



SOCIALACTION

Social Development Integrated Centre



ABANDONED PROJECTS

**Citizens' Report on Budgets of
Selected States of Nigeria, 2017**

MacArthur
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Abandoned Projects

Citizens' Report on Budgets of Selected States
of Nigeria, 2017

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List of Abbreviations

MDA:	Ministries, Departments and Agencies
NDDC:	Niger Delta Development Commission
DESOPADEC:	Delta State Oil Producing Area Development Commission
NDCBP:	Niger Delta Citizens and Budget Platform
DELSU:	Delta State University
USAID:	United States Agency for International Development
UNESCO:	United Nations Educational, Scientific and Cultural Organization
EFCC:	Economic and Financial Crimes Commission
ICPC:	Independent Corrupt Practices and Other Related Offences Commission
NEITI:	Nigeria Extractive Industries Transparency Initiative
DMO:	Debt Management Office
NDPHC:	Niger Delta Power Holding Company
OMPADEC:	Oil Minerals Producing Area Development Commission
UNEP:	United Nations Environmental Programme
HYPREP:	Hydrocarbon Pollution Restoration Project
PIB:	Petroleum Industry Bill
NNPC:	Nigerian National Petroleum Corporation
IGR:	Internally Generated Revenue
SA:	Special Adviser
SSA:	Senior Special Adviser
VAT:	Value Added Tax
RIVSACA:	Rivers State Agency for the Control of AIDS
SDN:	Stakeholder Democracy Network
CEHRD:	Centre for Environment, Human Rights and Development
BANGOF:	Bayelsa Non-Governmental Organization's Forum
C-SPIN:	Centre for Sustainable Peace Initiative Nigeria
CSO:	Civil Society Organisation
EDOCSO	Edo Civil Society Organisation
RIVSCO	Rivers State Civil Society Organizations
ESOPADEC	Edo State Oil Producing Area Development Commission

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Introduction

Strengthening citizens' advocacy against corruption in the Niger Delta

In Nigeria, there is need to give more attention to the management of public resources at the sub-national levels of government. This is because about 50% of federally collected revenues are expended by the states and local governments that receive monthly allocations from the Federation Account. Inadequate citizens' focus on these lower tiers of government encourages corruption, which is the main reason that after decades of oil exploitation and financial accruals therefrom, states in Nigeria have remained poor and lacking in necessary infrastructures. For example, over ~~N~~ ₦7 trillion accrued to the states and local governments in the 9 Niger Delta state in 18 years (1999 -2016), based on the 13% der-

ivation principle. However, there is very little to show for the revenue¹. The reality on ground is that of widespread poverty, restiveness, inadequate healthcare, substandard public education and dilapidated infrastructure. Agencies and governments in the states vested with the responsibility to manage the commonwealth of the people on their behalf have done a little more than renovating a few roads and schools while the recurrent expenditure which takes care of their official overhead, and humongous allocation to security votes, which are unaccounted for, keep swelling.

This report contains analyses and findings from the participatory and collaborative monitoring of the implementation of the 2017 budgets of selected states of Nigeria as carried out by members of the Anti-Corruption Networks (AcoNets) coordinated by the Social Development Integrated Centre (Social Action). The report contains summaries of the reviews of budgetary allocations and the monitoring of the subsequent execution of the projects for which the allocations were made. In 2017, Social Action's anticorruption advocacy was focused on the Niger Delta states, the south-eastern states and selected northern states. The fieldwork for this report was, however, carried out in selected states which include Akwa Ibom, Bayelsa and Delta states in the south-south. Also included is the report from the south-eastern state of Abia, as well as the northern states of Nasarawa and

¹ Social Action (2010). Borrow and Spend. http://saction.org/wp-content/uploads/publications/spend_and_borrow.pdf

Kano. While the original intention was to include Rivers State, Social Action and its civil society partners in the state could not gain access to public budget documents, which the government has kept secret, highlighting an unfortunate and severe case of fiscal opacity.

As an output from Social Action's anti-corruption efforts at the sub-national level of government in Nigeria during the year, 2017, the document highlights what could be achieved through training, sensitisation and public campaigns. The findings of budget analyses and monitoring at the sub-national level provide tools for further public advocacy by members of the anti-corruption network composed of citizens and civil society organisations at the grassroots level.

Anti-Corruption Networks (AcoNets)

The Anti-Corruption Networks (AcoNets) comprise citizens activists and civil society organisations (CSOs) in the focal states in the Niger Delta region. The networks are intended as open spaces for creating opportunities for ordinary people to engage and participate in amplifying anti-corruption efforts and interventions in the focal states and local government areas (LGAs). The goal is to create and improve public accountability and efficacy in the deployment of government resources. Citizens must act together to defeat corruption and ensure that public resources are used for the development of social infrastructure that benefits the people.

Aside from budget reviews and monitoring, Social Action also set up mechanisms for tackling corrupt practices, particularly in the Niger Delta region. To achieve set objectives, hubs in each of the five focal Niger Delta states were provided with communication and public awareness training for both the collaborating partners and local actors. Social Action also organised workshops in collaboration with community activists and civil society groups in Akwa Ibom, Bayelsa, Delta, Edo, and Rivers states. Participants benefited from training on how to advocate for government transparency, accountability and

fiscal responsibility in their respective states. Facilitators underscored how the existing laws and policies are useful tools in

exposing and ultimately combating corruption because they provide citizens with the platforms to act either as individuals, groups or organisations to report corruption.

Rallies were organized in the focal states to flag off the Anti-Corruption Campaign. On the 9th of December 2017, Social Action collaborated with other communi-

ty groups and Civil Society Organisations to mark the International Anti-Corruption day with rallies in Abuja and Port Harcourt. The rallies targeted those who, in the respective states, have the responsibilities of fighting corruption with the explicit aim of persuading them into doing their jobs of ensuring that corruption is expressly outlawed and criminalised in their states while encouraging the citizens to participate actively in de-

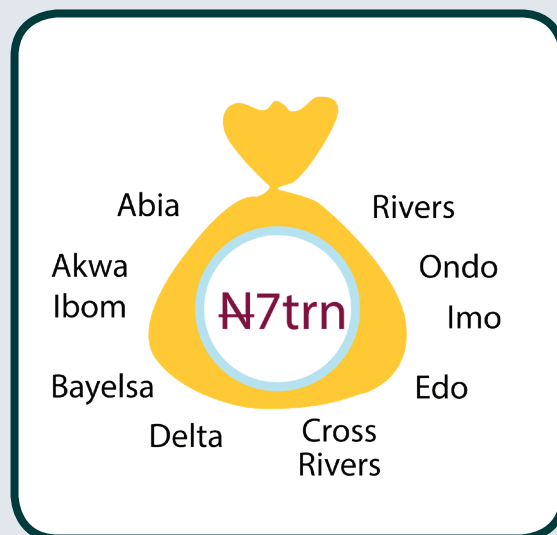


Fig 1. 9 Niger Delta States Earnings from 1999 - 2016

manding for transparency and accountability from their public officials. The rally further highlighted the blighting effects of corruption in the states by calling public attention to specific examples of how corrupt practices have 1) undermined the educational infrastructures, 2) substantively curtailed the availability of and access to recognisable health-care and 3) sabotaged sensible agricultural policies in the states as the 2017 budget assessment revealed.

Towards open budgets at the sub-national level

As indicated above, there was no budget monitoring in Rivers State because since the present governor of the state, Ezenwo Nyesom Wike, assumed office in 2015, no budget has ever been made public. Budget secrecy is a significant obstacle to financial transparency and accountability in the state. AcoNet is committed to continuing its effort to make the budget of Rivers State public once again. The

Port Harcourt cluster of the Rivers State Civil Society Organizations (RIVSCO), which is a hub of AcoNet has created an open budget group to ensure that this objective is achieved.

In the other states included in this report, our budget implementation monitoring and the dissemination efforts

“ Over ₦7 trillion accrued to the states and local governments in the 9 Niger Delta state in 18 years (1999 -2016), based on the 13% derivation principle.

that followed geared toward bringing to the attention of the citizens of the states the level of corruptions inherent in the budget implementation process. This is intended for the citizens of these states to become more involved in the processes of fiscal governance to flag both ongoing and nascent cases of corrupt practices in the budget implementation process. The dissemination efforts were also to retain or maintain public awareness and push on specific cases of uncompleted or abandoned schools, hospitals and agricultural projects in the states. This type of citizen engagement was exhibited most vividly when the Edo State Civil Society Organisation (EDOCSO) recently took the Edo State Oil Producing Area Development Commission (ESOPADEC) to court for disclosure of documents relating to some abandoned projects in the state. EDOCSO utilised statistical and other data provided by AcoNet in its briefs to the court.

AcoNet, in furtherance of Niger Delta citizens active participation in anti-corruption fight, created an Anti-Corruption Tracker portal – a social media platform dashboard that will document and track all known cases of corruptions in the states. The platform will also allow citizens to follow the cases in real time and to comment and interact with each other as the cases wind themselves through the judicial processes. These engagements will: 1) increase public awareness of these cases; 2) ensure that those prosecuting the cases are diligent because of the public scrutiny; and 3) act as a disincentive for corruption because of the negative publicity that will be generated or engendered in the public domain.

Nigeria in 2017: An Overview

Crude oil and Nigeria's economic performance

The drop in the price of crude oil at the global market and the economic recession in Nigeria affected the nation's oil and gas industry in 2016. With the significant drop in global oil price due to the increased production of shale oil in the US, revenue that accrued to the government fell short of the amount projected for the same period. Consequently, the government, both federal and state, resorted to borrowing to fill the revenue gap. However, by the third quarter of 2017, Nigeria oil and gas had gained tractions with growth of up to 26 % (year-on-year); contributing up to 10 %

of total real GDP in the third quarter of 2017. The significant increase in crude oil price from \$38 in early 2017 to \$56 by the third quarter of 2017 was a great relief to the Nigeria government. According to OPEC, annual crude oil price for 2017 averaged \$52.43 per barrel¹, which was a gain upon Nigeria's benchmark price of \$44.50 per barrel used for public budgeting in the same year. This created optimism in the states, especially in states like Nasarawa and Akwa Ibom that were, in 2016, unable to pay their workers.

Domestic macroeconomic performance

For the first time since Nigeria's economy went into recession in early 2016, the nation's economy recorded positive growth of 1.4 percent in the last quarter of 2017².

Real GDP growth experienced positive upturn for two consecutive quarters, succeeding the five quarters of contraction. The growth was 3.74% higher than the rate recorded in the corresponding quarter of 2016, which was -2.34 %³.

On a quarter-by-quarter basis, real GDP grew by 8.97% while on a year-to-year basis its growth stood at 0.83%. Nigeria's GDP in the fourth quarter of 2017 stood at ₦31.2 trillion, which was higher than the ₦29.7 trillion recorded in the corresponding fourth quarter of 2016, resulting in a nominal GDP growth rate of 12.05%; higher by 4.2 % compared to 7.80% growth rate reported in 2016⁴.

This meant more federal allocations for the states and

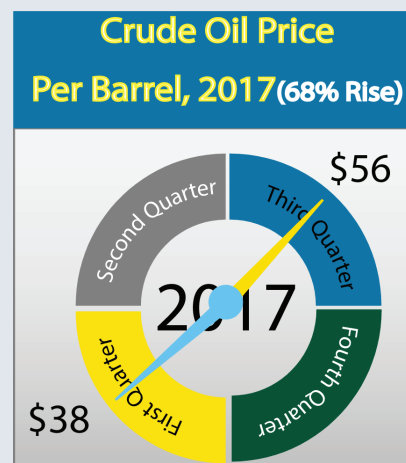


Fig 2: Crude oil Price 2017

the good news reflected in the overall budgets of the 6 states reviewed.

1 OPEC (2018). Annual Statistical Bulletin. <https://asb.opec.org/index.php/data-download>

2 National Bureau of Statistics (2016). NBS Q4 2016 Full Report. Nigerian Gross Domestic Product Report. www.nigerianstat.gov.ng/download/518

3 Business Post (2017, November) Nigeria's GDP Records 1.4% Growth in Q3 – NBS. <https://www.businesspost.ng/2017/11/20/nigeria-gdp-records-1-4-growth-q3-nbs/>

4 Vanguard (2018, February). Nigeria's economy records 0.83% growth in 2017 – NBS. <https://www.vanguardngr.com/2018/02/nigeria-economy-records-0-83-growth-2017-nbs/>

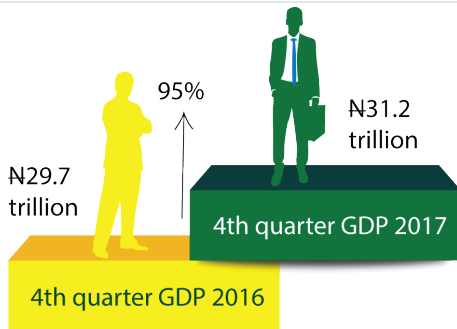


Fig 3: Nigeria's GDP in the 4th quarter of 2016/2017

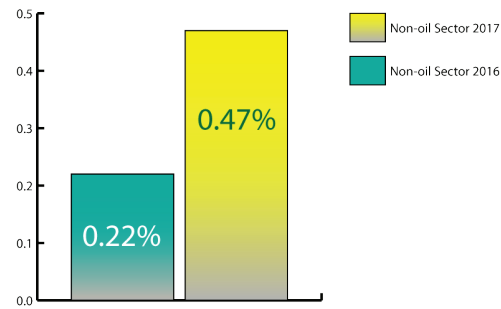


Fig 4: Domestic Macroeconomic Performance



Fig 5: External Reserve 2016 vs 2017

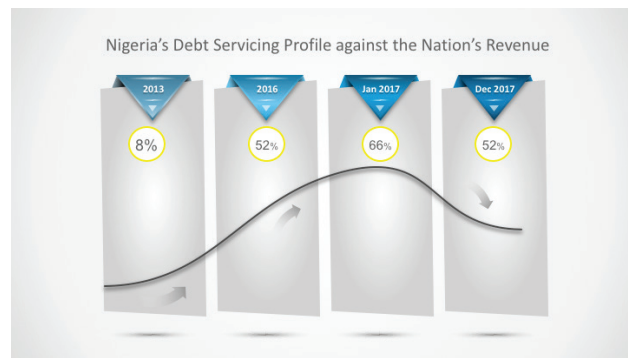


Fig 6: Debt Service Durden

Non-Oil Sector:

The Nigerian non-oil sector, which includes telecommunication, trade, agriculture, electricity and services, recorded an annual growth of 0.47% in 2017 compared to 0.22% in 2016. The primary factor contributing to the low performance of the sector was the negative growth trend experienced by the sub-sectors of trade and telecommunication. This was also despite the impact the relatively higher growth in the agricultural, electricity, gas and the service sectors had on the GDP in the same period. The agricultural sector in the third quarter of 2017 grew by 3% and currently contributes 29% to overall GDP. The growth in the agricultural sectors was primarily driven by crop production, which accounted for 92% of the overall nominal growth of the sector. This reflected on the allocations from the federal accounts that states like Nasarawa got in 2017.

External Reserves

Nigeria foreign reserve in the last quarter of 2017 also witnessed significant growth, due to the positive growth in global oil price and the relative increase in crude oil production in Nigeria; the latter because of the relative peace that reigned in the Niger Delta during the same period. Nigeria witnessed a 66% increase in its foreign reserves from \$23 billion in October 2016 to \$38.2 billion in by the third quarter of 2017, with the nation's reserve figure currently at \$40.4 billion; rep-

resenting the highest level it has been since 2015 when the price of crude oil was significantly higher⁵.

Increased reserves led to clamouring by the states for more allocation to them through the Federation Account. State governors often do not see the wisdom in saving, translating in bickering between the federal government and the state counterparts who always demand to share of monies in the Federal Reserves.

A trend of budget deficits

Despite the increasing level of Nigeria foreign exchange reserves, Nigerian government continued to have a substantial annual budget deficit. In 2016, the justification for the massive budget deficit was the fall in revenue due to the drop in oil price. However, in 2017, when the gap between revenue and expenditure was ₦2.3 trillion, the price of oil was considerably higher. The 2017 deficit was about 30% of the entire budget figure and represented 2% of the nation's GDP⁶.

The justification for the deficit provision was unclear or not offered by the government. Experts noted that the entire fiscal plan of ₦7.44 trillion for 2017 was ambitious, as it did not reflect the realities of the Nigerian economic conditions⁷.

