulkachuwa, Madan, Haldawa etc) in Azare, Bauchi State. Other component includes the construction of pressed corrugated steel welded tanks. The contract was awarded to Messrs Haramari & Chemical Nigeria Limited in November 2014 at a cost of N832.24 million with a completion date of December 2020. In the 2019 budget, the sum of N321.61 million was appropriated, released and utilised to bring total commitment on the project to N591.76 million to achieve 85% level of completion.

Findings:

At the time of monitoring, productive boreholes, generating set, supply of submersible pumps and construction of pressed corrugated steel tank had been completed while, the construction of fetching points at Almari, Madan, Haldawa were still outstanding.



Picture 24: Completed Solar Powered Borehole at Gambaki Water Supply Scheme, Bauchi State

Socio-economic Impact:

When completed, it will provide potable water to approximately 25,000 people and reduce the problem of water borne disease in the area.

4.5.3 Construction of Ivo Water Supply Project

The Project is located at Mpu village of Aninri L.G.A. of Enugu State. It entails construction of concrete weir for water supply scheme meant to serve Mpu, Okpanku, Okpu, Okoli Iheuzeoke communities amongst others. Components of the project include; construction of concrete weir, intake

structure, installation of 100m³/hour packaged treatment plant, high lift pumping station, laboratory building and administrative block. Others include: A generator and security gate house, transmission/distribution network, 450m³ elevated service tanks at Mpu and Okpanku,.

The contract was awarded in December 2012 to Messrs Eauxwell Nig. Ltd at a cost of N985.08 million with an initial expected completion date of December 2014. The contract cost was however reviewed upward to N1.50 billion due to inflation in the cost of materials and additional components to the project. The new completion date is now December, 2020. In the 2019 budget, the sum of N98.02 million was appropriated, released and utilized on the project thereby bringing total financial commitment to N1.12 billion since inception to achieve 85% level of completion.

Findings:

As at the time of monitoring, the construction of the 650m³ Braithwaite clear water tank, 650m³ and 450m³ Braithwaite elevation water tanks at Ukipanku and Mpu communities had been completed. Others include: the supply of 60KVA generating set, installation of solar panels and laying of pipes and fencing of the head of works unit and construction of pump house. Works in progress include: construction of Administrative block, security gate house and construction of solar panel installations works.



Picture 25: Water Tank and the Administrative Block almost completed at The Ivo Water Supply Scheme

Socio-economic Impact:

Although, the project is still on-going, it had created employment opportunities for about 102 skilled and unskilled labours. Upon completion, it will provide potable water to over 32,000 people of Mpu, Okpanku, Okpu, Okoli Iheuzoke, Ihuibes, Amaogudu and Amabiriba communities thereby enhancing their healthy living conditions.

4.6 MINISTRY OF TRANSPORTATION

The major thrust of this ministry is to achieve infrastructural renewal and provide an intermodal transport system via water, land and air transportation. In order to achieve the seamless movement of goods and services, a total of ₦179.38 billion was allocated to the sector in the 2019 budget to implement its capital projects/programmes. Out of this amount, ₦104.45 billion had been released and cash-backed while, ₦84.13 billion was utilised as at the end of the year under review. The following projects were monitored:

4.6.1 TRANSPORT SECTOR***4.6.1.1 NIGERIA INSTITUTE OF TRANSPORT TECHNOLOGY (NITT), ZARIA***

The Institute was allocated a total of N11.15 billion in the 2019 budget for the implementation of its capital programmes/projects. Out of this amount, N6.68 billion was released and cash backed while, N6.21 billion was utilised as at the end of the year. The following project was monitored:

a. Completion and Equipping of Zonal Outreach Learning Centres

This is a prototype project located at selected states of the country namely: Abuja, Ebonyi, Kano, Lagos, Ekiti, Katsina and Gombe states. It involves the construction of a 2-Storey building comprising: an administrative office, lecture halls, accommodation for participants & Liaison Officers and 4 nos. Block of flats of 2 nos. bedrooms each. Others are: Painting booth,

Multipurpose Hall, Technical & Laboratory workshops, conveniences, Cafeteria and 3 nos simulator rooms.

The contract was awarded to Messrs Mushin Nigeria Limited and others at a total cost of N23.19 billion in October 2014 and was scheduled for completion in December 2019. In the 2019 budget, N6.0 billion was allocated while, N4.07 billion was released and utilised in the year. A total of N13.58 billion had been committed to the project since inception to achieve 60% level of completion.

Findings:

At the time of monitoring, the structures at Kano and Ebonyi centres have been completed and all the equipment supplied. Painting and electrical fittings were ongoing while external works such as interlocking, roadwork and parking spaces including planting of flowers for green areas were outstanding. Similarly, works were in progress at the other centres and at different levels of completion.



Picture 26: Completed Zonal Outreach Learning Centre at Eddah, Afikpo L.G.A, Ebonyi State

Socio economic Impact:

When completed, the project will provide a conducive accommodation and enhanced training capacity for participants at the outreach centres.

4.6.1.2 MARITIME ACADEMY OF NIGERIA, ORON

The institution had an allocation of N713.7 million in the 2019 budget for the

implementation of its capital projects/programmes. The Sum of N323.9 million was released, cash backed and utilized during the fiscal year. The following projects were monitored:

a). **Construction of Nautical Complex**

The project involves the construction of a 2-storey building comprising: 70nos offices for both academic and non-academic staff, 2nos conference rooms, 1no reception and 30Nos conveniences. The contract was awarded in December 2009 but later abandoned in 2013 due to non-performance by the contractor. The project was re-awarded in September 2017 to Messrs High Rise Builders Technical services and Equipment solutions limited at a cost of N469.5 million with a new completion date of December 2019.

In 2019 budget, the sum of N143.9 million was appropriated, out of which N137.15 million was released and utilized. A total of N444.0 million had been committed to the project since inception to achieved 99% level of completion.

Findings

At the time of monitoring, the complex had been completed and ready for occupation.



Picture 27: Completed Nautical Complex at MAN, Oron

Socio-economic Impact:

The project had created over ninety (90) job opportunities for artisans, engineers and laborers within the host community. When commissioned, it is expected to solve the shortage of office accommodation for both the

academic and non-academic staff of the institution.

b). Construction of 200 Capacity Male Cadets Hostels

The project involves the construction of a two (2) storey buildings of a two hundred suite for cadet officers. The Contract was awarded in 2009 but later abandoned in 2013 due to request for variation which was declined by the Management. However, the project was re-awarded to another contractor Messrs Depengee Global Resources Limited in January 2019 at the cost of N197.3 million with a new completion date of December 2019.

In the 2019 budget, the sum of N18 million was appropriated, released and utilized. A total of N177.50 million had been committed to the project since inception to achieve 95% level of completion.

Findings:

At the time of monitoring, the superstructure had been completed and student have already occupied the hostels. The team gathered that the sum of N19.80 million which was outstanding on the project was being processed for payment.



Picture 28: Completed 200 Capacity Male Cadet Hostels at MAN, Oron

Socio-economic Impact:

The project had created over one hundred jobs opportunities for both skilled and unskilled workers in Oron and its neighbouring towns. It has also provided accommodation and conducive learning atmosphere in the

institution. In addition, the completion had increased the enrolment of cadet officers as well as Internally Generated Revenue of the college.

4.6.2 AVIATION SECTOR

4.6.2.1 NIGERIAN COLLEGE OF AVIATION TECHNOLOGY (NCAT), ZARIA IN KADUNA STATE

The College was established in 1964 to conduct Civil Aviation courses for pilot training or airport operations and management, training on equipment and necessary facilities for technical research and approved personnel in the installation, maintenance and operation of technical equipment for operational safety of civil aircrafts.

In the 2019 budget, a total of N2.71 billion was allocated to the College to implement its capital project/programmes. The sum of N1.36 billion was released, cash backed and utilised to execute amongst others the following projects:

a). Refleeting of NCAT Aircraft (5 Twin & 15 Single Engines)

The project entails replacement of aging aircrafts with modern aircrafts that utilises Jet A1 fuel to reduce flight operation costs. It comprises: the procurement and delivery of six (6) DA40NG aircrafts including Instructor Pilot and Maintenance Engineers training.

The contract was awarded to Messrs Interjet Nigeria Limited in November 2014 at a cost of N6.42 billion and is expected to be completed in December 2017. However, this was not achieved due to lean budgetary provision. In the 2019 budget, the sum of N900 million was appropriated, out of which N239.55 million was released and utilised in the year. A total of N2.43 billion had been committed to date to achieve 40% cumulative performance.

Findings:

At the time of monitoring, the team was informed that the six (6) aircrafts had been manufactured overseas and the Factory Acceptance and pre-delivery air worthiness inspection is being conducted for subsequent delivery.

Currently, one of the aircrafts (twin engine) had been delivered and on ground for training activities. The team was further informed that the required operations and maintenance training is currently ongoing at Austria for the NCAT participants.



