

2015

# States of Decline

Citizens' Report on State and Local Government Budgets in the Niger Delta



**SOCIALACTION**  
SOCIAL DEVELOPMENT INTEGRATED CENTRE



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in the Niger Delta 2015

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**Tel:** +234 (0)84 360903

[www.saction.org](http://www.saction.org)



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# List of Abbreviations

ADP:	Agricultural Development Project
AKSU:	Akwa Ibom State University
BANGOF:	Bayelsa NGOs Forum
BPD:	Barrels Per Day
CEHRD:	Centre for Environment, Human Rights and Development
C-SPIN:	Centre for Sustainable Peace Initiative Nigeria
DDR:	Disarmament, Demobilization and Reintegration
DMO:	Debt Management Office
DESOPADEC:	Delta State Oil Producing Area Development Commission
DELSU:	Delta State University
EFCC:	Economic and Financial Crimes Commission
EIRS:	Edo State Internal Revenue Service
ETF:	Educational Trust Fund
GGSS:	Government Girls Secondary School
GES:	Growth Enhancement Support (Programme /Scheme)
GTC:	Government Technical College
HMB:	Hospital Management Board
HYPREP:	Hydrocarbon Pollution Restoration Project
ICPC:	Independent Corrupt Practices and Other Related Offences Commission
IFS:	Integrated Farmers Scheme
IGR:	Internally Generated Revenue
LGA:	Local Government Area
MBGS:	Birabi Memorial Grammar School
MDA:	Ministry Department and Agency
MTEF:	Medium Term Expenditure Framework
NBS:	National Bureau of Statistics
NBTEB:	National Business and Technical Examinations Board
NDCBP:	Niger Delta Citizens and Budget Platform
NDDC:	Niger Delta Development Commission
NDPHC:	Niger Delta Power Holding
NECO:	National Examination Council
NEITI:	Nigeria Extractive Industries Transparency Initiative
NNPC:	Nigerian National Petroleum Corporation
NYSC:	National Youth Service Corps
OMPADEC:	Oil Minerals Producing Area Development Commission
PB:	Per Barrel
PHCMB:	Primary Health Care Management Board



PIB:	Petroleum Industry Bill
RIVSACA:	Rivers State Agency for the Control of AIDS
RSUST	River State University of Science and Technology
SSA:	Senior Special Assistant
SA:	Special Adviser
SDN:	Stakeholder Democracy Network
SUBEB:	State Universal Basic Education Board
UBE:	Universal Basic Education
UBEB:	Universal Basic Education Board
UNESCO:	United Nations Educational, Scientific and Cultural Organization
UNEP:	United Nations Environmental Programme
USAID:	United States Agency for International Development
VAT:	Value Added Tax
WAEC:	West African Examination Council

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# Summary

## States and Internally Generated Revenue

Nigeria has continued to depend on the revenue accruing from the export of crude oil as the major source of income since the 1970s. Unfortunately, the price of the commodity has dropped considerably from the late quarter of 2014 and continued to do so until the end of 2015. The effect has been major budget deficits and unrealized expectations at national and subnational levels. As at the end of 2015, most states were unable to pay the salaries of their workers for several months. This daunting reality has again reiterated the need to quickly diversify the Nigerian economy-at the federal and state level- away from its dependence on oil revenues and place it on a footing of independence and dynamism. The promise by governors in their budget speeches in previous years to emphasis internally generated revenue and create economies away from the traditional crude oil dependent federal allocation have remained nothing more than speeches. Studies by the Niger Delta Citizens and Budget Platform of the five oil-producing states in the Niger Delta of Nigeria reveals that funding for the 2015 budgets has predictably depended heavily on revenue from federal allocation. The relatively low percentage of internally generated revenue is a pointer to the level of independence of these states.

Akwa Ibom State, the richest among the five states, proposed a budget of ~~₦484~~ billion comprising principally of federal allocation and 7% from IGR. This is not much departure from the trend of the 2014 budget.

Bayelsa State with the smallest population among the states passed a budget of ~~₦251.5~~ billion for the 2015 fiscal year. Rather than increase, the IGR reduced from ~~₦12.5~~ billion in 2014 to ~~₦11.5~~ billion in 2015 but increased slightly in the percentage relative to the total budget from 3.7% in 2014 to 4.6% in 2015. Of significant worry in the state, is the continuing tradition of spending the bulk of the state's resources on recurrent purposes. In 2015, Bayelsa state continued to dedicate a significant chunk of its revenue to recurrent expenditure at the detriment of capital spending.

Of the originally proposed budget of ~~₦408.8~~ billion by the Delta State government, ~~₦61.8~~ billion only is expected to be sourced from internally generated revenue, while value added tax, state mineral fund and 'other capital receipts' – all from the highly volatile federation account is to provide the balance.

The case is the same in Edo State where an appropriation bill of ~~₦159.3~~ billion passed for the 2015 fiscal year consists of an IGR of ~~₦24~~ billion, a decline from what the source was expected to provide in the previous year appropriation.

The 2015 budget of ~~₦335~~ billion passed by the Rivers State government is expected to be financed through allocation from federation account amounting to ~~₦220.2~~ billion representing

65.7% of the overall revenue expectation. Internally generated revenue is to account for only ₦92.9 billion or 28.2%. This shows that over 70% of expected revenue accruals come from oil-related activities through the federation account.

### **Access and Public Participation**

Of the five states being studied as part of Social Action's budget advocacy intervention, Edo state has demonstrated the highest level of transparency and openness. While in some other states budgets are still treated with a great deal of secrecy, in Edo state the document is often readily available on the state official website a few weeks after passage of by the State House of Assembly. This fact makes Edo state the most compliant in terms of budget availability. The budget process in the state, however, is still not open to public participation and the process of contracting is still not as transparent and accountable as it should be.

Similarly, the Rivers state 2015 budget was available in the month of March 2015 for download. However, in the other states studied as part of this report, the budget process remains highly secretive and reclusive. Budget documents are not proactively made available on the state official website, neither are they given on request. In Akwa Ibom state, the budget document is made available for sale at the middle of the fiscal year, making it difficult for the majority to access it. In Bayelsa state, a recent transparency and accountability law which is meant to publicly disclose the income and expenditure of the state has failed to ensure that the government makes copies of its budget available. Requests made to the responsible Ministry in Bayelsa state- as well as Delta state- were not responded to.

### **Rising Public Debt**

The burden of the thinning fortune of these five states is weighing heavily on their loans and debt portfolios. These states have performed poorly with regards to generating revenue internally and have sought a rather easy route via the acquisition of more loan. While in Akwa Ibom State, 10% of the 2015 budget is expected to be funded through internal loans, Bayelsa and Edo State were to source 19% and 26% respectively of their budget figures through loans. The rising debt profile in Edo State has attracted the attention of the Debt Management Office which warned the government it may be heading the way of insolvency should the trend continue. The budget of Rivers State indicates that the burden of debt service payment has already become significant on the finances of the state. Though revenue from borrowing as a percentage of the budget reduced significantly (3%), the new government in the state initiated new borrowings in the fiscal year. Also, the burden of repayment of previous debts was alarming in 2015. Delta State, on the other hand, was not clear on what constitutes the borrowing profile in the 2015 budget.

### **Polarization of Key Sector and Budget Performance**

There is a general drop in allocation to infrastructure and developmental projects in all the five state in this budget review. In the area of development projects, Bayelsa, Delta and Rivers State all experienced reduction in allocation to Education, Health and Food sufficiency, while Akwa Ibom had a slight increase in allocation to education over the 2014 budget. However, this nominal increase becomes insignificant when judged against actual expenditure which was

dismal in the fiscal year. Edo State allocation for Education and health was slightly higher than the 2014 allocation as well but there was also the issues of continued poor budget performance in previous years.

Development projects in this states have followed a trend of the previous years. While contracts were awarded for renovations and construction of schools hospital and food sufficiency structures, most of the contracts were either abandoned or never awarded. In some cases, the locations of the projects are not even mentioned in the budget. In some instances, contracts are awarded for projects already undertaken by private oil companies while in others these contracts have been awarded multiple times to the same location without any visible work done.



# Recommendations

With the huge revenues which accrue to the major Niger Delta states on account of their oil production fast declining, most of the states are beginning to run on serious deficits, defaulting on the payment of wages and other entitlements, and sinking into rising debts as they struggle to balance their books. The reality is that most of these state have not appropriately saved or invested their earnings in the time of windfall. They have equally not tried to insulate the economies of their states from the volatilities of oil dependent economies.

The daunting reality which the states must confront now is that they must evolve new, creative and more prudent ways to generate and manage resources. A critical component of achieving this level of fiscal responsibility is that citizens need to reclaim the policy initiative and begin to drive development in their states and local government areas. A key avenue to making this happen will be to promote citizens' participation in fiscal governance and creating more open spaces for citizens to do so.

Unfortunately, the prevalent practice in some of the states examined has been to alienate citizens from any role in determining how their resources are utilized or even being privy to how the government intends to spend the commonwealth. Indeed in some of the states, budgets are still treated with secrecy and never made available to citizens.

The following recommendations if followed by the relevant stakeholders, will transform the fiscal experience in the Niger Delta states examined, and place the region on a path of development,

## **On Transparency**

- State and Local Governments should, in a timely manner, produce and disseminate fiscal documents which include budgets, midterm performance reports, strategy documents and auditor general's reports. Simplified versions of these documents should be readily available to the public.
- States that are yet to pass the Fiscal Responsibility Law and Public Procurement Law should do so. Compliance with the principles of these laws should be strictly enforced and caveats that limit their enforceability should be eliminated. In accordance with this, the relevant bodies to supervise their compliance should be established and funded in a manner that ensures their independence.

## **On Citizens participation**

- Urgent steps should be taken to allow for consultation with citizens at the state and local government levels in the development priorities of the governments. Specifically, citizens should be allowed a role in the choice of development projects; they should be empowered to carry out monitoring of development projects and be encouraged to hold political office holders accountable. Concretely, it is recommended that legally binding channels and mechanisms for seeking the input of citizens be established at the state and local tiers.

### **On Budget Presentation and Details**

- It is recommended that states and local governments avoid ambiguous language and vagueness in budgets. Where funds are allocated for projects, adequate details should be provided as to the location, specific amount, targets and implementation timeframe.
- Duplication of projects between sectors, targets, states and local governments, years and budget lines should be eliminated to avoid avenues for leakages.

### **On Budgetary Allocations**

- Allocations to none essential and vague headings such as 'Security Vote', 'House of Assembly Capital Expenditure', 'General Administration', 'Government House' etc should be discontinued. All allocations in the budget should be reflected in their various headings and sectors and given full details.
- Allocations to Education and Health should be steadily improved as these are pivotal sectors to achieving human capital development.

### **On Revenue Generation**

- States and Local Governments should take steps to ensure a diversification of the resource base of their economies. As much as practicable, steps should be taken to extricate the States and Local Governments from the financial dominance of the federal tier. This can be achieved through proper and efficient methods of taxation. This recommendation will go a long way in insulating states and local governments from the volatility and uncertainty which oil revenues present.
- The practice of external and domestic borrowing should be reduced to the minimum in order to avoid the tendency of entrenching the governments into debt burdens which will, in turn, consume a significant portion of resources in debt service and repayments. It is recommended that the more fiscally disciplined approach of creating budgets based on realistic benchmarks, and prioritizing projects based on funds availability be adopted.

### **The Role of Citizens' Groups**

- Push for the enactment and effectiveness of fiscal responsibility laws and other legislations that promote free information flows, fiscal responsibility and public accountability.
- Embark on awareness campaigns to enlighten the public on the need for active participation in the formulation, monitoring, and evaluation of budgets.
- Mobilize communities to allow for greater public scrutiny of government spending priorities and increase representation to law enforcement agencies, including the Economic and Financial Crimes Commission (EFCC) and the Independent Corruption and Other Related Offences Commission (ICPC).
- Encourage government agencies such as NEITI as opportunities to engage with governments in the states and local government areas of the Niger Delta to promote transparency in the formulation and implementation of budgets.
- Broaden internal material and personnel capacity for budget advocacy; while mainstreaming issues of fiscal management, accountability and transparency in advocacy and mobilization activities.

# Methodology and Scope

This citizens' report on state and local government budgets in the Niger Delta is the product of intensive and extensive field and desk research by members of the Niger Delta Citizens and Budget Platform. This report is divided into three primary sections. The first is a background which examines issues that significantly influenced the Nigerian economy in 2015. The section, however, pays greater attention to happenings in the Niger Delta region. Key and determinant fiscal occurrences in 2015 have been taken into consideration in producing the background section.

The second section specifically studies the budget and fiscal trends of the five Niger Delta states of Akwa Ibom, Bayelsa, Delta, Edo and Rivers. The report is based on data relevant to the 2015 fiscal year but provides evidence and data from as far back as 2007 to show trends and allow comparisons. These five states are peculiar on two counts. They are the highest earners from Nigeria's crude oil dependent federation account, making them relatively more buoyant than other states in the country. These states are also the worst sufferers from the adverse effect of environmental degradation which is often the consequence of oil exploitation. The analysis section examines how these states manage the huge resources they receive to lift their states out of the poverty that is all too prevalent in these states. In this section, the emphasis is on the analyses of the fiscal realities of these states, paying attention to the income, prudence in expenditure, policy direction, and responsiveness to the needs of citizens, accountability, openness and prioritization of key sectors. In the case of these analyses, the key sectors are Education, Health, Food Sufficiency- which in this report refers to the budget heads of Agriculture, Livestock and Fisheries. A team of researchers and analysts sourced vital documents including budgets and other fiscal data. They also carried out interviews and studied the fiscal trends of the states over time in order to arrive at analyses that adequately reflect the fiscal state of affairs in the states. Analyses have been conducted using internationally recognized budget analysis tools and conform to best practices. However, it is limited by the unavailability of certain vital reports which examine in details the revenue and expenditure performance of the states as well as details of contracts.

The final section of this report is a representation of the findings of budget advocates who went into the field to monitor the implementation of the provisions of the 2015 budget. Budget monitoring was carried out in late 2015 and early 2016 in Edo, Delta, Rivers, Bayelsa and Akwa Ibom states. Each budget monitoring team consisted of a community volunteer and three others, as well as a member of the NDCBP secretariat. Monitoring was carried out on randomly selected projects from the sectors of education, health and food sufficiency. Interviews were routinely conducted with anticipated beneficiaries of budget lines including community members and staff of schools and health centres. Where possible, officials of the ministries responsible for these projects were contacted for additional information.

In presenting the analyses and monitoring findings, pictures and charts have been amply utilized to enhance clarity and understanding.

# Background

## 2015: The Decline Sets in

The effects of Nigeria's dependence on revenues from the sale of crude oil combined with many years of fiscal rascality and policy failures became evident in 2015. The unparalleled oil boom of 2012 and 2013 which saw the different tiers of government earn huge revenues finally came to an end in 2014, giving way to a steep drop in the global price of crude oil. While delivering the 2015 budget to the National Assembly for consideration and passage, the Minister of Finance admitted having challenges with all aspects of the 2014 budget. According to her, the revenue projections for the 2014 budget turned out to be inadequate.

*“For a number of reasons chief among which is oil pipeline vandalism and the resulting “shut-ins”, we faced a quantity shock in the sense that the quantity of oil produced averaged about 2.2 million bpd in the first 3 quarters of 2014 according to NBS data, falling short of the 2.38 million bpd projected in the Budget. The effects of this quantity shock is further compounded by the more recent price shock, with prices crashing from a peak of about \$114 pb earlier in June, to around \$58 pb now, which is below the Budget benchmark price of \$77.5 pb for this year. As a result, revenues will fall short of the Budget targets of ₦3.73 trillion. As at the end of October, total revenues were about ₦2.72 trillion, so we won't know the extent of the shortfall until government closes its books at the end of the year”.*

The 2015 budget was presented rather late to the National Assembly on the 17th of December 2014; the reason for this was given as the fast changing prices of crude oil and the attendant difficulty in arriving at a realistic oil price benchmark to base the 2015-2017 Medium Term Expenditure Framework on. The MTEF originally proposed to the National Assembly had a crude oil benchmark price of \$78 per barrel, which was reviewed downwards to \$73 per barrel. By the time the 2015 budget was finally presented to the Assembly, it was based on a \$65 per barrel benchmark. However, oil prices were to fall far below that amount in the fiscal year. As at December 2015 a barrel of the product sold for as low \$30.

At the time the government adopted the benchmark of \$65 per barrel, it was clearly aware of the inadequacy of this conjecture. All indicators pointed to the continued fall of the price of crude oil far below the benchmark adopted. By May 29th, 2016 when the All Progressives Congress candidate for the office of President was being sworn in, the 2015 budget was clearly not implementable without serious reviews and adjustments.

## Borrowing Out of Recession

As the price of crude oil continued to drop drastically in 2015, governments at both Federal and State levels resorted to borrowing, under many guises- to finance budget expenditures. The

resulting impact of this has been the loss of substantial revenue to the repayment of debts, limiting the ability of governments to cover other vital costs.

In over 50 years of petroleum exploration and downstream production exports, the majority of Nigerians have become poorer and social infrastructures in the country have become either obsolete or non-existent. Despite this contrasting reality of increased revenues and collapsed infrastructures, governments in Nigeria borrowed heavily from mostly international creditors, creating a huge debt burden which reached crisis point at the end of the 1990s and prompted a debt buy back deal in 2005.

It is rather sad to note that the Nigerian government has returned to unsustainable indebtedness with fresh borrowings from external creditors including China and the World Bank Group despite the celebrations that heralded the announcement of its exit from indebtedness through the deal with the Paris Club of creditors.

Governments have over the years operated on budget deficit often turning to more borrowing from both foreign and local sources to finance the deficits. In the 2015 budget, the nation had a deficit of ₦1.041 trillion which was financed principally with borrowings, contributing to the increased public debt profile. As at December 2015, Nigeria's total public debt was well over \$64 billion or ₦12 trillion. This staggering figure has profound implications for increasing annual debt servicing obligations. Quite disturbing also is the emergence of a 'vicious cycle' pattern. Among the items in the budget that contribute to the yearly deficit is the 'Debt Service' which in 2015 alone amounted to ₦963.6 billion (21.41% of the entire budget), which equals the total capital expenditure provided for in the budget.

In June 2015 three quarter of the states of the federation could no longer meet their basic financial obligations including salary payments, and filed for (financial) bailout from the Federal Government. According to information released by Nigeria's Debt Management Office, 36 states including the FCT- were indebted to the tune of ₦1.655 trillion as at December 2014, with only 6 states and FCT accounting for 58% of the total debt stock. These six states were ranked the most indebted, with Lagos topping the list having the most alarming debt of ₦268 billion followed by Delta with ₦211 billion. FCT had a total of ₦110 billion, Cross River had ₦107 billion while Rivers, Bayelsa and Akwa Ibom States indebtedness stood at ₦91.7 billion, ₦91.6 billion and ₦81.7 billion respectively. The huge debts incurred from diverse sources including local banks gradually but effectively overwhelmed the economy of many states. As at May 2015, 23 out of the nation's 36 states could no longer pay public workers' salaries. Many of the states whose deficits were as much as 40% of their total annual budgets were owing backlog of salaries for as much as nine months. This inflicted untold hardship on millions of Nigerian citizens.

### **The Petroleum Industry Bill: Tales of an Entrapped Law**

The Petroleum Industry Bill (PIB) was introduced to Nigeria's National Assembly in 2009 as an executive bill by former President Umaru Musa Yar'Adua. The Bill as proposed was aimed at



overhauling Nigeria's oil and gas sector and re-aligning the country's relationships with energy companies, communities and other stakeholders. The PIB is also aimed at ensuring that Nigeria's hydrocarbon resources are exploited and utilized for the overall benefit and welfare of all Nigerians. However, despite these lofty aims, there have been delays in the passage of the bill, with far-reaching implications for the government, stakeholders and oil-bearing communities. Over the years regrettably, there are stories of different versions of this same bill with different alterations based on whose interest the alterations are meant to serve.

Perhaps no other Bill in the history of Nigeria's legislative exercise has suffered more entrapments, setbacks and uncertainty. Since it was introduced into the National Assembly, the PIB has been entrapped in political intrigues and vested interests of its numerous stakeholders including oil and gas host communities. Oil companies claim that the Joint Venture terms of the PIB is unfavorable to them and fear that it would compel them to stop gas flaring as opposed to paying paltry fines for flaring, a position which raises major concerns for communities that suffer the effects of these flaring; and climate change campaigners. The non-oil and gas producing geopolitical zones of Nigeria are of the erroneous opinion that passing the PIB into law means a reduced share of revenues originating from the sale of oil and gas products. Similarly, the far-reaching reforms of the PIB, which includes modifications to the extant fiscal terms e.g. 10% allocation to Petroleum Host Communities Fund, overhauling the Nigerian National Petroleum Corporation (NNPC) and the enormous powers vested in the Minister of Petroleum, etc., have apparently also contributed to its slow passage by the National Assembly.

The continued delay in passing the Petroleum Industry Bill meant that benefits to oil producing communities including direct payment of dividends that the PIB proposes to address the Niger Delta developmental crisis and make the communities key stakeholders with incentives to protect oil and gas facilities located in their communities are not being actualized. The PIB aims to make oil bearing communities receive an estimated ₦132 billion (over \$600 million) annually in dividends to address issues affecting them as a result of oil exploration and exploitation activities in their domain. At the end of 2015, the PIB remained in the National Assembly without any indication that it was even being considered.

### **The UNEP Report: A Cleanup in Sight?**

After many years of localized and international campaigns by thousands of climate groups and activists, the Federal Government in 2007 invited the United Nations Environment Programme (UNEP) to carry out a scientific assessment of the impact of oil pollution on parts of the Ogoni environment. The United Nations agency completed its assignment and submitted its report to the Nigerian government on August 4th, 2011. The report showed massive soil and water contamination in Ogoniland, which had significantly compromised sources of livelihood and was slowly poisoning the inhabitants. So alarmed was UNEP about the findings that it recommended that inhabitants of the area immediately stop using water from all sources in the sites, while the government immediately commences a clean-up exercise which could take up to thirty years, and amount to the biggest soil and water remediation ever embarked on. The response of the Nigerian government to the recommendations of the report fell short of

expectations. Beyond setting up the Hydrocarbon Pollution Restoration Programme, HYPREP and placing warning signals at some contaminated sites in Ogoni, no further action was taken. On August 4, 2015, the 4th anniversary of the release of the UNEP Report, after a multi-stakeholder meeting at the instance of the Federal Government, President Muhammadu Buhari announced plans to “fast-track” the implementation of the report. HYPREP was realigned to reflect a new framework comprising of a Governing Council, Board of Trustees and a Project Management team. A new implementation template was also developed and approved. The Governing Council is to comprise of representatives from Ministry of Petroleum Resources, Federal Ministry of Environment, impacted State (Rivers) and the United Nations. Others are representatives from Oil Companies and from Ogoniland. A contribution of USD\$10 million was to be made available to kick start the process. However, till the end of 2015, no concrete activity had taken place beyond the policy commitments of the government.