5 Social Action (2010). Borrow and Spend. http://saction.org/wp-content/uploads/publications/spend_and_borrow.pdf

6 Social Action (2010). Borrow and Spend. http://saction.org/wp-content/uploads/publications/spend_and_borrow.pdf

7 Vanguard (2012, May). Economic experts react as NASS passes ₦7.44trn 2017 budget. <https://www.vanguardngr.com/2017/05/at-last->

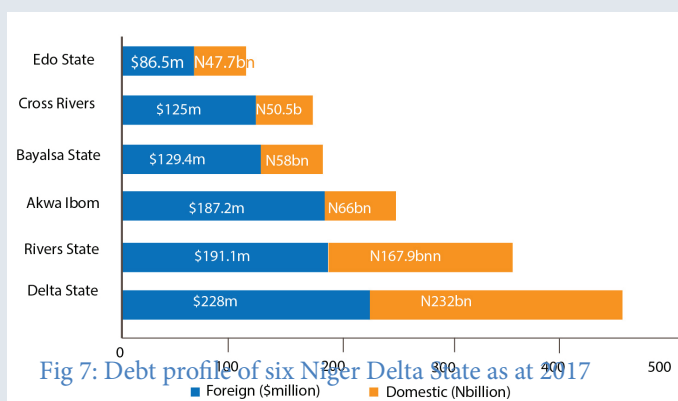
The federal government planned to meet the deficit through borrowing which further increased the debt profile of the government and a drain on future earnings especially if the debt is not used for productive assets. The possibility that the debt would be well spent remains low as the government is yet to present a coherent economic plan for the country. Not unlike their federal counterpart, state governments are increasingly running budget deficits and are financing these deficits by borrowing from both internal and external sources. Resultantly, they too are facing rising debt burden that is a call on their future. This is particularly so when the states are borrowing to finance recurrent expenditures as all the states we reviewed did in 2017.

Growing public debt

Following persistent budget deficits, Nigeria's debt is now growing faster than the nation's GDP growth rate. Available data on public debt, which combined both federal and state governments debt, showed that debt grew 30% compared to the single 2% rate of GDP. According to figures from the Debt Management Office (DMO), Nigeria's public debt profile rose to ₦21.7 trillion by the end of 2017 from the 2016 figure of ₦17.3 trillion¹.

As at the end of 2017, external debt stock stood at \$11.4 billion while domestic debt stood at ₦13.8 trillion².

This is indeed the highest debt profile in Nigeria history and recalls to mind the bad old days when external outflows for debt servicing dwarfed the entire budgets for education, health, agricultural and other social expenditures in the country. Nigeria's public debt has increased by almost 10 trillion or 72% between 2012 and 2017 while the growth in GDP has averaged only 3%³.



The state governments have also contributed significantly to the increasing public debt profile of the country. State foreign debts represented 36% of the country's total external borrowings while their domestic debt repre-

sented 14% of the total domestic debt as of 2017. Edo state, Cross River, Rivers, Delta and Bayelsa with the total external figure of \$232 million, \$167.9 million, \$66 million, \$58 million and \$47.7 million respectively, were amongst the most indebted states in the country. The list of most indebted states is topped by Lagos states with a total external debt of \$1.4 billion as at December 2017. Concerning domestic debt, Lagos state topped the list again with ₦363.2 billion-debt profile, and Delta closely followed it with ₦228 billion domestic debts. Akwa Ibom (₦187.2 billion), Rivers (₦191.1 billion), Bayelsa (₦129.4 billion) and Cross River (₦125 billion) were among the most indebted states.

Debt servicing burden

The growing public debt profile of both the federal and state government portends a rising debt servicing ratio in their annual expenditure portraiture. Between 2013 and 2016, Nigeria's debt servicing profile when compared with the nation's revenue rose from 8 % in 2013 to 57% in 2016 and 66% at the beginning of 2017. It declined to 45% as at December 2017 for a reason yet to be discerned. Records from DMO showed a progressive increase in annual debt servicing since 2015⁴.

Cost of servicing domestic debt has remained between ₦1.01 and ₦1.4 trillion since 2015. This represented between 20% to 25% of each year's annual budget. External debt servicing also increased progressively during the same period. In 2017, the federal government spent a total of \$464 million on servicing external debt, representing about 31% increase from the figure it spent in 2016 on the same thing⁵.

As one would expect, the rising debt servicing expenditure has been funded by a corresponding decrease in budget allocation to capital expenditures.

Conclusions from Monitoring Budget Implementation in 2017

- No state was exempted from the insecurity that continued to plague Nigeria. In 2017, the state of insecurity was heightened by the herds-men-farming community clashes that hitherto affected only the northern states but that are now increasingly moving southward – affecting both the south-south states and south-east

1 DMO (2018, March). <http://dmo.gov.ng/debt-profile/total-public-debt/2380-total-public-debt-as-at-31st-december-2017/file>

2 DMO(2018, March). Nigeria's Public Debt Stock as at December 2017. <http://dmo.gov.ng/debt-profile/total-public-debt/2380-total-public-debt-as-at-31st-december-2017/file>

3 Business Post (2018, June) Nigeria's Debt Growing Faster than GDP. <http://www.thebusinesspost.ng/tms/rise-and-rise-nigerias-debt/nigerias-debt-growing-faster-gdp>

4 <http://dmo.gov.ng/debt-profile/external-debts/debt-service>

5 <http://dmo.gov.ng/debt-profile/external-debts/debt-service>

states. States seemed incapable of addressing the issue even though their security allocations in their budget dwarf all other expenditure lines. Perhaps an upside to the unsecured time that most Nigerians are living under will be that it might yet prompt a public debate on how states spend their respective security allocations.

- Budgeting in the states remained poor as projects executed years ago continue to appear in subsequent budgets as new projects. Both state staff and security personnel continued to either directly or indirectly thwart efforts to monitor the execution of projects even when their laws or federal laws and their public rhetoric or posturing support such efforts. The obfuscation often takes different forms including non-cooperation, denial of access to project sites, the refusal to allow senior staff at project sites to speak to monitoring team by withholding authorisation and subtle and not

been a change of governors summarily abandoned the projects started by their predecessors despite saying or pledging not to do so in their budget statements. This lack of continuity between governments is a bane of development and can account for the ubiquity of abandoned projects in the states.

- Budget and lines items continue to be vague, ill described or ambiguously defined in budget documents. This is the case even when vast amounts of money have been allocated to the execution of these line items. Poorly defined or identified projects with colossal capital commitments were particularly pervasive in Bayelsa, Kano, Nasarawa and Akwa Ibom state budgets. This hinders transparency and accountability for three reasons:
 - It makes it difficult, if not impossible, for CSOs and the general public to monitor projects;

“ Following persistent budget deficits, Nigeria’s debt is now growing faster than the nation’s GDP growth rate.

so subtle intimidation of monitoring team members.

- The pattern of underwhelming spending on the social sector continued in 2017. This was the case despite public statements to the contrary by the governors. Governors used their budget speeches to extol the need for good developmental goals that focused on education, health-care and agriculture and named their budgets to reflect this sentiment. However, their budgetary allocations betrayed their espoused beliefs. None of the state examined allocated more than 12% of capital on education, agriculture and healthcare. Their actual expenditure on these 3 key sectors of education, agriculture and healthcare was even more abysmal. Governors commitments to hardly goes beyond. it was hardly gone beyond actual performance.
- Most of the projects randomly selected for site visits were either abandoned or never got off the ground. All states monitored suffered from this ill, but in Nasarawa only one project was completed amongst the numerous projects the monitoring team evaluated. Most states where there had

- It makes it impossible to do any meaningful cost-benefit analysis of government projects and, consequently, the effectiveness of government financial allocation decisions; and
- It means that much-needed projects are not carried out, to the detriment of the people whose lives the projects may have impacted positively. Phantom, ill-executed and abandoned projects are a real drain on the resources of states because they do not address the needs that made the projects necessary in the first instance. Many of these projects have direct impacts on people’s lives or livelihoods because they are often projects that could improve security, advance education and health and provide employment.

- States continue to be overly ambitious in their budgeting by overestimating revenues, especially from internally generated sources. This is often a subterfuge or ruse to hide the fact of their over-dependence

- on federal allocations and loans.

Recommendations to states

- The intentions and actions of the states as envisaged in their 2017 budgets remained very far apart or irreconcilable. This needs to change if they are to develop further and reduce their dependency on the federal government. This requires that an implementable development plan should accompany budgets, fully costed and vetted line by line to ensure that projects are not recidivating or making recurring appearances.
- The state has to establish a mechanism through which annual variances between budgeted and actual figures are analyzed and incorporated into the budgeting process for the next period. This variance exercise done regularly during the year will uncover phantom or abandoned projects
- To better implement their budgets, states should establish an office of budgeting that will be responsible for budget making and implementation. This office could also act as the interface between the state government and the general public on budget matters and should be at arm's length from the government. The Office of Budgeting will provide the continuity between successive governments in each state that the governments themselves are finding difficult to provide.
- States should obey their laws and operate an open budget system. This means making their fiscal documents readily available and accessible to the general public and allowing unfettered access to project sites to CSOs and the general public.
- Priority should also be given to uncompleted projects before embarking on new ones to curb waste.
- States should forge a maintenance culture and build this into every project they embark on from the outset.
- There is a need to develop professional civil service in the states. This will significantly improve budget-making in the states through timely and expert advice.

- The upper echelon of state officials should use the educational and healthcare facilities they provide in their states. This will achieve at least two goals: 1) they will convey by the actions that they believe in the spending decisions made in these critical sectors and 2) they will notice more quickly when the funding they provided to the sectors are being deviated for other purposes or misallocated.

Recommendations to Citizens

Individuals and groups should continue to participate in movements to strengthen anti-corruption policies and laws. This includes campaign to turn the Proceeds of Crime Bill into law before the next federal election and advocate for states to have similar laws in their law books. This is to be achieved by pressuring lawmakers and through grassroots campaigns that raise public awareness on the importance of these laws in the fight against corruption. Mobilized CSOs in the region should demand information and documents on public procurement through vehicles like the Freedom of Information (FoI) Act provisions. FOI is an exceptionally essential anti-corruption tool now that a ruling by an appeal court in April 2018 suggested applies to all states in the country.

- CSOs should get involved in the public procurement process in the states. Current involvement in the public procurement process is low. This has dampened the effectiveness of project monitoring in the states as well as accounts for the high rate of project abandonment across the region. States and Local governments in the region have exploited this lacuna to violate the law and embark on fiscal irresponsibility and mismanagement of public resources.
- Citizens should pressure the Akwa Ibom State government to pass the Public Procurement Bill, which has stalled in the House of Assembly. The other states have passed theirs. For Rivers State though, AcoNet members in Rivers State are contesting a provision (article 21, subsection 4), which allows the state governor to award contracts of up to 30% of the total annual budget without recourse to the Public Procurement Bill provisions.

ABIA STATE BUDGET PERFORMANCE

• Capital:	Umuahia
• Created:	27th August 1991
• Governor:	Dr. Okezie Ikpeazu
• GDP (billion \$):	18.7 (2007)
• GDP Per Capita (\$):	3,003 (2007)
• Unemployment Rate (%):	11.2 (2011)
• Land area (in sq. km):	4,900.0 (2006)
• Population:	2,845,380 (2006)
• Literacy Rate, Adult:	85.1 (2010)

BUDGET ANALYSIS

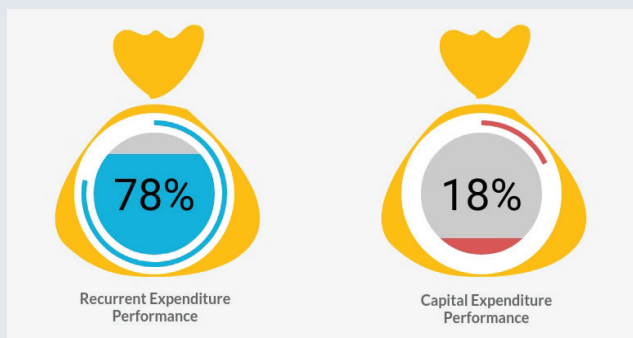
BACKGROUND

During the second half of 2016, Abia State was under a condition of uncertainty over the legal challenge of the election of Governor, Okezie Ikpeazu. A Federal High Court sitting in Abuja had on June 27, 2016 annulled the election of the governor who was accused of not providing credible evidence of payment of tax to the state government as required by law. Accordingly, the court directed the Independent National Electoral Commission (INEC) to issue a certificate of return to John Ogah, the runner-up during the state party primaries when Okezie Ikpeazu won the nomination as the candidate of the People's Democratic Party. However, in another judgment in August 2016, a higher court set aside the ruling of the lower court and declared Ikpeazu the rightful governor of the state. The legal tussle went all the way



According to Governor Ikpeazu, the budget was intended to consolidate on the achievement recorded between 2015-2016. The state intended to double effort in increasing the portion of Internally Generated Revenue (IGR) in its revenue profile. Central to the government's plan for generating more internal revenues was the rectification of accounting loopholes in the agencies tasked with collecting state taxes and other revenues, and a vigorous campaign to tackle tax avoidance by individuals and business.

PERFORMANCE OF THE 2016 BUDGET



Graph 1.1: Summary of 2016 Budget Performance (January - September)

The above summary showed a capital expenditure budget performance of 18 % and a recurrent expenditure performance of 78 % for 2017 at the end of the third quarter of 2016. In the same period, the government had recorded a revenue receipt of ₦40.273 billion, representing an overall budget performance of about 52 % when contrasted with expected revenue of ₦76.053 billion by the end of the 3rd quarter.

From the available data, the budget did not perform up

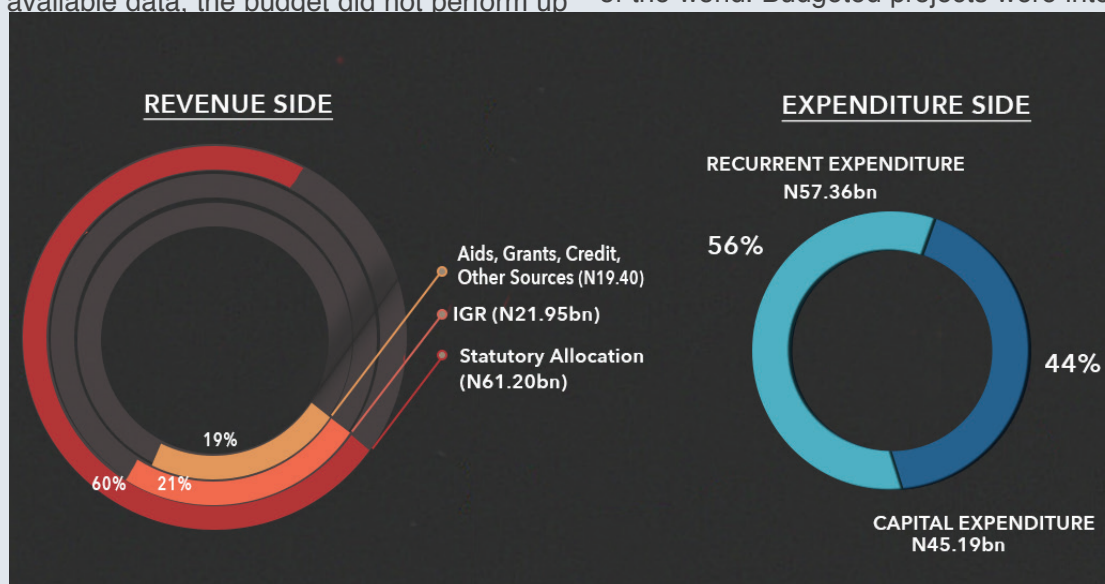
the state underprepared.

The implementation of the budget was not helped by the protracted court battle that meandered its way from the lower court to the highest court in the country. The fact that a governorship battle between two people from the same party could severely curtail the activities of the state is yet another reason to professionalise the civil service in the state. The treasury should be responsible for preparing the budget of the state and whoever is the highest-ranking government office should then present the budget to the House of Representatives. This would have prevented most of the challenges faced by the state in much of 2016 and early 2017.

2017 BUDGET

Governor Ikpeazu presented the 2017 “Budget of Prudence and Self Reliance” to the state House of Assembly, insisting that the budget would only focus on projects it termed ‘chosen pillars of development’. The 2017 Budget had an estimated outlay of ₦102.549 billion, a value ₦1.10 billion superior to the approved budget of the preceding year, representing a marginal increase of one percent. The state budget was projected to follow the Medium-Term Expenditure Framework which is a 3-year project planning cycle (2017 to 2019) and was compliant with the International Public-Sector Accounting Standards (IPSAS).

