AfriHeritage POLICY DISCUSSION PAPER 2

Subsidy Reinvestment and Empowerment Programme (SURE-P) Intervention in Nigeria: An Insight and Analysis

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Reinvestment and Empowerment Programme (SURE-P) Intervention in Nigeria: An Insight and Analysis

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The African Heritage Institution (AfriHeritage) Policy Discussion Paper Series attempts to review and analyze in a neutral and objective way the main economic, political, social, governance and international issues relating to sustainable economic development and transformation of countries in Africa. The Series is designed in a way that will help generate debate to improve and increase understanding of the rationale behind the various policies, so as to enrich its content and ensure its implementation.

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LIST OF ACRONYMS

AfriHeritage	African Heritage Institution
AGO	Automotive Gas Oil
CAN	Action Congress of Nigeria
CSJ	Centre for Social Justice
CWYE	Community Services/Women and Youth Employment
DPR	Department of Petroleum Resources
FCT	Federal Capital Territory
FERMA	Federal Road Maintenance Agency
FMOF	Federal Ministry of Finance
FPIU	Federal Programme Implementation Unit
GDP	Gross Domestic Product
GIS	Graduate Internship Scheme
ICT	Information and Communication Technology
ITF	Industrial Training Fund
LGAs	Local Government Areas
LPG	Liquefied Petroleum Gas
MCH	Maternal and Child Health
MDAs	Ministries, Department and Agencies
MDGs	Millennium Development Goals
MENA	Middle East and North Africa
MOC	Marginal Opportunity Cost
MoU	Memorandum of Understanding
MT	Metric Tones
MTEF	Medium Term Expenditure Framework
NAN	News Agency of Nigeria
NBS	National Bureau of Statistics
NBTE	Nigeria Board for Technical Education
NDE	National Directorate of Employment
NGOs	Non-Governmental Organisations
NIP	National Implementation Plan
NNPC	Nigerian National Petroleum Corporation
NPA	Nigerian Ports Authority
NPC	National Planning Commission
OSSAP-MDGs	Office of the Senior Special Assistant to the President on the Millennium Development Goals
PDP	Peoples Democratic Party
PHCs	Primary Health Centers
PIUs	Project Implementation Units
PMS	Premium Motor Spirit
PMTRF	Public Mass Transit Revolving Fund Scheme

PSIA	Poverty and Social Impact Assessment
PTF	Petroleum Trust Fund
PPPRA	Petroleum Products Pricing Regulatory Agency
SICs	State Implementation Committees
SRA	State Readiness Assessment
SURE-P	Subsidy Reinvestment and Empowerment Programme
SUSENAS	National Socio-Economic Household Survey
SWOT	Strengths, Weaknesses, Opportunities and Threats
TIB	The Infrastructure Bank
TVET	Technical Vocational Education and Training
UCTP	Unconditional Cash Transfer Program
VHW	Village Health Workers

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SYNOPSIS

When, on January 1, 2012, the Federal Government of Nigeria announced the removal of subsidy on petrol, it was the most unexpected New Year gift to the citizens. As should be expected, protests and anger greeted the pronouncement the following day. It was spontaneous. This led to the introduction of the *Subsidy Reinvestment and Empowerment Programme (SURE-P),* the government's 'solution' to fast-track development in answer to subsidy removal or reduction. Since its inauguration, the programme has been generating controversies. SURE-P was designed to complement all the other development programmes of the three levels of government.

SURE-P being a government intervention requires that some objectives must be achieved at the end of the day and the need for continuous review and analysis of the scope and strategies, hence this review. The main objectives of the review have to do with the policy and legal framework, objectives and structure of SURE-P and whether the structure can lead to the achievement of stated goals. The review employs desk and web research including review of plans, monitoring data, internal learning documents, sectoral and annual reports of the SURE-P as well as other countries experiences and interventions after subsidy removal or reduction. The review also tracked policy statements, reactions, comments and clarifications of Nigerian policy makers, key stakeholders and other analysts from the inception of the SURE-P both in the electronic and in the print media and found the following:

The main objectives of SURE-P is to mitigate the immediate impact of the petroleum subsidy removal on the population, but particularly the poor and vulnerable segments; accelerate economic transformation through investments in critical infrastructure projects, so as to drive economic growth and achieve the Vision 20:2020; as well as lay a foundation for the successful development of a national safety net programme that is better targeted at the poor and the most vulnerable on a continuous basis.

SURE-P is a quick-win programme that can have a positive short-term effect on poverty if well implemented.

Collaboration with stakeholders and relying on partnership with citizens through the use of social media and active feedback mechanisms will enhance the sustenance of the programme if not misused.

The intervention areas of the SURE-P are the social safety net projects and the infrastructure development projects.

Impacts on firms and enterprises; impact on and off the distribution and transport system; and impact on government income and expenditure are the three channels subsidy removal or reduction hurts the poor and any mitigation strategy must be all inclusive looking at the three fronts for it to be effective and highly rewarding. Unfortunately for the SURE-P, the absence of thorough studies and forecasts before adoption made it to be lacking in merit in terms of mitigation strategies.

The review found that factors that have cut across all subsidy withdrawal or reduction regimes across the world have been communications, consultation and transparency which are clearly lacking in SURE-P and this poses a great challenge to the government of the day because winning the trust of the people may be difficult.

The scope of some safety net programmes is lacking in the definition and identification of the poor and vulnerable. The programme scope and structure seem too generic and lack specifics, crystal methodologies and clear definitions.

The project execution through the Project Implementation Units (PIU's) of MDAs may frustrate the programme and hence SURE-P may yet be another failed government programme given the low absorptive capacity of the MDAs in project implementation.

About N180 billion of the subsidy funds was expected to be spent on some capital projects in 2012 with N179 billion for capital projects and N1 billion service wide vote for the SURE-Programme board.

SURE-P report on Infrastructural Development Projects (Roads) claimed the programme has developed a robust structure to ensure adequate oversight, accountability and implementation of its various programmes.

SURE-P reports on Graduate Internship Scheme (GIS) claimed that 8,680 benefited from the scheme in 2012 contrary to 1,159 given by the Minister of Finance in April 2013.

Evidence from the review findings suggests that the implementation of SURE-P at the state and local government levels have been poor when compared to the federal level with no known credible and publicly available state SURE-P report for the year 2012.

Based on the above findings, the review recommends the following:

The safety net programmes should be the most important aspect of the SURE-P and should be substantive.

There is the need for SURE-P to develop a known strategy for tackling the main problems that led to subsidising of petroleum products at the first instance, which is low capacity for domestic production to meet with the daily domestic demand.

The SURE-P funds should have been used to further reduce the subsidy through building of new refineries and local production enhancement while also targeting the other sectors that increase the cost of doing business in Nigeria – the energy (power) sector. The infrastructural components of SURE-P should have been new refineries and the energy (power) sector because of the direct and ripple effects these two sectors will have in the Nigerian economy in the medium term.

Finally it should be noted that pork barrel type investments spread across the country will not do Nigerians any good but targeted green and brown field investment in refineries and energy (power) as well as investment in human infrastructure. This is the only way the country can benefit from the improved fiscal space as a result of the withdrawal of the petroleum subsidy and hence offer an opportunity to accelerate investments in critical infrastructure that will directly spur economic growth and create jobs. Every action from the SURE-P fund must be consistent with the current administration's Transformation Agenda to achieve the Vision 20:2020. Nigerians are craving for improved power and human infrastructure to deliver inclusive economic growth and improve the quality of life and this has to be done logically and systematically to avoid defeating the aim at the end.

SECTION ONE

INTRODUCTION

1.1 Background

Nigeria, with an estimated population of over 168 million people in 2013 is currently the second largest economy in Africa after South Africa and the tenth largest producer of crude oil in the world at over 2.2 million barrels per day with an estimated 37.2 billion barrels of proven oil reserves. Nigeria no doubt is one of the world's largest oil producers but the country's mineral riches are yet to result in a significant improvement in the standard of living for the majority of Nigeria's citizens. A telling indicator is the fact that both absolute and relative poverty has increased from 54.7% to 60.9% and 54.4% to 69% from 2004 to 2010 respectively (NBS 2012).

The increase in both absolute and relative poverty is also accompanied by rising income inequality as measured by the Gini-coefficient from 0.429 in 2004 to 0.447 in 2010 (NBS 2012). In addition to income inequality is the fact that consumption expenditure distribution favours the rich with the top 10% income earners responsible for about 43% of total consumption expenditure, the top 20% about 59% while the top 40% consume about 80% of total expenditure in 2010 (NBS 2012). This implies that the other 60% of the population was responsible for only 20% of consumption expenditure in 2010, a further drop from 29% witnessed in 2004. This situation is pitiable when it is on record that Nigeria earned over $50 billion from oil exports in 2010 alone. With such revenue situation moving side by side with increasing poverty, one may not be entirely wrong to say that the country's resources may have been utilized inefficiently and ineffectively.

The year 2008 saw the world witnessing yet another global financial crisis and increasing sovereign debt risk for most of the developed countries. As a result of the financial meltdown, it looked as if finances for development were going to dry up leading all developing countries to look inwardly to finance their economic growth and social development needs. Based on survival permutations, different countries began to undertake further reforms to boost growth. The Nigerian policy makers believed that one of these reforms to be undertaken in 2012 should be the removal or the reduction of the subsidy on Premium Motor Spirit (PMS) popularly known as 'Petrol'. This was based on the argument that Nigeria's fuel subsidy continues to crowd out development spending in social areas like education, health, water supply, as well as economic/capital projects like roads/bridges, railways, etc. Equally worrisome is the stunning values of vital indicators of development. Infant mortality in Nigeria remains unacceptably high at 73per 1,000 live births in 2013 while in 2004, it was estimated that only 15%of the country's roads were paved. The argument was also based on the fact that about US$6-US$8 billion from the fuel subsidy could help to address some of these issues since the cost of fuel subsidy has continued to grow exponentially because of Nigeria's increasing population that has resulted in increased fuel consumption.

Policy makers also argued that it may no longer be sustainable for the country to continue to subsidize its increasing fuel consumption, which in 2011, fuel subsidy accounted for 30 percent of the federal government's spending, which was about 4 percent of GDP and 118 percent of the federal capital spending. Additionally, proponents of the fuel subsidy removal or reduction have argued that keeping the domestic price of oil artificially low through fuel subsidy has discouraged additional investment in the country's oil sector and given the fact that the sector is the lifeblood[2] of the Nigerian economy; this situation therefore does not favour the sector either. Though the country has since the year 2000 issued at least 20 refinery licenses to private companies, it is on record that not even one refinery has been built and this has been attributed to the fact that investors could not recoup their investment under the artificially low price structure. Based on the foregoing argument, the current administration decided on January 01, 2012 to totally remove fuel subsidy though later resorted to the reduction of the fuel subsidy by half (50-50). These funds according to government will be utilized more efficiently to create social welfare and infrastructure improvement programs that will not only improve the quality of life for Nigeria's poorest but also put the country on track to meet its development goals and targets especially the goal of Vision 20:2020 which seeks

[2]Over 85 percent of the country's income comes from oil export.

among other things to place the country among the Top 20 economies in the world with a minimum Gross Domestic Product (GDP) of $900 billion and a per capita income of not less than $4,000 per annum.

1.2 Objectives of the Review

The posers to be resolved through this review are:

To review the background, policy and legal framework, objectives and structure of SURE-P and whether the structure can lead to the achievement of stated goals.

Critique the objectives and structure and compare with similar intervention funds in other jurisdictions and previous interventions for instance the defunct Petroleum Trust Fund.

Performance to date of SURE-P: Highlights of progress in funding, project implementation and reporting- whether it is on track to meet objectives.

A SWOT Analysis of SURE-P; its long term sustainability and a cost benefit analysis

1.3 Fuel Subsidy in Nigeria

Two well-known types of subsidy are explicit and implicit subsidy. While explicit subsidy refers to the difference between production cost and selling price, implicit subsidy refers to the difference between the opportunity cost of a wasting asset and the present selling price3. Both types of subsidies have been in place in Nigeria. According to Nwafor, Ogujiuba & Asogwa (2006), implicit subsidy is important because of the implications for efficiency. This is so because for pricing in the sub sector to be efficient, prices should be equal to the Marginal Opportunity Cost (MOC). For the petroleum sub sector, this is the border or international price of the product (Adenikinju, 2001; Hossain, 2003). This is necessary so as to compensate future generations for the irreversible extraction of the product so that a foundation for continued growth even when the petroleum resources are exhausted is laid for future generations.

[3]Adenikinju, (2000) and IMF (2003)

The downstream industry in Nigeria is well established. The Nigerian National Petroleum Corporation (NNPC) has four refineries, two in Port Harcourt (PHRC), and one each in Kaduna (KRPC) and Warri (WRPC). The refineries have a combined installed capacity of 445,000 bpd or 70.75 million litres per day, but because they are running below capacity, the country imports much of its refined fuel demand at world prices, which is then sold to the domestic market at a discount. A comprehensive network of pipelines and depots strategically located throughout Nigeria links these refineries.

