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Is there Synergy between Key Economic Development Policies and Financial Commitments on Infrastructural Projects in Nigeria for the Period 2010-2013?

Uzochukwu Amakom

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***Uzochukwu Amakom, Ph.D*[1]**

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CSJ

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[1] Author's email: **uamakom@afriheritage.org**

LIST OF ACRONYMS

Acronyms	Meaning
3Cs	Continuity, Consistency and Commitment
BRIC	Brazil, Russia, India and China
CSJ	Centre for Social Justice
CSOs	Civil Society Organisations
DGO	Domestic Gas Obligation
FAAN	Federal Airports Authority of Nigeria
FCT	Federal Capital Territory
FGN	Federal Government of Nigeria
FMBN	Federal Mortgage Bank of Nigeria
FSP	Fiscal Strategy Paper
GDP	Gross Domestic Product
GTS	Gas Transmission System
HURILAWS	Human Rights Law Service
ISEX	Inner Southern Expressway
KPIs	Key Performance Indicators
KPPs	Key Priority Projects
KWH	Kilo Watt per Hour
LNG	Liquefied Natural Gas
MAN	Manufacturers Association of Nigeria
MDAs	Ministries, Departments and Agencies of Government
MDGs	Millennium Development Goals
MPR	Monetary Policy Rate
MTEF	Medium Term Expenditure Framework
MTEFs	Medium Term Expenditure Frameworks
MW	Mega Watts
NAMA	National Airspace Management Agency
NAOC	Nigeria Agip Oil Company
NCAA	Nigerian Civil Aviation Authority
NDDC	Niger Delta Development Commission
NEEDS	National Economic Empowerment and Development Strategy
NGOs	Non-Governmental Organisations
NIP	National Implementation Plan
NIPP	National Integrated Power Projects
NLSS	Nigeria Living Standard Survey
NNPC	Nigerian National Petroleum Corporation
NPV	Net Present Value
NV	Nigeria Vision
OSEX	Outer Southern Expressway
PMS	Premium Motor Spirit

PPP	Public Private Partnership
R&D	Research & Development
SMEs	Small and Medium Enterprises
SURE	Subsidy Reinvestment and Empowerment
SURE-P	Subsidy Reinvestment and Empowerment Programme
TA	Transformation Agenda

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[2] The 2013 Budget is yet to be approved and signed into law by the time of the study

SYNOPSIS

Budget all over the world is a translation in financial terms of the action programmes mostly the economic development policies of the state, coordinating planned expenditures with expected revenue and proposed borrowing operations. With all the budgets appropriated in the last decade in Nigeria the growth of the GDP has been below the 7% bound mark suggested for breaking the shackles of poverty in any developing and less-developed economy. It is true that economic growth potential seems to be improving but the attributes economic development is still far from being achieved hence this review to ascertain how realistic are the economic development policies packaged in different formats (founding and later documents); the level of harmony or consistency between the founding and later documents; funding gaps; as well as challenges in realising the outlined goals of the economy.

The review found that both the founding documents and later documents identified same key problems and same broad sectors and sub-sectors (productive/real; regional development; human capital development; and physical infrastructure sectors) for fixing the country's problem but with different financial proposals for different sectors investment. The review also found that capital investment projections were only met for defence and security. The greatest challenge and inconsistency with these policy documents can be gleaned from an evaluation of the structural composition of growth drivers in the country. On the infrastructural front, the review focused on key infrastructures and capital projects under power, transportation including roads, bridges, railway, airways and waterways subsectors as well as housing, power, FCT and the Niger Delta region.

In terms of recommended priority under the rail subsector, there were no allocations for the completion for the period for some key identified projects while under the roads and bridges construction and rehabilitation, some of the key projects are yet to attract capital vote while tangible work on some of the projects with some capital votes are yet to commence. There is confusion on the methodology for Public-Private Partnership (PPP) as appeared in these key documents while most of the line items were only included for the sake of inclusion because the numbers don't add up under roads and bridges. Seaports development attracted no capital funding during the period while some key identified priority projects in the Niger Delta region attracted nothing during the period unlike the FCT where over 90% of the identified projects have either commenced or about to with yearly capital votes. The power sector has most of her allocation in favour of power transmission, power distribution and expansion including rural electrification as well as power generation during the period. In terms of the proposed hydro power plants/dams, budget allocations for the period have only been extended to two of such proposed plants/dams (Oyan Small Hydropower Dam and Mambilla power plant) while the other 15 power plants are yet to have any capital vote extended to them. In the housing sector, the construction of 600,000 housing units under public-private partnership (PPP) for the period attracted only N604 million; and construction of 240,000 affordable housing units attracted N12.630 billion during the period 2010-2013. The new SURE-P in 2012 has the government budgeting N21.7 billion which would cover the dualisation of the East-west roads with some other critical roads, including Abuja-Abaji, Abuja-Lokoja, Kano-Maiduguri as well as Benin-Shagamu and Ajebandele-Ofosu roads rehabilitation. For the transport sector, N33.36 billion is earmarked for the Lagos-Kano rail line, Port Harcourt-Maiduguri rail line and Kaduna-Abuja roads. Under the service wide vote, the SURE-Programme board has been allocated N1 billion.

A review of both the founding and later documents shows some serious inconsistencies in implementation strategies and resource mobilization. The founding documents apart from having a sector specific implementation strategies recognised that plan implementation depends on active participation, effective cooperation and collaboration by all tiers of government as well as constructive partnership with other stakeholders. The later documents failed to recognize that active participation, effective cooperation and collaboration by all tiers of government including other stakeholders are important towards achieving the stated goals and targets. The later documents banked on the review of the current revenue allocation formula to achieve a more balanced fiscal federalism which will boost implementation. The later documents failed to recognize the importance of linking plans and budgets to strategic long term goals as well as clear articulation of KPIs based on expected deliverables and outcomes which has implications on the results of such policy as marred by poor allocative efficiency, operational inefficiency and fiscal indiscipline.

Both the founding and later documents lack clear and achievable private sector-led development strategy. Inconsistencies due to different implementation strategies and approaches from both documents are already posing problems towards achieving the goals and targets set out by these policies. The review also found the existence of serious funding gaps on investment projections between the founding documents and the later documents across all the major broad sectors but more pronounced in human capital development, physical infrastructure and productive/real sectors.

In summary, the later documents investment projections and implementation strategies may not be able to achieve the overall goals of the economy by the year 2020 due to inconsistencies and lack of depth with the founding documents. Based on the findings, the review made some recommendations.

