2009 BUDGET IMPLEMENTATION REPORT

Budget Office of the Federation
Federal Ministry of Finance, Abuja

FOREWORD

It is with great pleasure that I present to you the 2009 Full-Year Budget Implementation Report. The budget is an instrument utilised by Government in the allocation of resources amongst competing needs; however, of greater importance is the distribution of these resources to projects that will deliver positive social and economic returns. By focusing our spending on the priority sectors defined by the 7-Point Agenda, the 2009 Budget was designed to achieve this objective. This report therefore provides information by which Government's performance in the management of national resources can be measured.

The preparation of this report is mandated by Section 30 of the Fiscal Responsibility Act, 2007 which requires the Honourable Minister of Finance to submit to the Joint Finance Committee of the National Assembly and the Fiscal Responsibility Commission, quarterly budget implementation reports. These reports are also disseminated to the wider public through electronic and print media.

The 2009 Full-Year Report is a result of diligent monitoring and evaluation of specific capital projects by staff of the Budget Office of the Federation. I commend them for the hard work and dedication which has culminated in the publication of this report. I also wish to recognise the active role the National Assembly's Joint Finance Committee and the Fiscal Responsibility Commission play in promoting prudent public financial management through their collaborative efforts and hope this cooperation will continue.

Finally, I enjoin the readers of this report to continue to display an active interest in Government's ability to deliver on its promises as this provides the necessary impetus for the effective and efficient utilisation of public resources for the benefit of all Nigerians.

Olusegun Olutoyin Aganga
Honourable Minister of Finance

PREFACE

The Budget Office of the Federation is required to produce quarterly budget implementation reports in line with the provisions of Section 30 of the Fiscal Responsibility Act, 2007. This report, which is our full-year budget implementation report for the 2009 fiscal year, fulfils this obligation and also provides a means of demonstrating Government's commitment to the transparent and prudent management of public finances. Resource allocation in the 2009 Budget was based on the priorities of Government as outlined in the 7-Point Agenda. The 2009 Budget scaled up spending to the priority sectors in order to ensure the completion of key projects and the actualization of Government's efforts at addressing the most pressing needs of Nigerians. However, implementation of the budget in the 2009 fiscal year was challenging on several fronts as revenue receipts were below expectation, although there were some improvements in the fourth quarter of the year.

Average capital implementation, though below our expectations, improved to 60.59% by the end of the year, if releases for the second supplementary budget passed in late December 2009 are excluded. The extension of the fiscal year to March 31st, 2010 and the efforts made to reduce the constraints faced by MDAs in budget implementation have led to significant improvements in MDA performance. Provisional data from the Office of the Accountant General of the Federation indicates performance had risen to 77.13% by the end of March 2010.

A major innovation was introduced into the fourth quarter's monitoring exercise as part of our drive to bring the budgeting process closer to the people. To provide an independent and objective viewpoint to the monitoring and evaluation process, we involved representatives from Civil Society Organisations and the Media in this year's exercise. We believe this will further enhance the monitoring and evaluation function and motivate MDAs to deliver on their promises to the Nigerian people.

The combined efforts of the various departments of the Budget Office of the Federation, particularly the Budget Evaluation and Monitoring Unit, has resulted in the production of this report. I commend their efforts and wish them every success as they continue to perform this important function of producing a concise report which monitors Government's progress in implementing the Annual Budget.

Dr. Bright Okogu
Director General,
Budget Office of the Federation

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EXECUTIVE SUMMARY

The priorities of Government as defined by the 7-Point Agenda set the guidelines for the allocation of resources in the 2009 Budget. Hence, spending was focused on critical infrastructure expansion, human capital development, food security and land reform, transformation of the Niger Delta, security, law and order and wealth creation. The economic climate in 2009, which provided a backdrop for the implementation of the budget, was challenging as the effects of the global economic recession were still widespread. In spite of this, data from the National Bureau of Statistics (NBS) indicates that economic growth remained resilient at 6.9% which is an improvement over the 5.99% growth in GDP for 2008. The main driver of inflation was food inflation at 13.6% year-on-year as core inflation was successfully brought down to single digits levels with a year-on-year growth of 9.7%. Headline inflation on the other hand registered a year-on-year increase of 12% .The US$/N exchange rate was also kept stable during the period under review while the spread between the WDAS and average BDC rates continued to narrow significantly over most of the year. To stimulate aggregate demand in the domestic economy, the CBN also reduced the MPR from 9.75% to 6% during the period under review

Notwithstanding the relatively favourable macroeconomic environment, the implementation of the 2009 Budget met with a number of challenges. Receipts from both oil and non-oil sources performed below expectations. Specifically, data from the OAGF indicates that total revenue available to the three tiers of government amounted to N2,956.50 billion, leading to a shortfall of N626.90 billion (or 17.5%) when compared to the budgeted estimate of N3,583.41 billion. In the same vein, the total retained revenue available for the execution of the budget amounted to N1,704.99 billion, N560.22 billion (or 24.73%) less than the projected aggregate revenue of N2,265.21 billion. The shortfall in receipts was made up by the utilisation of several financing items which include draw-downs from the excess crude account.

Actual non-debt recurrent expenditure for 2009 amounted to about N1,717.50 billion compared to N1,824.71 billion budgeted for the year. Government spending to meet debt servicing obligations fell short of estimates by 14.95% as N246.76 billion was utilized rather than the estimate of N283.65 billion while statutory transfers were fully released. Aggregate expenditure was increased by N455.87 billion due to the approval of two supplementary budgets in the course of the year which were targeted at specific projects, particularly infrastructure, bringing total projected aggregate expenditure for 2009 to N3,205.16 billion.

Provisional data from the OAGF indicates that as of 31st December, 2009 the sum of N928.18 billion was cash-backed for drawdown by MDAs for the implementation of their capital projects. With the exclusion of releases for the second supplementary budget, capital utilization rose to 60.59% from 44.46% in the third quarter of 2009. Capital utilization rates by some of the MDAs were not encouraging, although performance varied widely. About 14 of the MDAs, including Police Affairs, Agriculture and Water Resources and Defence had utilization rates of above 80% of their releases while 16 MDAs including Health, Works and Aviation performed below the average during the period. With the extension of the fiscal year to March 31st 2010 and the various measures taken by Government to ease the constraints faced by MDAs in procurement and other processes critical to successful budget implementation, utilization rates have improved to 77.13%, based on provisional data from the OAGF.

The budget monitoring and evaluation team conducted field visits to review a sample of capital projects from selected MDAs. These field visits indicate that although much progress has been made by the MDAs in the implementation of their projects, additional effort must be put in to ensure ongoing projects are completed in the shortest possible time. The rate of work done varies across all MDAs and this report highlights major areas of concern which MDAs need to address. In addition, several constraints faced by contractors have also been highlighted in the report and this will be addressed as soon as possible. The involvement of representatives from Civil Society Organisations and the Media is expected to bring a different perspective to the evaluation of projects and we intend to continue to involve them in future exercises.

The 2009 fiscal year was extended to March 31st 2010 in order to provide MDAs with additional time to implement their capital budgets. This became necessary as the second supplementary budget for 2009 was passed in December, 2009, leaving the MDAs with inadequate time to access and utilize these funds. It is expected that MDAs will utilize this extension to bring their capital projects to completion thus increasing the average capital utilization rate and delivering on their promises to the Nigerian populace.

1. INTRODUCTION

1. The 2009 Budget was conceived as a policy tool to facilitate the delivery of key aspects of the 7-Point Agenda: upgrading critical infrastructure in terms of ensuring reliable power supply and enhancing transportation networks; improving food security; facilitating human capital development; maintaining law and order; promoting sustainable economic growth and development in the Niger Delta and other regions of the country. To achieve this, significant resources were voted to priority MDAs in order to guarantee delivery on government's commitment to these key sectors.

2. Greater focus was placed on budget implementation and monitoring to ensure the judicious utilisation of these resources by the MDAs. Throughout the fiscal year, emphasis was placed on evaluating the efficiency of public expenditure by tracking the achievement of key deliverables and monitoring the completion of ongoing projects and programmes.

3. Several strategies were utilized in 2009 to monitor and evaluate the achievement of fiscal targets by both the revenue-generating agencies and spending MDAs. A budget implementation workshop was held in March 2009 to identify and address key challenges to effective project management and execution. Periodic meetings were held with key revenue-generating and collecting agencies to track revenue receipts, identify challenges in meeting targets and agree on strategies to deal with economic realities. The Budget Office also continued to track the implementation of the 2009 Budget through the publication of Quarterly Implementation Reports.

4. This publication concludes the reporting coverage on the performance of the Budget over the 2009 fiscal year, focusing on the achievement of revenue and expenditure targets and most importantly, capital utilisation rates achieved by MDAs. The rest of this report is organized as follows: Chapter 2 undertakes

a concise analysis of revenue and expenditure in the year 2009; Chapter 3: presents an analysis of the economic environment for budget implementation within the period; Chapter 4 provides a detailed account of capital budget implementation while Chapter 5 provides a brief conclusion to this report.

2. FINANCIAL ANALYSIS OF 2009 BUDGET IMPLEMENTATION

2.1. Key Assumptions and Projections

5. Some of the key assumptions made in preparing the Medium Term Fiscal Framework (MTFF) on which the 2009 Budget was based are summarized in *Table 1* below.

Table 1: 2009 Budget: Key assumptions and Targets

S/N	KEY ASSUMPTIONS AND TARGETS	2009
1	Projected Production (in mbpd)	2.292
2	Production Quota (in mbpd)	1.88
3	Actual Production (mbpd)	2.132
4	Budget Benchmark Price (per barrel)in US$	45.00
	Technical Cost of JV pbl to Oil Companies	
5	Operating Expenses (T1) in US$	6.38
6	Capital Expenses (T2) in US$	4.93
	Technical Cost of PSC/SCpbl to Oil Companies	
7	Operating Expenses (T1) in US$	7.46
8	Capital Expenses (T2) in US$	14.88
	Technical Cost of Gas	
9	Operating Expenses (T1) in US$	0.34
	Weighted Average Contribution rates	
10	Weighted Average rate of PPT-JV Oil	85%
11	Weighted Average rate of PPT-PSC Oil	50%
12	Weighted Average rate of PPT-SC Oil	30%
13	Weighted Average rate of Royalties JV Oil	18.5%
14	Weighted Average rate of Royalties PSC/SC Oil	1.75%
15	Average Exchange Rate (NGN/ US$)	125
16	VAT Rate	5%
17	CIT Rate	30%
18	Weighted Average Import Duty Rate	14%

Source: BOF, NNPC, FIRS and NCS

6. The assumptions and targets were made after extensive consultations with relevant revenue-collecting agencies whilst taking underlying economic conditions into consideration. Oil revenue assumptions took into account the risk of disruption to oil production and volatilities in the international oil market during the period. (See *Table 2* below)

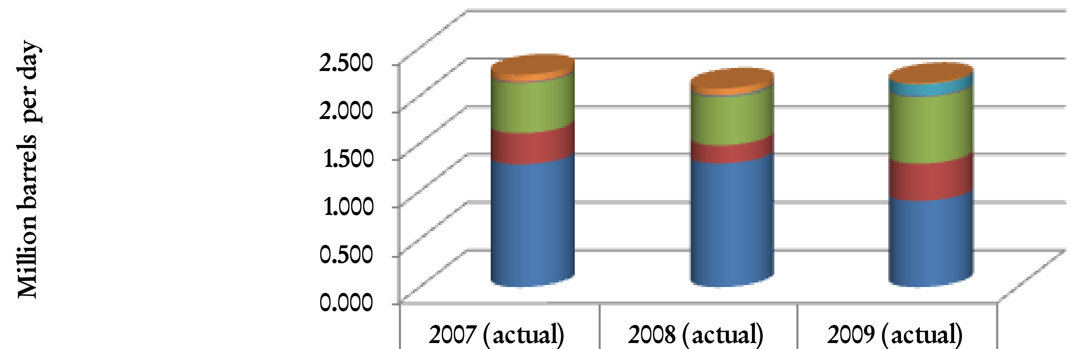
Table 2: Detailed Assumptions for Oil Production and Taxes

SHARE OF OIL PRODUCTION	PERCENTAGE
Joint Ventures	47.99%
Alternative Funding	13.18%
Production Sharing Contracts	33.16%
Independents	4.58%
Service Contracts	0.44%
Marginal	0.65%
Total Production	100.00%
PPT Rates	
Joint Ventures	85.00%
Alternative Funding	85.00%
Production Sharing Contracts	50.00%
Independents	85.00%
Service Contracts	30.00%
Weighted average – JV	85.00%
Weighted average - PSC/SC	49.70%
Royalty Rates	
Joint Ventures	18.50%
Alternative Funding	18.50%
Production Sharing Contracts	1.75%
Independents	18.50%
Service Contracts	1.75%
Weighted average – JV	18.50%
Weighted average - PSC/SC	1.75%

Source: BOF and NNPC

7. In recent years, due to the challenges in the Niger Delta, there has been a shift in production across the various business arrangements. Accordingly, the oil production targets for the 2009 fiscal year were set taking this situation into account. *Table 2* above and *Chart 1* below give a picture of the shift of production among business arrangements.

Chart 1: Breakdown of Oil Production by Business Arrangement 2007 – 2009



	2007 (actual)	2008 (actual)	2009 (actual)
Independents	0.071	0.069	0.011
Marginal Fields	0.000	0.007	0.123
Service Contracts	0.011	0.009	0.008
Production Sharing Contracts	0.526	0.505	0.699
Alternate Funding	0.326	0.190	0.390
Joint Ventures (JV)	1.283	1.293	0.900

Source: NAPIMS/NNPC

2.2. Analysis of Revenue Performance

Overview

8. The 2009 Budget was informed by the 2009-2011 Medium-Term Revenue Framework which was based on the assumptions in *Table 1*. In line with this framework, gross federally collectible revenue for 2009 was projected at ₦5,305.31 billion. Out of this sum, oil revenue was projected to contribute about N3,114.82 billion (or 58.71%) while the balance of ₦2,190.48 billion (or 41.29%) was expected from non-oil sources.

9. However, since 2008 there have been challenges in meeting both oil and non-oil revenue targets. In 2008, oil revenue generation was severely affected by the oil production shut-ins caused by the disturbances in the Niger Delta. These disturbances disrupted production from the Joint Ventures particularly, which provides the highest share for Government compared to other business

arrangements. Oil prices, have since recovered from the low levels reached in 2008 and early 2009 and have been on an upward trajectory for most of 2009. Oil production has also improved due to the gains reaped from Mr. President's intervention in the Niger Delta through the amnesty and rehabilitation programme.

10. In addition, ambitious non-oil revenue targets were set in 2009 but, as seen in *Table 3* below, there have been significant challenges in realising these projections. On a positive note, CIT actual receipts came close to achieving budgeted targets. However, VAT collections moderately underperformed compared to projections and customs remittances fell significantly below budget targets. This poor non-oil performance has been attributed to the continuing impact of the global economic slowdown on the domestic economy and delays in implementing key reforms. Detailed results for oil and non-oil revenue are considered below.

Oil revenue performance

11. The 2009 Budget was based on an oil production assumption of 2.292 million barrels per day (mbpd) and a Budget Oil Benchmark Price of US$45 per barrel. Provisional data from the Nigerian National Petroleum Corporation indicate average oil production of 2.132 mbpd in the year under review while international oil prices remained above the budget benchmark price for most of the period, averaging about US$63 per barrel in 2009. An analysis of oil revenue receipts indicates that crude oil sales underperformed by N407.86 billion (or 22.1%) against the budgeted estimate of N1,846.42 billion. Similarly, gas tax and gas sales respectively fell short of the budgeted estimates of N47.8 billion and N253.23 billion by N47.8 billion (or 100%) and N183.12 billion (or 72.3%). For gas sales, the poor performance was attributed to the challenges posed by the situation in the Niger Delta to gas supply and sales.

12. However, Petroleum Profit Tax (PPT) and Royalties exceeded their budgeted estimates of N638.78 billion and N319.42 billion by N158.38 billion (or 24.8%) and N68.6 billion (or 21.5%) respectively. Indications from the Department of Petroleum Resources (DPR) suggest that the improvement in receipts in the first half of 2009 from oil companies indebted to government, was largely responsible for these increases. Similarly, higher PPT collection was due to increased recovery of outstanding tax liabilities by the Federal Inland Revenue Service. (Please see *Table 3*).

13. Comparative analysis of actual net oil inflows into the Federation Account against the budget indicates a shortfall of N312.52 billion (or 15.6%). This underperformance is attributable to oil production shut-ins which averaged 155,000 barrels per day and its impact was mostly on JV productions and gas sales.

Non-Oil revenue performance

14. In recent years, revenue from non-oil taxes has been on the rise and this trend is expected to continue as reforms by the FIRS and NCS continue to yield results. Non-oil tax revenues are premised on some assumptions regarding growth rates in the relevant GDP bases for the different taxes. These are the effective tax ratio of collection and an efficiency factor to account for operational improvements in the various tax administration agencies. The underlying tax bases for CIT, VAT and Customs Duty are Nominal GDP liable for companies' annual profits, total consumption liable for Value Added Tax, and total import value (Cost, Insurance, and Freight). However, a number of factors which include efficiency issues, the impact of the global economic recession on GDP and international trade contributed to the under-achievement of the non-oil revenue projections. In retrospect, the projected revenues for Customs and Excise, CIT and VAT were also based on overly

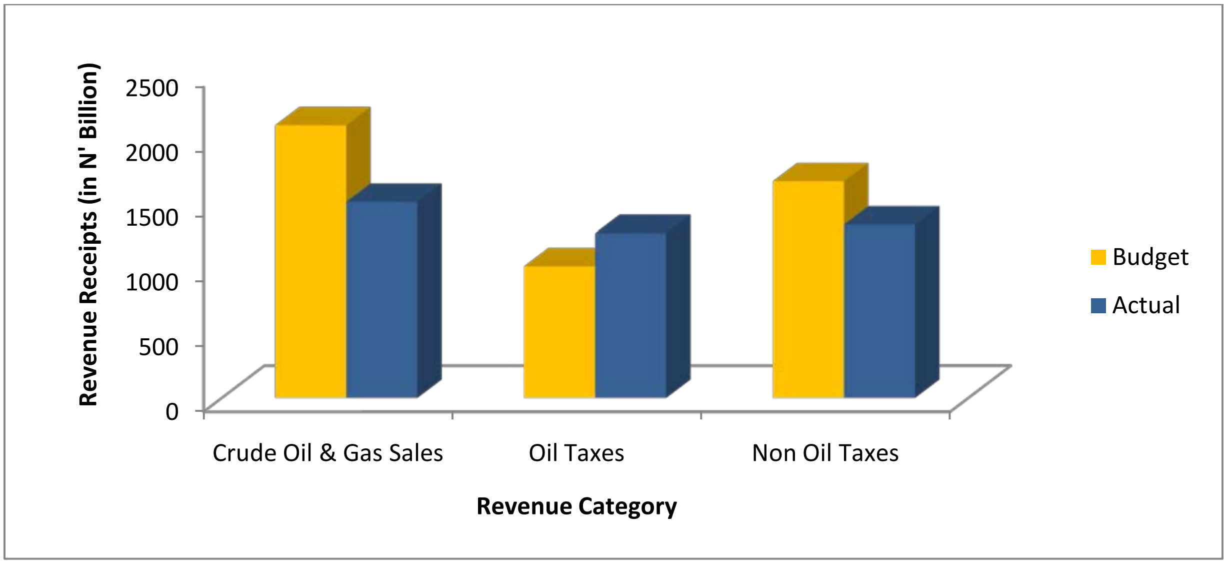
optimistic assumptions regarding increases in efficiency of the operations of the relevant tax collection agencies.

15. At the end of 2009, gross non-oil revenue receipts amounted to N1,333.39 billion (see *Table 3*). This represents an underperformance of N333.61 billion or 20% when compared with the budgeted estimate of N1,667 billion. Value Added Tax (VAT) receipts for the same period amounted to N468.39 billion representing a shortfall of N111.61 billion (or 19.2%) as against the budgeted estimate of N580.0 billion. Similarly, Company Income Tax (CIT) and Customs & Excise Duties fell short by N21.93 billion (or 3.7%) and N200.06 billion (or 40%) when compared with their budgeted estimates of N587 billion and N500 billion respectively.