The inability of the refineries to reach full production capacity has been linked to poor maintenance, sabotage on crude pipelines feeding refineries, theft, and fire. In 2009 and part of 2010 in particular, low refinery runs forced the country to import about 85 percent of its fuel needs. In 2011, the operational capacity at refineries averaged 24 percent, slightly higher than the 22 percent in the previous year, according to U.S. Energy Information Administration[4]. For several years, the government has promised the construction of new refineries, but it is yet to make good its promises. Between 2002 and 2004, the Federal Government through the Department of Petroleum Resources (DPR) issued nine licenses to private investors with total refining capacity of 464,000 bpd, but none of the refineries has come on stream as the enabling environment is said to be lacking (Business Day, Thursday, 14 February 2013).

In the early and mid-2000s, the four refineries in the country produced about 13 million litres of refined petroleum products daily but the daily domestic consumption was about 30 million litres. The government therefore imports the shortfall of 17 million litres or a little above that so as to meet daily demand. The government does not sell the imported products at their full landed cost as it subsidizes them. In June 2003, the government stated that for each litre of petroleum products, N12 is spent as subsidy implying an explicit subsidy of N74 billion or about 1.42% of GDP. It is also noteworthy that change in the international price of petroleum products and the exchange rate was the major culprit of volatility in the landing cost of the products. Adding implicit subsidy to this would raise the percentage to about 3.5% of GDP.

[4] See Asu (2013)

According to Uche (2011), the estimated daily demand for petroleum products in Nigeria as at 2011 remains 30 million litres of petrol (PMS), 10 million litres of kerosene (DPK), 18 million litres of diesel (AGO), and 780 metric tons (1.4 million litres) of cooking gas (LPG), and the estimated amount of crude oil required daily for domestic refining, that would satisfy the demand for petroleum products in Nigeria adequately, should be about 530,000 barrels per day (bbl/d). This is some 85,000 bbl/d more than the combined refining capacities of all the four state-owned refineries which have a combined installed capacity of 445,000 bpd and have never reached full production due to sabotage and operational failures.

In 2011, a meager amount of 80,757 metric tons (MT), of petroleum products were refined by all the refineries[5]. These included 53,223.4 MT of Automotive Gas Oil (AGO), 7,567 MT of Liquefied Petroleum Gas (LPG), and 19,967 MT of Premium Motor Spirit (PMS) (Uche 2011). The shortage in refining capacity led to 8.1 million MT of petroleum products imported the same year. This implies that even with crude oil exports currently above 2 million bpd, the country ironically has to rely on imports of refined products for over 80% of its fuel needs. Further implications based on the above facts is that Nigeria, which is Africa's largest crude oil exporter spent about N1.15 trillion to import an estimated 8.1 million MT of petroleum products in 2010 alone and about N388.11bn to import petrol, in the first quarter of 2011.

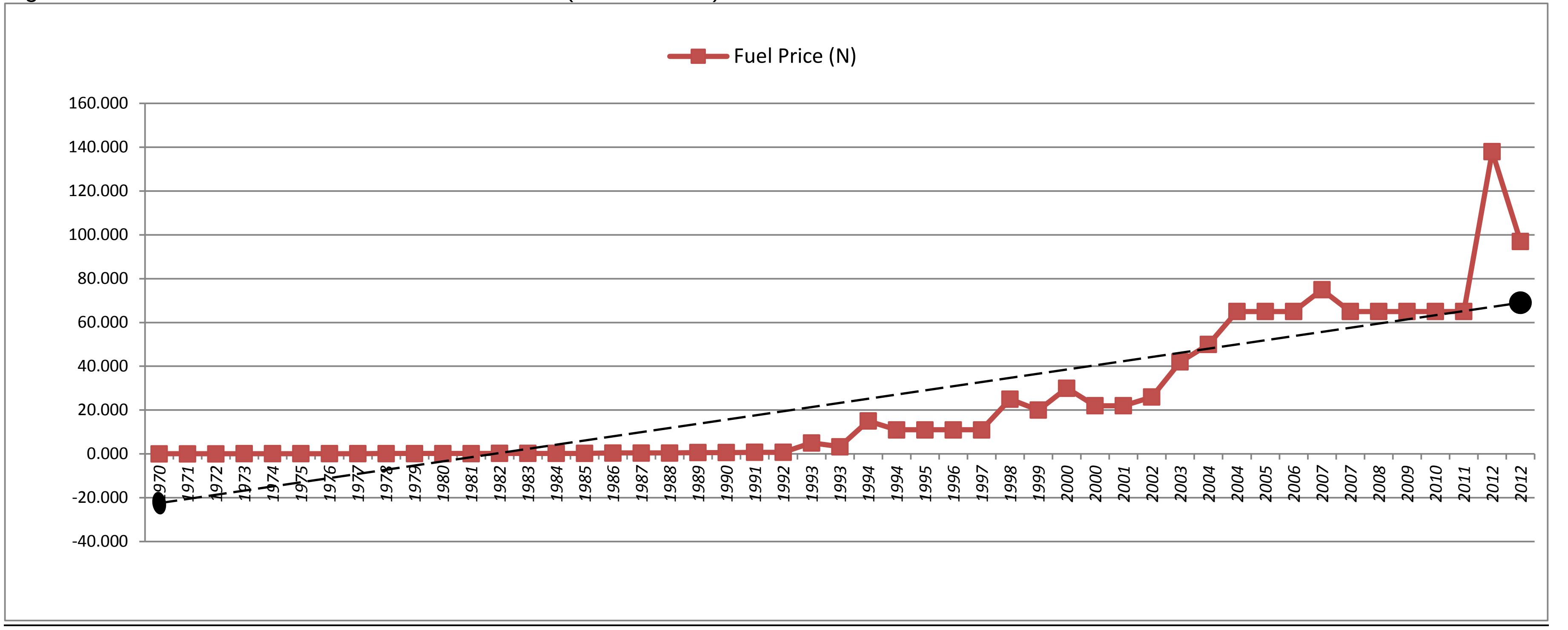
In 2012, it was noted that local production fluctuated around 65% - 75% capacity utilisation after the Warri refinery started production again. Another improvement in 2012 was the commencement of kerosene production locally and the plan for additional 750,000 bpd to be added to the existing refining capacity of 445,000 bpd. China State Construction Engineering Corporation Ltd signified interest in building three new refineries in Kogi, Bayelsa, and Lagos States after signing a Memorandum of Understanding (MoU) in a deal worth $23 billion.

[5] Ageing refining plants, dilapidated infrastructure, such as pipelines linking the plants and a lack of investment have held back the country's refining industry for years, while militant attacks have worsened the situation. In November, 2010, Kaduna refinery which runs on crude oil from Chevron's Escravos oil terminal, and has capacity of 110,000 bpd, was shut down after the crude oil pipeline feeding the facility was damaged by militants operating from Delta state. Also in December 2010, a series of militant attacks to pipelines connected to the refineries forced NNPC to shut down all of them.

Base on the above facts government's argument has been that state-owned refineries all have very poor maintenance histories, are technically inefficient, and are unreliable for uninterrupted domestic production of petroleum products, even at the very best of times. The low domestic prices of petroleum products relative to prices in neighbouring countries have influenced a thriving smuggling business.

In 2002, exported crude oil was sold at $25 per barrel, while crude oil barrels for local refining were sold at $18 to the local refineries. Prices in Nigeria are much lower when compared with those in neighbouring countries due to import subsidisation. The end result is that there is an implicit subsidy on petroleum products, thus liberalization and total deregulation of the downstream sector, if properly done, will create the necessary environment for attracting investors into the refining sector. Such argument has always led to changes in prices of petroleum products especially the PMS over time as depicted in Figure 1 below which shows that fuel prices have been growing geometrically since 1992 compared to the period 1970-1991.

Figure 1: Fuel Price movements and the trend line (1970 – 2012)



Source: Computed from Several Issues of Government Publications

1.4 Methodology

The methodology for this review include significant amounts of desk and web research including review of plans, monitoring data, internal learning documents, sectoral and annual reports of the SURE-P as well as other countries experiences and interventions after subsidy removal or reduction. The review also tracked policy statements, reactions, comments and clarifications of Nigerian policy makers, key stakeholders and other analysts from the inception of the SURE-P both in the electronic and in the print media. Other issues that were reviewed and analyzed include: SURE-P Policy Rationale; Terms of Reference; Programme Structure; Fund Management; SURE Programmes and Categorization amongst others. Most of these reports and issues have good information in the SURE-P website *www.sure-p.gov.ng*.

SECTION TWO
SURE-PROGRAMME AT A GLANCE

2.1 Why SURE-P?

The partial removal of fuel subsidy by the Federal Government in January 2012 was aimed at conserving and maximizing the oil wealth of Nigeria. This in specific terms saw the emergence of a fiscal formula for the sharing of the accrued subsidy savings. SURE-programme therefore ensures that the Federal Government's part of the savings from fuel subsidy reduction is applied on critical infrastructure projects and social safety net programmes that will directly ameliorate the sufferings of Nigerians and mitigate the impact of subsidy removal.

Therefore, SURE-P is focused on utilisation of the Federal Government's share from the Premium Motor Spirit (PMS) subsidy by channelling it into a combination of programmes to stimulate the economy and alleviate poverty through critical infrastructure and safety net projects. In summary, SURE-P was introduced:

- To mitigate the immediate impact of the petroleum subsidy on the population, but particularly the poor and vulnerable segments.
- To accelerate economic transformation through investments in critical infrastructure projects, so as to drive economic growth and achieve the Vision 20:2020.
- To lay a foundation for the successful development of a national safety net programme that is better targeted at the poor and the most vulnerable on a continuous basis.

2.2 SURE-P Policy Rationale

According to the government, the specific strategic rationale for reducing subsidies on petroleum products is as follows:

The current subsidy regime in which fixed price is maintained irrespective of market realities has resulted in a huge unsustainable subsidy burden.

Fuel subsidies do not reach the intended beneficiaries. Subsidy level is directly correlated with household income, as richer households consume larger quantities of petroleum products. Consequently, the subsidy benefits the rich mostly.

Subsidy administration is beset with inefficiencies, leakages and corruption.

Subsidy has resulted in the diversion of scarce public resources away from investment in critical infrastructure, while putting pressure on government resources.

Subsidy has discouraged competition and crowded out private investment in the downstream sector. Due to lack of deregulation, investors have shied away from investment in the development of refineries, petrochemicals, fertilizer plants, etc. The deregulation of the downstream sector of the petroleum industry will lead to rapid private sector investment in refineries and petrochemicals, which will generate millions of jobs and lead to increased prosperity for our people.

Huge price disparity has encouraged smuggling of petroleum products across the borders to neighboring countries, where prices are much higher. Nigeria therefore ends up subsidizing consumption of petroleum products in neighboring countries.

In debating the merits of Nigeria's fuel subsidy, it is important to understand who benefits the most from the programme. In absolute terms, it is the rich who disproportionally benefit from Nigeria's fuel subsidy. With the government subsidizing the market to keep domestic fuel prices artificially low, it is those who consume the most that have a greater benefit from the subsidy. Nigeria's poor rely primarily on public transportation, as such, their per capita fuel consumption is significantly less than the country's rich, who generally use private vehicles. However, the life of the average Nigerian depends on fuel to power small generators at home and in the place of work, vehicles (in the absence of a functional rail system) that transport food from production points to the market over long distances. Also, the cost of generating power adds up to about 25% of the cost of production in factories. Thus, it will not be correct to insist that increase in the price of fuel will not adversely affect the poor.

2.3 Terms of Reference of SURE-P Committee

The terms of reference are as follows:

Determine in liaison with the Ministry of Finance and Ministry of Petroleum Resources, the subsidy savings estimates for each preceding month and ensure that such funds are transferred to the Funds' Special Account with the Central Bank of Nigeria;

Approve the annual work plans and cash budgets of the various Project Implementation Units (PIUs) within the Ministries, Departments and Agencies (MDAs) and ensure orderly disbursement of funds by the PIUs in order to certify and execute projects;

Monitor and evaluate execution of the funded projects, including periodic Poverty and Social Impact Analysis (PSIA);

Update the President regularly on the programme; and periodically brief the Federal Executive Council (FEC) on the progress of the programme;

Appoint Consulting firms with international reputation to provide technical assistance to the Committee in financial and project management;

Appoint external auditors for the fund;

Do such other things as are necessary or incidental to the objectives of the Fund or as maybe assigned by the Federal Government.

2.4 SURE-P Intervention Areas

The intervention areas of the SURE-P are the social safety net projects as well as the infrastructure development projects. The social safety net projects identified by the SURE-P include: Maternal and Child Health (MCH) Programme; Community

Services/Women and Youth Employment (CSWYE) Programme; Urban Mass Transit Programme; Vocational Training Schemes; and Water and Agriculture Projects. Likewise the infrastructure developments identified by the SURE-P include: Federal Road Maintenance Agency (FERMA) Preventive Roads Maintenance Programme; Niger Delta Development Projects; Roads and Bridges; Rail Transport Projects; Information and Communication Technology (ICT); and Petroleum/Nigerian National Petroleum Corporation (NNPC) Projects.

SURE-P projects are being executed through the Project Implementation Units (PIU's) domiciled across the Federal Government Ministries, Department and Agencies (MDAs). The funds are shared among the three tiers of government: the Federal Government, 36 States Governments, the federal Capital Territory and 774 Local Government Councils. The federal government gets 41% of the subsidy revenue, while the state and local government share the remaining 59%. The details of the safety net and infrastructural projects to be tackled by SURE-P are given below:

(1) Safety Net

(a) Mass Transit

The Mass Transit focus of the programme intends to provide mass transit vehicles through loans to operators across the country as palliative measures to cushion the effect of partial PMS subsidy removal. SURE-P has under the mass transit Revolving Fund Scheme, disbursed N8.9 billion to various mass transit operators. The structure of the scheme is such that repayments from the beneficiaries will be used to acquire more vehicles, which will be availed to more operators as loans.