INTRODUCTION

1.1 Background and the Objectives of the Review

Getting rid of poverty and other social inequalities and undoing the damage to the environment is, of course, a long-term undertaking. One of the functions that people routinely expect governments to perform is to reduce inequality and poverty. According to Sahn and Younger (2000)[3], these goals sit somewhat uncomfortably beside the more traditional concerns among economists for economic efficiency, including the provision of public goods. Nevertheless, it is possible to gauge the extent to which governments are moving in the direction of meeting their commitments to social and economic aims, through a scrutiny of their policy and budgetary activities. Public budgeting is at its essence about the generation and use of public resources. Examination of public budgets tells us whether governments' allocation of public resources is in line with the commitments they have made in terms of policy pronouncements. Budgets matter precisely because they are powerful policy tools with profound implications for social equity outcomes. Budget is equally important politically and socially, perhaps more so than issues of economic efficiency. Even the most neo-classical policymaker is adhering to the policy's consequences for the poor. In a similar vein, debates about developing massive poverty alleviation which is the general objective of the Millennium Development Goals (MDGs) are currently dominated by many issues especially development finance (budget), gender, democracy, etc.

Budget all over the world is an important tool of governance and the second most important document after the constitution. It is the translation in financial terms of the action programme of the state, coordinating planned expenditures with expected revenue and proposed borrowing operations. Going by the words, of Agbakoba & Emelonye (2001)[4], the budget is a national plan that cuts across departmental boundaries and ties together all plans and projects.

Current literature has shown that one of the observed development effort where people at the lower quintiles benefits can be felt very fast is the issue of development financing through the budgets. It has been observed that why progress towards achieving most of the Millennium Development Goals (MDGs) is so slow is in part a failure to attach money to policy commitments. Whilst government budgets have allocated resources in a way that has perpetuated biases, budgets also offer the potential to transform inequalities.

Nigeria's economic growth indices since the return to democracy in 1999 have recorded mixed results. The performance of the economy during the period 1999-2009 was mixed with Gross Domestic Product (GDP) growth at average of 6.5%, partially driven largely by non-oil sectors. Domestic price level was fairly stable with inflation declining marginally from an average of 11.9 % in 1999 – 2003 to 11.6% in the 2004 – 2009 periods. The growth of the GDP for the period was above the 3.2% average population growth rate but below the 7% bound mark suggested for breaking the shackles of poverty in any developing and less-developed economy.

[3] Sahn, D., & S. Younger. 2000. "Expenditure Incidence in Africa: Microeconomic Evidence." *Fiscal Studies* 21(3):329-48.

[4] Agbakoba, O. & U. Emelonye 2001. "Test of Progressive Realization of Economic, Social and Cultural Rights in Nigeria (1990 – 1999 Budget Analysis)", Lagos, HURILAWS, pp. 11

Also agriculture was the dominant sector during the period. Therefore, while the economic growth potential was improving in the period, the attributes economic development was still far from being achieved.

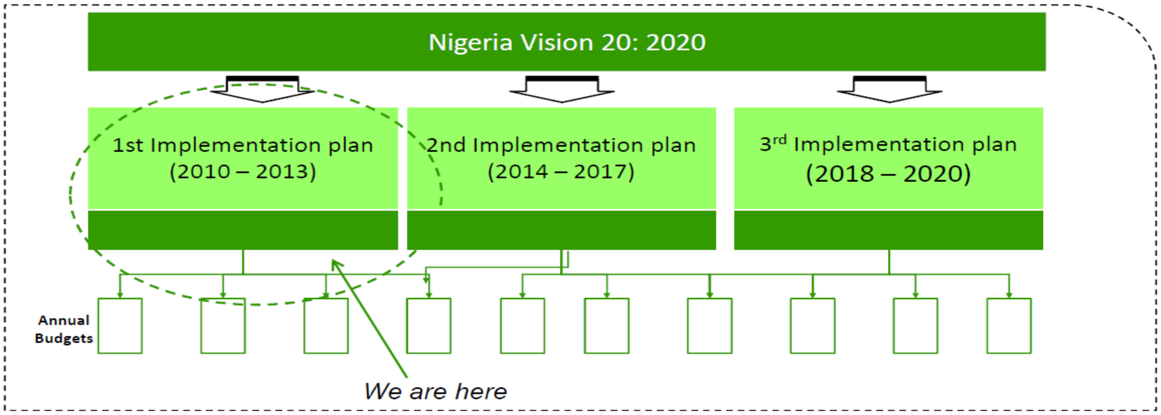
The external sector recorded current account balance surplus during 1999 –2008, except 2009 due to lagged effect of the global financial crisis. Nigeria exited the Paris club in 2006 and maintained low debt/GDP ratio during the period. The period also recorded a stable exchange rate.

The Federal Government of Nigeria (FGN) in trying to move on the path of sustainable economic development path that can solve the problems of poverty and inequality in 2009 came up with a perspective plan called Vision 20:2020 emanating from the questions posed by an interesting piece of research conducted by the leading US investment bank, Goldman Sachs and his team where they asked "which other countries can join the Brazil, Russia, India and China (BRIC) along the G7 countries in becoming the leading global economies by the year 2020". Their research produced some interesting results. They estimated that by the year 2025, the top 20 global economies will be comprised of: The G-7 countries, namely: US, Japan, Germany, UK, France, Italy and Canada; plus the BRIC: Brazil, Russia, India and China making a total of 11 countries. The remaining 9 countries were predicted as: Korea, Mexico, Indonesia, Turkey, Iran, Vietnam, Pakistan, Philippines and Nigeria. The FGN based on the above study decided to move from research to reality by coming up with an economic development blueprint and a perspective plan: Vision 20:2020.

It is noteworthy that medium-tem, rolling planning and perspective planning are no longer new in Nigeria because Nigeria has had a relatively long planning experience, starting with the Colonial Development Plan for Economic Development and Welfare (1958-1968) to the five-year fixed medium-term development plans that were adopted after independence in 1960. Medium-term development plans adopted after independence are 1970-1974, 1975-1980 and 1981-1985 development plans while the Structural Adjustment Programme (SAP) which was introduced in 1986 and lasted to 1988. Thereafter, three-year National Rolling Plans were adopted and implemented until the return to democratic governance in 1999. The first Rolling Plan covered the period 1989-1991. This was followed by the 1990-1992, 1991-1994, 1992-1995 respectively before they were truncated for a period of nearly 10 years, 1995-2004.