16. This underperformance within the period notwithstanding, non-oil revenue receipts for 2009 exceeded actual receipts in the 2008 fiscal year. A review of data presented in *Table 3* shows that the actual receipts for CIT exceeded receipts in 2008 by N148.24 billion (or 35.6%) while VAT and Customs receipts exceeded the 2008 receipts of N404.53 billion and N281.26 billion by N63.86 billion (or 15.8%) and N18.68 billion (or 6.6%) respectively. In view of the continued improvement in the world economic situation and the growth in collection efficiency by the revenue collecting agencies, non-oil revenue receipts are expected to continue to improve.

17. *Chart 2* below gives a pictorial overview of revenue at the end of 2009. The chart indicates that oil taxes performed above their projected levels while crude oil, and gas sales fell short of projections. Non-oil taxes also under-performed against projections in the period.

Chart 2: Projected Vs Actual FAAC revenues receipts (as of December 2009)



Source: BOF, NNPC, DPR, FIRS, NCS

Table 3: Net Distributable Revenue (as of December 2009)

NET INFLOWS TO FEDERATION ACCOUNT: 2009 AND 2008 ACTUAL (N' Billions)								
S/N	DESCRIPTION	2009 ANNUAL BUDGET	2009 ACTUAL JAN-DEC	2008 ACTUAL JAN-DEC	VARIANCE 2009 BUDGET AND ACTUAL (2-1)		VARIANCE 2009 & 2008 ACTUAL (3-1)	
		1	2	3	4	5	6	7
	OIL REVENUE	**₦ bns**	**₦ bns**	**₦ bns**	**₦ bns**	**%**	**₦ bns**	**%**
1	Crude Oil Sales	1,846.42	1,438.56	3,533.06	-407.86	-22.1%	-2094.50	-59.3%
2	Petroleum Profit Tax (PPT)	638.78	797.16	2,131.48	158.38	24.8%	-1334.32	-62.6%
3	Royalties	319.42	388.02	680.81	68.60	21.5%	-292.79	-43.0%
4	Gas Tax	47.80	-	-	-47.80	-100.0%	-	-
5	Gas	253.23	70.12	180.84	-183.12	-72.3%	-110.72	-61.2%
6	Others	9.16	82.88	4.44	73.72	804.9%	78.44	1767.9%
7	**Sub-Total (1+2+3+4+5+6)**	**3,114.82**	**2,776.74**	**6,530.63**	**-338.07**	**-10.9%**	**-3753.88**	**-57.5%**
8	Joint Venture Cash Calls (JVCCs)	818.17	722.89	579.13	-95.28	-11.6%	143.76	24.8%
9	**Sub-Total (7–8)**	**2,296.65**	**2,053.85**	**5,951.50**	**-242.80**	**-10.6%**	**-3897.65**	**-65.5%**
10	Derivation	298.56	251.87	425.03	-46.69	-15.6%	-173.16	-40.7%
11	Excess Crude, PPT, Royalty	-	72.74	2,682.04	72.74	-	-2,609.30	-97.3%
12	Domestic Subsidy	-	43.65	-	43.65	-	43.65	-
13	NACOFED	-	0.03	-	0.03	-	0.03	-
14	**TO FEDERATION ACCOUNT (9-10-11-12-13)**	**1,998.09**	**1,685.56**	**2,844.43**	**-312.52**	**-15.6%**	**-1,158.87**	**-40.7%**
	NON-OIL TAXES							
15	Value Added Tax (VAT)	580.00	468.39	404.53	-111.61	-19.2%	63.86	15.8%
16	Companies Income Tax (CIT)	587.00	565.07	416.83	-21.93	-3.7%	148.24	35.6%
17	Customs & Excise Duties	500.00	299.94	281.26	-200.06	-40.0%	18.68	6.6%
18	**Sub-Total (15+16+17)**	**1,667.00**	**1,333.39**	**1,102.61**	**-333.61**	**-20.0%**	**230.78**	**20.9%**
19	Cost of Collection – VAT	23.20	18.74	16.18	-4.46	-19.2%	2.55	15.8%
20	Cost of Collection – CIT	23.48	22.60	16.67	-0.88	-3.7%	5.93	35.6%
21	FIRS Tax Refunds	-	0.12	-	0.12	-	-	-
22	Cost of Collection – Customs	35.00	21.00	19.69	-14.00	-40.0%	1.31	6.6%
23	**TO FEDERATION ACCT**	**1,028.52**	**821.29**	**661.72**	**-207.23**	**-20.1%**	**159.57**	**24.1%**
24	**Total VAT Pool Account**	**556.80**	**449.65**	**388.35**	**-107.15**	**-19.2%**	**61.31**	**15.8%**
25	**TOTAL FEDERATION ACCOUNT (14+23)**	**3,026.61**	**2,506.85**	**3,506.15**	**-519.76**	**-17.2%**	**-999.30**	**-28.5%**
1	Federation Account	3,026.61	2,506.85	3,506.15	-519.76	-17.2%	-999.30	-29%
2	VAT Pool Account	556.80	449.65	388.35	-107.15	-19.2%	61.31	16%
3	**Grand Total**	**3,583.41**	**2,956.50**	**3,894.50**	**-626.90**	**-17.5%**	**-937.99**	**-24%**

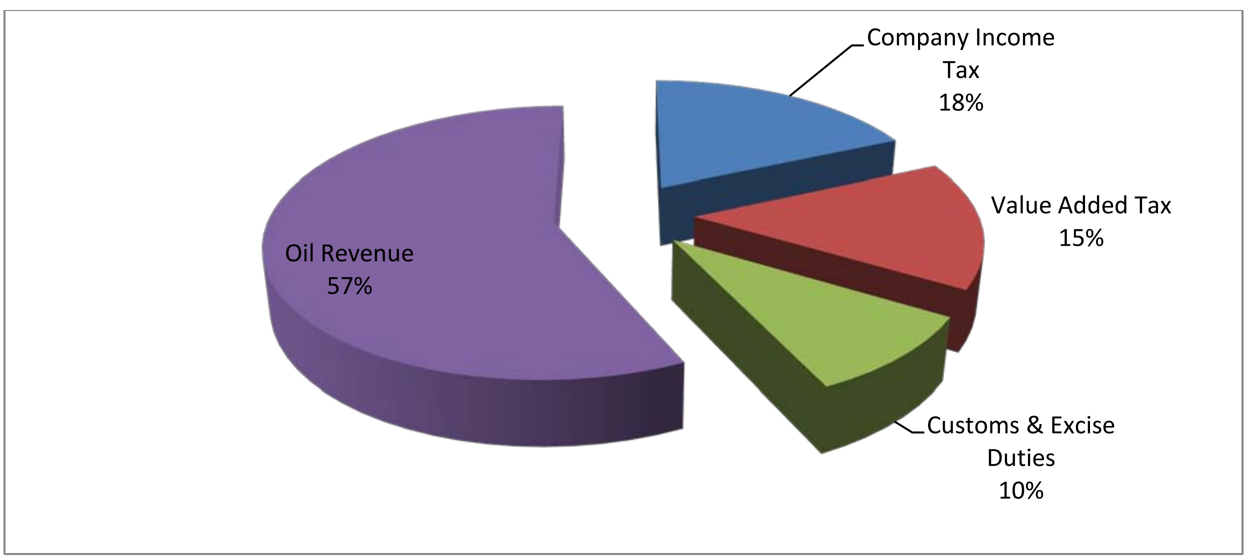
Source: OAGF and BOF

18. Receipts from non-oil sources underperformed against projections for various reasons. These include the cyclical nature of the revenue sources, the impact of the global economic downturn, and the over-ambitious projections for non-oil revenues. However, we expect this performance to improve in the near term. As the amnesty programme continues to yield positive results, we expect oil production volumes to increase. Furthermore, non-oil revenue receipts are expected to improve significantly as the global economic situation improves.

Distributable Revenue

19. Consequent on the shortfall in revenue receipts, the amount available for distribution among the three tiers of government was directly affected. Compared to the budgeted estimate of N3,583.41 billion, the actual amount realised in the 2009 fiscal year was N2,956.50 billion representing a shortfall of N626.90 billion (or 17.5%) and a shortfall of N937.99 billion (or 24%) when compared to the actual distributable amount in 2008. *Chart 3* below, shows the contribution of the various revenue sources to distributable revenue.

Chart 3: Breakdown of contribution to distributable revenue



Source: BOF

2.3. FGN Budget Revenue Sources

20. In line with the provisions in the existing revenue sharing formula, the Federal Government was projected to receive estimated revenue of N1,516.47 billion from the Federation Account for 2009 with other Non-Federation Account items contributing to projected aggregate revenue of N2,265.21 billion. The aggregate revenue receipts (excluding financing items) by the end of December, 2009 amounted to N1,704.99 billion. This represents a shortfall of N560.22 billion (or 24.73%).

Table 4: Projected and Actual Revenue Inflow to the FGN Budget (N Millions)

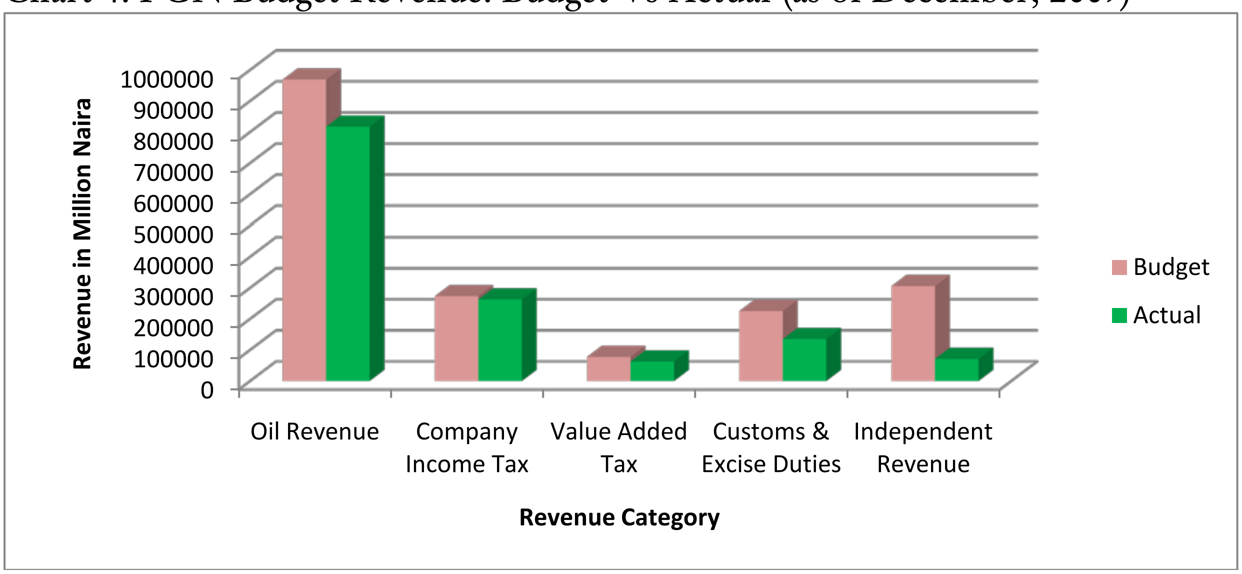
		DESCRIPTION	BUDGET	ACTUAL 2009	ACTUAL 2008	VARIANCE			
						2009 ACTUAL & BUDGET		ACTUAL 2009 & 2008	
			1	2	3	4	5	6	7
1	Inflows for Federal Budget (CRF)								
	a	Share of Oil Revenue	969,071.32	817,497.34	1,379,547.23	-151,573.98	-15.64%	-562,049.88	-40.74%
	b	Share of Non-Oil	882,754.20	532,515.75	489,933.35	-350,238.45	-39.68%	42,582.40	8.69%
		Share of VAT	77,952.00	62,951.47	54,368.54	-15,000.53	-19.24%	8,582.93	15.79%
		Share of CIT	273,307.20	263,037.87	194,073.94	-10,269.33	-3.76%	68,963.93	35.53%
		Share of Customs	225,525.00	135,287.12	126,860.94	-90,237.88	-40.01%	8,426.18	6.64%
		Independent Revenue	305,970.00	71,239.29	114,629.93	-234,730.71	-76.72%	-43,390.65	-37.85%
	c	FGN's Share of Actual Balances in Special Accts	48,565.76	0.00	0.00	-48,565.76	-100.00%		
	d	FGN's Balances in Special Levies Accounts	64,818.27	58,255.90	0.00	-6,562.37	-10.12%	58,255.90	
	e	FGN's Unspent Balances of previous Fiscal Year	300,000.00	296,716.59	357,183.00	-3,283.41	-1.09%	-60,466.41	-16.93%
	f	FIRS Recovery Pool Account		0.00	11,796.40	0.00		-11,796.40	-100.00%
2	Sub-Total (Excluding unspent balances)		1,965,209.55	1,408,268.99	1,869,480.58	-556,940.56	-28.34%	-461,211.58	-24.67%
3	Total (Including unspent balances)		2,265,209.55	1,704,985.58	2,226,663.58	-560,223.97	-24.73%	-521,678.00	-23.43%

Source: OAGF and BOF

21. The Federal Government's share of oil revenue in 2009 was N817.50 billion. This indicates a shortfall of N151.57 billion (or 15.64%) when

compared with N969.07 billion projected for the FGN's budget in 2009. The aggregate sum of N461.28 billion was realized as the FGN's share of VAT, CIT and Customs in 2009. This represents a shortfall of N115.50 billion (or 20.02%) when compared with N576.78 billion projected revenue for these categories of revenue in 2009 Budget. Despite this shortfall in the aggregate receipts in this category, it exceeded the actual collections in the 2008 fiscal year by N85.989 billion (or 22.9%). This implies some improvement in revenue collection within the year. Independent revenue receipts recorded an under-performance of N234.73 billion (or 76.72%) as only N71.24 billion was realized against the expected sum of N305.97 billion in the period. Efforts are currently underway to re-emphasise to MDAs the need to remit 80% of their operating surplus to the Treasury and we expect independent revenue receipts to improve as a result of this. (Please see *Table 4* above and *Chart 4* below).

Chart 4: FGN Budget Revenue: Budget Vs Actual (as of December, 2009)

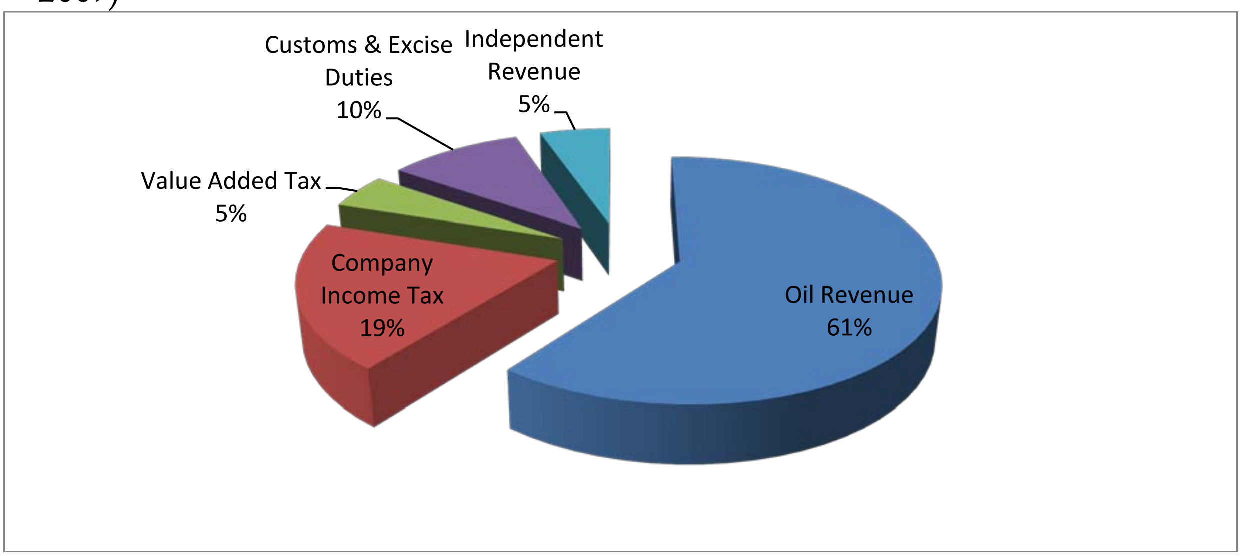


Source: OAGF and BOF

22. An aggregate sum of N2,265.21 billion was projected to fund the FGN Budget in 2009. However, the actual revenue receipt realised for the period

excluding utilization of unspent balances recovered from the previous fiscal year, excess crude account revenues and augmentation was N1,408.27 billion, thereby resulting in a shortfall of N556.94 billion (or 28.34%). Based on the annual budget and the two supplementary budgets passed in 2009, unspent balances of N300 billion, share of excess crude account of N114.0 billion and augmentation of N102.27 billion were to be utilised in funding the budget. However, at the end of December 2009, the sums of N296.72 billion for unspent balances, N423.10 billion augmentation from the excess crude account and a N150.61 billion share of exchange rate differentials and other miscellaneous items had been applied to finance the 2009 Budget. *Chart 5* below shows the percentage distribution of inflows into the FGN budget at the end of December, 2009.

Chart 5: Actual percentage contribution to FGN Budget revenue (as of Dec. 2009)



Source: OAGF and BOF

2.4. Excess Crude Account

23. In pursuit of its policy on fiscal prudence, the Excess Crude Account (ECA) was set up by the Federal Government to smoothen government expenditure and mitigate against shortfalls and volatilities in revenue receipts

associated with the vagaries of the international oil market. This is achieved by saving revenues in excess of budgeted revenue, based on the benchmark price for oil, into an Excess Crude Account. Inflows into the Excess Crude Account (ECA) by the end of December 2009 amounted to N72.74 billion. This is clearly reflective of the impact of low oil production volumes within the period on the performance of revenues as well as the need to address revenue shortfalls within the year by making withdrawals from the ECA. The difference between the 2009 and 2008 figures can also be attributed to the variance between the average crude oil price of $63 per barrel recorded in 2009 and $108 per barrel average of 2008. The performance of the Excess Crude Account in this period is presented in *Table 5*.

Table 5: 2008 Vs 2009 Actual Inflows into the Excess Crude A/C (as of Dec. 2009)

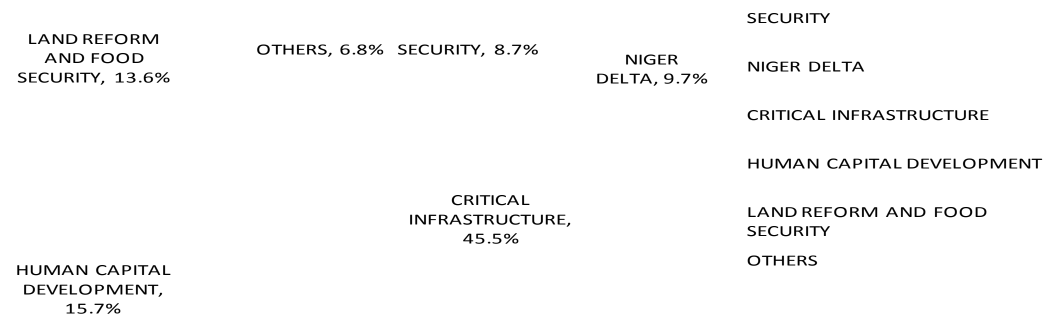
Description	Actual (N'Bns)	
	2008	2009
Crude Oil Sales	1,728.45	60.39
Petroleum Profit Tax	706.03	0
Royalties	247.56	12.35
Total	2,682.04	72.74

Source: OAGF

2.5. Expenditure Developments

24. The 2009 Budget invested in the priority sectors of this Administration as outlined in the 7-Point Agenda, with an emphasis on the need to complete ongoing projects. In this respect, the priority sectors were allocated a substantial percentage of the total capital vote in the 2009 Budget: critical infrastructure (45.5%), security (8.7%), land reform and food security (13.6%), human capital development (15.7%), Niger Delta (9.7%), while 6.8% was approved for other sectors. *Chart 6* further presents this breakdown.