### **The Monsters in the Room: Gas Flaring, Oil Theft, Artisanal Refining and Oil Pollution.**

At the end of 2015, there was no end in sight in relation to gas flaring and other forms of environmental pollution in the Niger Delta. While there was no policy initiative to address the problem of pollution from oil exploitation, the loss of livelihood occasioned by oil activities seemed to intensify. In what seemed an endorsement of the pollution caused by the flaring of associated gas, the Nigeria delegation to the Paris Climate Conference in December 2015 presented a plan which will allow oil companies flare gas until 2030! In 2015, the government made it clear that Nigerians will have to continue living with health threatening gas flaring for at least 14 years more.

One of the most significant forms of pollution in 2015 is the one inflicted on the environment by operators of artisanal refineries and illegal oil bunkering, through a crude process of manufacturing petrol fuel. Crude oil stolen by puncturing conveying pipes leaves the surrounding environment oil saturated and poisoned. When 'cooking' the crude oil, residues and unwanted by-products are readily dumped in the rivers, further polluting an already contaminated ecosystem. Environmental degradation is the most visible and direct impact of illegal oil refining and theft. Evidence gathered from the creeks across Delta, Bayelsa and Rivers states show the terrible impacts of artisanal refining to the local environment.

While oil pollution resulting from equipment failure remains unabated in the Niger Delta, the practice of oil bunkering and artisanal refiners has added a new- more dangerous- twist to the already horrific tale. However, there is a different social angle to the issue. The destruction of the environment and personal health hazards notwithstanding, organized 'theft' of crude oil and illegal refining is mostly seen by community people as a worthwhile economic activity that supports families, small businesses and social aspirations of many Niger Delta communities. Many in the Delta consider illegal oil refining as an entrepreneurial, free market response to local economic dysfunction, socioeconomic pressures, the Niger Delta's chronic fuel shortages and government's failure to deliver basic public services. The reality in these communities is that petrol fuels- the principal avenue to generating power- are far more expensive locally than elsewhere in Nigeria. In some cases, the products are simply unavailable for locals to buy. There

is therefore a view which holds that oil theft and its attendant artisanal refining thrives as a result of government lapses. Therefore to address the practice, government needs to ensure the availability and affordability of the product in communities. This will not only de-incentivize oil theft but will also provide access to energy for local people.

### **Ministry of Niger Delta Affairs: What Response to Regional Development?**

The Ministry of Niger-Delta Affairs was created in 2008 by the administration of Umaru Musa Yar'adua, and was envisioned as a federal mechanism to formulate and execute programmes and projects for development and security in the nine oil-producing states. Its priorities are road construction; establishment of skills acquisition centres; water supply and electrification projects; housing schemes; environmental protection and remediation initiatives; agricultural and industrial development programs; and public safety and security. However, the ministry has had little impact as a result of serious deficits in its funding by the Government of Nigeria, corruption by officials of the Ministry, failure of donors to finance a proposed \$10 billion multi-stakeholder trust fund for a ten-year Niger Delta Development Action Plan in 2013, all of which have led to many of the Ministry's projects remaining either incomplete, abandoned, or under continual construction.

In July 2015, the permanent secretary in the Ministry reported that since 2012, it had received just between 48% and 50% of appropriated funds, and that from August 2014 to July 2015 the Ministry did not receive any funding from government coffers for capital projects. In addition to funding challenges, the ministry also faces organizational and operational challenges, which a governance expert summarized thus;

*“The Ministry of Niger Delta Affairs is a regional ministry, but is configured like a technical line ministry. The result is that it lacks the essential regional focus and presence to address and respond to the development challenges in the region.”*

Correspondingly, the Niger Delta's swampy and marshy terrain is yet another challenge which makes the construction of infrastructure more expensive than elsewhere; ditto for the long rainy season in the region, intermittent disruptions of developmental projects by youths who demand some sort of 'settlement' from contractors, and kidnappings by criminal gangs. The Ministry is also seriously burdened with corruption. In 2014 the House of Representatives Committee on Niger Delta Development declared that it discovered numerous contract irregularities, including findings that over thirty companies that received contracts for infrastructure development projects were not properly registered with the Corporate Affairs Commission, the most basic requirement for doing business in Nigeria. In 2015, a director in the Ministry's Finance and Accounts Department and four other staff were arraigned before an Abuja High Court on charges of N700 million fraud.

Public confidence in the ability of the Ministry of Niger Delta Affairs to deliver development to the region has diminished drastically. In March 2014, Senator James Manager, Chairman of the Senate Committee on the Niger Delta observed that the Ministry of Niger Delta Affairs had ***“failed to commission a single project since its creation,”*** thus, eliciting fears that the region

could erupt in violence again if it keeps abdicating its statutory roles and responsibilities of formulating and executing programmes and projects for development and security in the nine oil-producing states of the Niger Delta. At the end of 2015, there was no indication that this advice was being heeded.

### **The Niger Delta Development Commission: A Mission Impossible?**

The Niger Delta Development Commission was established in 2000 with the mission of facilitating the rapid, even and sustainable development of the Niger Delta into a region that is economically prosperous, socially stable, ecologically regenerative and politically peaceful. Since inception, NDDC has budgeted approximately ₦2.2 trillion while receiving about ₦1.4 trillion between 2011 and 2015. As at 2008 the Commission had awarded just over 2,500 projects which rose sharply to 6,000 projects by 2013 and 8,000 projects in 2015. Unfortunately, most of these projects are at different levels of abandonment. According to former Chairman of the NDDC Board, Senator Bassey Ewa Henshaw, the Commission is in dire need of about ₦1 trillion to complete 8,000 outstanding projects and an additional ₦800 billion to clear outstanding liabilities.

A known fact about the Commission is that it is riddled with mindboggling corruption ranging from contract inflation, duplication of contracts (awarding the same contract to two or more contractors and paying each and every one of them far in excess of the true cost of the project), non-execution of contracts, brazen looting and embezzlement, blatant overshooting of contract limit under the guise of contract-splitting, etc. In 2015, there were accusations in the media that the Commission was a key funding channel of a political party in the country. The commission has essentially failed in its task of bringing development to the Niger Delta region.

### **Delta State Oil Producing Areas Development Commission: A Good Example, or Waste of Resources?**

DESOPADEC was established on 4th July 2007 as a mechanism to secure 50% of the 13% Oil derivation fund accruing to Delta State for the development of oil producing areas of the state. As well thought out as the initiative may seem as a measure to address the peculiar needs of oil bearing areas, DESOPADEC has seemingly divided Delta State into two: oil producing and non-oil producing areas, and created disharmony amongst the ethnic nationalities of the state.

In terms of performance, accusations have been leveled against both the past and present administrations of Delta state of consistently failing to remit statutory allocations to DESOPADEC. This has not only weakened the intervention agency, but has also made it difficult to perform its statutory responsibility. Many residents of oil producing areas of Delta state have questioned the performance credentials of DESOPADEC. The majority believe that 8 years of the agency has not done much to lift the areas from poverty and underdevelopment in any significant manner. In 2015, in obvious response to the failure of the agency, the new administration in Delta state headed by Ifeanyi Okowa initiated procedures to amend the enabling law of DESOPADEC ostensibly in a bid to make it more poised to deliver on its mandate. As at the end of 2015, the reforms were still ongoing.



## **Oil Companies Divestment or Abdication of Responsibility?**

There has been a wave of divestments by oil companies operating in the Niger Delta. Typically, divestment involves the multinational oil companies selling off their assets on land to other companies, mostly indigenous. The successor indigenous companies appear to be of the opinion that the liabilities of the oil majors were not sold off to them alongside the assets of the oil majors. Some of these liabilities include infrastructural promises made, memorandum of understanding signed and environmental pollution yet to be cleaned up or compensated for. Communities and environmental activists have severally raised alarm and called on the Federal Government and other responsible agencies in the Niger Delta region to ensure that oil companies do not divest and abandon their ecological debt to the detriment of host communities. They are of the opinion that the people of the Niger Delta have been forced to eat the produce of toxic soils and to drink poisoned waters, both of which constitute a flagrant denial of the collective right to life of the people. At the end of 2015, there was no indication that the government was addressing the concerns of the people.

## **The Presidential Amnesty Programme: How Good so far?**

At its peak in 2009, the insurgency in the Niger Delta cut Nigeria's oil output by over 50 per cent and cost the government close to ₦4 billion (nearly \$19 million) per day in counter-insurgency operations. An amnesty programme instituted by the government on 25th June 2009 succeeded in significantly reducing the violence in the region. The Amnesty included payment of allowances to former combatants, trainings and education scholarships in exchange for laying down their arms. However, there is a strong debate as to how far the programme has gone in addressing the root causes of violence in the region such as poverty, youth unemployment and environmental pollution caused primarily by oil spills, gas flaring, etc. emanating from the exploration and production of oil. The view holds that the government has largely failed to carry out the recommendations of the Amnesty programme that will address the root causes of the belligerence.

The amnesty programme which has gulped over ₦500 billion, appears to represent a victory for short-term crisis management as opposed to a long-term solution. The programme neglects the basic tenets of international good practice in conflict resolution i.e. disarmament, demobilization and reintegration (DDR). It is worthy to note that, the programme was designed as a comprehensive DDR exercise, yet reintegration was scarcely addressed and it had no provision for mediation, dialogue, reconciliation or institutional reform, thus creating a leeway for re-radicalization.

Also, women were generally ignored by the Amnesty Programme; only 133 were accepted into the programme, despite their role in the conflict and the ways in which it had impacted on them.

These and other lapses of the amnesty programme propel the fear that with the end of the programme in sight, the region could again return to insurgency. Indeed, by the end of 2015, there were indications to this effect.



Total Budget	₦484 billion (Declined by ₦14.5 billion)
Total Capital Votes	₦275 billion (Declined by ₦57.8 billion)
Total Recurrent Votes	₦209 billion (Declined by ₦ 43.5 billion)
Total Capital Votes for Education	₦19.1 billion (Increased by ₦6 billion)
Total Capital Votes for Health	₦12.5 billion (Declined by ₦4.3 billion)
Total Capital Votes for Food Sufficiency	₦5.8 billion (Declined by ₦3.3 billion)

# AKWA IBOM STATE

## Analysis of Akwa Ibom Budget 2015

### BACKGROUND

In terms of natural resource wealth, Akwa Ibom state ranks first among the 36 states in Nigeria. Its share of the 13% oil derivation formula places it in a vintage revenue position, relatively above other states in the country. In the last 7 years, Akwa Ibom state has recorded relatively remarkable infrastructural upgrade, principally in the capital city and its environs. The road networks in the city have received tremendous improvement, quite dramatically improving the image of the governor across the country. Governor Godswill Akpabio has severally been addressed as an epitome of development and good governance. Despite the acclaims however, some critics have rated the Governor averagely, citing the state's huge revenue. According to them, the achievements in the state are only moderate compared to its earnings. The state government has equally been criticized for not doing enough in response to the acute human resource challenges in the state. Akwa Ibom state has one of the highest rates of

unemployment in Nigeria. Rather than address the problem of unemployment in the state, Governor Akpabio is rather often in the news on account of frivolous 'gifts' on behalf of the state, as well as spending the state's resources on national party politics for which he is deeply involved.

### Performance of the 2014 Budget

While presenting the 2014 budget to the Akwa Ibom state House of Assembly, Governor Akpabio stated that the fiscal outlay will aim at building on the achievements of his administration since he got into office on 2007. He stated that;

*“..we intend to use these budget proposals to give strength to the weak, education to all Nigerian children resident in the state, hope to the downtrodden, job to the jobless, food to the hungry, shelter to the homeless, equal opportunities to our women and better life to our people”.*

To realize the 2014 targets, the budget had proposed a total expenditure of ₦498.5 billion. However, the state revenues suffered deep shortfalls in the fiscal year, sending the

2014 proposal on a downward spiral. According to the governor while presenting the income and expenditure plan for 2015 to the State House of Assembly, he admitted to this failure. Of the ₦498.5 billion approved 2014 budget, only ₦221.4 billion was realized representing 44% of the budget. The governor blames this failure on the federal government who he says failed to meet the 2.5 million barrels pay day crude oil output which the income projections were based on. The poor performance of the Akwa Ibom State Revenue projection for 2014 follows an established pattern of impossible projections at the beginning of the fiscal year followed by daunting shortfalls at the end. This was the case in 2013. In that year, a total sum of ₦470 billion was initially approved. Later in the same fiscal year, the House of Assembly gave approval for a supplementary appropriation of ₦129.1 billion, bringing the entire 2013 budget to ₦599.1 billion. As expected the state was unable to meet its revenue targets for the fiscal year. As at September of that year, only ₦237 billion had been realized- another major revenue shortfall for Akwa Ibom state.

#### *The 2015 Budget of Actualization and Continuity*

Governor Godswill Akpabio declared to the State House of Assembly that the 2015 budget aims at building and consolidating on the achievements so far recorded by the administration. According to him,

*“We intend to complete on-going projects and build a strong bridge between my administration and the incoming administration such that the uncommon transformation, which we have so energetically pursued, will be sustained, so that our past labours will not be in vain... The budget will touch all sections of infrastructure and security in the state. It will develop strategic plans for the development of the state, create more jobs for the teeming youth, the use of direct labour and improved human capacity,*

*promote women empowerment and improve the education standard of every Akwa Ibom child, among others*

To achieve these goals, the governor proposed a 2015 appropriation totaling ₦462 billion. After its deliberations, the Assembly hiked the budget by ₦22 billion to arrive at a total appropriation of ₦484 billion. Of this amount, ₦209 billion was budgeted for recurrent expenditure while ₦275 billion was for capital spending. This represents 57:43 ratio in favor of capital expenditure.

The recurrent to capital share, however, reveals an emerging pattern of increasing recurrent expenditure as a share of the budget. From just 15% of the overall budget in 2012, the share of recurrent expenditure as a proportion of the budget rises to 43% in 2015. The reason for this steady rise is not quite clear, but the implications are more obvious. A higher recurrent expenditure profile represents the reduced ability of the government to carry out much needed capital expenditure- necessary for the infrastructural development of the state.

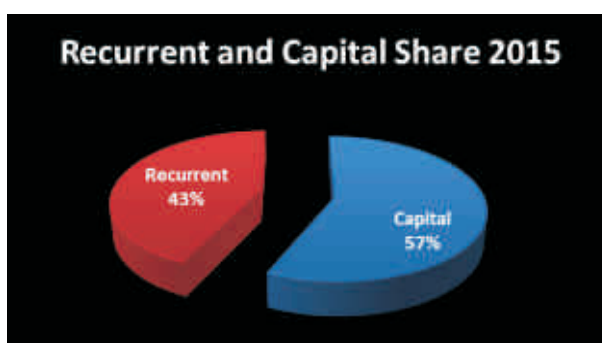


Figure 2: Recurring and Capital Share for 2015 (Akwa Ibom State)

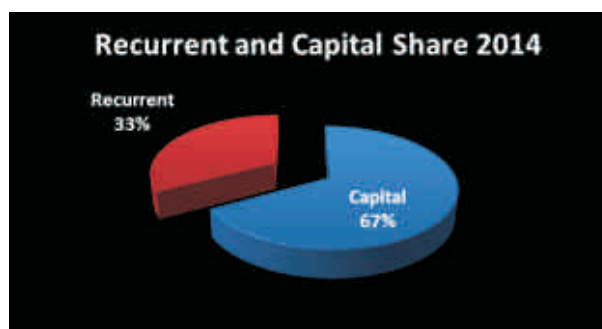


Figure 3: Recurring and Capital Share for 2014 (Akwa Ibom State)



Figure 4. Recurring and Capital Ratio for 2013 (Akwa Ibom State)



Figure 5. Recurring and Capital Share for 2012 (Akwa Ibom State)

## Funding the 2015 Budget

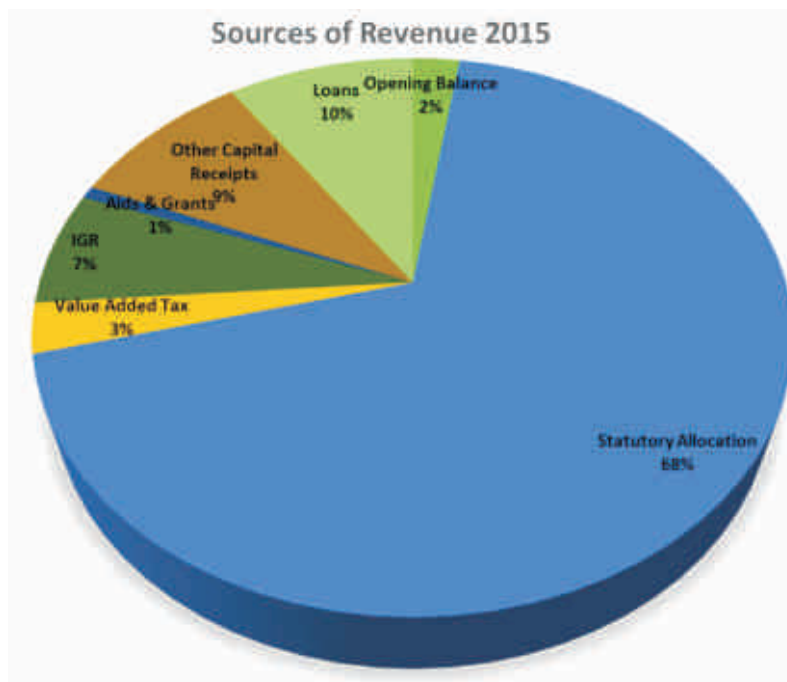


Figure 6. 2015 Budget Revenue Sources (Akwa Ibom State)

The 2015 budget of Akwa Ibom State follows the long established tradition of previous budgets in relying heavily on revenues expected to accrue to the state from the federation account. This trend continues in 2015 even when previous expectations from these sources have never been met, and the price of crude oil in international markets had started sliding downwards. By the end of 2015, prices had fallen far below all benchmarks and were still heading down. Without a doubt, the revenue expectation of the state must have suffered major shortfalls.

The proportion of the budget sum expected to be sourced from internally generated revenue or what the state calls 'independent revenue' is another key source of concern in the state revenue profile. From the chart above, this source is expected to contribute N34.8 billion or 7% of the budget total. Expectedly, the size of this source of revenue shows the ability of states to survive irrespective of fluctuations in federal transfers caused by sharp declines in the price of crude oil. The share of this source of revenue as a proportion of the budget shows that Akwa Ibom state lacks fiscal independence. It demonstrates that if crude oil prices sink, the state will have to sink with it. By the end of 2015, this reality had dawned on the state; it had begun defaulting on the payment of the salaries of public workers.

Another key revenue concern in Akwa Ibom state is the role of loan related income. In the revenue projection for 2015, N50 billion is expected to be received through internal loans.

## The Sector of Education

On the official website of the Akwa Ibom state government, the Ministry of Education represents its mission and thrust thus;

*“A State with functional and qualitative education which will serve as the catalyst for development, job creation, poverty alleviation and as a foundation for our envisaged science and technology and industrial revolution.”*

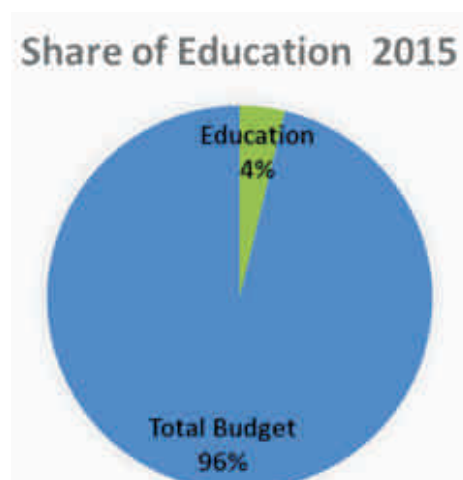


Figure 7 2015 Budget Allocation to the Education Sector (Akwa Ibom State)

*To achieve the desired functionality and quality in our educational system, this sector which is the main determinant of our collective future must be totally re-organized. Our strategy for this aspect will be the production of quality teachers, expansion of our education infrastructure and increased funding.”*

In 2015, the education sector is allocated ₦19.1 billion for capital expenditure. This amount is ₦6 billion higher than the amount the sector received in 2014, indicating a renewed interest in the sector. Between 2013 and 2014, the sector had suffered a ₦6.6 billion reduction in allocation. As high as the new allocation is, it nonetheless represents just 4% of the entire budget, hardly enough to realize the expectations of the government in the sector.

Equally worrying is the actual expenditure in the sector. While ₦13 billion was allocated in 2014, actual expenditure in the fiscal year was only ₦2 billion, representing an expenditure shortfall of ₦11 billion or 84.6%. It goes without saying that if the trend continues, the state will hardly be able to achieve its professed goals in the sector.

## The Sector of Health

In the 2015 capital expenditure layout, the health sector receives ₦12.5 billion, which amount to 3% of the total budget. This allocation continues a trend of reduced interest in the health sector which saw the sector allocated ₦16.8 billion in 2014, a reduction of ₦2 billion from the ₦17.9 billion which the sector got in 2013. This clearly indicates a reduced capacity of the state to carry out infrastructural development in the health sector.

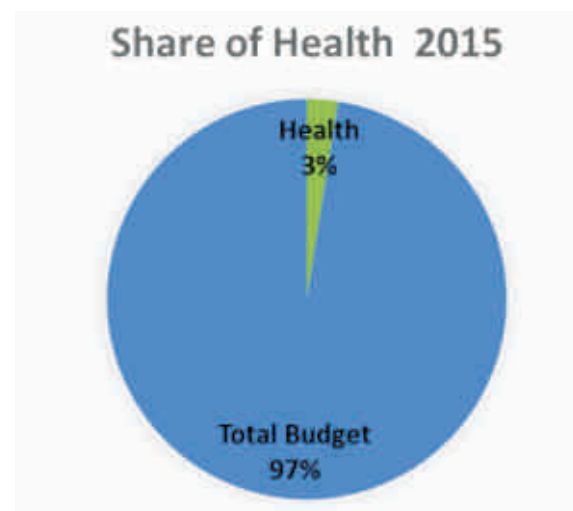


Figure 8. 2015 Budget Allocation to the Health Sector (Akwa Ibom State)

As in the sector of education, a major concern in the health sector is the actual expenditure. As if the declining allocation is not enough, the sector is further plagued with a very low release of what is duly appropriated. Out the allocation which the sector received in 2014, only ₦272.2 million was spent in the fiscal year, representing a disturbing 1.6% performance in the sector.