Picture 29: The Twin Engine Aircraft Newly Procured and Delivered at NCAT, Zaria

Socio-economic Impact:

When completed, the project will increase enrolment of students for the various training programmes. In addition, it will provide for multi-engine rating and reduce the operating costs as local fuelling would be easily and readily made available.

b). Mechanical Workshop Equipment

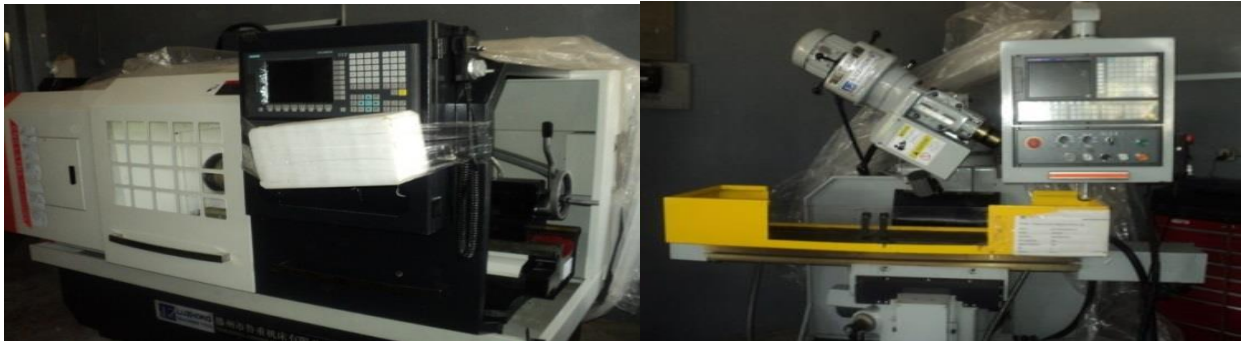
The project is designed for facilities upgrade and modernization at the college in compliance with the International standards. It involves supply and installation (replacement) of obsolete mechanical workshop equipment bought 30-years ago with modern Computer Numeric Control equipment. Some of the equipment are: CNC Lathe machine, Milling and Drilling machines, etc.

The Contract was awarded to Messrs Peter Tiwell Limited in April 2018 at a cost of N99.54 million and it is expected to be completed in December 2019. The sum of N60 million was appropriated in the 2019 budget while, N28.73

million was released and utilised. A total of N71.17 million had been committed to the project since inception to achieve 90% level of completion.

Findings:

At the time of monitoring, CNC Lathe, Milling, Drilling, Power sharing (Guillotine) machines had been procured and installed and being put to use.



Picture 30: The Newly Procured/Installed CNC Lathe Machine, Milling and Guillotine Machines at NCAT, Zaria

Socio-economic Impact:

The procurement of these equipment will ease operations and trainings/practical activities at the college. In addition, it will also increase students' enrolment as well as place Nigeria in line with International standards and best practices as outlined by the International Civil Aviation Organisation (ICAO) standards.

4.6.2.2 ACCIDENT INVESTIGATION BUREAU (AIB)

The Agency was allocated a total of N520 million in the 2019 budget to implement its capital projects/programmes. Out of this amount, N280 million was released and cash backed as at the end of the year to execute amongst others, the following project:

a). Equipping of Wreckage Hangar:

The project involves the equipping of wreckage hangar for the parking of accident aircraft wreckages and material analysis in the course of further

accident investigation. The Contract was awarded to Messrs First Index Projects and Service Ltd. at a cost of N966.9 million in November 2014 with a completion date of December 2016.

The sum of N293.9 million was appropriated in the 2019 budget, out of which, N117.4 million was released and utilized. A total of N388.4 million had been committed to the project to achieved 38.50% level of completion.

Findings:

At the time of monitoring, the wreckage hangar has been completed while the equipment's is still being awaited



Picture 31: The Completed Wreckage Hangar at Nnamdi Azikiwe International Airport, Abuja

Socio-economic Impact:

When completed, the project will enable prompt and timely removal of plane wreckage at crash site and enhance effective and efficient investigation of air crashes.

4.6.2.3 Construction of Akanu – Ibiam International Airport, Enugu.

The project entails the construction of a new terminal building and a Cargo wing at the existing airport, Enugu. Scope of work includes: provision of terminal halls, departure and arrival halls, canonical areas, offices, installation of central chilling system (air conditioners), lifts, conveyor belts,

escalators amongst others.

The contract was awarded in March, 2013 to Messrs CCECC Nig. Ltd. at a cost of N14.24 billion with an initial completion date of December 2015. The contract was however reviewed upwards to N15.18 billion due to paucity of funds with a new completion date of December 2020. In the 2019 budget, the sum of N941.14 million was appropriated, released and utilized. A total of N10.09 billion has been committed to the project since inception to achieve 66% level of completion

Findings:

At the time of monitoring, the structural works, wall plastering, roofing steel structures, external curtain walls installation, mechanical and electrical piping had been completed. Works in progress include: installation of mechanical and electrical wiring, lifts, roofing and others auxiliary works. Outstanding works were: air conditioning installations, bagging system (conveyers-belt) and cargo finishing amongst others.



Picture 32: On-Going Construction of Terminal Building and a Cargo at Akanu – Ibiam International Airport, Enugu

4.7 HEALTH SECTOR

The mandate of the Ministry is to design and implement policies and programmes that will reduce the incidences of child & maternal mortality rate and promote qualitative & affordable health care delivery in the country. In order to improve the infrastructures in tertiary and primary health care centres, a total of N57.09 billion was allocated to the sector in the 2019

Budget. Out of this amount, ₦32.31 billion was released and N30.89 billion utilised as at December, 2019. The following institutions/projects were monitored:

4.7.1 FEDERAL MEDICAL CENTRE (FMC), GUSAU – ZAMFARA STATE

The Centre had a total allocation of N270 million in the 2019 budget to implement its capital projects/programmes. Out of this amount, N108.02 million was released and utilised. There was also an intervention of N207.25 million to the hospital thus bringing total releases to N317.15 million while, N187.07 million was utilised as at end of the fiscal year. However, the balance of N130.08 million was being accessed as at the time of monitoring. The following projects amongst others were monitored:

a). Construction, Equipping and Furnishing of Dialysis Centre

The project involves the construction of a Dialysis Centre comprising: 6nos. Offices, a side laboratory, Nurses common room, a procedure room, water treatment plant, patients waiting room and a dialysis treatment hall. Other component includes: procurement and installation of 10nos Dialysis machines, 5nos of dialysis chairs & beds, and 2nos Water treatment machines (Revised Osmosis machines), etc.

The contract was awarded to Messrs Sepsal Nigeria Ltd. in August 2016 at a cost of N220.54 million and was scheduled to be completed in December 2019. The sum of N60 million was appropriated in the 2019 budget, out of which N29.99 million was released and utilised. A total of N200.54 million had been committed to the project to achieve 100% completion.

Findings:

At the time of monitoring, all the components of the project had been completed and in use. The team was informed that the outstanding sum of N20 million was being processed for payment to the contractor.



Picture 33: Some of the Furnitures/Equipment Installed at the Dialysis Centre, FMC Gusau

Socio-economic Impact:

Before now, the hospital had no dialysis machines thus patients were referred to other far distant hospitals for dialysis services. Therefore, the project has eased the services of dialysis to patients within Gusau and its environs. In addition, it has saved lives and enhanced the internally generated revenue in the hospital.

4.7.2 FEDERAL MEDICAL CENTRE (FMC), YENAGOA

The sum of ₦570 million was allocated to the hospital in the 2019 budget to implement its capital projects/programmes. The sum of ₦228 million was released while, ₦227.99 million was utilized to execute amongst others the following projects/programmes:

a). Construction of Surgical Ward Block

The project entails the construction of a two-storey building comprising: 2nos theatres, burnt & plastic units, paediatric ward & cardiac theatre, intensive care unit, treatment room, patients waiting room, consulting & recovery rooms, as well as sluice and scrub rooms. Others are; Doctors changing and coffee rooms, a library, HOD's Office, a conference hall, call rooms and conveniences.

The contract was awarded to Messrs Brains and Environment Limited in December 2010 at a cost of ₦224.49 million with a completion date scheduled for December 2015. However, the completion date was later extended to December 2018 as a result of cost variation. The sum of ₦90 million was appropriated in the 2019 budget. Out of this amount, ₦62.33 million was released and utilized. A total of ₦179.59 million had been committed to the project since inception to achieve 80% level of completion.

Findings:

At the time of monitoring, the superstructure had been completed. Work in progress includes: block work for completion of partitioning of the last floor.



Picture 34: Completed Construction of Surgical Ward Block

Socio-economic Impact:

On completion, the project will serve as a one stop shop for surgical cases, burnt & plastic unit, paediatric and all such referral cases from the neighbouring communities. This is expected to boost access to quality healthcare service delivery in the areas.

4.7.3 FEDERAL MEDICAL CENTRE (FMC) KEFFI, NASARAWA STATE

The Centre had an appropriation of ₦451 million in the 2019 budget. Out of this amount, ₦180.40 million was released and cash backed while, ₦180.39 million was utilized to implement its capital project/programmes. The

following project amongst others was monitored:

a) **Completion/Renovation and Expansion of Patient's Ward A,B,C and Dialysis Centre**

The project involves completion/renovation and expansion of one-storey building of patient's ward at the Centre. The scope of works includes: a dialysis room, Nurses station, reception, offices, changing room, utility room and dialysis ward at the ground floor. Other are: Secretariat/HOD's offices, Seminar room, cardiovascular room and a Library, etc.

The contract was awarded to Messrs John Goodman Global Human & Logistics Ltd. in January 2018 at a cost of N270 million with an expected completion date of December 2019. The sum of N50 million was appropriated in the 2019 budget, out of which N49.04 million was released and utilized. A total of N148.13 million had been committed to the project since inception to achieve 35% level of completion.

Findings:

At the time of monitoring, construction works for the expansion of the ward, roofing, ceiling, plastering, fixing of windows and doors were achieved while painting and other finishing works were still outstanding.



Picture 35: On-going Renovation/Expansion Works of Patient's Ward and Dialysis Centre at FMC Keffi

Socio-economic Impact:

On completion, the centre will create additional ward and bed spaces especially for patients with kidney cases as well as offices for the sectional health personnel. Consequently, the quality healthcare delivery service is

expected to be boosted at the Centre.