Vision 20:2020 just as other previous plans contains macroeconomic and strategic framework which encompass the vision statement, strategic objectives, plan and programme thrusts, national investment priorities, macro-economic policy thrusts, projections and outlook that will drive the development of the economy. In pursuance of the goal set in the Vision20:2020, NV 2020 is to be implemented through three medium term development plans as presented in figure 1 below thus:

Figure 1: Nigeria Vision 20:2020 and the three medium term development plans



Source: Extract from the Presentation of Shamsuddeen Usman, Minister of National Planning at the Validation Workshop on the First Four-Year Implementation Plan for NV 20:2020, Eko Hotel and Suites, Lagos, 5 August, 2010

Based on the three medium term development plans (2010-2013; 2014-2017; and 2018-2020), Medium Term Expenditure Frameworks (MTEFs) and annual budgets for various years will be drawn.

The current administration in line with the tenets of NV 20:2020 came up with an agenda called the ***Transformation Agenda*** that will help correct lack of continuity, consistency and commitment (3Cs) to agreed policies, programmes and projects as well as an absence of a long-term perspective. The Transformation Agenda draws its inspiration from the NV 20:2020 and the First National Implementation Plan (NIP) of 2010-2013, with the aim of deepening the effects and provide a sense of direction for the current administration over the next four years. The agenda is based on a set of priority policies and programmes which when implemented will transform the Nigerian Economy to meet the future needs of the Nigerian people.

The year 2013 is the last year for the implementation of the NIP and economic and social indicators in Nigeria have still not improved significantly hence the need for a review of the key federal level strategic documents vis, Vision 20: 2020 and its First National Implementation Plan (founding documents), the Transformation Agenda, MTEF 2013-2015, the SURE-P and budgets 2010-2013 (later documents) etc. The objective of this review is to highlight major infrastructure and capital programme commitments. The posers to be resolved through the review are:

a. What are the major infrastructures or capital projects identified by these documents?
b. How realistic are the projections in these documents in terms of the realisability of its goals on capital projects?
c. Is there harmony or consistency between the provisions of the founding documents such as Vision 20: 2020 and its Implementation Plan and the later documents such as the Transformation Agenda and the MTEF?
d. What are the challenges posed by any identified inconsistencies?
e. Are there funding gaps between the founding and later documents?
f. What are the implementation issues and challenges in the founding and later documents?

2.0 THE REVIEW OF FOUNDING AND LATTER DOCUMENTS

2.1 Vision 20: 2020 and the First National Implementation Plan (NIP)

The NV 20:2020 economic transformation blueprint is a long term plan for stimulating Nigeria's economic growth and launching the country onto a path of sustained and rapid socio-economic development. The blueprint articulates Nigeria's economic growth and development strategies for the eleven-year period between 2009 and 2020, and is expected to be implemented using a series of medium term national development plans. The first of such plan is the FIP that covers the period 2010-2013. The vision statement of Vision 20:2020 is hinged on the recognition of the enormous human and natural endowments of the nation, hence the vision is an expression of Nigeria's intent to improve the living standards of her citizens and place the country among the Top 20 economies in the world with a minimum GDP of $900 billion and a per capita income of no less than $4000 per annum by the year 2020. The vision statement reads thus:

> *By 2020, Nigeria will have a large, strong, diversified, sustainable and competitive economy that effectively harnesses the talents and energies of its people and responsibly exploits its natural endowments to guarantee a high standard of living and quality of life to its citizens.*

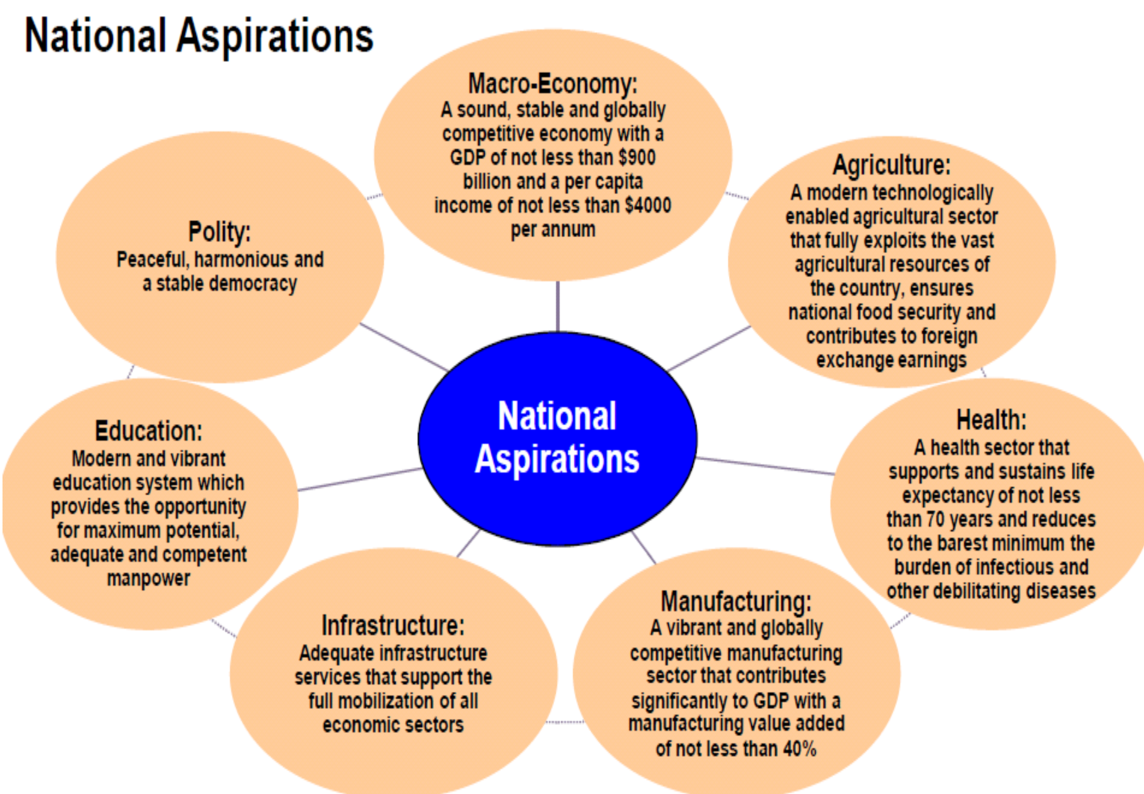
In summary the vision anchored on 2 specific targets, by 2020: GDP of not less than US$ 900 billion and a per capita income of not less than US$ 4,000. Look at the Vision has revealed that from here on deriving the plan is almost mechanical while growth is aimed at improvement in the quality of life of Nigerians. Vision 20:2020 sees people as the fundamental reason for growth hence its efforts towards achieving inclusiveness, equity and balanced development. The six main policy thrust of Vision 20:2020 are:

- Bridging the Infrastructure gap to unleash economic growth and wealth creation;
- Optimising the sources of economic growth to increase productivity and competitiveness;
- Building a productive, competitive and functional human resource base, for economic growth and social advancement;
- Developing a knowledge-based economy;
- Improving governance, security, law and order and engendering more efficient and effective use of resources to promote social harmony and conducive business environment for growth; and
- Fostering accelerated, sustainable social and economic development in a competitive and environmentally friendly manner.