Chart 6: Priority Sectors Capital Budget allocations in the 2009 Budget



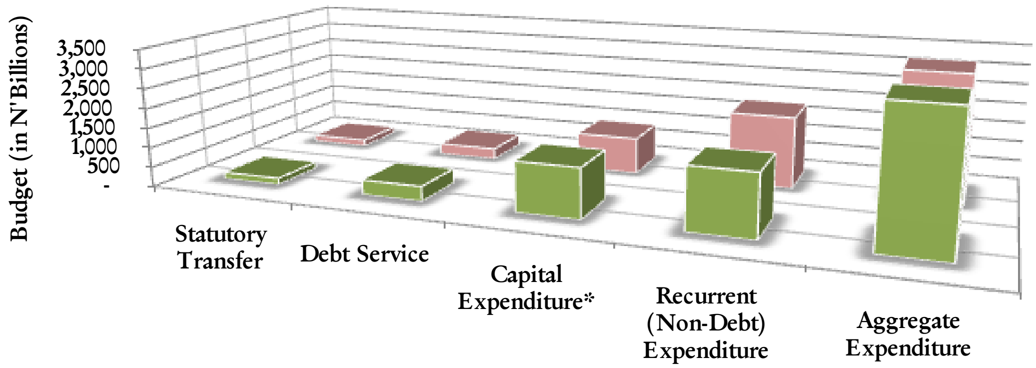
Source: BOF

25. The sum of N3,101.81 billion was appropriated by the National Assembly and assented to by the President in March, 2009. The budget consisted of N1,022.26 billion (or 33%) allocated to capital development funds while N1,627.29 billion was allocated to recurrent non-debt expenditure, representing 52.5% of the budget. Debt service received N283.65 billion (or 9.1%) and N168.62 billion (or 5.4%) of the budget was allocated to statutory transfers.

26. However, during the fiscal year, the need arose to provide funding for certain expenditure that was not initially provided for. Consequently, the first supplementary budget of N102.27 billion was approved in August 2009 from which the sum of N97.37 billion was allocated to recurrent (non-debt) expenditure while capital expenditure received N4.9 billion. Towards the end of 2009, the Federal Government resolved to accelerate efforts to reflate the economy by identifying sectors in which key targeted expenditure would stimulate growth. As a result, budgetary provision was needed to finance certain key interventions in infrastructure and other critical areas.

27. A second supplementary budget of N353.6 billion was appropriated by the National Assembly in December 2009, of which N100.05 billion was devoted to recurrent (non-debt) expenditure and N253.55 billion was allocated to capital expenditure. Key infrastructural interventions to be financed included the completion of certain rail lines, the procurement of railway locomotives, the development of FCT residential districts, the completion of primary healthcare centres and emergency road rehabilitation works, and other capital projects to support the post-amnesty intervention in the Niger Delta. Funding was also provided under the sector support program to support the activities of the Bank of Industry, NERFUND's SME support programme and NEXIM's export stimulation scheme. The resultant aggregate expenditure budget in 2009 compared to 2008 is shown in *Chart 7* below:

Chart 7: 2008 Aggregate Expenditure vs. 2009 Aggregate Expenditure Profile[1]



	Statutory Transfer	Debt Service	Capital Expenditure*	Recurrent (Non-Debt) Expenditure	Aggregate Expenditure
2008 Approved Expenditure	163	372	1,248	1,548	3,331
2009 Approved Expenditure	169	284	928	1,825	3,205

Expenditure Heads

Source: BOF

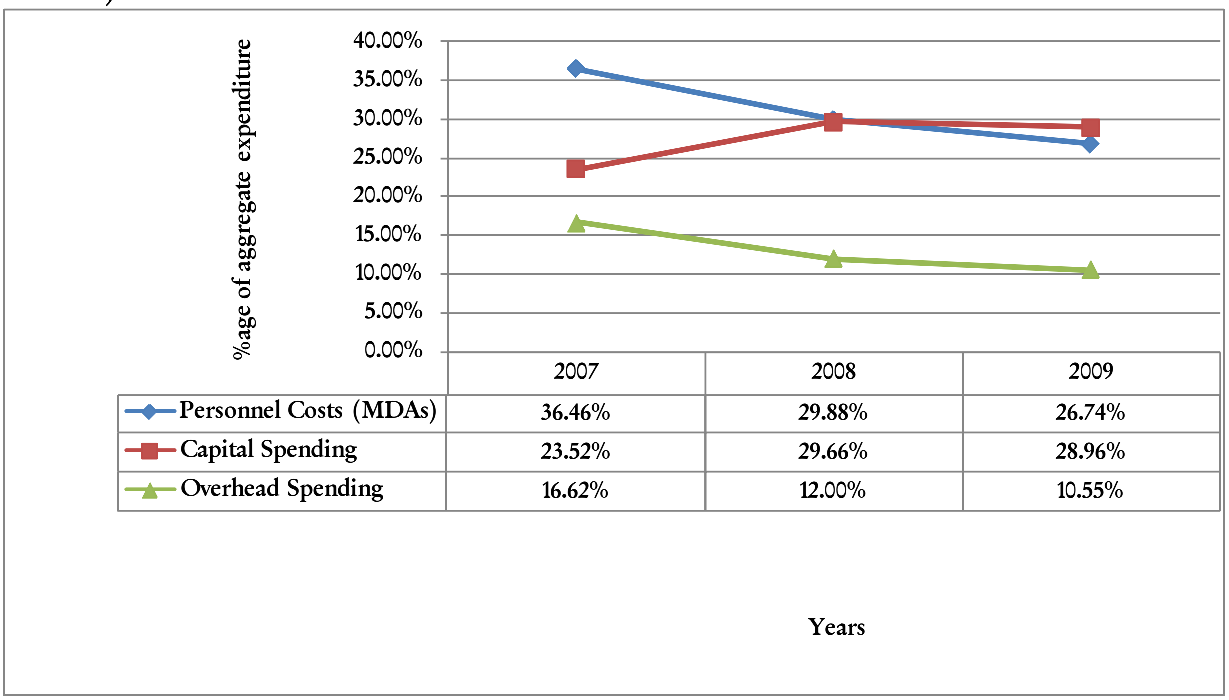
*Capital Expenditure indicates amount cash-backed rather than N1,280.71 billion, which was the total allocated for capital expenditure in the annual and supplementary budgets for 2009.

2.5.1. Non-Debt Recurrent Expenditure

28. Aggregate expenditure in recent years has been on an upward trend. In line with this, recurrent expenditure has been rising in absolute terms over the last three years. However, given the resultant impact of the global economic crisis on budget revenue, government's drive for spending efficiency and value for money and the need to develop the economy, Government has taken steps to curb recurrent expenditures within optimal levels. *Chart 8* below indicates the recent falling trend in both personnel and overhead costs as a percentage of aggregate expenditure. The actual recurrent expenditure for the 2009 fiscal year was N1,964.26 billion which represents about 93% implementation of the

provision for recurrent expenditure of N2,108.36 billion. This data is shown in *Table 6* below.

Chart 8: Recent trends in Personnel, Overhead, and Capital expenditure (2007-2009)



Source: BOF

29. The Federal Government's aggregate actual non-debt recurrent expenditure in 2009 was N1,717.50 billion (inclusive of the two supplementary budgets passed in 2009). This represents about 87.76% of the actual total recurrent expenditure of N1,964.26 billion in this category. This expenditure however exceeded the actual non-debt recurrent expenditure of N1,553.83 billion in 2008.

Table 6: FGN Budget Expenditure: Budget vs. Actual(2008-2009)[1] (N million)

FISCAL ITEMS	BUDGET	Actual		Variance (09 Bud & Act)		Variance (09 & 08)	
	Annual	2009	2008	Diff	%	Diff	%
FGN RETAINED REVENUE	2,265,209.6	1,704,985.6	2,226,663.6	-560,224.0	-24.73%	- 521,678.00	-23.43%
FGN EXPENDITURE							
RECURRENT EXPENDITURE							
Personnel Costs	857,042.00	857,041.98	942,525.60	-0.02	0.00%	-85,483.62	-9.07%
Pension	161,592.00	129,188.10	101,748.40	-32,403.90	-20.05%	27,439.70	26.97%
Pension Redemption Funds	35,350.00	32,403.93	36,099.80	-2,946.07	-8.33%	-3,695.87	-10.24%
Overhead Costs	338,273.23	338,273.21	470,902.40	-0.02	0.00%	- 132,629.19	-28.16%
Domestic Debt	227,809.00	209,511.95	319,670.60	-18,297.05	-8.03%	-110,158.65	-34.46%
Interest on Ways & Means	-	5,030.72	2,551.10	5,030.72	0.00%	2,479.62	97.20%
Foreign Debt	55,841.00	37,248.66	59,044.20	-18,592.34	-33.30%	-21,795.54	-36.91%
Others[2]	432,450.51	355,558.35	-	-76,892.16	-17.78%	355,558.35	0.00%
Sub Total(Recurrent)	**2,108,357.74**	**1,964,256.90**	**1,932,542.10**	**-144,100.84**	**-6.83%**	**31,714.80**	**1.64%**
Sub Total(Non-Debt Recurrent)	**1,824,707.74**	**1,717,496.29**	**1,553,827.30**	**-107,211.45**	**-5.88%**	**163,668.99**	**10.53%**
CAPITAL EXPENDITURE							
Capital Vote[3]	928,178.41	562,373.10	711,632.40	-365,805.31	-39.41%	-149,259.30	-20.97%
Sub Total	**928,178.41**	**562,373.10**	**711,632.40**	**-365,805.31**	**-39.41%**	**-149,259.30**	**-20.97%**
TRANSFERS							
Niger Delta Development Commission	51,317.00	51,317.00	40,570.00	-	0.00%	10,747.00	26.49%
National Judicial Council	78,000.00	78,000.00	78,000.00	-	0.00%	-	-
Universal Basic Education	39,303.00	39,302.94	44,000.00	-0.06	0.00%	-4,697.06	-10.68%
OTHERS							
Refund of Signature Bonuses	-	1,979.60	-	1,979.60	0.00%	1,979.60	0.00%
Sub Total	**168,620.00**	**170,599.54**	**162,570.00**	**1,979.54**	**1.17%**	**8,029.54**	**4.94%**
AGGREGATE EXPENDITURE	**3,205,156.15**	**2,697,229.55**	**2,806,744.50**	**-507,926.61**	**-15.85%**	**-109,514.95**	**-3.90%**
		-					
Deficit / Surplus	**-939,946.60**	**-992,243.97**	**-580,080.92**	**-52,297.37**	**5.56%**	**-412,163.04**	**71.05%**
Deficit as % of GDP	**-3.40%**	**-3.59%**	**-2.33%**				

Source: OAGF and BOF

[1] Expenditure items for the 2009 fiscal year include provisions made under the annual budget and both supplementary budgets I and II.

[2] This category includes both Service Wide Votes and Multi-Year Tariff Order as allocated in the annual and supplementary budgets

[3] The capital vote excludes allocations made in the 2nd supplementary budget which was approved in late December, 2009, leaving the MDAs with insufficient time to utilise funds. The total allocated for capital expenditure in the annual and supplementary budgets was N1,280.71 billion; however, only N928.18 billion was cash-backed while N562.37 billion was utilised by the MDAs.

2.5.2. Debt Service

30. Based on provisional data from the Debt Management Office (DMO), as of 31st December 2009, the Federal Government's securitised domestic debt, which constituted the bulk of the country's total debt stock stood at N3,228.03 billion. This represents an increase of N907.72 million or 39.12% when compared to the N2,320.31 billion by 31st December, 2008. This increase in the domestic debt stock arose from additional FGN Bond issuances in 2009. The outstanding domestic debt figure is constituted of: FGN Bonds (61.18%), NTBs (24.70%), Treasury Bonds (12.15%), Development Stock (0.02%); and Promissory Notes (1.95%).

31. Conversely, domestic debt service by 31st December, 2009 stood at N209.51 billion compared to N319.67 billion in 2008. This reflects a decrease of N110.16 billion (or 34.46%) compared with the 2008 figure. This decrease in debt service is attributable to the non-inclusion of amounts spent in respect of FGN bonds that matured and were refinanced during the year which hitherto had been inadvertently reflected as part of debt service.

32. External debt stock amounted to US$3.97 billion. This represents an increase of US$252.92 million or 6.80% when compared to US$3.77 billion by December 31, 2008. The volume of disbursements on IDA, ADF and IFAD loans all totalling US$519.57 million, largely accounted for this increase.

33. Compared to the debt service allocation of US$464.63 million by 31st December, 2008, external debt service by 31st December, 2009 was US$437.09 million. This represents a decrease of US$27.54 million (or 5.54%) which was

accounted for by principal repayments during the year, and exchange rate movements in respect of multicurrency loans.

2.5.3. Statutory Transfers

34. The Federal Government releases statutory transfers to three agencies of Government which include the Niger Delta Development Commission (NDDC), the National Judicial Council (NJC), and the Universal Basic Education Commission (UBEC). The transfers to the NDDC are geared towards the development of the oil-producing states in the Niger Delta region, while transfers are made to the NJC to provide a secure and independent revenue source for the judicial arm of government. The transfers to UBEC are aimed at funding the Government's programme of attaining a minimum level of basic education in the country. By the end of 2009, aggregate statutory transfers amounted to N168.62 billion as approved in the 2009 Revenue Framework. This was fully distributed to the NJC (N78 billion), NDDC (N51.317 billion), and UBEC (N39.303 billion).

2.5.4. Capital Expenditure Performance

35. Provisional data from the OAGF indicates that as of 31st December, 2009 the total sum of N928.18 billion was cash-backed for drawdown by MDAs through the following instruments: capital warrant releases, supplementary warrants, Authority to Incur Expenditure (AIE) releases and capital supplementation releases. This translates to 60.59% performance, as shown in the appendix, which is an improvement from 44.46% as of the end of the third quarter of 2009. It is important to note, however, that this result excludes releases for the second supplementary budget which was approved in late

December, 2009 and which left the MDAs with little or no time to utilize these funds. Provisional data from the OAGF showed an improved performance of 77.13% as of the end of March 2010.

36. In spite of efforts at ensuring MDAs have access to funds allocated, capital utilization by some of the MDAs was not encouraging although there were variations in performance. About 14 of the MDAs including Police Affairs, Agric and Water Resources and Defence had utilization rates of above 80% of their releases while 16 MDAs including Health, Works, Housing and Urban Development, Petroleum Resources and Aviation performed below the overall average during the period.

37. A comparison between capital utilization rates in the third and fourth quarter of 2009 provides a broader picture of MDA performance over the period. Agriculture and Water Resources and Defence maintained their good performance from the third to the fourth quarter while Health and Petroleum Resources improved their utilization rates in the fourth quarter but still remained below the average utilization rate for all MDAs. However, Police Formation and Commands (from 14.05% to 61.63%), Niger Delta (from 48.68% to 66.55%) and Education (40.26% to 65.21%) were able to improve on their performance in the third quarter. A highlight of nine MDAs sampled in view of their significance to actualizing the 7- Point Agenda of the present administration is shown in *Table 7* below.

Table 7: A Sample of MDA's Capital Budget Utilization Report as of 31st December 2009 (in Naira)

MDA	Total Releases	Total Cash Backed	Total Utilization	% Utilization
Police Formation & Commands	21,324,630,000	21,324,630,000	13,142,984,730	61.63%
Power[1]	39,599,212,715	39,599,212,715	10,143,106,694	25.61%
Transport	38,402,031,359	25,902,031,359	22,578,206,651	87.17%
Health[1]	48,643,289,834	48,658,789,834	24,509,417,925	50.37%
Agriculture & Water Resources[1]	138,824,895,686	138,724,895,686	115,954,374,024	83.59%
Education[1]	36,386,571,952	36,372,321,952	23,719,577,628	65.21%
Defence	47,302,887,338	47,302,887,338	38,883,477,145	82.20%
Works	209,093,840,018	209,093,840,018	99,382,926,917	47.53%
Niger Delta	48,000,000,000	48,000,000,000	31,943,273,606	66.55%
Average Utilisation by all MDAs[2]				**60.59%**

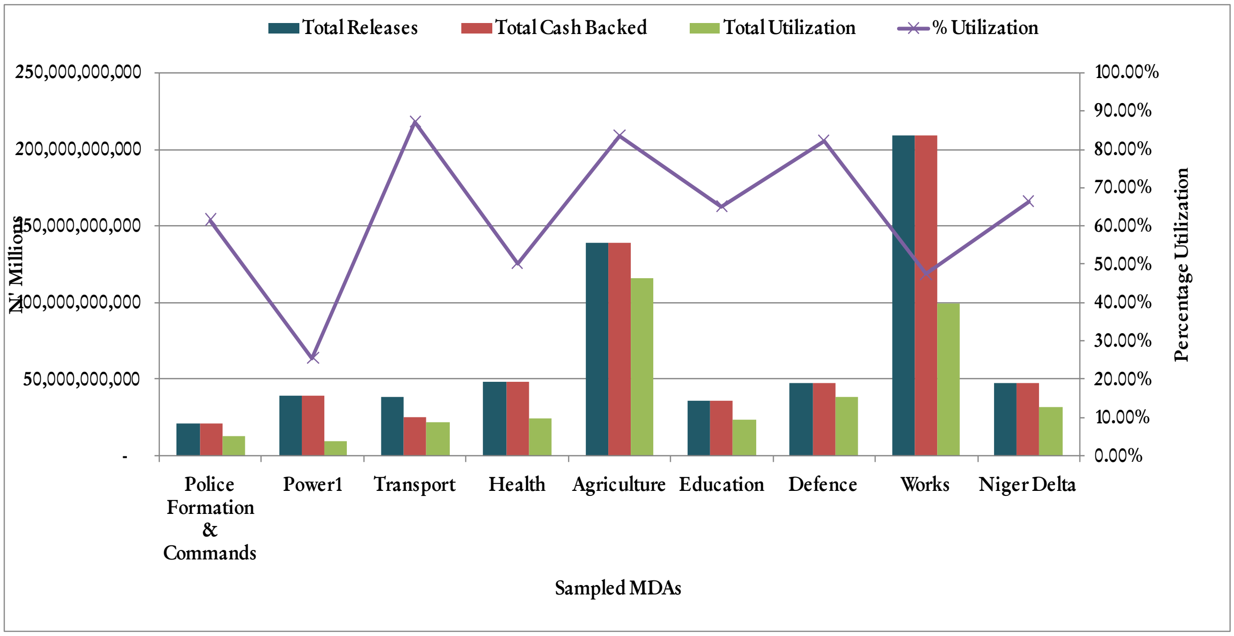
Source: OAGF and BOF

[1]Utilisation for certain projects and entities, such as the PHCN successor companies, was not included in the OAGF report.

[2]Releases for the 2nd supplementary budget, which was approved in late December 2009, have been excluded as MDAs did not have sufficient time to utilise funds.

It should be noted that data on capital utilisation for certain projects under the Ministries of Power, Agriculture and Water Resources, Education, Health and Science and Technology were not available at the time this report was prepared.

Chart 9: Pictorial Representation of Selected MDAs Utilization



Source: BOF and OAGF

38. Capital budget implementation by the MDAs, particularly as relates to the priority sectors, was below expectation for the period under review. Although a number of MDAs were able to utilize over 80% of their capital vote, a large number performed below the average utilization rate. Provisional data from the OAGF indicates that the average performance, as of March 31st 2010 has increased to 77.13%. We believe that the various measures being taken by Government to ease the constraints faced by MDAs in procurement and other processes critical to successful budget implementation will result in even higher implementation levels.