4.7.4 FEDERAL MEDICAL CENTER (FMC), OWERRI

The medical centre was allocated a total of N390 million in the 2019 budget for the implementation of its capital projects/programmes. Out of this amount, N356 million was released and cash backed while, N355.85 million was utilized in the year under review. The following project was monitored:

a). Specialist Out Patient Building Complex:

The project entails the construction of a 2-storey Specialist Outpatient Complex. Components of the structure include: doctors consulting offices, theatre hall, a laboratory, records unit, changing room, and conveniences, etc.

The contract was awarded in December 2018 to Messrs Hebron-3 Concept Ltd. at a cost of N239.66 million with an expected completion date of December 2020. In 2019 budget, the sum of N100 million was appropriated, out of which N40.39 million was released and utilized. A total of N135.85 million has been committed to the project since inception to achieve 40% level of completion.

Findings:

At the time of monitoring, the sub-structure had been completed. In addition, construction of beams, pillars and block work for the superstructure had been achieved up to the lintel level while electric piping was ongoing. Outstanding works were: roofing & ceiling, plastering, electrical and mechanical works, fixing of doors & windows, etc.



Picture 36: Ongoing Construction of Out Patient Building Complex at FMC, Owerri.

Socio economic Impact:

Although the project is still ongoing, it has created job opportunities for over 13-skilled and 80-unskilled labour. On completion, it will facilitate the effective management of patients and improve health care delivery at the Centre.

4.7.5 UNIVERSITY OF MAIDUGURI TEACHING HOSPITAL

The hospital was allocated a total of N680.00 million in the 2019 budget for the implementation of its capital projects/programmes. As at end of the financial year, the sum of N680.00 million was released while N392.81 million was utilised to execute amongst others the following projects:

a). Construction of Radiotherapy Centre:

The project involves the construction of a radiotherapy complex comprising: 2nos. treatment rooms, 5nos offices, 3nos. wards and a changing room, etc. It was awarded in January 2012 to Messrs Gramson Investment Nigeria Limited at a cost of N246.9 million with a completion date scheduled for December 2020.

In the 2019 budget, the sum of N90.0 million was appropriated while N35.99 million was released and utilized to bring total financial commitment to N187.58 million to achieve 76% level of completion.

Findings:

At the time of monitoring, the sub-structured had been achieved while reinforcement/beams and block works were in progress. The team was informed that the slow pace of work was due to inadequate budgetary provisions/releases over the years.



Picture 37: Ongoing Construction of Radiotherapy Centre at University of Maiduguri Teaching Hospital

Socio-economic Impact:

When completed, the project is expected to provide additional staff offices and wards for the patients at the hospital. In addition, the supply of the radiotherapy equipment will facilitate the treatment of cancer cases amongst others thereby reducing the rate of deaths.

4.8 EDUCATION SECTOR

The Sector was allocated a total of ₦58.69 billion in the 2019 budget to implement its capital projects/programmes. Out of this amount, ₦28.10 billion was released and cash backed while, ₦21.97 billion was utilised as at the end of the fiscal year. The following Institutions/projects were monitored:

4.8.1 FEDERAL UNIVERSITY OF TECHNOLOGY (FUTO), OWERRI

The Institution was appropriated a total of N101.83 million for the implementation of its capital programmes/projects in the 2019 budget. Out

of this amount, N40.73 million was released and cash backed while, N40.62 million was utilized in the year under review. The following project was monitored:

a). Construction of School of Science Complex Phase I:

The project involves the construction of a 2-storey building complex for the School of science comprising: 20nos. academic staff offices, 20nos. classrooms, Dean and HOD's offices, a Conference hall and 12nos. Conveniences, etc.

The contract was awarded in October 2013 to Messrs Davoris Nig. Ltd. at a cost of N249.98 million with an initial completion date of June 2014. The completion date has however been extended to December 2020 due to funding constraints. In the 2019 budget, the sum of N53.52 million was appropriated while N40.73 million was released and utilized. A total of N207.83 million had been committed to the project since inception to achieve 75% level of completion.

Findings:

At the time of monitoring, the structural works had been completed and roofed while, fixture of doors, windows, burglar proofs and electrical piping are currently ongoing. Outstanding works were ceiling, electrical wiring, mechanical works, plastering, painting and other finishing works were outstanding.



Picture 38: Ongoing Construction of School of Science Phase-I Complex at FUTO, Owerri

Socio economic Impact:

Although the project is still ongoing, it has created job opportunities for over 10-skilled and 70-unskilled workers. Upon completion, the complex will provide more classrooms to accommodate students in the different fields of Sciences and more offices for staff. In addition, the construction works has boosted economic activities for hawkers and food vendors in the area.

4.8.2 FEDERAL UNIVERSITY OF TECHNOLOGY (FUT), MINNA

In the 2019 budget, the Institution was allocated the sum of N71.83 million while N28.73 million was released and utilized for the implementation of its capital projects and programmes. The following project amongst others was monitored:

a). Completion of Cyber Security Science Department

The project involves completion of a three (3) storey building for the Cyber Security Science Department. It comprises: four (4) Offices, Lecture rooms, a laboratory, utility rooms, Academic staff offices and conveniences. The contract was awarded to Messrs Eagle Construction Ltd. in December 2011 at a cost of N591.6 million with an initial completion date of December 2016. The cost was revalued to N867.66 million with a new completion date scheduled for December 2021.

The sum of N71.83 million was appropriated in the 2019 Budget, out of which N28.73 million was released and utilized. A total of N428.6 million had been expended on the project since inception to achieve 49% level of completion.

Findings:

At the time of monitoring, the superstructure had been achieved and roofed. Also, ceiling and plastering works, fixing of windows and doors had been completed. However, tiling, electrical pipping and plumbing works were in progress. Painting, sinking of borehole, drainages and landscaping are yet to commence.



Picture 39: On-going Construction of Cyber Security Science Department at FUT Minna

Socio-economic Impact:

The construction works at the project site had created job opportunities for over 50-skilled and unskilled labour. On completion, the facility will provide a conducive learning and office accommodation for the students and staff of the benefiting department. As a result, staff productivity and students' enrolment are expected to increase.

4.8.3 AHMADU BELLO UNIVERSITY (ABU), ZARIA

The Institution was allocated a total of N242.04 million in the 2019 budget to implement its capital projects/programmes. Out of this amount, the sum of N169.62 million was released while N166.46 million was utilised as at the end of the year to execute amongst others the following projects:

a). *Establishment of Venom, Anti-Venom and Natural Toxin Research Centre*

The project is designed to provide a centre for the conduct of research programmes on snakes' venom, anti-venom and natural toxins. It is executed in two (2) phases: Phase I had been completed and ready for use. Phase II of the project involves the construction of a-storey building comprising: 12nos. Staff offices, 4nos. lecture halls and 4nos. laboratories, conveniences, 2nos. 2-bedroom apartments for the researchers and furnishing of the completed Phase I building, etc.

The contract for phase II was awarded to Messrs Sources Plus Nigeria Ltd. in November 2019 at a cost of N200.52 million and is expected to be completed in March 2020. In the 2019 budget, the sum of N200.00 million was appropriated, out of which N95.17 million was released and utilised (including consultancy) to achieve 45% level of completion

Findings:

At the time of monitoring, the substructure, block works to the first floor, oversight concrete, columns & beams and electricity connection to the building had been achieved. In addition, office furniture items had been supplied and in use at the completed Phase I building. However, reinforcement works for first floor slab at the second phase was in progress with significant quantum of materials on site to complete of the project.



Picture 40: Ongoing construction of Venom, Anti-Venom and Natural Toxin Research Centre at ABU, Zaria.

Socio-economic Impact:

The project has created temporary jobs for over fifty (50) skilled and one hundred (100) unskilled labour. On completion, it is expected to provide a centre for teaching and conduct of research programmes on snakes' venom, anti-venom and natural toxins. In addition, the chalets will provide residential accommodation for the researchers, lecturers, medical students and paramedics of the university.

4.8.4 FEDERAL UNIVERSITY, OTUOKE

In the 2019 budget, a total of ₦132.22 million was allocated to the University to implement its capital projects/programmes. The entire amount (132.22 million) was released and utilized as at 31st December. The following projects were monitored:

a) Construction/Provision of Office Building

The project involves the construction of a two-wing of 2-storey building for the accounting and management departments of the University. The building comprises: 2nos. lecture theatre (400 capacities each), 2nos. offices for the Heads of departments and 8nos staff offices 2nos. Secretary's offices, and 12nos. conveniences.

The contract was awarded to Messrs Gwus International Ltd. and Messrs. Tondave & Co. Ltd. in October 2008 at a total cost of ₦489.51 million with an expected completion date of December 2019. In the 2019 budget, the sum of ₦28.97 million was appropriated, released and utilized to bring total financial commitment to ₦479.00 million. The project had attained 90% level of completion.

Findings:

At the time of monitoring, the superstructure had been completed and roofed. In addition, ceiling and painting works, electrical fittings, plumbing, tiling, fixing of staircase rails were in progress at various stages of completion.



Picture 41: Ongoing Construction/Provision of Office Building at Federal University, Otuoke.

Socio-economic Impact:

The project had created job opportunities for over 50 skilled and unskilled youths of Otuke and its neighbouring communities. On completion, it will provide a conducive learning atmosphere for the staff and students of the faculty.

4.8.5 BAYERO UNIVERSITY, KANO

The institution was allocated a total of N1.39 billion in the 2019 budget for the implementation of its capital projects/programmes. Out of this amount, N558.32 million was released and cash backed while, N558.05 million was utilised as at the end of December. The following project amongst others was monitored:

a) Construction of Library complex for School of Continuous Education (SCE)

The project involves the construction of a 2-storey building comprising: a theatre of 500 sitting capacity, 6nos. offices, 6nos. shops and 24 nos. conveniences. The contract was awarded to Messrs Matrix Resources Nig. Ltd. at a cost of N168.63 million November 2018 and is scheduled to be completed in December 2019. The sum of N161.48 million was appropriated in the 2019 budget, out of which N76.97 million was released and utilised. A total of N164.41 million had been committed to the project since inception to achieve 95% level of completion.