(b) Vocational Training

The programme is a new component of SURE-P that is aimed at tackling the significant challenges of youth unemployment, lack of livelihood education and enterprise opportunities amongst Nigerian youth by training them in vocational skills and enterprise support thereby equipping them with the tools for obtaining gainful employment and enterprise.

This component will help tackle the significant problem of youth unemployment by training the youth in vocational skills thereby equipping them with the tools for obtaining gainful employment. There will be vocational training centres with 70% Skilled Workforce, 20% Supervisors, 10% Entrepreneurs established in all the states in the country and the FCT. The areas of focus (delivery) for livelihood training: vocational (hands on) skills; life skills (supervision) as well as entrepreneurial skills.

Table 1: Training Areas of Focus and Pilot Zones

Training Areas of Focus	Pilot Zones/Region
Mechanical/Fabrication Skills	South-East
Telecom/ICT	Federal Capital Territory
Creative industry (Movies and Music)	South-West
Agric / Mechanization and Irrigation Skills	North-West
Mass Housing and Artisans	North-East
Marine and Oil and Gas	South-South
Crop Production & Processing	North-Central

(c) Public Works (FERMA)

The project is an adaptive scaling-up of current FERMA direct labour agency activities. It is aimed at creating mass employment opportunities through the implementation of a national Road Maintenance Public Works Programme. The programme also focuses on the provision of safe and motor-able trunk roads across the economic zones of the country.

(d) Maternal and Child Health Care

The aim of the SURE-P intervention in Maternal and Child Health Care is to reduce maternal, new-born morbidity and mortality through the utilization of cost effective demand and supply interventions. It also aims at increasing access to, and providing quality health delivery services to Nigerians and ensuring the successful achievement of the targeted MDGs 4 and 5. The objectives of the MCH programme include:

- Identify and select 500 Primary Health Centers (PHC) across the 36 states and FCT of the Federation.
- The employment and deployment of skilled Health Workers - Midwives, Village Health Workers (VHW), and Community Health Workers (CHW).
- The upgrading, equipping and the supply of drugs to the selected 500 PHCs across the zones.

The selection of 125 General Hospitals across the 36 states and the FCT, equipping and upgrading of the maternity section of the hospitals to provide comprehensive intervention for complicated maternal and child cases from the PHCs.

And where necessary, stimulate the demand by pregnant women, to utilize the PHCs.

(e) Community Service, Women and Youth Employment Programme

The aim of the Community Services, Women and Youth Empowerment (CSWYE) programme is to provide temporary employment to up to 370,000 youths (minimum 30% women) in labour intensive community development services. This is consistent with the priority of the government to tackle youth unemployment in Nigeria and improve the livelihood of the youth. This employment intervention is designed to target large numbers of unemployed youths from each state of the federation and the Federal Capital Territory (FCT).

A second component of the Community Services, Women and Youth Empowerment programme is the Graduate Internship Scheme (GIS), which is designed to enhance the employability of up to 100,000 unemployed graduates in the 36 states of the federation and the FCT through internship programmes in interested public and private companies, firms and institutions.

The women and youth beneficiaries of the Community Services component of the CSWYE programme will be trained in some basic skills and supplied with working tools and equipment as appropriate. They shall receive payments based on the amount of work done, which shall be verified at the local levels. The labour intensity of the work involved in the community services component of the CSWYE programme is high as a result of the anticipated low skill level of participants.

The GIS scheme will facilitate the linkage between interested unemployed graduates and interested and duly certified employers (public and private). The linkage will be implemented by pooling the pre-approved graduates on the basis of qualification, priority area of skills, location and equity into groups of three per vacancy and asking companies to consider their choice to fill the internship vacancy declared by the employer.

A Federal Programme Implementation Unit (FPIU), established in the Ministry of Finance, administers and manages the programme and works with State Implementation Committees (SICs), and through these, the local governments and community development associations in the States and FCT. In collaboration with these organs, beneficiaries of the programme are identified and selected at the local levels. The beneficiaries will work on previously identified and selected community development services which have evolved from the collaboration of stakeholders including the Federal and State MDAs, LGAs and local Communities. The FPIU is also responsible for the administration and management of the GIS.

(2) Infrastructural Development Projects

(a) Niger Delta Project (East - West Road)

The main road project in the Niger Delta is the 338km East – West Road, spanning from Warri in Delta state through Kaiama (Bayelsa) to Portharcourt (Rivers) through Eket to Oron in AkwaIbom state.

(b) Railways

The railways component of the SURE-P entails the rehabilitation and restoration of abandoned railway infrastructure and the construction of new standard gauge railway lines. The rail intervention is to provide alternative means of transportation of people and goods across the country. The long-term goal focuses on increased tonnage of goods delivered through ease of haulage and a corresponding reduction in costs of transportation.

(c) Roads and Bridges

The road component focuses on the completion of core road projects that will enhance transportation of passengers and goods in the country. The emphasis remains that roads will leverage economic activities and social integration as tangible benefits of the subsidy gains. Overall, the road projects included in the 2012 SURE-P budget covers a total distance of 1,664km in addition to two new bridges across Rivers Niger and Benue. The selected SURE-P roads and bridges intervention are evenly distributed across the six geopolitical zones of Nigeria.

SECTION THREE

REVIEW AND ANALYSIS OF SURE-PROGRAMME

3.1 Objectives of SURE-P

SURE-P has three major objectives:

- To mitigate the immediate impact of the petroleum subsidy on the population, but particularly the poor and vulnerable segments.

- To accelerate economic transformation through investments in critical infrastructure projects, so as to drive economic growth and achieve the Vision 20:2020.

To lay a foundation for the successful development of a national safety net programme that is better targeted at the poor and the most vulnerable on a continuous basis.

A review and analysis of the above objectives suggests that the subsidy reduction or removal scheme was done without a thorough macroeconomic study and situation analysis. The first set of questions that should be answered includes:

Why was fuel subsidy introduced in the first place?

How will subsidy removal or reduction hurt the populace especially the poor and vulnerable?

Is there any link between fuel subsidy and the level of economic transformation in the country?

Do we have a safety net programme? If yes, is it efficient and effective? If no, do we need one and what form should it take?

A careful analysis and answers to these questions would have helped to identify the mitigation mechanisms and processes of fuel subsidy removal or reduction.

Evidence from studies[6] that examines an aspect of Nigeria's energy policy that can have appreciable effects on poverty alleviation with a special focus on the pricing and subsidising of petroleum product found the following:

The twin problem of inefficiency in the production and distribution of petroleum products as well as fiscal pressure is the cause for every hike in price. Such findings show that subsidy was introduced in the first place due to insufficiency, inefficiency and ineffectiveness of the local refineries in meeting the local fuel demand. Such insufficiency, inefficiency and ineffectiveness of the local refineries are yet to be fixed after several years.

In terms of the effect of subsidy removal or reduction on the poor, there are three major channels according to Nwafor, Ogujiuba & Asogwa (2006) that account for the effects of petroleum prices on poverty and they are: (1) Impacts on firms and enterprises[7]: (2) Impact on and off the distribution and transport system and: (3) Impact on government income and expenditure.

The impact on energy bills may be strong and according to the World Bank (2002), a sizeable number of firms/enterprises in Nigeria depend on petroleum powered generating sets for their energy supply as electricity supply is grossly inadequate and/or unreliable. The impacts on firms/enterprises as well as on and off the distribution and transport system translate into higher costs of doing business and automatically increase the prices of both intermediate and finished goods and services. This also has other effects on not just the output level, but on the profitability because firms/enterprises have to re-negotiate their budget constraints. Reduction in profitability affects hiring tendencies and may lead to non-hiring and sometimes firing of some workers in order for enterprises and firms to break even.

In summary, subsidy removal or reduction hurts the poor through these three channels and any mitigation strategy must be all inclusive looking at the three fronts

[6] See Nwafor, Ogujiuba & Asogwa (2006)
[7] Firms and enterprises are affected in three ways: their energy bill increases for those that rely heavily on petroleum powered generators for energy; the cost of intermediate inputs increase as a result of increased cost of transportation of individuals and goods; and increases in private investment in the sub sector are expected as it becomes more attractive.

for it to be effective and highly rewarding. Obviously, the objectives of the SURE-P are lacking in merit in its mitigation strategies judging from the way they have been presented. The objectives of the SURE-P as presented are too broad and generic and hence may not be able to serve as mitigating mechanism if not well tailored.

3.2 Effects of Subsidy Removal on Households and Summary of Interventions across Selected Countries

Once subsidy is removed or reduced, there is a corresponding subsidy incidence though the level of impact will be determined by substitutability and materiality. This is because there is automatically an increase in the cost of living caused by knock-on effects of higher energy prices onto other prices. This has welfare implications from shifts in energy sources as a result of a change in relative prices as well as the macroeconomic effects (including on employment and wages) caused by the shift in resource allocation.

In Egypt, subsidy removal on fuel, kerosene, gas and LPG had -7.7% effect on real income for the poorest 20% and -4.1% on the poorest 10%; in Ghana subsidy removal on petrol, kerosene and LPG had -9.1% effect on real income for the poorest 20% and -8.2% on the poorest 10%; in Jordan subsidy removal on fuel had -5.4% effect on real income for the poorest 20% and -4.1% on the poorest 10%; and in Sri Lanka, subsidy removal on fuel had -2.9% effect on real income for the poorest 20% and -2.2% on the poorest 10% (Yemtsov 2010).

For a reform package like SURE-P to be effective, there must be changes in allocation of fiscal resources associated with the households' welfare by setting up a new safety net cash transfer programme. To be able to analyze the Nigerian safety nets structure, let's first look at some of the safety nets model adopted by some other countries who found themselves in the same position some time. Below are some of the experiences of selected countries in subsidy regime and reform as documented by Yemtsov in 2010.

(1) Indonesia

Indonesia found that fuel subsidy was pro-rich and increased fuel prices in 1998 which led to some level of political crisis/regime change. Analysis through the National Socio-Economic Household Survey (SUSENAS) showed that the 60% of the benefit went to the top 40%. The findings increased the pressures to rapidly design and implement massive Unconditional Cash Transfer Program (UCTP), to all three (3) bottom deciles. The government immediately communicated to the public using the media and public dialogue and demonstrated to the public the analytical work of pro-poorness of hikes. This gave rise to the implementation of price hikes of 29% weighted average for fuel (not kerosene). By October 1, 2005, it had reached 114% weighted average for fuel and about 286% for kerosene. This was followed by a large scale rapid compensation programme including cash transfers immediately after the second price hike plus other social programmes.

There was a quarterly payment for 1 year period (October 2005 to September 2006) and a cash transfer to 15.5 million poor and near-poor families to compensate them for inflationary effects of the fuel price increase with main design features such as: Rp100,000 ($10) per month (equivalent to about 17 % of per capita consumption of the poorest decile); and a disbursement to 15.5 million families, equal to around 62 million people, or 30% of the population. This was designed and implemented in 3 months and implemented through the Post Offices to avert going directly through government bureaucracy. This process was followed up with a rapid external appraisal from two NGOs/research institutes. They came up with the finding that the programme was not perfect, but working.

(2) Jordan

Prior to 2003, Jordan received cheap oil from Iraq but ended subsidy to the tune of 6% of GDP in 2005. In 2005, a plan was developed for eliminating fuel subsidies and in 2006, there was a major price increase followed by a price adjustment in 2008 (doubling for electricity, 50% for LPG and 70% for diesel) eliminating energy subsidies. The social risk mitigation package include compensations through wage increases (Additional JD50 per month for civil servants, military and security personnel whose (base) pay is less than JD300 as well as additional JD45 per month for civil servants, military and security personnel whose (base) pay is more than JD300). There was also increase in pensions; increase in social assistance payments (Additional JD 10 per family member per month for NAF beneficiaries, monthly aid will increase from JD26 to JD36 per family member with a maximum of JD 180 for a five-member family). The country set up the National Aid Fund with capacity to cover and target the poor (move from a categorical targeting to a proxy means test). The new targeting included the working poor, the unemployed and the able bodied who are not participating in the labour force and such compensating measures cost 1/3 to half (½) of what the fuel subsidies cost for a year. Food subsidies were stepped up in the wake of the food crisis and were among the largest in Middle East and North Africa (MENA) region.

(3) Morocco

Morocco applied a gradual approach through information campaign before scaling up and launching of new social programs in education, reproductive health, and health insurance but with a focus on rural areas, where 70% of the poor in Morocco live. These were regarded as valuable interventions on their own right involving careful planning and consultations with industrial groups and retailers. In the subsidy reform, some subsidies were not eliminated but the objective was to cap it at certain percentage of GDP and make the system flexible enough to absorb and pass-through price shocks.

(4) Ghana

Ghana spent about 2.2% of her GDP subsidizing fuel throughout 2004 due to the unexpected increases in international oil prices in addition to about 1% of GDP towards supporting her national refinery, the Tema Oil Refinery. This obviously became unsustainable hence the government deregulated the market in February 2005. The government commissioned an independent Poverty and Social Impact Assessment (PSIA) to assess the winners and losers from subsidies and subsidy removal.