3. MACROECONOMIC DEVELOPMENTS AND ANALYSIS

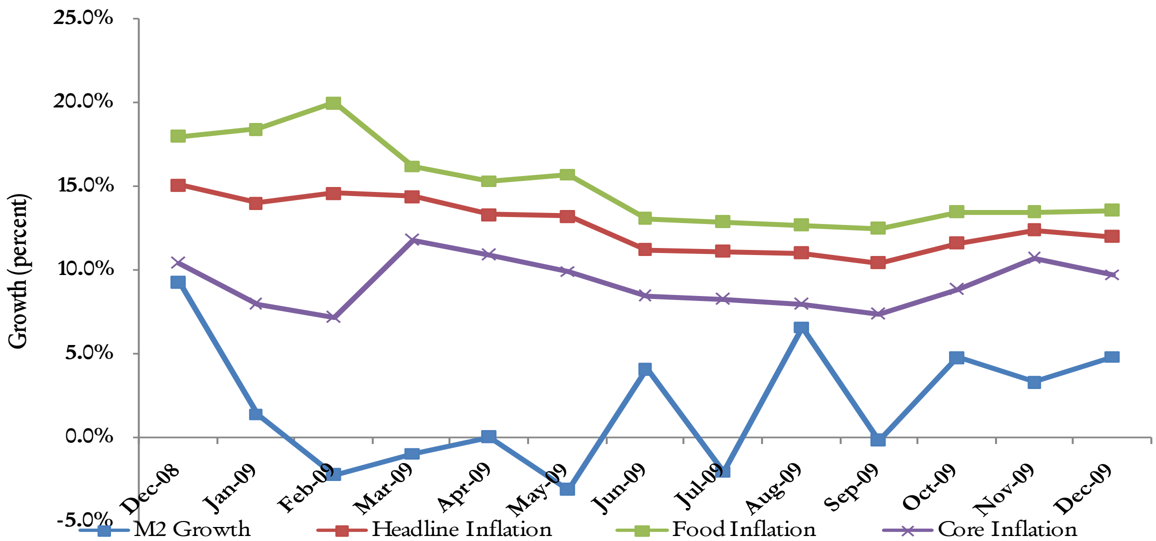
39. Economic growth in 2009 was fairly robust according to data from the NBS. Real GDP grew by 6.9% as compared to 5.99% in 2008. The upward trend in GDP growth reflects the resilience of the economy, as has been the case with most emerging markets during the global financial crisis. Growth was driven largely by the non-oil sector, particularly agriculture, in line with the trend over most of the year. The amnesty initiative of the Federal Government, which resulted in greater peace in the Niger Delta also contributed to growth in the oil sector. Average oil production over 2009 was 2.132 mbpd according to the NNPC. This is slightly lower than the 2.292 mbpd target set in the 2009 budget.

40. Inflationary pressures were moderated downwards from the levels recorded in 2008. Data from the NBS show that headline inflation figures for December 2009 registered a year-on-year increase of 12 %, which was a reduction from the 15.1 % recorded for the same period in 2008. Core inflation, which was successfully brought down to single digit levels grew year-on-year by 9.7 % while food inflation also recorded a 13.6 % rise for the same period. The rise in the consumer price index, particularly in the last quarter of the year, can be attributed to an increase in the price of certain seasonal food items, cooking gas, liquid fuels and some household goods.

41. On a year-on-year basis, broad money grew by 17.1 % by December 2009. This reflected a fall in net foreign assets and a slowdown in credit to the private sector, according to the CBN. The crisis within the banking sector and the resultant drive by deposit money banks to recover non-performing loans significantly contributed to the contraction in broad money supply. The fall in aggregate demand, which influenced the drop in inflation figures, is also a

contributory factor to this contraction, according to the CBN. (See *Chart 10* below).

Chart 10: Inflation and M2 Growth Rate

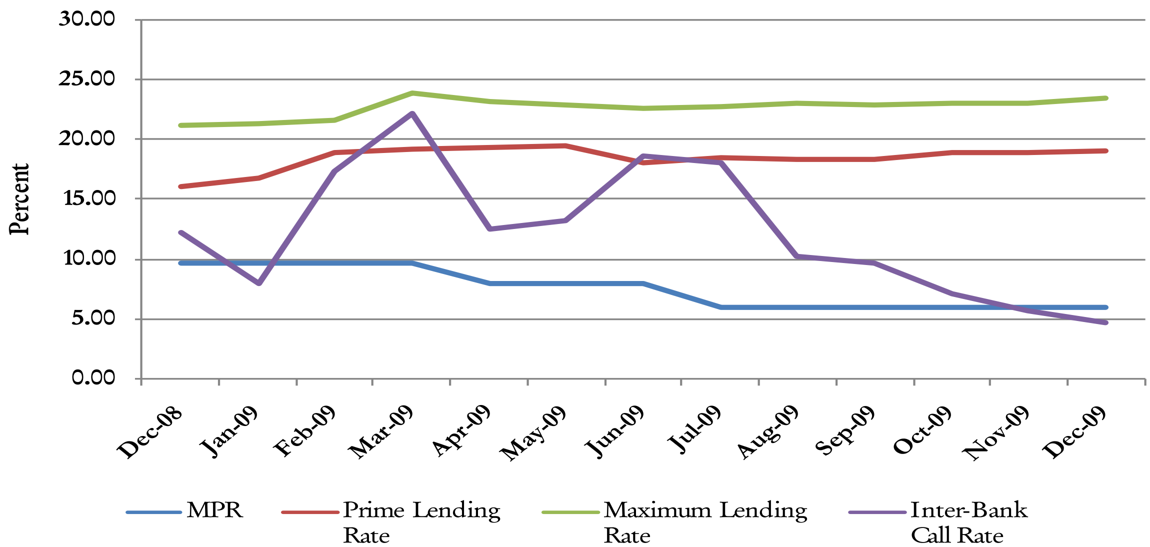


Source: NBS, CBN

42. In a bid to encourage the growth in credit to the private sector, the Monetary Policy Rate (MPR) was adjusted downwards from 9.75 % to 8 % and 6 % in April and July 2009 respectively. An asymmetrical corridor of interest rates was also introduced in November, 2009. The rate on the standing lending facility was set at 200 basis points above the MPR while the rate on the standing deposit facility was set at 400 basis points below the MPR by the CBN. To forestall a credit freeze within the banking sector, the CBN provided inter-bank money market guarantees up till December 31, 2009. The effects of this intervention are clearly obvious as the inter-bank call rates fell to 4.68 %

by December 2009, a 61.5 % drop from the 15.42 % recorded in January, 2009. This increased confidence was however not reflected at the retail end of the banking sector as the prime and maximum lending rates grew by 18.3 and 10.8 % year-on-year. (See *Chart 11* below).

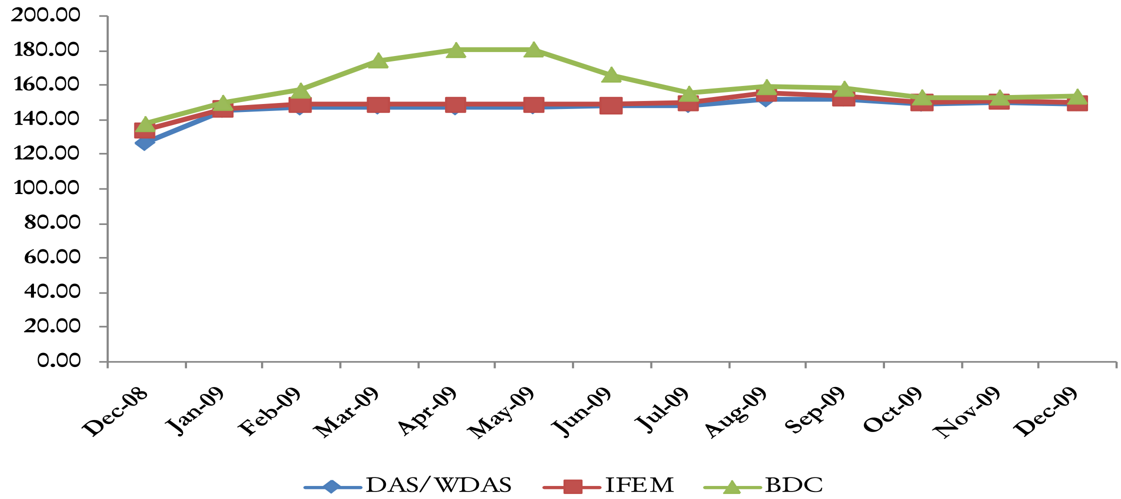
Chart 11: Interest Rates



Source: CBN

43. The US$/N exchange rate was relatively stable, particularly over the last quarter of the year. The spread between the WDAS and the BDC rates also continued to narrow significantly over the course of the year. . The DAS/WDAS rate depreciated by 18.4 % year-on-year while the BDC and IFEM rates both depreciated by approximately 11.5 % over the same period. (See *Chart 12* below).

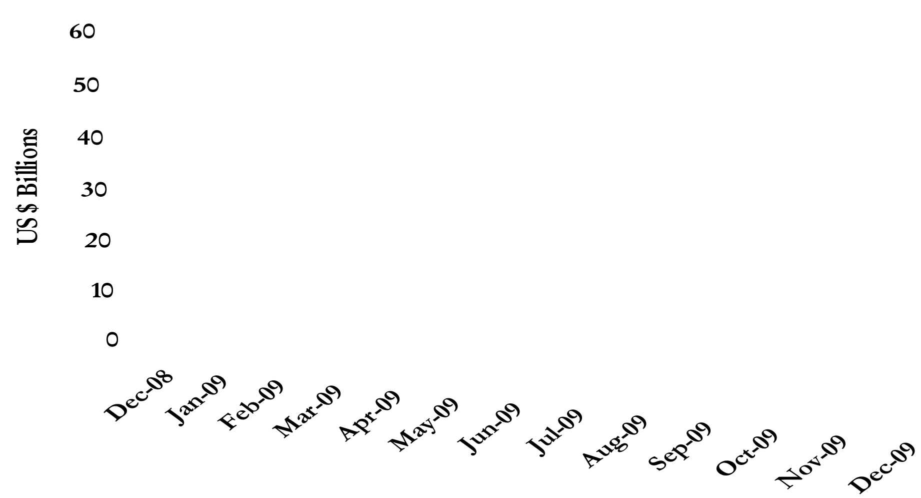
Chart 12: Naira/US$ Exchange Rates Trend



Source: CBN

44. The stock of external reserves fell by 19.7% year-on-year, from US$52.82 billion in December 2008 to US$42.41 billion at the end of 2009. It is expected that the reserve levels will rise again given the trend in crude oil price movements. (See *Chart 13* below).

Chart 13: External Reserves



Source: CBN

45. Thus the drive for macroeconomic stability in 2009 was quite successful against the back drop of the current global economic realities. GDP growth continued to trend upwards and concerns about disruptions to oil production were ameliorated through the amnesty initiatives of Mr. President. This provided a favourable environment for the execution of the 2009 budget and it is expected that this trend will continue in 2010.

4. CAPITAL BUDGET IMPLEMENTATION REPORT

4.1. Introduction

46. The 2009 budget was focused on delivering on the promises of the 7-Point Agenda, particularly by directing investment towards critical physical infrastructure, human capital development, food security, the Niger Delta and the other priority sectors identified by this Administration. These investments are intended to promote the development of the private sector, increase income generation opportunities, and promote the quality of life of Nigerians. Thus about 93% of the capital vote was allocated to these priority areas in a bid to demonstrate Government's commitment to the realisation of these goals.

47. In the third and fourth quarter, capital warrants were released and cash-backed in a timely manner and shortfalls from releases made in the 1st and 2nd quarter were addressed through the release of additional warrants in the 3rd quarter. To facilitate the completion of capital projects in 2009, the fiscal year was extended from 31st December, 2009 to end on the 31st of March, 2010. This became necessary given that the second supplementary budget was passed in late December, 2009 thus leaving the MDAs with inadequate time to access these funds.

48. To broaden the scope of monitoring and provide an independent viewpoint to the exercise, representatives from Civil Society Organisations (CSOs) and the Media were included as part of the monitoring and evaluation teams. Their inclusion is intended to bring an objective and alternative viewpoint to the exercise and t is our intent to continue to include them in future monitoring and evaluation exercises. These and other measures, such as the workshop on Budget Implementation, Monitoring and Evaluation held in

March 2008, were taken to improve the level of capital budget implementation by the MDAs.

4.2. Physical Monitoring and Evaluation

49. The 2009 fourth quarter budget monitoring and evaluation exercise, which ran from the 7th to the 16th of March, 2010, covered a sample of projects from selected MDAs in the six geo-political zones of the country. This exercise was carried out in order to assess the level of implementation of the 2009 capital budget by evaluating the actual work done against projected deliverables and the funds that had been accessed by the MDAs based on their allocations in the 2009 Federal Budget. The exercise covered the following sectors: Agriculture and Water Resources, Aviation, Education, Federal Capital Territory, Health, Niger Delta, Police Formations and Command, Power, Transportation and Works, Housing and Urban Development. A detailed account of the assessment exercise is summarized below:

Federal Ministry of Agriculture and Water Resources (FMA&WR)

50. This Ministry was allocated the sum of N138.93 billion in the 2009 Budget for the implementation of its capital projects and programmes. At the time of this report, the sum of N138.82 billion had been released while N115.95 billion was utilized. The projects visited by the team include the following:

51. *Anambra-Imo River Basin Development Agency*

A sum of N3.86 billion was appropriated and released to this agency in 2009. At the time of this report, the sum of N2.42 billion had been utilized for the execution of its projects, which include among others the following:

i. *Construction of Amechi-Awkunanaw Dam (Completion Of Dam Structures and Pipe-Works)*

This project is aimed at developing the surface water potential of Nyaba River for the supply of potable water to Amechi-Awkunanaw and its environs. On completion, the project will also include an irrigable 20-hectare farmland and provision of a small hydro power plant to provide electricity for cottage industries. The contract for the project commenced on 20th August, 2007 and was awarded to Messrs Module Nigeria Limited at a cost of N735.81 million with a completion date of December, 2010. The sum of N255.91 million was appropriated and released for the project in the 2009 Budget. At the time of the monitoring exercise, the full amount had been utilized to achieve a 65% level of completion.

Picture 1: Ongoing Construction of Amechi-Awkunanaw Dam

ii. *Construction of Mgbowo Water Scheme*

This project was designed to provide potable water to Mgbowo and adjourning communities through the construction of a mini earth dam, a water treatment plant and reticulation system. It also includes the installation of a small pilot hydro power plant. The contract commenced in April 2006 and was awarded to Messrs Anbeez Services limited at a cost of N720.0 million. N329.67 million was appropriated and released to the project in the 2009 Budget, out of which N215.24 million was utilized to bring it to 65% level of completion. Outstanding work included the supply and installation of a generator and pump. The expected completion date is December 2010.

Picture 2: Constructed Dam Site at Mgbowo Water Scheme, Enugu

iii. *Erosion Control Project In Okwu Olokoro-Ikwuando, Amakama And Ekenobizi*

This project was initiated to control erosion and upgrade the roads in these areas so as to make them accessible by commuters. The contracts commenced in September 2009 and were awarded to three different contractors (Messrs Clem & Smith International Limited for Okwu Olokoro-Ikwuando Erosion Control at N200.37 million, Endel Resources Limited for Amakama Erosion Control at N200.0 million and Bakindo Nigeria Limited for Ekenobizi Erosion Control at N200.0 million) amounting to a total cost of N600.37 million. The sum of N600.37 million was appropriated and released in the 2009 Budget in that regard, while N513.20 million was utilized. At the time of the team's visit, construction work was ongoing and had attained 79%, 83% and 95% level of completion at Olokoro-Ikwuando, Amakama and Ekenobizi respectively. The projects are expected to be completed by the end of March 2010 and are expected to make a significant contribution to Government's drive towards addressing the effects of erosion, particularly in the South-East of Nigeria.

Picture 3: Ongoing Erosion Control Project in Ekenobizi, Imo State

52. *Sokoto-Rima River Basin Development Authority (SRRBDA)*

This River Basin was allocated a total of N5.58 billion in 2009. At the time of this report, the sum of N5.58 billion had been released while N4.0 billion was utilized to execute among others, the following projects:

i. *Tambuwal Water Supply Scheme*

This project was initiated with a view to providing potable drinking water to Tambuwal town and its environs. In 2009, the sum of N200 million was appropriated and released while N164.31 million had been committed thus far. The contract was divided into two phases. The first phase was itself sub-divided into five lots with each lot comprising the following: construction of motorised boreholes, overhead tanks, generators, generator-houses, fencing and limited reticulation systems. Contracts for lots A, B, C, D, and E were awarded to Daneka Int Ltd, Maishago Nig. Ltd, Muradi Nig Ltd, Sadauki Ent Ltd and Hurumi Investment Ltd at a cost of N14.92 million, N15.7 million, N15.6 million, N16.77 million and N15.79 million respectively, in December 2007.

Activities on the first phase commenced in February 2008 and ended in August 2008. This phase has been completed and is currently in use by the indigenes of Tambuwal and its environs.

The second phase involves the construction of a complete water supply system which was awarded to G.S Shehu Nig Ltd at a cost of N114.06 million (with a consultancy fee of N6.9 million). It commenced in October 2009 and is programmed to be completed in April 2010. This phase comprises the construction of 7Nos. motorised boreholes, general pipeline reticulation, reconstruction of a 450, 000-litre capacity overhead tank, fabrication and erection of 2 nos. 90,000-litre capacity overhead tanks, fencing works, renovation of generator houses, connection to the National Grid and supply and installation of firefly drants. At the time of visit, phase two was at 80% completion, with the completion of the 45,000 litres overhead tank being its outstanding component.

Picture 4 Completed Overhead Tank

53. *Hadejia-Jama'are River Basin Development Authority, Kano*

In the 2009 Budget, the sum of N3.88 billion was appropriated and released to this River Basin for the implementation of its capital projects/programmes. The sum of N3.78 billion was utilized to execute among others the following:

i. *Reconstruction and Rehabilitation of Sumaila Yamma Dam*

The contract for the rehabilitation and reconstruction of the dam was awarded to Sky Tech & Construction Company on 21st December, 2009 at a cost of N386.01 million and is expected to be completed in June 2013. Its aim is to improve farming activities and provide potable drinking water to Sumaila town and its environs. In 2009, N450 million was appropriated and released while N357.74 million was utilised.

The deliverables include completion of earth works, embankment protection, drainage work and spillways while outstanding works include the completion of the water treatment plant which should be completed before the end of March 2010, according to the contractor. The project had achieved an 82.3 % level of completion.

Picture 5: Ongoing work at the Dam

ii. *Challawa-Karaye Irrigation Project*

The project involved optimisation of 200 hectares of irrigable land, which will contribute to the Administration's goals of increasing land under cultivation and thus food security. The sum of N701.65 million was appropriated while N355.18 million was released and utilised to achieve an 80% completion level. The contract was awarded to Impresit Bakolori Nig Ltd. at a cost of N355.18 million on 29th October, 2009 with a planned completion date of June 2010. Completed components include land use mapping and compensation as well as the provision of all prime items (generators, pumps, pipes).

However, at the time of our visit, outstanding work included the installation of the pipeline, assembly of pumping machines and construction of intake and land clearing/levelling.

Picture 6: Generators

iii. Challawa Gorge Dam Spillway Crossing Bridge

The project was conceived to pave way for the transportation of agricultural produce from local farms to consumer markets. It was awarded to Messrs Kashnur Nigeria Ltd at a cost of N323.43 million in October 2009 and was to be completed in April 2011. The sum of N701.65 million was appropriated while N323.43 million had been released and N223.42 million committed to date. Actual performance in the quarter included foundation work which had reached 100% level of completion, 2nos. abutments and 4 nos. piers (100% completed), cross beams (100%completed) and girder beams (80% completed). The overall completion level at the time of monitoring was 85%.

Picture7: Ongoing work on the Challawa Gorge Dam Spillway Crossing Bridge

54. *Chad Basin Development Authority, Maiduguri*

The total capital appropriation for the Chad Basin Authority in the 2009 fiscal year amounted to ₦1.24 billion which was fully released. Some of the projects visited by the team included the following.

i. *South Chad Irrigation Project*

The ongoing project, which comprises the rehabilitation of the existing irrigation structure and cultivation of 4,000 hectares of rice and wheat, was being executed by a consortium of contractors (25 in number for various components of the project) at a total cost of ₦501.4 million. The rehabilitation project commenced in August 2009 and was scheduled for completion on the 31st of December 2009.

In the 2009 Budget, the sum of ₦198 million was appropriated and fully released, while N170.74 million was utilized. At the time of visit, the following major components of the project were completed viz: rehabilitation of staff quarters (2 and 3 bedrooms) and offices, construction of a weir across River Mbulu, construction of a bye-pass canal; procurement of AGO, supply of spare parts for combine harvesters, office furniture for SCIP I & II, and desilting of the water channel at Ngala. Other work in progress included the supply of combine harvesters, spare parts for power & pump houses and the rehabilitation of the main camp. The project had attained 86% level of completion and is expected to contribute to land under cultivation thus intensifying Government's efforts at enhancing food security.