Findings:

At the time of monitoring, the structure had been completed and is ready for commissioning.



Picture 42: Completed Library Complex at the School of Continuous Education (SCE), Kano

Socio economic Impact:

The project has boosted economic activities such as haulage services, cement supplies and food vendors at the project site. When commissioned, it will avail the school with a more spacious and comfortable learning environment thus enhancing productivity.

b). Construction of Faculty of Veterinary Medicine, Deanery and Department of Physiology & Pharmacology

The project which is located in the new campus consists of the Departments of Deanery, Physiology, Pharmacology and Pathology. It comprises: 2nos. lecture rooms and laboratories, Head of Department's office, Dean's office and conveniences, etc.

The Contract was awarded to Messrs UYK Nigeria Limited and Messrs MNM Nigeria Limited at a total cost of N494.73 million in January 2019 and was expected to be completed in September 2019. In the 2019 Budget, N246.76 million was appropriated, released and utilised on the project to achieve 95% level of completion.

Findings:

At the time of monitoring, the superstructure had been completed, while work was in progress on electrical (wiring) and mechanical (piping) while, Landscaping and external works were outstanding.



Picture 43: Ongoing Construction of Faculty of Veterinary Medicine, Deanery and Department of Physiology & Pharmacology at BUK.

Socio economic Impact:

Although the project is yet to be completed, 40 skilled labourers and artisans were engaged. When completed, it will facilitate the accreditation of relevant courses and programmes in the departments.

4.8.6 UNIVERSITY OF UYO

The institution had an appropriation of N371.83 million in the 2019 budget for the implementation of its capital projects/programs. Out of this amount, the sum of N145.73 million was released and cash backed while, N117.86 million was utilized as at the end of the year. The following project was monitored:

a). Construction of Faculty of Agriculture Complex (Phase I)

The project which is located at the main campus of the university entails the construction of a 2 storey building comprising: (3) nos Laboratories, 33nos offices, 3nos professors' offices, 3nos HODs' offices and supporting staff, 2nos Classrooms, 36nos conveniences, a reception, seminar hall and 2nos. Research laboratories & stores. The contract was awarded to Messrs Emchoney Global Limited in April 2011 at a cost of N499.93 million with a completion date of June 2020.

The sum of N371.83 million was appropriated in the 2019 budget, out of which N148.7 million was released while N117.8 million was utilised. A total of N232.81 million had been committed to date to achieve 40% level of

completion.

Findings:

At the time of monitoring, the sub-structure, reinforcement, columns and formwork for the first floor were in progress and at different levels of completion. In addition, the following associated equipment had been procured some of which are: elevators, electrical panels, conduit pipes, lighting fittings, fire extinguishers and washing hand basins. The team was informed that the project completion period had dragged for so long due to poor budgetary provisions and releases.



Picture 44: Ongoing Construction of Faculty of Agriculture Complex (Phase I), University of Uyo

Socio-economic Impact:

The project has created job opportunities for skilled and unskilled youth of the area. On completion, it will enhance research work and increase enrolment for students from the catchment area and beyond.

4.8.7 FEDERAL UNIVERSITY OF TECHNOLOGY (FUT), AKURE

The Institution was allocated the sum of N71.03 million in the 2019 budget to execute its capital projects and programmes. N28.41 million was released while N28.26 million was utilized to execute among others, this project monitored by the team.

a). Construction of School of Information-Communication and Technology Building

The project involves the construction of a storey building for the School of Information-Communication and Technology in the University. It consists of 2nos. classrooms (150 sitting capacity each), 2nos. Research laboratories and 2nos. offices for technologists and researchers.

The contract was awarded to Messrs Omadac Engineering Limited in December 2019 at a cost of N53.60 million with an expected completion date of May 2020. In the 2019 budget, the sum of N53.60 million was appropriated while N28.41 million was released and N24.15 million was utilized to achieve 45% level of completion.

Findings:

At the time of the monitoring, site clearance, excavation and foundation for the project (Phase II) had also been achieved. Significant quantum of materials such as chippings and blocks and iron rods were supplied to site to continue the project.



Picture 45: Ongoing Construction of School of Information and Communication Technology Building at FUTA Phase II

Socio-economic Impact:

Though the project is still at its infancy, it had created temporary jobs for the artisans, masons, iron benders and other unskilled labour of the host communities. When completed, it will provide more offices and classrooms for the staff and students of the institution.

4.9 SCIENCE AND TECHNOLOGY SECTOR

The focus of this Ministry is to domesticate scientific & technological development and re-engineer the economy towards a National Industrial Revolution. To achieve this objective, the sector was allocated a total of N48.08 billion in the 2019 budget to implement its capital projects/programmes. Out of this amount, N21.71 billion was released and cash backed while, N19.33 billion was utilised as at end of the year. The following institutions/projects were monitored.

4.9.1 NIGERIAN INSTITUTE FOR TRYPANOSOMIASIS RESEARCH (NITR), KADUNA

The Institute was established to support the national effort to ensure food security and reduce poverty through eradication of tsetse and trypanosomiasis from Nigeria using integrated methods and stakeholder's involvement. In the 2019 budget, a total of N454.98 million was allocated to the Institute to implement its capital projects /programmes. Out of this amount, N181.99 million was released and cash backed while, N113.78 million was utilised as at the end of the year to execute amongst others the following projects/programmes:

a) *Pan African Tsetse and Trypanosomiasis Eradication Campaign (PATTEC) Research Project*

The project involves the conduct of PATTEC research activities, holding and participation at ISCTC PATTEC International conferences and meetings, procurement, adverts and tender meetings/trainings activities. Others are: construction of tsetse fly mass rearing facility at Vom–Jos, procurement of binding material, sand, anti-virus and screens, targets, traps and drugs for baseline data collection in Kano, Bauchi and Katsina States.

The research, conferences and training component of the project was executed by the Institute while contracts for construction and procurement of material and drugs was awarded to Messrs Maggic Touch Business Consult and 4-others. It commenced in January 2008 at a total cost of N2.73 billion and is being executed on annual basis. In the 2019 budget, the sum of N67.42 million was appropriated, out of which N60.70 million was released

and utilised thus bringing total financial commitment to N360.52 million since inception to achieve 15% level of completion.

Findings:

At the time of monitoring, several pre-survey research activities (serological, immunological and molecular analysis, etc) and publication were undertaken in three senatorial zones of Delta state. Also, the Institute successfully held/ participated at the 35th PATTEC International Conference held in Abuja. In addition, all the construction and procurement components of the project had been completed.

Socio-economic Impact:

The project will facilitate a reduction in human and livestock mortality rate and control the cost of veterinary and medical services incurred in the prevention and treatment of the diseases. In addition, it has improved the production of meat and dairy products. On the whole, it will ensure effective tsetse fly control/eradication in Nigeria for the enhancement of livestock production and sustainability.

4.9.2 NATIONAL OFFICE OF TECHNOLOGY ACQUISITION AND PROMOTION AGENCY (NOTAP), ABUJA

The institution had a total of N620 million appropriated in the 2019 budget for the implementation of its capital project/programmes. Out of this amount, N248 million was released and utilized to execute among others the following projects;

a.) Construction of the Headquarters' Office building

The project entails the construction of a three (3) storey building, comprising: staff offices, conference room, Audit office, Director-General's office and conveniences, among others. It was contracted to Messrs Paul Nigeria Limited Plc. at a cost of N750 million in January 2018 and was expected to have been completed in December 2018 but this was not achieved due to funding issues. However, the completion date has been rescheduled for April

2020.

In 2019 budget, the sum of N108.5 million was appropriated while, N107 million was released and utilized as at end of the year. A total of N323.9 million had been committed since inception to achieve 70% cumulative performance.

Findings:

At the time of monitoring, the superstructure has been completed and roofed while, fixing of windows, air conditioners, the elevator, ceiling, electrical piping, screeding and tiling were all in progress. Outstanding works include: painting, fixing of doors, burglaries, electrical fittings and furnishing.



Picture 46: Ongoing Construction of the NOTAP Headquarters office building, Abuja

Socio-economic Impact:

When completed, the project will provide more office accommodation to all staff of the establishment who hitherto were putting up in smaller offices. Consequently, it will enhance the working environment for better service delivery.

4.9.3 NIGERIA INSTITUTE OF LEATHER AND SCIENCE TECHNOLOGY, (NILEST) ZARIA IN KADUNA STATE

The Institute was allocated a total of N873.53 million in the 2019 budget for the implementation of its capital projects/programmes. Out of this amount, N349.4 million was released, cash backed and utilised. The following project

was monitored:

a.) *Development of a Leather Computer Aided Design Multipurpose Hall*

The project is located at the Basawa area in Zaria, Kaduna state, entails the construction of a lecture theatre with 500 seating capacity. It was conceived to promote computer aided design in leather works and footwear. The contract was awarded to Messrs Tawad Associates at a cost of N180.47 million in November 2018 and was scheduled for completion in December 2020. In the 2019 appropriation, N100 million was appropriated while, N30 million was released and utilised to bring the total financial commitment on the project to N56.86 million to achieve 20% level of completion.

Findings:

At the time of monitoring, the substructure had been completed while block work on the superstructure had reached lintel level. Outstanding works are: roofing, electrical and mechanical works, fittings and general finishing.