## The Sector of Food Sufficiency

### Share of Food Sufficiency 2015

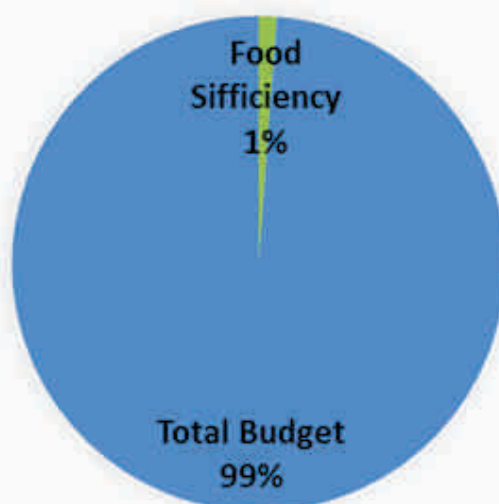


Figure 9. 2015 Budget Allocation to the Food sufficiency Sector (Akwa Ibom State)

The Akwa Ibom state government captures its policy towards agriculture and food sufficiency in the following branding on the state official website;

*“Aggressive agricultural sector reforms have enabled us adopt proactive measures and best practices to assure of lessening dependence on oil derivation through massive agricultural development and massive statewide agricultural schemes which include mechanized agriculture to leverage technology, aggressive environmental security policies, integrated farmers scheme to empower farmers for improved production, food and grain silos, and accelerated livestock scheme.”*

To realize the above lofty targets, the state budgets ~~N~~5.8 billion in 2015 for capital expenditure in the sector of agriculture, a drastic N3.3 billion reduction from the ~~N~~9.1 billion it was allocated in 2014, continuing a tradition of reduced allocation which began in 2013.

This is in contrast to the mission statement of the Ministry of Agriculture that seeks to lessen the state's dependence on oil revenues. For a state endowed with favourable all-year round climate; abundance of rich fertile soil and skilled manpower base, the government fails (at its own peril) to harness its full potential to buffer internally generated revenue, employment generation and economic empowerment of her citizens.



Table 1

Title	Provision of 35,000 Nos. dual desks for 140 selected primary and secondary.
Sector	Education
Amount in Budget	₦350 Million
Location	<p>Our team randomly visited and did spot checks and investigations at the following schools across the three (3) senatorial districts:</p> <ol style="list-style-type: none"> <li>1. Government Primary School, Ikot Ebak Mkpato Enin</li> <li>2. Community Commerical Secondary School, Esa Ekpo, Mkpato Enin</li> <li>3. Oniong Central Primary School, Onna</li> <li>4. Government High School, Onna</li> <li>5. Government Primary School, Ikot Okudomo, Eket</li> <li>6. QIC Primary School, Esit Eket</li> <li>9. Community High School, Ekparakwa, Oruk Anam</li> <li>10. Community Secondary School, Ukanafun</li> <li>11. Uyo High School, Uyo</li> <li>12. Presbyterian School, Odiok Itam</li> <li>13. Community Secondary School, Afia Nsit Urua, Nsit Ibom</li> <li>14. St. John's UNA School, Etinan</li> <li>15. Government Sec School (WASCO) Ukanafun</li> <li>16. McIntre School, Utu Abak</li> <li>17. West Itam Secondary School, Itu</li> <li>18. AME Zion Primary School, Usung Inyang, Eket</li> <li>19. Ibiaku Clan Community Secondary School, Ikot Ebak, Mkpato Enin</li> <li>20. Community school, Asong, Mkpato Enin</li> </ol>
Monitoring Report	<p>None of the schools visited had received the items budgeted for</p> <ul style="list-style-type: none"> <li>- Most of the students provided their own desks</li> <li>- At Community Commerical Secondary School, Esa Ekpo, Mkpato Enin and AME Zion Primary School, Usung Inyang, Eket our team met students sitting on windows panes and on the dirt floors to be taught while at Government Primary School, Ikot Ebak Mkpato Enin, most of the desks were broken and dumped in an abandoned classroom (see pictures).</li> </ul>



Government Primary School, Ikot Ebak Mkpato Enin has run out of desks. Hundreds of students have to seat on the floor to take lessons. A teacher informed our team that these two classrooms are used as dumps for the broken down desks in the hope that someday, the school could get help to repair them.



Students writing on window panes in dilapidated classroom at Community Commerical Secondary School, Esa Ekpo, Mkpato Enin



Table 2

Title	Renovation/refurbishing of buildings and provision of facilities in 124 nos. secondary and primary schools in the state (4 secondary and primary schools per LGA)
Sector	Education
Amount in Budget	₦450 million
Location	Random spot checks/investigations at the same primary and secondary schools as above
Monitoring Report	None of the primary and secondary schools visited had benefitted from a state government project between 2012 and 2015. Most of the schools visited had overcrowded classrooms. At Community High School, Ekperekwara, Oruk Anam, we were informed that their classrooms designed for 50 students now accommodated 150 students.

Table 3

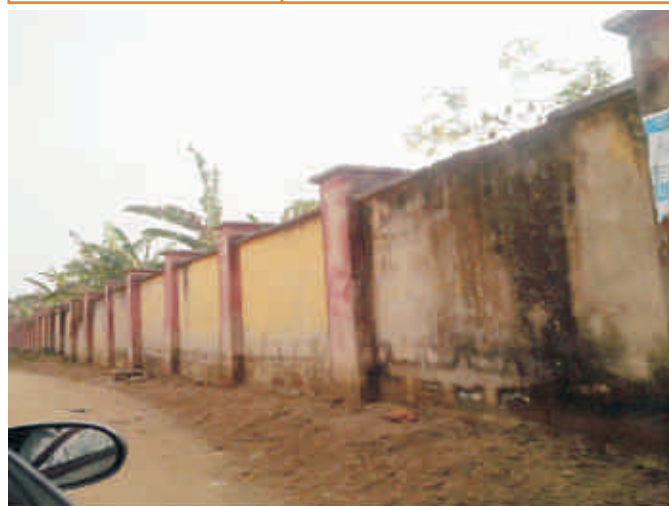
Title	10 nos. 30-seater buses to 10 selected schools in Uyo, Ikot Ekpene, Abak, Ikono, Itu, Etinan, Ukanafun, Ikot Abasi and Eket
Sector	Education
Amount in Budget	₦100 million
Location	Our team visited one randomly selected school each in 7 of the 9 local government areas (see list of schools in 1 above)
Monitoring Report	None of the schools visited had a bus or had received one during the fiscal year.

Table 4

Title	Payment of exam fee (NECO/NABTEB)
Sector	Education
Amount in Budget	₦550 million
Location	Our team visited ten randomly selected secondary schools spanning the three Senatorial Districts of the state (see list of schools in 1 above).
Monitoring Report	In each of the schools visited, we were informed that the state government had been consistent in paying WAEC fees (but not NECO) up to date. We were also informed that payment for online registration, though not captured in the budget, had been consistently paid for some years except for the past two years for which discussions are ongoing for payment.

Table 5

Title	Special Education Centre, Itiam Etoi, Uyo (Perimeter fencing)
Sector	Education
Amount in Budget	₦5 million
Location	Special Education Center, Itiam Etoi, Uyo
Monitoring Report	The team was informed that a new site had been constructed for the school at Udo Udoma Avenue, but the students have yet to relocate there due to proximity to the main road. Our team visited the new site and noticed that although the facility had been built up since 2012, it had been long been abandoned and the buildings already show signs of dilapidation. There was no evidence of recent work on the fence (at either the old or new site). Notably, the same budget items for Special Education Centre had been in each year's budget from 2012 to 2015.



There was no obvious problem with the fence at this old school premises currently in use (except the need for re-painting), but it was included in the 2015 budget. No new fence or any other new facility was provided here during the year under review

Table 6

Title	Special Education Centre - Purchase of 50 nos. double bunk beds (six spring beds)
Sector	Education
Amount in Budget	₦2 million
Location	Special Education Center, Itiam Etoi, Uyo
Monitoring Report	The gates were locked and there was no staff on hand to confirm if beds had been delivered.

Table 7

Title	Special Education Centre - Construction of 2 nos. dormitory blocks for male and female students
Sector	Education
Amount in Budget	₦21 million
Location	Special Education Center, Itiam Etoi, Uyo
Monitoring Report	No new construction at old site. Our observation from the gate showed no evidence of new construction at the new site.

Table 8

Title	Special Education Centre - Construction of 1 no. science block for biology, physics, chemistry and Agricultural Science
Sector	Education
Amount in Budget	₦30 million
Location	Special Education Center, Itiam Etoi, Uyo
Monitoring Report	No new construction seen, but old existing empty laboratory.



Facility at proposed new location of Special Education Centre, Udo Udoma Avenue, Uyo built since 2013, has been overtaken by overgrown bushes

Table 9

Title	Support to the Free Education programme
Sector	Education
Amount in Budget	<ul style="list-style-type: none"> <li>Payment of <del>N</del>100 per child subvention to primary school Heads (Budget: <del>N</del>200m)</li> <li>Payment of <del>N</del>300 per child subvention to secondary school Heads (Budget: <del>N</del>300m)</li> </ul>
Location	Our team made enquiries about the state of subventions in all the schools listed in 1 above.
Monitoring Report	Most of the schools visited had received subventions but the release was irregular, and several months were yet to be paid as at the time of this exercise. This seriously affected the ability of school administrators to plan and purchase consumables. In several instances, writing and teaching materials were lacking and teachers had to improvise.

Table 10

Title	Provision of 2,725 no. double 6 spring bunk bed for 62 boarding schools
Sector	Education
Amount in Budget	Budget: <del>N</del> 40 million
Location	As above
Monitoring Report	No new beds or mattresses had been provided in any of the boarding schools visited.

Table 11

Title	Provision of 5,500 nos. 6 spring mattresses
Sector	Education
Amount in Budget	Budget: ₦55 million
Location	As above
Monitoring Report	Not provided

Table 12

Title	Renovation / refurbishing of boarding houses
Sector	Education
Amount in Budget	Budget: ₦200 million
Location	As above
Monitoring Report	None of the school visited showed any sign of project as stipulated in the budget

Table 13

Title	Provision of meal subsidy for schools
Sector	Education
Amount in Budget	Budget: ₦100 million
Location	See list in 1 above
Monitoring Report	Meal subsidies were not provided in any of the schools visited.

Table 14

Title	Library development – Completion of 3 new divisional libraries at Oron, Ukanafun and Ikot Abasi
Sector	Education
Amount in Budget	Budget: ₦150 million
Location	We visited two of the three locations (Ukanafun and Ikot Abasi)
Monitoring Report	No new libraries had been constructed.

Table 15

Title	Provision of 3 nos. wireless internet facilities (mast and C-band) with computers for libraries in Eket
Sector	Education
Amount in Budget	Budget: ₦50 million
Location	We visited the divisional library at Eket.
Monitoring Report	Budgeted facilities not provided.

Table 16

Title	Provision of 3 nos. wireless internet facilities (mast and C-band) with computers for libraries in Ikot Ekpene
Sector	Education
Amount in Budget	Budget: ₦25 million
Location	The team visited the divisional library at GRA, Ikot Ekpene.
Monitoring Report	Budgeted facilities not provided.



Table 17

Title	Completion of work at 4. no. existing project sites at (model) Ekparakwa, Uyo, Ishiet Ekim and Ibesikpo Asutan.
Sector	Education
Amount in Budget	Budget: ₦400 million
Location	Our team visited one of the four sites mentioned, i.e. Model school, Ikot Ntuen, near Ekparakwa.
Monitoring Report	The model school at Ekperakwa had been built about 9 years ago but the site has never been in use and had long been abandoned. There was no sign of any new work for the 2015 fiscal year. Some of the existing facilities have been vandalized.

Table 18

Title	TECHNICAL SCHOOLS: Provision of solar panel to the technical schools in Eket, Mkpat Enin and Abak
Sector	Education
Amount in Budget	Budget: ₦2 million
Location	- Community Technical School, Ikot Akata, Mkpat Enin - Government Technical College (GTC), Abak
Monitoring Report	Our monitors were informed that the solar panels they sighted at the three technical schools had been installed since 2012

Table 19

Title	Construction of classroom buildings
Sector	Education
Amount in Budget	Budget: ₦6 million
Location	-do-
Monitoring Report	No new structure on ground as reflected in 2015 budget. At GTC Abak, classrooms designed for 50 students currently hold 100 or more students. - At Government Technical College, Abak, the classroom and laboratory buildings have been de-roofed and new building materials supplied since mid-2015, but the work had since been abandoned. No one seems to know who to hold responsible as the contractors (claiming to be from the NDDC) who started the project had suddenly withdrawn.



Laboratory block at Government Technical College (GTC), Abak

Table 20

Title	Training of 100 technical school teachers and vocational instructor
Sector	Education
Amount in Budget	Budget: ₦20 million
Location	-do-
Monitoring Report	At the technical schools we visited, no teacher had benefited from any such training in the year 2015 though budgeted

Table 21

Title	TERTIARY EDUCATION: Akwa Ibom State College of Education, Afaha Nsit, Nsit Ibom: Construction and furnishing of 1 No administrative block for principal officers and council room
Sector	Education
Amount in Budget	Budget: ₦50 million
Location	Akwa Ibom State College of Education, Afaha Nsit, Nsit Ibom
Monitoring Report	Constructed and already in use



▶ New Administrative Block/ Council Building, College of Education, Afaha Nsit

Table 22

Title	Construction of perimeter fencing around the college
Sector	Education
Amount in Budget	Budget: ₦10 million
Location	-do-
Monitoring Report	Construction on-going

Table 23

Title	Maintenance of internal road network/Drainage system within the school compound (including grading and tarring of road network)
Sector	Education
Amount in Budget	Budget: ₦50 million
Location	-do-
Monitoring Report	No sign of road work in the school; poor road network

Table 24

Title	Construction of 1 No Generator house
Sector	Education
Amount in Budget	Budget: ₦1 million
Location	-do-
Monitoring Report	Old building, no new structure yet

Table 25

Title	Construction of 1 No. Hostels (storey building)
Sector	Education
Amount in Budget	Budget: ₦50 million
Location	-do-
Monitoring Report	Constructed, but during 2013/2014 fiscal years



*Newly built 500-bed hostel building, College of Education, Afaha Nsit*

Table 26

Title	Akwa Ibom State University, Mkpato Enin: Construction of medical centre with equipment
Sector	Education
Amount in Budget	N/A
Location	Akwa Ibom State University, Ikot Akpado, Mkpato Enin (main campus)
Monitoring Report	Old building; no new structure as provided for in 2015 budget

Table 27

Title	Construction of faculty of engineering complex with departmental buildings/Equipment
Sector	Education
Amount in Budget	Budget: ₦1.3 billion
Location	-do-
Monitoring Report	Construction ongoing; over 90% completed



Chemical and  
Petroleum Engineering  
department building  
(main campus, AKSU)

Table 28

Title	Provision/maintenance of internal road network/Drainage in both campuses
Sector	Education
Amount in Budget	Budget: ₦2 billion
Location	Akwa Ibom State University, Ikot Akpaden and Oruk Anam campuses
Monitoring Report	<ul style="list-style-type: none"> <li>- At Mkpato Enin Campus, road and drainage works was ongoing at the time of our team's visit.</li> <li>- At Obio Akpa Campus no road/drainage constructed</li> </ul>



Internal roads  
at Obio Akpa  
campus AKSU

Table 29

Title	Construction of 2 No. Hostels (for male and female)- 2 storey each with furnishing in both campuses.
Sector	Education
Amount in Budget	Budget: ₦2 billion
Location	-do-
Monitoring Report	<ul style="list-style-type: none"> <li>- At the main campus Mkpato Enin, Construction is on-going in one of the hostels, while the other completed one is not a 2-storied building as budgeted for but a bungalow.</li> <li>- At Obio Akpa Campus, the hostels are completed but bungalow, instead of a 2-storied building as budgeted for</li> </ul>





▶ Hostel building under construction  
(main campus, AKSU)

Table 30

Title	Provision and distribution of water and electricity (including generating set)
Sector	Education
Amount in Budget	Budget: ₦50 million
Location	-do-
Monitoring Report	Completed, already in use but our team found at that these facilities had been provided before 2015

Table 31

Title	Provision of 10 No. 6-body mortuaries facilities in General Hospitals (Ukpom Abak, Ikot Ekpene, Eket, Oron, Ini and Okobo)
Sector	Health
Amount in Budget	Budget: ₦60 million
Location	Our team visited three of the six General Hospitals: 1. General Hospital Ukpom, Abak 2. General Hospital Eket, Eket 3. General Hospital, Ikot Ekpene
Monitoring Report	At the three locations visited, no new mortuaries had been constructed. The existing facilities appear dilapidated

Table 32

Title	Provision of 6 No. 40KVA Generating sets to 6 No secondary health institutions.
Sector	Health
Amount in Budget	Budget: ₦22.5 million
Location	Our team randomly visited the following secondary health facilities in the state: 1. General Hospital Ukpom, Abak 2. General Hospital Eket, Eket 3. General Hospital, Ikot Ekpene 4. General Hospital, Etinan 5. St. Luke's Hospital, Anua, Uyo
Monitoring Report	Of the institutions visited, only St. Luke's Hospital, Anua got a new generating set. The situation is so bad that at Etinan General Hospital, only the Pharmacy has alternative power which is a small generator provided by management of the department to run their own department



Broken down generator at General Hospital, Ukpom, Abak

Table 33

Title	Provision of x-ray facilities in 6 nos. hospitals
Sector	Health
Amount in Budget	Budget: <del>N</del> 36 million
Location	-do-
Monitoring Report	None of the above hospitals received new x-ray equipment

Table 34

Title	Provision of fire extinguishers in secondary health institutions /training in the state
Sector	Health
Amount in Budget	N/A
Location	-do- School of nursing, Itu Mbang
Monitoring Report	None of the institutions had fire extinguisher for 2015 budget year



Broken down buildings and roofs at School of Nursing/ General Hospital, Ituk Mbang

Table 35

Title	Routine maintenance and refurbishing of medical facilities in hospitals and Evacuation of filled septic tanks, replacement of faulty electrical appliances etc.
Sector	Health
Amount in Budget	Budget: ₦100 million
Location	-do-
Monitoring Report	Of the locations visited, only St. Luke's Hospital, Anua had been refurbished. At Etinan General Hospital, we encountered badly dilapidated buildings, broken down toilets and complaints of poor equipment.



► Newly completed wards, St. Luke's Hospital, Anua, Uyo

Table 36

Title	Provision of 6 No. 40 KVA Generating sets to 6 secondary health institutions
Sector	Health
Amount in Budget	Budget: ₦22.5 million
Location	-do-
Monitoring Report	<ul style="list-style-type: none"> <li>- The above hospitals never received new generating sets, except St. Luke's Hospital, Anua</li> <li>- The hospitals are always in darkness during power outage.</li> </ul>

Table 37

Title	Renovation of 4 nos. General Hospitals staff quarters (Ikono, Ikot Abasi, Ituk Mbang and Etinan)
Sector	Health
Amount in Budget	Budget: ₦500 million
Location	General Hospitals at Ituk Mbang and Etinan were visited by our team
Monitoring Report	The staff quarters had not been renovated.



Front view, General Hospital, Etinan

Table 38

Title	Specialist Hospital, Ekit Itam
Sector	Health
Amount in Budget	Budget: ₦5 billion
Location	Our Team visited the new 20th Anniversary Specialist Hospital, Ekit Itam
Monitoring Report	Our team visited the Specialist Hospital and we were impressed at the modern facilities available. Curiously, however, the hospital had been completed and equipped before the 2015 fiscal year but the budget captured it again. Unfortunately, this allocation is vague, and we could not track the exact expenditure items covered by the budgeted amount to ascertain what they were meant for.



Table 39

Title	Incinerator at General Hospitals at Eket, Ikot Ekpene, Oron
Sector	Health
Amount in Budget	N/A
Location	General Hospitals at Eket and Ikot Ekpene were visited.
Monitoring Report	No incinerators were provided for either of the hospitals visited

Table 40

Title	Maintenance of Integrated Food Storage Facility
Sector	Agriculture and Food Sufficiency
Amount in Budget	Budget: <del>N</del> 50 million
Location	Abak
Monitoring Report	The facility has been abandoned and not been in use for over 10 years. The location has not been improved on for years but has repeatedly been included in the budget. Our team discovered that it is now a den for “area boys” (miscreants), who took us on a guided tour of parts of the facility not overtaken by bushes.

Table 41

Title	Fencing of AKS Strategic Food Reserve Programme facility at Abak
Sector	Agriculture and Food Sufficiency
Amount in Budget	Budget: <del>N</del> 40 million
Location	-do-
Monitoring Report	<ul style="list-style-type: none"> <li>- Our team saw only an old, dilapidated fence at the location</li> <li>- No sign of any recent construction</li> </ul>





Sign post of the abandoned Strategic Food Reserve facility at Abak, a recurrent decimal in the state's Agriculture budget

Table 42

Title	Renovation and expansion of 2 nos. pig houses
Sector	Agriculture and Food Sufficiency
Amount in Budget	N/A
Location	Ikot Ibiritam, Oruk Anam
Monitoring Report	No such renovation or expansion occurred as captured in 2015 budget. We found that the piggery was run-down, without supplies, and no borehole for watering the pigs.



State Government piggery at Ikot Ibiritam, Oruk Anam (The facility is poorly maintained and lacks a water source).

Table 43

Title	Construction of 2 No. 20-pig houses
Sector	Agriculture and Food Sufficiency
Amount in Budget	
Location	Ikot Imoh- Ekpene Ukpa, Etinan LGA
Monitoring Report	- No Govt of Akwa Ibom Project on site

Table 44

Title	Rehabilitation of Akwa Palm Plantations
Sector	Agriculture and Food Sufficiency
Amount in Budget	Budget: ₦100 million
Location	- Oruk Anam
Monitoring Report	No sign of rehabilitation; workers encountered by our team insisted that government had no hand in the plantation

Table 45

Title	Completion of work at Itu fish farm Estate.
Sector	Agriculture and Food Sufficiency
Amount in Budget	Budget: ₦10 million
Location	Itu L.G.A
Monitoring Report	Yet to be implemented; no sign of any government project at the site.

Table 46

Title	Recruitment, accommodation and empowerment of 7th batch Integrated Farmers Scheme (IFS) 1400 nos. participants
Sector	Agriculture and Food Sufficiency
Amount in Budget	Budget: ₦845 million
Location	Our team visited the IFS office in Uyo
Monitoring Report	We were informed that the last batch of IFS scheme was implemented in 2010/2011. Although we learnt that the IFS office is awaiting government approval for the 7th batch, our investigations revealed that the IFS scheme had repeatedly been budgeted for every year from 2012 to 2015.