Both NV 20:2020 and the NIP observed that public sector funding have been insufficient hence the need for critical complimentary from the private sector funding (domestic and foreign) as well as improvement in the financial sector's role in mobilizing funding. This is the only way Nigeria will have a large, strong, diversified, sustainable and competitive economy that effectively harnesses the talents and energies of its people and responsibly exploits its natural endowments to guarantee a high standard of living and quality of life to its citizens.

NV 20:2020 and the NIP also observed some key development challenges as: inadequacy of critical infrastructure; high level of youths and graduate unemployment; weak research for development and innovation; subsistence agriculture; minimal contribution of the manufacturing sector to employment; fiscal sector continuous constrained by dominance of oil revenue; concerns with the growth of sub-national (state-level) debt; etc. These key challenges were used to develop the various national aspirations that can help the economy develop sustainably as presented in figure 2 below:

Figure 2: Nigeria's Aspirations by 2020



Source: Extract from the Presentation of Shamsuddeen Usman, Minister of National Planning at the Validation Workshop on the First Four-Year Implementation Plan for NV 20:2020, Eko Hotel and Suites, Lagos, 5 August, 2010.

Against the background of the numerous challenges and constraints obstructing the growth and development of the country, the first National Implementation Plan (NIP) identifies some of the actions that will ensure the successful realisation of the vision as follows:

- Expansion of investments in critical infrastructure;
- Fostering private sector-led non-oil growth to build the foundation for economic diversification;
- Investing in human capital development to enhance national competitiveness;
- Changing the value system to encourage honesty, industry and eliminating the culture of worshipping money;
- Entrenching merit as a fundamental principle and core value;
- Addressing threats to national security;
- Deepening reforms in the social sector and extending reforms to the states and local governments;
- Correcting the weaknesses inherent in the revenue allocation framework;
- Intensifying the war against corruption; and
- Establishing the process for free and fair elections.

The NIP recognizes the adverse effects of the well-known major constraints to growth and sustainable national development. It accordingly provides for the achievement of double digit economic growth rate by 2013 as a basis to overcome the challenges and lay a solid foundation for national development for the next two medium terms (2014-2017; and 2018-2020).

The programmes and projects contained in the first NIP are those considered vital or priority projects for the purpose of realizing the goals of the Vision and the first NIP. These are physical infrastructure (power, energy, transportation, water, housing, etc); human capital development; productive sector; regional development; governance and security, knowledge-based economy and general administration with shares of 3 per cent, respectively. Thus, public sector investment priorities will be on the rehabilitation and expansion of the nation's stock of infrastructure and on those areas critical for growing private sector investment. A good example of such target is in the power sector where the goal of NV20:2020 is to generate, transmit and distribute 35,000MW of electricity by 2020, and to ensure that the power sector is able to efficiently deliver sustainable, adequate, qualitative, reliable and affordable power in a deregulated market. It is expected that the power sector will ultimately be private sector-driven. The overall target for the plan period is to increase electricity generation, transmission and distribution from the 3,700MW capacity in December 2009 and to increase per capita consumption from the current 125KWH to 500KWH over the plan period.

In line with the above objectives, the NIP has the following main policy thrusts:

- Addressing the infrastructure problems to promote economic growth and wealth creation;
- Making the best use of the sources of economic growth to increase productivity and competitiveness;
- Building a productive, competitive and functional human resource base;
- Developing a knowledge-based economy;
- Improving governance, security, law and order and engendering a more efficient and effective use of resources; promoting social harmony and a conducive business environment for growing the economy; and
- Fostering accelerated, sustainable social and economic development in a competitive and environmentally friendly manner.

The programmes and projects of the NIP are grouped under the following six thematic areas viz: Physical Infrastructure Development (power, transport, oil and gas infrastructure, housing and water resources); Productive Sector; Human Capital Development; Governance and General Administration; Regional Development; and Developing a Knowledge-based Economy. In summary, Nigeria's Vision and the first NIP recognises that a total capital allocation of approximately N10 trillion will be distributed to different sectors in the period 2010-2013.

2.2 Identified Infrastructure Need and Key Initiatives, Projects and Programmes (Vision 20:2020 and the First NIP Sectoral Plans and Projects)

Power

According to NIP, Nigeria requires 1,773 million standard cubic feet per day (MMscfd) of gas to generate 6,000MW of electricity and 4,787MMscfd to generate 16,000MW of electricity by 2013 from gas-fired thermal power generation plants. However, completion of on-going government and joint venture gas infrastructure projects will increase the available generation capacity to 9,089MW of electricity with 2,685MMscfd of gas resulting in a shortfall of 6,911MW of electricity and 2,102MMscfd of gas by 2013.

The key initiatives, projects and programmes that will facilitate the realization of the gas supply shortfall by 2013 include the development of gas resources from Obiafu/Obrikom fields held by Nigeria Agip Oil Company (NAOC); the construction of a 100km 48" pipeline to evacuate gas through the East-West interconnector gas pipeline from Obiafu/Obrikom in the East to Oben node in the West. The total project estimate is N33 billion, and is expected to be completed over a one year period. The other project is the construction of a 30km gas pipeline from the existing export line. There is also the need to extend the Gas Transmission System (GTS1) to Obigbo North Spur line in Rivers State to evacuate gas to the Afam thermal power plant. The pipeline was to be completed by 2011 and expected to feed gas directly from the LNG export line once the Domestic Gas Obligation (DGO) is implemented. There is also the construction of a 400km gas pipeline through Calabar-Umuahia-Ajaokuta to supply gas to the power plants in the Eastern part of Nigeria such as Alaoji, Geometric power plant, etc. The phase I of the project will be completed by 2013. The total proposed investment in the sector, during the plan period is N880.98billion. This will cover investments in four major areas: power generation; transmission; distribution; and alternative energy.

The Transport Sector

At present, the transport system is characterised by a moribund rail system, large sections of impassable inland waterways, inadequate port infrastructure, poor and badly maintained road networks, poor interconnectivity of all transport systems, inadequate and poorly maintained airports. In view of these challenges, Nigeria now aspires to evolve a multimodal, integrated and sustainable transport system, with greater emphasis on rail and inland waterways transportation.