Picture 47: Construction of Leather and Computer Aided Design Multipurpose Hall

Socio economic Impact:

Although the project is still ongoing, it had engaged 5-skilled and 35-unskilled labour within the surrounding communities. When completed, the hall will serve as CBT centre for students undergoing UTME and JAMB Exams. It will also be used for events that will generate revenue for the Agency.

4.9.4 NASRDA INSTITUTE OF SPACE SCIENCE AND ENGINEERING

The Institute had an appropriation of N147.4 million in the 2019 Budget to implement its capital projects/programmes. The sum of N58.9 million was released and utilized at the end of the fiscal year. The following project amongst others was monitored.

a.) **Partial renovation of Temporary Administrative Building and furnishing.**

The project entails partial renovation of temporary Administration building and furnishing. It is a storey building comprising: 4nos. departments/offices namely: Provost's office, Bursar's office, the Administrative & Account Departments with conveniences.

The Contract was awarded to Messrs Padec Solution Concept Ltd. and Messrs Leom at a total cost of N10 million in January 2019 and was expected to be completed by December 2019. In 2019 Budget the entire contract sum of N10 million was appropriated, released and utilized to achieve 100% completion.

Findings:

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



Picture 48: The Renovated Temporary Administrative Building at NASRDA, Abuja

Socio-economic Impact

The project had provided a conducive accommodation for the administrative

staff and management of the Institute thereby boosting their morale and productivity. The facility is expected to aid the accreditation of programmes at the Agency.

4.9.5 SCIENTIFIC EQUIPMENT DEVELOPMENT INSTITUTE, ENUGU

The institute had a total of N1.15 billion in the 2019 Budget for the implementation of its capital projects/programmes. Out of this amount, N540.04 million was released and utilized as at December 2019 to execute amongst others, the following project:

a.) Development/Equipping of Advance Manufacturing Technology Workshop and Purchase of Fabrication Laboratory

The project is located within the premises of the Institute and it entails the construction and equipping of a workshop for the training of young scientists in the production of scientific equipment. Components of work include: procurement & installation of Computer Numerical Control Machine, Automated Lathe Machine and Argone Special Welding Machine.

The contract was awarded in November 2018 to Messrs Chios Global Investment Ltd. at a cost of N270 million with completion date scheduled for February 2020. The sum of N60 million was appropriated in the 2019 budget, out of which N55.22 million was released and utilized. A total of N230.15 million had been committed to the project since inception to achieve 90% level of completion.

Findings:

At the time of inspection, all the machines had been procured awaiting installation. In addition, the connection of electric power from the main source to the workshop building was still in progress.

Socio economic Impact:

Although the project is still ongoing, it has created job opportunities for over 135 skilled and unskilled labour. When completed, the procured machines

are expected to improve the capacity of the Institution to fabricate science equipment and other related tools in mass production. In addition, young scientists will be trained in the area of tools production thereby reducing the cost training overseas.

4.10 OFFICE OF THE SECRETARY OF THE FEDERATION (OSGF) SECTOR

The Sector had an allocation of N37.64 billion in the 2019 budget to implement its capital project/programmes. Out of this amount, N24.28 billion was released and cash backed while, N17.81 billion was utilised as at 31st December 2019. The following agencies/projects were monitored:

4.10.1 NATIONAL LOTTERY TRUST FUND (NLTF), ABUJA

The Trust Fund is a fund into which percentage of the net proceeds of a national lottery are credited as prescribed under Section 24 of the National Lottery Act 2005. The Trust Fund is mandated amongst others, to receive and credit into its account, all monies payable into the Trust Fund; and also to make all disbursement required to be made out of the Trust Fund under this Act. To achieve this mandate, a total of N772.83 million was allocated to the Agency to implement its capital projects/programmes. Out of this amount, N309.12 million was released and N307.47 million utilised as at 31st December 2019. The following project amongst others was monitored:

a.) Purchase of Medicals and Health Equipment

The project entails the supply and branding of primary healthcare medical equipment namely: Cardiotocograph (CTG) – single Gestation, Phototherapy machine, Haematocrit and Bucket Centrifuge, sonicaid, delivery beds, blood bank Resuscitaire. Others are: Defibrillator, Infant incubator, Olympus microscope, Baby cots and mattresses, etc.

It was awarded to Messrs Flowstream International Limited and two (2) others at a total cost of N91.61 million in October 2019 with a completion date of December 2019. The sum of N108.95 million was appropriated in the

2019 budget while, N91.61 million was released and utilised on the project to achieve 100% completion.

Findings:

At the time of monitoring, all the items of the contract had been purchased, delivered and waiting distribution to the benefitting institutions.



Picture 49: Some of the Medicals and Health Equipment supplied at the Trust Fund Headquarters, Abuja

Socio-economic Impact:

The procured items are expected to enhance healthcare service delivery to the targeted communities thereby improving life expectancy and reducing morbidity and mortality rates.

b.) Purchase of Sporting Equipment for Secondary Schools in Selected States across the Nation

The project involves the supply of various quantities of football sporting kits and first aid kits to selected secondary schools in Abuja, South West and North Eastern zones of the country. Some of these items are: high quality weather-proof “Adidas” track suits, pairs/sets of approved sizes of canvass, 100-150mm diameter Goal posts, football nets, and multi-purpose football hand pumps. Others include: High quality “Polyester” short sleeve men jerseys, dozens of pure leather “Nike” balls, various pairs of high-quality soccer boots, stocks and protective shin guards.

The contract was awarded to a consortium of contractors namely: Messrs

Spring Pharma Consults Limited and 2 others in November 2019 at a total cost of N82.29 million and was expected to be completed in December 2019. The sum of N105 million was appropriated in the 2019 budget, out of which N59.61 million was released and utilised to achieve 77% level of completion.

Findings:

At the time of monitoring, all the football sporting kits had been procured and delivered and ready for distribution to the selected secondary schools in Abuja and the South West Zone. The team was informed that the supply of First Aid Kits for the North East zone was yet to be concluded due to inadequate release of funds.



Picture 50: Part of the Football Sporting Kits and Goal Post Items Delivered at the Trust Fund Headquarters, Abuja

Socio-economic Impact:

The supply of the sporting equipment and first aid kits will help in the build-up and keep fit of the young and growing athletes in the selected schools. This is expected to build their desire for sports as well as enhance the spirit of unity amongst the Nigerian youths.

4.10.2 FEDERAL ROAD SAFETY CORPS

The Institution had an allocation of N2.48 billion in the 2019 budget for the implementation of its capital projects/programmes. The sum of N993.78 million was released and cash backed while, N992.21 million was utilized as

at end of the fiscal year. The following project amongst others was monitored:

a.) Purchase of Peugeot Patrol Operational Vehicles

The project entails the procurement of 6nos. operational vehicles for patrol purposes. The contract was awarded to Messrs Stallion NMN Limited at a cost of N139 million in December 2019 and scheduled to be completed within four (4) weeks. In the 2019 budget, the sum of N139 million was appropriated, released and utilised to achieve 100% completion.

Findings:

At the time of the monitoring, all the operational vehicles had been procured and put to use.



Picture 51: Some of the Operational Vehicles procured at the Federal Road Safety Corps Headquarters, Abuja

Socio-economic Impact:

The project will ensure the effective patrol by the Corp Marshals and the enforcement of highway regulations thereby reducing traffic gridlock and accidents on the Nigerian highways.

4.11 YOUTHS AND SPORT SECTOR

The Ministry was allocated a total of N4.08 billion in the 2019 budget for the implementation of its capital projects/programmes. The same amount was

released and cash backed while, N2.61 billion was utilised as at 31st December 2019. The following projects were monitored:

4.11.1 NIGERIAN FOOTBALL FEDERATION (NFF), ABUJA

The Football Federation was allocated a total of N98.65 million in the 2019 budget to implement its capital projects/programmes. As at the end of the year, the whole amount (N98.65 million) was released and utilised to execute amongst others, the following projects:

a.) Supply of Sporting and Gaming Equipment

The project involves the procurement of various quantities of sporting and gaming equipment namely: 4.0 Treadmill, Recumbent commercial bike, a Training mannequin, Alphabets, Big and small numbers. Others include: Nike boots, canvasses and jerseys (Green, White, Green) of various sizes, spinning bike, national flags and souvenir pin NFF logo.

The Contract was awarded to Messrs Tomjioke Resources Limited in December 2019 at a cost of N20.68 million and was expected to be completed within two (2) weeks. In the 2019 budget, the sum of N21 million was appropriated and released while, N20.98 million was utilised to achieve 100% completion.

Findings:

At the time of monitoring, the all the items had been supplied and being distributed (put to use) to the benefiting athletes.



Picture 52: Some of the Sporting and Gaming Equipment Procured at NFF, Abuja

Socio-economic Impact:

The supply of the mannequin and Treadmill 4HP equipment had facilitated free kicks training, indoor trekking and juggling exercises by the various athletes. On the whole, the modern equipment will help to prepare athletes for local and international sporting and gaming events/competitions. In addition, it will help to build unity amongst the Nigerian athletes as well as enhance the image of the country internationally.

4.12 FEDERAL CAPITAL TERRITORY ADMINISTRATION (FCTA)

The main thrust of FCTA is to design and implement an original Master plan through the establishment of an effective and enduring service delivery at the FCT that will stand the test of time. This includes the provision of infrastructural facilities, creation of satellite towns and development areas. To enable the realization of this objective, the sum of N23.024 billion was allocated in the 2019 budget to implement its capital projects/programmes. Out of this amount, N9.04 billion was released and cash backed while, N8.90 billion was utilized to execute amongst others, the following projects:

a.) *Extension of Inner Southern Expressway (ISEX) from Southern Park S8/S9 to Ring Road 2 Expressway (RR2)*

The Project is located within AMAC Central area in the Federal Capital Territory. It entails the construction of a 9.89km road from Christian Centre/CBN to Galadimawa Roundabout. Components of the work include: Site clearance, storm water drainage systems, road works, development of 6nos interchanges, 2nos river bridges, 4nos pedestrian bridges and a viaduct bridge. Others are: confirmatory site tests, retaining walls, culverts, power supply, street lighting, conduit for telecommunication and provision of service ducts.