Table 46

Title	Reconstruction/Renovation of Agric Engineering Workshop
Sector	Agriculture and Food Sufficiency
Amount in Budget	Budget: ₦15 million
Location	Ekpri Nsukara, Uyo
Monitoring Report	<ul style="list-style-type: none"> <li>We learnt that the workshop has not had any state government project for several years.</li> <li>There was no sign of recent construction or renovation.</li> <li>The workshop was overgrown with grasses and seasonal bush burning threatens the safety of agricultural equipment parked there.</li> </ul>



Agricultural  
Mechanization  
Workshop at  
Ekpri Nsukara, Uyo

Table 47

Title	Construction of veterinary clinic at Ikot Akpan Nkuk
Sector	Agriculture and Food Sufficiency
Amount in Budget	Budget: ₦25 million
Location	Ikot Akpan Nkuk, Ukanafun L.G.A
Monitoring Report	<ul style="list-style-type: none"> <li>• The project does not exist</li> <li>• Only a small pet/vaccine office exists there in a rented facility.</li> </ul>

Table 48

Title	Sourcing/procurement of breeding stock, provision of breeder feeds and cultivation of leguminous seedling
Sector	Agriculture and Food Sufficiency
Amount in Budget	
Location	<ul style="list-style-type: none"> <li>• Ekpene Ukpa, Etinan L.G.A</li> <li>• Ikot Imoh</li> <li>• Ikot Ibiritam Oruk Anam</li> </ul>
Monitoring Report	•Our team found that these farm inputs were never purchased or supplied to the various farms

Table 49

Title	Growth Enhancement Support Schemes (GES)
Sector	Agriculture and Food Sufficiency
Amount in Budget	Budget: ₦310 million
Location	<ul style="list-style-type: none"> <li>• Our team spoke with members of various farmers' co-operative societies within the state:</li> <li>• Oruk Anam, Ukanafun , Onna, Itu, Mkpato Enin, Ibesikpo</li> </ul>
Monitoring Report	They had not benefitted from the scheme. Members complained of not seeing any state government officials from ministry of agriculture or the Cooperative Bureau.

Table 50

Title	Renovation and maintenance of central oil depot
Sector	Agriculture and Food Sufficiency
Amount in Budget	
Location	Ibesikpo Asutan
Monitoring Report	No construction was observed by our NDCBP team. Efforts to locate actual site was futile due to overgrown bush.

Total Budget	₦251.5 billion (Declined by ₦81.3 billion)
Total Capital Votes	₦96.6 billion (Declined by ₦52.2 billion)
Total Recurrent Votes	₦154.6 billion (Declined by ₦ 29.3 billion)
Total Capital Votes for Education	₦12.4 billion (Declined by ₦14.4 billion)
Total Capital Votes for Health	₦4.7 billion (Declined by ₦2.7 billion)
Total Capital Votes for Food Sufficiency	₦2.2 billion (Declined by ₦4.7 billion)

# BAYELSA STATE

## Analysis of Bayelsa Budget 2015

### BACKGROUND

**B**ayelsa State is considered advantaged in several regards. It is one of the highest earners from the federation purse on account of being one of Nigeria's largest oil producing states. It equally has an impressive GDP of about ₦1.5trillion, making it exceptionally wealthy. With its huge earnings, Bayelsa has the lowest population in the country to cater for. As at Nigeria's last population census in 2006, Bayelsa had a population of 1,704,515. Compare that to its nearest neighbors, Rivers and Delta states which have 5,198,716 and 4,112,445 respectively. Bayelsa State with 8 local government areas, also has the lowest number of local councils to manage. One will ordinarily think that a combination of high revenue and low population would equal development, but not in the case of Bayelsa state. Political leaders are all too ready to cite the mostly swampy terrain of the state as the reason for the dearth of infrastructural development. The reality, however, is that the state remains essentially poor on account of very high-level corruption and

mismanagement. For a long period, the state was mostly in the news around discussions of corruption and waste. A former governor of the state is reputed to have laundered large amounts from the state treasury and was convicted on related counts.

The problem of corruption in the state hasn't only been limited to political office holders. For years, Bayelsa State administered a budget ratio that ridiculously placed a greater premium on overhead and personnel costs (recurrent), as against developmental spending (capital) that could help build badly needed infrastructure and extricate the state's citizens from poverty.

In 2012, a new governor recognized this problem and vowed to tackle it. Governor Dickson promised ***“fundamental reform of the governance culture, to emphasize transparency, accountability, due process and value reorientation by all institutions and functionaries of government, beginning with my humble self.”*** He pledged “zero tolerance” for corruption and unveiled an ambitious economic plan for the oil-rich



state. ***“Our vision,”*** he assured, ***“is to make Bayelsa State the third most developed state in Nigeria within the next four years.”***

To realize these ideals, the governor represented the Bayelsa Expenditure and Income Transparency Initiative Bill to the state House of Assembly. This was a law proposed by civil society organizations in 2007/2008 to the State House of Assembly, meant to ensure certain levels of transparency and accountability in the management of the resources of the state. After years of rigmarole, the Bill was jettisoned. Weeks after reintroducing the Bill and having passed through some modifications, it was passed into law. Quickly passing the BEIT law seemed to indicate a commitment to ensuring transparency and accountability. In April 2013, the state government began televised monthly transparency briefings where summarized income and expenditure of the state is divulged. This was a far departure from the culture of secrecy and fiat which had characterized the state for the most part. However, this level of transparency has not been far-reaching enough.

Bayelsa State was a trailblazer in proactive public disclosure of budget information. It started publishing annual budgets on the state's official website in 2008. At the time, it was one of the first to do so and received widely acclaimed popularity. However, public praise for the initiative was short-lived as the policy ended barely two years after. No such publications have been made since 2010, although the government periodically responds to requests for budget copies, the space for citizens' access and participation is shrinking. Officials have repeatedly turned down requests for information on contract details, audit reports - both, necessary for

assessing the government's performance. Even where budgets are made available, it is often difficult to utilize the document to assess the performance of the government. Of all the state in the Niger Delta, Bayelsa state has the least details in its budgets. The state routinely uses extremely vague language and blanket bulk allocations without any details of targets, deliverables, locations or a specific amount. This practice has made it impossible to know exactly what the government plans to do in each of the sectors. For instance, the 2015 state budget makes provision for the **Rehabilitation/Repairs of Public Schools** at N2.3 billion. No specific schools for rehabilitation or repairs are mentioned, it provides no detail beyond this.

### 2015 Policy Thrust

Governor Dickson christened the 2015 budget “A Budget of Completion”, with the following objectives;

- Completion of all ongoing projects across the entire state
- Continuation of efforts at diversification of the economy
- Continuation of efforts at building variable (sic) institutions in the state to ensure probity, transparency, accountability and adherence to due process in all government transactions, etc.

### Performance of 2014 Budget

While presenting the 2015 budget proposal to the State House of Assembly for consideration, the governor expressed challenges he faced with implementing the 2014 budget.

***“...in very specific terms, the implementation of the 2014 budget has been very challenging, principally due to the dwindling financial fortunes of the nation in***

***general and Bayelsa State in particular. The turbulence of the international oil market has had a very negative impact on our financial fortunes as a nation and as a state”***

In terms of revenue, the state performed below average in 2014. While ₦332.8 billion was expected to be raised from various sources to finance the budget, as at September 2014, only ₦164 billion had actually been received, representing 49.3% of projected revenue within the period.

In 2014, IGR was expected to account for 4% or ₦12.186 billion of the state budget. Despite this low expectation, this was a significant improvement from an era when the state recorded zero income from internal sources, to an era where it plans to generate up to ₦12.1 billion. Bayelsa State has significant avenues for generating revenue but these sources have been neglected over the years. For instance, in 2007, the state did not expect to generate any IGR, giving the impression that even workers in the civil service were not to be taxed. Between 2008 and 2011 the IGR fluctuated between 3% and 5% of the state's revenue. In 2012, it witnessed a tremendous increase which amounted to ₦4.7 billion. At the time, this was the highest IGR the state ever achieved. In 2013 budget performance, the government informed the public that the state's IGR has grown significantly to ₦7.108 billion.

Of the ₦12.186 billion expected to accrue to the state from IGR in 2014, as at September, ₦9 billion had been received, representing 73.9%. Looking back at the evolution of internally generated revenue in the state, there has been great improvements in the last 4 years. However for a state faced with dwindling economic fortunes on the one

hand, and several avenues for raising additional resources, a lot still needs to be done to strengthen its ability to survive independently of the uncertain fiscal realities of the international oil market.

On the side of expenditure, a total of ₦164 billion had been spent as at September of the fiscal year. Of this amount, ₦110.5 billion or 67.4% was on recurrent purposes while ₦53.4 billion or 32.6% was spent on capital projects.

### The 2015 Budget

The Bayelsa State governor proposed a budget of ₦320.6 billion comprising ₦175.7 billion or 54.85% for recurrent expenditure and ₦144.8 representing 45.2% for capital expenditure. Faced with fast dwindling revenues from the federation account occasioned by the glut in the global price of crude oil, the Bayelsa State House of Assembly while considering the budget, slashed it down to ₦251.5 billion comprising ₦154.6 billion for recurrent expenditure and ₦96.6 billion for capital expenditure.

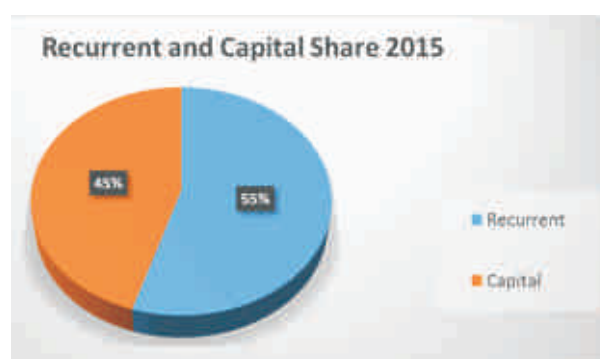


Figure 10. Recurrent and Capital Share 2015 (Bayelsa State)

The share of the budget given to recurrent expenditure has always been the bane of fiscal processes in Bayelsa State. In the past, this was blamed on the prevalence of 'ghost workers' in the state who drew undeserved

salaries and swelled the payroll. Governor Dickson promised to address this phenomenon in 2012;

***“We will not stop these processes until we have made significant progress in ensuring that all ghost workers, persons who are experts in inflating salary figures are cleared from our state wage bill. Such people will be prosecuted in the provisions of the bill that this Assembly has dutifully passed which we have since signed into law”.***

Unfortunately, 3 years after, the recurrent expenditure share of the budget still remains higher than capital expenditure.

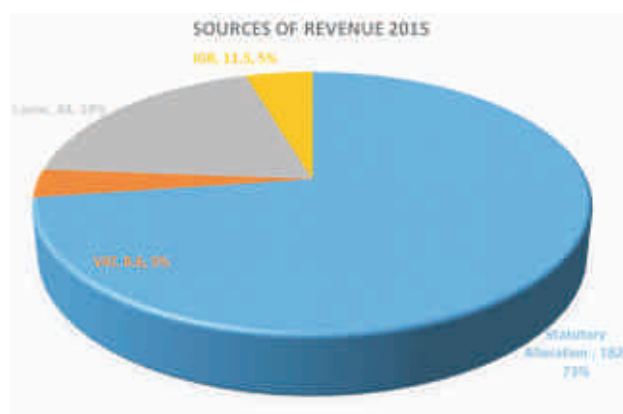


Figure 11. Sources of Revenue for 2015 Budget (Bayelsa State)

From the chart above, it is evident that Bayelsa state is still largely dependent on revenues from the federation account, and has really done nothing to seek more independent means of surviving the impact of reduced crude oil earnings. Rather than plan to increase its internally generated revenue, there is instead a drop from ₦12.4 billion target in 2014 to ₦11.5 billion in 2015. Similarly, to cater for the shortfall in its revenue projection, the state resorts to

borrowing. It plans to borrow as much as ₦48 billion representing 15% of the 2015 budget.

### The Sector of Education

***“To provide sound, educational policy for effective and efficient management of our schools, the provision of standard educational facilities to ensure equal access by all citizens and to reduce the level of illiteracy to its barest minimum.”*** Bayelsa State Ministry of Education

In 2015, ₦12.4 billion is budgeted for capital projects in the education sector. Compared to the ₦26.8 billion which was budgeted for the

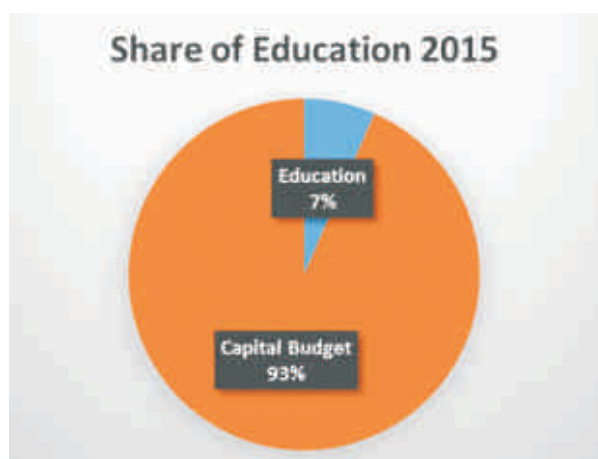


Figure 12. Share of Education (Capital Expenditure) in 2015 (Bayelsa State)

This allocation represents 7% of the capital budget. While it is evident that the revenues to the state have dwindled, there is no justification for the huge reduction in the allocation to that sector. For a state that promises standard and qualitative education, against the backdrop of the years of decay, a reduced allocation may portend the opposite.

### The Sector of Health

***“With a mission of taking qualitative health care to the doorsteps of every citizen and inhabitant of Bayelsa State and making the State the hub of excellent medical services thereby also promoting health tourism.”***  
Bayelsa State Ministry of Health

The 2015 budget appropriates ₦4.7 billion for capital projects in the sector of health. This is against ₦7.479 billion which was budgeted in 2014. By comparison, this is a sharp budgetary decline of ₦2.7 billion or 30%.

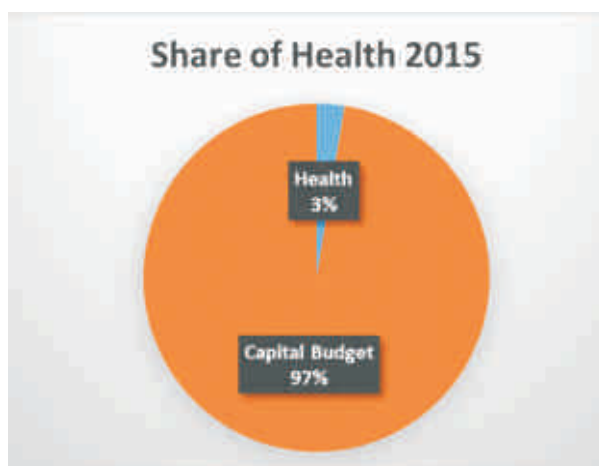


Figure 13. Share of Health  
(Capital Expenditure) in 2014 (Bayelsa State)

As in the education sector, the choice of large cuts to the health budget in the face of dwindling revenues does not demonstrate the government the interest in ***“taking qualitative health care to the doorsteps of every citizen and inhabitant of Bayelsa State...”***. The case becomes worse with the known health challenges in the state.

### The Sector of Food Sufficiency

***“This subsector being the cornerstone of our Economic diversification programme is very***

***key to the realization of our goal of poverty alleviation and employment generation for our teeming youths and women in the state.”*** Governor Dickson

This sector is allocated ₦2.2 billion in the 2015 budget. Compared alongside the 2014 allocation, this represents a drop of ₦4.7 billion from the ₦6.9 billion the sector received.

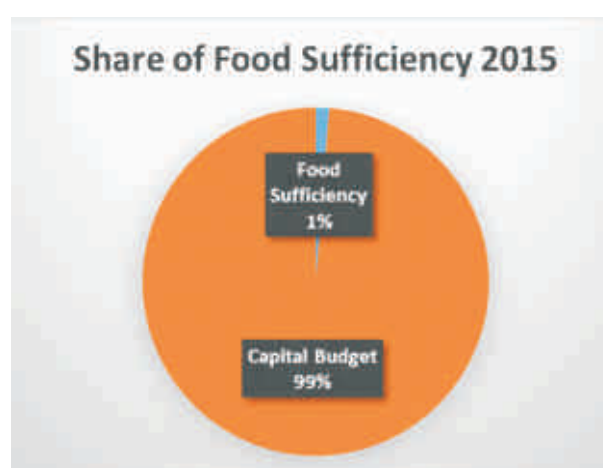


Figure 14. Share of Agriculture  
(Capital Expenditure) in 2015 (Bayelsa State)

While Bayelsa State understands the value of the food sufficiency sector as a vehicle to diversifying the economy of the state from its overt dependence on crude oil revenues, it, however, does very little to tap those potentials. The allocation for food sufficiency does not demonstrate sufficient commitment to keeping faith with the policy of the administration.



## BUDGET MONITORING AND TRACKING REPORT

<b>Title</b>	Rehabilitation/Repairs of Public Schools
<b>Sector</b>	Education
<b>Amount in Budget</b>	₦2.3 billion
<b>Location</b>	Kaiama grammar School, Community Secondary School Sagbama, Oloibiri Grammer School, Oloibiri, Government Girl's Secondary School Kaiama, UPE 1 Ogbia Town, CPS II Sagbama, CSS Kpansia, St. Mathias Primary School Amarata, Model Primary School Biogbolo, CPS Okutukutu, Odianadu Com. Sec. Sch,
<b>Monitoring Report</b>	NDCBP team of monitors observed that lots of the schools visited needed repairs and rehabilitation, Kaiama grammar School and Community Secondary School Sagbama benefitted from the rehabilitation and repairs of the 2015 budget.



Dilapidated block of six classrooms at Oloibiri Grammar School, Oloibiri



Government Girl's Secondary School Kaiama



Dilapidated building at UPE 1 Ogbia Town and CPS II Sagbama



Dilapidated Teachers Quarters  
at UPE I Ogbia Town



Broken floor & Ceiling  
at CPS II Sagbama



CSS Kpansia is in a bad state, it did not attract renovation or repairs, it also did not receive any sporting facility from the State Govt. the school is over populated and needs expansion

<b>Title</b>	Construction/Provision of Libraries Jasper Boro College of Education
<b>Sector</b>	Education
<b>Amount in Budget</b>	₦101 million
<b>Location</b>	Jasper Boro College of Education
<b>Monitoring Report</b>	NDCBP team saw lots of building under construction, though workers were not on site. The team could not ascertain if the construction works were undertaken by the state government.



Newly constructed buildings and ongoing construction works at Jasper Boro College of Education, Sagbama.



<b>Title</b>	Purchase of Teaching and Learning Aid Equipment
<b>Sector</b>	Education
<b>Amount in Budget</b>	₦610 million
<b>Location</b>	As in Table 1
<b>Monitoring Report</b>	NDCBP team observed that learning materials like chalks, desk for pupils were supplied to some schools but in others, the chalkboards need to be replaced. Also, lots of classrooms and examination halls were empty.



*Dilapidated white Board/Teaching Aid at GGSS*



*Dilapidated Examination hall at Oloibiri Gramer School Kaiama*

<b>Title</b>	Construction/Provision of Public Schools
<b>Sector</b>	Education
<b>Amount in Budget</b>	₦3. 112 billion
<b>Location</b>	Public schools in Bayelsa State
<b>Monitoring Report</b>	Throughout the field visits, the NDCBP team did not find any school where its construction was initiated In 2015.

*Completed ICT room at Kaiama Grammar School*



*ICT, Laboratory and Admin. Block at CSS Sagbama*



<b>Title</b>	Construction/Provision of Infrastructure
<b>Sector</b>	Education
<b>Amount in Budget</b>	₦1.8 billion
<b>Location</b>	-do-
<b>Monitoring Report</b>	NDCBP team could not find any construction of infrastructures in schools, staff quarters in some schools were dilapidated and urgently need repairs



*Odianadu Community Secondary School did not receive any infrastructures*



*Dilapidated Class Room Structures at CSS Kpansia*

<b>Title</b>	Construction/Provision of Sporting Facilities
<b>Sector</b>	Education
<b>Amount in Budget</b>	₦200 million
<b>Location</b>	-do-
<b>Monitoring Report</b>	In all the Schools visited, the team could not see any visible sporting facilities, the management of the schools were not aware of such provision in the Budget and are yet to receive same on behalf of the school.

*St. Mathias Primary School Amarata and Model Primary School Biogbolo did not get any sporting facility as mentioned in the Budget*





*CPS Okutukutu 3, needs repairs, it did not benefit from the sports Facilities project of the State*



*Oloibiri Grammar School did not receive any sports facility*

<b>Title</b>	Construction/Provision of Libraries
<b>Sector</b>	Education
<b>Amount in Budget</b>	₦231.4 million
<b>Location</b>	Random spot checks/investigations at the same primary and secondary schools as above
<b>Monitoring Report</b>	The team of NDCBP monitors discovered that most Heads of schools converted a section in their offices to store books supplied to pupils and students, others used classrooms that are not in use in place of Library.

<b>Title</b>	Purchase of office Furniture and Fittings
<b>Sector</b>	Education
<b>Amount in Budget</b>	₦531 million
<b>Location</b>	-do-
<b>Monitoring Report</b>	The budget monitoring team observed that teachers in non-Model schools have to provide their own chairs and table for teaching and learning purposes, whereas, their counterparts in Model schools enjoy well-furnished furniture and fittings



<b>Title</b>	Purchase of Library Books and Equipment
<b>Sector</b>	Education
<b>Amount in Budget</b>	₦350 million
<b>Location</b>	-do-
<b>Monitoring Report</b>	School heads acknowledged receipt of supplies of books in the 2015 fiscal year but were not aware of library equipment, as most of the schools do not have libraries



*Vice Principal's office also serves as Book Room at CSS kpansia, no Library or Equipment were supplied in 2015*



*Principal's office and Book Room, Kaiama Grammar Sch, Kaiama*

<b>Title</b>	Construction/Provision of Hospitals and Health Centres
<b>Sector</b>	Health
<b>Amount in Budget</b>	₦1.240 billion
<b>Location</b>	Selected communities across all the local governments
<b>Monitoring Report</b>	In all of the communities visited, the budget monitoring team only saw one new construction at Yenegwe. The rest of the health facilities were at different levels of dilapidation.