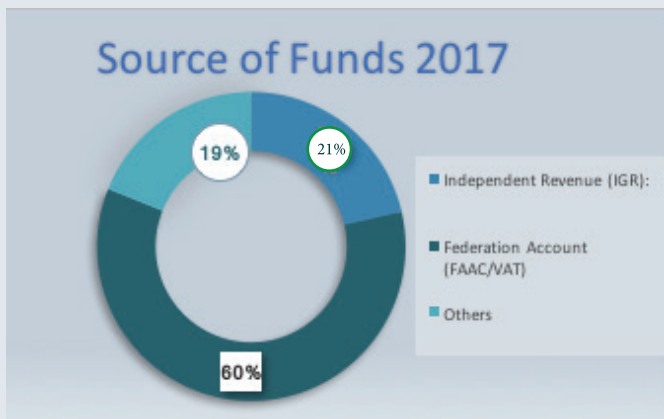
The budget, according to the state government is aimed to expand the economic activities in the state as well as to promote the industrialisation policy of the government. The budget was premised on promoting trade, commerce and tourism between Abia State and the rest of the world. Budgeted projects were intended to boost



Graph 1.2: Summary of Abia State Budget of Prudence and Self-Reliance

to expectation. Only 18% of funds realised in the recorded period were used for new development in the state. The performance index showed the import of recurrent expenditure as it continued to dominate and command most of the revenue that accrues to the state, leaving

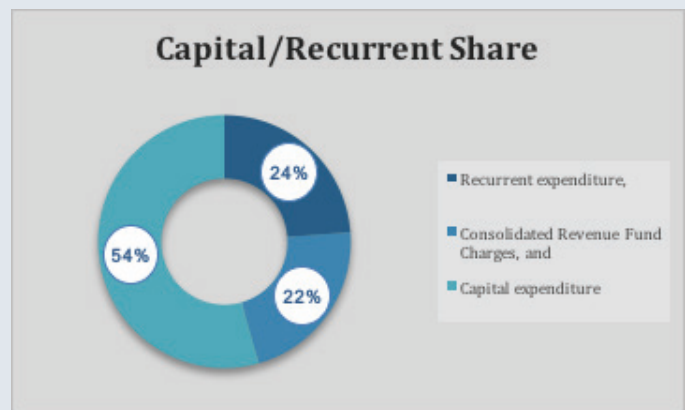
trade and commerce, agriculture and agribusiness in the state and to catalyse the emergence of a vibrant small and medium scale-manufacturing hub.



Graph 1.3: Source of Funding 2017

The revenue distribution indicated the preponderance of allocation from the Federation Account as the state in 2017 expected to receive 60% of its income from the central government

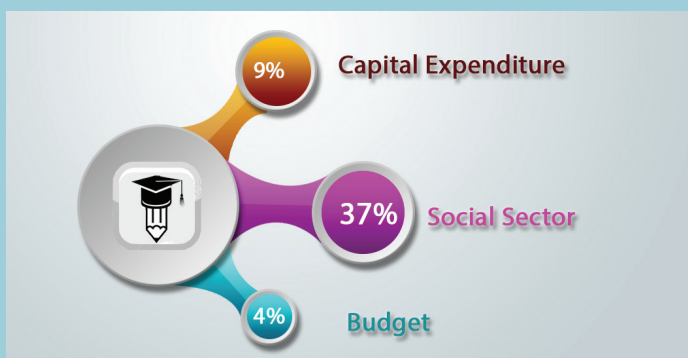
. This showed a historical and continuing trend of over-dependence on statutory allocation including VAT and derivation from oil by the state.



Graph 1.4: 2017 Budget Size- Recurrent and Capital Share

Abia State achieved relative parity between recurrent and capital expenditures in its 2017 budget. This was a better distribution than it had managed to achieve in previous years, particularly in 2015 when the variance between recurrent and capital expenditures was 29 % in favour of the former. Though the 2017 distribution figure appeared encouraging, when considered against actual disbursement it quickly became obvious that capital expenditure continued to lag behind recurrent ones. The state appeared yet unwilling to support its priorities with the fund necessary to achieve them and to make the hard decisions to reduce recurrent expenditures.

EDUCATION SECTOR

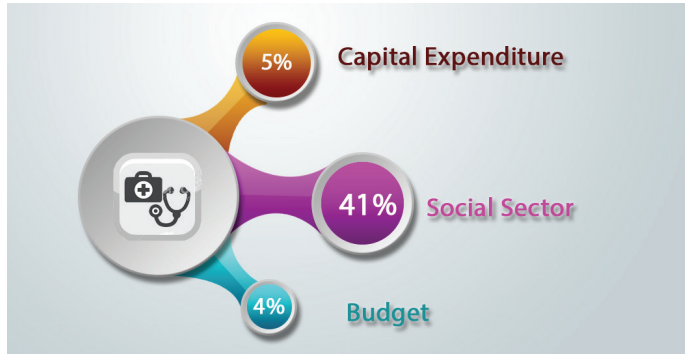


Graph 1.5: Capital allocation to Education against other capital outlay in the budget

The amount of ₦3.99 billion was allocated to the education sector. The sector got about 9% of the capital expenditure and only 4% of the overall budget. The amount was ₦93.24 million less than the allocation for the sector in 2016.

With this reduced allocation, it is hard to see or imagine how the state will keep the promise made by the governor to ensure equitable access to affordable and quality technical, vocational (E 4 E), adult (mass-literacy) and tertiary education for the citizens of Abia State. The combined amount allocated to all social sectors in 2017 was 37% of the budget, which meant that the poor and other marginalised people would continue to be neglected by the state.

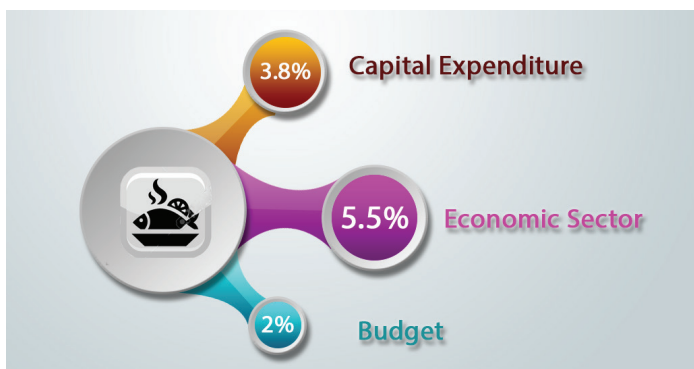
HEALTH SECTOR



Graph 1.6: Capital allocation to Health Subsector against other capital outlay in the budget

The sum of ₦4.382 billion was approved for capital expenditure in the health sector for 2017 budget. This amount represented 5% of the capital budget and 4% of the total budget. This figure is ₦0.518bn short of the amount budgeted for health care in the preceding year, a negative difference of about 11%. This is perhaps not surprising given that the governor said nothing significant about the health sector during his budget presentation speech. Health is a subset of the social sector. The entire social sector which most of the poor depend on got only ₦10.648 billion. The rich could afford private education and when they are sick, they often go abroad or outside the state. They could similarly afford imported food and so depend less on the local agricultural sector comparatively speaking

FOOD SUFFICIENCY SECTOR



Graph 1.7: Capital allocation to Food Sufficiency against other capital outlay in the budget

Agriculture, livestock and fisheries are the subsets of the food sufficiency Sector. There were no budgetary allocations to livestock and fisheries. Only agriculture appeared in the budget, and it received the sum of ₦2.237 billion, which was 2% of the entire budget. The agricultural subset received 5% of budgeted capital expenditure in 2017. Its allocation also represented 7% that went to the economic sector in the same year. The 2017 allocation to agriculture showed a shortfall of about ₦0.337 billion when compared to the allocation it got in 2016.

BUDGET MONITORING REPORT

	PROJECT TITLE	S E C - TION	AMT	MONITORING REPORT	IMAGE
1	Renovation of 51 Schools (3 per LGA in the State)	Education	₦50.00m	The team visited to randomly selected primary schools in Abayi, Osisioma, Umuahia Isikwato and Ukwa East. On the spot assessment showed that renovations were going on in the selected schools. However, the renovations were done under the auspice of UBE and ASUBEB. These were projects funded by state partners and not solely by the state. Aside from these projects, there was no construction or renovation work ongoing or completed in most of the schools visited. Only Ibeku High School in the state capital benefited from state government contract for renovation of a residential block for teachers.	Fig1.1, fig 1.2
2	Construction of 13 Classroom Blocks in 6 Model Schools	Education		In addition to the allocation for the construction of 13 classroom blocks, the state also earmarked ₦210 million for counterpart funding for similar projects in the 17 Local Governments. It was, therefore, unclear, which of the allocation in the budget was funding the projects found on the ground. A visit of the team to some primary schools in Abayi, Osisioma, Obuzor, Ogor Hill Umuahia showed that renovation was going on in selected schools. However, as we observed above, the renovations were done with the funds provided by UBE and ASUBEB.	Fig 1.3, Fig 1.4
3	Rehabilitation of Abia State Library Board	Education	₦10.00m	The State government planned to relocate the state Library in Umuahia to a permanent site. Construction work is yet to commence on the site chosen for the project. Our visit to the Library Board showed no sign of construction. A staff of the board we interviewed confirmed this fact.	Fig 1.5
4	Rehabilitation of Abia State Library/purchase of office furniture and fittings, photocopying machines, scanners, power generating set, library books and equipment, printing equipment e library board	Education	T o t a l s u m o f	The titled project outlined also appeared in the 2016 budget. Staff reported that they had not received any of the specified items except for some children books donated by the wife of the governor.	Fig 1.6
	Construction of teachers' tables and chairs - 50 per LGA	Education	₦50.00m	Speaking with teachers and head teachers in Owerri Road Community Primary School Osisioma, Ibeku High School, Umuahia, School Road Primary Sch Umuahia, City Primary School, Abayi Boys Sec Sch Abayi, Umuahia, Urban School Umuahia North, Ehere Community Secondary Sch Obingwa, Ogbo Secondary School Ogor Hill, Abayi Umuocham Community Primary School, Community Primary School Umuokiri, Obuzor Central School, Osisioma, monitors in Abia State were reliably informed that there were no chairs and tables either built or bought contrary to what the budget earmarked.	Fig 5b

5	Purchase of teaching/learning aid materials (Abia State Polytechnic)	Education	₦5.00m	A permanent site for Abia State Polytechnic at Umuarakpa, Ekeakpara in Osisioma LGA has been earmarked. This has meant that construction and other project work at the old site, which still serves as the main campus of the school, have been halted. Staff at the bursary office denied that any teaching or learning aid was purchased for the school.	Fig 1.7c
6	Habitation and equipment of a general hospitals	Health	₦100m	The team visited General Hospital Aba and General Hospital Okeikpe. Some staff conducted monitors around the hospital where they noticed some rehabilitation works going on at the male and female wards, operation unit and the mortuary section. But the quality of work was deficient. At the General Hospital Okeikpe, no noticeable renovation work was observed, and the staff monitors spoke to said there was no renovation work going on anywhere in the hospital.	Fig 1.8a
7	Construction of classroom blocks for the School of Midwifery and Nursing	Health		The team spoke with officials of the school who refused answer questions. Some other staff told monitors in confidence that no construction was underway. Only land survey and measurement works had been carried out at the site.	Fig 1.9b
8	Malaria control (net distribution, drug and spray)	Health	₦70.00m	The monitoring team visited the General Hospital Aba, Cottage Hospital, Abayi, Owaza General Hospital and Okeikpe General Hospital. The Hospital Management refused to talk officially, but the staff of the institutions denied receipt of any such materials.	
9	Drugs and Medical Supplies	Agriculture		The monitoring team randomly selected and visited the following hospitals: The General Hospital, Aba, Owaza General Hospital and Okeikpe General Hospital. The effort to speak with hospital management at each the hospitals was unsuccessful despite repeated attempts. However, we interviewed some staff at the various hospitals who said that no drugs had been supplied to them. There was a consensus within the staff spoken to in the selected hospitals that the last time such drugs were supplied was in 2014.	

10	Establishment of public health care laboratories in 17 local governments in the state	Health	₦60.00m	The team visited Aba North, Aba South, Osisioma and Umuahia. Though the health personnel in positions of authority would not respond to our questions, our interviews with staff who preferred to remain anonymous disclosed that no such laboratories were built.	
11	Construction of Hospital Health Centres - Osisioma	Health	₦50.00m	The monitoring team discovered no new construction or rehabilitation work at Otubi Health Centre, Umuokiri and Umuagbara Health Centres. Officials of the Health Ministry did not have knowledge of any construction or rehabilitation work elsewhere.	Fig 1.12a
12	Establishment of Modern Oil Mill	Agriculture	₦50.00m	Information we gathered from some staff at the Ministry of Agriculture Umuahia indicated that there was a proposal for the establishment of an oil mill at Akoli. However, there was nothing at the time of our visit to Akoli, where the mill is rumored to be sited to suggest any type of mill construction or that any would happen anytime soon.	
13	Renovation and stocking of Poultry Houses	Agriculture	₦21.00m	The specific poultry houses concerned are not stipulated in the budget, but information we gathered from the staff was that no renovation was made in 2017. All the birds in the poultry in the ministry were old stock.	Fig 1.15
14	Purchase of Agriculture Equipment (Chemicals and Fumigation)	Agriculture	₦20.00m	Our discussion with concerned officials at the Ministry of Agriculture, Umuahia, who pleaded to remain anonymous, confirmed that no such purchases were made	
15	Provision of Requisite Meat Inspection Equipment	Agriculture	₦3.00m	₦100 million was budgeted in 2016 for the construction of a modern abattoir in Ogor Hill, but no such construction was done. In 2017, zero allocation was made for the construction yet provision was made for the purchase of equipment to be used in the abattoir. No such equipment was purchased as there was no functional abattoir for which the proposed equipment could be used.	Fig 1.17

PICTURE GALLERY



Fig 1.1: dilapidated roof of Ogor Hill primary school iii, Ogor Hill Aba.



Fig 1.2: Teachers' quarters, Ibeku High School, Umuahia by the state government



Fig 1.3: Construction of classroom blocks, Abayi Umuocham Boyes High School, Osisioma by ASUBEB



Fig 1.4: Construction of a block of 5 classroom Owerri Road Primary School 1 Osisioma By UBE



Fig 1.5: Abia State Library Board, Umuahia



Fig 1.6: Children Section of Abia State Library renovated by the wife of the governor



Fig 1.7: Ogor Hill Primary School, Ogor



Fig 1.8 The proposed permanent site for the Abia State Polytechnic in Umuarakpa, Ekeakpara in Osisioma



Fig 1.9: Renovation of Female Ward, General Hospital, Aba



Fig 1.10: School of Nursing, Abia State Teaching Hospital, Aba



Fig 1.11: Renovated Mortuary of General Hospital Aba, Abia State



Fig 1.12: Primary Health Centre Otuobi, Umuokiri, Osisioma Local Government,



Fig 1.13: Empty Ward, Primary Health Centre Otuobi, Umuokiri, Osisioma



Fig 1.14: Ministry of Agriculture, Umuahia



Fig 1.15: Poultry at the Ministry of Agriculture, Umuahia with over a thousand birds



Fig 1.16: Abia State Farmers Cooperation Demonstration Farm



Fig 1.17: Non-functional Fishpond at the ministry of Agriculture



Fig. 1.18: Old Abattoir site at Ogor hill at Aba North

AKWA IBOM STATE BUDGET PERFORMANCE

➤ Capital:	Uyo
➤ Created:	23rd September 1987
➤ Governor:	Mr. Udom Gabriel Emmanuel
➤ GDP (PPP), billion \$:	11.2 (2007)
➤ GDP Per Capita, \$:	2,779 (2007)
➤ Unemployment Rate, Percent:	18.4 (2011)
➤ Land area, sq. km:	6,900.0 (2006)
➤ Population, persons:	3,902,051 (2006)
➤ Literacy Rate, Adult:	89.5 (2010)

BUDGET ANALYSIS

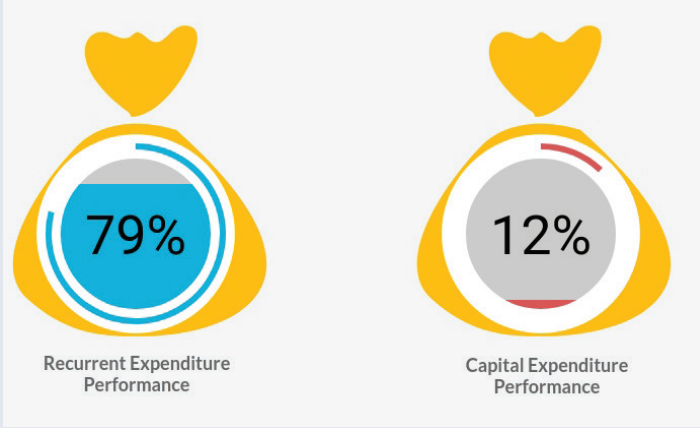
BACKGROUND

After initially budgeting ₦371 billion for 2017, the Akwa Ibom State government submitted a supplementary budget of ₦250 billion barely three months to the end of the year. This sparked off advocacy against the move by civil society who shed a spotlight on spurious projects like the construction of a state lodge in Lagos at the cost of ₦2 billion. As the state receiving the highest share of federal allocations in 2017, based on the payment of 13% of petroleum revenues to states of derivation, Akwa Ibom has acquired a tradition of embarking on expensive prestige projects with no apparent benefit for its poor inhabitants. According to NEITI, Akwa Ibom received the sum of ₦143.6 billion in 2017 from the Federation Account, reflective of improved global crude oil prices. However, as the statutory receipts could not finance the entire budget, the government of Akwa Ibom continued to take opaque loans during the year.