The contract was awarded in December 2014 to Messrs C.G.C. Nig. Ltd. at a cost of N43.46 billion with an initial completion date of July 2017. The team was informed that the contractor is currently processing a variation request for a new contract cost due to inflation and additional works. The completion

date was extended to December 2020. The sum of N1.0 billion was appropriated in the 2019 budget, out of which N500 million was released and utilized. A total of N9.95 billion has been committed to the project since inception to achieve 25% level of completion.

Findings:

At the time of monitoring, site clearance, top soil removal and earthworks, pavement works covering 3.6km had been completed. Works in progress include: excavation of the river canal, construction of river Parapata bridge, culverts and casting of retaining wall at Galadimawa bridge. However, construction of bridges, power supply, street lighting, conduit for telecommunication and provision of service duct amongst others were outstanding.



Picture 53: On-Going Excavation Works for River Parapata Bridge and Casting of Retaining Wall at Galadimawa Bridge

Socio-economic Impact:

Although, the project is still on-going, it had created job opportunities for about 101 skilled and unskilled labour. When completed, the traffic gridlock experienced on the southern expressway axis of the road will be eliminated while the interchange structures will provide easy link to other adjoining roads within the Federal Capital Territory.

Challenges:

The major challenge recorded on the project was land acquisition, compensation and removal of the existing structure within the road corridor particularly as it affects diplomatic zones (Embassy of Thailand and Islamic

republic of Mauritania around Area I overhead bridge). Poor budgetary provision/releases over the years and delay in settlement of certified works also slow down the pace of work.

b.) Construction of One Service Carriageway of Inner Northern Expressway (INEX) from Ring Road III (RR III) to Ring Road IV (RR IV).

The project involves the construction of 14km major road to provide access to the ongoing development of the Idu Industrial Area linking the Northern District of Phase III and IV of the Federal Capital City (FCC) to connect Ring Road II, III and IV of the road network in the Northern-West axis of the FCT. The scope of work includes: soil investigation, site clearance, earth works, surface water drainage, road works including the construction of 4nos river bridges.

The Contract was awarded to Messrs Salini Nigeria Limited in December 2014 at an initial cost of ₦7.17 billion with a completion date of December 2016. However, there was an upward review of the cost to ₦11.44 billion due to additional scope of work. The completion date was therefore extended to December 2018. In the 2019 budget, the sum of ₦600 million was appropriated out of which ₦582 million was released and utilised thus bringing total financial commitment to ₦1.58 billion achieve 8% level of completion.

Findings:

At the time of monitoring, the team observed that the lean budgetary provisions and non-release of fund over the years has slowed the pace of work. However, works done includes: compensation for economic Trees and Crops, soil investigation, site clearance, earthworks, bush clearance and removal of topsoil while, piling work for one of the bridges was in progress.



Picture 54: Completed Portion of the Earth Works and Ongoing Piling Work at Bridge Nos 4 at CH 16+000

Socio-economic Impact:

The project has created direct and indirect job opportunities for seventy-five (75) skilled and unskilled labour in the host community. It has also attracted other petty businesses at the construction sites. When completed, it is expected to open up access to Abuja Industrial area and also ease movement of goods and persons to Idu railway station.

c). Provision of Engineering Infrastructure to Wasa Resettlement Site I

The project entails provision of road infrastructure, water, electricity among others to an area covering 699Ha. It was conceived to provide Engineering Infrastructure to facilitate the resettlement of villages around the Airport road (Chika, Alaita and others).

Component of work includes: site clearance, earth works, construction of road pavement, concrete p-cast pipe and box culverts, grassing of embankments and shoulders. Others are: Provision of 1.2m liters elevated water tank, water distribution network, installation of a Generator/Generator house, provision of 3nos 15MVA, 33/11 Transformers & extension of 33KV and switch room.

The contract was awarded to Messrs COAN (WA) Limited in December 2017 at a cost of N26.87 billion with a completion date of November 2020. The sum of ~~N~~1.1 million was appropriated in the 2019 budget and ~~N~~3 billion from the FCTA statutory allocation. There was no release from the national budget in the year. However, the sum of ~~N~~2.19 billion was released and utilized from

the FCTA statutory allocation thereby bringing the total commitment on the project to N6.22 billion since inception to achieve 8% level of completion.

Findings:

At the time of monitoring, provision of access road, site clearance (20km), top soil removal (12km), earth work up to formation (7km), construction of 6nos 900mm diameter pre-cast concrete culverts and 4nos 3m x 3m box culverts, among other, works were in progress.



Picture 55: Ongoing Road Construction at Engineering Infrastructure To Wasa Resettlement Site I

Socio economic Impact:

The project though at its infancy has created direct and indirect job opportunities to over one hundred (100) youths of the immediate communities. It has also engaged more than twenty (20) sub-contractors who have handled the supply of cement, sand, laterite, diesel etc. In addition, it has boosted business activities in the host community and its suburbs.

d). Provision of Primary Road to Mass Housing (S30) (Phase I)

The project entails the construction of a 9.2km dual carriage way from Kabusa Junction in Apo, passing through the Kabusa Village to the Airport Road. Scope of works include amongst others: clearing, earthworks, surface dressing on shoulders, storm water drainage, culverts and walk ways.

It was awarded to Messrs Exsa Nigeria Limited in December 2010 at the cost of N6.53 billion and initially expected to be completed in December 2012. However, the completion date was later extended to December 2020 due to

lean budgetary provisions and releases over the years. In the 2019 budget, the sum of N400.00 million was appropriated, released and utilized to bring total commitment on the project to N5.35 billion since inception to achieve 96.70% level of completion.

Finding:

At the time of monitoring, work done includes: site clearance, earthworks, surface storm water drainage, construction of culverts, walk ways and asphaltic binder course of 9.17km. In addition, the resolution of all compensation issues on the right of way of the project had been completed. However, wearing course was still outstanding.



Picture 56: Provision of Primary Road to Mass Housing (Phase I) at Kabusa, Apo District, Abuja

Socio-economic Impact:

Although the project is yet to be completed, the newly constructed road network had improved the movement of goods and services, reduced the traffic gridlock in the area. When completed, it will provide easy/access road to residents, reduce travel time, vehicles operating costs and boost economic activities along the road corridor.

Challenges:

The right of way at the Kabusa Village Section of the road had been a major issue to the project. Kabusa Village is occupying 0.550km portion of the road and has been delaying the full completion and delivery of the project.

4.13 INTERIOR SECTOR

The Ministry was allocated a total of N53.68 billion in the 2019 budget to implement its capital projects/programmes. Out of this amount, N29.65 billion was released and cash backed while N24.97 billion was utilised as at 31st December to execute amongst others, the following projects/programmes including by its Agencies:

4.13.1 NIGERIAN IMMIGRATION SERVICE (NIS), ABUJA

The Service was allocated a total of N8.21 billion in the 2019 budget to implement its capital projects/programmes. Out of this amount, N3.58 billion was released, cash backed and utilized to execute amongst others, the following projects:

a.) Construction of Technology Building:

The project involves the construction of a 3-storey building at the NIS Headquarters, Sauka - Abuja. It comprises: provision of offices, data control room, electrical panel rooms, security control room and a 100-seater auditorium. Others are: General storage room, Comptroller General (CG)'s meeting room and a private lounge.

The contract was awarded to Messrs Julius Berger Nigeria Limited in November 2018 at a cost of N7.10 billion and is scheduled to be completed in June 2020. The sum of N2.03 billion was appropriated in the 2019 budget out of which N433.76 million was released and utilized. A total of N3.90 billion had so far been committed to the project since inception to achieve 70% level of completion.

Findings:

At the time of monitoring, construction of the building structure (Energy Centre, slabs and Septic tank) were at different stages of completion. Landscaping, drainage, painting, acoustic and furnishing of the CG's conference room were still outstanding.



Picture 57: On-going Construction of Technology Building at Nigerian Immigration Service Headquarters, Abuja

Socio-economic Impact:

On completion, the project will synchronise sensitive and non-sensitive data for enhanced security and improve service delivery at the Nigerian Immigration Service.

b). Construction of Passport Data Processing Centre at Sauka

The project involves the construction of Passport Application Data Processing Centre at the Service Headquarters, Sauka - Abuja. The contract was awarded to Messrs Northstone Shelters Limited in November 2018 at a cost of N194.55 million with an initial completion date of December 2019. However, the completion date was extended to December 2020 due to funds constraint.

In the 2019 budget, the sum of N51.60 million was appropriated to the project while N36.40 million was released and utilized. A total of N189.69 million had been committed to the project since inception to achieve 100% completion.

Findings:

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



Picture 58: The Constructed Passport Application Data Processing Centre at NIS Headquarters, Sauka - Abuja

Socio-economic Impact:

The project had provided an additional passport issuing centre at the Service Headquarters and this had helped to reduce time wastages for passport issuance. In addition, the facility had provided a conducive working environment thereby improving service delivery and staff productivity.

