



## 2016 FEDERAL APPROPRIATION FOR MINISTRY OF NIGER DELTA AFFAIRS AND MATTERS ARISING

Following the signing into law of the Federal Government's Appropriation Act 2016 by President Muhammadu Buhari, we at the Niger Delta Budget Monitoring Group, NDEBUMOG, conducted a critical review of the appropriation for Federal Ministry of Niger Delta Affairs and came up with some observations. In the course of the analysis, we observed that many of the expenditure line items for this Ministry are for projects already appropriated for, from the inception of the Ministry till date. However, Nigerians do not know actual releases that these projects had drawn from the treasury. It is excruciating to observe that these projects are gulping billions in budgetary projections for several years, without commensurate information, concerning what the earlier appropriations were used for on these recycled budget line-items for some years by this Ministry. Some of such projects include:

*\*Electricity project in Khana, Rivers State (NGDELT1640021344)* has N18 million in 2016 appropriation and it is proposed as a *new* project. This same project had N200 million in 2009, N263.2 million in 2010, N50 million in 2011, N200 million in 2012, N100 million in 2013, N250 million in 2014 (MND A004001678) as *ongoing* project. This same project is tagged "*new*" project in the 2016 appropriation, when already, almost a billion naira (that is, about N950 million) has been allocated to this project in subsequent years.

*\*Electricity project in Eleme, Rivers State (NGDELT1640021345)* has N15.8 in the 2016 appropriation. This project was appropriated for in previous years. For instance, in 2013 it had N80 million and had (MND A004003366) N5 million in 2014. Within three fiscal years, this project had attracted over N100 million.

*\*Electricity project in Erei, Cross River State (NGDELT1640021346)* has N19.7 million in 2016 appropriation, N100 million in 2009, N97 million in 2010, N50 million in 2011, including a projection of N200 million for 2012. The sum of N45 million was allocated in 2014 (MND A004001701) and with the 2016 appropriation, is totaling about N511 million.

*\*Idoro-Eaten Itam Water project in Akwa Ibom State (NGDELT1628021382) has N39.5 million in 2016. The project got N50 million in 2011, N400 million in 2012, N100 million in 2013 and N50 million in 2014 (MNDA006001722). Curiously, this project is tagged new in 2016 and has attracted appropriation of about N89.5 million within 6 years.*

*\*In 2016, Owerri Urban Water project in Imo State (NGDELT1628021385) has N39.5 million. It was allocated N292.5 million in 2010, N50 million in 2011, N500 million projected in 2012, had N50 million in 2014 (MNDA006001729) as ongoing project and is tagged new in 2016. This project has appropriation of about N932 million within 6 years.*

*\*Ubane Utanga Water Scheme in Cross River State has ((NGDELT1628021391) N31.6 million in 2016, after it was allocated N150 million in 2009, N195 million in 2010, and N50 million in 2011 with N516 million in 2012 and N5m in 2014 (MNDA006001737). It is tagged as “new” project in 2016. This project has appropriation of about N942.6 million within 5 years.*

*\*Ukparam Water project in Ondo State had N39.8 million in (NGDELT1628021388) 2016. This project got N100 million in 2009, N97 million in 2010, N50 million in 2011, N177 million projected for it in 2012. Cumulatively, this project has been allocated N463.8 million within 5 years.*

*\*There is N879.1 million (NGDELT1637021334) in the 2016 appropriation for Construction of Skill Acquisition Centre with Resident Supervisors and Furnishing/Equipping in Each State of the Niger Delta Region, which is appropriated for as “new” project. We, therefore, draw the attention of the Ministry to past appropriations for related matters. From Fiscal Year (FY) 2009, several billions were allocated to Skills Acquisition Centres by the Ministry. There was N2.7 billion for such in 2009; N200 million for a Skill Acquisition Centre in Akoko-Edo in Edo State, N127 million Mosogar’s Skill Acquisition Centre, N200 million for Oguta, Imo State, and N300 Million for Ikwerre in Rivers State, N800 million for Technology Centre in Eleme Local Government Area, including design and prototype, which was allocated N50 million in that fiscal year. In 2010, there was a lump sum of N8.7 billion for Skill Acquisition Centres proposed. By 2011, another N2.5 billion was allocated for these Skill Acquisition projects, with N5 billion further projected for the projects by 2012. In 2014, there was N300 million allocated for Procurement of Equipment for Skill Acquisition Trainees, (CoA -23050101002581), which could have meant, these capital projects should have been completed (?). In the same 2014, there was another N4.5 billion for the Construction and Consultancy Services for 9 Skills Acquisition Centres in Oil Producing States (MNDA0010002239). Cumulatively, about N17 billion had been appropriated for these sets of projects over the years, which are more than a budget of an entire Local Government Areas in some states within a whole year. Yet, these projects are still attracting appropriations.*

Apart from the N879. 1 million above for 2016 alone, there are other *Skill Acquisition projects for 2016*, which we have not factored into the above analysis. Such are: **NGDELT1633021449** (N39. 8million), **NGDELT1633021323** (N13.4 million), **NGDELT1635021327** (N27.7million), **NGDELT1633021332** (N75.2million), **NGDELT1633021338** (N79.1 million), **NGDELT1626021360** (N19.7million) and **NGDELT1633021339** (N39.5million). Mapping of the intended beneficiaries of these ELIs should be made public, particularly, as projects concern youths in the Niger Delta.