55. *Upper Benue River Basin Development Authority, Yola*

The River Authority deliverables in respect of the 2009 budget include, amongst others, the construction of dams for irrigation and township water supply, construction of storage reservoirs, rehabilitation of dams and existing irrigation facilities, provision of motorized boreholes and provision of water for livestock. Others include the renovation of guest houses and offices; and refurbishment of aged heavy duty machinery, plant and equipment across all the catchment states of the North East Zone. It was allocated a total capital sum of ₦1.83 billion in 2009. By the end of the year, the total capital appropriation was fully released and utilized to execute the projects, some of which were monitored by the team namely:

i. Dadin Kowa Dam and Irrigation

The project involved the construction of the main conveyance canal of 2.5 kilometres to phase I of the irrigation scheme and was awarded to Messrs CGC

Nigeria Ltd at a cost of ₦378.5 million. It commenced in December 2009 and was expected to be completed by March 2010.

In 2009, the sum of ₦290.5 million was appropriated and released. Of this amount, ₦187.3 million had been expended. At the time of visit, the multi-purpose dam with 1.776m^3 storage capacity was completed and irrigation of 100hectares had been developed. The project had attained 50% level of completion.

ii. *Yola Irrigation (Adamawa State)*

The contract was awarded to Messrs ARC Temple Nig. Ltd in October, 2009 at the cost of ₦104.1million. The sum of ₦105.8 million was appropriated and released, while ₦63.78 million was committed to achieve a 73% level of completion.

At the time of monitoring, work completed included drilling of 120 nos. wash boreholes, procurement of 120 nos. 3" water pumps, procurement of 10 sets of computers & accessories, repair and rehabilitation of primary canals (1000m); lining of existing primary/secondary canals with concrete, upgrading of pump shade, procurement of fertilizer, construction of mechanical and civil stores and de-silting of a 150m intake channel. Ongoing works included the procurement of service parts and other farm machinery. Once the project is completed, it expected to increase land under cultivation in the locality.

iii. *Construction of Kaltungo Small Earth Dam*

The objective of this project is to supply water for domestic purposes, irrigation & fishing activities. The contract was awarded to Messrs A. A. Jabi & Sons in July, 2009 at the cost of ₦262 million. It is expected to be completed in December, 2010.

In 2009, the sum of ₦150 million was appropriated, fully released and accessed. At the time of monitoring, the following activities were completed while earthworks was in progress: the construction of a site office and access road and award of compensation for farm land & economic trees. The level of completion was put at 59%.

56. *Lower Niger River Basin Development Authority, Ilorin*

The total sum of N3 billion was appropriated to the authority for the execution of its capital projects in the 2009 fiscal year. The following were some of the projects visited by the team during the fourth quarter monitoring exercise.

i. Designing/completion of EIA for the construction of Tada/Shonga Irrigation project in Kwara State.

The project was designed to irrigate 3,200 hectares with the hope of expanding to 5,000 hectares at full implementation. Once completed, the project is expected to make year-round farming possible and engage about 10,000 farming groups. The project was awarded to various contractors between 2008 and 2009 which include; Messrs CPN Nig. Ltd. (N19.7m), Esode Ltd (N26.1m), Sundry Petty Contractors (N40.6m), Source Resources (N9.1m) Lot Nig Ltd. (N9.1m), Metro Ventures Ltd. (N9.1m), Continental Associate (N9.1m), Gold & Green Ltd. (N9.1m). Lugalos Nig. Ltd. (N9.1m). Al-murad Informatic Ltd. (N20.3m), Sundry Petty Contractors (N20.5m), Al-Yemun Int'l Ltd. (N8.5m). Golf Crystals Ltd. (N9.5m), CPN Ltd. (N79.6m), Hamilsiten Nig. Ltd. (N5.2m), Chipau Logistics Ltd. (N25.3m) Amtess Nig. Ltd. (N50.2m), and Turning Point Engineering (N162.1m).

The sum of N600 million was appropriated in the 2009 Budget, with 150 hectares irrigable land developed. Relevant machinery and mini rice mills had also been procured.

57. General Remarks

The construction of these multipurpose dams, irrigation infrastructure and other related projects under review are having a positive impact on the lives of people in the affected communities. This is made apparent in the increased levels of fish and crop production, enhanced irrigation and all-year-round farming. Also evident are its effects on income generation and availability of raw materials for cottage industries. This has had a positive impact on the reduction of water-borne diseases and attendant infant mortality. In addition the construction of dams has made possible the generation of electric power as well as the promotion of tourism.

Federal Ministry of Education:

The sum of N40.01 billion was appropriated to the Ministry in the 2009 fiscal year. At the time of this report, the sum of N36.39 billion had been released while a total of N23.72 billion was utilized. The monitoring team inspected the following projects:

58. *Nnamdi Azikwe University, Awka*

The University was allocated a total of N796.64 million in the 2009 Budget. At the time of this report, N796.64 million had been released while N708.53 million was utilized for the following amongst others:

i. *Faculty Building for Engineering and Technology (Wing B)*

The contract was awarded to three different contractors (Messrs Grochi Eletene Structures Limited for the Faculty Building for Engineering & Technology Wing B - N451.87 million, Attic Construction Limited for mechanical installations - N13.62 million and Allied Q.S for consultancy services - N9.16 million) bringing the total cost to N474.65 million. The contract was awarded in December, 2001 while actual work commenced on

10th October, 2002. N140.0 million was appropriated for it in 2009. The full amount had been released but only N129.05 million had been utilized. The building was completed in December, 2009 and was already in use at the time of the team's visit, thus addressing part of the infrastructure requirements of the University.

Picture 8: Completed Faculty Building for Engineering & Technology Wing B at Nnamdi Azikiwe University, Awka

ii. Faculty Building for Management Science (Wing A)

This contract was awarded to five different contractors (Messrs Mozelly Nigeria Limited for Faculty Building for Management Science, (Wing A) - N317.17 million, Monik Technical Services Limited for Electrical Installation Works - N39.15 million, Attic Construction Limited for Mechanical Installation - N25.60 million, Gabcon Enterprise Limited for Faculty Building for Management Science, (Wing B) - N91.14 million) and Koch & Etal for Consultancy Services - N1.48 million) bringing the total cost to N474.54 million. The contract was awarded in December, 2001 while actual work commenced on 15th January, 2002. The sum of N220.0 million was appropriated in 2009. The full amount had been released but only N203.74

million was utilized so far. The project was at 80% level of completion and is expected to be completed in April 2010.

iii. Student Hostel Phase IV

This contract was awarded to six different contractors, (Messrs Vivid Construction Limited for Students Hostel Phase IV - N265.39 million, Mbnet Limited for Electrical Works in Students Hostel Phase IV - N34.17 million, Adiak Engineering Services Limited for Mechanical Installation - N16.91 million, Daniels Construction for Access Road - N109.89 million, Western Field Services Limited for Electrical Works in Students Hostel Phase III - N18.28 million and Econ Associates for Consultancy Services - N577,462.17) bringing the total cost to N445.22 million. The award was made in December 2001 while actual work began on 15th January, 2002. A total of N281.39 million was appropriated in 2009. Same amount had been released but only N171.59 million had been utilized to achieve 90% level of completion and is expected to be completed in April 2010. At completion, the project will complement Government's efforts at providing suitable accommodation for students at institutions of higher learning.

Picture 9: Newly Constructed Student Hostel at Nnamdi Azikiwe University, Awka, Anambra State

iv. Education Faculty Building

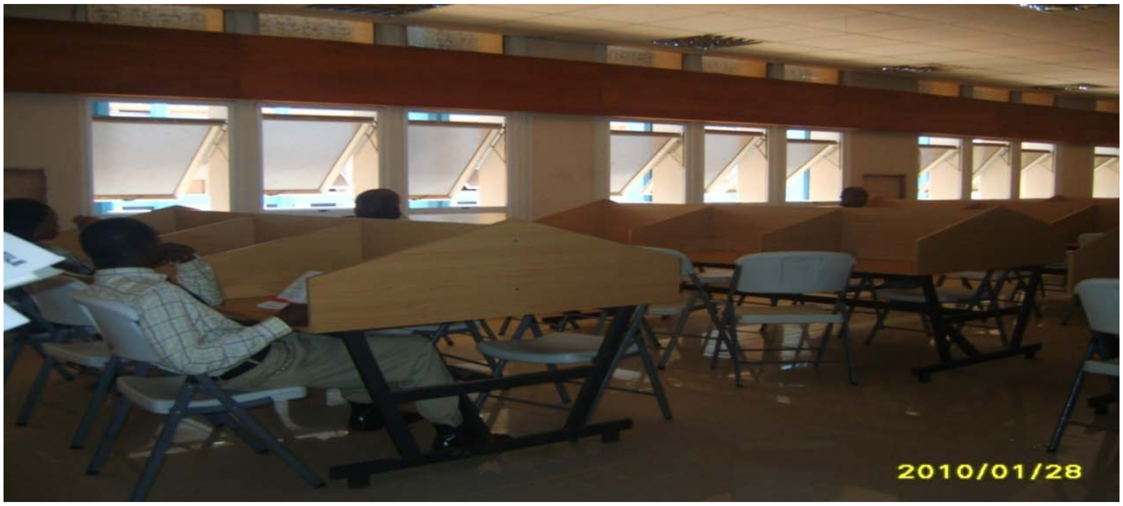
The contract was awarded to two different contractors, namely; (Messrs Wilangy Nigeria Limited for Main Building and Mechanical Works - N246.07 million and Monik Technical Services Limited for Electrical Works - N31.89 million). The total cost came to N277.96 million while actual work commenced in April 2007. The sum of N120.0 million was appropriated, released and utilized in 2009. The project was at a 60% level of implementation and is expected to be completed in June 2010.

59. *University of Nigeria, Nsukka*

The Institution was allocated the sum of N439.24 million in the 2009 Budget for the implementation of its capital projects and programmes. At the time of this report, N439.24 million had been released and utilized to execute among others, the following projects visited by the team:

i. Completion of New Library

The new library was initiated to provide adequate learning and research facilities for staff and students. The contract was awarded to Messrs E.M. Mechelleti & Sons Nigeria Limited at the cost of N900.02 million. Work on the project commenced on 20th November, 2004 and was expected to have been completed by 31st December, 2009. The sum of N91.0 million was appropriated and released in the 2009 but only N84.89 million was utilized to bring it to 95% level of completion.



Picture 10: Completion of Ongoing New Library Complex at University of Nigeria, Nsukka

ii. *Remodelling of Vice Chancellor's Office Building*

This project was initiated to provide office accommodation for the Vice Chancellor and other staff of the Institution. The contract was awarded to Messrs Halcon Engineering Associate Limited at the cost of N98.49 million. Work began on 15th May, 2007 and was expected to have been completed by 31st December, 2009. The sum of N20.0 million was appropriated and released for the project in 2009. Same amount had been utilized to bring total commitment to date to N64.19 million. At the time of this report, the project was at 95% level of completion. Outstanding work on the fittings was being carried out while the Vice Chancellor had already moved into the building as a means of ensuring early completion of the project.

60. *Federal College Of Education (Technical), Gombe*

The total sum of ₦161.8 million was appropriated to the Institution in the 2009 Budget, out of which the sum of ₦160.95 million was released and utilized for execution of its projects which include the following:

i. *Construction of Science Complex: Phase IV*

This project involves the completion of the science complex (phases iii & IV), procurement of various science books; furniture and equipment, supply and installation of safety devices; external works and electrification of the science complex. Its various components were awarded to 7 contractors at the cost of N145million. These are Karyo Projects & Partners, Classic Professional Concept, Babatatu Nig. Ltd, Tripple Trust Nig. Ltd, Solar World Nig. Ltd, Idle Crystal Ltd; and Minno Global Concept Ltd. It commenced in 2007 and all elements of the project were expected to be completed in December, 2009.

The sum of ₦100.85 million was appropriated, released and utilized in 2009. As at the time of visit, all the components of the project were concluded and handed over to achieve 100% cumulative performance and handed over.

61. *University of Uyo*

The sum of N4.41billion was appropriated to execute the Institution's capital projects/programmes. These included the following:

i. Completion of Faculty of Science Phase 1Building Complex at the Main Campus

This project was awarded in January 2008 to three different contractors. These were Sunex Nig Ltd (building work at the cost of N230. 23 million), Jackey-jay Engineering (mechanical/electrical services at the cost of N57.70 million) and Kenjohnson Limited (furniture and fittings at the cost of N60.17million). In 2009, N40 million was appropriated, released and utilized. An additional N192m was also injected into the project from the N263 million appropriated to the University in 2009 as part of the recovered unspent funds from 2008. The project was expected to be completed in January 2009, but at the time of monitoring, the structure was about 78% completed, mechanical and electrical services was 30% completed while fittings was about 25% completed. The construction work is progressing and it is expected that on completion, the complex will provide a centre for teaching and research in the Sciences at the University.

ii. *Teaching and Research Equipment*

The supply and installation of teaching and research equipment to the Department of Civil Engineering was done at the cost of N50.25million and was a direct purchase from Manufacturers Controls (UK). The supply which began in December 2008 and was allocated N35million in the 2009 Budget was completed at the time of monitoring with all the equipment fully supplied and installed.

62. General Remarks

A vibrant education sector with the ability to carry out cutting-edge research and development is essential for driving innovation and producing an educated populace capable of managing all sectors of the economy. The importance accorded to human capital development and thus the growth of the education sector, as outlined in the 7-Point Agenda and the Millennium Development Goals is demonstrated by the allocation of a significant portion of the budget to projects in this sector.

The timely release of funds for the procurement of laboratory and research equipment, construction of lecture theatres and the rehabilitation and renovation of academic facilities contributes to the goal of making our higher institutions, centres of academic excellence. The sample of completed projects at UNN, UNIZIK, University of Agriculture, Uyo and Federal College of Education, Gombe are clear indications of the commitment of the Federal Government to the repositioning of our tertiary institutions for greater achievement.

Federal Capital Territory Administration (FCTA):

63. *Infrastructure Projects*

This sector was allocated a total of N133.15 billion in the 2009 Budget. At the time of this report, the same amount had been released while N51.77 billion was utilized to execute various projects/programmes among which are those listed below:

i. *Construction of Phases 3 & 4 (20,000m^3/hr) Lower Usuma Dam (LUD) Water Treatment Plant*

When completed this would be one of the largest single water treatment plants in Africa. It was conceived with the objective of improving the water supply and enhancing the socio-economic well being of the people of the FCT. The contract commenced on 5th August, 2005 and was awarded to Messrs Biwater Nigeria Limited at an initial cost of N14.29 billion. The sum appropriated and released in 2009 was N3.10 billion which was utilized to bring the total commitment to date to N13.12 billion and an 84% level of completion.

The major challenge facing the project included the procurement of raw water pipeline and fittings from Messrs SCC to connect the bifurcation point and LUD supply to phases 3 & 4. Payment had been made while the supply of the pipes and fittings were being awarded. Conclusion of the Review of Total Cost and the approval of variations/additional works in the sum of N3.80 billion were being processed. The project was expected to be completed in December 2010.

ii. *Completion of Nigerian Institute of International Affairs*

The project was awarded to Messrs Julius Berger Nig. Plc on the 4th of January, 1999 at a cost of N860.86 million and was later revised to N2.52 billion on the 19th of December, 2006. Work did not commence until 14th January, 2008 but was completed on 12th June 2009. In 2009, N500 million was appropriated and released while N2.47 billion had been committed to the project since inception with N42.39 million retention fees still outstanding.

Its scope included the completion of a furnished four (4) storey office building, supply and installation of a generator with associated electrical equipment, construction of a generator house, construction of internal roads, parking lots, drainage and landscaping. At the time of visit, the project had achieved 100% completion level and was under use as the Corporate Headquarters of the Federal Capital Development Authority (FCDA) following Mr President's approval of 16th February 2009.

Picture 11: Completed Corporate Headquarters of FCDA

iii. Provision Of Engineering Infrastructure, Katampe District Extension

The project is aimed at providing new infrastructure and maintaining the existing infrastructure and utilities in the district. It was awarded on the 12th of January, 2001 to Messrs Reynolds Construction Company (RCC) Nigeria Ltd, at an initial cost of ₦7.94billion which was later revised to ₦12.53billion.

Work commenced in April, 2001 with an initial completion date of September, 2003 but this was extended to June, 2010. In 2009, the sum of ₦1.6billion was appropriated. However, no release was made due to an over-payment of ₦1.2billion to the contractor by the Federal Ministry of Finance as outstanding liability in December, 2008.

As at the time of monitoring, work done included: construction of 11 nos. box/ring culverts in the district; sewage treatment plant with all electro-mechanical equipment in place, installation of 695 nos. street lighting poles, construction of 1.5km stream channels and excavation and laying of 33KV/11KV cable from the main Katampe power station to the district. Others include 439 nos. plot connections to foul sewers and water supply lines, provision of fire hydrants and air release valves along water lines, training of about 1.5km stream channel, etc. The total sum of ₦11.91billion was committed to attain an overall percentage completion of 96%. Meanwhile, the sum of ₦616.99 million is further required to complete the project. The outstanding works were electric power and water supply.

Picture 12: Sewage Treatment Plant at Ktampe District

iv. Development Of Engineering Infrastructure, Karmo

This project is to provide infrastructural facilities (roads, water, electricity, drainage/sewage system) to Karmo residential district which is within phase III of the Idu Industrial area of Abuja. The contract was awarded to Messrs SCC Nig. Ltd on the 11th of February, 2002 at a sum of N6.4 billion plus €116.46 million with an expected completion date of September, 2006.

Owing to an increase in the number of plots (along with associated roads and services) from 103 to 164, there were changes in the specification of storm drainage networks and road widths. The contractor downed tools and applied for a variation of N14.22 billion plus €251.45 million, which was approved with a new completion date of September, 2012.

In 2009, N1.0 billion was appropriated, released and utilized while N6.9 billion plus €125 million had been committed from inception to achieve a 52% level of job completion.

As at the time of inspection, 4.75 km of asphalted concrete builder, 2.30 km of storm drainage network, a 5 km length of water distribution, 221.05 hectares of bush clearing for the road network and main truck sewer lines, the removal of 1,695,978.00 m^2 top soil and 65% earth works to formation level on the road works had been completed.

v. Rehabilitation and Expansion of Airport Expressway Project

The road project, which had the dual objective of reducing traffic congestion and generating employment for about 400 skilled and unskilled casual workers involved in the construction project, was awarded to Messrs Julius Berger Plc for N108.42 billion. It commenced on 13th May, 2009 with 13th April, 2011 as the expected date of completion.

This project comprises the rehabilitation of the existing dual carriageways and its expansion to 10 lanes, inclusive of the service lanes on both sides. The scope of work among others included the construction of 1No. pedestrian bridge, interchange structure (flyover) and 3 Nos river bridges, 12Nos pipe culverts, 2Nos box culverts, conduit for post and telecommunications as well as power supply and street lights. The sum of N11.56 billion for Lot 1 and N11.93 billion for Lot 2 was appropriated and released in 2009. Only 8% cumulative performance level was recorded while commitment stood at N23.46 billion for both lots. The team was assured that work would be completed as scheduled.

vi. Provision of Engineering Infrastructure to Jabi District

Messrs Julius Berger (Nig) Plc won this contract in 1998 at the cost of N2.06 billion (local component) and €14.16 million (foreign component). The project was aimed at providing infrastructural facilities such as road works, storm drainage, foul sewer, drinking water, electrical system, telecom duct& manholes, street lighting, power substation, etc to the residents of Jabi District. The total sum of N1.0 billion was appropriated in 2009 and same was released and utilised. Work commenced in February, 1999 and is to be completed in December, 2010. The recorded achievement in 2009 stood at 5% while, the cumulative achievement as at the time of the visit was 90%.