Roads and Bridges

Nigeria has a total road network of 193,200 kilometres, comprising 34,123 km federal roads, 30,500 km state roads, and 129,577 km local government roads. The Nigerian road network is characterized by inadequate routine and emergency maintenance coupled with poor initial construction and design. The inadequate maintenance and neglect of roads implies a loss of network value of N80 billion per year and an additional operating costs of N35 billion per year.

Railways

Nigeria's rail network consists of 3,505 km, narrow gauge (1.067 m) single track rail lines running from Lagos to Kano and Port Harcourt to Maiduguri and the uncompleted 349 km of standard gauge from Itakpe to Warri via Ajaokuta. The highest number of passengers carried was 15.5 million in 1984 and the highest volume of freight was 2.4 million metric tonnes in 1977, and by 2000/1 traffic had fallen to two million passengers and less than 300,000 metric tonnes of freight due to the bad condition of the railway system in the country. To reposition the rail system, government has, therefore, embarked on a programme of rehabilitation, reactivation and modernisation of the railways.

Inland Waterways

Nigeria has 12 major inland navigable rivers of about 3,800 km. The country also has an extensive coastline of about 852 km. This offers great potential for the movement of goods and passengers from the coast to the hinterland, since these waterways traverse 20 out of the 36 states of the country. But the waterways are buffeted by various inefficiencies. Government is, however, set to tackle these inefficiencies. For instance, government has embarked on the dredging of the lower river Niger from Warri in Delta State to Baro in Niger State to enhance all year navigability. The dredging project, which spans eight states namely: Niger, Kogi, Anambra, Imo, Edo, Delta, Rivers and Bayelsa, has been divided into five lots to ensure timely completion.

Air Transport
Nigeria has a total of 21 airports and 62 airstrips. Among these are four international airports in Abuja, Lagos, Port Harcourt and Kano, and one airport in Calabar with connections to the West African sub-region. Also, there are several privately owned airstrips. The Federal Airports Authority of Nigeria (FAAN) owns and operates all but three of the 21 airports. The National Airspace Management Agency (NAMA) is in charge of air traffic control, regulations and navigational aids for aircrafts. Safety oversight and all other civil aviation issues are the responsibility of the Nigerian Civil Aviation Authority (NCAA). Passenger and cargo traffic has been growing steadily in recent years. However, many of the airports are in need of major repair and only three of them (Lagos, Abuja and Kano) cover their operating costs.

National Security
One of the key objectives of NV20:2020 is to develop an economically – prosperous, politically – stable and socially – just society where the security of lives and properties is guaranteed and underpinned by a constitutionally independent judicial system that ensures respect for the rule of law and promotes equal rights to justice. Nigeria aspires to build an economically - prosperous, politically -stable and socially – just society, where security of life and property of the generality of the people is guaranteed against victimization, from both external and internal threats or attacks in all places and at all times, be it military, economic, political or social.

2.2 The Transformation Agenda

The Transformation Agenda is a Summary of Federal Government's Key Priority Policies, Programmes and Projects for the years 2011-2015. Nigerians were meant to believe that the prioritized policies, programmes and projects contained in the Transformation Agenda were properly scrutinized by a Presidential Committee set up for this purpose. It was assisted by technical experts drawn from the public and private sectors. The agenda was in response to continuity, consistency and commitment (3Cs) to agreed policies, programmes and projects as well as an absence of a long-term perspective. It covers issues such as macroeconomic framework and economic direction, governance, sector priority policies, programmes and projects of the following key thematic areas. (i) Real sector, (ii) Infrastructure, (iii) Human Capital, (iv) Enablers (which include private investment, finance mobilization, external economic relations and diplomacy, etc.) and (v) Monitoring and Evaluation.

The key priority programmes and projects to drive the Transformation Agenda were selected from 20 Ministries Departments and Agencies (MDAs) and sectors of government. A total of 1,613 projects were identified; out of which 385 (about 22 per cent) were new while 1,361 (about 78 per cent) were on-going. After thorough scrutiny and on the basis of the selection criteria adopted, 685 projects (about 39 per cent of the total projects considered) were admitted into the programme during the 2012-2015 period. The number and cost of these projects in respect of each MDA/Sector were carefully done to drive government spending for the period 2012-2015. The transformation agenda in its drive to tackle public sector investment on the rehabilitation and expansion of the nation's stock of infrastructure and on those areas critical for growing private sector investment provided for sector by sector capital expenditure as follows:

Transportation including Roads, Bridges, Waterways and Airways
An estimated total investment of approximately N4.465 trillion is required for the sector for the period 2011-2015 covering roads and bridges, railways, inland waterways, ports and airports development. The main policy thrust during the Plan period is to evolve a multimodal, integrated and sustainable transport system, with greater emphasis on rail and inland waterways transportation. An enabling environment for Public-Private Partnership (PPP) is being created by designing new policies, legislation and institutional framework that would support the envisaged

transformation of the sector. Under this sector the Vision 20:2020 and NIP in the first phase of the implementation plan, is moving towards achieving the following objectives:

- Provision of adequate transport infrastructure and services for balanced socio-economic development of the country; provision of safe,
- Efficient and cost-effective transport services for the country; development of the capacity to sustain and continuously improve the quality of transport infrastructure and service delivery in the country.

Other objectives are creation of an enabling environment for private sector participation in the provision of transport infrastructure; and development of a seamless intermodal transport system. Under the NIP, it is hoped that by the end of 2013 the following projects and will be achieved under Rail, Road, Aviation, etc.

Niger Delta

The proposed investment in the Niger Delta region for the period 2012-2015 is N335.05 billion with a main policy thrust of entrenching peace and stability to drive sustainable socio-economic development in the Niger Delta Region aimed at reducing the high incidence of poverty, high rate of unemployment and high level of insecurity.

Power

The agenda recognised that power is a critical infrastructure for sustainable economic growth and development. This is because most economic activities are dependent on affordable and adequate energy for effective operation. It is critical for reducing the cost of doing business, enhancing productivity and quality of life. Due to such recognition the agenda proposed a total investment of about N1.896 trillion in the sectors for the period 2011-2015. This will cover investments in four major areas of power generation, transmission, distribution and alternative energy. This expenditure aims at increasing generation, transmission and distribution capacity, in order to provide adequate and sustainable power; intensifying rural electrification efforts in a more efficient manner; and achieving optimal energy mix using the most appropriate technology.