\*We have noted the inadequate appropriation in 2016, for (**NGDELT1626021367**) *Section V of the East-West Road*, which presently, preliminary work had stopped at Uya- Oro Junction. This section, among others, for the East-West Road should be accelerated, particularly; the Oro-Calabar axis, to reduce the cost of transiting through speedboats to Calabar with related consequences, which the inhabitants of Oro are suffering at the moment. This same Oro to Calabar had an allocation of *N750 million in 2013, N1.4 billion in 2014, with N600 million for 2015 as ongoing project*, sadly, when this project had not proceeded beyond Uya-Oro Junction. Furthermore, the allocation of N1 billion for *Section III* of the East-West Road (15 km PHC-Onne Port Junction- **NGDELT1626021368**) for year 2016 is worrisome, because, as at 12<sup>th</sup> December, 2014, contract was supposed to have been awarded to Mssrs Reynolds Nigeria Limited by the Ministry of Niger Delta, being *Contract for the Upgrading of 15km Section of East West Road from Port Harcourt (Eleme Junction) to Onne Port Junction for N48.8 billion*, with a completion period of 18months. Part of the funding for this component was supposed to come from African Development Bank (AfDB). What happened! Nigerians need to know what happened to this contract.

\*In 2013, N200million was appropriated for *Council on Niger Delta*, just like the N644.2million appropriated in 2013 for this Ministry's *Communication Strategy* that we are yet to see a copy. The same *Council on Niger Delta* got another (**MNDA0012005402**) N100 million in 2014 and in the 2016 appropriation, this *Council* is allocated N79.1million (**NGDELT1633021328**). What is the work of the "*Council*? Does the region really need a "*Council*", when already; there are several reports, declarations and multiplications of institutions for the development of the region but without commensurate developmental actions from these agencies?

\*Someone may muse at reconciling between "*Consultancy for Shoreline Protection-Land Reclamation at Okotutip Ibeno LGA, Okoroette/Okoro Mbokho/Okoroitti, Eastern Obolo LGA, Akwa Ibom State; Anyama, Ogbia LGA, Isanpou, Ekeremor LGA, Bayelsa State; Calabar River Shoreline Phase 1, Calabar, Itighidi River Bank Protection Works, Abi LGA, Cross River State; Ijaghalla (Warri South/West LGA, Bomadi Water Front, Bomadi LGA, Delta State), Awoye West Ward Phase 1, Seluwa West Ward, Abereke West Ward, Ondo State; Obuama, Degema LGA, Rivers State*" at N125.2 million in (**NGDELT1626021455**) the 2016 appropriation Vs "*Shoreline Protection/Land Reclamation at Okorutip, Ibeno LGA, Okoroette / Okoro Mbokho / Okoroitti, Eastern Obolo LGA, Akwa Ibom, State; Anyama, Ogbia LGA, Isanpou, Ekeremo LGA, Bayelsa State; Calabar River Shoreline Phase I, Calabar, Itigidi Riverbank Protection Works, Abi, LGA Cross River State; Ijaghalla (Warri South/West LGA, Bomadi Waterfront, Bomadi LGA, Delta State; Awoye West Ward Phase 1, Seluwa Westward, Abereke Westward, Ondo State; Obuama, Degema LGA, Rivers State and other Existing Studied Sites in 9 Niger Delta States*", which had

N50 million (MNSA0011002395) in 2014. Are these projects related or line swapped, even when the items are related...?

There are several matters concerning this Ministry's appropriation for 2016, particularly, allocations for old projects, tagged as "new", including; what happened to previous allocations to same line items vis a vis other chary budgetary lines that we have observed for FY 2016. Raising a concern is necessary, at this moment, in view of the ongoing preparations for 2017 Appropriation Bill of the Federal Government. However, in fairness to the current Minister, who assumed duties at a time budgetary assemblage had advanced and may not have settled down to interrogate these figures, notwithstanding, we request the Minister to investigate, if these old line items from previous appropriations, "inserted" as *new*, actually got capital releases and at what percentage or what was done with the partial releases, if any. Anti-corruption agencies can also carry out an independent investigation. Importantly, the Ministry should communalize capital projects from inception stages. When projects are clustered around catchments and clans in the budget document, much is left to be politicized.

In conclusion, it is our expectation that the Minister of Niger Delta Affairs shall take full responsibility for this Ministry's budgetary proposition and what is eventually appropriated for year 2017, taking full responsibility for this Ministry's Budget. The MTEF's projections (2017-2019) for this Ministry should also be made available to stakeholders and communities in the Niger Delta. In truth, this Ministry has failed to meet the expectations of Nigerians from inception till date. A reversal of the situation is necessary and urgent, the Ministry, being among windows to addressing the Niger Delta's conundrum.

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