64. General Remarks:

The development of quality infrastructure befitting the Federal Capital of Nigeria is of priority to this Administration. To achieve this goal, substantial investments have been made to upgrade existing infrastructure and provide utilities where none have been in existence, particularly in the suburbs and satellite towns. The completion of the projects currently being executed by the FCDA would improve the quality of life of the residents of the FCT and facilitate the following:

- Easy movement of goods and people;
- Reduction in traffic congestion along major roads;
- Reduction in accident rates;
- Opening up of new areas for development, thus reducing overcrowding;
- Improvements in the supply of basic utilities such as water, electricity, waste disposal etc

FEDERAL MINISTRY OF HEALTH

The Federal Ministry of Health was allocated a total of N50.80 billion in the 2009 Appropriation Act for the execution of its capital projects and programmes. As at the time of this report, the sum of N50.34 billion had been released while N24.51 billion had been utilized. Some of the projects monitored by the teams include:

65. *Federal Medical Centre, Owerri*

A total of N397.27 million was appropriated and released to the Centre in the 2009 Budget. As at the time of this report, this had been released and utilized in the execution of its projects which include:

i. *Completion and Equipping of Main Theatre Phase 2*

The contract for this project, which commenced on the 13th of July, 2009 was awarded to Messrs Tonimann Nigeria Limited at the cost of N44.84 million and is expected to be completed by 31st December, 2010. The sum of N20.58 million was appropriated and released. The same amount was utilized to achieve 62% level of completion. The project was still ongoing and the team was informed that provision had been made for its completion in the 2010 budget.

ii. *Rehabilitation of Labour Ward*

The objective of the project was to renovate the dilapidated labour room (one storey building). The contract began on 1st June, 2009 and was awarded to Messrs Wealco Nigeria Limited at the cost of N77.71 million. The sum of N40.04 million was appropriated and released in 2009. The full amount was utilized to bring it to 53% level of completion and it is expected to be completed by 31st December, 2010. Work was still ongoing and the team was informed that provision had been made for its completion in the 2010 budget.

iii. Procurement, Supply and Installation of 6 Bedded ICU Ward Equipment

The contract for this project commenced on 7th August, 2009 and was awarded to Messrs JNC International Limited at the cost of N80.0 million. The sum of N80.0 million was appropriated and released in the 2009 Budget and the amount was fully utilized. The equipment had been procured and supplied but could not be installed because the space for its installation was still under construction.

iv. Diagnostic Centre

This project entails the construction of a two-storey building with the objective of housing all the laboratory activities and laboratory staff offices of the medical centre. The contract commenced on 13th July, 2009 and was awarded to Messrs Skill Associates Nigeria Limited at a cost of N248.51 million. The sum of N150.0 million was appropriated and released in 2009 and was utilized to attain a 60% level of completion. The project was still ongoing and block works on the 2nd floor had reached an advanced stage. The team was informed that provision for the completion of the project had been made in the 2010 budget.

Picture 13: Ongoing Construction of Diagnostic Centre at Federal Medical Centre Owerri

66. *Federal Medical Centre, Birnin-Kebbi*

In the 2009 budget, the sum of N313.66 million was appropriated for the medical centre for the execution of its capital projects some of which are listed below:

i. Completion of Polyclinic Blocks and Procurement of Theatre Equipment

This project is a 6 nos. block, designed to accommodate the Medical Out-Patient Department (MOPD), General Out-Patient Department (GOPD), Paediatrics Out-Patient Department (POPD), Surgical Out- Patient Department (SOPD), Ear, Nose and Throat Department (ENTD), and the Accident & Emergency Department (A&E). In 2009, the sum of N43.65 million was appropriated and released for the construction of Polyclinic Phase V and VI and the supply of theatre equipment. Contracts for the projects were awarded to Messrs R. Orjens, Messrs First Spil and Messrs KLS Martins at a total cost of N48.79 million in February 2009 and the project was completed in December 2009. This project demonstrates Government's commitment to upgrading the existing healthcare infrastructure in the country.

ii. Procurement of Special Medical Equipment

The sum of N27.94 million was appropriated and released in 2009 for the purchase of special medical equipment. The contract was awarded to Marivara and KBB Tauntman at a cost of N27.94 million in February 2009 with a completion date of December 2009. As at the time of visit, the following had been supplied: 10 nos. infant incubators, 6 nos. monitors and 6 nos. suction machines. Implementation of this and other similar projects will contribute towards the reduction of infant and maternal mortality rates in Nigeria.

Picture 14: Infant Incubators at Federal Medical Centre Birnin-Kebbi

Picture 15: Monitors at Federal Medical Centre Birnin-Kebbi

iii. Completion of Oxygen Plant

In 2009, the sum of N36.5 million and N11.5 million respectively were appropriated and released in the main and supplementary appropriation for this project. The contract for the supply of the oxygen plant was awarded to Stonebridge Nig Ltd at a cost of N48 million in February 2009 and completed in December 2009. At the time of visit, the equipment had been supplied, installed and was fully functional with medical gas piping extended to all the theatres, intensive care unit (ICU) and wards. Access to oxygen had posed a major constraint to health care delivery in Nigeria in recent times; however, by allocating funds to the supply of oxygen plants to hospitals across the country, this problem is being addressed.

Picture 16: Oxygen Plant at Federal Medical Centre Birnin-Kebbi

iv. *Procurement of Medical Equipments for the Theatre and Radiology Complex*

The sum of N57.94 million was appropriated, released and committed to the supply of medical equipment which was awarded to Messrs GE Medical Equipment at a cost of N57.95 million in February 2009. The monitoring team was informed that the equipment would soon be supplied.

v. *Procurement, Supply and Installation of Six Bedded Intensive Care Unit (ICU)*

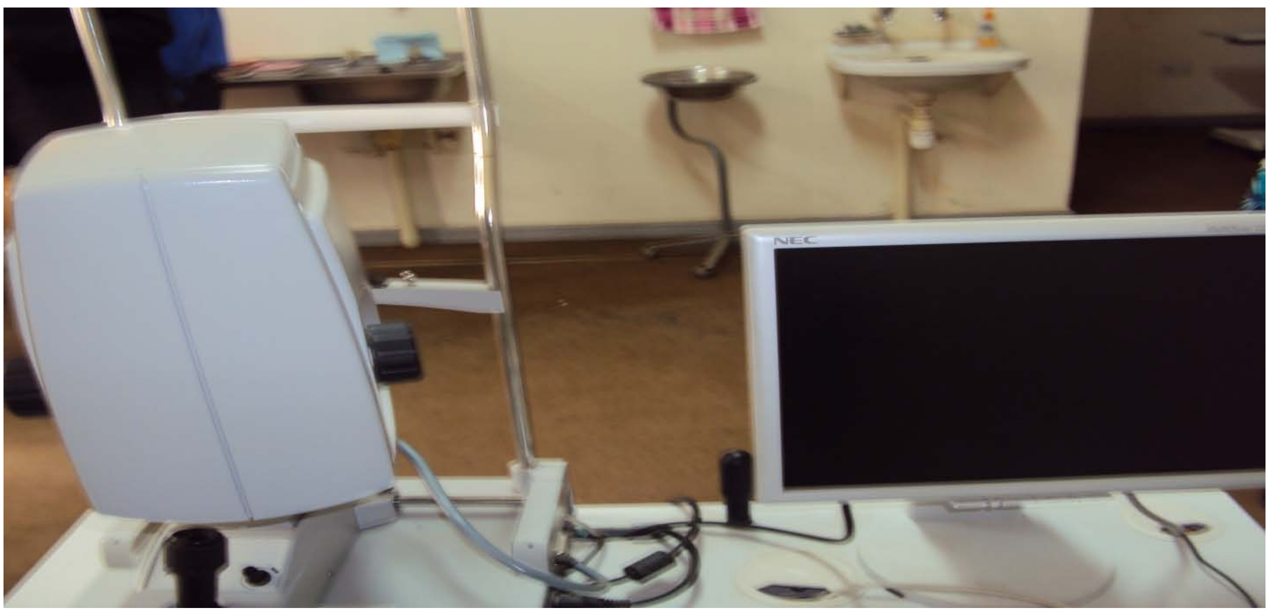
The sum of N80 million was appropriated, released and utilized for these purchases. The ICU beds had been supplied, installed and put to use, though overall completion level for the projects was 87.5%. It is expected that this project will aid in the delivery of emergency health care services in Birnin Kebbi and its environs.

Picture 17: Intensive Care Unit at Federal Medical Centre Birnin-Kebbi

67. *National Eye Centre, Kaduna*

The sum of N106.59 million was appropriated in 2009 for the implementation of capital projects/programmes in the centre. The projects include:

Picture 18: Capping and Filling Machine at National Eye Centre, Kaduna



Picture 19: Fundus Camera at National Eye Centre, Kaduna

i. *Procurement of a YAG Laser Machine, Ultrasonography Equipment A and B*

The sum of N30.4 million was appropriated in 2009 for the procurement of a YAG laser machine and ultrasonography equipment which was awarded to Delly Kay Nig. Ltd in October 2009. All the equipment had been supplied, installed and put to use as at the time of visit. It was expected that the equipment would help to improve accuracy in the laboratory and radiological imaging diagnosis of patients.

Picture 20: Ultrasonography A and B at National Eye Centre, Kaduna

ii. Procurement and Installation of Essential Medical Equipment

The contract for the procurement and installation of essential medical equipment was awarded to Unique Eye Centre Limited in October 2009 at the cost of N20.75 million. In 2009, the sum of N20.9 million was appropriated, released and utilized. All equipment were supplied, installed and put to use at the time of our visit.

68. <u>*University of Maiduguri Teaching Hospital, Maiduguri*</u>

In the 2009 fiscal year, the total capital appropriation for the teaching hospital was ₦460million and was fully released. The following projects were monitored.

i. Supply of Medical Equipment.

The project's objective is to improve the diagnosis, treatment and management of patients in various aspects of medicine. It commenced in November 2009 and is expected to be completed in March 2010. The contract was awarded to two (2) contractors (Philip Medical Systems, and GE Health Care Technologies) at the total cost of ₦200 million. It consists of four (4) components namely: procurement and installation of 2Nos. Logic 7 ultrasound scans, 5Nos. Logic 5 ultrasound scans, 12Nos. fetal monitors, and 1No. CT scan. In the 2009 budget, the sum of ₦200 million was appropriated, fully released and utilized. As at the time of monitoring, project implementation was in progress.

69. *Federal Medical Centre, Yola*

The Hospital was allocated the sum of N140.38 million in 2009. The entire sum was released for the implementation of its capital projects/programmes out of which the team monitored the following:

i. *Completion of Oxygen Plant*

The project is aimed at piping oxygen through the theatre and Special Babies Unit (SBU) wards. The contract was awarded to Messrs Air Separation Nig. Ltd at a cost of N36.5 million. It commenced in July 2009, and was expected to be completed in December 2009. The sum of N36.5 million was appropriated and released in the 2009 budget; out of which N34.6 million had so far been committed to attain 95% completion.

70. *Federal Medical Centre, Gombe*

The sum of ₦743.6million was appropriated for the Institution in the 2009 budget which was released and utilized for the execution of its capital projects and programmes, which included the following, amongst others:

i. *Completion of Radio-diagnostic Complex*

Messrs G.E. Health Care Technologies and nine others won the contract at the cost of N350million. It commenced in May, 2009 and was to be completed by March 2010. In the 2009 fiscal year, the sum of ₦350 million was appropriated, released and utilized. As at the time of monitoring, the supply of 4nos. ultrasound machines, 2Nos. automatic rapid film processor, Doppler & multi-purpose ultrasound standing machine; office furniture, networking equipment, a CCTV monitor; as well as the supply and installation of a 250KVA generating plant for the machines were 100% concluded The equipment will be put to use once commissioned and it is expected that these equipment will enhance radio-diagnostic capabilities at the Federal Medical Centre.

ii. Provision of CT Scanner and X– Ray Machine

The projects for the supply of a 16-slide CT scanner and a static X – ray machine (with accessories) were awarded to Messrs Philips Medicine Systems at the cost of ₦300 million & ₦20 million respectively. The full amount was appropriated and released in 2009. Both projects commenced in October 2009 and are expected to be completed in March 2010. At the time of visit, the construction of the CT Room had been completed while the walkway was close to completion. The CT scanner and X-Ray machine were yet to be delivered.

Picture 21: Completed CT Scan Block awaiting Installation of Machines

iii. Provision of Surgical and Medical Equipment

The project which was conceived to supply major surgical and gynaecology instruments, ECG Machines, hospital furniture and seminal fluid analysis machines to the hospital was awarded to Velocity Hosquips Hydermax at a cost of ₦20 million in May, 2009. It received a budgetary allocation of N20 million in 2009 and this was fully released and utilized to attain 100% level of completion.

71. *University of Uyo Teaching Hospital, Uyo, Akwa Ibom State*

The sum of N150.41 million was appropriated to this hospital in the 2009 fiscal year to execute its capital projects/programmes which include the following:

i. Completion and Equipping of Oxygen Plant

This project is designed to provide oxygen for life support in all units of the hospital. The contract for the procurement and installation of this plant was awarded to Messrs Medast Ltd, Medical & Allied System Technology, which commenced in July, 2009 at a cost of N26.95 million with an expected completion date of December, 2009. The sum of N20 million was appropriated in the 2009 budget and this was released and utilized. The total amount committed to date is N26.95 million to achieve 100% level of job completion.

72. *Federal Medical Centre, Ido Ekiti*

i. Construction of Admin Building

The construction of the administrative building was intended to provide adequate office accommodation for the day to day management of the Centre. The contract for the construction was awarded to Ogunsilber Builders at a cost of N126 million on the 20th of December, 2005 and was to be completed in

December, 2009. N50 million was appropriated, released and utilized to attain 100% level of completion.

Picture 22: Admin Block-FMC Ido Ekiti

ii. *Construction and Procurement of Medical Equipment for the Intensive Care Unit (ICU)*

The contract for the construction of the Intensive Care Unit (ICU) was awarded to Adokson Nig Ltd on the 23rd October, 2008 at a cost of N24.7 million with a completion date of December 2009. Appropriation for 2009 was N22.77 million, with the same amount being released and utilized.

On the other hand, the contract for the procurement of the ICU medical equipment was awarded to Accouns Nig. Ltd - CP/09/518 on the 9th June, 2009 at a cost of N100 million with a completion period of December, 2009. The appropriation for 2009 was N100 million and same was released and utilized. The team was informed that all the equipment had been procured by the contractor and they were awaiting delivery. Once the intensive care unit is fully operational, it will provide critical care to patients in Ido Ekiti and the surrounding towns and villages.

iii. Construction of Cardiac Centre

The Cardiac Centre was built to provide cardiac care for patients and training for health care professionals in Ekiti and the adjoining states. Its construction was awarded to Olotu Holdings on the 23rd of October, 2008 at a cost of N33.41 million. The sum of N20.49 million was appropriated in 2009 and the same was released and utilized to attain a 100% level of completion. The completion date was December, 2009.

73. *University Teaching Hospital (UCH) Ibadan*

i. Completion of Renal Transplant Building/Procurement of Renal Transplant Equipment

In view of the increasing prevalence of renal complications among the populace, the University College Hospital, Ibadan embarked on the construction and equipping of a Renal Transplant Centre. This was done to provide high quality renal care for patients in Nigeria without their having to bear the exorbitant costs of obtaining comparable care outside the country. The construction work was awarded to Messrs C-Well Nig. Ltd in 2008 while the contract for the procurement of the equipment was awarded to Messrs Honey Surgiprod, Rodot, Dencora, ERS, Khintol, Blenders and Deroox in October, 2008 at a total cost of N170million. The appropriation for 2009 was N20 million with the same amount released and utilized. The project had attained 95% completion with only external works outstanding at the time of our visit.

Picture 23: Prof Akinkugbe Renal Centre – U.C.H Ibadan

ii. *Construction of infrastructures, Power Generation and Procurement of Medical Equipment*

The projects include road construction Lot I, II, III and X on additional land acquired by UCH, procurement of an RMU transformer for enhanced power generation and various medical equipment. The contract was awarded to six (6) contractors namely: Broad Projects, C. Well, Blessed Fatson, Alben Technologies, Derilar Enterprise and Tellade at the cost of N1.0 billion. In 2009, N1 billion was appropriated and released, out of which N921.29 million was utilized. The projects are expected to be completed in 2010. The project had attained 95% level of completion. Work done included the laying of asphalt on roads in Lots I, II, III, X and installation of switch gear panels on the RMU transformer.

74. *University of Abuja Teaching Hospital, Gwagwalada*

The Hospital, which took over from the former Gwagwalada Specialist hospital in September, 2006, lacks adequate structures to house most of its facilities. The sum of N403 million was appropriated in 2009 to execute the following projects:

i. Oxygen Gas Piping in the Hospital

The plant has about 3 outlets situated within the hospital premises. It is aimed at making oxygen gas readily available to patients at all times. The contract was awarded to Messrs Air Separation Nigeria Limited on the 26th June, 2009 at the contract sum of N40 million with a completion date of 26th July, 2009. The project was 100% completed.

ii. Completion of Critical Care, Accident and Emergency Unit

The project was awarded to Messrs Femak Associates Limited on the 24th of July, 2009 at the cost of N250 million with a completion date of 24th May, 2010. When completed, it will accommodate patients that require critical care, and emergencies. The sum of N250 million was appropriated and released in 2009 but only N195.5 million, representing about 80%was paid to the contractor to date.

75. *Federal Medical Centre, Lokoja*

The total sum of N143.5 million was appropriated to the Hospital for its various capital projects/programs in 2009, of which the following were monitored.

i. Completion of Oxygen Plant

This was conceived to produce oxygen locally and pipe it to the various units where needed. The contract was awarded to Messrs Air Separation Nigeria Ltd in July, 2009 at the cost of N36.5 million with a completion date of December,

2009. The sum of N36.5 million was appropriated in 2009 and the same appropriated, released and utilized to achieve a 100% level of completion.

76. General Remarks:

Healthcare delivery is one of the priorities of the current administration and is a key element towards the fulfilment of the objectives of the 7-Point Agenda and the Millennium Development Goals (MDGs). Government investment in the sector has resulted in a rise in the procurement of specialized medical equipment such as radio-diagnostic tools, provision of oxygen plants, construction of operating theatres and hospital wards, the establishment of specialized medical centres (e.g. renal and cardiac and centres) amongst others.

This is expected to go a long way in improving healthcare delivery nationwide and ultimately reduce the need for sick persons to spend exorbitant sums of money in seeking care outside the country. Investment in healthcare is a long-term effort and Government will continue to make this sector a priority whilst setting its goals and allocating its limited resources.

Federal Ministry of the Niger Delta

77. A total of N48 billion was appropriated for the Ministry in 2009 to execute its capital projects/programmes which include:

i. Dualisation of East-West Road Section 1, Warri-Kaiama, Delta State (Contract No. 5867)

This project was awarded to Messrs Setraco Nig. Ltd on 18 July, 2006 at a cost of N64.13 billion with an expected completion date of 2 August 2010. The sum of N8 billion was appropriated in 2009, of which the same amount was released and utilized. The total financial commitment since inception was N32.4 billion to achieve a 50% level of job completion.

Work done included: 14 nos completed bridges (with six in progress), 36 completed culverts, sand filling and land clearing. As at the time of visit, the monitoring team was informed by personnel on site that incessant rainfall, payment of compensation and threats from militants accounted for the slow pace of work.

ii. Dualisation of East-West Road Section (I&II) Kaiama – Port Harcourt (Eleme Junction) in Rivers and Bayelsa States

This project which traverses two states is 101 km in total length and was initially awarded to Julius Berger (Nig) Plc in August 2006 but was later revised and re-awarded in two sections to Setraco Nig. Ltd, in May, 2009. The previous contractor, Julius Berger Nig Ltd., withdrew owing to continuous harassment and repeated abduction of their staff. Sub-section I of the project, with a total length of 47km, was awarded to Setraco Nig. Ltd at a total cost of N29.92 billion with an expected completion date of May, 2013. In 2009, the sum of N4.49 billion was appropriated, released and utilized to achieve a 5.8% level of performance. Work done includes engineering survey and design, setting out and site clearance. At the time of visit, the team was told problems arising from the compensation of host communities have negatively impacted the pace of work.

Sub-section II was awarded to the same contractor at a total cost of N44.88 billion and is expected to be completed by 3 May, 2012. The road length is 54km and in 2009, the sum of N1.84 billion was appropriated and released. The total commitment to the project since inception is N6.73 billion, to achieve a performance of 7.2%.

At the time of the team's visit, work done included: site survey and setting out, site clearance and earthworks. The team was also informed that rainfall, security issues and payment of compensation are the major constraints faced by the contractors.