As in other states, the political processes seemed to be skewed in favour of entrenched political interests, as reflected in the outcome of local government elections conducted during the year, 2017. The party of the state governor, the People's Democratic Party (PDP) won all the offices contested. The consensus in the state was that the governor used the election to consolidate its power in the state. These series of activities shifted focus from matters concerning the need for open and inclu-



PERFORMANCE OF THE 2016 BUDGET



Graph 2.1: 2016 Budget Recurrent /Capital Expenditure Performance (January - September)

The above summary showed a recurrent expenditure budget performance of ₦74.55 billion or 79 % as at September 2016. ¹

2017 BUDGET

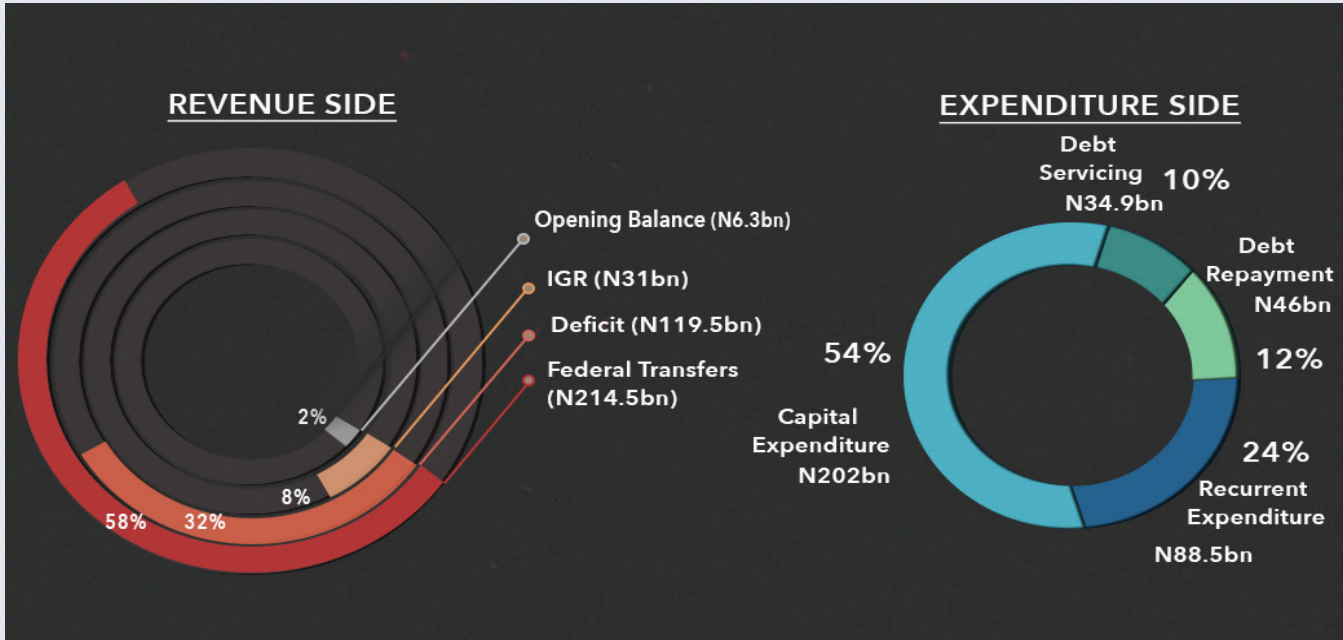
Governor of Akwa Ibom State, Dr. Udom Emmanuel, signed the 2017 Appropriation Bill of ₦371 billion into law on Tuesday 28th of March 2017 at Executive Council Chamber, Govern

budget.

The aims of the budget in 2017, according to the governor, were to expand economic activities in the state and to promote the industrialisation policy of the government. Trade, commerce and tourism were themes that featured prominently in the budget presentation and subsequent publicity undertaken by the state to promote the budget.

The government expected to source ₦31 billion internally, representing 8% of the total budget. ₦120 billion was expected as derivation revenue, ₦15.0bn from its share of FAAC and ₦14.5bn from Excess Paris Loan refunds. Others sources were ₦50.0bn from reimbursement on federal roads, ₦2.0bn Ecological Fund, ₦3bn from Capital Receipt, ₦10.0bn from its share of VAT and an opening balance of ₦6.2bn. Total receipt amount to ₦251.8bn leaving a shortfall of ₦119.5 representing 32% which the state intended to source through domestic loans.

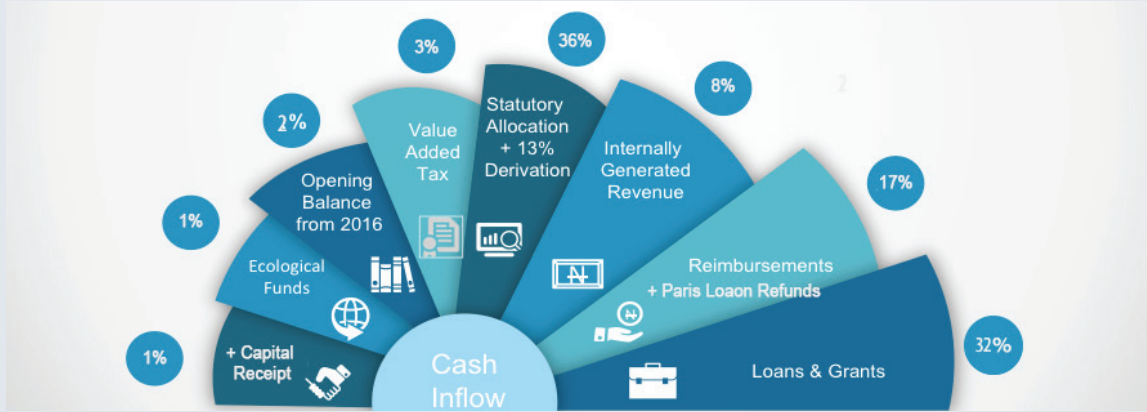
The recurrent and capital share with a marginal variance of 8% was an impressive ratio in favour of development given the distributive pattern represented in previous budgets. However, the optimism conveyed by increased capital allocation had to be checked against actual disbursement. As we saw with the deduced 2016 capital performance of 12%, budget



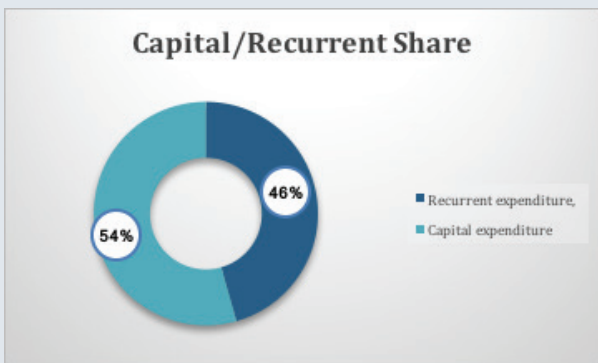
Graph 2. 2 Summary of Akwa Ibom State Budget Of Consolidation

ment House, Uyo. The governor had initially proposed ₦365.25 billion in the budget presented to the Akwa Ibom State House of Assembly. However, the lesglators increased the amount by about ₦5.7 billion. The 2017 budget was ₦52 billion or 12% less than the 2016

¹ Since the government did not publish or provide any information on capital budget performance for 2016, we subtracted the actual recurrent expenditure as at September from actual revenue for the same period (=104.8 billion) to deduce the value of =30.25 billion for the capital budget performance of 12%



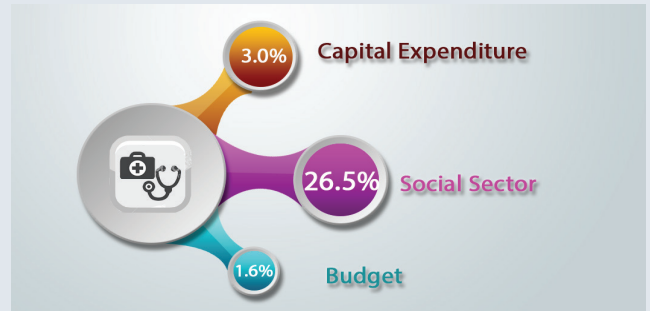
Graph 2.3: 2017 Source of Funds



Graph 2.4: 2017 Budget Size- Recurrent and Capital Share

allocation is only half the story. It is actual disbursement that translates intent to achievement. Hence, we could only be cautiously optimistic by the distributive pattern of the 2017 budget.

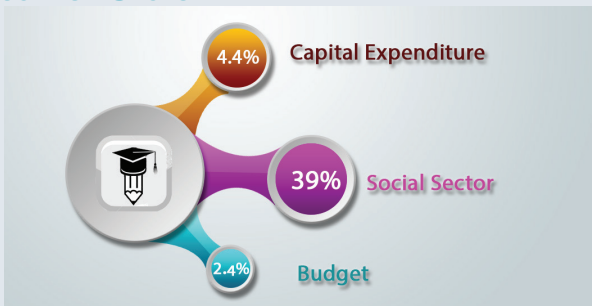
HEALTH SECTOR



Graph 2.6: Capital allocation to Health Sub-sector against other capital outlay in the budget

The sum of ₦5.58 billion was approved for the health subsector 2017. This was 1.6 % of the entire budget. The health figure contributed 26.5 % to the social sector and amounted to 3 % of the capital estimate for the year. The allocation for 2017 was ₦1.82 billion less than 2016.

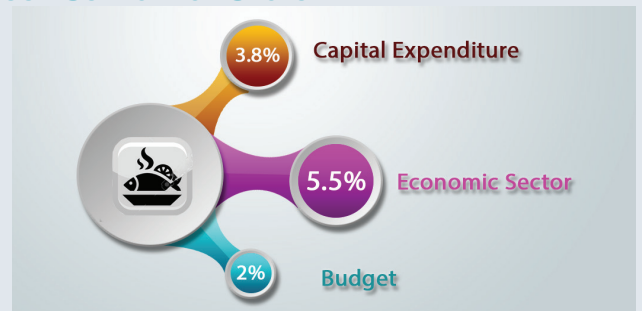
EDUCATION SECTOR



Graph 2.5: Capital allocation to Education against other capital outlay in the budget

The proposed budget for education was ₦8.62 billion or 2.4 % of the entire 2017 budget. This amount represented 39% of the allocation to the social sector. Education also got 4.4 % of the capital budget. The allocation to education in 2017 was ₦1.25 billion less than the subsector got in 2016. This was principally due to the reduction in the 2017 budget relative to the 2016 budget.

FOOD SUFFICIENCY SECTOR



Graph 2.7: Capital allocation to Food Sufficiency against other capital outlay in the budget

The agricultural subsector received the sum of ₦7.43 billion or 2% of the total budget. The sum represented the total amount allocated to the food sufficiency sector. The amount for agriculture was 3.8 % of the amount allocated to capital expenditure. The ₦7.43 billion allocated to agriculture was ₦3.3 billion higher than the amount allocated to the subsection in the 2016 budget.

BUDGET MONITORING REPORT

	PROJECT TITLE	SECTION		MONITORING REPORT	IMAGE
1	Establishment/completion of model science secondary schools/model technical colleges. Completion of projects at 4 existing model secondary schools (model secondary school Okop Ndua Erong, Ibesikpo Asutan; Model Secondary School Ishiet Ekim, Uruan; Model Secondary School Aka Offot; Model Secondary School Ekparakwa, Oruk Anam): ₦60million)	Education	₦300m	<p>The model schools mentioned in the budget were the initiatives of previous administrations.</p> <p>There was a painting job going on at the model school at Ekparakwa when we visited.</p> <p>At Ishiet Ekim, there was no sign of any renovation work there.</p> <p>The completion of projects at 4 existing Model Secondary Schools, which was allocated ₦60 million in the 2017 budget, was not achieved. The schools were not completed and there was no indication that the government intended to complete them when we visited the schools.</p>	Figure1, Figure2
2	College of Arts And Science, Nung Ukim Ikono Perimeter fencing (phase 1)- ₦10m, construction of 1 administration block (a storey high), construction of internal road network and drainage system for ₦20m, and the purchase of library books- ₦3m)	Education	₦103m	<p>Most of the listed projects were not carried out. The road construction carried out in the school was only about 400 metre. No drainage system was built for it.</p>	Figure3,
3	State Polytechnic, Ikot Osura (Procurement of equipment and machines for mechanical engineering, electrical electronics and science and technology workshops- ₦150m, Accreditation programme- ₦50m, Procurement of Dept. of Mass Communication equipment for television and radio studio- ₦26m)	Education	₦226m	<p>Monitoring visits revealed that the school took delivery of equipment for the Mechanical Engineering, Electrical Electronics and Science and Technology Workshops. As the labs were locked, we were unable to take pictures of the equipment.</p> <p>The school's Department of Mass Communication also received equipment for television and radio station in the year under review.</p> <p>So it is reasonable to say that this project was mostly carried out.</p>	
4	Akwa Ibom College of Education Afaha Nsit	Education	₦307m in 2017, ₦300m in 2016, ₦394m in 2015	<p>There was an on-going construction of drainage and road network in the school. Apart from this, nothing else of importance was happening at the school when we visited.</p>	Figure 10, Figure 11
	Akwa Ibom State University (Construction of Internal Roads Network/Drainage at Obio Akpa Campus – ₦400m; Construction of 1 No. Block of Offices and Classrooms, Computer Workshop and Auditorium for Faculty of Management Science at Obio Akpa Campus – ₦500m.)	Education	₦4b in 2017, ₦250 m in 2016	<p>Our visit to the school revealed that the project was ongoing.</p> <p>Two blocks of buildings have been completed – one for offices and the other for classrooms.</p> <p>This same project got ₦250m allocation in the 2016 budget.</p>	

5	School Of Health Technology, Etinan (Perimeter fencing- ₦ 10m, Erosion control- ₦ 15m)	Health	₦ 62m	These projects were not executed. A senior staff of the school, who took us around, informed us that the school has been in contact with the government to address the pressing needs of the school.	Figure 7
6	Provision of Medical Equipment and their Maintenance	Health	₦ 295m in 2017 and ₦ 1.56b in 2016	The five health facilities listed were: General Hospital Ikot Ekepenne; General Hospital Ikono; Cottage Hospital Ikot Ekpaw, Mkpato Enin; Cottage Hospital Ikot Abia, Mkpato Enin; and Cottage Hospital Ibesit, Oruk Anam. No new equipment was delivered to the hospitals.	Figure 9
7	Free Health Care For Under 5 Children, Pregnant Women and The Aged (free ante-natal care to pregnant women in the state- ₦ 100, free treatment given to children under 5 years in Akwa Ibom- ₦ 320m)	Health	₦ 480m in 2017, ₦ 400m in 2016, ₦ 290m in 2015	Our visit showed that pregnant women were required to register at any government hospital with about ₦ 2,500 and pay a monthly fee of ₦ 500. From our interview of mothers at some of the hospitals we visited, we learned that laboratory tests for children was free. The matron of the hospital at Ituk Mbang informed us that both anti-malaria drugs and antibiotics were free at the hospital when available. Otherwise, parents have to purchase them.	Figure 10
8	Health Insurance Scheme (NHIS)	Health	₦ 1.15b in 2017, ₦ 150m in 2016	A visit to the NHIS office in Uyo revealed that the governor was yet to give his assent for the release of any part of this money.	
9	Small Ruminant Development Project (Construction of 2 No. Standard Goat Houses and Establishment of 2 ha Goat Browsing Paddocks at Adadia, Uruan – ₦ 5.95m, Procurement of 200 WAD Goats for Farms at Adadia, Uruan and Distribution to Participants of Small Holders Goat Development Scheme – ₦ 2.7m, Provision for Supplemental Feeds, Drugs/Vaccines– ₦ 1.35m)	Agriculture	₦ 10m in 2017, ₦ 10m in 2016	There was no such construction in this fiscal year. The project got the same allocation in 2016. Members of the beneficiary community that spoke budget monitors did not know anything about this project.	
10	Fodder Bank/Grazing Reserve Development (Demarcation of 74ha Grazing Reserve Into Paddocks at Adadia, Uruan L.G.A – ₦ 4.5m: Development of Grazing Reserve to Produce Pastures for Livestock at Adadia, Uruan – ₦ 5.1m:)	Agriculture	₦ 20m in 2017, ₦ 20m in 2016	The gate to the grazing reserve was locked. Security guards reported that no demarcation was executed in 2017. This item got ₦ 9.6m allocation in the 2016 budget.	