2.3 The 2013-2015 Medium Term Expenditure Framework (MTEF) and Fiscal Strategy Paper (FSP)

The 2013-2015 MTEF as widely known is a key component of the annual budget documentation because it ensures that the budget lies within a medium-term plan in order to achieve consistency with Government's overall economic plan. The FSP outlines the fiscal strategy, analyses expenditure and revenue figures for the years under review, details the assumptions underlying these projections, reviews the previous budget and gives an overview of consolidated debt and possible fiscal risks. Just like the previous MTEFs, the 2013-2015 MTEF presented the previous budgets (2011) performance with aggregate expenditure of N4.485 trillion as initial step towards fiscal consolidation as it improved the total level of deficit to 2.85% of GDP which is a significant reduction from the 6.06 percent of GDP in 2010. It also showed that about N857.49 billion was released out of the appropriated capital budget in 2011 with N811.28 billion cash-backed while MDAs utilized N713.3 billion after the capital year was extended to 31st March, 2012. This represents an average capital utilisation of 87.9%.

The MTEF also pointed to the fact that the 2012 budget was a further fiscal consolidation budget with an implied deficit of 2.85% of GDP; a reduction from the 2.96 percent of GDP budgeted in 2011 with an approved capital expenditure of N1.340 trillion. According to the 2013-2015 MTEF, as at the end of the second quarter of 2012, total releases for capital projects stood at N404 billion, while actual utilization as at 20th July, 2012 was 56 percent of the N324 billion cash-backed. The pace of implementation according to the MTEF has picked up sharply since the end of May, and the tempo is expected to be sustained going forward. The document highlighted on the Federal Government towards streamlining the management of the subsidy scheme, including strengthening the audit and verification process in order to improve its governance, transparency and accountability. These are expected to yield full results in 2013, while the Subsidy Reinvestment and Empowerment Programme (SURE-P) instrument will continue to be used as an intervention window to mitigate the impact of the partial subsidy removal.

The 2013-2015 MTEF put the FGN budget revenue inflow at N3.891, N4.257 and N4.573 trillion while the total capital expenditure for MDAs is put at N1.544, N1.652 and N1.704 trillion for 2013, 2014 and 2015 respectively.

2.4 Subsidy Reinvestment and Empowerment Programme (SURE-P)

The programme (SURE) 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; and
- 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.

Special Target Areas: The SURE-P has seven (7) target areas as follows:

A. Social Safety Net Programmes including Maternal and Child Health; Public Works/Women and Youth Employment Programme; Urban Mass Transit Scheme; and Vocational Training Schemes.
B. Niger Delta Development Projects (East-West Road) including Section 1: Warri-Kaiama (87km); Section 2.1: Port-Harcourt – Ahoada (47km); Section 2.2: Ahoada – Kaima (54km); Section 3: East-West Road (99km); and Section 4: East-West Road (51km).
C. Road Infrastructure Projects including Abuja-Abaji-Lokoja Dual Carriageway (200km); Benin-Ore-Sagamu Dual Carriageway (295km); Onitsha-Enugu-Port-Harcourt Dual Carriageway (317km); Kano-Maiduguri Dual Carriageway (510km); Construction of Oweto Bridge (2km); and the Construction of Second Niger Bridge (2km).
D. Rail Transport Projects including Lagos-Ibadan Standard Dual Guage (174km); Abuja-Kaduna Standard Guage (187km); Port-Harcourt-Umuahia-Enugu-Makurdi-Lafia- Kuru-Kafanchan-Jos-Bauchi-Gombe-Maiduguri (2,119km); Zaria-Funtua-Gasua-Kaura Namoda (221km); Lagos-Ibadan-Ilorin-Jebba-Minna-Kaduna-Zaria-Kano (1,124km); and Abuja Light Rail (52km).
E. Water and Agriculture Projects including Irrigation Projects of 28,850 Hectarage with 422,000 tons/year scattered all over the country; Urban Water Supply Projects including: Aba/Umuahia, Greater Onitsha, Abakaliki/Ishiagu, Okirika/Port-Harcourt, Central Ogbia, Fugar-Okpella, Illesha/Ile-Ife, Abeokuta, Little Osse, Biu and Damaturu.
F. Rural water supply.
G. Selected Power Projects with their respective generation capacities include: Mambilla Hydropower Project (2,600MW); Waya Small Hydropower Plant (0.15MW); Mbowo Small Hydropower Dam (0.125MW); Ikere Gorge Small Hydropower Dam (9MW); Oyan Small Hydropower Dam (9MW); Bakolori Small Hydropower Dam

(3MW); Tiga Dam (6MW); Chalawa Dam (6MW); Jibiya Dam (3MW); Doma Dam (5MW); Owena Dam (3MW); Goronyo Dam (6MW); Kampe Dam (2MW); Zobe Dam (3MW); Kashimbilla Dam (40MW); Dadin Kowa Small Plant (34MW); Ogwashiukwu Dam (1MW); and Galma (10MW).

H. Petroleum/NNPC Projects (Refineries) include: Bayelsa (100,000 bbls/day); Kogi (100,000 bbls/day); and Lagos (200,000 bbls/day).

In summary, SURE is a programme targeted to Agriculture, Education, Health, ICT, Petroleum, Power, Water Supply, Road and Rail transportation sectors to enhance the socio-economic well-being of the people and its implementation started in 2012.

3.0 KEY POLICY DOCUMENTS INVESTMENT PROPOSALS AND ACTUAL BUDGET ALLOCATION

3.1 Key Policies and Proposed Investments

An analysis of both the founding documents (Vision 20:2020 and the NIP) and later documents (Transformation Agenda, MTEF, Annual Budgets and SURE-P) shows there is one thing in common which is the identification of the key problems of the Nigerian economy as inadequacy of critical infrastructure. The founding documents identified other problems as high level of youths and graduate unemployment; weak research for development and innovation; subsistence agriculture; minimal contribution of the manufacturing sector to employment; fiscal sector continuous constrained by dominance of oil revenue; concerns with the growth of sub-national (state-level) debt; etc. The Transformation Agenda came into place in response to continuity, consistency and commitment (3Cs) to agreed policies, programmes and projects as well as an absence of a long-term perspective in addition to the already identified problems hence both the founding documents and later documents are interested in solving same problems. Expansion of investments in critical infrastructure in order to foster private sector-led non-oil growth to build the foundation for economic diversification as well investment in human infrastructure and capital development to enhance national competitiveness were the rudiments of all these policy documents reviewed.

Both the founding and later documents identified the same broad sectors and sub-sectors for fixing the country's problem and they are broadly grouped as Productive or Real Sector; Regional Development: Governance & Security; Human Capital Development; and Physical Infrastructure. The key policy documents also have proposed capital expenditure for fixing the Nigerian economic and infrastructural problems. While Vision 20:2020 and the First NIP have such expenditure proposal for the period 2010-2013, the Transformation Agenda has for the period 2012-2015. Also key sub sectors in both the founding documents and later documents are the same just as there is a consensus on vigorous investments in the power, transportation including roads, bridges, railway, airways and waterways subsectors as well as housing, FCT and the Niger Delta region. Similarly, the human infrastructure or human capital development component for both the founding and later documents comprises education, health, women and social development, youth development, labour and productivity sectors. A comparison between the two key policies investment proposals for the period 2012 and 2013 is presented in Table 1 below.