78. **General Remarks**

The under-development of the Niger Delta and the activities of militants in the region are important concerns in Nigeria today. By creating a Niger Delta Ministry, undertaking an extensive amnesty initiative and allocating a large portion of the capital vote to the region, Government has shown a strong commitment to repositioning the Niger Delta for growth. The East-West road, which is one of the landmark projects in the Niger Delta is a major part of our road network, given its strategic importance in linking the Eastern and Western parts of the country. Dualisation of this road will enhance road safety and open up the Niger Delta to other parts of the country, thus promoting commercial activities and allowing the easy movement of persons and goods across the country.

Presently, there are challenges faced by contractors in carrying out projects in this region and to address these challenges, Government will continue its efforts at promoting peace and security in the Niger Delta whilst maintaining its investment in the region, particularly in the area of infrastructure, in the long term.

Federal Ministry of Police Formations and Command

79. The sum of N21.32 billion was appropriated for the Agency in the 2009 budget for the implementation of its capital projects and programmes. As at the time of this report, the sum of N21.32 billion had been released while the sum of N13.14 billion was utilized for the implementation of its projects/programmes which includes among others the following:

i. Rehabilitation of Police Intelligence School, Enugu

The contract for this project was divided into nine components and awarded to eight different contractors namely Trusty Investment Limited (rehabilitation of 4Nos. man rank & file quarters including the construction of toilets - N39.59 million), OGTM Ventures red(rehabilitation of administrative block/library/mess - N29.46 million and additional works for the rehabilitation of 2Nos. SPO's quarters including furnishing of Commanders office - N14.75 million), Ogama Limited (rehabilitation of photo/finger-printing hostel - N12.35 million), Unifit Nigeria Limited (rehabilitation of band building - N19.75 million), Nne-Edakat Technical Ventures (rehabilitation of 2Nos 5-man rank & file quarters including the construction of toilets - N19.63 million), Oakfield Limited (rehabilitation of 2Nos. SPO's quarters & BQ N15.94 million) and Entity Business Concepts (rehabilitation of 1No. block of classrooms - N9.56 million) at a total cost of N161.02 million. The contracts commenced on 31st August, 2009 and were expected to have been completed by 31st December, 2009. The sum of N200 million was appropriated, N161.02 million released while N114.0 million was utilized in 2009. At the time of this report, the project was completed and was already in use. This project will provide our police force with sophisticated tools which can be deployed in effective crime-fighting.

Picture 24: Rehabilitated Classroom Block at Police Intelligence School, Enugu

80. General Remarks

In realization of its goal of improving security, the Government expended N13.14 billion for projects/programmes nationwide in the year under review. This investment is expected to boost the morale of the Nigerian Police, make it more effective and efficient in crime prevention and control thus ensuring a peaceful society.

Federal Ministry of Power

81. The Ministry was allocated the sum of N94.62 billion in the 2009 Budget for the execution of its capital projects and programmes. At the time of this report, the sums of N39.60 billion and N10.14 billion had been released and utilized respectively to execute among others the following projects:

i. Construction of 2x30/40MVA 132/33KV Substation at Umuahia

This project entails the construction of 2x30/40MVA, 132/33 substation at Umuahia for the transmission of power from Alaoji – Umuahia. The contract was awarded to Messrs Valenz Holdings Nigeria Limited at the cost of $7.06 million + N500.30 million. Work commenced on 18th May, 2001 and was expected to have been completed by 17th November, 2002 but was extended to May, 2010. The cost of the project had been varied twice by $2.16 million +N53.10 million in 2006 and $311,553.69 + N296.39 million in 2009.

In 2009, N167.32 million was appropriated released and utilized for the project. The total commitment to date is $6.28 million + N252.32 million. The project had attained an 80% level of completion.

Picture 25: Ongoing Construction of 2x30/40MVA, 132/33KV Substation at Umuahia, Abia State

ii. Construction of 132KV Double Circuit Transmission Line Contract No. Et230.136l110t61

The project entails the construction of a 132kv double circuit transmission line that will transmit power from Alaoji power station to the sub-station at

Umuahia. The contract was awarded to Pivot Engineering Limited at the cost of $4.06 million + N737.32 million. Work commenced on 18th May, 2001 and was expected to have been completed by 31st March, 2003 but had been extended to April, 2010. The project had a variation of N386.66 million, currently under review, due to the extension of the project duration.

The sum of N100.0 million was appropriated and released for the project in 2009. This amount was utilized to bring total commitment on the project to date to $3.99 million + N495.89 million. As at the time of this report, it had achieved 85% level of completion. Recorded achievements on the project include the design progress (engineering and procurement) and site progress (construction works). Some of the challenges facing the project include difficulties in settling compensation issues at tower 22 and problems related to carrying out stringing operations.

iii. Katsina –Daura 132KV-Dc Line

The contract was awarded to Income Electric Limited at a cost of USD 6.33 million and N483.22 million in March, 2008 with a completion date of September 2009 which was later revised to August 2010. The project will enhance the bulk transfer of power to Daura and its environs. The sum of N750 million was appropriated in the 2009 Budget out of which N79.19 million was released. The team observed that the pace of work was slow as only 42 foundation towers out of 251 had been casted. Clearing and construction of an 80 km access road was at 60% completion level due to the following constraints: delays in the payment of compensation by PHCN to farmers, hard rock foundation problems encountered during excavation and difficulties in the clearance of procured equipment from the ports. The project was 35% completed.

Picture 26: Construction Work at Katsina-Daura Power Project

iv. Jos-Kafanchan 132 KV D/C Line and 2 X 30/40 MVA 132/33 KV Substation at Kafanchan

Messrs ElektroMontaz Consortium Valenz Holdings Ltd won this contract at a cost of £4.55 million + N277.18 million on 21st December, 2007. Work commenced on 15th January, 2009 and was expected to be completed in June 2010. The project is expected to provide reliable power supply to Kafanchan and environs. N400 million was appropriated in 2009, out of which N29 million was released and utilized. A total of N159.55 million had been committed since inception. Work in progress included the construction of a work wall perimeter fence (85% completed), top soil removal (carried out in the switchyard and staff quarters area), construction of staff quarters (80% completed). A topographical survey investigation had been completed and the equipment and gantry foundation drawings have also been approved. However, due to excessive rainfall in Kafanchan and the clayey nature of the soil, the overall completion level was 38% at the time of visit.

v. Transmission: Gombe – Damaturu – Maiduguri 330 KV Project

The transmission project, which is domiciled at Damaturu, was conceived to improve power supply to Yobe and Borno states. Covering 192km in length, it was contracted to Messrs KEC – NEWS Consortium at the sum of US$30.15

million plus ₦1.83 billion. It commenced in May, 2007 with a scheduled completion date of August, 2008 but this was later revised to May, 2010. In 2009, the sum of ₦1.2 million was appropriated, while ₦503.3million was released and utilized. Thus, the financial commitment to date is US$ 30.15 million (for the foreign component) and ₦1.60 billion for the local component.

At the time of the team's visit, the foundation for the tower had attained 99.5% (with 660 out of a total of 663 completed) completion while 557 out of the 663 towers had been erected representing an 84% level of completion. Stringing works had also covered 176km (phase conductor and earth wire); and 57km of Optical Galvanised Wire (OPGW)had been laid out of the total 192km to be utilised for coverage. All workers have been mobilized to site and they are currently working on the lines. Other required materials have been supplied and stocked. The overall percentage performance was 92% to date.

vi. Transmission of Yola 2x15 MVA 330/132 KV S/S and 330kv/Bay Extension at Gombe

The Yola sub-station project was contracted to Messrs MBH Power Ltd, at the cost of ₦1.04 billion. The project, which is aimed at improving power supply in Adamawa and Taraba States, commenced in September, 2008 and was expected to be completed by December, 2009 but was later revised to 30th April, 2010.

The sum of ₦1.009 billion was appropriated in 2009, out of which ₦338.3 million was released and utilized bringing the total commitment to date to N627.8million. At the time of the team's visit, some major components of the project were 100% completed viz: 330 & 132KV gantry tower and equipment foundations, gantry tower and equipment structure erections cable trenches, jumpering/dropping, transformers and reactor oil fillings; and construction of the control room (both civil and panel erection). Work in progress includes:

33KV equipment erection, cable laying and construction of staff quarters. Recorded achievement in 2009 is 54%, and the overall project performance since inception is 80%.

Picture 27: Ongoing Transmission Project at Yola Sub-Station

vii. Completion of Counterpart Funding for Japanese Grant in Aid for the Electrification of Eburutu Communities in Cross River State

These projects were mapped out in 3 phases and the contracts for their completion were awarded to Messrs Gayaco Nig. Ltd at the cost of N85.07 million, Messrs News Engineering Ltd at N109.93 million and Best & Compton Engineering Africa Ltd at N67.13 million. The commencement period for the three contracts was June, 2009 and the projects were expected to be completed by March, 2010.

Phase 1 - The sum of N85.07 million was appropriated, of which N70.45 million was released and utilized to achieve 85% level of job completion. At the time of the team's visit, work done included the erection of Low Tension (LT) poles, dressing, stringing and installation of feeder pillar and associated accessories. The contractor mentioned that his major challenge is the difficult terrain because it becomes inaccessible during the rainy season.

Phase 2 - The sum of N109.93 million was appropriated in 2009 of which N59.08 million was released and utilized to achieve 75% level of job completion. At the time of visit, the erection of LT poles, dressing and stringing had been completed, while the installation of the feeder pillar and associated accessories were still ongoing. As is the case with Phase 1 the major constraint is inaccessibility during the rainy season.

Phase 3 - The sum of N67.13 million was appropriated out of which N10.07 million was released and utilized to achieve 15% level of job completion. At the time of visit, LT poles were on site. The contractor however revealed that the slow pace of work is as a result of inaccessibility of the site due to the local community's insistence on the payment of compensation. He mentioned that arrangements were being made by the state government for relocation to a new site.

viii. 2nd Benin-Onitsha 330KVS/C Transmission

The objective of this project is grid stabilisation and willing of power from East to West. The contract was awarded to Messrs Dextron Engineering Ltd on 13th January 2009 at a total cost of $14.8 million plus N2.15 billion with an expected completion date of July 2010.

In the 2009 Budget, the sum of N1.5 billion was appropriated, released and utilized to achieve 45% level of completion. Work done included procurement of river crossing tower members, A line material in 70 containers and piles of river crossing tower formulation. At the time of inspection, the contractor explained to the team members that insufficiency of funds to settle on-shore procurement of some of the components of work affected the progress of the project.

ix. 3rd Benin-Onitsha 330 KV/DC Transmission Line

This project was awarded to Messrs KEC International Ltd on 15th April 2008 at a total cost of $30.49 million plus N1.83 billion with an expected completion date of June 2010. The sum of N750 million was appropriated in the 2009 budget, and same was released and utilized while $30.48 million plus N906.46 billion had been committed to the project to date to achieve 71% level of job completion. As at the time of the team's visit, 274 out of 324 tower foundations had been completed while work on the remaining was dependent on the outcome of soil test reports. Of the 324 towers to be erected, work had begun on 211 and line (conductor) stringing work had just commenced for the first 4.7km section

82. General Remarks

The reliable supply of electricity is a critical aspect of the Federal Government's 7-Point Agenda. Huge resources have been committed towards the attainment of steady power supply for consumption by households, small and medium enterprises, and particularly to drive industry and fast-track our transformation to a fully industrialised economy.

Based on the outcome of the monitoring exercise, it is clear that given the pace of current efforts and the level of investment in the sector, power generation, transmission and distribution services in Nigeria are set to improve shortly. Most of the projects inspected were at an advanced stage of completion and efforts are being renewed to ensure the projects are completed in the shortest possible time.

Revitalising the power sector requires a high level of investment which Government has found difficult to bear on its own. Hence the involvement of private investors through Public Private Partnerships (PPP) is the strategy currently employed by Government to tackle the long-standing problem of electricity supply in Nigeria. This approach has proven successful thus far and Government will continue to bear its responsibility to the Nigerian people by dedicating a large part of the capital vote to the power sector.

Federal Ministry of Aviation

83. *Nigerian College of Aviation Technology- Zaria*

The sum of N1.14 billion was appropriated in the 2009 budget for its capital projects and the same had been released, while N824.33 million was committed to the following projects among others:

i. Purchase of SOCATA TBM 850 Turbo Prop Trainer Aircraft

In 2009, the sum of N550 million was appropriated, released and committed to the purchase of SOCATA TBM 850 turbo prop trainer aircraft. The contract was awarded to IBT Associates in conjunction with Daher SOCATA France at a cost of N767.66 million in August 2009. The actual supply commenced in September 2009 with a planned completion date of March 2010. At the time of visit, milestones achieved include the supply of 1 no. aircraft and the training of 12 pilot instructors and 6 maintenance engineers. The project had attained an 85% level of completion.

ii. Purchase of Aircraft Spare Parts

In 2009, the sum of N60 million was appropriated and released while N59 million had been committed. The contract was awarded to Daher SOCATA France & AVSATEL Communication at a cost of N59.02 million in January

2009 and was completed in December 2009. As at the time of visit, 5 nos engines with other spare parts had been supplied and put to use.

iii. Purchase of AVGAS, Lubricant & Jet A

The contract for the purchase of AVGAS, lubricant & jet A was awarded to Total Nig Ltd at a cost of N150 million in Jan 2009 with a planned completion date of March 2010. The full amount was appropriated and released, while N132 million had been committed. As at the time of monitoring, 1,320 drums of AVGAS had been delivered representing 90% level of performance.

84. General Remarks

Transportation is one of the critical sectors identified for increased investment by the current administration. The Government invested a significant amount in the year under review to ensure a strong and viable aviation sector. The investment of N824.33 million in the Nigeria College of Aviation Technology would create an excellent teaching, learning and research environment thereby leading to the production of world-class trained pilots and associated professionals in the industry.

Federal Ministry of Works, Housing & Urban Development

85. The Federal Ministry of Works, Housing and Urban Development was allocated a total of N209.09 billion in the 2009 Budget for the execution of various capital projects and programmes. At the time of this report, N209.09 billion had been released while N99.38 billion was utilized to execute among others the following:

i. Dualisation of Onitsha-Owerri Road and Eastern Bypass in Anambra State, Section I Contract No. 5660

The Onitsha-Owerri road is a major artery linking the Western part of the country with the Eastern states of Anambra, Imo, Rivers and Cross River States. Prior to the award of the contract, the road was a single carriageway. The dualisation of Section I of this heavily trafficked road commenced at Upper Iweka by Enugu-Onitsha dual carriageway interchange. The existing carriageway is to be rehabilitated within the terms of contract.

This contract commenced on 6th October, 2002 and was awarded to Messrs C.C.C. Construction (Nig) Limited. It had a revised contract sum of N30.85 billion with an extended completion date of 17th August, 2010. The sum of N6.20 billion was appropriated to the project in 2009. Same amount was released while N3.8 billion was utilized to achieve 68.74% level of completion.

A lack of cooperation from the local communities, difficulties in sourcing working materials and the climatic conditions in the area were challenges encountered by the contractors.

Picture 28: Ongoing Daulization of Onitsha-Owerri Road and Eastern Bypass in Anambra State, Section I

ii. Rehabilitation Of Obiozara-Uburu-Ishiagu Road Contract No. 5828

The project entails the rehabilitation of a 42.35km length of road from Obiazara-Uburu-Ishiagu-Enugu-Port-Harcourt. It was divided into two phases. Phase 1 entails the construction of 3 Nos. bridges which had been completed and handed over while Phase 2 involves the rehabilitation of an existing 42.35km length of road which was still ongoing. The contract for both phases was awarded to Messrs Setraco Nigeria Limited on 11th November, 2005 at the cost of N7.98 billion while actual work commenced on 14th May, 2007. It was expected to have been completed by 10th November, 2007 but had been extended to 18th November, 2010.

The sum of N3.0 billion was appropriated and released in 2009. At the time of this report, N2.2 billion was utilized while a total of N4.06 billion had been expended to achieve 62% level of completion. Achievements recorded include substantial completion of the first 14km of the road, earthworks from 14km - 28km, binder course over 14km-20.45km and site clearance from 28km-31km. The initial challenge faced by the contractor was the unsuitability of the soil in the area.

iii. Rehabilitation of Funtua-Dayi-Yashe-Kano State Border Road-Katsina

This road links Zaria-Sokoto road with Gwarzo-Kano and Katsina-Kano road, making it a connector of major commercial cities in the North –West axis of the country. The contract was awarded to Messrs Mothercat Nigeria Limited at a cost of N5.62 billion on the 22nd of May, 2003 with a completion date of July 2007 but later revised to December 2010 at the cost of N9 billion. This project was designed to rehabilitate a 193.7km stretch of road, scarification of failed carriage way sections, reinstatement with approved lateritic base and sub-base material; completion with asphalt overlay as well as some ancillary works. As at the time of visit, 100km length of road had been completed while work was ongoing between km 84-85 representing 51.63% level of completion. In 2009, N1 billion was appropriated, released and utilized. Once completed, this road will bring immediate relief to commuters who frequently ply this road.

Picture 29: Completed Section of the Road

iv. Construction Of Kaduna Eastern Bypass Road

The objective of this 58.5 km length of road was to ease traffic congestion within the Kaduna metropolis. The project, which spans Kakau Hill to Rigachikun, was awarded to Messrs Eksiogullari construction Nig. Ltd at a cost of N16 billion which included a variation of N999.88 million. The project commenced on the 24th of November 2002 with an initial completion date of November 2005 but later extended to December 2010. In 2009, N1 billion was appropriated, while N111.1 million was released & utilised and N9.18 billion has committed to the project since inception.

The scope of work included a 48.5km length of dual carriageway, each 7.30m wide on either side, 10km dual carriageway spur to Rabah road, 8 nos. land bridges at the interchange, 10 nos. river & stream bridges, 2 nos. flyover across railway lines and 20 nos. box culverts. At the time of monitoring, site clearing on a 46km stretch of the main road alignment, beginning at the origin, as well as 17 nos. box culverts had been completed, while the earth and pavement works were in progress. The project had attained 40.78% level of completion. It was however observed that non-payment of interim certificates was the current challenges.

v. Dualisation of Kano – Maiduguri Road (Section IV: Potiskum – Damaturu)

The project, which covers 96.24km, is one of the 5 sections of the Kano – Maiduguri Road. The existing road (Potiskum – Damaturu) is also to be fully rehabilitated under the contract. This section of the road was awarded to CGC Nigeria Ltd at a sum of ₦30.25 billion. It commenced in February, 2007 and was originally scheduled for completion on 30th November, 2009 but was later revised to 10th February, 2012.

In 2009, the sum of ₦1 billion was appropriated, fully released and utilized. A sum of ₦12.7 billion has so far been committed to the project, out of which ₦8.29billion was outstanding to the contractor. As at the time of monitoring, site clearance, earthworks (filling/sub-grade), sub-base, stone base, shoulder works, bridges and retaining walls were in progress. The overall percentage completion was 27%.

The contractor alleged that non-payment of certified certificates and non-vacation by some supposed beneficiaries who refused to accept their compensation due to under valuation of their properties, have constituted a setback to the project

vi. Dualisation of Kano – Maiduguri Road (Section V: Damaturu – Maiduguri)

This section of the Kano–Maiduguri road project was awarded to Messrs CCECC Nigeria Limited at a contract sum of ₦39.9 billion. Work on the 130km road commenced in August, 2006 and was initially expected to be completed by December, 2009 but was revised to 30th August, 2012.

The sum of ₦1 billion was appropriated in 2009 which was fully released and utilized. A sum of ₦8.7 billion has so far been expended, of which ₦4.2 billion was outstanding to the contractor. The ₦1 billion appropriated in 2009 was said to have been utilised in offsetting part of the outstanding liability. When the team visited, the contractor had fully mobilized to site and work was in progress. The project had achieved 15.41% level of completion.

vii. *Completion of Rehabilitation of Ganye - Sugu – Toungu – Jamtare Road*

The 60km road contract was initially awarded to Messrs Stirling Civil Engineering Ltd in November, 1999, and was scheduled for completion in December, 2001. However, the company folded up due to financial difficulties and the project was re-awarded to Setraco (Nig.) Ltd in November, 2005 at the cost of ₦4.79 billion with an initial completion date of 10th May, 2009 which was later extended to 14th November, 2009.