11	Clinics, Ambulatory and Epidemiology Service (Construction of Vet Clinic at Ikot Akpan Nkuk, Ukanafun L.G.A – ₦15m:)	Agriculture	₦100m in 2017, ₦100m in 2016	The vet clinic at Ikot Akpan Nkuk is still actively situated in a rented apartment and under lock and keys. There was a room left open in the office for anyone who wanted to leave a note for the veterinary doctor. The landlord showed the team a notice posted on the wall that had the phone number of the vet doctor in charge, in case anyone wanted to reach him.	Figure 13, Figure 14
12	Piggery Development Project (Expansion of Pig Pens at Ikot Ibritam, Oruk Anam L.G.A – ₦1.9m: Procurement of Breeding Stocks, Provision for Breeder Feeds, Equipment and Cultivation of Leguminous Seedlings at Ikot Imoh, Ekpene Ukpa and Ikot Ibritam – ₦3.7m)	Agriculture	₦10m in 2017	Visits to the site revealed that there was no expansion carried out on the pigpen. According to the staff that spoke to budget monitors, the pig farm at Ikot Ibritam did not benefit from any of the listed projects. Aside a single pig, the pig farm was empty.	Figure 15
13	Construction/Rehabilitation/Revival Of Health Institutions In Akwa Ibom (Completion of Cottage Hospital, Ukanafun – ₦300m; Construction of 1 No. 2 Floors of Twin Three Bedroom Flats at General Hospital, Ikot Ekpene – ₦75m; Construction of Accident and Emergency Unit at General Hospital, Ituk Mbang – ₦40m:)	Health	₦1.01b in the 2017 budget	Nothing new has been done in 2017 towards the completion of Ukanafun cottage hospital. Construction at General Hospital, Ikot Ekpene was non-existent as at the time the monitoring team visited the hospital complex. There was mass demolition going on in the hospital premises at Ituk Mbang.	Figure 17
14	Fencing Of Hospitals And Training Schools (Provision of Perimeter Fence at School of Midwifery, Ituk Mbang, Uruan L.G.A – ₦10m;)	Health	₦45m in 2017, ₦45m in 2016	As at the time of our visit to the site, work was on-going as regards the provision of a perimeter fence at the school.	Figure 20
15	Provision Of Medical Emergency Response Services (Purchase of 23 Ambulances for Medical Emergency Response Services – ₦805m:)	Health	₦816m in 2017, ₦225m in 2016	The medical personnel at the hospitals we interviewed denied any knowledge of new ambulances purchased for their hospitals. Our walk through the hospitals did not uncover new ambulances.	Figure 21

PHOTO GALLERY



Fig 2.1. Figure 1 the entrance to the model school Ishiet Ekim



Fig 2.2. Road built during construction of major roads in the state



Fig 2.3. Figure 5 a student in the newly equipped radio studio Polytechnic, Ikot Osura



Fig 2.4: On-going drainage construction at College of Education, Afaha Nsit



Fig 2.5 Newly completed office and classroom blocks at Akwa Ibom State University, Obio Akpa campus



Fig 2.6: An erosion control work and remedial work carried out by the authorities of the School of Health Technology, Etinan



Fig 2.7 Some of the buildings at the cottage hospital, Ukanafun



Fig 2.8 On-going fencing at the School of Midwifery, Ituk Mbang, Uruan



Fig 2.9: Empty male ward at cottage hospital Ikot Ekpaw



Fig 2.7 The rented apartment used as the Government Vet Clinic at Ikot Akpan Nkuk



Fig 2.8 The 'Read Me' sign on the wall of the office



Fig 2.9. The two existing pig pens at the pig farm, Ikot Ibritam, Oruk Anam



BAYELSA STATE BUDGET PERFORMANCE

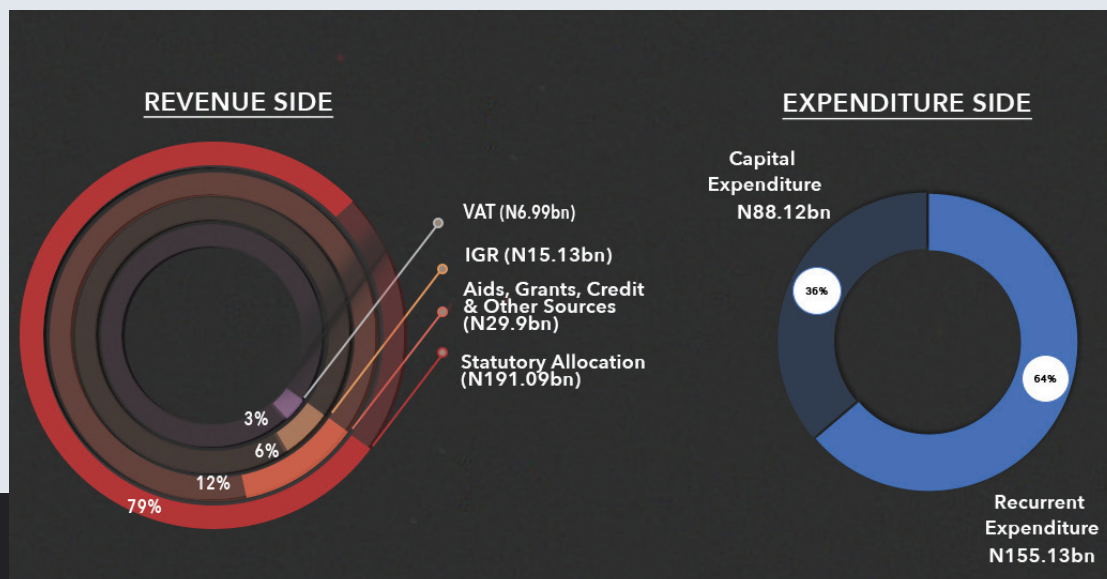
BUDGET ANALYSIS

BACKGROUND

Bayelsa State passed its Income and Expenditure Transparency Law, 2012 to ensure full and detailed disclosure of all income and expenditure in the state. However, it continued to operate an opaque budget system that made it impossible to achieve any transparency or accountability. Over the years, the Bayelsa State Budget has been characterized by opacity, vagueness and deliberate ambiguity. These had contrived to make it impossible for citizens or citizens groups to monitor the allocation of state resources to various needs accurately. In many cases, rather than disaggregate projects according to cost, location and target, the budget only made general statements of purpose and allocated lump sum money to them. This presented a not insignificant challenge to accountability and transparency in the state.

During the presentation of the 2017 budget of Bayelsa State, the governor, Seriaki Dickson, referred to the budget as the “budget of repositioning for consolidation.” By this, the governor indicated his government willingness to complete all previous projects in the state before embarking on new ones; pledging continuity between his government and the previous one.

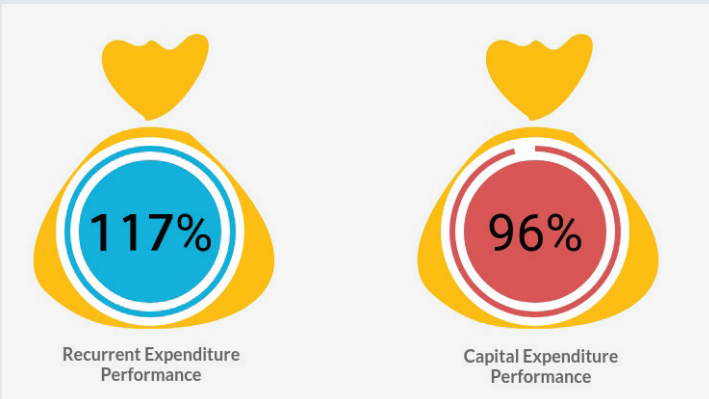
➤ Capital:	Yenagoa
➤ Created:	1 ST October 1996
➤ Governor:	Seriake Henry Dickson
➤ GDP (PPP), billion \$:	4.3 (2007)
➤ GDP Per Capita, \$:	2,484 (2007)
➤ Unemployment Rate, Percent:	23.9 (2011)
➤ Land area, sq. km:	9,059.0 (2006)
➤ Population, persons:	1,704,515 (2006)
➤ Literacy Rate, Adult:	74.9 (2010)



Graph 3.1: Summary of 2016 Budget (January - December)

The 2017 budget was ₦243.244 billion compared to the 2016 figure of ₦150.6 billion, showing an increase of ₦92.644 billion. While Analyst and public commentators alike generally commended the sincerity of the 2016 budget, they wondered, however, how the state intended to realise the enormous amount needed to finance the 2017 budget. Of the ₦243.244 billion, recurrent expenditures were estimated at ₦155.129 billion or 64 % of the budget. The balance went to capital expenditures (₦88.115 billion or 36 % of the budget).

PERFORMANCE OF THE 2016 BUDGET



Graph 3.2: 2016 Budget Recurrent /Capital Expenditure Performance

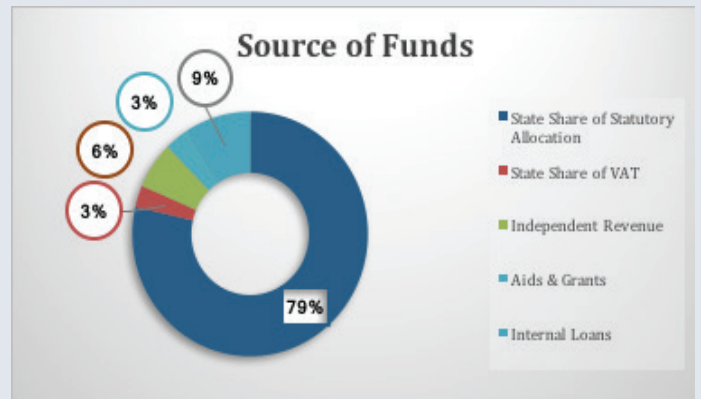
The 2016 budget had a total budget size of ₦150.6 billion which was expected to be financed by statutory allocation (₦82.3 billion or 55%), VAT (6 billion or 4%), IGR (₦11 billion or 8%) and loans and other capital receipts (₦51.2 billion or 35%).

The summary showed a capital expenditure budget performance of 97% and a recurrent expenditure performance of 117% for the year ended 2016. This meant that 17% more than was budgeted was spent on recurrent expenditure. It equally showed that the state spent 4% less on capital expenditure than was planned. Both of these outcomes further skewed the allocation of state resources to the disfavor of capital expenditure.

2017 BUDGET

Bayelsa State Governor, Seriake Dickson, presented the 2017 fiscal year budget estimate named “Budget of Repositioning for Consolidation” of ₦221 billion to the State House of Assembly for consideration and passage.

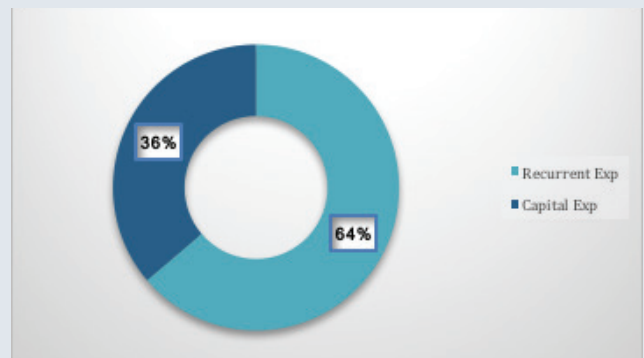
The House, however, passed the sum of ₦243 billion, an increase of ₦22 billion or 10%.



Graph 3.3: Source of funding the 2017 Budget

A breakdown of the 2017 Appropriation Bill showed that ₦191 billion was projected as revenue from statutory allocation, ₦6.9 billion from VAT and ₦15.1 billion from independent revenue sources. The budget indicated that ₦8 billion was expected from grants and ₦21.9 billion from domestic loans. Personnel costs would gulp ₦52.3 billion, overhead costs ₦41.3 billion, while consolidated revenue fund charges would amount to ₦61.4 billion. Capital expenditure was allocated ₦88.1 billion.

The revenue distribution continued to show the historical overreliance on the Federal Account by the state. The government once again is relying heavily on statutory allocation including VAT and derivation from oil to finance expenditure for the fiscal year. As the above diagram showed, statutory allocations were at an astonishing 82% of the entire revenue portrait.



Graph 3.4: 2017 Budget Size- Recurrent and Capital Share

The ratio is biased towards recurrent expenditure, continuing the trend that despite publically stated intents and overwrought rhetoric of building the infrastructural stock of the state, the state seemed incapable or unwilling to escape the recurrent expenditure trap.

EDUCATION SECTOR



Graph 3.5: Capital allocation to Education against other capital outlay in the budget

With a proposal of ₦13.5 billion, education occupied about 47 % of the social sector, 15 % of the capital expenditure and 6 % of the overall budget, respectively.

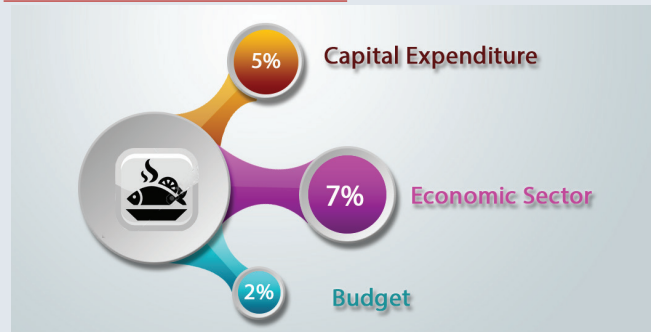
HEALTH SECTOR



Graph 3.6: Capital allocation to Health Sub-sector against other capital outlay in the budget

The approved capital expenditure allocation for health in the 2017 budget was ₦5.92 billion. This represented 7% of the capital expenditure of ₦88.11 billion, 20 % of allocation to the Social Sector of ₦28.97 billion and 2 % of the total budget of ₦243.24 billion.

FOOD SUFFICIENCY SECTOR



Graph 3.7: Capital allocation to Food Sufficiency against other capital outlay in the budget

The food sufficiency sector comprised of the agriculture, livestock and fisheries subsectors. The budget called for ₦4.024 billion to be spent on agriculture, which represented 2 % of the entire budget. Agriculture got 5 % of capital projects and made up about 7% of the economic sector.

“ The government of Bayelsa state should obey its own laws and operate an open budget system.