Table 1: Vision 20:2020 & the first NIP vis-à-vis Transformation Agenda Investment Proposal (Naira in Millions)[5]

	Vision 20:2020 & First NIP			***Transformation Agenda***			***Deviation***		
Key Sectors	**2012**	**2013**	**Total**	**2012**	**2013**	**Total**	**2012**	**2013**	**Total**
Productive/Real Sector	427,937.82	538,253.39	966,191.21	228,519.80	251,450.73	479,970.53	199,418.02	286,802.66	486,220.68
Regional Development	251,858.25	269,315.43	521,173.68	229,113.71	243,315.74	472,429.45	22,744.54	25,999.69	48,744.23
Governance & Security	235,037.73	238,511.04	473,548.77	169,846.06	188,791.21	358,637.27	65,191.67	49,719.83	114,911.50
Human Capital Development	583,319.18	602,864.30	1,186,183.48	89,420.75	186,140.51	275,561.26	493,898.43	416,723.79	910,622.22
Physical Infrastructure	930,482.44	949,544.41	1,880,026.85	419,550.00	479,680.00	899,230.00	510,932.44	469,864.41	980,796.85
Grand Total	**2,428,635.4**	**2,598,488.57**	**5,027,123.99**	**7,625,612.6**	**12,652,736.6**	**20,278,349**	**(5,196,977.14)**	**(10,054,247.9)**	**(15,251,225.1)**

Source: Vision 20: 2020; First NIP and the Transformation Agenda

[5] Numbers enclosed in parenthesis are in the negative region.

A look at the above table reveals that the policy documents have different investment proposals for different sectors in the same period. Consistently across all sectors, the founding documents have by far higher investment proposition for all period than the later documents as can be seen from the last row (grand total) in the last three columns. Some analysts may attribute this deviation to inability to forecast the future properly or simply over ambitious investment proposition while another school of thought may believe that the investment projections in the later documents were produced with the revenue profile and generation capacity in mind. It is also noteworthy that subsequent proposed investments (2014-2015) in the Transformation Agenda are on the high increasing trend across all sectors which may imply lower investment propositions at the earlier stages (2012-2013) of the agenda.

3.2: Key Sectoral Policy Investment Recommendations and Approved Allocations

A look at Table 1 above shows different investment proposals for different broad sectors shows that they are not the same with the perspective plan (Vision 20:2020) and its first NIP always by far higher than that of the Transformation Agenda. Economic projection and forecasts must be done in an organised way to avoid misleading the economy. According to McCallum (2000)[6], Today's missed economic trend is tomorrow's falling market share or squandered opportunity which means that an absolute must for reliable and consistent economic forecasting is an underlying theoretical model of how the economy fits together and works. Evaluating the FGN response in terms of financial provisions towards meeting with the sectoral investment projections of the Vision 20:2020 and its first NIP for the period is presented in Table 2 below.

Table 2: Sectoral Policy Recommendations and Approved[7] Allocations for the period 2010-2013 (Naira in Millions)[8]

Vision 20:2020 & First NIP Sectoral Investment Recommendations						
	2010	**2011**	**2012**	**2013**	**Total**	**% Share**
Productive/Real Sector	209,060.89	381,809.98	427,937.82	538,253.39	1,557,062.08	17.66
Regional Development	255,393.79	225,813.61	251,858.25	269,315.43	1,002,381.08	11.37
Governance & Security	342,338.17	226,952.30	235,037.73	238,511.04	1,042,839.24	11.83
Human Capital Development	195,131.05	512,731.79	583,319.18	602,864.30	1,894,046.32	21.49
Physical Infrastructure	599,874.06	838,596.51	930,482.44	949,544.41	3,318,497.42	37.65
Grand Total	1,601,797.96	2,185,904.19	2,428,635.42	2,598,488.57	8,814,826.14	100.00
FGN Sectors Approved Budgets	**2010**	**2011**	**2012**	**2013**	**Total**	**% Share**
Productive Sector	171,770.20	57,614.53	79,632.66	94,827.91	403,845.30	6.55
Regional Development	231,512.61	114,652.06	122,730.52	135,150.00	604,045.19	9.79
Governance & Security	726,513.61	727,430.74	921,910.00	793,531.66	3,169,386.02	51.39
Human Capital Development	184,432.95	72,896.39	120,711.32	127,006.49	505,047.16	8.19
Physical Infrastructure	609,244.11	299,145.93	352,102.54	313,473.10	1,484,846.31	24.08

[6] McCallum, J. S (2000), "Economic Forecasts: Executives Beware" http://www.iveybusinessjournal.com/topics/strategy/economic-forecasts-executives-beware#.UJ0YtIYbPIU

[7] The 2013 Budget is yet to be approved by the time of the study.
[8] Numbers enclosed in parenthesis are in the negative region.

Grand Total	1,923,473.49	1,271,739.66	1,507,967.67	1,463,989.15	6,167,169.97	100.00
Sectoral Shortfall/Overshoot						
FGN Approved Budgets	**2010**	**2011**	**2012**	**2013**	**Total**	**% Share**
Productive Sector	(37,290.7)	(324,195.4)	(348,305.2)	(443,425.5)	(1,153,216.8)	43.56
Regional Development	(23,881.2)	(111,161.6)	(129,127.7)	(134,165.4)	(398,335.9)	15.04
Governance & Security	384,175.4	500,478.4	686,872.3	555,020.6	2,126,546.8	(80.32)
Human Capital Development	(10,698.1)	(439,835.4)	(462,607.9)	(475,857.8)	(1,388,999.2)	52.46
Physical Infrastructure	9,370.1	(539,450.6)	(436,687.8)	(538,386.9)	(1,505,155.3)	56.85
Grand Total	**321,675.5**	**(914,164.5)**	**(920,667.7)**	**(1,134,499.4)**	**(2,647,656.2)**	**100.00**

Source: *Vision 20: 2020 & First NIP; FGN Approved Budgets various years (Federal Ministry of Finance)*

Analysis of the above table reveals that the FGN approved capital budgets for the period 2010-2013 for the productive/real; regional development; human capital development; and physical infrastructure sectors were by far lower than the proposed investment of the founding documents. The only broad sector that has its approved allocation higher than the proposed investment recommendation of the founding documents is the governance and security sector. It should also be noted that this sector approved FGN budget is for both recurrent and capital as the sector requires humans to carryout out most of its functions hence the only sector that records an overshoot as against other sectors with serious shortfalls.