The work, which was in two (2) phases, included Phase I which is the construction of the outstanding sections of the road up to formation level, construction of all outstanding proposed culverts and drains on the road, and provision of stone pitching at culverts outlets and inlets. Phase II consisted of complete execution of sub-base, base course, prime coat and surfacing, kerbstones and chutes, construction of 2 new bridges (9 and 10), and repair and completion of 8 existing bridges.

In 2009, the sum of ₦1.28 billion was appropriated, fully released and utilized. The total amount committed to date is ₦4.22 billion and it had attained 99.5% level of execution.

The team discovered that the section (Ngurore-Mayobelwa-Jada-Ganye) earlier completed by Messrs Stirling Civil Engineering Ltd is failing, and therefore requires rehabilitation. Presently the road terminates at Toungu and it is our recommendation that a contract be awarded to extend the road from Toungu to Jamtare. This would link additional communities to the rest of the road network, thereby rendering it more useful than it is in its present state.

Picture 30: Completed road which should be extended to Jamtare

viii. Rehabilitation of Obudu–Obudu Cattle Ranch Road (Contract No. 5843)

The objective of this project is to rehabilitate the existing 60.5km length of road which is to be completed with asphalted surface and surface dressed-shoulders. This contract was awarded to Messrs Mother Cat Ltd at a cost of N3.14 billion, effective from 9th May, 2006 and to be completed on 31st December 2009.

In 2009, the sum of N1 billion was appropriated, released and utilized while N2.88 billion or 91% of the cost had been committed to achieve 100% level of completion. 35 km of the total length of the road was successfully rehabilitated in 2009. The completion of this road would provide better access to Obudu Cattle Ranch which is currently a famous tourist destination in Nigeria and a source of revenue for Cross River State.

ix. Rehabilitation of Uyo – Oron Road

The dualisation of the 21.3 km long Uyo-Oron Road from Ring Road III to Airport was meant to facilitate easy movement from the metropolis to the airport or Oron town. The contract for this project was awarded to Ghetto Construction Generali Nig Ltd on the 15th of May 2007 at a cost of N13.92 billion with an expected completion date of December, 2010.

In 2009, the sum of N2 billion was appropriated, released and utilized while N9.89 billion had been committed to achieve 71% level of job completion. At the time of visit, work done included: 40km of earthwork, 27 km of pavement and 11 km of drains. The team was also informed that incessant rainfall and delays in the payment of compensation is slowing down the pace of the work.

x. Dualisation of Otta Abeokuta Road/No. 3278:

The chaotic traffic situation along this axis prompted Government to award the contract of dualisation of the 66km-long road to Julius Berger Nigeria Limited on the 14th of October, 2000. The project was to have been completed by 31st December, 2005 at the total cost of N14.08 billion. The contract sum was varied by N2.16 billion and this constitutes the outstanding liability on the project. N943.64 million was appropriated in 2009 to cover the cost of variation and the total amount committed to the project is N14.07 billion.

Picture 31: Construction work at Dualisation of Abeokuta-Otta Road

xi. Abuja-Lokoja Road Section III (Abuja-Koton Karfe)

The project entails the addition of carriageways from Abuja to Koton-Karfe and the rehabilitation of the existing road. When completed, the carriageway will open up rural areas to facilitate the transportation of agricultural produce and other goods to urban centres in the area. The contract was won by Messrs Bulletine Construction Ltd on 3rd August, 2006 at a cost of N9.69 billion with a completion date of 10th September, 2010.

The sum of N2 billion was appropriated in 2009. Work done includes site clearing(68%), earth works(73%), culvert and drain construction(16%), sub base construction(23%), stone base construction(19.5%), laying of a laterite base(6%), laying of prime coat (10%), laying of asphalt binder(16%), while bridge works was at an 80% completion level. The total amount appropriated was released and utilized to achieve 29% cumulative work completion. The team was informed that in 2007 and 2008 no appropriations were made for the project.

xii. Reconstruction of Nassarawa-Loko Road with Alushi Loop

The project was awarded to Messrs Gitto Construzioni Generalli Ltd on the 10th of February, 2006 at the contract sum of N5.40 billion. The aim was to open up rural areas to facilitate the transportation of agricultural produce between the rural and urban areas in the area. The sum of N2 billion was appropriated in 2009 and this was released and utilized to achieve 21% work completion. The cumulative work performance as at the time of the team's visit was 45%. The project is still ongoing and is expected to be completed in August, 2011. Work done includes earthworks (37%), pavement & surfacing (42%) and bridge works (22%).

86. General Remarks

Nigeria has an extensive road network which requires constant maintenance and expansion and should provide a means of safe passage for commuters. By directing funds to the Works and Housing sector, particularly as concerns road construction, Government is taking its share of the responsibility for the expansion of our road network, rehabilitation of degraded roads and the upgrading of ancillary infrastructure. This would reduce the incidence of road accidents, facilitate free and safe movement of persons and goods and open up previously inaccessible rural areas to the urban centres, thus facilitating trade, commerce and ultimately, economic growth.

The level of progress made, as indicated in some of the road projects visited by the monitoring team such as the Uyo-Oron road, demonstrates that these benefits are already accruing to the communities where these roads are located. A lot of work is still required to complete ongoing projects in this sector; however, as efforts are made to address the issues faced by the contractors in completing their work, we believe that tremendous progress will be made in upgrading our infrastructure to internationally acceptable standards.

5. CONCLUSION

87. With the gradual recovery of the global economy in 2009, stability also returned to the domestic economy in Nigeria. Based on data from the NBS, real GDP grew by 6.9 % in 2009 as against 5.99 % in 2008 with the agricultural sector as the main driver of growth. Core inflation was moderated downwards to single digit levels at 9.7% while headline inflation at 12% was driven largely by an increase in the price of certain seasonal food items, cooking gas, liquid fuels and some other household goods. The MPR was reduced from 9.75% to 6% over the course of the year in a bid to stimulate aggregate demand and this led to a drop in interbank call rates although this had little impact on the lending rates by banks. There was greater convergence between the official and parallel market exchange rates and efforts to stabilize the US$/N exchange rate were met with success.

88. Although Government's attempts to stimulate the economy were partially successful, as indicated by the relatively strong macroeconomic indicators recorded in the year, the implementation of the 2009 Budget was not without its challenges. The major challenge was the shortfall between projected and actual revenue. Both oil and non-oil revenue receipts underperformed during the period as data from the OAGF indicates that revenue available for distribution among the three-tiers of government had a shortfall of N626.90 billion (or 17.5%). On a similar note, the total revenue estimated to fund the Federal Budget was N556.94 billion (or 28.34%) below the projected figure of N2,265.21 billion. However, this shortfall was augmented by drawings from accumulated savings in the Excess Crude Account amongst other sources.

89. While N928.18 billion (or 96.60%) of the capital expenditure releases made to MDAs were cash-backed as at 31st December, 2009, based on data from the OAGF, average capital utilization by all the MDAs was given as N562.37 (or 60.59%). Although this is an improvement from the 44.46% performance as of the third quarter of 2009 and data from the OAGF indicates a rise to 77.13%

as of the end of March 2010, the overall performance for 2009 is not encouraging. 14 MDAs had utilization rates of above 80% of their releases while 16 MDAs performed below the overall average during the period. It is expected that MDAs will improve on their performance even as Government continues to dialogue with all stakeholders to determine lasting solutions to the identified impediments to budget implementation.

90. Several facts emerged during field visits to a sample of selected capital projects across selected MDAS which revealed some of the constraints faced by MDAs and their contractors in bringing their projects to completion. These include:

- Disruptions to work by local communities for reasons relating to compensation.
- Overloading of specific contractors with more contracts than they can handle, leading to resources spread thinly across several projects and delays in project completion.
- Delays in payments to contractors even when releases have been made to MDAs by the OAGF.
- Lack of ownership of projects by local communities which leads to neglect of completed projects and a hostile attitude towards contractors.

91. To address some of these challenges, Government has made several efforts to ease the constraints faced by MDAs. The simplification and decentralization of the procurement process, which is an ongoing process, has already yielded positive results and a cabinet-level meeting every month is devoted to assessing the progress made by MDAs in implementing their budgets. Ministerial approval thresholds have also been raised and several training programmes have been organized to train key MDA staff in the e-payment and procurement processes. MDAs are also encouraged to start the

planning phase of their projects as early as possible as this will give them the required momentum to complete their projects on time.

92. The BOF also continues to interact with key MDA officials and other stakeholders involved in the implementation of capital projects to find a lasting solution to these problems. The constraints faced by contractors in particular were also identified at the Budget Implementation Workshop organised by the BOF in February 2010 and efforts are continuously being made to remove all bottlenecks that are currently impeding the budget implementation process

93. The monitoring team also made several observations concerning practices by MDAs which have impeded their ability to implement their budgets.

- Several MDAs did not make adequate provision for the completion of both new and ongoing projects, leading to resources being spread thinly across several projects.
- There were disparities between the actual projects executed by some MDAs and project descriptions in the 2009 Appropriation Act.
- Contract awards for some projects were delayed for no apparent reason by some MDAs, leading to delays in project execution.
- Some contracts were awarded based on the preliminary design rather than the final design, resulting in cost variations.
- Delays in project completion for the reasons outlined above, led to the extension of project completion dates which oftentimes gave rise to additional costs due to the request for 'cost variation' by contractors.
- There were concerns about the manner in which Internally Generated Revenue (IGR) was being utilised by some MDAs in completing their

projects as there are strict and specific guidelines on what portion of IGR can be retained for use by MDAs.

The attention of the concerned MDAs has been drawn to these observations and some of these issues are currently under further investigation. We believe that by resolving these problems, capital utilization rates and thus the achievement of set deliverable targets will improve.

94. The BOF will continue to publish quarterly budget implementation reports to track the progress of key projects. This effort, in line with its mandate under the Fiscal Responsibility Act 2007, has contributed immensely to improvements in MDA performance by providing the Fiscal Responsibility Commission, the Joint Finance Committee of the National Assembly, the general public and other stakeholders with periodic information and analysis on the implementation of the Federal Budget. We believe this will foster an environment within which budget openness, transparency and accountability is enhanced thus increasing incentives for MDAs to deliver on promised deliverables to the benefit of all Nigerians.

APPENDIX

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

2009 CAPITAL PERFORMANCE FOR MDAs AS AT 31st December, 2009

MINISTRY	1ST QUARTER WARRANT =N=	2nd QUARTER WARRANT =N=	3rd QUARTER WARRANT =N=	1st and 2nd QUARTER SHORTFALL WARRANT	4th QUARTER WARRANT =N=	SUPPLEMENT. WARRANT (I) =N=	PAYMENT THRO. AIEs =N=	CAPITAL SUPPLEMEN. =N=	TOTAL RELEASES AS AMENDED = N=	AMOUNT CASHBACKED AS AMENDED =N=	CBN BALANCE @ 31st December 2009 =N=	UTILISATION =N=	PERFORMANCE %
PRESIDENCY	5,339,672,165	378,280,124	1,864,271,105	1,164,990,000	1,949,887,192		-	70,104,218,863	80,404,644,450	80,404,644,450	57,831,205,366	22,573,439,084	28.07
GOVT. OF THE FEDERATION (SGF)	3,655,274,639	-	2,226,452,879	2,093,155,758	2,260,896,775	120,000,000	427,209,101	120,294,995	10,577,840,396	10,577,840,396	3,467,410,364	7,110,430,033	67.22
YOUTH DEVELOPMENT	1,427,562,255	-	1,516,541,668	1,605,521,080	1,516,541,668		-		6,066,166,671	6,066,166,671	3,422,733,140	2,643,433,530	43.58
POLICE AFFAIRS	-	-	41,107,892	82,215,783	56,107,892	-	-	56,143,500	235,575,067	220,575,067	41,258,563	179,316,504	81.30
POLICE FORMATION	2,801,429,176	-	5,331,157,500	7,860,885,824	4,855,157,500	-	476,000,000		21,324,630,000	21,324,630,000	8,181,645,270	13,142,984,730	61.63
WOMEN AFFAIRS	419,200,000	-	624,550,000	829,900,000	624,550,000		-		2,498,200,000	2,498,200,000	486,272,770	2,011,927,230	80.54
AGRICULTURE & WATER RESOURCES[1]	26,820,316,573	19,795,198,330	34,525,310,422	23,452,585,369	34,506,484,992		-		138,824,895,686	138,724,895,686	22,770,521,663	115,954,374,024	83.59
AUDITOR-GEN.	83,500,000	-	435,501,855	787,503,711	435,501,855		-		1,742,007,421	1,742,007,421	1,585,548,081	156,459,340	8.98
ICPC	372,084,541	-	-	-	29,285,959		-	8,490,615	409,861,115	409,861,115	208,711,345	201,149,770	49.08
DEFENCE	5,709,968,351	11,939,106,718	11,572,162,535	8,295,686,631	9,110,975,903	500,000,000	187,500,000		47,302,887,338	47,302,887,338	8,419,410,193	38,883,477,145	82.20
EDUCATION[1]	10,879,828,511	2,871,909,497	8,401,492,179	4,945,228,034	7,478,090,703		1,999,726,917	128,284,948	36,386,571,952	36,372,321,952	12,652,744,324	23,719,577,628	65.21
FEDERAL CAPITAL TERRITORY	3,178,631,875	29,046,368,125	16,662,500,000	1,099,999,999	16,662,500,000		-		66,649,999,999	66,649,999,999	61,382,763,091	51,767,236,908	77.67
FOREIGN & INTER GOVT. AFFAIRS	1,954,921,250	-	32,250,000	56,500,000	-		16,718,449,241		18,468,739,190	18,468,739,190	4,929,645,462	13,539,093,728	73.31
FINANCE	1,153,386,838	-	1,119,699,225	1,290,120,774	1,119,699,225	125,000,000	-		4,807,906,062	4,807,906,062	1,984,183,896	2,823,722,166	58.73
HEALTH[1]	13,357,947,298	4,011,314,577	12,093,977,146	5,704,865,769	10,440,326,294		3,261,727,500	12,081,250	48,643,289,834	48,658,789,834	25,849,371,909	24,509,417,925	50.37
COMMERCE & INDUSTRY	451,736,318	-	1,023,250,000	1,599,763,682	1,023,250,000		-		4,103,157,750	4,103,157,750	420,021,652	3,683,136,099	89.76
INFORMATION & COMMUNICATION	962,500,000	-	292,000,000	462,500,000	358,950,000		-		1,804,700,000	1,804,700,000	78,333,381	1,726,366,619	95.66

OFFICE OF THE ACCOUNTANT GENERAL OF THE FEDERATION.
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INTERIOR	2,591,120,863	-	2,884,798,577	3,349,726,292	2,884,798,577	105,000,000	-		11,659,194,309	11,659,194,309	3,914,784,109	7,744,410,200	66.42
HEAD OF SERVICE	495,992,400	-	1,214,730,450	1,933,468,499	1,214,730,450	70,000,000	-	40,707,072	4,969,628,871	4,969,628,871	1,708,170,031	3,261,458,840	65.63
JUSTICE	288,341,370	-	153,953,542	204,938,333	178,580,921		-	123,767,287	949,581,453	949,581,453	339,802,907	609,778,546	64.22
LABOUR & PRODUCTIVITY	267,097,035	-	182,139,091	190,900,199	175,422,091	20,000,000	-	36,515,000	799,081,363	799,081,363	608,716,021	190,365,341	23.82
SCIENCE AND TECH[1]	2,243,575,462	-	2,677,481,793	3,244,629,799	2,648,490,119		-	2,450,069,714	13,254,996,888	13,254,996,888	1,020,047,858	12,118,036,545	91.42
WORKS	29,128,868,397	101,355,194,895	52,273,460,004	1,833,176,823	24,523,139,899		-		209,093,840,018	209,093,840,018	109,710,913,101	99,382,926,917	47.53
AVIATION	3,161,056,478	6,503,456,510	6,643,766,870	4,323,065,082	6,891,522,020		509,595,000		29,396,574,043	29,396,574,043	18,998,372,961	10,398,201,081	35.37
TRANSPORT	1,539,847,929	16,060,197,813	4,429,747,736	-	2,566,957,531		13,805,280,350		38,402,031,359	25,902,031,359	41,664,824,708	22,578,206,651	87.17
POWER[1]	11,572,701,776	6,215,869,062	9,862,303,179	3,076,347,469	9,361,883,696		-	150,000,000	39,599,212,715	39,599,212,715	29,456,106,021	10,143,106,694	25.61
PETROLEUM	2,719,429,501	8,221,297,374	6,709,818,224	2,505,128,244	6,709,818,224		-		26,847,692,896	26,847,692,896	20,759,279,819	6,088,413,077	22.68
MINES & STEEL	794,168,956	-	1,441,446,020	2,183,034,540	1,352,547,064		-		5,771,196,579	5,771,196,579	2,846,608,258	2,924,588,321	50.68
NATIONAL WAGES & SALARIES	25,253,842	-	57,750,000	90,246,158	57,750,000		-		231,000,000	231,000,000	53,754,913	177,245,087	76.73
ENVIRONMENT	1,222,583,850	-	1,815,098,641	2,444,824,738	1,813,077,084		-		7,293,172,839	7,293,172,839	2,274,906,307	5,018,266,532	68.81
& NATIONAL ORIENTATION	472,320,271	-	1,219,472,000	1,966,623,728	1,219,472,000		-		4,877,887,999	4,877,887,999	805,754,297	4,072,133,702	83.48
NAT. PLANNING	633,127,337	-	138,900,000	72,338,125	138,900,000		1,205,541,441	148,408,650	2,337,215,553	2,337,215,553	125,856,208	2,211,359,345	94.62

OFFICE OF THE ACCOUNTANT GENERAL OF THE FEDERATION.
FEDERAL MINISTRY OF FINANCE
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NATIONAL SPORTS COMMISSION	668,345,824	-	28,006,500	48,442,999	582,125,676		2,000,000,000		3,326,920,999	3,326,920,999	184,518,036	3,142,402,963	94.45
NATIONAL SECURITY ADVISER	250,000,000	-	2,400,000,000	950,000,000	2,400,000,000		3,600,000,000		9,600,000,000	9,600,000,000	3,600,000,000	6,000,000,000	62.50
NIGER DELTA	-	-	12,000,000,000	-	12,000,000,000		24,000,000,000		48,000,000,000	48,000,000,000	16,056,726,394	31,943,273,606	66.55
NAT. POPULATION	295,284,770	-	193,287,452	91,290,134	193,287,452		-		773,149,808	773,149,808	412,239,605	360,910,203	46.68
CODE OF CONDUCT BUREAU	63,863,044	-	-	-	-		-		59,900,000	59,900,000	226,740	59,673,260	99.62
CODE OF CONDUCT TRIBUNAL	117,324,826	-	51,087,811	-	35,938,607		-	51,200,000	255,551,244	255,551,244	1,429,119	254,122,125	99.44
REV. MOB. ALL.	125,000,000	-	200,000,000	275,000,000	200,000,000		-		800,000,000	800,000,000	455,288,919	344,711,081	43.09
FCSC	25,000,000	-	75,000,000	125,000,000	75,000,000		-		330,000,000	330,000,000	236,823,008	93,176,992	28.24
FED. CHARACT. COMM.	142,700,176	-	-	-	-		-		81,876,773	81,876,773	-	81,876,773.24	100.00
POLICE SERVICE COMMISSION	22,665,000	-	-	-	-		-		-	-	-	-	-
INEC	348,234,000	-	1,270,345,000	2,192,456,000	1,270,345,000		-		5,081,380,000	5,081,380,000	3,358,852,134	1,722,527,866	33.90
NATIONAL ASSEMBLY	3,899,363,440	725,636,560	562,500,000	-	562,500,000	1,500,000,000	-		6,750,000,000	6,750,000,000	1,833,764,208	4,916,235,792	72.83
TOTAL[2]	141,681,226,338	207,903,471,373	206,831,787,586	92,432,059,577	171,484,492,367	2,470,000,000	68,191,029,550	73,440,339,644	960,807,658,638	928,178,408,638	474,139,546,151	562,373,099,771	60.59

Source: OAGF and BOF

[1]Utilisation rates for certain programmes/projects in these MDAs were not available at the time of writing.

[2] The overall MDA performance of 60.59% excludes the releases under the 2nd supplementary budget which was passed in late December, 2009 leaving MDAs with insufficient time to utilise funds. If included, performance is 54.26% as per OAGF