MONITORING REPORT

	PROJECT TITLE	SECTION		MONITORING REPORT	IMAGE
1	<i>Chief Melford Ok-ilo 500 Bedroom Hospital, Imgbi Road, Amara-ta-Yenagoa</i>	Health	About ₦15bn has been budgeted over the last years	The monitoring visits were carried out in November 2017. Because the facility was handed over to a private organisation, access to the facility was restricted, and workers refused to disclose information to the monitor without prior written permission from the state ministry of health.	Fig 1, fig 3
2	<i>General Hospital, Emakalakala, Ogbia LGA</i>	Education	₦150m	The monitoring team visited the site with community members who opined that the facility has been abandoned for several years and left to rot. As at the time of the visit, the place has been cleared and the pictures included below show the extant state of the project.	Fig 4, fig6
3	<i>Construction of Referral General Hospital, Sagbama</i>	Health	Not Available	The monitoring team visited the site and took on the spot assessment of the project. We interviewed community folks who informed us of their hope and prayer that the facility would be completed on time and put to good use, as it will benefit all the communities in that Sagbama axis.	Fig 7a, fig 7b
4	<i>Construction of Referral General Hospital, Kaiama, Kolokuma Opokuma LGA</i>	Health	Not Available	Like the facility in Sagbama, the one in Kaiama was nearing completion as at November 2017. The Referral General Hospitals in Kaiama was part of a broader health care delivery plan by the current government.	Fig 8a, fig 8b
5	<i>Construction of Referral General Hospital, Ogbia Town, Ogbia LGA</i>	Health	Not Available	The facility at Ogbia Town is still less than 30% completed by the estimation of the monitoring team. The project has been undergoing rather slow construction for at least five years.	Fig 9a, fig 9b
6	<i>Ijaw National Academy, Kaiama, KOLGA</i>	Education	Not Available	When the team visited, the Academy was completed and in use. The project was initiated by the present government as part of the government's policy to provide quality education in the state.	Fig 10a, fig 10b



Fig 3.1: Chief Melford Okilo 500 bed Hospital



Fig 3.2: Completed diagnostic centre



Fig 3.3 Abandoned Hospital at Emakalakala



fig 3.4: Abandoned equipment



Fig 3.5. Referral Hospital Sagbama



Fig 3.6. Referral Hospital Sagbama



Fig 3.7. Referral General Hospital, Kaiama, KOLGA



Fig 3.8. Referral General Hospital, Kaiama, KOLGA



Fig 3.9. Referral General Hospital Ogbia



Fig 3.10. Referral General Hospital Ogbia Town still under construction for years after award



Fig 3.11. Ijaw National Academy, Kaiama, KOLGA



Fig 3.12. Ijaw National Academy, Kaiama, KOLGA



AFIESERE SECONDARY SCHOOL

AFIESERE-UCHELLI

YEAR FOUNDED: 1981

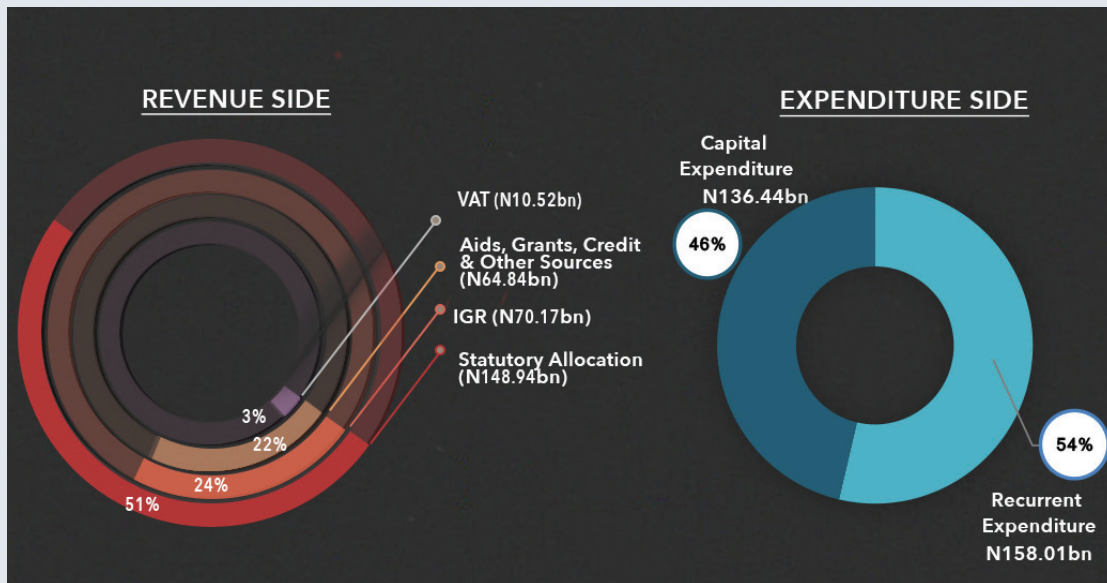
DELTA STATE BUDGET PERFORMANCE

BUDGET ANALYSIS

BACKGROUND

Delta State is home to over 50 oilfields and accounts for over 27 % of petroleum production in Nigeria. With a total landmass of 16,842 square kilometres and an estimated population of about 4.8 million people, the state has the potential for agriculture, tourism and commerce. Delta State, however, ranks as the second most indebted state in Nigeria, second only to Lagos State. With an external debt burden of ₦331.95 billion, governor Ifeanyi Okowa was saddled with the responsibility of managing this debt with reduced income from the federal allocation due to the fall in oil prices. While also trying to deliver on campaign promises, there was concern that the debt profile would rise as the state increased its borrowing to make up the shortfall from the national purse.

➤	
➤ Capital:	Asaba
➤ Created:	1 st October 1989
➤ Governor:	Arthur Okowa Ifeanyi
➤ GDP Per Capita (\$):	3,990 (2007)
➤ Unemployment Rate (%):	27.2 (2011)
➤ Land area (sq. km):	17,108.0 (2006)
➤ Population:	4,112,445 (2006)



Graph 4.1: Summary of Delta State Budget of Prudence and Self-Reliance

SUMMARY OF KANO STATE BUDGET OF PRUDENCE AND SELF-RELIANCE

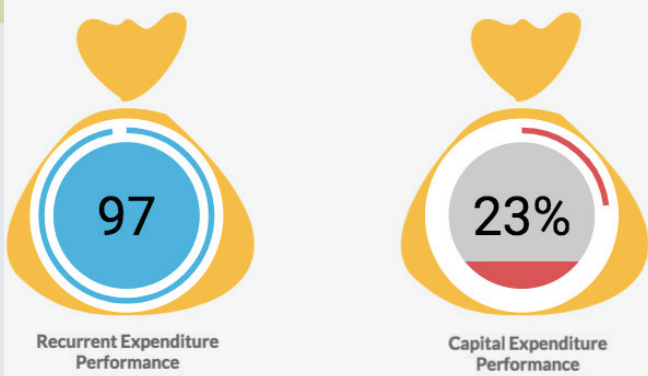
Delta State government maintained the SMART agenda, designed to run from 2016-2019 as stated in the Delta State Medium Term Development Plan (DSMTDP). The acronym SMART stands for:

- ✓ Strategic wealth creation projects and provision of jobs for all Deltans
- ✓ Meaningful, peacebuilding platforms aimed at political and social harmony
- ✓ Agricultural reforms and accelerated industrialisation
- ✓ Relevant Health and education policies
- ✓ Transformed environment through urban renewal

This Plan released as part of the Fiscal Strategy Paper (FSP) and Medium-Term Expenditure Framework (MTEF) 2016 – 2019 was intended to serve as a valuable tool for the dissemination and understanding of the development policies, strategies and programs in the state. It was expected to guide the allocation of resources for programmes in Delta State.

PERFORMANCE OF THE 2016 BUDGET

Summary of 2016 Budget (January - December)



Graph 4.2: 2016 Budget Performance

The sum of ₦265,668,156,174 was passed into law by the State Assembly in 2016. At the end of the third quarter, the government had recorded a revenue receipt of ₦118,154,509,648, which represented an overall budget performance of about 66 % over the revised expected revised third-quarter revenue of ₦178,786,104,115. The sum of ₦15.811 billion of the realised amount came as the unspent balance from 2015.

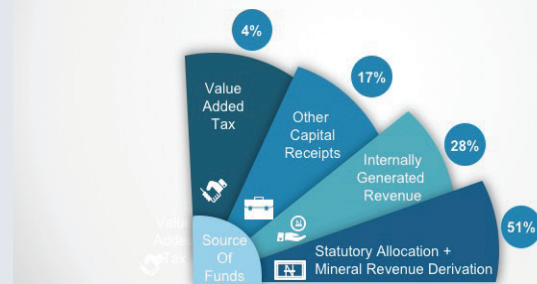
The expenditure profile for 2016 showed a total outflow of ₦118 billion. This sum consisted of the following: ₦99.93 billion recurrent expenditure and ₦18.07 billion capital expenditure. It showed that the budget weighed heavily toward recurrent spending, which left very little for capital assets.

2017 BUDGET

The budget presented by the governor, Ifeanyi Okowa, for the 2017 fiscal year was ₦270.910 billion, which saw a slight increase of 2 % over the amount of ₦265.668 billion budgeted for 2016. Presenting the budget appropriation bill to the state house of assembly, the Governor stated that the budget was consistent with its SMART agenda outlined above. The House reviewed the budget upward by 9 % after its review and the governor assented into law the budget of ₦294.457 for 2017.

₦158.013 billion or 56.07 % of the budget was allocated to recurring expenditure while ₦136.443 billion or 43.93 % was promised to capital expenditure. These figures were 3% and 21% respectively higher than the corresponding figures for recurrent and capital expenditures in the preceding year. The 2017 budget achieved a better balance between recurrent and capital expenditures.

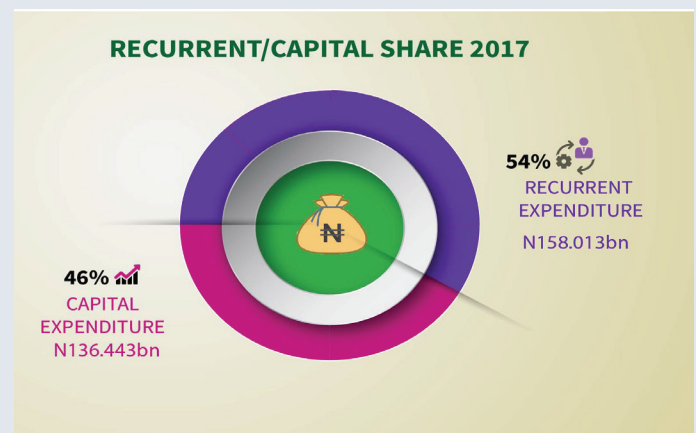
Source of Funds



Graph 4.3: Source of Funding 2017 Budget

The revenue distribution trend followed a familiar pattern. It depended heavily on federal allocations. The state estimated that the federal allocations would provide about 55 % of its budgeted income for the year. Although this figure is slightly lower than that of 2016, it suggests that the state has still not diversified its economy enough from the dependence of oil revenue despite expressed intentions over the preceding years. In his budget speech, the governor blamed pipe-line vandals for the dwindling fortune of the state as the state has fallen from the status of the second highest oil producing state to the fourth. This shift in production position, according to the Nigerian revenue sharing formula, has a corresponding effort of the money that accrues to the state coffers.

2017 Budget Size- Recurrent and Capital Share

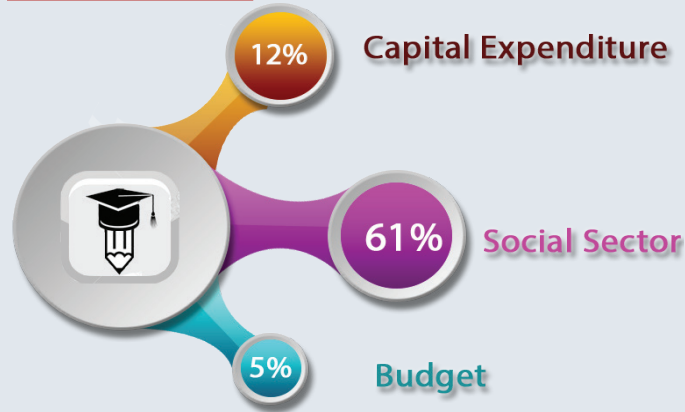


Graph 4.4: 2017 Recurrent and Capital Share

The above diagram showed the recurrent and capital shares of the budget, which significantly tilts towards the former. Notwithstanding, the pattern depicted here is a better distribution than the ones obtained in previous years particularly in 2015 when the allocation to recurrent expenditure was 29 % higher than the allocation to capital expenditure. Though this figure may appear encouraging, when considered against the backdrop of actual disbursement in previous years, it could be seen that actual disbursements is even more skewed in fa-

four of the recurrent ledger than in the budgets. For instance, in 2015 and 2014 budgets, only 35 % and 24.47 % of budgeted capital expenditures were achieved. These could be contrasted with the 97 % and 101 % of budgeted recurrent expenditures that the state recording in 2015 and 2014, respectively.

EDUCATION SECTOR



Graph 4.5: Capital allocation to Education against other capital outlay in the budget

Education was grouped under the social sector in the budget. With a proposal of ₦14.78 billion, it commanded about 61 % of the total budget for that sector, which meant that health, information and culture and social development, the other subsectors of the sector, combined received 39 % of the allocation to the social sector. In the capital expenditure framework, education took 12 %. The amount of ₦14.78 billion allocated to education was only 5 % of the overall budget. This was ₦3.48 billion more than the ₦11.30 billion allocated to the subsector in 2016.

HEALTH SECTOR

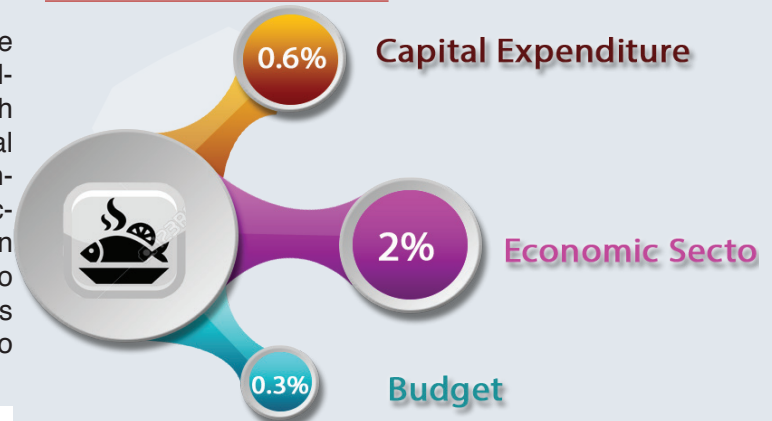


Graph 4.6: Capital allocation to Health Sub-Sector against other capital outlay in the budget

Delta state government has maintained her resolve to improve the health condition of its citizens by investing in primary health care. However, the subsector only received ₦7.09 billion or 3% of the 2017 budget. This amount was 22 % better than the amount allocated to health in the 2016 budget. Health also consumed 29% of the allocation to the Social Sector. Its share of the

capital expenditure was 6%. None of these figures or statistics particularly supports the claim of the state to prioritise the health of its citizens. It is still more talk and less action in the state when it comes to health care. It strains belief on the state's resolve to achieve its SMART agenda on health with this expenditure pattern. It is especially important to note this because actual expenditure on health pales in comparison to the amount budgeted so frequently that one wonders what the purpose of budgeting is in the state. For example, out of the ₦12.32 billion allocated to the social sector in 2016, only ₦2.096 billion was expended. This is an abysmal 17 % performance. Budgets are supposed to be templates or guidelines on the expenditure actions of a regime or an entity in any given period, but in Delta state, they seem to be viewed by those in authority as mere or less than suggestions. Variances between budgeted and actual figures seemed not to be analyzed in any meaningful way by the state, as it is difficult to discern any corrective actions taken by the state to prevent their recurrence in the past several years.

FOOD SUFFICIENCY SECTOR



Graph 4.7: Capital allocation to Food Sufficiency Sub-Sector against other capital outlay in the budget

The Production, Processing and Support (PPS) program was designed to support agricultural entrepreneurs in the state. It aimed to increase agrarian product food chain and generate employment for the youth bulge in the state.

The capital budget allocation to support this and other schemes to the sub-sector was ₦675,517,284. This amount forms about 2% of the economic sector, 0.6% of the capital expenditure and 0.3% of the total budget. The figure is about ₦3 billion less than it was in the preceding year. Again, the funding allocation does not match the stated intent of the government. Prioritizing a sector has to mean dedicating more than 0.3 % of the entire budget to creating the capital infrastructure necessary for that sector. It is difficult finding a reasonable explanation the dissonance between what the government claims it wants to do in agriculture and the amount it allocates to the sector.