*Figure21 Abandoned Local Govt. Health Center, Ogbia*



*Figure22. Abandoned Gen. Hospital Ogbia Town*



*Site for Construction of Health Centre, Otuegidi*



*Town Hall/Venue for health Activities,  
Otuegidi Community*



*Newly Constructed Yenegwe Health Centre though yet to be  
supplied medical/health equipment since 2015*

Title	Purchase of Health/Medical Equipment
Sector	Health
Amount in Budget	₦1.240 billion
Location	Selected General Hospitals and Health Care Centres
Monitoring Report	The budget monitoring team observed that General Hospitals and Health Centers visited did not receive supply of medical equipment in the 2015 fiscal year except the Bayelsa State Diagnostic Centre and Diete-Koki Memorial Hospital



*Diete – Koki Memorial Hospital and the Bayelsa State Diagnostic Centre  
was amongst the few Health facilities that got Health/  
Medical Equipment in the 2015 fiscal year*



*Abandoned Medical/Health Equipment  
at the Abandoned Chief Melford Okilo  
Specialist Hospital, Yenagoa*

Title	Repairs/Rehabilitation of Hospital/Health Centers
Sector	Health
Amount in Budget	₦396.5 million
Location	Selected General Hospitals and Health Care Centres
Monitoring Report	NDCBP team observed that some Health institutions in the state are abandoned and some others in need of repairs and rehabilitation. Some facilities newly renovated though were observed.





*Abandoned Gen. Hospital and Ambulance at Emakalakala*



*Health Centre Opume was renovated in the 2015 fiscal year*



*Dilapidated structure at Chief Melford Okilo Specialist Hospital*



*Comprehensive Health Centre Agudama Epie and Ogbia did not get any supply of Medical\Health Equipment, it also did not get any Motor from the state Government from the 2015 fiscal year. The Health Facility also needs some level of repairs*

<b>Title</b>	Purchase of office furniture and fittings
<b>Sector</b>	Health
<b>Amount in Budget</b>	₦101 million
<b>Location</b>	-do-
<b>Monitoring Report</b>	The budget monitoring team observed that Health Institutions visited did not receive any supplies of office furniture and fittings. Drugs and other dispensary and packed into a room, the chair and tables are in a state of dilapidation.



*Store Room, Comprehensive Health Centre Sagbama*



*Reception hall of Health Centre Kaiama*



*Comprehensive Health Centre Yenezue, did not benefit from the Office Furniture and Fittings Project of the 2015 Bayelsa State Govt. Budget*

*Comprehensive Health Centre Kaiama and Sagbama did not receive any Office Furniture and fittings, the facilities are in serious need of furniture and fittings*



<b>Title</b>	Purchase of motor vehicles
<b>Sector</b>	Health
<b>Amount in Budget</b>	₦70 million
<b>Location</b>	Selected communities across all the local governments
<b>Monitoring Report</b>	The staff of health institutions visited were not aware of such provisions in the 2015 budget. In some of the hospitals and health centers, the ambulance vans available were confirmed to have been supplied by the Niger Delta Development Commission while others were said to have been supplied by the state government many years ago.



*The team visited the state ministry of Agriculture and School to Land Authority to confirm the purchase of Agricultural Equipments. Officials present at the time of the visits were not aware of such purchases, however, school to land*

Total Budget	₦408.8 billion (Declined by ₦41.9million)
Total Capital Votes	₦244.4 billion (Declined by ₦45 billion)
Total Recurrent Votes	₦164.3 billion (Increased by ₦ 2.6 billion)
Total Capital Votes for Education	₦26.5 billion (Declined by ₦5.4 billion)
Total Capital Votes for Health	₦9.3 billion (Declined by ₦10.7 billion)
Total Capital Votes for Food Sufficiency	₦4.3 billion (Declined by ₦400 million)

# DELTA STATE

## Analysis of Delta State Budget 2015

### BACKGROUND

Delta state is the third highest crude producer in Nigeria after Akwa Ibom and Rivers states. On account of this, the state is also one of the richest in the country. Unfortunately, Like other states in the Niger Delta, Delta State is a classic case of the paradox of plenty, a phenomenon in resource-rich places where, rather than improve the social existence of the people, revenue from such resources have instead engendered conflict and poverty. Endowed with an abundance of oil and deriving the bulk of its revenue from that source, the State has been plagued by internal conflict, corruption and mismanagement which has assumed both ethnic dimensions and national significance. At the height of the armed insurrection in the Niger Delta in the last decade, Delta State recorded perhaps the highest occurrence of armed activities, where its many creeks and waterways became locations for recruitment and training. When the Federal Government started its Amnesty programme for former combatants in 2009, the armistice ushered in

a prolonged period of calm, which created an opportunity for the government to address some of the core issues that led to the crises. Unfortunately, this was not the case. Half a decade after the amnesty, there were indications that more armed uprisings were brewing again in the creeks of the Delta and other neighboring states. The huge revenues the state derives from the derivation principle which stipulates that 13% of the proceeds of crude extracted from a state is returned to the state to facilitate its development; as well as the development interventions it gets from two Federal MDAs- the Niger Delta Development Commission (NDDC) and the Federal Ministry of Niger Delta Affairs- have not sufficed to lift the state out of poverty and underdevelopment.

### Vision and Policy Thrust

The government of Delta state in the 7 years has adopted the three-pronged policy of Peace, Security and Human Capital / Infrastructural Development. Through the 2015 budget, the governor pledges to 'provide a more efficient government that

will embody the vision of a politically united, socially integrated, stable, economically prosperous and well-organized State, with equal opportunity for all Deltans'.

While presenting the 2015 budget proposal to the Delta State House of Assembly for consideration, the governor situates the target of the 2015 budget thus;

***“The 2015 budget is aimed at consolidating the achievement of 2014 budget as well as completing all on-going projects and programmes that will facilitate the fulfilment of the administration's goal of making Delta State one of the most industrialized and developed States in Nigeria by 2020. Priority is given to the completion of on-going projects in the areas of rural and urban road network and infrastructure, security of life and property (including logistics support for law enforcement), healthcare and education”.***

Overall, exceptional emphasis is placed on the concept of 'Delta Beyond Oil', an economic and fiscal process aimed at extricating Delta state from its overt dependence on crude oil determined revenues.

### **Performance of the 2014 Budget**

The 2014 budget of Delta state was christened 'Budget of Consolidation, Sustainable Economic Growth and Development'. Its core policy thrust to "Sustain the drive on Delta Beyond Oil". The state government had presented a N391.5 billion budget to the House of Assembly for

consideration. Despite overwhelming evidence of economic decline, the House of Assembly raised the budget to N450.7 billion and passed it. As expected, the budget suffered deep shortfalls.

On the revenue side, the government had envisaged that it will get N62.4 billion as Internally Generated Revenue, Statutory Allocation Including Mineral Revenue Derivation of N229.3 billion and N148.5 as Other Capital Receipts.

In reality, however, during the nine months of January to September 2014, the state had total revenue receipts of N213.5 billion, representing an overall revenue budget performance of 63.16% over expected proportionate receipts of N338 billion. Of this amount, N144.6 billion came through Statutory Allocation from the Federation Account. The amount represents 84.12% performance in relation to the proportionate estimate of N171.9 billion. N7.235bn was recorded as receipts from Value Added Tax (VAT) out of proportionate projected receipts of N7.782bn, representing a budget performance of 92.97%. N32.7 billion was received as Internally Generated Revenue between January – September 2014, out of the projected revenue of N46.870bn, representing a budget performance of 69.80%. The real shortfall came from the revenue source tagged Other Capital Receipts. Only N28 billion representing 25.91% was received from that revenue source against the proportionate budget of N111.414bn during the period under review. In all, the ability of the government to perform its obligations according to the budget suffered severely in 2014.

On the expenditure side, data from the Delta state government indicates that between

January and September 2014, there was a recurrent expenditure performance of 111.1% - above the proposal for the period. A total sum of ₦188.7 billion was spent during the period. Of this amount, ₦135.7 billion was spent on recurrent items as against a proportionate approved budget of ₦121.3 billion.

On the Capital side, however, of the ₦289 billion which was budgeted, actual expenditure for the period, January-September, 2014 was ₦53.039bn as against the proportionate budget figure of ₦216.751bn representing a meager budget performance of 24.47%.

## 2015 Budget

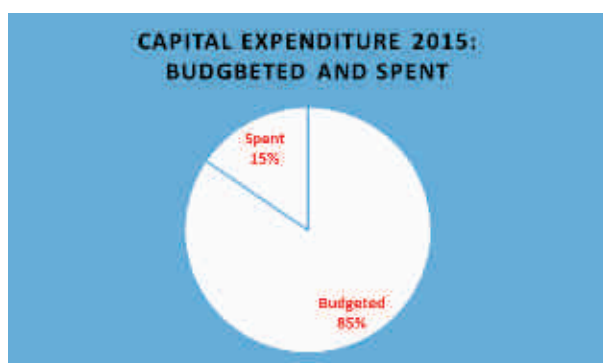


Figure 15. 2015 Capital Expenditure Chart (Delta State)

Despite evidence from revenue shortfalls of the 2014 fiscal year, and the clear signs that crude oil prices will keep declining in the international market, and impact negatively on the ability of Delta state to earn, budget buffers were created, the governor presented a budget of ₦327 billion to the State House of Assembly for consideration. As was the case with the 2014 budget, the legislators hiked the budget proposal by ₦81 billion to arrive at ₦408.8 billion which the passed into law as the 2015 appropriation.

On May 29th, 2015, a new governor was sworn into office in the state. His first major task was to review the approved appropriation for the fiscal year. He 'reconstructed' the budget from ₦408.8 billion to ₦252.2 billion, a decrease of ₦156.5 billion or 38.29%. The new estimate comprises of a recurrent expenditure budget of ₦162.7 billion and a capital budget of ₦90.1 billion.

Unfortunately, details of the adjusted appropriation are unavailable. This analysis uses data from the original budget of ₦408.8 billion submitted to the state House of Assembly.

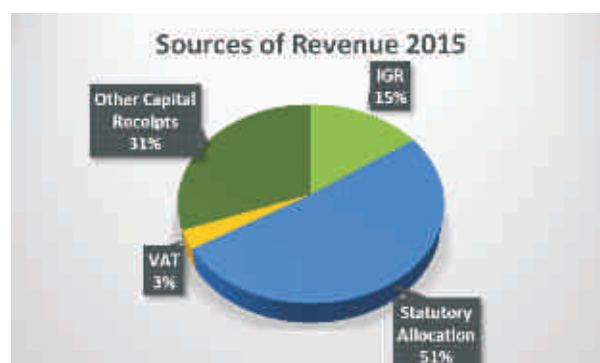


Figure 16. Sources of Revenue for 2015 Budget (Delta State)

Of the 2015 budget of ₦408.8 billion, ₦61.8 billion is expected to be sourced from internally generated revenue, statutory allocation including the state mineral fund is to provide ₦208.8 billion, value added tax is to provide ₦12.4 billion and 'other capital receipts' is to account for ₦125.6 billion.

The distribution of revenue sources above confirms that Delta state is still principally dependent on federal transfers. This is despite the government's averred commitment to created a 'Delta state beyond oil', by boosting internally generated revenue. In reality, Delta state cannot be said to be viable when it depends heavily on a



source of revenue it neither controls nor can predict. Relying on oil revenue has a major drawback because the international oil market is highly volatile and susceptible to sharp fluctuations. The danger is that a sharp drop in oil price may result in very low revenue from the federation account to the extent that the state may be unable to meet even its basic obligation of paying workers' salaries.

Similarly, an IGR profile which represents just 15% of the revenue of the state is hardly commensurate with the known opportunities in Delta state. It also hardly reflects an attempt to extricate the economy of the state from crude oil dependent transfers or build an alternate economic base.

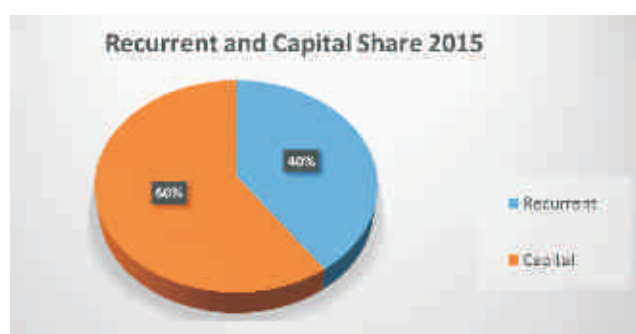


Figure 17. Recurrent and Capital Share 2015 (Delta State)

In the 2015 budget, recurrent expenditure is expected to take ₦164.3 billion while capital expenditure is to take ₦244.4 billion. In comparison to the 2014 budget, there is a slight increase in recurrent spending, while capital expenditure drops by ₦45 billion.

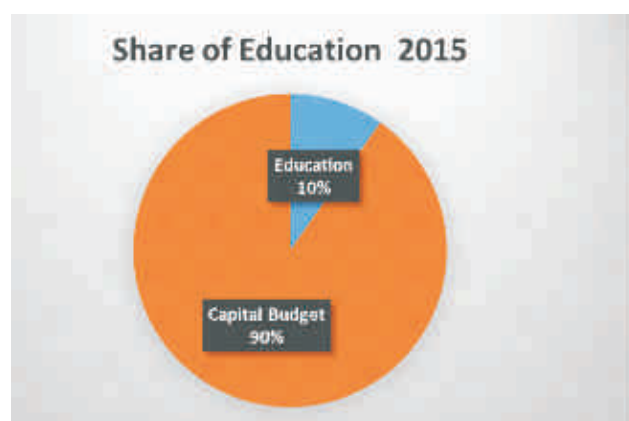


Figure 18. Share of Education 2015 (Delta State)

## The Education Sector

In 2015, the sum of ₦26.5 billion is allocated for capital expenditures in the education sector in Delta state. This is a decline of ₦5.4 billion, continuing a tradition of reduced allocation to the sector of education which began in 2014.

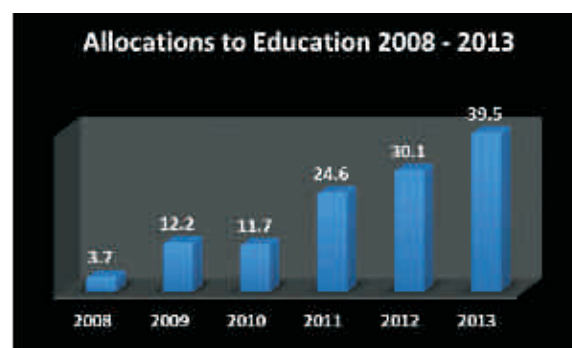


Figure 19. Allocation to Education 2008 – 2013 (Delta State)

Previously, the sector had witnessed steady increases in the amount directed at capital expenditure, reflecting an understanding of the enormous education challenges in the state, and a commitment to develop human capital. Agreed that the decline reflects the dwindling revenues fortunes of the state, it, however, expected that a sector as strategic as education should be the last to be slashed. Between 2013 and 2015, education budget is slashed by ₦13 billion.

## The Sector of Health

***“Healthcare is a key part of the Human Capital Development. Our objective is to make quality healthcare delivery available, accessible and affordable to all Deltans and other residents. ...Our approach is holistic, and focuses on the upgrade of health infrastructure in the urban and rural areas through the provision of specialized health care system”***

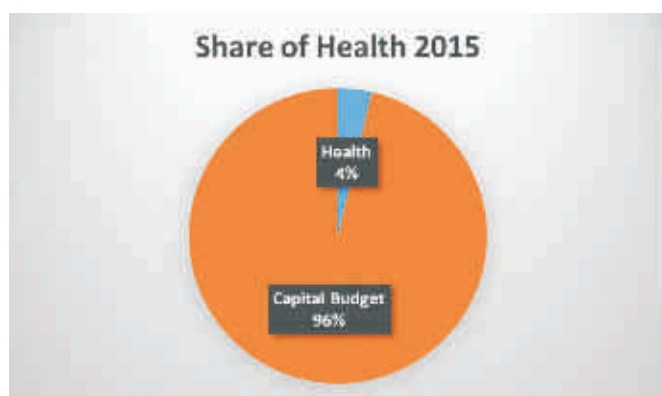


Figure 20. Share of Health in 2015 Budget (Delta State)

In the 2015 budget of Delta State, the health sector is allocated ₦9.3 billion for capital expenditures. Compared to the ₦20 billion which the sector was allocated in 2014, the current allocation represents a decline of ₦10.7 billion. This drastically drop shows that either the government is no longer committed to reforms in the health sector, or it is gradually losing interests in those reforms.

## The Sector of Food Sufficiency- Agriculture, Livestock Fisheries

***We have sustained our focus on agriculture as a tool towards achieving our drive on a Delta beyond oil. We are encouraging our youths to invest their energy and resourcefulness on farming activities through which unemployment, hunger and malnutrition would be reduced.***

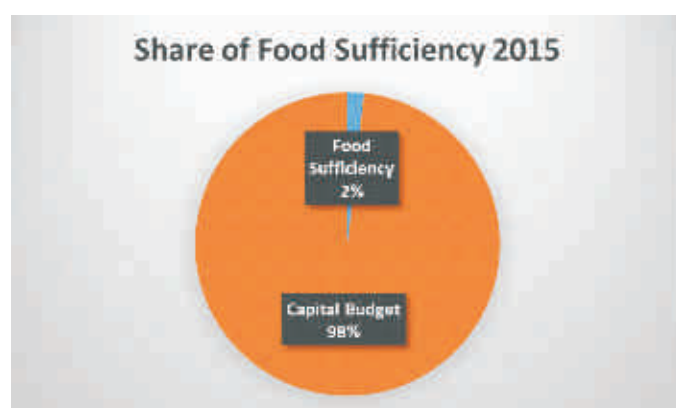


Figure 21. Share of Food Sufficiency in 2015 Budget (Delta State)

For the purpose of this analysis, food sufficiency refers to those sectors directly responsible for food production these are agriculture, fisheries and livestock. In 2014, these sectors were allocated ₦4.7 billion. In 2015, the allocation drops to ₦4.3 billion indicating a reduction of ₦400 million. The allocation to the sector also represents 1.3% share of the total budget hardly enough to actualize the state's aspiration of diversifying its economy. The poor allocation to the sector of food sufficiency, which demonstrates

government's lack of interest in it, could rather become a disincentive from private investment in the sector.



## BUDGET MONITORING AND TRACKING REPORT

<b>Title</b>	Construction of six (6) classrooms at atuma-iga primary school, atuma.
<b>Sector</b>	Education
<b>Amount in Budget</b>	₦20 million
<b>Location</b>	Atuma-Iga Primary School, Atuma.
<b>Monitoring Report</b>	At the time of visit, there was no evidence of a six (6) classroom block built in 2015. The entire school is dilapidated. The newest classroom block is a 2009/2010 Educational Trust Fund (ETF) intervention. A staff of the school provided useful information to the team.



*Atuma-Iga Primary School, Atuma*

<b>Title</b>	Construction of administrative block
<b>Sector</b>	Education
<b>Amount in Budget</b>	₦20 million
<b>Location</b>	Ukala-Ukpunor Grammar school, Ukala-Ukpunor.
<b>Monitoring Report</b>	There is no Administrative block at Ukala-Ukpunor Mixed Secondary School as it is called. The school is in a very dilapidated condition.

<b>Title</b>	Fencing of boys model school onicha-olona.
<b>Sector</b>	Education
<b>Amount in Budget</b>	₦14.9 million
<b>Location</b>	Onicha-Olona
<b>Monitoring Report</b>	At the Boys Model School Onicha-Olona some top management staff informed the NDCBP team that there was an attempt to fence the school in 2013/ 2014 but nothing more has been done since then beyond a little stretch of fence at the entrance to the school. The school has a very large land mass of about one mile radius.

<b>Title</b>	Fencing, landscaping/construction of doctors' and matrons' quarters and equipping of comprehensive health center at onicha-olona
<b>Sector</b>	Health
<b>Amount in Budget</b>	₦10 million
<b>Location</b>	Onicha-Olona
<b>Monitoring Report</b>	The NDCBP team observed that the health center at Onicha-Olona was completely fenced. Some staff of the facility who spoke to the team confirmed that the fencing work was done in 2015. The Doctor's and Matron's quarters at the facility were old structures that were built before 2014 according to the staff. There was no landscaping work in place and no new equipment has been supplied.



Comprehensive Health Center  
at Onicha-Olona

<b>Title</b>	Completion of the block wall perimeter fencing and upgrading of medical equipment at onicha-uku general hospital.
<b>Sector</b>	Health
<b>Amount in Budget</b>	₦29 million
<b>Location</b>	Onicha-Uku
<b>Monitoring Report</b>	The NDCBP team spoke with some management staff of the hospital who revealed that only one-quarter of hospital area has been fenced before 2014. They said that they were aware of the approval for the completion of the fence but no work has started on it. They also informed the team that one theatre-bed, some ward-beds and other hospital supplies were received in 2015.



Comprehensive Health Center  
at Onicha-Olona

<b>Title</b>	Construction of Examination Hall at Ukala Mixed Grammar School.
<b>Sector</b>	Education
<b>Amount in Budget</b>	₦5 million
<b>Location</b>	Ukala-Ukpunor.
<b>Monitoring Report</b>	The NDCBP team observed that an examination hall has been built in the school.



Ukala Mixed Grammar School,  
Ukala-Ukpunor

<b>Title</b>	Building of Nurses' Quarters and Supply of Ambulance and Generator set at Aviara general Hospital.
<b>Sector</b>	Health
<b>Amount in Budget</b>	₦20 million
<b>Location</b>	Aviara, Isoko South
<b>Monitoring Report</b>	At the Aviara General Hospital, the NDCBP team spoke to the Medical Director, the Matron, and the Secretary of the hospital. The team gathered that the nurses' quarter has been completed and occupied. It also gathered that an ambulance and a Perkins generator set were supplied in 2015.

<b>Title</b>	Renovation of Utagba-Ugbe General Hospital, Ndokwa West.
<b>Sector</b>	Health
<b>Amount in Budget</b>	₦80 million
<b>Location</b>	Utagba-Ugbe, Ndokwa West.
<b>Monitoring Report</b>	The NDCBP team did not find any evidence of recent renovation work done at the hospital.

<b>Title</b>	Renovation of Science Classrooms at Comprehensive High School Igbodo
<b>Sector</b>	Education
<b>Amount in Budget</b>	₦25 million
<b>Location</b>	Igbodo
<b>Monitoring Report</b>	At the Comprehensive High school Igbodo the team found out that no renovation work has been done on the science classrooms. Some staff of the school who spoke to the team also confirmed this

<b>Title</b>	Renovation of classrooms/hostel block at Utagba-Ogbe Girls Secondary School, Kwale.
<b>Sector</b>	Education
<b>Amount in Budget</b>	₦11.4 million
<b>Location</b>	Utagba-Ogbe, Kwale.
<b>Monitoring Report</b>	No classroom block was renovated in this school in 2015. The school does not have any hostel block to be renovated. Some staff and students of the school who spoke to the team revealed that the most recent renovation work done in the school is a two (2) block of six (6) classrooms renovated by AGIP oil company and its partners in 2014.



Utagba-Ogbe Girls Secondary School, Kwale



<b>Title</b>	Construction of Administrative building at Utagba-Ugbe Girls Secondary School
<b>Sector</b>	Education
<b>Amount in Budget</b>	₦7 million
<b>Location</b>	Utagba-Ugbe, Ndokwa West.
<b>Monitoring Report</b>	There is no evidence of the construction of an administrative building in the school. Some staff and students of the school attested to the fact that such a building does not exist in their school. They showed us the Principal's office that is housed in one of the classrooms.