The assessment revealed that the affluent in Ghana were the ones who received the greatest benefits of subsidies and quantified how and to what extent, the poor would be affected by future deregulation. This was an important foundation for persuasively communicating the necessity for reform and for designing policies to reduce the impact of higher fuel prices on the poor. Several steps were taken according to Ibrahim and Unom (2011) to compensate poor Ghanaians for higher energy prices which included: the elimination of fees for state-run primary and secondary schools, increased the number of public-transport buses, put a price ceiling on public-transport fares, channelled extra funds into a health-care scheme for poor areas, raised the daily minimum wage from US$1.24 to US$1.50, and started programs to help spread electrification to rural areas and purchasing of essential equipment for workers. It also continued its previous policy of cross-subsidizing kerosene and LPG. While the trade unions remained opposed to the price increases, the public generally accepted them and no large-scale demonstrations occurred.

(5) Thailand

The Thai government deregulated the fuel market in 1991. However, following the 1997 Asian financial crisis, the government frequently intervened in the fuel market, primarily through an oil fund. Oil prices for gasoline and diesel were fixed during times of high international oil prices, drawing on the oil fund to pay for the subsidies. When it became obvious that the subsidy regime is no longer sustainable, the government in power put in place an anti-poverty package to deliver targeted assistance to the poor and reduce the impacts of the global financial crisis and high oil prices. Actions taken by the Thai government include:

Free travel on all non-air conditioned train services;

Free travel on half of the non-air conditioned buses;

Free tap water for households that use less than 50 cubic meters (m^3) per month;

Free electricity to consumers who use less than 80 kWh/month and halving of the tariff for consumers who consume between 81–150 kWh/month;[1]

Fuel excise tax cuts.

The intervention gulped a total of US$1.43859 billion in Thailand in the year 2008.

(6) Summary of Other Countries Experiences and Lessons for Nigeria

A review of interventions above showed that factors that cut across all subsidy withdrawal regimes across the world have been communications, consultation and transparency. These factors have always been basic across all successful subsidy withdrawal regimes and have become necessary throughout the reform process. As Ibrahim and Unom (2011) opined that transparency is beneficial to the open public debate necessary for deciding how finances in general, and subsidies in particular, should be utilized. Reform strategies should be fully transparent at all stages, stating aims, circulating research findings, setting out the options, and discussing implementation proposals and progress. Unfortunately, this cannot be said of Nigeria's case judging from what happened from 2012 to date when this scheme came into place. SURE-P seems to be an afterthought after the public outcry through series of protests.

One legitimate criticism against the Nigerian government according to Moyo and Songwe (2012) is that it has done a poor job in planning for the subsidy removal and in communicating the huge costs of the fuel subsidy and the benefits of its removal to the population. They opined that in a country where there is already lack of trust between the people and government, communication is critical. Otherwise the protesters will continue to believe that this is just another ploy by Nigeria’s elites to further capture the country’s resources. The lack of communication, consultation and transparency has posed a great challenge to the government of the day because winning the trust of the people in the SURE-P may be difficult. The rush in putting up of SURE-P without proper macroeconomic studies and forecasts may at the end affect the credibility of the programme itself.

3.3 Review and Analysis of SURE-P: Scope and Structure

Some form of social protection needs to be launched after subsidy removal or reduction to protect the most vulnerable such as measures to reduce the cost of public transportation in the near term and other effects of the removal and reduction to the poor. The main issue here is the scope and structure of the social protection mechanism and the reality of such composition achieving the stated aims and objectives. The intervention areas of the SURE-P are the social safety net projects as well as the infrastructure development projects with details listed in section two above.

The social safety net projects covers Maternal and Child Health (MCH) Programme; Community Services/Women and Youth Employment (CSWYE) Programme; Urban Mass Transit Programme; Vocational Training Schemes; and Water and Agriculture Projects. Similarly, the infrastructure developments projects by the SURE-P covers Federal Road Maintenance Agency (FERMA) Preventive Roads Maintenance Programme; Niger Delta Development Projects; Roads and Bridges; Rail Transport Projects; Information and Communication Technology (ICT); and Petroleum/Nigerian National Petroleum Corporation (NNPC) Projects.

It should be remembered that the savings in question (if the whole subsidy is removed) which will help to tackle all these is in the tune of US$6-US$8 billion or between N900 billion and N1.2trillion annually. This is about 25% of the 2013 Federal Government Budget. Looking at the SURE-P scope, one might argue that the programme is over ambitious with the issue of coverage. There is the need to remember that empirically, impacts of subsidy removal or reduction are felt in three major dimensions as outlined above but its impact on and off the distribution and transport system are the ones that need urgent attention because achieving that will help to position the country in question towards achieving the other two effects. Wouldn't it have been better if the coverage is phased as to allow each of the targets to be realised fully rather than tackling everything at same time and losing out at the end? It should also be remembered that SURE-P has not been introduced to replace the annual provisions through annual budgeting. It is only an augmentation strategy.

A review of practices adopted by other countries revealed that the first thing that was done by Indonesia which is another country with huge population and high number of people below the poverty line was a massive Unconditional Cash Transfer Programme (UCTP), to all three (3) bottom deciles. In Jordan, the first thing that was done was to set up the National Aid Fund with capacity to cover and target the poor (move from a categorical targeting to a proxy means test). The new targeting included the working poor, the unemployed and the able bodied who are not in the labour force and such compensating measures cost 1/3 to half (½) of what the fuel subsidies cost for a year. In Ghana the first thing that was done was the elimination of fees for state-run primary and secondary schools, increased the number of public-transport buses, put a price ceiling on public-transport fares, channelled extra funds into a health-care scheme for poor areas, raised the daily minimum wage from US$1.24 to US$1.50, and started programmes to help spread electrification to rural areas and purchasing of essential equipment for workers. Morocco applied a gradual approach through information campaign before scaling up and launching of new social programs in education, reproductive health, and health insurance but with focus on rural areas, where 70% of the poor in Morocco live. Thailand extended free travel on all non-air conditioned train services; free travel on half of the non-air conditioned buses; free tap water for households that use less than 50 cubic meters (m3) per month; as well as free electricity to consumers who use less than 80 kWh/month and halving of the tariff for consumers who consume between 81–150 kWh/month[1].

It is obvious that the above measures were adopted to mitigate the impact of subsidy removal or reduction on and off the distribution and transport system. Looking at the structure and coverage adopted by SURE-P, one would have suggested that vocational training schemes and agriculture projects under the safety net programme as well as the Niger Delta development projects, roads and bridges projects, rail transport projects; and information and communication technology under the infrastructural programme should be continuously tackled using the annual provisions through annual budgeting and the Medium Term Expenditure Framework (MTEF) already in place. Most of these projects are supposed to be on-going projects as they have been identified in the Nigeria Vision 20:2020; the first National Implementation Plan (NIP) of 2010-2013 as well as the Transformation Agenda of the government and are expected to be fully implemented by the year 2015. These projects were identified and its implementation phased before the issue of subsidy removal and reduction which implies that government already had ideas of how to implement them including where the resources are coming from.

Therefore, SURE-P should be treated as programme introduced to mitigate the immediate impact of the petroleum subsidy on the population, but particularly the poor and vulnerable segments. When this is done efficiently and effectively through the safety nets projects and programmes as well as the issues that led to subsidy introduction in the first instance, which is the low production capacity of the refineries, the second and third objectives of the SURE-P will automatically be realised. SURE-P should concentrate on Maternal and Child Health (MCH) Programme; Community Services/Women and Youth Employment (CSWYE) Programme; Urban Mass Transit Programme; and Water projects as well as a massive unconditional cash transfer programme to households and individuals in the bottom quintile and support for small businesses in the first three years before getting involved in the other components as identified above. This will also help to avoid duplication and repetition of projects especially the on-going projects which have been a conduit pipe for corruption and ineffectiveness of public financing in Nigeria.

The structure of SURE-P is still lacking in the definition and identification of the poor and vulnerable. The programme structure seems too generic and lack specifics, crystal methodologies and clear definitions. In the Maternal and Child Health Programme for example, SURE-P wants to identify and select 500 Primary Health Centers (PHC) across the 36 states of the Federation and FCT where employment and deployment of skilled Health Workers - Midwives, Village Health Workers (VHW), and Community Health Workers (CHW) will be carried out. How these PHCs will be identified is still missing as well as criteria for selection. Is it political, geographic or where the poor and vulnerable are concentrated (geographic targeting)? The choice of a vague programme structure shows unpreparedness on the part of the government which may help to buttress the point that SURE-P was an afterthought. Same goes with Community Service, Women and Youth Employment Programme. How does one get selected and who should be selected is an answer SURE-P has failed to provide.

Selection problem is evident with the selection of 125 General Hospitals across the 36 states and the FCT, equipping and upgrading of the hospitals maternity section to provide comprehensive intervention for complicated maternal and child cases from the PHCs. The poser is - where are the general hospitals located? A careful analysis of the above is already showing that the structure of the SURE-P has a bias in favour of the urban while more than half of the population of the country lives in the rural areas. We already know the fact that about US$6-US$8 billion from the fuel subsidy could help to address some of these issues but there is the need to know the target audience before a greater part of the subsidy reinvestment benefits ends up in the hands of the rich like the subsidy itself.

The responsibility for the day-to-day management of projects located within the respective Ministries, Departments and Agencies (MDAs) rests with the PIUs', consultants and active supervision of the SURE-P committee. The PIU staff are from the host Ministries, but may include consultants and other capable hands from the private sector. The project execution through the PIU's of MDAs may frustrate the programme from operating freely without interference. The poor absorptive capacity of MDAs in capital project implementation is a notorious fact and hence, SURE-P may yet be another failed government programme given the antecedents of government's MDAs in project implementation. In 2012, about 50% of the budgeted funds were not utilised but carried over to 2013 budget attests to the tardiness in capital project implementation in MDAs.

3.4 SURE-P and other Previous and Existing Intervention Funds (Petroleum Trust Fund and the Millennium Development Goals (MDGs) Fund)

It should be remembered that Nigeria has adopted similar intervention funds in the past. The Special Petroleum Trust Fund (PTF) is an example. PTF is not exactly the same as the SURE-P because of the legal structure. For PTF, there was a clear legal back-up in the Petroleum (Special) Trust Fund Act that authorised the creation and use of the fund called the Special Petroleum Trust Fund (PTF) into which shall be paid all monies accruing from the sale price of petroleum products; to provide for the identification, funding and execution of projects in various sectors, and for matters connected therewith. With the above provision, PTF was able to operate and intervene in various sectors like road and road transportation including waterway; education; health; food supply; water supply; security services; and such other sectors as may be approved from time to time.

PTF also has its own implementation plan and methodologies that allowed it operate freely without interference from MDAs. This is not the case with SURE-P projects executed through the PIU's domiciled across the Federal Government MDAs. SURE-P project execution through the PIUs is already being criticized given the antecedents of Federal Government MDAs in project execution with the fear that SURE-P may yet be another failed government programme. In summary, PTF had autonomy and that may have helped the Fund to achieve some of the milestones. Such autonomy led some to dub it "the alternative government," accusing it of duplicating the responsibilities of other existing government agencies but such autonomy has also been cited as one of the backbones to its success.

Unlike SURE-P, the PTF had an all-encompassing mandate including: rehabilitation of roads and waterways, educational and health institutions, providing textbooks and stationary, procuring essential drugs and vaccines, providing water supply systems, reviving crumbling agricultural sectors, connecting outlying areas to the national electricity grid, extending railways and telecommunications and ensuring consistent food supply. The PTF fund began with an initial capital of about N60 billion in 1996.

The second tenure of the Olusegun Obasanjo came with the pursuit of debt relief and in 2005, Nigeria obtained debt relief from the Paris Club on the condition that it would channel the savings made from the debt relief directly into achieving the MDGs. The Nigerian government created a cabinet level office to coordinate specific expenditure on the MDGs in the Office of the Senior Special Assistant to the President on the Millennium Development Goals (OSSAP-MDGs). This office received a budget of approximately US$1 billion per annum since its creation in 2006. The OSSAP-MDGs is responsible for identifying key strategic interventions at national, state and local levels to achieve the MDGs and also responsible for designing systems to track and monitor expenditure at all levels relating to the MDGs with the help of the National Planning Commission (NPC).

Just like the MDGs projects, SURE-P projects are being executed through the PIU's domiciled across the Federal Government MDAs. A comparison of the three major interventions (PTF, MDGs and SURE-P) in terms of reasons for establishment, implementation and management structure as well as intervention areas is presented in Table 2 below.