4.14.0 PETROLEUM RESOURCES SECTOR

The Ministry had an allocation of N5.26 billion in the 2019 budget to implement its capital projects/programmes. The same amount was released and cash backed while, N3.44 billion was utilised as at 31st December 2019. The following agencies/projects were monitored:

4.14.1 PETROLEUM TRAINING INSTITUTE, EFFURUM IN DELTA STATE

The Petroleum Training Institute is a specialized Institution with a mandate to train indigenous manpower to meet the technical and administrative demands of the oil and gas as well as other allied industries in Nigeria and Africa. To achieved this, the agency was allocated a total of ~~N~~1.05 billion in

the 2019 Budget. Same amount was released and utilised for the implementation of its capital projects/programmes. The following projects amongst others were monitored:

i. Construction of 3nos borehole, water sources heads work and treatment plants with a water reticulation distribution network (UPVC 200MM and 150MM)

The project involves drilling of 3nos boreholes with submersible pumps at the Osubi campus. Components of work include: erection of pillars and installation of surface tank (786,000 litres volume of water), overhead tank (270,000 litres volume of water), water treatment plants, 2nos water stainless filter, 40nos water hydrant, control & air valves for reticulation. Others are: 8km network of water reticulation and plant house.

The contract was awarded to Messrs Kenoruese Nigeria Limited in November 2016 at a cost of ₦562.18 million with a completion date of December 2020. However, the contract was reviewed to the sum to ₦662.76 million due to inflation and changes in the cost of materials. In the 2019 budget, the sum of ₦95.58 million was appropriated, released and utilized. A total of ₦420.38 million had been committed to the project since inception to achieve 63.4% level of completion.

Findings:

At the time of monitoring, the drilling of 3nos boreholes, installation of pillars for the surface and overhead tanks, construction of water treatment plant, 1nos water stainless filter and plant house had been completed. The procurement of water hydrants/valves, 8km water reticulation and pipeline network from the boreholes and treatment plant amongst others were however still outstanding.



Picture 59: Some of the Borehole Facilities at the Petroleum Training Institute, Effurum

Socio-economic Impact:

When completed, it will improve access to potable water and also reduce the incidence of water borne diseases recorded prior to the project.

ii Completion of 700metre Network of Roads with Re-enforced Concrete Covered Drains Linking Three Research Building in Osubi Research Centre

The project involves the construction of 700m length of road network linking three research buildings at the Osubi research centre. Components of work include: site clearance, earthworks, grading, removal of unsuitable materials, hard core, rolling, blinding and concrete reinforcement. Others are: provision of culverts, drains, chain link fence and road pavement.

The contract was awarded to Messrs All gate Builders Nig. Ltd. and four others in November 2012 at a total cost of ₦969.76 million with a completion date scheduled for December 2020. However, the contract sum was later revised to ₦1.01 billion due to additional scope of work viz: construction of gate house, standard football pitch and athletic track. In the 2019 Budget, the sum of ₦96.72 million was appropriated, released and utilized. A total of ₦753.06 million had been committed to the project since inception to achieve 70% level of completion.

Findings:

At the time of monitoring, 175m out of 700m access road at the institute had been completed. Works on the outstanding 525m were in progress and at various levels of completion.



Picture 60: Ongoing construction of access road at Institute of Petroleum Resources, Effurun

Socio-economic Impact:

The project has eased movement within and outside the Institute.

4.14.2 DEPARTMENT OF PETROLEUM RESOURCES (DPR)

The Department of Petroleum Resources (DPR) has the mandate of maintaining records of petroleum industry operations on matters relating to petroleum reserves, production/exports, licenses and leases, etc. The sum of N644.0 million was appropriated and released to the Agency in the 2019 budget while, N575.0 million was utilized for the implementation of its projects/programmes. The following project was monitored:

i. Procurement of Web Based Interpreted Data Management System

The project involves the establishment of a robust oil and gas information system for the provision of reliable and timely information regarding surveillance of all activities in the hydrocarbon sector of the economy. This system replaced the old analogue Production Monitoring System with a realistic, timely and analytic electronic oil production data collection system. The new system enables the agency to monitor activities in the oil terminals thereby increasing accountability in the oil and gas sector of the economy.

Scope of works include: procurement and installation of 26nos Remote Transmission Units (RTU) to be connected to the servers of the 26nos oil lifting terminal locations and the design and development of Petroleum Resources Intelligent System (PRIS) application. The contract was awarded

to Messrs Anchor Snapnet Nigeria Limited in October 2017 at a cost of N213.60 million with an expected completion date of December 2020. In the 2019 budget, the sum of N85.0 million was appropriated, released and utilized. A total of N213.0 million had been commitment to the project since inception to achieve 90% level of completion.

Findings:

At the time of monitoring, the system had been installed and connected to 10nos terminals and fully functional while the design and development of Petroleum Resources Intelligent System (PRIS) application was in progress.



Picture 61: Procured Remote Transmission Units (RTU) at DPR Headquarters, Lagos.

Socio-economic Impact:

When completed, real time data collection on oil production and lifting from the fields would be enhanced. In addition, the capacity to establish data communication and analysis between National Production Monitoring System database and the Installed Remote Transmission Units at the terminal would have been put in place to checkmate leakages and enhance petroleum revenue.

4.15 MINES AND STEEL DEVELOPMENT SECTOR

The Ministry had an allocation of N9.89 billion in the 2019 budget for the implementation of its capital projects/programmes. Out of this amount, N4.19 billion was released and cash backed while N4.11 billion was utilized. The following agencies/projects were monitored:

4.15.1 NIGERIA MINING CADASTRE OFFICE & CENTRE

The Nigeria Mining Cadastre Office was established in 2007 with the mandate of administration and management of Mineral titles in Nigeria. In order to achieve its set objective, the agency was allocated a total of ₦383.09 million in the 2019 budget for the implementation of its capital projects/programmes. Out of this amount, ₦153.23 million was released and ₦153.22 million was utilized as at 31st December 2019. The following projects were monitored:

a) Purchase of two Staff Buses and One Toyota Prado Jeep for Field Vehicles.

This project involves the procurement of 2nos staff buses and a Prado Jeep SUV vehicle for project monitoring activities within the agency. The contract was awarded to Messrs Temotoy Temtop Ltd. in November 2019 at a cost of ₦70 million and with a completion period of two (2) weeks. In the 2019 budget, the sum of ₦70 million was appropriated, released and utilised to achieve 100% completion.

Findings

At the time of monitoring, the three vehicles had been procured and delivered while, the registration is in progress.



Picture 62: The Newly Procured Field Vehicles at Nigeria Mining Cadastre Office

Socio-economic Impact:

The procured vehicles will enhance the movement of staff to mining site for monitoring.

b) Upgrade of SIGTIM Software to Web-Based/Online Minerals Title Management and Administration

The project involves the upgrade of SIGTIM software to web-based bandwidth software installation for online mineral title administration and management. The contract was awarded to Messrs Slobaj Engineering Limited and three others in October 2018 at a cost of ₦113 million with a completion date of December 2019. In the 2019 budget, the sum of ₦50 million was appropriated, out of which ₦30.72 million was released and utilized. A total of ₦41.72 million had been committed to the project since inception to achieve 36% level of completion.

Findings:

At the time of the monitoring, the procurement of software application, 10nos UPS & HP (all in compact), 15nos HP smart touch laptop, 2nos Konica Minolta had been completed and put to use. However, the team was informed that the sum of ₦15million out of the amount released was used for the payment of outstanding liability on the procurement and installation of high-density hand crank file cabinets.



Picture 63: *Procurement of Band Width, Software and Computers*

Socio-economic Impact:

The project had enhanced online real time registration of mineral titles by

investors at the Headquarters and the Six (6) Zonal Offices in the country. In addition, it will further ease the identifying of all mining lease locations in the country and by extension increase revenue generating capacity of the Centre.

4.15.2 NATIONAL METALLURGICAL TRAINING INSTITUTE (MTI), ONITSHA

This Institute was established in 1981 with the mandate to train Nigerians in the area of maintenance engineering and fast-tracking technology development in the Country. To achieve this, the sum of N647.35 million was allocated to the institute in the 2019 budget for the implementation of its capital projects/programmes. Out of this amount, N258.94 million was released and cash backed while, N215.55 million was utilized in the year under review. The following project was monitored:

a) Installation of Solar Energy Systems (Powering of Institutes Workshops & Equipment):

The project is located within the premises of the Institute, Onitsha in Anambra State. It entails provision of racks and solar panels, control room, batteries and other installation materials for alternative power supply to energize the workshops and its equipment.

The contract was awarded in October 2018 to Messrs Fabrocon Nig. Ltd. at a cost of N76.53 million with an expected completion date of December 2019. In the 2019 budget, the sum of N76 million was appropriated while, N10.01 million was released and utilized. A total of N76.52 million had been committed to the project since inception to achieve 100% completion.

Findings:

At the time of monitoring, all components of the project had been completed.



Picture 64: Installed Solar Energy Panel at Metallurgical Training Institute, Onitsha

Socio economic impact:

It has generated job opportunities for over 11 skilled and unskilled workers. In addition, it has also improved power supply within the institute by 55KVA capacity for effective training programmes as well as the general administrative functions.

4.15.3 NIGERIA GEOLOGICAL SURVEY AGENCY

The agency is mandated to provide relevant and up-to-date geoscience information necessary for diversifying the economic development through a systematic process of gathering, collating, assessing and dissemination of all information related to mineral resources. In the 2019 budget, the sum of N1.80 billion was appropriated to the Agency out which N900.0 million was released and utilized to execute amongst others the following project:

a) Procurement of Gravity, Magnetic Seismic Explosion Equipment

The project entails the procurement of geological equipment for exploration of minerals in the various geological zones of the country. The equipment includes: 4 units of Guralp System Seismometers with Accessories, Gravimeter, 2 units of Magnetic Seismic Exploration (Handheld X -Ray Fluorescence), Sieve Shaker, Brunt on Compass, Venire Calipers, Digital Camera, Sledge Hammer and Petrological Microscope etc.