<b>Title</b>	Fencing/Renovation and Equipping at Umunede Mixed Secondary School Umunede.
<b>Sector</b>	Education
<b>Amount in Budget</b>	₦30 million
<b>Location</b>	Umunede, Ika North East
<b>Monitoring Report</b>	The school has not been fenced and no renovation work has been done anywhere in the school. The school is dilapidated and requires extensive renovation. A few blocks are scattered at the entrance to the school. According to some staff of the school who spoke to the NDCBP team, these blocks have been kept there by the House of Assembly member representing this constituency who intended to fence the school as a personal gift.



*Umunede Mixed Secondary School  
Umunede*

<b>Title</b>	Construction of Library/Furnishing/Books at Ede Grammar School and Umunede Mixed Secondary School Umunede.
<b>Sector</b>	Education
<b>Amount in Budget</b>	₦49.4 million
<b>Location</b>	Ede, Umunede, Ika North East
<b>Monitoring Report</b>	There is neither library at Ede Grammar School nor Umunede Mixed Secondary School. Some staff and students of these schools revealed that there is no existing library and none is being constructed.

<b>Title</b>	Fencing and Renovation/Equipping Technical Workshop at Technical College, Issele-Uku.
<b>Sector</b>	Education
<b>Amount in Budget</b>	₦35 million
<b>Location</b>	Issele-Uku
<b>Monitoring Report</b>	The Technical College Issele-Uku is not fenced. Some staff of the school informed the team that no renovation work was undertaken in the school in 2015. The technical workshop was not equipped too.

<b>Title</b>	Construction of a block of six (6) Classrooms at Ezechima Mixed Grammar School.
<b>Sector</b>	Education
<b>Amount in Budget</b>	₦20 million
<b>Location</b>	Ezechima, Obior Aniocha North.
<b>Monitoring Report</b>	There is no evidence of the construction of a six (6) classroom block at Ezechima Mixed Grammar School Obior. Information gathered from staff and students of the school revealed that no such project exists in the school.

<b>Title</b>	Renovation and upgrading of Science block at Ezechima Mixed Grammar School
<b>Sector</b>	Education
<b>Amount in Budget</b>	₦20 million
<b>Location</b>	Ezechima, Obior Aniocha North.
<b>Monitoring Report</b>	There is no renovation or upgrade of the science block at Ezechima Mixed Grammar School Obior. Some staff and students of the school took the NDCBP team to the dilapidated science block and the equally dilapidated Physics and Chemistry laboratories in the school.



Science block at  
Ezechima Mixed Grammar School  
Obior, Aniocha North

<b>Title</b>	Renovation of two (2) blocks of six (6) classrooms at Ukpali Primary School, Obior.
<b>Sector</b>	Education
<b>Amount in Budget</b>	₦30 million
<b>Location</b>	Ukpali, Obior.
<b>Monitoring Report</b>	There is no evidence of any renovation work on any classroom block in the school.

<b>Title</b>	Construction of a six (6) classroom block at Ogboli Primary School.
<b>Sector</b>	Education
<b>Amount in Budget</b>	₦15 million
<b>Location</b>	Ogboli, Ogboli Ibusa.
<b>Monitoring Report</b>	The NDCBP team found a newly built block of three(3) classrooms. Another block of four(4) classrooms was said to have been constructed in 2015 by the Federal Government's office for the Millennium Development Goals.



►  
New Classroom Block  
at Ogboli Primary School,  
Ogboli Ibusa

<b>Title</b>	Renovation/Extension of Administrative Block at Umutu Mixed Secondary School, Umutu.
<b>Sector</b>	Education
<b>Amount in Budget</b>	₦25 million
<b>Location</b>	Umutu
<b>Monitoring Report</b>	No renovation was carried out on the administrative block in the school. Information from students of the school revealed that the Principal's office and staff room are housed in some classroom blocks.



◄  
Administrative Block  
at Umutu Mixed Secondary School, Umutu

<b>Title</b>	Renovation of Principal's Quarters at Umutu Mixed Grammar School Umutu.
<b>Sector</b>	Education
<b>Amount in Budget</b>	₦25 million
<b>Location</b>	Umutu
<b>Monitoring Report</b>	The principal's quarters was renovated in 2014 and is being occupied by members of the National Youth Service Corps, NYSC serving in the school. It is not a 2015 project.

<b>Title</b>	Renovation of Oyibo/Otolokpo/Igbodo Secondary Schools.
<b>Sector</b>	Education
<b>Amount in Budget</b>	₦50.3 million
<b>Location</b>	Ika North East.
<b>Monitoring Report</b>	The NDCBP team visited the Igbodo Mixed Secondary School. Some staff and students of the school reported that no renovation work was carried out in the school in 2015. Most of the structures in the school look dilapidated.

<b>Title</b>	Upgrade of Medical Equipment and supply of utility van to the Government Hospital Ibusa.
<b>Sector</b>	Health
<b>Amount in Budget</b>	₦30 million
<b>Location</b>	Ibusa, Oshimili North
<b>Monitoring Report</b>	According to some senior management staff of the hospital, there has not been any upgrade in the medical equipment at the hospital, neither was any utility van supplied to the hospital.





General Hospital Umunede

<b>Title</b>	Perimeter fencing at Comprehensive Health Center.
<b>Sector</b>	Health
<b>Amount in Budget</b>	₦20 million
<b>Location</b>	Igbodo Ika North East
<b>Monitoring Report</b>	There is no perimeter fence at the Comprehensive health Center Igbodo.



Comprehensive Health Center  
Igbodo

<b>Title</b>	Fencing/Landscaping and Equipping of Comprehensive Health Center Ubulu-Uku.
<b>Sector</b>	Education
<b>Amount in Budget</b>	₦40 million
<b>Location</b>	Ubulu-Uku
<b>Monitoring Report</b>	The Comprehensive Health Center at Ubulu-Uku has not been fenced. The premises of the health facility is not landscaped. The health center is utterly dilapidated.

<b>Title</b>	Reactivation of Aviara Fish Farm
<b>Sector</b>	Food Sufficiency
<b>Amount in Budget</b>	₦56 million
<b>Location</b>	
<b>Monitoring Report</b>	No reactivation work has started at the Aviara fish farm. The NDCBP team found out that the farm has been taken over by CAFAD of Ibru Organization. They have posted some security guards to the facility. The farm which is the largest in West Africa in terms of land area was established in 1976 by the Ogbemudia administration of the old Bendel State. It flourished until the early 1980s under the management of some expatriate staff. The farm has been comatose since the 80s. Recent proposals by the Delta state government to reactivate the Aviara fish Farm has not been translated to reality.



Abandoned Aviara  
Fish Farm

<b>Title</b>	Construction of two (2) blocks of classrooms at Osubi Secondary School
<b>Sector</b>	Education
<b>Amount in Budget</b>	₦40 million
<b>Location</b>	Osubi Okpe LGA
<b>Monitoring Report</b>	<p>The team learnt that one (1) block of six (6) classrooms was completed by the Delta-State government in 2014 and not 2015.</p> <p>Another block of six(6) classrooms was still under construction at the time of the visit but by Agip Oil Company.</p>



*Osubi Secondary School, Okpe LGA Block of six classrooms under construction by Agip oil Company*



*Block of six classrooms completed by the Delta-State government in 2014*

<b>Title</b>	Veterinary Investigation and Diagnostic Centre (VIDC), Agbarho
<b>Sector</b>	Food Sufficiency
<b>Amount in Budget</b>	₦41.2 million
<b>Location</b>	Agbarho
<b>Monitoring Report</b>	No work was on this projects as stipulated in the budget provision in 2015



► Veterinary Investigation and Diagnostic Centre (VIDC), Agbarho

<b>Title</b>	Fencing of Orogun Grammar School
<b>Sector</b>	Education
<b>Amount in Budget</b>	₦30 million
<b>Location</b>	Orogun
<b>Monitoring Report</b>	No work was done on the budget provision in 2015. There is an existing fence in the School which was constructed back in 2003.



► 4. Orogun Grammar School



<b>Title</b>	Building of blocks of classrooms at Aragba-Orogun Secondary School, Aragba-Orogun
<b>Sector</b>	Education
<b>Amount in Budget</b>	₦10 million
<b>Location</b>	Aragba-Orogun
<b>Monitoring Report</b>	No work was done on the budget provision in 2015. However, the Team saw was one (1) block of six(6) classrooms constructed and completed by NDDC in 2015

<b>Title</b>	Maternal and Child Care Centre, Warri/Ekpan
<b>Sector</b>	Education
<b>Amount in Budget</b>	₦500 million
<b>Location</b>	Warri
<b>Monitoring Report</b>	No work was carried out on the facility in 2015

<b>Title</b>	Construction of wall fence with gate at Okpara Boy's Secondary School
<b>Sector</b>	Education
<b>Amount in Budget</b>	₦12 million
<b>Location</b>	Okpara
<b>Monitoring Report</b>	No work was carried out on the facility in 2015



5. Okpara Boy's Secondary School



<b>Title</b>	Construction/Rehabilitation of block of classrooms at Egini Grammar School
<b>Sector</b>	Education
<b>Amount in Budget</b>	₦548.2 million
<b>Location</b>	Egini, Udu LGA
<b>Monitoring Report</b>	No work was carried out on the particular budget head in 2015, however, a modest hall not up to the size of a block of six (6) classrooms was built in 2014. Also, one (1) block of six (6) classrooms is currently under construction courtesy of Agip oil.

<b>Title</b>	Completion of Abandoned Hospital at Agbarha- Otor
<b>Sector</b>	Health
<b>Amount in Budget</b>	₦100.6 million
<b>Location</b>	Ughelli North LGA
<b>Monitoring Report</b>	When the NDCBP team visited the facility, there were signs of ongoing construction work.

<b>Title</b>	Construction of one (1) block of six (6) classrooms at Umiaghwa Primary School, Umiaghwa
<b>Sector</b>	Health
<b>Amount in Budget</b>	₦40 million
<b>Location</b>	Umiaghwa
<b>Monitoring Report</b>	The only work currently going in the site is the renovation of an already existing one (1) block of four (4) classrooms being carried out by the Delta-State government.



6. Umiaghwa Primary School, Umiaghwa

Total Budget	₦ 159.3 billion (Declined by ₦800 million)
Total Capital Votes	₦88.6 billion (Increased by ₦4.2 billion)
Total Recurrent Votes	₦70.7 billion (Declined by ₦ 4.8 billion)
Total Capital Votes for Education	₦18.1 billion (Increased by ₦3.1 billion)
Total Capital Votes for Health	₦9.1 billion (Increased by ₦1.1 billion)
Total Capital Votes for Food Sufficiency	₦976 million (Declined by ₦524 million)

# EDO STATE

## Analysis of Edo State Budget 2015

### BACKGROUND

After six years in office, the current government of Edo State headed by renowned labor activist Comrade Adams Oshiomhole is assessed with mixed feelings in the state. While some citizens hold the view that the government has performed creditably given the factors it was up against, others question the cost for which these development strides have been procured.

Comrade Adams Oshiomhole became governor of Edo State in 2008 through a judicial ruling in his favour, following controversial elections where the candidate of the ruling party was declared winner. With significant mass support, Comrade Adam's emergence as governor infused hope into a state that for years, endured deprived governance, official secrecy and mismanagement of funds. Under Governor Oshiomhole, reputed for confronting past regimes over the welfare of workers, it was expected that the state will witness far reaching infrastructural development and greater employment, while eliminating the

mismanagement and corruption which had impeded previous administrations in the state. Indeed, Edo state has witnessed greater openness in the management of public finances in comparison to previous practices. Annual budgets are available on the state's official website in good time for public scrutiny and monitoring while a list of projects the state has embarked on is equally available.

Despite the clear landmarks which the state has achieved, there have been concerns over the cost at which these achievements have been procured. It has been argued for instance, that road infrastructure in Edo state cost far more to construct than in other state, insinuating poor contract negotiation and weak procurement system or outright corruption depending on who is commenting. Similarly, it has been argued that the state has been thrown into a large debt burden in the course of pursuing these infrastructural developments, a debt burden which may make it impossible for a new administration to achieve much in terms of capital projects.

## Open Budget and Transparency Perception

Of the five states being studied as part of Social Action's budget advocacy intervention, Edo state has demonstrated the highest level of transparency and openness. While in some other states budgets are still treated with a great deal of secrecy, in Edo state the document is often readily available on the state official website. A few weeks after passage of the budget by the State House of Assembly, the budget is routinely uploaded on the website. This fact makes Edo state the most compliant in terms of budget availability. The state has also created an Open Data portal where information ranging from ongoing contracts in the state, beneficiaries of various government programmes, to the telephone number of serving local government chairmen are available. This is a significant departure from a culture of secrecy which has characterized the state in the past.

Despite these notable achievements, the budget process in Edo state is still not open to public participation. There are no legal frameworks or conventional practices which enable citizens engage the fiscal governance processes of the state. Similarly, the process of contracting is still not as transparent and accountable as it should be. While the state has finally come around to pass the Public Procurement Law and established the relevant agency, that agency is not carrying out its statutory duty of opening up the procurement process. This is partly due to government funding. In 2014, the Edo State Public Procurement Agency was to be funded with ₦5 million. The fund was, however, not released to it in the fiscal year.

## 2015 Edo State Policy Thrust

While presenting the 2015 budget to the Edo state House of Assembly, the governor christened it the Budget of Developmental Consolidation. He says the budget is based on the *“background of our desire to consolidate our developmental efforts across the entire 18 Local Governments of Edo State and deepen the on-going governance reforms that would enable the sustainability of our development agenda”*.

### The governor says further that the

*“2015 budget is designed to achieve the consolidation of this administration's development agenda. Therefore, it will continue to focus on the core priority sectors of the government, namely: infrastructure, education and health, in terms of resource allocation and injection of new investments. Specifically, it is geared towards... completion of all on-going projects; Injection of new investments in key priority sectors of this administration which are: roads construction and rehabilitation, education, health, water and rural electrification and environmental protection, including drainage, flood/erosion control and beautification; Projects for job creation, particularly through economic empowerment with emphasis on micro credit to small and medium scale enterprises, farmers, women and youth, Projects for mass housing and Expanding the revenue base, creation of the enabling environment for domestic and direct foreign investment, deepening of governance reforms”*.

## Performance of the 2014 Budget

The Edo state 2014 budget had a total outlay of ₦160.1 billion to cover recurrent and capital expenditure. Of this amount, ₦75.5 billion or 47.2% was for recurrent

expenditure, while the balance of N84.4 billion or 52.8% was set aside for capital expenditure. In terms of revenue to service the budget, as at June 2014, halfway into the fiscal year, only N43.256 billion (27%) had been realized. According to the government, the 2014 revenue performance was affected by the drop in the allocation from the Federation Account occasion with the global drop in oil prices. As with other states in Nigeria, Edo state is principally dependent on the oil dictated federation account for its revenues. If the revenue trend of the state continues in the same pattern, it would at best have realized N86.512 billion at the end of the fiscal year, representing a significant shortfall. No doubt, this will impact the ability of the state to meet its expenditure targets.

Similarly, as at the end of June 2014, total Recurrent Expenditure stood at N29.8 billion. Going by the same trend, by the end of the fiscal year, total recurrent expenditure will stand at N59.6 billion, indicating a recurrent deficit of N15.9 billion. Capital expenditure fares worse in 2014. Out of a total budget of N84.1 billion, only N11.3 was actually spent in the entire fiscal year. This shows a deficit of 12%.

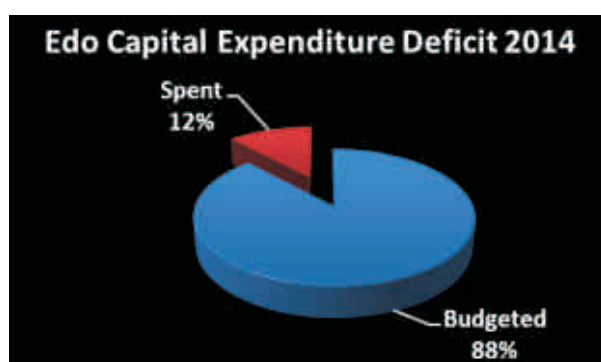


Figure 22. 2014 Capital Expenditure Deficit (Edo State)

The above fiscal reality indicates that the Edo state budget for 2014 performed woefully.

### The 2015 Budget

The Edo state governor had presented an appropriation bill of N156.5 billion to the House of Assembly for consideration. After their deliberation, the budget was hiked by N2.8 billion to arrive at N159.3 billion. This is a minor decline when compared to the approved appropriation of 2014. It however hardly takes into consideration the challenges which were evident with raising revenues needed to fund the 2014 budget. As indicated previously, that year's budget was faced with huge deficits, rendering its full implementation impossible. With the continued decline in the price of crude oil- the key revenue component of the Edo state budget- it goes without saying that the state revenues may even decline further, causing even larger 2015 deficits. To escape this fiscal reality, the government would need to drastically turn around its internally generated revenue profile.

### Recurrent and Capital Budget

The 2015 budget is shared between a capital expenditure of N88.6 billion and a recurrent expenditure profile of N70.7 billion.

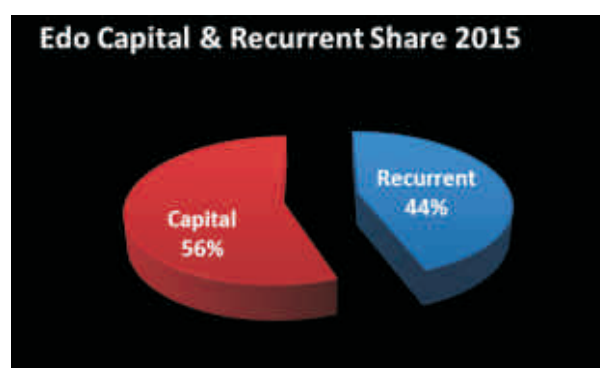


Figure 23. Recurring and Capital Share 2015 (Edo State)

In the previous fiscal year, the ratio was N75.5 billion or 47.2% of the total budget, for recurrent expenditure, while the balance of N84.4 billion or 52.8% was set aside for capital expenditure. While comparatively,



this is an improvement, it nonetheless continues a tradition of large allocations going into recurrent spending at the detriment of much needed infrastructural development.

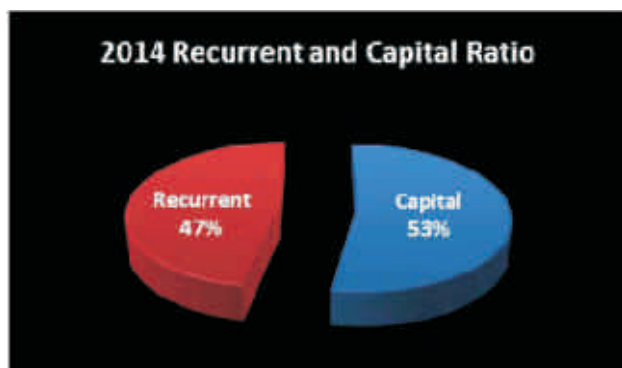


Figure 24. 2014 Recurrent & Capital Ratio (Edo State)



Figure 25. 2013 Recurrent & Capital Ratio (Edo State)



Figure 26. 2012 Recurrent & Capital Ratio (Edo State)



Figure 17. 2011 Recurrent & Capital Ratio (Edo State)

## Funding the 2015 Budget: Revenue Sources

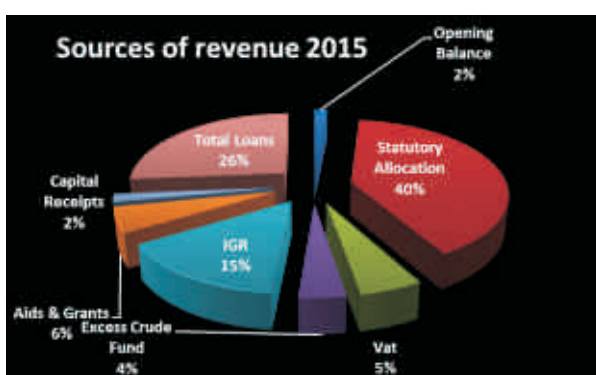


Figure 28. 2015 Sources of Revenue (Edo State)

From the chart above, it is evident that Edo state is far from being economically independent. The state still depends principally on sources of revenue which it does not control. As has been demonstrated

severally in the past, the crude oil dependent federation account is extremely volatile and fluctuates sharply without notice. The Nigerian situation is even worse with failure to meet the production quota also accounting for additional uncertainty. The more prudent response to the above challenge would have been for the government to strongly emphasize internally generated revenue. In fact, the governor recognizes this when he says,

*"...we will continue to sustain and re-double our efforts to substantially reduce our dependence on the Federation Account allocation by intensifying our internal revenue generation (IGR) drive in the coming years. This would entail enhanced investment in the revenue collection infrastructure to*



*strengthen the assessment and collection process of the Edo State Internal Revenue Service (EIRS) and other revenue generating Ministries, Departments and Agencies (MDAs) of government”*

This response is, however, inadequate. Beyond strengthening the ability of government establishments to collect revenues, there is also need to invest in the productivity of the state and its agencies.

A close look at the breakdown of the sources of revenue to fund the 2015 budget reveals that the policy response of the state to declining revenues has not been to strengthen internally generated revenue. While IGR in the 2014 budget was ₦25billion, it declines to ₦24 billion in 2015. This does not demonstrate that the government expects the reforms which it proposes in 2015 to bear any fruits. The state's policy response to declining revenues has instead been to increase borrowing.

### Edo State and Public Debts

A major criticism of the current government in Edo state has been its rather high external and domestic debt profile. In 2013, the state had a deficit of ₦23.4billion which it resolved to offset by borrowing. In 2014, the state's projected income was ₦116.4billion, leaving the budget with a deficit of ₦43.6billion. Edo state resolved to fix this through more borrowing.

The high debt profile of the state has been a source of worry to citizens of the state and the Debt Management Office. As at 2013, Edo state was one of five states which the Federal Debt Management Office asked to curtail borrowing as they were going insolvent. In 2014, 27.3% was to be funded through borrowing; this is against 15% in 2013.