Table 2: Three Major Intervention Funds in Nigeria (PTF, MDGs Fund and SURE-P): A Comparison

Items	Petroleum Trust Fund (PTF) (Started in 1996)	Millennium Development Goals (MDGs) Fund (Started in 2006)	Subsidy Reinvestment Empowerment Programme (SURE-P) (Started in 2012)
Main Reason for Establishment	Petroleum Trust Fund (PTF) was established to distribute the gains from the increase of petrol, diesel and kerosene prices on social and infrastructural projects.	Following the debt-relief grant of US$18 billion in 2005, a Virtual Poverty Fund (MDGs fund) was established to ensure that monies realised (about US$1 billion annually) from debt relief were channelled towards poverty reduction and the other MDGs.	SURE-P fund was established to mitigate the immediate impact of the petroleum subsidy on the population, but particularly the poor and vulnerable segments.
Implementation/ Management Structure	The intervention fund had a Management Board with a chairman and staff. In other words, it was a body corporate with perpetual succession and expected to liaise with Ministries, Extra-Ministerial Departments, the State and local governments in identifying, funding and executing projects in the various sectors. It has the legal backup to enter into contractual agreements for the purpose of executing approved projects.	The Office of the Senior Special Assistant to the President on MDGs coordinates the Fund while the National Planning Commission (NPC) exercises cross-cutting responsibility around planning and monitoring of progress. At the federal level, the Senate and House of Representatives Committees on MDGs provide general oversight of MDGs efforts.	SURE-P is driven by a 21-member committee with a chairperson at the federal level. At the state and local government levels, there is a State Implementation Committees (SICs) including civil society organisations, community participants, and Federal Ministries, Departments and Agencies (MDAs), whose duty will be to guide the implementation of the programme at the state level. The partnership between the states and local governments on employment creation is expected to be strengthened by the same process.

Items	Petroleum Trust Fund (PTF) (Started in 1996)	Millennium Development Goals (MDGs) Fund (Started in 2006)	Subsidy Reinvestment Empowerment Programme (SURE-P) (Started in 2012)
Projects and Programme Implementation Structure	Has its own implementation plan and methodologies that allowed it operate freely without interference from the MDAs	Individual projects are managed by MDGs Focal Persons/Desk Officers across the Federal Government Ministries, Departments and Agencies (MDAs)	Individual projects are managed by Project Implementation Units (PIUs) located within Federal Government Ministries, Departments and Agencies (MDAs).
Intervention Areas and Coverage	An all-encompassing mandate including: Rehabilitation of roads and waterways, Educational and health institutions, as well as providing textbooks and stationary, procuring essential drugs and vaccines, providing water supply systems, Reviving crumbling agricultural sectors, Connecting outlying areas to the national electricity grid, Extending railways and Telecommunications and Ensuring consistent food supply.	Allocations to MDGs Ministries, Departments and Agencies (MDAs) (mainly the MDGs sector including: Primary Healthcare; Education; Water Supply and Sanitation; Agriculture; Roads and Bridges; Housing; Environment; Gender Affairs; and Youth Development); Conditional Grant Schemes (for states and local governments); The CGS has two tracks: the state track that has been running since 2007 and the local government track that commenced in 2011. Conditional Cash Transfers (for states and local government) and Quick Wins (For constituency	Social Safety Net Programmes (Maternal and Child Health (MCH); Community Services/Women and Youth Employment (CSWYE); Urban Mass Transit; Vocational Training Schemes; and Water and Agriculture projects; and Infrastructural Development Projects (FERMA Preventive Roads Maintenance; Niger Delta Development Projects; Roads and bridges; Rail Transport Projects; ICT; and Petroleum/NNPC Projects).

Items	Petroleum Trust Fund (PTF) (Started in 1996)	Millennium Development Goals (MDGs) Fund (Started in 2006)	Subsidy Reinvestment Empowerment Programme (SURE-P) (Started in 2012)
		projects).	

Source: Author's Documentation

3.5 SURE-P Financial Allocation and Achievements so Far at the Federal Level

The year 2012 though the first year of SURE-P, witnessed a flux of activities for the young programme. These activities were targeted towards improving the country's infrastructure significantly as well as help to create millions of jobs for Nigerians. In the SURE-P of the Federal Government, N180 billion of the subsidy funds is expected to be spent on some capital projects in the ministries of Works, Niger Delta and transport. Government also hopes it would provide some social safety nets and infrastructure projects including maternal and child health, public works for youths, mass transit (N8.9 billion) all to the tune of N38.4 billion. The President indicated in the 2013 budget speech that unutilized funds from SURE-P in 2012 amounting to N93.5billion will be carried over to 2013 to make the total expenditure for 2013 to come up to N273.5billion. This shows that the SURE-P utilized only 48.1% of the N180billion resources available to it in 2012. This is a very poor result for the first year of operation.

In the SURE programme, government budgeted N21.7 billion to cover the dualisation of the East-West road while in the Works Ministry, some critical roads including Abuja-Abaji, Abuja-Lokoja, Kano-Maiduguri as well as Benin-Shagamu and Ajebandele-Ofosu roads would be rehabilitated. For the transport sector, N33.36 billion was allocated for the Lagos-Kano rail line, Port Harcourt-Maiduguri rail line and Kaduna-Abuja roads. Under the service wide vote, the SURE-Programme board was allocated N1 billion. Details of the SURE-P infrastructure intervention across sectors are presented in Table 3 below.

Table 3: SURE-P Infrastructure Interventions across Sectors in 2012

Sector	Projects	Previous Allocation	SURE-P Intervention	Distance if applicable	Contractor(s) Name	Expected completion date	Revised contract sum	Status	SURE-P Budget utilisation (%) Dec'12	Remarks
Works	Abuja-Lokoja road	N11bn	N14bn	Section 1 (42km)	Dantata&Sawoe	24th April 2014	N28,666,721,831.64	On-going	43.82	On course
				Section 2 (54.7 km)	Reynolds Construction	20th April 2014	N31,236,905,170.83		15.69	
				Section 3 (43km)	Bulletine Construction Ltd.	12th March 2014	N25, 827,333,686.52		9.20	
				Section 4 (50.1km)	GittoCostruzioniGenerali Limited	10th April 2014	N31,087,756,036.84		27.84	
	Benin-Ore-Shagamu	N6bn	N16.5bn	Phase 1 (27.5km)	Reynolds Construction	27th December 2012	N24,266,157,021.00	On-going	75.18	On course
				Phase 2 (100km)	Reynolds Construction	17th September 2012	N24,266,157,021.00		30.72	
	Enugu – Onitsha			Phase 2 (56km)	Nigercat Construction Nig Ltd	27th November 2012	N7,251,451,515.00	On-going	13.11	Still a long way to go
	Port-Harcourt–Onitsha road	N3bn	N5bn	Section 1 (87km)	Setraco Nig. Ltd.	31st December 2014	N112,166,400,493.60	On-going	100	On course
				Section 1-11	Setraco Nig Ltd	December 2014	N48,973,303,132.78		43.81	
				Section 11-11	Setraco Nig Ltd	December 2014	N84,759,913,053.64		43.81	
				Section 111	Reynolds Construction	December 2014	N66,459,088,593.59		96.7	
				Section IV	Reynolds Construction	December 2014	N37,509,550,669		0.00	
	Kano-Maiduguri road	N18.5bn	N1.5bn	Section 1 (101.5km)	Dantata&Sawoe	Not yet ascertained	N 55,122,713,072.02	On-going	25.08	Still a long way to go

Sector	Projects	Previous Allocation	SURE-P Intervention	Distance if applicable	Contractor(s) Name	Expected completion date	Revised contract sum	Status	SURE-P Budget utilisation (%) Dec'12	Remarks
					Setraco Nig Ltd					
				Section 2 (117.776km)	Mothercat Nig Ltd	Not yet ascertained	N5,315,458,261.59		0.00	
				Section 3 (101.843Km)	CGC Nig Ltd	Not yet ascertained	N45,181,695,740.22		19.5	
				Section 4 (96.24km)	China Civil Eng. Const. Ltd.	Not yet ascertained	N51,903,173,630.22		31.25	
				Section 5 (131.5km)		Not yet ascertained	N67,795,690,880.01		61.99	
	Second Niger Bridge	N2bn	N5.5bn					Yet to start		The same story for over two decades
	Oweto Bridge	N3.5bn	N4bn		Reynolds Construction Co. Ltd	29th November 2015	N36,118,910,405.00	On-going	Yet to start	Still a long way to go
	Maintenance of roads and bridges across the country		N23.5bn					On-going		New looks in some places
Power	Power projects (Mambilla power plant, Coal Power Plant and Small Hydro power plants		N155bn					On-going		2012-2015
Transport	Jebba- Kano Railway Rehabilitation		N8bn		Costain W.A			On-going		98%[8] completed
	PH - Makurdi		N15bn		Esserr W.A			On-going		30%[9]

[8] It was 87% completed at the point of SURE-P's intervention.

Sector	Projects	Previous Allocation	SURE-P Intervention	Distance if applicable	Contractor(s) Name	Expected completion date	Revised contract sum	Status	SURE-P Budget utilisation (%) Dec'12	Remarks
	Railway Rehabilitation									completed
	Makurdi - Kanfanchan – Kuru - Jos & Kanfanchan - Kaduna Junction		N15bn		Messrs CGGC			On-going		25%[10] completed
	Kuru - Maiduguri Railway Rehabilitation		N15bn		LINGO			On-going		12%[11] completed
	Abuja-Kaduna rail line	N3.95bn	N11.6bn		CCECC			On-going		On course
	Lagos-Ibadan rail line	N3.15bn	N9.3bn					Yet to start		On course
Education	National Teachers Institute for retraining of teachers and Vocational Training Centres	N3.5bn	N24.6bn					Yet to start		
Health	Maternal and Child heath	N17.1bn	N73.8bn					On-going		Still on a low scale
Niger Delta	East-West Road (Section I—V)	N22.2bn	N21.7bn					On-going		Still a long way to go
Water Resources	Rural water scheme, water		N205.5bn					Yet to start		2012-2015

[9] It was 25% completed at the point of SURE-P's intervention.
[10] It was 6% completed at the point of SURE-P's intervention.
[11] It was 6% completed at the point of SURE-P's intervention.

Sector	Projects	Previous Allocation	SURE-P Intervention	Distance if applicable	Contractor(s) Name	Expected completion date	Revised contract sum	Status	SURE-P Budget utilisation (%) Dec'12	Remarks
	supply scheme, irrigation scheme and other water related projects									

Source: Compiled by the author from various SURE-P reports

(1) SURE-P Infrastructure Projects

According to SURE-P reports on Railways, contracts have been awarded for Jebba-Kano Railway Rehabilitation Project with a commitment of N8 billion from SURE-P; PH – Makurdi Railway Rehabilitation Project; Makurdi - Kanfanchan - Kuru - Jos and Kanfanchan - Kaduna Junction Railway Rehabilitation Project; Kuru – Maiduguri Railway Rehabilitation Project with a commitment of N15 billion from SURE-P; and Abuja (Idu) - Kaduna Railway Modernisation Project with a commitment of N10.29 billion from SURE-P. The biggest impact of the scheme has been felt with the massive investment in the railway transport sector according to reports (http://thepointernewsonline.com/?p=23810). Currently, commuters travel from Minna to Kaduna on a daily basis, while people of the state are also benefitting from the Lagos – Kano and Offa – Kano train services, all courtesy of the scheme.

Under the Roads and Bridges project, SURE-P report claims that she is committing the total sum of N21.7 billion for the Warri – Kaiama; Port Harcourt – Kaiama; Port Harcourt – Eket; Eket – Oron sections of the East-West Road in 2012. Also, commitment to the tune of N85.5 billion have been made to Abuja - Abaji – Lokoja Dual Carriageway (Four Sections); Benin - Ore – Sagamu Dual Carriageway (Three Sections); Onitsha - Enugu – Port Harcourt Dual Carriageway (Three Sections); Kano - Maiduguri Dual Carriageway (Five Sections); Construction of Oju/Loko - Oweto Bridge; and Construction of 2nd Niger Bridge at Onitsha in 2102.

SURE-P report on Infrastructural Development Projects (Roads) also claimed the programme has developed a robust structure to ensure adequate oversight, accountability and implementation of its various programmes. Sub-committees have been constituted to be in charge of the various work streams. Two subcommittees are responsible to ensure adequate oversight, accountability and implementation of the road projects under the Ministry of Niger Delta Affairs and the Federal Ministry of Works. The subcommittees are supported by qualified professional staff based in the Performance and Results Unit at the SURE-P secretariat. The subcommittees are responsible for certifying work done for payment based on the recommendation of the Performance and Results Unit.

(2) SURE-P and Community Services, Women and Youth Employment (CSWYE) Project

This project has two components: Community Services Scheme (CSS) and Graduates Internship Scheme (GIS). One of the key targets is the contribution to 1 million annual job creations of Vision 20:2020 and Transformation Agenda efforts for youth employment.

According to SURE-P report, under the Community Services Scheme (CSS), a total of N192,058,126 was spent in 2012 for services including: services identification, beneficiaries' selection, orientation and deployment; payment for monthly stipends to the beneficiaries in five (5) pilot States (Niger, Adamawa, Delta, Oyo and Kwara States); Cost of procurement of beneficiaries work tools in eight (8) States (Kwara, Yobe, Osun, Imo, Abia, Delta, Oyo, and Edo); and Cost of inauguration and technical workshop for State Implementation Committee (SIC) and State Implementation Unit (SIU) members.

The outcomes of the above expenditure according to SURE-P report include: over 8,680 hitherto unemployed youths have been employed; Income support provided to 8,680 individuals with benefits to households; Over 2,900 Women employed and have been economically empowered through income source; Over 360 Communities have improved quality of social – economic infrastructure (of drainages, waste/refuse disposal, etc.) and Security and Traffic control services; Access to Infrastructure and social services enhanced; and Over 8,500 beneficiaries have bank accounts through which stipends are being paid.