The contract was awarded to Messrs Ferotex Construction Company and Messrs Precision Brand International Ltd. in 2017 at a total cost of N150.0 million with a completion date of December 2020. In the 2019 budget, the sum of N85.0 million was appropriated, out of which N33.60 million was released and utilized. A total of N136.0 million had been committed to the project since inception to achieve 35% level of completion.

Finding:

At the time of monitoring, some equipment had been supplied and distributed to the Zonal Offices while the remaining were kept in the store at the Head Office in Abuja.



Picture 65: Procured Geological Equipment at Geological Survey Agency, Abuja

4.15.4 NATIONAL RAW MATERIALS AND EXPLORATION AGENCY, KADUNA

The Agency was allocated a total of N9.89 billion in the 2019 budget to implement its capital projects/programmes. Out of this amount, N4.19 billion was released while, N4.11 billion was utilised as at 31st December 2019 to execute amongst others the following projects:

a. Bauxite exploration at Orin Ekiti

The project is located at Orin Ekiti in Ido Osi Local Government Area of Ekiti State. It involves the exploration of steel raw mineral (bauxite). The contract

is being executed directly by Staff of the Agency from 2018 at a cost of N493.0 million with an expected completion date of December 2019. In the 2019 budget, the sum of N200.0 million was appropriated, released and utilized. A total of N308.89 million had been committed to the project since inception to achieved 60% level of completion.

Findings:

At the time of the monitoring, works completed include: drilling of 10nos. boreholes, acquisition and production of topographic HDEM shape files (report and maps) and the procurement of 2nos. double cabin 4x4 Toyota Hilux for exploration activities.



Picture 66: The 2Nos. Toyota Hilux Procured for Exploration Activities at NRMEA, Kaduna

Socio economic Impact:

When completed, the project will provide raw materials to Ajaokuta Steel plant, Aluminium Smelter Company of Nigeria and other Aluminium Allied industries for the production of aluminium, household utensils, aeroplane and automobile parts.

4.16 TRADE AND INVESTMENT SECTOR

The Ministry had an allocation of N63.11 billion in the 2019 budget for the implementation of its capital projects/programmes. Out of this amount,

N26.21 billion was released while, N3.84 billion was utilised as at end of the fiscal year to execute amongst others, the following programmes/projects:

4.16.1 OIL AND GAS FREE ZONES AUTHORITY NIGERIA (OGFZA), ONNE, RIVERS STATE

The Agency was allocated a total of N903.62 million in the 2019 budget. Out of this amount N362.25 million was released while N99.99 million was utilized for the implementation of its capital projects/programmes, as at the end of the fiscal year.

a) Purchase of (2) Coaster Buses

The project involves the procurement of 2nos. of 30-seater coaster buses for the Institution. The contract was awarded to Messrs Elizade Nigeria Limited at a cost of N100 million in November 2019 and with a completion date of December 2019. In the 2019 budget, the sum of N100 million was appropriated out of which N99.995 million was released and utilised to achieve 100% completion.

Findings:

At the time of monitoring, the vehicles had been supplied, registered and were in use.



Picture 67: The 2nos. Coaster Buses procured at OGFZA, Onne in Port-harcourt

Socio-economic Impact:

The vehicles have eased the movement as well as enhanced security of staff to and from the office.

4.16.2 NIGERIAN EXPORT PROMOTION COUNCIL (NEPC)

The Agency is saddled with the promotion of export development and diversification of the Nigerian economy for sustainable and inclusive growth. To achieve this, the sum of N177.02 million was appropriated, released and utilised in the 2019 budget for the implementation of its capital projects/programmes. The following project amongst others was monitored:

a) Completion of Headquarters Building.

The project entails completion of the headquarters building meant to provide office accommodation of the principal officers and other administrative staff of the Agency at the headquarters. The contract was awarded to Messrs Godab Nigeria Limited in June 2016 at a cost of N2.16 billion with completion date scheduled for December 2019. In the 2019 budget, the sum of N54.81 million was appropriated, released and utilised. A total of N2.16 billion had been committed to the project from inception to achieve 100% completion.

Findings

At the time of monitoring, the structure had been completed and since put to use. However, the team was informed that the amount released in the 2019 budget was used for the settlement of outstanding liabilities owed the contractor.



Picture 68: Completion of Headquarters Building at NEPC, Abuja.

Socio-economic Impact

The project has provided office accommodation for the principal officers and other administrative staff thereby increasing productivity.

5.0 SUMMARY OF FINDINGS, RECOMMENDATIONS AND CONCLUSION

The MFBNP conducted physical inspection of selected capital projects/ programmes for the Full Year 2019 from **Monday 20th January to 14th February, 2020**. 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.

5.1 Findings/Observations

- i. The following findings/observations amongst others were made: Late release of funds for 2019 capital Appropriation affected the performance of MDAs budget implementation due to closure of the financial accounts by 31st December. While funds were mopped up for some MDAS, others requested for warehousing at the CBN vault;
- ii. Some Agencies were unable to implement their projects due to Late procurement planning. Their projects were still undergoing procurement processes when funds were mopped up at the end of the financial year e.g. Nigerian Financial Intelligence Unit (NFIU), Abuja; Bioresource Development Centre, Odi; Federal Polytechnic Ekowe and National Centre for Energy and Environment, University of Benin (Science & Technology).
- iii. Some MDAs complained of insertion of constituency projects in their capital Appropriations which has not been planned in terms of needs assessment, MTSS, engineering designs and bill of quantities thereby distorting the MDAs' project implementation plans;
- iv. Some Research Institutes (Ministries of Agriculture and Science & Technology) have endless research activities thereby making it very difficult to ascertain and determine the actual cost of the research activities;
- v. Projects of some MDAs were awarded directly by the Ministry's Headquarters without the involvement of the implementing Agencies thereby making it difficult for supervision and control. For example, Cargo

Building Terminal (CAT) in Benin Airport; perimeter fencing, General Aviation Terminal (GAT), Administrative Annex and staff quarters of Kaduna Airport;

- vi. Poor level of cooperation from MDAs makes it difficult to get financial details on projects. For example: Power, Housing, Transportation (Railway department), Aviation, Water Resources and its Parastatals are at times very difficult to access because of the MDAs' unwillingness to release such information;
- vii. Monitoring fatigue: Several bodies were observed to be undertaking the same monitoring functions statutorily carried out by the Budget Office of the Federation. Some of them are: OAGF, AuGF, Fiscal Responsibility Commission and NASS, etc. This results to duplication of functions by Government Agencies;
- viii. Some flagship projects which were at the stage of completion were unnecessarily left to waste away due to unresolved issues. For example, the 215MW Kaduna Power Plant was stalled at 86% completion due to the issue of Receivership by AMCON and lack of a revised project schedule. Consequently, some of the completed/installed facilities at the projects are already wasting away;
- ix. Records of some Agencies revealed that though they have independent and self-accounting status but in actual practice they are still under the control of their supervising Ministries especially in the award and execution of contracts. These practices might give room to abuse of the procurement processes.

5.2 Recommendations:

In order to combat the menace of slow pace of federal Government capital projects execution and to improve overall budget performance, the following recommendations are pertinent:

- i. Government should sustain the January – December financial year to provide MDAs with adequate time frame for the implementation of their capital projects;
- ii. There is need for capacity building of MDAs on the procurement processes to fast track their procurement plans in line with the SGF's circular Ref. no. SGF/OP/II/S.3/Vol. XI/833;
- iii. There is need for a robust synergy between the NASS and Executive arm on the insertion of constituency projects during the MTSS to ensure that due process is adhered to before admittance of the projects into the budget;
- iv. For proper accountability and transparency of research programmes in MDAs, there is the need to break research lifecycle into phases with a view to ascertaining their proper costings;
- v. Implementing agencies should be involved in the conception, award and execution of projects with a view to ensuring effective supervision and project delivery;
- vi. Concerted efforts should be made by the government to enforce compliance on MDAs to render returns on their projects performances when the need arises;
- vii. There should be a coordinated approach in the monitoring and evaluation activities to streamline the responsibilities of OAGF, OAuGF, FRC, and Ministry of Finance, Budget and National Planning. This will, in the long run, define the roles of these Bodies in the periodic monitoring exercises;
- viii. The Government, through the Ministry of Power and other relevant institutions, should intensify efforts aimed at resolving pending issues surrounding the 215MW Kaduna Power Plant and prioritise its early completion; and

- ix. There is the need to reaffirm and enforce full operations of the independence and self-accounting status of all Agencies concerned.

5.3 Conclusion:

The macroeconomic indices that propelled the economy's exit from recession had continued and is expected to remain so in the near-term. The economy sustained the recovery process with a GDP growth of 2.55 percent in the fourth quarter of 2019. The oil sector recorded a real growth rate of 6.36 percent (year-on-year) in the period indicating an increase of 7.98 percentage points relative to the rate recorded in the corresponding quarter of 2018. The non-oil sector grew by 2.26 percent in real terms during the reference quarter. This represents 0.44 percentage points decrease when compared to the rate recorded in the same quarter of 2018.

The Federal Government had continued meet its non-discretionary expenditures even as budget execution continued to be adversely affected by poor revenue outturn. The economic performance in the year points to a stable outlook and prospects for increased revenue and therefore better budget performance in the 2020 fiscal year. Revenue prospect of the non-oil sector is expected to improve in 2020 following the signing into law of the new Finance Act which would result in higher and stable inflow for 2020 Budget implementation.

The MFBNP will remain dedicated to advance openness, transparency and accountability in budget preparation, implementation, monitoring & evaluation and feedback. In this regard, strict obedience to budget implementation guidelines and the governance framework on monitoring capital budget implementation will continue to be followed. Efforts would also be focused on improving budget alignment with developmental goals and objectives and efficiency in budget implementation, while creating effective project management planning geared towards improving the level of capital budget implementation in the country.