BUDGET MONITORING REPORT

	PROJECT TITLE	SECTION		MONITORING REPORT	IMAGE
1	Afiesere secondary school, Ugheli, Ugheli-North L.G.A. Delta state.	Education	₦50m	Citizen monitors found six class-room blocks under renovation with workers on site.	Fig1a, Fig 1b
2	Elume Grammar School, Sapele	Education	₦50m	Monitors found that 12 six Classroom blocks and teachers' offices were undergoing renovation. Workers were seen on site.	Fig 2a, Fig 2b
3	Abaje Primary School, Uguwangu, Warri South Delta State.	Education	₦50m	Our visit showed that renovation work is still ongoing and nearing completion. Only the installation of electrical wiring and the provision of classroom desk remained to be completed.	Fig 3
4	Adult Literacy Centre Ekpan, Uvwu	Education	₦50m	Citizens monitors couldn't locate this project anywhere in the community (Ekpan). A youth leader and some residents in the community told monitors that they do not know about the project.	
	Ugbokodo Secondary School, Ugbokodo, Okpe.	Education	₦50.00m	Monitors found 3 classrooms blocks undergoing renovation.	Fig 4
5	Ekete Grammar School, Ekete, Udu.	Education	₦50m	Work was going on at the site as at December 2017. Monitors were informed by workers and some teachers that work started 2 months earlier. The renovation of 12 classrooms blocks, toilets and teachers' offices. The school has no fence.	Fig 5
6	Oha Secondary School, Oha, Okpe	Education	₦50m	On visiting this project, monitors discovered found 15 classroom blocks, toilets and offices undergoing renovation work and nearing completion.	Fig 6

7	Dore Numa College, Warri, Warri South	Education	₦50m	When monitors visited the school, there was no work going on. Teachers and students are not aware of any project in the school.	Figure 7
8	Ubeji Grammar School, Warri, Warri-South.	Education	₦50m	The only project under renovation is a hall and is at roofing level.	Fig 8
9	Fencing Of Osubi Primary School, Osubi.	Education	₦50m	When the team visited the School, there was no fencing work going on in the school. The primary school has no fence. Teachers and students have no idea of the said project.	Fig. 9
	Establishment Of Library At Asaba and Sapele.	Education	₦150m	In December 2017 citizen monitors that visited the one in Sapele found a new library building, but couldn't gain access to the building because the gate of the library building was locked.	Fig. 10
	Upgrading of Four Central Hospitals in Warri, Ughelli, Agbor and Sapele.	Health	₦300m	Monitors visited the hospital in Warri where no upgrade was undertaken in 2017.	
	Development of Health Institutions-School of Nursing Warri and Agbor.	Health	₦300m	At the School of Nursing in Warri, the only visible projects seen were a completed building and another that appeared to have been abandoned.	
	Development of School of Health Technology, Ufuoma, Ugheli.	Health	₦50m	Monitors did not see any indication that any project was going on there. The team was informed by the staff that the only renovation work done at the school was done with money generated by the school.	Fig 11
	Construction of Primary Health Centre at Iwhere-Nene.	Health	₦35m	Monitors found an old but functioning health centre. No new health centre was built in the community in 2017.	Fig 12

PHOTO GALLERY



Fig. 4.1 Afiesere Secondary School, Ugheli Ugheli North L.G.A. Delta State



Fig 4.2: Elume Grammar School (School Sapele)



Fig 4.3: Abaje Primary School, Uguwangu, Warri



Fig 4.4: Ugbokodo Secondary School, Ugbokodo, Okpe



Fig. 4.5: Eket Grammar School, Eket, Udu



Fig. 4.6: Oha Secondary School, Oha, Okpe



Fig 4.7: Dore Numa College, Warri, Warri South



Fig 4.8: Ubeji Grammar School, Warri



Fig 4.9: Osubi Primary School, Osubi



Fig 4.10: Delta State Library Sapele



Fig 4.11. School of Health Technology, Ufuoma, Ugheli.



Fig. 4.12: Primary Health Centre at Iwhere-Nene.



KANO STATE BUDGET PERFORMANCE

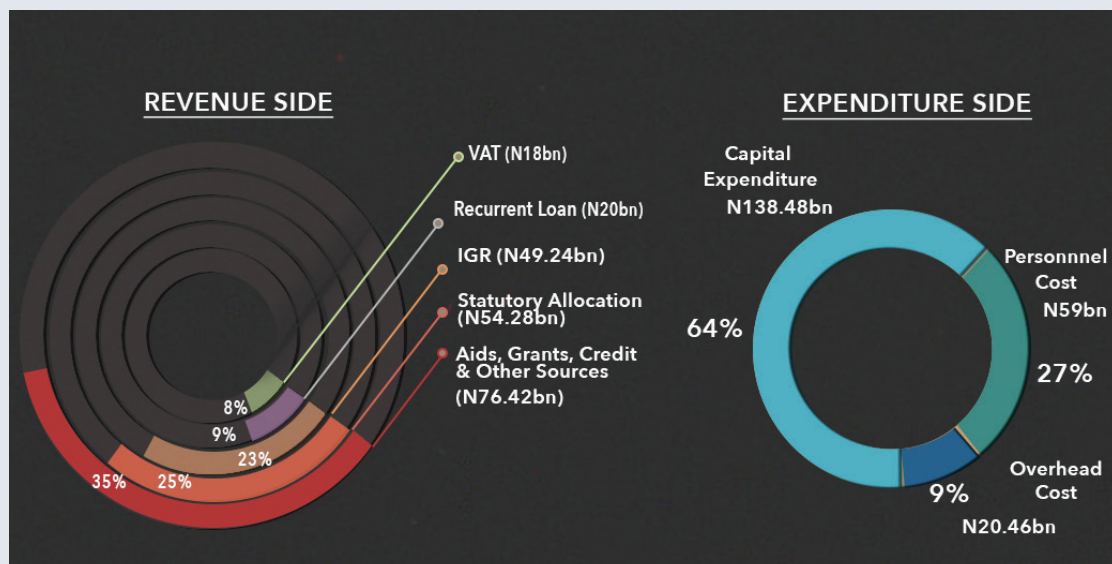
BUDGET ANALYSIS

BACKGROUND

Kano State, in northwestern Nigeria, has been a major entry port to the nation due to its strategic location as the southern hub of the trans-Saharan trade route. The city of Kano, which is the capital of the state, has served as a regional centre of commerce servicing parts of northern Nigeria and neighbouring countries such as Niger, Chad and Cameroon, as well as across the Sahel economic zone/North Africa.

Agriculturally, the state has over 1,754,200 hectares of arable land which has in the past been cultivated and produced crop produce that uniquely put the state in the economic map of Nigeria. The 'groundnut pyramids' in the 1960s and 1970s was one of the evidence of how agriculture could boost economic activities and enhance revenue generation for the state. Over the years, reliance on petroleum revenues via the Federation Account has disincentivised state focus on the historically productive sectors of the economy.

➤ Capital:	Kano
➤ Created:	27 th May 1967
➤ Governor:	Dr Abdullahi Umar Ganduje
➤ GDP (PPP), billion \$:	12.4 (2007)
➤ GDP Per Capita, \$:	1,288 (2007)
➤ Unemployment Rate, Percent:	21.3 (2011)
➤ Land area, sq. km:	20,280.0 (2006)
➤ Population, persons:	9,401,288 (2006)
➤ Population density, people per sq. km:	463.57
➤ Literacy Rate, Adult:	37.4 (2010)

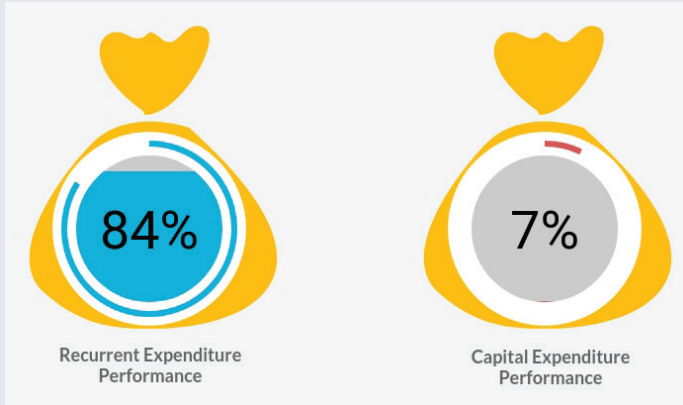


Graph 5.1: Summary of 2016 Budget (January - September)

The governor of Kano State, Abdullahi Umar Ganduje tagged the 2017 budget of ₦209,857,330,488 as “the budget for sustainable self-reliance”. While acknowledging the drop in key budget indices like capital expenditure, IGR and recurrent expenditure, the governor blamed the decline on the economic recession in the country that was occasioned by the fall in crude oil prices. He explained that the shortfall in revenue would be augmented from domestic loans of ₦26.2 billion and other grants estimated at ₦32.5 billion.

The 2017 budget focused on the education sector, which got ₦17.5 billion. Ganduje explained: “We want to remain steadfast and committed towards improving the quality of our education. That is why we are giving high priority to the sector.” The allocation to education was only lower than the vote to Works, Housing and Transport ministry and Ministry of Land & Physical Planning which got highest and second highest allocations respectively.

PERFORMANCE OF THE 2016 BUDGET



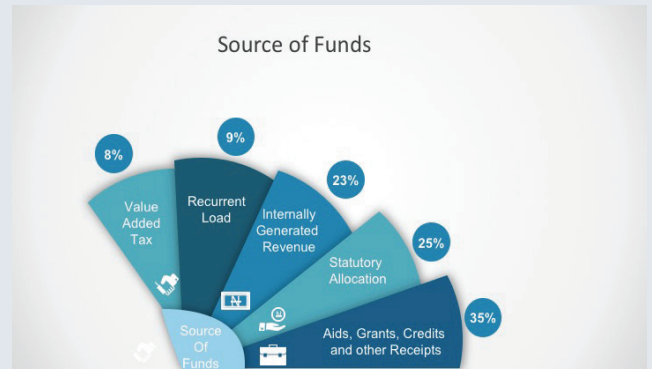
Graph 5.2: Summary of 2016 Budget (January - September)

The summary shows a capital expenditure budget performance of 7% and a recurrent expenditure performance of 84% for 2016 just before the end of the third quarter.

2017 BUDGET

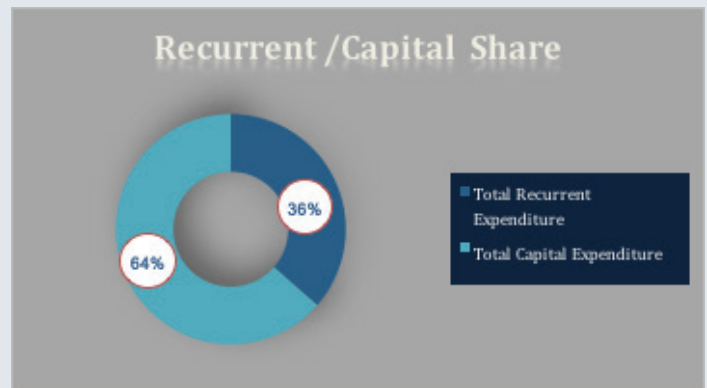
Governor Abdullahi Umar Ganduje presented the appropriation bill of ₦209, 857,330,488 for the 2017 fiscal year to the state House of Assembly for ratification. The House upon consideration of the bill hiked it to ₦217.932bn; an increase of about 4% of the original sum presented. The approved bill consisted of ₦138.475 for capital expenditure and ₦79.456 for recurrent undertakings. The capital expenditure was less than that of 2016 by ₦51.873 or 27%.

According to the fiscal document, the budget was to be financed by ₦54.28 billion share of the statutory federal allocation, ₦49.23 billion from internally generated revenue and ₦18 billion from VAT. Earnings from other sources would be relied upon to fetch ₦5.41, while the balance would be made up from loans, grants and aids of ₦ 26.20billion. The state had a budget deficit of ₦64.60 billion



Graph 5.3: 2017 Source of funds

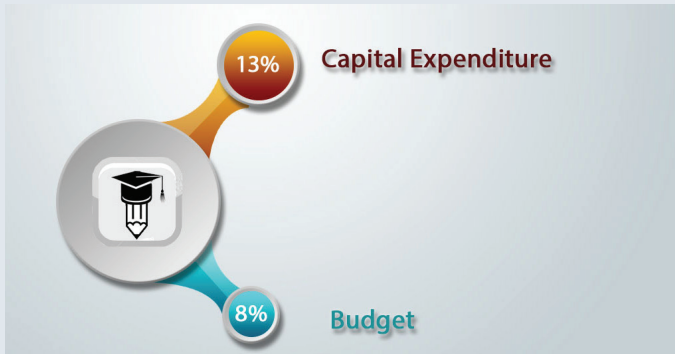
The revenue distribution indicates a revenue distribution made up of 22.% of internally generated funds while the balance of 77.% consisted of loans and federal transfers. The government relied heavily on statutory allocation including VAT and borrowing to finance expenditure for the fiscal year. With a deficit of ₦64.6billion, the government would be incurring more debt to fund the 2017 budget.



Graph 5.4: 2017 Budget Size- Recurrent and Capital Share

Capital expenditure appeared to have a healthy edge over its recurrent counterpart as the above chart indicated. This is a welcomed achievement if implemented. The implementation of the budget is vital especially when one cast a cautionary eye on the implementation of the 2016 budget that saw the state only spending 7 % of its budgeted capital expenditure. Hence, one cannot take, as fait accompli, that the state will spend 64 % of its revenue receipts for 2017 on capital expenditures. The government’s antecedents, especially most recently, did not encourage such optimism.

EDUCATION SECTOR



Graph 5.5: Capital allocation to Education against other capital outlay in the budget

With a proposal of ₦17.79 billion, education commanded about 13 % of the capital expenditure and 8% of the overall budget. Comparatively, this was some ₦9.31 billion short of the amount allocated to the sector in 2016.

The decline in the allocation to the educational sector is understandable given that the entire country was in recession for part of the year. But it also indicated the correlation between what the state gets from the federal allocation and the states projected revenue. This dependency is not unique to Kano State, but given its historic role as a hub of economic activities, it should be in a similar position as Lagos state concerning the ability to generate revenue internally.

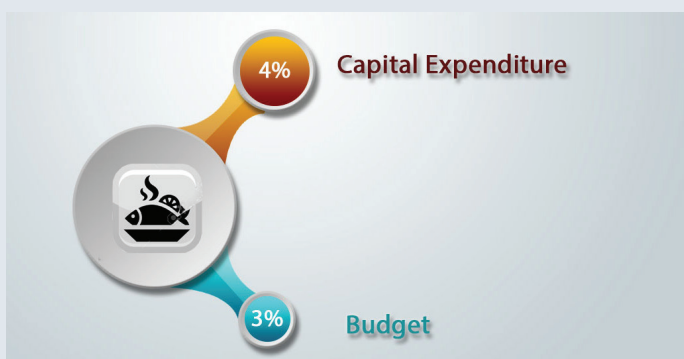
HEALTH SECTOR



Graph 5.6: Capital allocation to Health Sub-sector against other capital outlay in the budget

The approved capital expenditure allocation for health in the 2017 budget was ₦11.08 billion, or about 8 % of the capital budget estimate and 5% of the total budget. This figure was ₦2.52bn short of the amount budgeted for health in the preceding year.

FOOD SUFFICIENCY SECTOR



Graph 5.7: Capital allocation to Food Sufficiency against other capital outlay in the budget

The food sufficiency sector comprises of three sub-sectors, namely: agriculture, livestock, and fisheries. Livestock and fisheries did not attract the interest of the government of the state as they received zero allocation in 2017. The agriculture subsector received ₦6.1 billion. The figure showed a decrease of about ₦1.9bn over the provision for the sector in 2016. Agriculture was allocated 4 % of capital projects and 3 % of the total budget for the fiscal year.

MONITORING REPORT

	PROJECT TITLE	SECTION		MONITORING REPORT	IMAGE
1	Provision of power generating plant to health facilities and institutions	Health	₦40m	There was no purchase of any generator. Monitors found a generator donated by a local philanthropist at Sheik Jidda Hospital (Fagge L.G.A)	<i>Fig 1a</i>
2	Procurement of furniture and health facilities	Health	₦40m	There were no purchases of furniture or any health facilities. However, we found few benches donated by a philanthropist at Mamu Wali Hospital (Gwale L.GA)	<i>Fig 2</i>
3	Landscaping and interlocking of hospitals	Health	₦60m	There were no interlocking landscaping work at Wudil General Hospital (Wudil L.G.A.)	<i>Fig 3</i>
4	Renovation and rehabilitation of health institution	Health	₦600m	There was no renovation work at Bichi referral centre (Bichi L.G.A.)	
5	Upgrading of PHCs to cottage and general hospitals	Health	₦555m	The Tota PHC was not been upgraded to a General Hospital in 2017 (Tota L.GA).	<i>Fig 7</i>
6	Provision of incinerators to secondary health facilities in the state	Health	₦20m	No incinerator was constructed. However, there was an old one provided in 2014, and it is not functional. Bichi General hospital (Bichi) L.G	
7	Rehabilitation of Kwanar-Garko Road Rana Road.	Works	₦400m	The project is ongoing (Garko L.G)	

8	Construction of traditional kitchen at Bichi Model Tsangaya School	Education	₦28m	No traditional kitchen was constructed. Food is being cooked in an open space	
9	Construction of Teachers Lodge at Gaya	Education	₦23m	From the findings of the team, there was no construction of teachers' lodge in the Model Tsangaya school visited	
10	Construction of block well fence in model Tsangaya School in Bichi	Education	₦10m	There was no construction of block wall fence	
11	Construction of 720 classrooms consisting of storey block of 16 classroom and duplex block.	Education	₦475m	The projection is ambiguous and bogus, as it lacks the merit of specification.	
12	Constriction of under-pass way at Sharada-Pan-shekara	Works	₦1bn	Project is completed (Kumbotsa L.G.A)	
13	Construction of K/Jaba-Rimin Kebe	Works	₦300m	This is an abandoned project which was started in 2011 (Nassarawa L.G)	
14	Dungurawa D/ Tofa Road	Works	₦150m	The project started in 2017 but appears to have been abandoned. (D/Tofa)	<i>Fig 11</i>
15	Kwanar Zau- ra-Ganduje Road	Works	₦750m	This project was started in 2016 but is still not completed (D/Tofa)	

PHOTO GALLERY



Fig. 5.1 A power generating plant, Fagge L.G.A).