Under the Graduate Internship Scheme (GIS), about N12, 673,608.36 was spent in 2012 for advertisements for firms and interns participation; Verification of firms for due diligence check; and purchase of mentoring handbook. The outcomes of the above expenditure according to SURE-P report include: Reduction in high rate of graduate's unemployment; enhancement of skills of graduates for employment opportunities; provision of manpower to firms with opportunity of increasing outputs, services/products; and building of critical men of skilled manpower towards attainment of vision 20:2020. According to the SURE-P report, about 1,950 beneficiaries were from North-Central (Kwara and Niger); 3,300 from North East (Adamawa, Bauchi, Borno States); 1,000 from South East (Abia and Imo States); 1,000 from South-West (Oyo and Osun states); and 1,430 from South-South (Edo and Delta States). This gives a total of 8,680 graduates who have benefited under the GIS according to the SURE-P report of 2012. Contrary to this is the information from the Minister of Finance and Coordinating Minister for the Economy on April 30, 2013 that about 84,772 interns had so far applied for the scheme but only 1,159 of them have been deployed to organisations across the country though she promised that about 50,000 unemployed and under-employed graduates would be engaged by the programme by the end of 2013 (This Day April 30th 2013, page 38 reported by Ndubuisi Francis and James Emejo). Such conflicts in information may affect the credibility of the programme and lead to lack of public support and understanding.

(3) SURE-P and Maternal and Child Health (MCH) Programme

SURE-P MCH Programme commits to an aspiration to accelerate progress towards MDG 4 (i.e. reduce by two-thirds, between 1990 and 2015, the under-five mortality rate) and MDG 5 (i.e. improve maternal health), and dramatically save lives. The strategies for achieving this according to SURE-P report on MCH are the scaling-up of the existing MSS programme by expanding to more PHCs across the country and in the areas where they are most needed. In 2012, an additional 500 primary health care (PHC) centres were identified for support by the SURE-P MCH Programme.

Achievements, Expenditure and Value for Money for the MCH Programme

Human Resources for Health: According to 2012 SURE-P report about 4,604 health care workers have been recruited and about N209, 257,229.76 spent. The report further suggested that about 4,604 new jobs have been created as previously unemployed midwives and CHEWs have now been gainfully employed by SURE-P MCH Programme.

Stimulating demand for services provided by the supply side with a total of 520 women qualified as beneficiaries while N2, 304,686.48 have been spent. The outcome is an increased household income for programme beneficiaries as cash support which contributes to economic empowerment of women and helped to address household poverty.

Completion of State Readiness Assessment (SRA) for demand creation pilot programme that gulped N12,708,130.00 while findings have helped inform evidence-based planning and setting up of state supervisory and implementing structures that will help guarantee successful programme implementation.

Selection of 625 primary and secondary level health facilities with over N9, 079,100.00 spent in 2012. Through this, primary health care centres have undergone significant and visible transformation through the infrastructural upgrades, provision of water (bore-hole), 24-hour power supply (solar power) and strengthened health care systems.

Supply of branded medical equipment, essential MNCH drugs, kits and medical consumables to all 500 selected PHC centres through the commitment of N810, 500,000.00. With this, no programme beneficiary will be required to pay any user fees when accessing any SURE-P supported primary health care centre across the country as all-year free supply of MNCH drugs will be guaranteed to avoid the 'stock-out' syndrome.

Establishment of Project Implementation Unit (PIU) for SURE-P MCH Programme with N93, 579,775.99 already committed. The work of the PIU staff at the federal level will be complemented by staff working within existing state and zonal structures across the 6 geo-political zones and 36 states of the country and the FCT.

(4) SURE-P and the Public Mass Transit Revolving Fund Scheme

The SURE-P fund is managed by The Infrastructure Bank (TIB). The bank is responsible for monitoring the loans and payment to suppliers and operators under the SURE-P Mass Transit Scheme. The suppliers were selected based on their performance under phase 1 as depicted in Table 4 below.

Table 4: SURE – P Public Mass Transit Revolving Fund Scheme (PMTRF)

S/No	Geopolitical Zone	Amount Loaned (N)	Total Number of Buses	Sector
1.	South East	663,385,000.00	52	Private
2.	South –South	118,750,000.00	10	Private
3.	South West	205,936,730.00	20	Private
4.	North East	51,058,038.00	15	Private
5.	FCT	3,006,548,365.00	245	Private
6.	North West	1,013,175,000.00	34	Private
7.	Nationwide	3,143,514,965.00	320	Private
8.	North Central	227,620,000.00	13	Private
9.	Lagos	1,235,000,000.00	100	Private
	Total	**9,137,375,155.00**	**809**	

Source: SURE-P Annual Report for 2012

Although the amount loaned by the Infrastructure Bank is N9.137billion, the SURE-P budget to the Infrastructure Bank is N8.9billion.

(5) SURE-P and Technical Vocational Education and Training (TVET) Programme

This scheme is expected to stimulate the economic growth needed as part of the Transformation Agenda of the current administration while also enhancing opportunities towards the attainment of Vision 20: 2020. Institutional partners include: the Federal Ministry of Labour and Productivity (Project Implementation Unit); British Council (Programme Partners – Creative Industry); National Planning Commission (Measurement and Evaluation); Nigeria Board for Technical Education (NBTE) via selected Polytechnics and Technical colleges; and the Industrial Training Fund (ITF).

Completed project under the TVET include: Program Framing and Design with cost implication of N42.8 million; 14 project vehicles that cost N91.9 million and PIU Project Account. Consultation with TVET UK and British Council as well as facility audit and upgrade are still on-going. Facility audit and upgrade is expected to cost N1.7 billion. About 17,000 young Nigerians with trained skill and employed between January and March 2013 is expected.

3.6 SURE-P Implementation at the State Level: Selected Arguments, Accusations, Reactions and Matters Arising

SURE-P projects are being executed through the PIU's domiciled across the federal government MDAs. The funds are shared among the three tiers of government: the federal government, 36 states governments, the federal capital territory and 774 local government councils. The federal government gets 41% of the subsidy revenue, while the state and local government gets the remaining 59%. The National Assembly had approved N180 billion in 2012 for SURE-P.

SURE-P implementation at the state and local government levels has drawn so many arguments, comments and criticisms. The programme (SURE) was set up by the federal government to manage funds saved from a reduction in money paid as petrol subsidy after the January 2012 increase in petrol pump price and has attracted some criticisms by lawmakers, opposition parties, and Nigerians over allegations of corruption. The main opposition party Action Congress of Nigeria (ACN) has claimed that the President has set up State Implementation Committees (SICs) made up of the President's campaign coordinators and the individuals were allocated funds to award contracts under the guise of infrastructure intervention (The Punch Newspapers, April 7, 2013 http://www.punchng.com/news/jonathans-alleged-diversion-of-sure-p-funds-impeachable-acn/). In Lagos for example, the party (ACN) had earlier alleged that the SURE-P funds were the cause of crisis in Lagos Peoples Democratic Party (PDP), as a faction of the party allegedly hijacked the funds, causing disaffection among its members.

Analysis posted on Premium Time's website (http://premiumtimesng.com/news/130599-why-christopher-kolade-may-resign-from-sure-p.html) suggested that SURE-P which is designed to recruit 5000 unemployed graduates in each state, boycotted the use of National Directorate of Employment (NDE) which is favoured by the SURE-P board as the recruiting agency and rather is using the SICs. If the above information is correct, it implies that SICs have become a drain pipe for recruiting all forms of political associates and passing easy money to them. The above report also claimed that the Vice President Namadi Sambo, admitted to interfering in SURE-P activities but claimed he does so only when he feels the programme's managers are slow.

Isioma Madike in February 17, 2013 wrote that the House of Representatives clashed with the executive over the implementation of SURE-P (http://nationalmirroronline.net/new/sure-p-why-lawmakers-are-fighting/). The House of Representatives had queried the duplication of projects in the programme and the reason why coordinators of the scheme have now converted it to a re-election campaign for President Jonathan. The legislators claimed the programme had gained a reputation of being re-election machinery for the President, even as some people have been brandishing it across states as a Peoples 'Democratic Party (PDP) agenda. They also queried the rationale behind the choice of projects the fund was being applied into with regards to deliverables to the grassroots, duplications that were already captured in the budget and why N500 million was spent by the secretariat within a year.

In a similar incidence, Kunle Oderemi of the Nigerian Tribune on Thursday, 04 April 2013(http://tribune.com.ng/news2013/index.php/en/component/k2/item/8837-sure-p-another-national-cake) reported thus:

> *The ACN national spokesman Alhaji Lai Mohammed had backed the allegation of the Lagos State chapter of the party that PDP had only hijacked the scheme. Mohammed said that his party had alerted the nation to the abuse of the SURE-P funds in a statement on Feb. 3 2013, but that the Federal Government, as well as SURE-P managers rushed to deny any abuse of the funds and called the party (ACN) unprintable names. "Today, the truth has prevailed as the PDP members themselves have confirmed that the SURE-P funds are being shared among them across the federation." He stated that the can of worm was actually unveiled by a faction of the PDP in Lagos. "On the basis of this, we are now calling for an independent investigation into how the money accruing to SURE-P has been disbursed since the inception of the programme, with a view to establishing to what extent the funds have been abused, and in order to prescribe the appropriate sanctions for those found culpable," Mohammed stated.*

Olasunkanmi Akoni of Vanguard Newspaper in *February 4, 2013* reported that the ACN is claiming that the State Implementation Committees (SICs) is handing the disbursement of SURE-P cash to PDP party members as a strategy to arm them with a war chest ahead of the 2015 elections. The paper also claimed that to make matters worse, the PDP is denigrating the traditional institution by using traditional rulers in some states as the conduit to distribute SURE-P funds, ostensibly to empower Nigerians but in reality to put money in the pockets of PDP supporters.

On the other hand, the ruling party (PDP) has accused the governments of states controlled by the opposition party, Action Congress of Nigeria (ACN) states of siphoning and mismanaging their share of proceeds from the Subsidy Re-investment and Empowerment Programme (SURE-P).According to Leon Usigbe and Jacob Segun Olatunji of the Nigerian Tribune Newspaper (http://tribune.com.ng/news2013/index.php/en/news/item/8701-pdp-accuses-acn-of-wasting-sure-p-fund), the ruling Peoples 'Democratic Party (PDP) had accused the opposition Action Congress of Nigeria (ACN)-controlled states of frittering away their share of proceeds from the SURE-P. The party challenged the ACN to show Nigerians what programmes they have implemented with their own shares of the saved fuel subsidy funds and lambasted the ACN for trying to politicize the SURE-P initiative of the PDP-led Federal Government. It also accused the opposition states of frittering away their own shares of the funds instead of using such for the benefit of the people.

In a reaction to the above claims and numerous other claims based on SURE-P implementation bias and party affiliations, the Labour Minister (Emeka Wogu) as reported by Wale Odunsi in Daily Post online newspaper on April 28, 2013 (http://dailypost.com.ng/2013/04/28/we-will-address-lapses-in-sure-p-fg/) assured Nigerians that government would correct any form of discrimination found in its implementation. News Agency of Nigeria, (NAN), reports that Wogu admitted that there were complaints which were as a result of administrative lapses. He said that accusation of bias against beneficiaries of the programme based on party affiliation would be looked into with the aim of finding a permanent solution. According to NAN, the Minister said that "It is a matter of administrative ineptitude".

An analysis of the above selected arguments, comments and reactions by lawmakers, opposition parties especially at the state and local government levels shows they have been more political than ideological as most of the issues raised have been moving along party divides or party lines. It is obvious from all these reports that in many states, the implementation of the programme has posed some challenges. Even states, where the opposition parties formed the executive and controlled the legislature, the members of the ruling parties have been at loggerheads over the allocation of projects that are funded by funds accruing from SURE-P. There are also claims that some influential members have used the project to expand the scope of their influence and capacity over rival camps.

In Kaduna state, a report of an ad-hoc committee of the Kaduna State House of Assembly's in June 2013 has confirmed the Sahara Reports of the looting of the Subsidy Reinvestment and Empowerment Programme (SURE-P) funds, saying that about N560 million is "missing" in the implementation of the programme at the state level. Details revealed that N3.5 million was expended merely on inscribing "2012 SURE-P Kaduna State" on 700 tricycles. The state commissioner for finance at the time disregarded a directive of the implementation committee and processed the procurement of 40 units of Nissan Sunny taxis at N3.3 million each, instead of the price agreed by the implementation committee of N2.8 million each. However, a lump sum of N560 million was said to have been received with no details and all efforts by the implementation committee and the Ad-hoc committee to get actual records of expenditure of SURE-P funds for the year 2012 from Commissioner of Finance proved abortive.

The presence of the scheme is yet to be felt in any part of Plateau State as at April 2013, contrary to widespread belief that the programme was structured to be established at federal and state levels. *The Nation Newspaper* reported that the scheme has not established any office in the state since its establishment as at April 2013 while in Delta state the only landmark of the programme is the presence of Federal Road Maintenance Agency (FERMA) workers on some federal roads, notably the Warri-Ughelli-Ibuzor-Asaba Expressway and the Warri-Abraka-Asaba road where youths are engaged for road maintenance and cutting of wild grasses on the road. Their reflective vests conspicuously marked with the SURE-P signs marked them out.

There are some positive news at the state level as the Cross River State Implementation Committee on the Subsidy Re-investment Programme (SURE-P) announced that it would provide employment for 10,000 youths under its programme in 2013. The breakdown shows that 5,000 unemployed persons would benefit from the Federal Government's SURE-P programme and another 5,000 persons from the state SURE-P from the state which will make it 10,000 before the end of 2013 and beneficiaries of the programme would be paid N10, 000 monthly stipends.