### Edo growing Debt profile

Year	Debt (₦ billion)
2012	20.5
2013	23.4
2014	43.6
2015	41.9

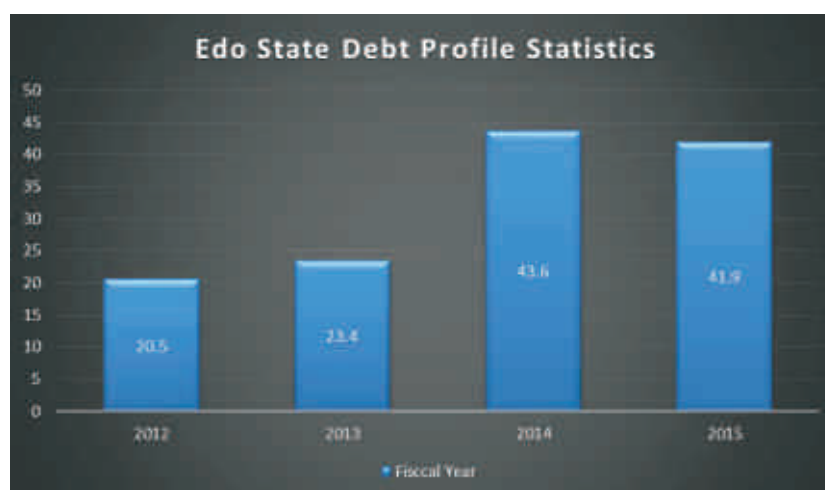


Figure 29. Edo State Debt Profile Statistics (2012 - 2015)

## The Education Sector

*“To have a globally competitive quality education, training and research for Edo's sustainable development...To be the model of excellence in the provision of education in Africa. To provide, promote and co-ordinate lifelong education, training and research for Edo's sustainable development. To focus on priority areas within overall education goals, notably towards attaining 'universal primary education, within the context of the wider objective of 'Education for All'” Edo State Government*

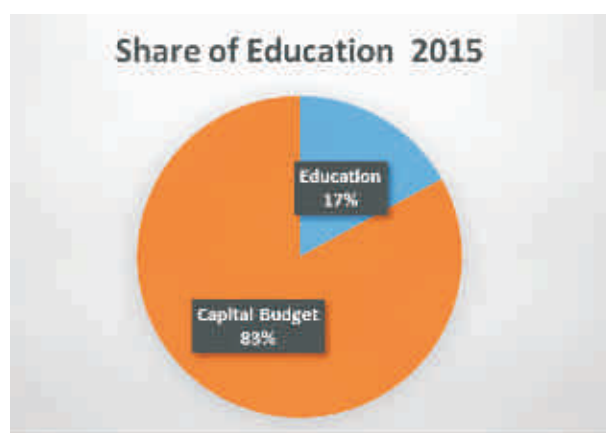


Figure 30. Share Allocation to Education (Edo State)

To realize the above ideals in 2015, the government budgets ₦18.1 billion for capital expenditure in the education sector. This is ₦3.1 billion higher than the sector received in the 2014 budget. It also represents 9% of the budget.

Beyond the fact that an allocation which represents just 17% of the capital budget is hardly enough to transform the education sector in Edo state **“to have globally competitive quality education...”**, a key worrisome trend in Edo state is that a huge chunk of appropriated funds are never spent on the key sectors. In 2013, the education sector got ₦15.1 billion of the capital appropriation. None of this amount had been spent on any of the budget heads as at

September of the fiscal year. Similarly in 2014 while ₦18.1 billion was budgeted, ₦525 million was spent in the entire fiscal year.

This very troubling fiscal reality portends badly for the 2015 budget.

## The Health Sector

*“A State with healthy citizens free from the heavy burden of communicable and non-communicable diseases; where life expectancy and quality of life of the people are of the highest level possible... To develop and implement policies and programs that will strengthen Edo State health system and enable it deliver effective, efficient, affordable, acceptable and readily accessible health services that will allow the people to live healthy and very productive lives”*

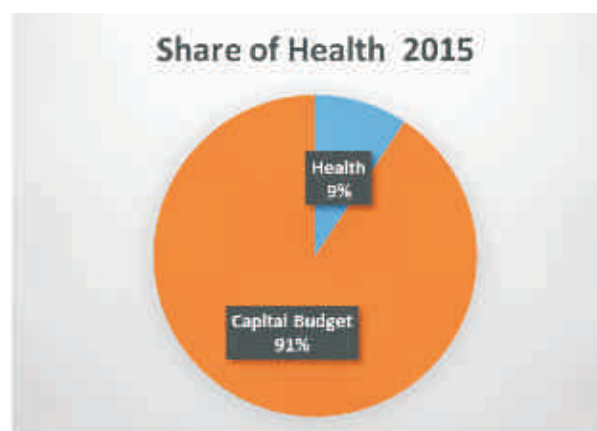


Figure 31. Share Allocation to Health (Edo State)

To match the above commitments to the healthcare in the state, ₦9.1 billion is budgeted in 2015. The figure is an increase of ₦1.1 billion in comparison to the 2014 allocation to the sector. It also represents 9% of the capital appropriation. Again, beyond concerns about the adequacy of the allocation, there are also concerns about the level of previous budget implementation. In 2012 the sector had a poor budget performance rate of 23.5%. This dropped

further 12.4% in 2013. In 2014, out of ₦8billion appropriated, only ₦1billion was spent in the sector.

## The Sectors of Food Sufficiency

*“VISION- To make Edo State the food basket of the nation for enhanced social and economic wellbeing of its people.*

*MISSION STATEMENT- An enhanced access to agricultural production resources for all in order to achieve food security, reduce poverty and ensure a thriving Agro- business in the State”*

Edo State Ministry of Agriculture

*“Our goal is to increase agricultural output through attracting and sustaining large scale private sector participation in the sector, supporting and encouraging our small farmers with incentives and expanding the value chain to make agriculture attractive to the young people” Governor Adams*

The 2015 budget allocates ₦976 million to the sectors of food sufficiency covering Agriculture, Livestock and Fisheries amounting to less than 1% of the 2015 appropriation and a clear decline from the combined appropriation of ₦1.5 billion which the sector received in the 2014 budget, showing an increased allocation. As in the sectors previously examined, it had a poor budget performance of ₦625million or 41%. No expenditure was made under the headings of fisheries and livestock.

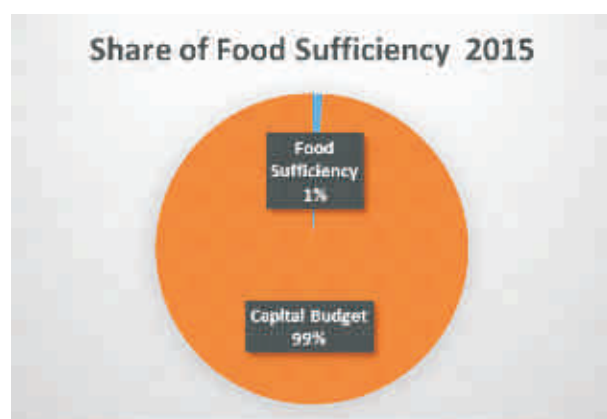


Figure 32. Share Allocation to Food Sufficiency (Edo State)

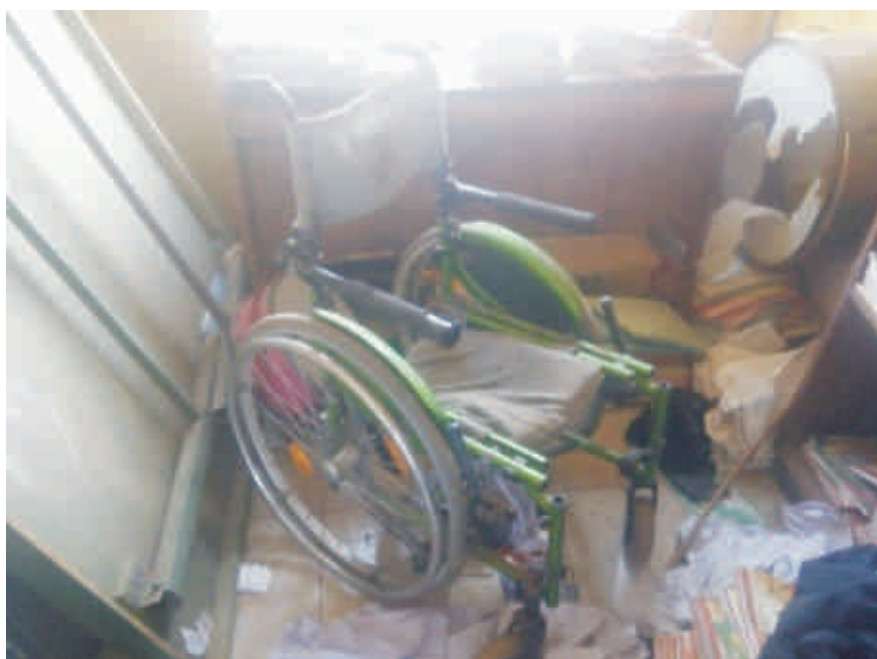
*“Our goal is to increase agricultural output through attracting and sustaining large scale private sector participation in the sector, supporting and encouraging our small farmers with incentives and expanding the value chain to make agriculture attractive to the young people” Governor Adams*

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A trend of declining allocations, zero allocation to some budget heads and low budget performance will definitely hinder the dream ***“to make Edo State the food basket of the nation for enhanced social and economic wellbeing of its people”.***

## BUDGET MONITORING AND TRACKING REPORT

<b>Title</b>	Special Education: Provision of Wheelchair, Okpuije Primary School, Uromi, Edo State
<b>Sector</b>	Education
<b>Amount in Budget</b>	₦5 Million
<b>Location</b>	Okpuije, Uromi
<b>Monitoring Report</b>	The Special Education School is embedded within the school in a single classroom. None of the provisions had been provided. All physically challenged people across ages and needs are lumped together with only 2 teachers in a single classroom. The only non-functional Wheelchair was received in the year 2011.



Disused Wheelchair  
at Okpuije Primary School,  
Uromi

<b>Title</b>	Conduct of Termly and Terminal Examinations: Efandion Primary School, Uromi, Edo State
<b>Sector</b>	Education
<b>Amount in Budget</b>	₦220 million
<b>Location</b>	Efandion, Uromi
<b>Monitoring Report</b>	Teachers write examination question on the board for pupils to copy and answer. No examination materials are provided.



►  
*Efandion Primary School,  
Uromi*

<b>Title</b>	Provision of Infrastructure & Instructional Materials – Chalk , Efandion Primary School, Uromi, Edo State
<b>Sector</b>	Education
<b>Amount in Budget</b>	₦30 million
<b>Location</b>	Efandion, Uromi
<b>Monitoring Report</b>	Chalk has not been provided for the school in recent time as it is not needed. Most schools utilize ink markers not chalk. The Ink Markers are bought by teachers or pupils are compelled to supply them.

<b>Title</b>	Provision of Seats and Desks for Schools- Efandion Primary School, Uromi, Edo State
<b>Sector</b>	Education
<b>Amount in Budget</b>	₦500 million
<b>Location</b>	Efandion, Uromi
<b>Monitoring Report</b>	In the budget year in review, no seats or desks were provided in the school. Two years earlier, desks had been provided by the government but they had all collapsed with pupils now sitting on the floor.



<b>Title</b>	Rehabilitation of Central Hospital at Auchi and Uromi- Central Hospital, Uromi, Edo State
<b>Sector</b>	Health
<b>Amount in Budget</b>	₦10 million for all
<b>Location</b>	Auchi, Uromi
<b>Monitoring Report</b>	There was no physical rehabilitation or face-lift on any of the building at the hospital. The buildings are all in various stages of dilapidation.

<b>Title</b>	Free Malaria Treatment for Children under 5 years: Statewide- Central Hospital, Uromi, Edo State
<b>Sector</b>	Health
<b>Amount in Budget</b>	₦10 million for all
<b>Location</b>	Uromi
<b>Monitoring Report</b>	An official informed the team that no such programme is in place. Patients buy their malaria drugs themselves.

<b>Title</b>	Free Eye Glasses for Senior Citizens 60 years and above: Statewide- Central Hospital, Uromi, Edo State
<b>Sector</b>	Health
<b>Amount in Budget</b>	₦15 million for all
<b>Location</b>	Uromi, Edo State
<b>Monitoring Report</b>	An official of the hospital informed the team that such programme is not in place in the hospital.

<b>Title</b>	Free Medical Treatment for Senior Citizens 70 years and above – Statewide- Central Hospital, Uromi, Edo State
<b>Sector</b>	Health
<b>Amount in Budget</b>	₦20 million for all
<b>Location</b>	Uromi, Edo State
<b>Monitoring Report</b>	An official of the hospital informed the team that no such programme is in place in the hospital.

<b>Title</b>	Provision of Conventional X-Ray facilities for Central Hospital, Auchi, Uromi and Stella Obasanjo Hospital, Benin City, Central Hospital, Uromi, Edo State
<b>Sector</b>	Health
<b>Amount in Budget</b>	₦56.6 million for all
<b>Location</b>	Auchi, Uromi, Edo State
<b>Monitoring Report</b>	No such facility was provided in 2015

<b>Title</b>	Development and Fencing of the Herbal Garden at Obayantor to prevent Encroachment and Ensure availability of drugs yielding. Ikpoba Okha, Edo State
<b>Sector</b>	Health
<b>Amount in Budget</b>	₦10 million
<b>Location</b>	Obayantor, Ikpoba Okha, Edo State
<b>Monitoring Report</b>	NDCBP investigations reveal that the Project was not carried out because the Traditional Medicine Board had proposed N90 million for the purpose while the government approved just N10 million, a far cry from what the project required.

<b>Title</b>	Furnishing and Equipping of Traditional Medicine Board, Benin City
<b>Sector</b>	Health
<b>Amount in Budget</b>	₦1 million
<b>Location</b>	Benin City
<b>Monitoring Report</b>	The budget provision was not carried out

<b>Title</b>	Provisions of one(1) official vehicle for the office of the SSA to Governor on Physically Challenged Persons and Six(6) Mini Buses for six special schools in the state.
<b>Sector</b>	Education
<b>Amount in Budget</b>	₦20 million
<b>Location</b>	Benin City
<b>Monitoring Report</b>	No official vehicle was provided for the SSA to Governor on Physically Challenged Persons. One bus was provided out of the six, but it is not in the use of physically challenged persons.

<b>Title</b>	Purchase of Chairs & Tables for Pupils/Students & Staff of Three Special Schools in the three Senatorial Districts- School for the Mentally Retarded, Edo State
<b>Sector</b>	Education
<b>Amount in Budget</b>	₦1 million for all
<b>Location</b>	The three Senatorial Districts in Edo State
<b>Monitoring Report</b>	Tables and chairs were provided for pupils of the School for the Mentally Retarded that shares the same compound with Iyoba Primary School, Benin City. However, NDCBP discovered that the project was done under UBE/SUBEB programme.

<b>Title</b>	Rehabilitation Centre (Sheltered Workshop) for Edo South, North & Central Senatorial Districts- Statewide
<b>Sector</b>	Education
<b>Amount in Budget</b>	₦1 Million
<b>Location</b>	The three Senatorial Districts
<b>Monitoring Report</b>	These rehabilitation centres were to cater for mentally challenged students who cannot proceed to higher education. There was, however, no Rehabilitation Centre provided for any of the senatorial districts.

<b>Title</b>	Provision of Infrastructure & Instructional Materials – Chalk, Iyoba Primary School, Benin City, Edo State
<b>Sector</b>	Education
<b>Amount in Budget</b>	₦30 Million
<b>Location</b>	Benin City
<b>Monitoring Report</b>	No Chalks or other instructional materials were provided in the fiscal year. The school is in dire need of rehabilitation.



►  
Iyoba Primary School,  
Benin City

<b>Title</b>	Provision of Seats And Desks for Schools- Iyoba Primary School, Benin City, Edo State
<b>Sector</b>	Education
<b>Amount in Budget</b>	₦500 million for all
<b>Location</b>	Benin City
<b>Monitoring Report</b>	The classrooms lack seats and desks for pupils to use except few which were constructed by pupils from broken ones. Teachers and headmistress' offices are outside the class with personally purchased seat and table.



*Lyoba Primary School, Benin City*

<b>Title</b>	Establishment of Agro-Service Centres at Benin, Irrua, Auchi & Iguobazuwa
<b>Sector</b>	Food Sufficiency
<b>Amount in Budget</b>	₦100 Million
<b>Location</b>	Irrua, Auchi, Iguobazuwa and Benin City
<b>Monitoring Report</b>	NDCBP team went round and discovered that none was established in any of the areas earmarked.

<b>Title</b>	Growth Enhancement Support Programme (GES) - Empowerment of 195, 000 Farmers & Purchase of Inputs (Chemicals & Seedlings etc.)- Irrua, Edo State
<b>Sector</b>	Food Sufficiency
<b>Amount in Budget</b>	₦10 million
<b>Location</b>	Irrua, Edo State
<b>Monitoring Report</b>	No seedling was received from the state government in 2015 neither was any empowerment for farmers carried out in the 2015 fiscal year.



<b>Title</b>	Renovation of Dilapidated Offices, Farm Structures & Warehouses at ADP, Auchi, Irrua, Benin City, Iguobazuwa & Sabongida-Ora.- ADP, Irrua, Edo State
<b>Sector</b>	Food Sufficiency
<b>Amount in Budget</b>	₦50 million for all
<b>Location</b>	Iguobazuwa, Sabongida-Ora, Auchi, Irrua, Benin City,
<b>Monitoring Report</b>	There was no renovation of dilapidated offices, farm structures or Warehouse.



ADP, Irrua

<b>Title</b>	Renovation of Dilapidated Offices, Farm Structures & Warehouses At Adp, Auchi, Irrua, Benin City, Iguobazuwa & Sabongida-Ora- ADP, Benin City.
<b>Sector</b>	Food Sufficiency
<b>Amount in Budget</b>	₦50 million for all
<b>Location</b>	Iguobazuwa, Sabongida-Ora, Auchi, Irrua, Benin City
<b>Monitoring Report</b>	There was no renovation of dilapidated offices, farm structures or warehouses in all the locations mentioned.



ADP, Benin City.

<b>Title</b>	Procurement of Fish Farming Inputs and Equipment- ADP, Benin City, Edo State
<b>Sector</b>	Food Sufficiency
<b>Amount in Budget</b>	₦2 million statewide
<b>Location</b>	Benin City,
<b>Monitoring Report</b>	There was no procurement of fish farming inputs and equipment through the ADP in Benin.

<b>Title</b>	Purchase of Veterinary Drugs and Equipment -ADP
<b>Sector</b>	Food Sufficiency
<b>Amount in Budget</b>	₦4 million for all
<b>Location</b>	Irrua, Edo State
<b>Monitoring Report</b>	There was no such purchase of veterinary drugs and equipment in the year 2015.

<b>Title</b>	Purchase of Office Equipment and Furniture, Ministry of Agriculture, Benin City.
<b>Sector</b>	Food Sufficiency
<b>Amount in Budget</b>	₦5 million
<b>Location</b>	Benin City, Edo State
<b>Monitoring Report</b>	Officials of the ministry declined to speak to NDCBP on any question posed to them for fear of victimization.

<b>Title</b>	Renovation of Ministry of Education Headquarters including re-roofing with long span aluminum, replacement of doors, ceiling, windows, flooring, asphaltting and landscaping
<b>Sector</b>	Education
<b>Amount in Budget</b>	₦20 million
<b>Location</b>	Benin City, Edo State
<b>Monitoring Report</b>	Officials of the Ministry declined to speak to NDCBP. However, a physical examination of the buildings revealed that no renovation took place in the premises in 2015.



Ministry of Education  
Headquarters

<b>Title</b>	Instructional Materials for Adult and Non-Formal Education Programme, Ministry of Education, Benin City.
<b>Sector</b>	Education
<b>Amount in Budget</b>	₦5 million
<b>Location</b>	Benin City, Edo State
<b>Monitoring Report</b>	An official from the department reluctantly informed us that no instructional materials were provided in the year 2015.

Total Budget	₦ 335 billion (Declined by ₦150.5 billion)
Total Capital Votes	₦ 216.3 billion (Declined by ₦152.1 billion)
Total Recurrent Votes	₦ 118.6 billion (Increased by ₦ 1.5 billion)
Total Capital Votes for Education	₦ 10 billion (Declined by ₦18.425 billion)
Total Capital Votes for Health	₦ 2.4 billion (Declined by ₦1.542 billion)
Total Capital Votes for Food Sufficiency	₦ 1.5 billion (Declined by ₦2.46 billion)

# RIVERS STATE

## Analysis of Rivers State Budget 2015

### BACKGROUND

In 2015, the political crisis in Rivers State which began in 2013 reached crisis point. The state governor had defected from the People's Democratic Party to the main opposition All Progressives Congress. In fact, the Rivers governor had taken up the role of director general of the APC campaign organization, tasked with the responsibility of replacing Dr. Goodluck Jonathan as Nigeria's president with General Muhammadu Buhari. At the domestic political scene, the state was sharply divided between both political parties, leading to several belligerent outbursts. Indeed, throughout the electioneering period, Rivers state was considered the key flashpoint of electionrelated crisis in the entire country. During the keenly contested elections, several persons were murdered and a large percentage of the results were canceled on account of irregularities, violence and other forms of election malpractice.

The intensity of the political campaigns had dire consequences for Rivers State. The job of governance was seriously weakened, coupled with the declining revenues of the state. Workers in the state civil service were owed salaries for months, pensioners and service contractors were also being owed for several months. The legislative arm of the state had vacated the state House of Assembly building and the courts had been closed down indefinitely over a crisis about who becomes the state Chief Judge. It seemed that the rudder of fiscal governance in the state had also been lost. A manifestation of the precarious governance situation in the state is the manner the 2015 budget was passed into law. In a matter of hours after the governor presented the budget proposal to members of the State House of Assembly gathered in Government House, it has been passed into law, without much in the form of deliberation or read-through. This was a major setback given the fact that Rivers State had made remarkable strides in budget openness and citizens' participation in the past. A situation where the most important fiscal document of the state could be treated with such levity was regrettable.

## The 2015 Budget

In his budget speech to state legislators, the governor highlighted the following as the policy commitment of the 2015 fiscal year:

- *Clearing the debt stock to leave behind little or no liabilities*
- *No commercial borrowings in 2015*
- *Commitment to aggressive and sustainable internal revenue drive and moving towards financing recurrent spending from internally generated revenue*
- *Completion of all ongoing projects nearing completion and taking others to advance level for completion by the new government*
- *Sustenance of good governance through budgetary discipline, transparency and accountability in the utilization of public funds*
- *Reforming and maintaining a robust public financial management structure system and processes that bring about efficiency and effectiveness in the use of resources*

## Performance of the 2014 Budget

The 2014 budget estimate of ₦485.5 billion was composed of federation account earnings of ₦241.9 billion, 2013 closing balance of ₦10.7 billion, proposed loan of ₦100 billion, internally generated revenue of ₦92.9 billion, ₦33 billion proceeds from assets, and another loan of ₦6.9 billion from the World Bank and African Development Bank.

As at September 2014, actual FAAC inflow to the state stood at ₦155.5 billion as against ₦180.9 billion which was the expected inflows from the federation account for the period. This represents 85.97% realization within the period and 64.47% performance of

total expectations from FAAC.