Fig 5.2. Kwanar Zaura-Ganduje Road



Fig 5.3. A cabinet benches donated to Mamu Wali Hospital Gwale L.GA



Fig 5.4. Wudil General Hospital without interlocks



Fig 5.5. Tsangaya Model School in Bichi



Fig. 5.6. Rehabilitation of Kwanar-Garko Road Rana Road



Fig 5.7 Food Cooked In Open Space In Bichi Model Hospital



Fig 5.8. Tofa Phc Upgraded To General Hospital



Fig 5.9. Trash At The Bichi General Hospital (Bichi) L.G



Fig 5.10. Bichi General hospital (Bichi) L.G



Fig 5.11. under-pass way at Sharada-Pan-shekara



Fig. 5.12 Dungurawa D/Tofa Road



NASARAWA STATE BUDGET PERFORMANCE

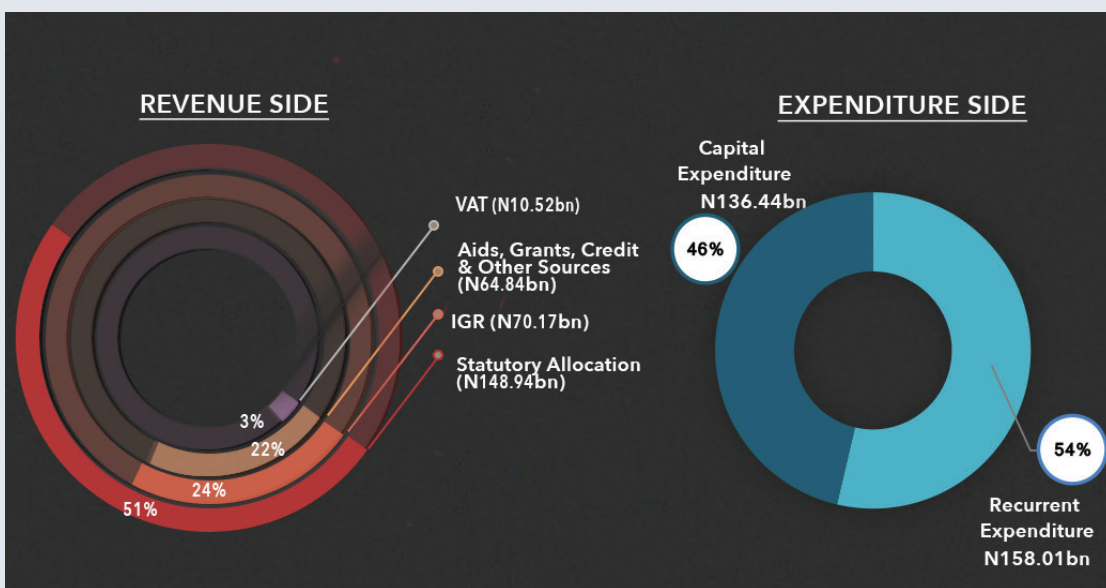
BUDGET ANALYSIS

BACKGROUND

Nasarawa State has 13 Local Government Areas spread over a landmass of 27,117 km². Agriculture has been the economic mainstay of the people of the state where a variety of crops are produced throughout the year. There are also various minable minerals found in the state including salt, barite, and bauxite, which are mostly mined by artisanal miners.

The recurring farmers-herdsmen clashes that often result in deaths and injuries have marred the socio-political climate in the state. The state government in 2017 attributed the proximate cause of the confrontations to the influx of herders to Nasarawa due, in the government's estimation, to the enactment of anti-open grazing legislation in Benue state – one of the states that border Nasarawa. The farmer-herder clashes have become a national crisis because many states are presently affected. Also, the debates that the clashes have engendered highlights the many schisms that have historically bedevilled the country.

➤ Capital:	Lafia
➤ Created:	1 October 1996
➤ Governor:	Umaru Tanko Al-Makura
➤ GDP Per Capita (\$):	1,588 (2007)
➤ Unemployment Rate (%):	36.5 (2011)
➤ Land area (sq. km):	28,735.0 (2006)
➤ Population:	1,869,377 (2006)
➤ Literacy Rate (Adult):	52.9 (2010)



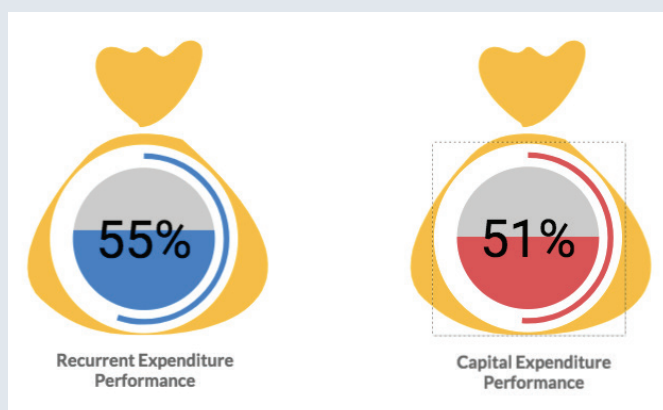
Graph 6.1: Summary of 2016 Budget (January - December)

The focus of Government in the 2017 fiscal year was as follows:

- i. The completion of projects that will turn the economic fortune of the citizenry,
- ii. The stimulation of the economy out of recession,
- iii. The encouragement and support of youth in agricultural production,
- iv. The creation of conducive environment for the participation of the informal sector in income generation and sustainable production, and
- v. The protection of lives and property.

These, the state hoped, would empower youth, boost economic production, build value chain, strengthen commercial ventures and safeguard the environment.

PERFORMANCE OF THE 2016 BUDGET



Graph 6.2: Summary of 2016 Budget (January - October)

Out of the projected receipt of ₦79.30 billion for 2016 fiscal year, ₦43.10 billion was realized as at the end of October of the same year. This represents 54.35% of the total expected revenue for 2016.

During the same period, ₦24.68 billion was spent on recurrent items while ₦18.42 billion was spent on capital projects, which represented a budget performance of 55% and 51%, respectively.

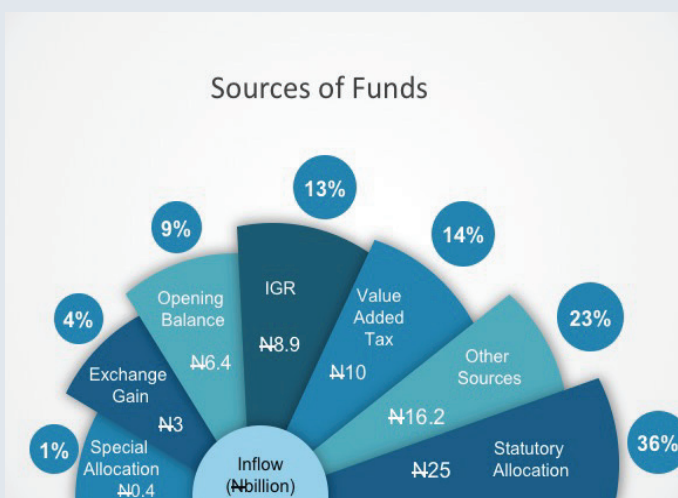
2017 BUDGET

While presenting the 2017 appropriation bill to the state House of Assembly, the governor decried the continued dwindling monthly allocation from the federation account. Governor Umaru Tanko Al-Makura presented the 2017 appropriation bill with total expenditure outlay of ₦67.013 billion. The budget was to be financed with projected earnings of ₦53.99 billion. The governor expected that the federal government's Budget Support Facility would help to finance the deficit. The budget framework showed a decrease of ₦13.90 billion or 17.18% relative to the 2016 appropriation.

The following were the anticipated revenue sources for 2017:

- A. Opening balance of ₦6.42 Billion
- B. Federation Account
 - i. Statutory Revenue Allocation of ₦22 Billion
 - ii. Value Added Tax (VAT) of ₦8.5 Billion;
 - iii. Exchange Gain of ₦2.5 Billion;
 - iv. Special Allocation of ₦300 Million;
- C. Internally Generated Revenue (IGR) of ₦7.53 Billion.
- D. Aids and Grants of ₦6.98 Billion;
- E. Budget Support Facility of ₦8.98 Billion;
- F. Commercial Bank Loan/Overdraft of ₦10.00 Billion.

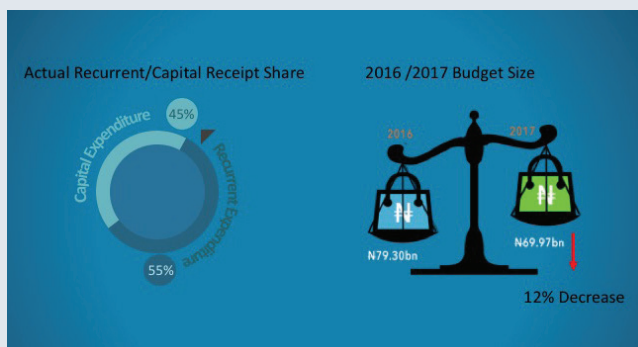
SOURCES OF FUNDS



Graph 6.3: Source of funding the 2017 Budget

The revenue portrait diagrammed above showed a major dependent on statutory allocations. The state also expected a considerable amount of borrowing, and ₦8.9 billion from its independent revenue sources. Internally generated revenue represented only 13% of the total revenue projections.

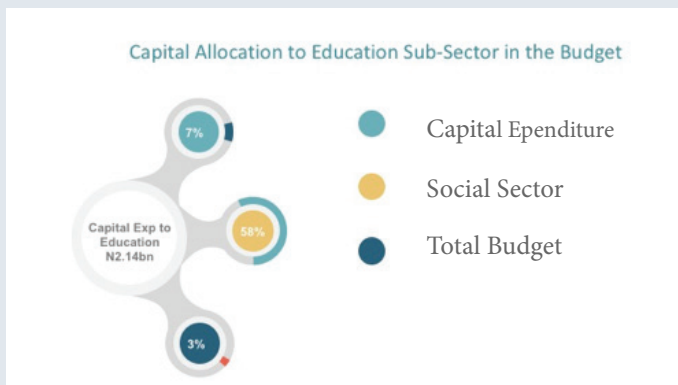
2017 BUDGET SIZE- RECURRENT AND CAPITAL SHARE



Graph 6.4: 2017 Budget Size- Recurrent and Capital Share

The recurrent expenditure composition in 2017 was greater than the amount allocated to capital expenditure by 10%. This meant that there were less funds for developmental projects. Judging, however, from the performance of the capital as compared to the recurrent in 2016 (51% versus 55%), it is hoped that actual expenditure would not unduly disfavour capital assets as was the case in most of the states we reviewed.

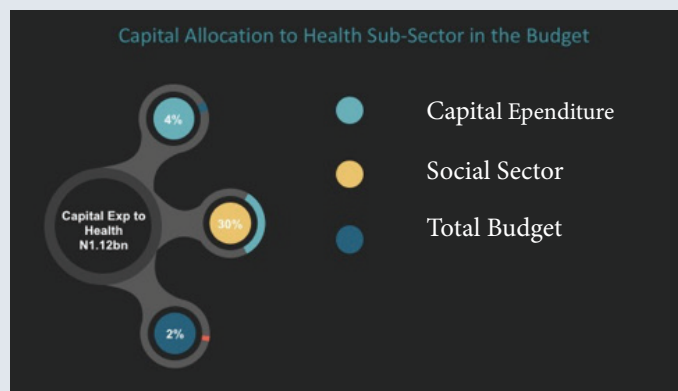
EDUCATIONAL SUB-SECTOR



The composition of capital projections to the Education Sub-sector included allocations to the Ministry of Education, Universal Basic Education Board, State Library, Ministry of Special Education, Science & Technology and Scholarship Board.

Graph 6.5: Capital allocation to education subsector in the budget

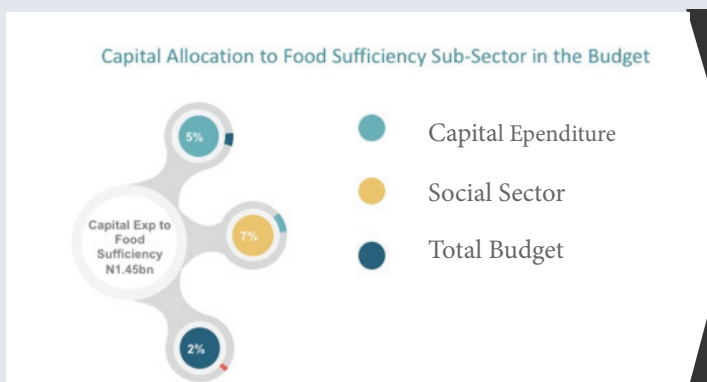
HEALTH SUB-SECTOR



The composition of capital projections to Health sub-sector included allocations to Ministry of Health, Primary Healthcare Development Agency, Hospitals Management Board, Special and General Hospitals, School of Nursing & Midwifery, School of Health Technology and Medical Centres in the State.

Graph 6.6: Capital Allocation to Health Subsector in the Budget

EDUCATIONAL SUB-SECTOR



The Food Sufficiency Sub-sector included the departments of Agriculture, Livestock, and Fisheries. The figures represented here were the allocations to Ministry of Agriculture and Nasarawa Agricultural Development Programme (NADP)

Graph 6.7: Capital Allocation to Health Subsector in the Budget

BUDGET MONITORING REPORT

	PROJECT TITLE	SECTION		MONITORING REPORT	IMAGE
1	Completion of School of Nursing and Midwifery, Lafia	Health	₦ 78m	This project was awarded and constructed in 2004 by the first civilian administration in the state. Monitoring visits to the site confirmed that no work was either ongoing or recent as at December 2017.	Fig 1, fig 2, Fig 3
2	Construction of and Equipment of Modern HOSPITAL LAFIA	Health		A visit to the site confirmed that work had been abandoned at the site. There was no single personnel or worker seen.	Fig 4 Fig 5, fig 6
3	Construction of CPHC at Gudi.	Health	₦ 90m	The contract for the project was awarded in 2003 and completed in 2005. Monitors were chased away by security men guiding the CPHC clinic when they tried to visit the site.	
4	Purchases of Assorted Fertilizers	Agriculture	₦ 300m	Monitors visited the Ministry of Agriculture Headquarters, Lafia to find out if fertilisers were procured for distribution to farmers. The state government could not supply farmers the said fertilisers in the 2017 farming season. Amount budgeted for fertilisers may have been diverted.	
5	Construction of Veterinary Hospital Lafia	Agriculture	₦ 30m	This project was supposed to be the construction of veterinary Hospital, but what monitors saw was a partial renovation of an old structure, which was occupied by an entirely different agency.	Fig 7, Fig 8
6	Development/ Fencing of Fish Farm and Construction of Hatchery at Kant-sakuwa	Agriculture	₦ 6m	This project was initially constructed over 50 years ago. Nothing has been done ever since. Farmers have now taken over the land. When we visited the site, there was no indication of a fish farm in Kant-sakuwa.	
7	Agricultural Empowerment Scheme	Agriculture	₦ 50m	Our visit to the Ministry of Agriculture revealed that there was no such scheme.	
8	Purchase of Tractors and Implements	Agriculture	₦ 15m	Our visit to the tractor hiring agency of the state showed nothing on ground.	



Fig 1. School of Nursing and Midwifery Lafia



Fig 2. School of Nursing and Midwifery Lafia



Fig 3. School of Nursing and Midwifery Lafia



Fig 4. 160 Beds Standard Model Hospital, Lafia



Fig 5. 160 Beds Standard Model Hospital, Lafia



Fig 6. 160 Beds Standard Model Hospital, Lafia



Fig 7 supposed location for then Veterinary Hospital Lafia



Fig 8 Renovated structure for the Veterinary Clinic being occu



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Ekpan, Effurun, Warri, Delta State

Bori (Ogoniland)
6 Kaani Road (Top Flour)
Bori, Rivers State

Diobu
No 77 Uruala Street
Mile One, Diobu, Port Harcourt,
Rivers State

Brass
JBA Villa, Twon Brass
Bayelsa State