The Kogi State Government says it is set to begin the execution of its N2billion project under the Subsidy Reinvestment Programme by beginning and inspection tour of projects worth N651million spread across the twenty-one Local Government Areas of the state. These projects at various levels of completion are 327 in number in the first phase of on-going SURE-P projects. The inspection to the LGAs by the Monitoring and Evaluation Committee of the State SURE-P is to ensure the judicious use of the 70% of SURE-P funds already released to the Councils. The State SURE-P Committee also disclosed an approval for the renovation of some selected educational institutions across the State as well as the rehabilitation and equipping of a general hospital each in each of the Local Government Areas and zonal health institutions in the State as part of the state's intervention using the funds accrued from SURE-P. The State government, the Committee disclosed, will resuscitate the state transport corporation through the purchase of buses for the operation of inter and intra city transport services as well as the building of some designated bus stops in towns across the state to serve as loading points for the transport corporation through the SURE-P funds.

In Edo state as at April 2013, the SIC claimed that 3000 persons have been employed in the state under the Community Service and Youth Empowerment Project of SURE-P with an additional 2000 persons expected to be employed in June 2013.

The inconsistencies in the implementation of SURE-P programmes across state is confirmed by the National Assembly who noted that over a year into the introduction of the programme, most states and local governments had not put mechanisms in place to ensure judicious use of the money accruing to them. The House of Representatives to this end mandated its Committees on Petroleum Resources, Downstream, Finance, States and Local Government, to investigate the Subsidy Reinvestment and Empowerment.

The awareness creation of SURE-P in most states has been very low despite the huge amount of money attracted from the programme every month. Virtually all the states deliberately kept mute about the gains accruing from the partial fuel subsidy removal and have failed to educate Nigerians that state and local governments get new funds from subsidy removal on a monthly basis and that the federal government ploughs back its own portion into the various state and the local governments through SURE-P.

In summary therefore, it may not be out of place to say that there is total lack of transparency in the implementation of SURE-P at the state and local government levels when compared to the federal level of governance. A telling indicator to this is the fact that none of the Nigerian states can boast of a credible and publicly available SURE-P report for the year 2012.

3.7 SURE-P and its Sustainability Plan

The sustainability plan of SURE-P is through collaboration with various stakeholders which is the key towards achieving programme success. The committee is planning to sign memorandum of understanding with states so that the states can take over the ownership of accomplished projects domiciled in them (states); after the expiration of the federal SURE-P. The SURE-P Model is also promoting sustainable service delivery framework by delivering projects and programmes through established MDAs. This ensures sustainability by building and utilising the institutional capacity of MDAs and cascading the reformist orientation of SURE-P through these agencies to deliver projects and programmes to Nigerians.

The programme also plans to enhance sustainability by relying on a partnership with citizens through the use of social media and active feedback mechanisms from Nigerians which will further strengthen the Monitoring and Evaluation capacity to provide qualitative services.

3.8 Review and Analysis of PPMC Landing Costs

According to Ojameruaye (2012), the government's claim that it is subsidizing imported fuel cannot be disputed given the fact that the spot market price of petroleum products is far higher than the pump price at Nigeria's filling stations. In buttressing the fact, the author's analysis shows that the spot market price (North European/Rotterdam, f.o.b.) for regular petrol unleaded was $92.7 per barrel (See OPEC Bulletin, 11/2011, p. 80) or about N93 per litre in October 2011, which was much higher than the pump price of N65 per litre in Nigeria.
The PPPRA pricing template in summary has two components: via the landing cost (cost element) and the distribution margin with the former constituting over 75% of the total costs. The landing cost includes the cost and freight (C+F); trader's margin; lightening expenses; NPA; financing; jetty deport through put charge and storage charge. C+F price here is offshore Nigeria and constitute over 85% of the entire landing cost. On the other hand the distribution margins has retailers, transporters, dealers, bridging fund, marine transport average (MTA) and administrative charges. The recent PPPRA pricing template (April 2013) reveals that tax components which include highway maintenance, government tax, import tax and fuel tax have no values.

According to the PPPRA's pricing template in October 2011, the import price (c.i.f.) for petrol was N117.78 per litre and the total cost was N142.13 per litre, thus suggesting a subsidy in the region of about N77 per litre. In April 2013, the PPPRA's pricing template shows that the import price (c.i.f.) for PMS (petrol) was N117.23 per litre and the total cost was N144.07 thus suggesting a subsidy reduction in the region of N47.07 per litre only.

The dispute has been over the total amount of subsidy that the government says it has paid out to importers of petroleum products because the figures provided by different government agencies do not add up. These government MDAs include the PPPRA, NNPC and the Federal Ministry of Finance. A good example was the claim by PPPRA that the federal government has spent a whopping sum of N3.655 trillion on subsidy between 2006 and October 2011 including N1.54 trillion (i.e., 42%) during the 10 months of 2011 alone (Ojameruaye 2012). In fact, while the budget for subsidy for 2011 was N245 billion, the Federal Ministry of Finance (FMOF) stated that the government has paid N1.54trillion or about N1.3 trillion in excess of the budgeted amount as subsidy to importers between January and October 2011. At the same time, NNPC claims that the excess amount paid as subsidy was N192.5 billion which is a very far cry from the N1.3trillion claimed by the FMOF. The Executive Director of PPPRA, Reginald Stanley, told the Senate Committee that the gross amount spent on fuel subsidy from 2006 to September 2011 stood at N3.655trillion which contradicted the N1.426 trillion submitted by the NNPC as subsidy on the products as at August 2011. The Executive Director of PPPRA also debunked the alleged N450 billion kerosene subsidies owed the NNPC by the FG (Umoru, H. *Vanguard*, and December 4, 2011).

The above illustration is to substantiate the fact that there were subsidies over these years but the actual amount paid out to importers has been the main cause of disagreement and discrepancies. It also goes to substantiate the fact that there would have been marginal or no subsidies if petroleum products were refined locally.

3.9 SURE-P: A SWOT Analysis

A review of the SURE-P has raised some interesting issues and based on these issues, a SWOT analysis of the SURE-P will be carried out to showcase the strengths, weaknesses, opportunities and threats of the programme. SWOT analysis or SWOT matrix is a structured planning method used to evaluate the Strengths, Weaknesses, Opportunities, and Threats involved in a project. This involves specifying the objective of the project and identifying the internal and external factors that are favorable and unfavorable to achieving that objective or goal.

Strengths: characteristics of the business or project that gives it an advantage over others;

Weaknesses: are characteristics that place the team at a disadvantage relative to others;

Opportunities: elements that the project could exploit to its advantage;

Threats: elements in the environment that could cause trouble for the business or project.

Based on the issues identified, a SWOT matrix of the programme is presented in Table 5 below.

Table 5: A SWOT Analysis of SURE-P

STRENGTHS	WEAKNESSES	OPPORTUNITIES	THREATS
• Its objective of immediate impact mitigation of petroleum subsidy on the population, but particularly the poor and vulnerable segments is commendable. • SURE-P is a quick-win programme that can have a positive short-term effect on poverty if well implemented. • SURE-P reports on infrastructure have details of contracts awarded with the dates awarded, expected completion dates including the names of contractors and amount. This is a good step in the right direction towards transparency and such details will aid monitoring by independent organisations and individuals. • Collaboration with stakeholders and relying on partnership with citizens through the use of social media and active feedback mechanisms will enhance the sustenance of the programme if not misused. • The plan to transfer the ownership of accomplished projects to the states where the projects are domiciled is also a strong point for the sustainability of the projects. • SURE-P unlike other intervention funds has an updated, functional and well maintained website with most of the information and reports posted on time which is helping to solve the problem of information asymmetry.	• Lack of proper situational analysis and review as to the direction and the focus of the programme will pose problems for its implementation. • There is no known strategy adopted by the programme to identify and define the poor and vulnerable which is the key to achieving the goals of the programme. • Lack of appropriate legal structure and backup may lead to conflicts at some point of SURE-P implementation. • SURE-P current objectives especially objective two (2) as well as its structure and coverage portray the programme as having all-inclusive mandate which is not and should not be. • Apart from the Memorandum of Understanding (MoU) with clear roles and responsibilities for federal, state and LGA Maternal and Child Health (MCH) project, there are no clear roles for the states and local governments in other projects. This is worrisome since about 54% of the subsidy savings is warehoused by the states and LGAs. • There is totally an absence of cash	• The poor and vulnerable can benefit more than the rich from the programme if they (poor and vulnerable) are well defined, identified and targeted. • The safety net component of the programme can lift many above the poverty line if the cash transfer is well implemented. • The job creation components of the programme with its training and capacity building aspects will lead to more self-employment and boost private sector job creation schemes. • The Social Safety Net component has the potential of reducing level of poverty in the country as CSWYE scheme is targeted at women, youths and the vulnerable persons who constitute about 80 per cent of the unemployed persons in Nigeria.	• Trying to do many things with little (about 20% of the 2013 federal government approved budget) may cost the programme the desired focus and hence affect its meeting of the preferred goals. • The rush in putting up of SURE-P without proper macroeconomic studies and forecasts as well as situational analysis and proper communication affected the credibility of the programme from onset. • It is true that subsidy administration is beset with inefficiencies, leakages and corruption but there is no clear evidence or sign showing that SURE-P will be different both at the state and at the federal levels of governance. • SURE-P project execution through the Project Implementation Units (PIU's) of MDAs may frustrate the programme from operating freely without interference and hence SURE-P may yet be another failed government programme given the antecedents of the government's MDAs in project implementation. • SURE intervention in on-going projects may create incentive for possible duplication that may fuel inflation of project costs, leakages and corruption. • The lumpiness of the KPIs for safety

STRENGTHS	WEAKNESSES	OPPORTUNITIES	THREATS
	transfer in the entire SURE-P, apart from cash incentives that will be offered to pregnant women, to uptake the use of the PHCs after completing or fulfilling certain conditions. Such conditions are still not made public. • SURE-P was designed without key performance indicators (KPIs) and where available are lumped. The KPIs are still at the final stages of verification after one year of full implementation. • The KPIs for the social safety net programmes are neither SMART nor CREAM. They are too generic and lack specificity. This is a major concern because this component is vital to achieving the main objective of impact mitigation of petroleum subsidy on the population.		net programme which holds the key to achieving other objectives creates incentives for fund erosion, diversion and leakages.

Source: Author's

A look at the above SWOT matrix highlights the absence of lessons learnt from other similar interventions and other countries experiences. Some of such issues include:

- SURE-P execution through the PIU's of MDAs has raised lots of questions on the seriousness of government to implement projects that should yield quick wins through its mitigation effect. There is evidence of low absorptive capacity across MDAs as shown in the capital budget performance for the period (2008-2012) which have been disappointing hovering between 35-60 per cent especially with regards to release and utilization ratio of released funds. In the blame game and blame shifting across MDAs, there have been series of disagreements and finger pointing including issues like fund releases, cash backing, funds utilisation, monitoring of projects, etc, in use to divert citizens attentions on the fact that the absorptive capacity of these MDAs is low. A review of budget performance at the federal level has shown that it is clear that the main problem with capital budget implementation is not funding but executive capacity and managerial inefficiencies – considering the record of utilization of released funds.
- The safety net programmes should be the most important aspect of the SURE-P but it seems substantive part of the fund is moving to the infrastructure especially on-going projects which is further raising more questions on duplication of projects. This raised some dust in the National Assembly where some members accused SURE-P of carrying out tasks that other MDAs should have executed. For the majority of the lawmakers at the National Assembly, SURE-P is a duplication of efforts. They argue that MDAs are already empowered to do what SURE-P is doing.
- Even in the safety net programme, there is still concern on the selection criteria for beneficiaries of the cash transfer and other schemes.

In summary, the analysis of SURE-P achievements so far reveals that most of the projects which SURE-P has intervened in terms of funds commitment may have made some progress though this has been skewed to the infrastructure sector. The sub-units reports on social safety nets look very cosmetic and untrue looking at some conflicting claims of achievements. There is the need for Nigerian policy makers to remember that subsidies for fuel are especially problematic, because energy is a backbone of any economy. In terms of energy production and consumption, the world is an uneven playing field in terms of reserves, taxes, regulations, public versus private ownership and income availability. An abrupt end to fuel subsidies would crush the poorest hence the need for a reinvestment of the subsidy funds to ameliorate the sufferings of the very poor. This implies that such subsidy funds must be redirected in projects and programmes that have something to do with the initial reasons for the subsidy. In Nigeria for instance, subsidy was introduced because Nigerian state owned refineries have been notorious for poor performance, which has contributed to fuel scarcity being experienced nationwide. It is disturbing that there is no direct SURE-P target to the problems of refineries and local production as well as the issues that affect the refineries and local production directly like energy (power) production which can help boosts the overall economic growth. The SURE-P funds should have been used to further reduce the subsidy through new refineries and local production enhancement while also targeting the other sector that increase the cost of doing business in Nigeria – the energy (power) sector. The example of new power plants may be used – government builds and later privatized at the point of commencement of operation. This will further chip away the 50 per cent of the remaining subsidy. This would help the government further make a case for the removal of the remaining subsidy but in the meantime, the refineries can run at a profit through getting subsidized crude. The second objective of SURE-P which is to accelerate economic transformation through investments in critical infrastructure projects would be realised if the above line of action has been followed because of the results in terms of local jobs creation, value addition and even a boost in taxation to be earned by the government.