Internally generated revenue as at September in the fiscal year was ₦69.035 billion or 99.06% against ₦69.690 billion estimated for the third quarter. The government attributed the high performance of internally generated revenue in 2014 to modest estimates, the strengthening of the tax collation machinery, reforms at the board of internal revenue, social/education tax and the continued development of ICT in revenue drive.

On the expenditure side, total funds release as at the end of third quarter 2014 was ₦310.9 billion comprising of ₦210.1 billion for capital expenditures and ₦100.8 billion for recurrent expenditures. It is noteworthy that in 2014, while the government failed to meet its projected releases to capital expenditures, it overshot its projected releases to recurrent expenditures within the period.

On the whole, the 2014 budget performance of Rivers State is 64.04% according to the government.

Figure 35 Share of Education for 2015 Budget (River State)

Figure 36 Share of Health for 2015 Budget (River State)

Figure 37 Share of Food Sufficiency for 2015 Budget (River State)

## PROPOSING THE 2015 BUDGET

For 2015, the Rivers State government approved a budget of ₦335 billion made up ₦216.3 billion or 64.6% of total budget for capital expenditures and ₦118.6 billion or 35.4% for recurrent expenditures.



## The 2015 budget

Comparing the estimates of 2015 to that of 2014, there is a reduction of 31% or ₦150.5 billion of total budget size. The budget slash was mainly from the capital side. There is a reduction in the allocation to capital expenditures up to ₦152.1 billion, while the recurrent side of the 2015 budget had a slight increase of ₦1.5 billion.

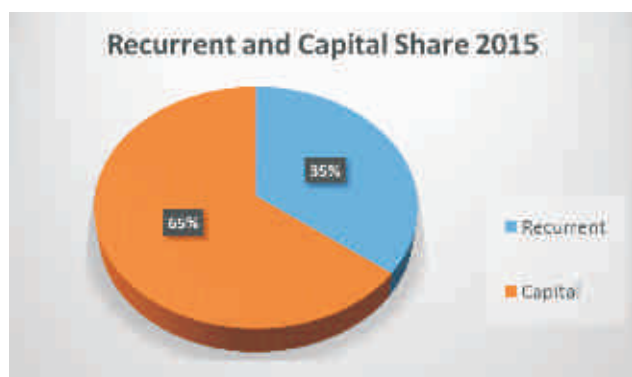


Figure 33. Recurrent and Capital Share 2015 Budget (River State)

## FINANCING THE BUDGET

In preparing the 2015 budget, the government says it took the dwindling price of oil in the international market into consideration, hence the budget was prepared with a bench mark of \$40 per barrel of crude oil with a safety net of \$5; and an exchange rate of ₦165 to \$1. While this seemed a modest estimate at the time of proposing the 2015 budget, the reality is that both the price of crude oil and the naira

exchange rate fell far below what the budget envisaged within the fiscal year. No doubt, this must have exposed the 2015 budget to deficits.

## Sources of Revenue 2015

The 2015 budget is expected to be financed through allocation from federation account amounting to ₦220.2 billion representing 65.7% of the overall revenue expectation. Internally generated revenue is to account for ₦92.9 billion or 28.2%, the prior year's balances ₦8.8 billion or 2.66%, capital receipts of ₦660 million or 0.2% and loans of ₦10.7 billion or 3.21%.

This revenue breakdown shows that the 2015 budget is highly dependent on oil dictated transfers from the federation account. The rise and fall in the prices of oil in the international market will determine the budget performance of 2015, as over 70% of expected revenue accruals come from oil-related activities through the federation account.

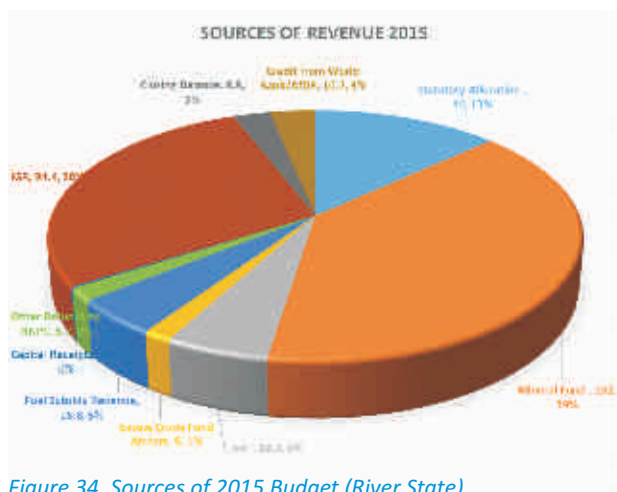


Figure 34. Sources of 2015 Budget (River State)

The new government in Rivers state sworn in on May 29, 2015, requested and obtained legislative approval for a supplementary budget of ₦104 billion just before the end of the 2015 fiscal year, increasing the total budget of the year to ₦439 billion. Details of the supplementary approval are unavailable. This analysis is based on the original budget figure of ₦335 billion.

## Rising Debts

A major source of concern for some policy analysts in Rivers state is the state's rising debt profile and the fact that loan in whatever guise, bear a ready revenue appeal for the state.

A major concern in this regard is the cost of servicing these debts. The budget of Rivers State indicates that the burden of debt service payment has already become significant on the finances of the state. Between 2010 and 2011, there was an increase of 2500% in debt servicing repayment. The amount the Rivers state government sets aside for repaying debts increased from ₦250 million to ₦6.250 billion within the stated period. Though revenue from borrowing as a percentage of the budget reduced significantly, the new government in the state initiated new borrowings in the fiscal year. Also, the burden of repayment of previous debts was alarming in 2015. According to the Governor Rotimi Amaechi in his Budget speech, “*we are proposing ₦15.407 billion for FAAC Deductions and ₦40.565 billion to repay our outstanding loans*”. 18.75 % of the 2015 capital budget was reserved for debt repayment. This trend results in reduced capacity of the government to pursue infrastructural development.

## Education Sector

*To actualize the aspirations of the people of Rivers State for a balanced development and an enhanced quality of life for the present and future generations through responsive governance guided by the fear of God through the responsive governance and quality education...The New Vision is of a*

*knowledge based society through the provision of quality education.*

Rivers State Ministry of Education

In 2015 the budget allocates the sum of ₦10 billion for execution of capital projects in the Education sector. This represents 3.46% of the total budget and 5.35% of the capital expenditures estimates.

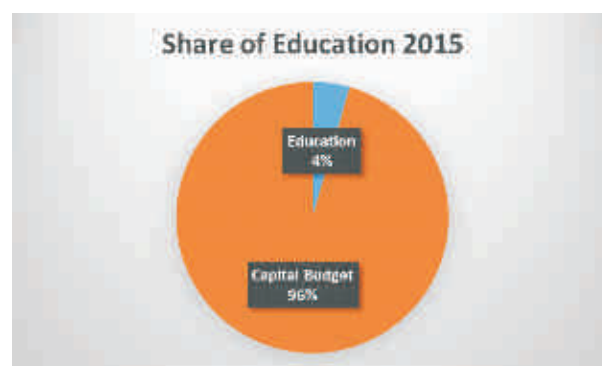


Figure 35. Share of Education for 2015 Budget (River State)

When this is compared with the expenditure estimates of 2014, there is a reduction of ₦18.425 billion to the sector. The 2014 allocation to education previously witnessed a reduction of ₦15.8 billion when compared to that of 2013. These budget details indicate a loss of interest in the education sector by the government.

Actual releases have been a far cry from budgeted estimates, for instance, in 2012, the sum of ₦64 billion was allocated to the sector, but actual funds release was ₦18.2 billion; in 2013, the sector was allocated ₦47.6 billion while actual expenditures was ₦19.035 billion. Of the ₦30 billion allocated to the sector in 2014, only ₦6.210 billion was released for execution of capital projects.

Between 2012 and 2014, the Education sector has received a total budgetary allocation of ₦141.7 billion and actual

releases of ₦43.445 billion, this shows a performance of 30.65% in four years.

With these figures, it becomes doubtful if the government is still committed to its reforms that gave rise to the declaration of a state of emergency in the education sector.

The low performance rate in the education sector is perhaps responsible for the many cases of abandoned school projects.

Other capital allocations to boards, parastatal and institutions include:

## The Health Sector

*“To ensure proper service integration at all levels of health care establishment and to develop and implement policies and programmes to improve and maintain quality health services that are capable of providing effective, efficient and affordable healthcare delivery.*

*To provide Universal access to affordable and qualitative healthcare for everyone who resides in Rivers State” Rivers State Ministry of Health*

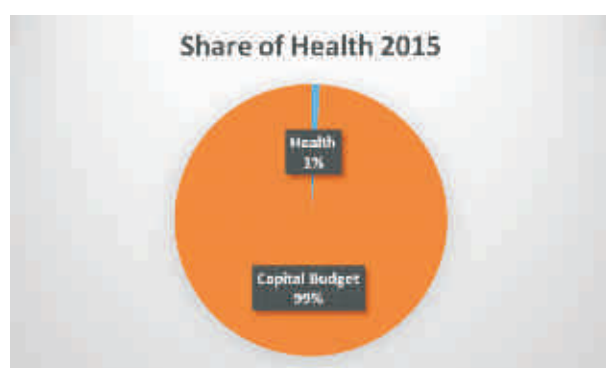


Figure 36. Share of Health for 2015 Budget (River State)

In 2015, the health sector was allocated a paltry sum of ₦2.458 billion for execution of capital projects, this represents 0.7% of the total budget and 1.1% of capital budget. When compared with the ₦4 billion of 2014, there was a ₦1.542 billion or 38.55% reduction in allocation to health. Allocation to health has nose-dive drastically, from ₦21.25 billion in 2012 to ₦10 billion in 2013, 2014 was allocated a mere ₦4 billion and 2015 was allocated a paltry ₦2.458 billion. However, as in education sector, these allocations have not equaled actual releases, when ₦21.25 billion was allocated to health in 2012, actual release was ₦1.93 billion and this shows a failure performance rate of 90.9%. This is against the backdrop that African leaders had agreed to allocate 15% of the budget to improve health care services.

The downward slope in allocation to health negates a recent World Bank social indicator which says Rivers State accounts for the lowest life expectancy of 45 years in the Niger Delta, and the health institutions in the state are not commensurate with the growing population.

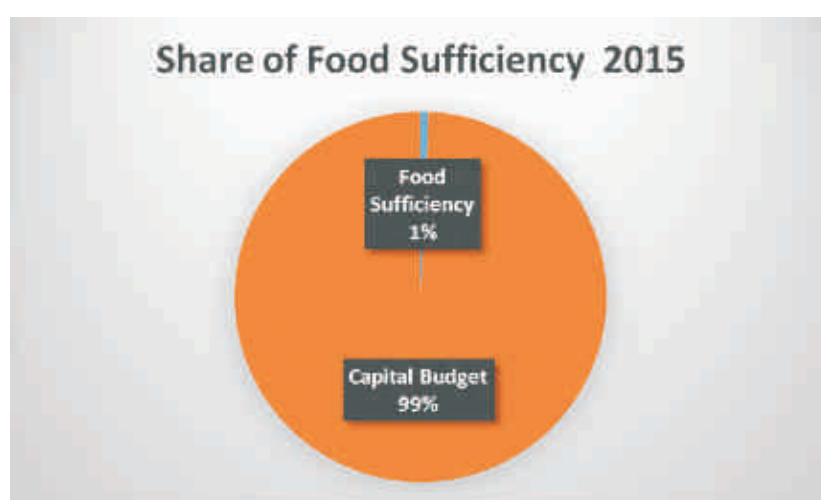
As the population increases, it is expected that the primary, secondary and tertiary health institutions in the state, will be equipped, upgraded and increased to cater for the fast-growing population. This is a far cry from reality as the allocation of ₦2.458 billion has shown that the state government has chosen to prioritize other sectors other than health.

## The Sector of Food Sufficiency

*“To create conducive macroeconomic climate that stimulates greater private sector investment in agricultural and rural*

*development, rationalizing the roles of the tiers of government, reorganizing the institutional frame work, implementing integrated rural development, increasing budgetary allocation, improving incentives to agriculture and promoting increased application of modern technology to agricultural production.*

*The Ministry of Agriculture has the responsibility of promoting farmer friendly agricultural policies with a view to achieving food security, developing the rural economy as well as to ensure conducive environmental security/protection for improved agricultural productivity”*



The food sufficiency is made up Agriculture allocated ₦1.5 billion in 2015, Aquaculture allocated ₦5 million in 2015, Fisheries allocated ₦5 million, Forestry allocated ₦30 million and Livestock which does not receive any allocation in 2015. These sectors receive a total of ₦1.540 billion or 0.45% of total budget and 0.71 of capital expenditures in the 2015 fiscal year.

*Figure 37. Share of Food Sufficiency for 2015 Budget (River State)*

In the face of dwindling revenues from oil-related sectors, the food sufficiency sectors are the next viable option for investment to create employment and increase the revenue base of the state. Regrettably, the government has not done much through its allocation to tap into these potentials.

## BUDGET MONITORING AND TRACKING REPORT

<b>Title</b>	Universal Basic Education Board: Construction and Rehabilitation of Office, School and Laboratory, Elechi Beach and across the State
<b>Sector</b>	Education
<b>Amount in Budget</b>	₦50 Million
<b>Monitoring Report</b>	While an office building was under construction at the Universal Basic Education Board, Elechi Beach at the time of visit, no school or laboratory was constructed or rehabilitated across the state in 2015.



*Office Under construction at UBEB premises at Elechi Beach*

<b>Title</b>	Maintenance of Hostel and Office of Lecturers, Ken Saro-Wiwa Polytechnic, Bori
<b>Sector</b>	Education
<b>Amount in Budget</b>	₦10 Million
<b>Monitoring Report</b>	As at the end of the budget year, there was no Hostel or Office of Lecturers maintained in the institution.

<b>Title</b>	Construction of 12 Zonal Senior Secondary School Offices
<b>Sector</b>	Education
<b>Amount in Budget</b>	₦100 Million
<b>Monitoring Report</b>	Budget monitoring revealed that no Senior Secondary School Zonal offices was constructed in 2015



<b>Title</b>	Rehabilitation of 43 Senior Secondary Schools with boarding facilities
<b>Sector</b>	Education
<b>Amount in Budget</b>	₦20 Million
<b>Monitoring Report</b>	Budget monitoring revealed that no Senior Secondary Schools were rehabilitated across the state in 2015

<b>Title</b>	Renovation of Students Hostel in BMGS, Bori and Maria High School, Bane
<b>Sector</b>	Education
<b>Amount in Budget</b>	₦10 Million
<b>Monitoring Report</b>	No hostel rehabilitation was carried out in Maria High School and Birabi Memorial Grammar School, Bori



► Maria High School, Bane

<b>Title</b>	Fencing of Model Primary School
<b>Sector</b>	Education
<b>Amount in Budget</b>	₦330.9 Million
<b>Monitoring Report</b>	No specific Model Schools were mentioned for fencing, making the provision vague. However, it is observed that no work happened on Model Primary Schools in the Budget Year

<b>Title</b>	College of Arts & Science: Construction/Provision of Office Building
<b>Sector</b>	Education
<b>Amount in Budget</b>	₦330.9 million
<b>Monitoring Report</b>	As at the time of visit, there were no new constructions taking place, but there were pockets of ongoing renovation works some of the building on the Campus are in dire need of renovation.




 Rivers State  
 College of Arts and Science

<b>Title</b>	School of Health Science and Technology: Renovation and Furnishing of Board Headquarters building.
<b>Sector</b>	Education
<b>Amount in Budget</b>	₦7.5 million
<b>Monitoring Report</b>	At the time of visit, no renovation had been done and no furniture had been supplied.

<b>Title</b>	Rivers State University of Science and Technology: Maintenance of Information Technology Centre
<b>Sector</b>	Education
<b>Amount in Budget</b>	₦5 million
<b>Monitoring Report</b>	At the time of visit, no work had been done

<b>Title</b>	Rivers State University of Science and Technology: Rehabilitation of Main Campus internal Road
<b>Sector</b>	Education
<b>Amount in Budget</b>	₦4.1 million
<b>Monitoring Report</b>	At the time of visit, there was on-going rehabilitation of some internal roads.

<b>Title</b>	Rivers State University of Science and Technology: Construction of Laboratory/Office for Marine Engineering Department
<b>Sector</b>	Education
<b>Amount in Budget</b>	₦21.2 million
<b>Monitoring Report</b>	At the time of visit, construction was about 90% completed. However, the sign post indicates that it is being funded by multinational Shell.

<b>Title</b>	Rivers State University of Science and Technology: Construction of 1-Storey Building for Medical Laboratory Department.
<b>Sector</b>	Education
<b>Amount in Budget</b>	₦25.2 million
<b>Monitoring Report</b>	At the time of visit, there was no construction. The site had only been cleared.

<b>Title</b>	Rivers State University of Science and Technology: Construction of 2-Storey Building for Bursary Department
<b>Sector</b>	Education
<b>Amount in Budget</b>	₦19.3million
<b>Monitoring Report</b>	At the time of visit, there was no construction. The Bursary department is still embedded in the Senate Building

<b>Title</b>	Rivers State University of Science and Technology: Construction of 2-Storey Classroom Blocks for Quantity Surveying Department
<b>Sector</b>	Education
<b>Amount in Budget</b>	₦12.6million
<b>Monitoring Report</b>	At the time of visit, there was no construction.

<b>Title</b>	Rivers State University of Science and Technology: Construction of 2-Storey Classroom Block for Centre for Continuous Education
<b>Sector</b>	Education
<b>Amount in Budget</b>	₦22.8million
<b>Monitoring Report</b>	At the time of visit, there was no construction.

<b>Title</b>	Rivers State University of Science and Technology: Renovation of Office Building, Laboratory and Classrooms
<b>Sector</b>	Education
<b>Amount in Budget</b>	₦12.2million
<b>Monitoring Report</b>	At the time of visit, there were a few ongoing renovations on the campus.

<b>Title</b>	Rivers State University of Science and Technology: Renovation of Staff Quarters
<b>Sector</b>	Education
<b>Amount in Budget</b>	₦16.2million
<b>Monitoring Report</b>	At the time of visit, there were a few ongoing renovations on staff quarter.

<b>Title</b>	Rivers State University of Science and Technology: Renovation of student Hostels
<b>Sector</b>	Education
<b>Amount in Budget</b>	₦10.5million
<b>Monitoring Report</b>	At the time of visit, there were a few ongoing renovations on some hostels

<b>Title</b>	Ignatius Ajuru University of Education: Completion and Furnishing University Senate and Administrative Building
<b>Sector</b>	Education
<b>Amount in Budget</b>	₦100 million
<b>Monitoring Report</b>	At the time of visit, there was some ongoing construction on the facility.

<b>Title</b>	Equipping of RSUST new Campus Development Project Offices
<b>Sector</b>	Education
<b>Amount in Budget</b>	₦30 Million
<b>Monitoring Report</b>	At the time of visit, work was still at very elementary stages

<b>Title</b>	Ministry of Agriculture: Construction of Modern Farm Estate at Atali
<b>Sector</b>	Food Sufficiency
<b>Amount in Budget</b>	₦10 Million
<b>Monitoring Report</b>	At the time of visit, no construction had taken place

<b>Title</b>	Ministry of Agriculture: Construction/Provision of infrastructure at Banana Farm, Tai/Khana Local Government Areas
<b>Sector</b>	Food Sufficiency
<b>Amount in Budget</b>	₦395 Million
<b>Monitoring Report</b>	There was no construction or provision of infrastructure at the Banana Farm site in 2015. At the time of visit, the site was overgrown with weed.

<b>Title</b>	Ministry of Agriculture: Completion of Fish Farm project
<b>Sector</b>	Food Sufficiency
<b>Amount in Budget</b>	₦800 Million
<b>Monitoring Report</b>	At the Andoni site of the Fish farm, work had been completed in 2014, and production was on.





Fish Farm, Andoni

<b>Title</b>	Ministry of Agriculture: Procurement of Revolving Veterinary Drugs, Vaccines, and Equipment for Veterinary Clinics in Rivers State
<b>Sector</b>	Food Sufficiency
<b>Amount in Budget</b>	₦5 Million
<b>Monitoring Report</b>	Visits to the veterinary clinic in Trans Amadi revealed that the budget provision had not been executed



Veterinary Clinic  
Trans-Amadi

<b>Title</b>	Ministry of Agriculture: Renovation/Furnishing of Store, Nsukka Street, Port Harcourt
<b>Sector</b>	Food Sufficiency
<b>Amount in Budget</b>	₦10 Million
<b>Monitoring Report</b>	No such store exists at Nsukka Street, Port Harcourt

<b>Title</b>	Ministry of Health: Construction of A.K Hart Hospital
<b>Sector</b>	Health
<b>Amount in Budget</b>	₦300 Million
<b>Monitoring Report</b>	At the time of visit, there was no ongoing construction. The site was locked and overgrown with weed.



▶  
A.K Hart  
Hospital:  
Long  
Abandoned

<b>Title</b>	Ministry of Health: Construction of Office Complex for PHCMB & HMB
<b>Sector</b>	Health
<b>Amount in Budget</b>	₦500 Million
<b>Monitoring Report</b>	At the time of visit, there was no ongoing construction.

<b>Title</b>	Ministry of Health: Purchase of Health/Medical Equipment, Kelsey Harrison/Maxillo-Facial Hospital, Port Harcourt
<b>Sector</b>	Health
<b>Amount in Budget</b>	₦500 Million
<b>Monitoring Report</b>	At the time of visit, none of the supplies had been made

<b>Title</b>	Ministry of Health: Rehabilitation/Repairs of four (Bori, Degema, Okeyi & Ahoada) Hospitals
<b>Sector</b>	Health
<b>Amount in Budget</b>	₦90 Million
<b>Monitoring Report</b>	<p>At the Okeyi location in Etche local government area, no such project exists.</p> <p>In Ahoada, there is an existing General Hospital, but no rehabilitation or repairs were carried out in 2015</p> <p>However, there is a repetition in the budget. <b>Upgrading of 4 Zonal Hospital at Ahoada, Bori, Degema and Okehi</b> receives N300 Million in the budget. Another provision with the same target- <b>Renovation and Equipping of Zonal Hospitals at Ahoada, Bori, Degema and Okehi</b> receives an additional N100 Million in the budget.</p>



*General Hospital, Ahoada*

# ABOUT NDCBP

The Niger Delta Citizens and Budget Platform is a collaboration of civil society organization and community groups that promote mass mobilization to combat corruption in public offices in states and local government councils of the Niger Delta, and to support community participation in budget monitoring and development.

The Platform is active in addressing the underlying issues of poverty and violence as well as contributing to promoting democratic culture in the region by ensuring that community members and civil society actors are empowered to make inputs into budget development and monitor budget expenditure.