SECTION FOUR

POLICY RECOMMENDATIONS AND CONCLUSIONS

(1) Macroeconomic Studies and Situational Analysis

A review and analysis of the SURE-P objectives suggests that the subsidy reduction or removal scheme and her reinvestment components were done in a hurry without thorough macroeconomic studies and forecasts including a situation analysis. Such quick policy pronouncement failed to ask and answer simple questions such as: Why was fuel subsidy introduced in the first place? How will subsidy removal or reduction hurt the populace especially the poor and vulnerable? Is there any link between fuel subsidy and the level of economic transformation in the country? Do we have a safety net programme? If yes, is it efficient and effective? If no, do we need one and what form should it take? Failure to ask and provide answers to the above questions have been the reasons for criticizing the SURE-P because it seems not to understand the proper mitigation mechanisms needed to cushion the effect of fuel subsidy removal or reduction.

One of the problems that led to subsidising of petroleum products at the first instance is the inability for the local refineries to meet with the daily domestic demand. Nigerian state owned refineries have been notorious for poor performance, which has contributed to fuel scarcity being experienced nationwide. Even if the refineries were working at full capacity, they would still not meet local demand. The introduction of subsidy on the other hand has discouraged competition and stifled private investment in the downstream sector but SURE-P is still found wanting in attending to this remote cause of the entire imbroglio.

(2) Investments in Refining and Growth Enhancement Sectors

It is disturbing that there is no direct SURE-P target to the problems of refineries and local production as well as the issues that affect the refineries and local production directly like energy (power) production which can help boosts the overall economic growth. The SURE-P funds should have been used to further reduce the subsidy through new refineries and local production enhancement while also targeting the other sector that increase the cost of doing business in Nigeria – the energy (power) sector. The example of new power plants may be used – government builds and later privatized at the point of commencement of operation will further chip away up to 50 per cent of the remaining subsidy. This would help the government further make a case for the removal of the remaining subsidy but in the meantime, the refineries can run at a profit through getting subsidized crude. The second objective of SURE-P which is to accelerate economic transformation through investments in critical infrastructure projects would be realised if the above line of action has been followed because of the results in terms of local jobs creation, value addition and even a boost in taxation to be earned by the government.

(3) Enhance Transparency and Accountability

Evidence from other countries' effective subsidy removal or reduction reform programmes has suggested that communications, consultation and transparency have been the key and unfortunately these factors have been missed in Nigeria right from the onset of SURE-P. The SURE-P, if it is to be effective, should start with full transparency at all stages, stating aims, circulating research findings, setting out the options, and discussing implementation proposals and reasonable and truthful progress.

(4) Streamline Investments

There is the need to remember that empirically, impacts of subsidy removal or reduction are felt in three major dimensions as outlined above but its impact on and off the distribution and transport system are the one that needs urgent attention because achieving that will help to position the country in question towards achieving the other two effects.

Looking at the scope and coverage currently adopted by SURE-P, it should have been more reasonable if Vocational Training Schemes; and Agriculture Projects under the Safety Net Project as well as the Niger Delta Development Projects, Roads and Bridges Projects, Rail Transport Projects; and Information and Communication Technology (ICT) under the Infrastructural Project be continuously tackled using the annual provisions of the budget and the Medium Term Expenditure Framework (MTEF) already in place. This is because most of these projects are supposed to be on-going projects as they have been identified in the Nigeria Vision 20:2020; the first National Implementation Plan (NIP) of 2010-2013 as well as the Transformation Agenda of the government, expected to be fully implemented by the 2015. The infrastructural components of SURE-P should have been new refineries and the energy (power) sector because of the direct and rippling effect these two sectors will have in the Nigerian economy in the medium term.

If the above holds, SURE-P which is a programme introduced to mitigate the immediate impact of the petroleum subsidy on the population, but particularly the poor and vulnerable segments should concentrate on Maternal and Child Health (MCH) programme; Community Services/Women and Youth Employment (CSWYE) Programme; Urban Mass Transit Programme; and Water Projects as well as a massive Unconditional Cash Transfer Programme to households and individuals in the bottom quintile. It should also provide support for small businesses through the building of new refineries and power plants before getting involved in the other components as currently composed. This will also help to avoid duplication and repetition of projects especially the on-going projects which have been a conduit pipe for corruption and ineffectiveness of public financing in Nigeria.

(5) Identify and Target the Poor

The structure of SURE-P is still lacking in identification of the poor and vulnerable. The programme structure seems too generic and lack specifics, methodologies and clear definitions. This is more evident in the Maternal and Child Health Programme. These social safety nets are particularly important in Nigeria as the country undergoes the demographic transition with a projected significant increase in the young population of working age, providing an opportunity for the country to realize its demographic dividend. Therefore, proper definition and identification of the targets will be a boost to the realisation of set goals.

(6) Need for a Legal Framework

SURE-P projects which is being executed through the Project Implementation Units (PIU's) domiciled across the federal government Ministries, Department and Agencies (MDAs) may not be as successful as the PTF programme which has its own implementation plan and methodologies that allowed it operate freely without interference from the MDAs. For SURE-P to enjoy such privilege, there is the need for legal framework and backing.

(7) Honest Reporting

An analysis of the SURE-P sub-unit reports reveals that most of the projects which SURE-P have made some interventions in terms of funds commitment and some progress have been in the infrastructure sector. The sub-units reports on social safety nets look very cosmetic and untrue when one tries to compare the claims and the situation on ground. This violates transparency and accountability. Untrue reports will further undermine the programme which most citizens are weary of from the onset.

(8) Introduce Civil Society Oversight

The Nigerian government must implement a transparent system for redirecting and monitoring the use of funds from the fuel subsidy programme so that its citizens can review and scrutinize the expenditure. The government through SURE-P has claimed readiness to redirect the funds from the subsidy into infrastructure, support for small businesses and safety net programs. This is a step in the right direction, but the success of these programmes rests on having proper oversight and participation of the civil society which is currently missing. The government should assemble a committee of key civil society organizations to oversee the investment of these funds. Unlike the fuel subsidy itself, these programmes should be targeted towards helping the poor including programmes to reduce maternal and infant mortality and improve those conditions that led to the introduction of subsidy in the first instance. Most importantly, the programmes must be tied to Nigeria's overall development goals. The government and the proposed civil society oversight committee must prioritize sustainable investments that will have a long-term development impact. Pork barrel type investments spread across the country will not do Nigerians any good but targeted green field investment in refineries and energy (power). This is the only way the country can benefit from the improved fiscal space as a result of the withdrawal of the petroleum subsidy and hence offers an opportunity to accelerate investments in critical infrastructure that will directly spur economic growth and create jobs. Nigerians are craving for improved power, road, rail and other infrastructure to deliver inclusive economic growth and improve their quality of life but that has to be done logically and systematically to avoid defeating the aim at the end.

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ANNEXES

SURE-P: How They Shared N35bn in March 2013: APRIL 2013 ECONOMIC CONFIDENTIAL
A total sum of N35.549.235.691.43 was shared to tiers of government from foreign excess crude savings account being SURE-P for the month of March. 2013

STATES	FED. & STATES ALLOCATION	TOTAL DERIVATION OIL & GAS	TOTAL (3+4)	TOTAL DEDUCTION	STATE NET	LG NET ALLOCATION	TOTAL
ABIA	199,183,012.18	50,276,217.56	249,459,229.75	0.00	249,459,229.75	132,856,248.85	382,315,478.60
ADAMAWA	222,361,950.21	0.00	222,361,950.21	0.00	222,361,950.21	170,973,058.29	393,335,008.50
AKWA IBOM	224,954,188.86	1,378,494,489.87	1,603,448,678.73	0.00	1,603,448,678.73	225,479,070.40	1,828,927,749.13
ANAMBRA	224,602,740.14	0.00	224,602,740.14	0.00	224,602,740.14	169,485,909.75	394,088,649.89
BAUCHI	260,499,19-1.38	0.00	260,499,197.38	0.00	260,499,197.38	196,021,367.91	456,520,565.29
BAYELSA	178,390,083.41	889,804,479.20	1,068,194,562.62	0.00	1,068,194,562.62	72,119,185.87	1,140,313,748.49
BENUE	240,118,202.24	0.00	240,118,202.24	0.00	240,118,202.24	199,313,939.31	439,432,141.55
BORNO	264,937,427.31	0.00	264,937,427.31	0.00	264,937,427.31	229,066,440.44	494,003,867.75
CROSS RIVER	208,741,615.25	0.00	208,741,615.25	0.00	208,741,615.25	142,348,892.07	351,090,507.33
DELTA	224,820,803.01	860,047,280.48	1,084,868,083.60	0.00	1,084,868,083.50	188,148,007.01	1,273,016,090.50
EBONYI	184,346,679.91	0.00	184,346,679.91	0.00	184,346,679.91	101,413,913.17	285,760,593.08
EDO	209,831,347.48	95,076,075.36	304,907,422.84	0.00	304,907,422.84	142,475,528.56	447,382,951.40
EKITI	185,951,986.02	0.00	185,951,986.02	0.00	185,951,986.02	115,897,035.57	301,849,021.60
ENUGU	209,798,485.10	0.00	209,798,485.10	0.00	209,798,485.10	137,315,958.99	347,114,444.09
GOMBE	197,218,823.42	0.00	197,218,823.42	0.00	197,218,823.42	100,199,358.02	297,418,181.44
IMO	223,983,735.28	50,521,151.80	274,504,887.08	0.00	274,504,887.08	198,823,445.00	473,328,332.08
JIGAWA	246,025,996.88	0.00	246,025,996.88	0.00	246,025,996.88	208,596,258.31	454,622,255.19
KADUNA	280,398,613.28	0.00	280,398,613.28	0.00	280,398,613.28	223,733,268.37	504,131,881.65
KANO	351,426,578.86	0.00	351,426,578.86	0.00	351,426,578.86	367,177,538.94	718,604,117.80
KATSINA	267,258,862.08	0.00	267,258,862.08	0.00	267,258,862.08	268,446,028.26	535,704,890.34
KEBBI	223,546,405.10	0.00	223,546,405.10	0.00	223,546,405.10	166,751,669.12	390,298,074.22
KOGI	222,988,452.43	0.00	222,988,452.43	0.00	222,988,452.43	172,832,640.92	395,821,093.35
KWARA	203,202,366.32	0.00	203,202,366.32	0.00	203,202,366.32	132,731,082.36	335,933,448.68
LAGOS	317,451,352.14	0.00	317,451,352.14	0.00	317,451,352.14	223,034,666.90	540,486,019.04

STATES	FED. & STATES ALLOCATION	TOTAL DERIVATION OIL & GAS	TOTAL (3+4)	TOTAL DEDUCTION	STATE NET	LG NET ALLOCATION	TOTAL
NASSARAWA	190,390,397.30	0.00	190,390,397.30	0.00	190,390,397.30	106,213,336.62	296,603,733.92
NIGER	260,032,785.44	0.00	260,032,785.44	0.00	260,032,785.44	215,236,982.64	475,269,768.07
OGUN	217,325,396.60	0.00	217,325,396.60	0.00	217,325,396.60	159,271,123.48	376,596,520.09
ONDO	208,417,746.92	172,720,227.52	381,137,974.44	0.00	381,137,974.44	147,015,569.19	528,153,543.62
OSUN	206,121,702.93	0.00	206,121,702.93	0.00	206,121,702.93	200,355,787.35	406,477,490.28
OYO	259,688,453.51	0.00	259,688,453.51	0.00	259,688,453.51	256,202,292.15	515,890,745.66
PLATEAU	218,086,339.61	0.00	218,086,339.61	0.00	218,086,339.61	146,653,569.39	364,739,909.00
RIVERS	243,814,708.78	1,124,460,718.09	1,368,275,426.88	0.00	1,368,275,426.88	192,035,941.54	1,560,311,368.42
SOKOTO	231,843,424.98	0.00	231,843,424.98	0.00	231,843,424.98	184,085,706.92	415,929,131.90
TARABA	219,601,041.97	0.00	219,601,041.97	0.00	219,601,041.97	146,535,520.45	366,136,562.42
YOBE	217,946,996.45	0.00	217,946,996.45	0.00	217,946,996.45	142,103,732.34	360,050,728.78
ZAMFARA	218,609,626.97	0.00	218,609,626.97	0.00	218,609,626.97	133,410,084.48	352,019,711.45
FCT-ABUJA	0.00	0.00	0.00	0.00	0.00	56,773,861.66	56,773,861.66
Domestlc Excess	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Escrow Account (Rivers &Akwa-Ibom states)		0.00	0.00	0.00	0.00	0.00	0.00
SUB TOTAL	8,263,917,525.77	4,621,400,639.89	12,885,318,165.66	0.00	12,885,318,165.66	6,371,134,020.62	19,256,452,186.28
FGN and FCT	16,292,783,505.15	0.00	16,292,783,505.15	0.00	16,292,783,505.15		16,292,783,505.15
Cost of Collection (FIRS & NCS)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DEDUCTIONS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
GRAND TOTAL	**24,556,701,030.93**	**4,621,400,639.89**	**29,178,101,670.81**	**0.00**	**29,178,101,670.81**	**6,371,134,020.62**	**35,549,235,691.43**

Sources: http://economicconfidential.net/new/financial/facts-a-figures/1306-sure-p-how-they-shared-n35bn-in-march-2013-