The review looked at the proposed investments across key infrastructures (physical, human, real/productive and regional development) as against the proposition of the Transformation Agenda for the period 2012 and 2013 and the detailed analysis is presented in Table 3 below.

Table 3: Size and Structure of the Federal Government Transformation Agenda Sectoral Investments and Commitments for 2010-2013 (Naira in Millions)

	Transformation Agenda Provisions		**FGN Approved Budgetary Provisions**				**Shortfalls/Overshoot from the Approved Budgets**		
	2012	**2013**	**2010**	**2011**	**2012**	**2013**	**2012**	**2013**	**Total**
Real/Productive sector	228,519.80	251,450.7	171,770	57,615	79,633	94,828	-130,137.14	-134,122.82	-264,259.96
Agriculture & rural Development	112,007.72	120,841.7	87,517	29,463	44,670	48,730	-67,337.73	-72,111.69	-139,449.42
Water Resources	70,325.41	77,612.0	62,383	24,755	29,857	39,876	-40,468.76	-37,735.66	-78,204.42
Commerce & Industry	14,534.90	16,156.2	14,699	1,154	2,152	3,222	-12,383.00	-12,934.60	-25,317.61
Mines & Steel Development	12,901.77	14,340.9	7,171	2,242	2,954	3,000	-9,947.64	-11,340.87	-21,288.51
Physical Infrastructure	419,550.0	479,680.0	609,244	299,146	305,662	313,473	-436,687.83	-38,386.90	-928,634.36
Transport	322,800.00	372,180.0	6,685	2,688	14,384	19,326	-308,416.00	-352,853.82	-586,534.45
Roads & Bridges	150,000.00	170,000.0	144,868	128,966	135,171	136,536	-14,829.10	-33,464.00	-48,293.10
FERMA (for Maintenance of Roads)	45,300.00	55,150.00	46,364	5,260	7,604	9,502	-37,696.00	-45,647.93	-83,343.93
Waterways and Ports	2,750.00	2,980.00	20,820	15,115	10,889	11,969	8,139.00	8,988.62	6,238.62
Aviation (excluding BASA Funds)	35,000.00	45,850.00	71,311	20,742	42,827	47,000	7,826.81	1,150.00	8,976.81
Railways	89,750.00	98,200.00	100,043	29,851	17,406	10,640	-72,344.00	-87,559.78	-177,309.78
Oil & Gas	18,750.00	22,500.00	29,370	10,273	8,224	8,500	-10,525.60	-14,000.00	-24,525.60
Power	78,000.00	85,000.00	189,783	86,251	69,157	70,000	-8,842.94	-15,000.00	-23,842.94
Regional Development	229,113.71	243,315.8	231,513	114,652	122,731	135,150	106,383.19	-108,165.74	-1,782.55
Housing	41,647.71	47,615.74	2,244	17,068	19,714	19,150	21,933.71	-28,465.74	-6,532.03
Federal Capital Territory	142,466.00	105,700.0	138,360	44,184	45,807	55,000	96,658.53	-50,700.00	45,958.53
Niger Delta	45,000.00	90,000.00	90,909	53,400	57,209	61,000	-12,209.04	-29,000.00	-41,209.04
Human Capital Development	89,420.75	186,140.5	910,947	800,327	1,042,621	920,538	783,354.51	• 545,606.43	1,328,960.9
Education	9,850.00	100,000.0	97,208	35,089	54,650	60,141	44,800.33	-39,859.41	4,940.92
Health	45,310.00	54,000.0	67,277	33,528	55,903	55,753	10,592.57	1,753.40	12,345.97
Women & Social Development	7,103.45	7,519.03	4,782	750	2,350	3,300	-4,753.45	-4,219.03	-8,972.48
Youth Development	11,833.61	10,270.42	7,888	3,064	5,332	5,950	-6,501.69	-4,320.92	-10,822.61
Labour & Productivity	15,323.69	14,351.06	7,277	466	2,477	1,863	-12,847.18	-12,488.06	-25,335.24

	Transformation Agenda Provisions		FGN Approved Budgetary Provisions				Shortfalls/Overshoot from the Approved Budgets		
	2012	**2013**	**2010**	**2011**	**2012**	**2013**	**2012**	**2013**	**Total**
Defence & Security	169,846.06	188,791.2	726,514	727,431	921,910	793,532	752,063.94	604,740.45	1,356,804.4
Grand Total	**966,604.26**	**1,160,586.9**	**1,923,473.5**	**1,271,739.7**	**1,550,646.7**	**1,463,989**	**369,353.11**	**-235,069.04**	**134,284.07**

Source: Transformation Agenda and the FGN Approved Budgets various years (Federal Ministry of Finance)

Evidence from the table above reveals that capital investment projections were only met for defence and security; health and women social development; education; waterways and ports aviation subsectors.

3.3 Key Physical Infrastructure Investment Recommendations and Approved Allocations

The review focused on key infrastructures such as power, transportation including roads, bridges, railway, airways and waterways subsectors as well as housing, power, FCT and the Niger Delta region. These key sectors have been identified by both the founding and later documents as key to economic growth and development.

Transportation

There is a prevalent belief among decision-makers and transport analysts that transport development plays a vital role in enhancing economic growth by lowering production and distribution costs, improving labour productivity, stimulating private investments and technological innovations. Underlying this conviction is the theory that the availability of fast, reliable and affordable transport historically has been the building block around which cities and regions have developed and flourished. The ability to move people and goods easily and economically is still used to explain the relative economic advantage of regions and states. Transport infrastructure investments, can engender economic development at the regional level, or merely facilitate its attainment when it transpires.

Transport investment therefore was defined as a capacity expansion or addition to an existing network of roads, rail, waterways, hub terminals, tunnels, bridges, airports and harbours by Banister & Berechman (2000)[9]. Transport capital improvements are carried out incrementally, project-by-project over many years, and that each new facility constitutes but a segment of a larger network. Hence, while each new project needs to meet evaluation criteria, its primary transport impacts are appraised relative to the in-place network in terms of improved travel times, costs and traffic volumes over the network.

The founding and later documents proposed investments in the transportation infrastructure for the country to evolve into a multimodal, integrated and sustainable transport system, with greater emphasis on rail and inland waterways transportation. The later documents proposed that a total investment of approximately N4.465 trillion is required for the sector for the period 2011-2015 covering roads and bridges, railways, inland waterways, ports and airports development. Using the Transformation Agenda benchmark, Nigeria is expected to spend at least N320 billion on roads and bridges construction and rehabilitation; N100.4 billion for roads and bridges maintenance; N187.95 billion on railway; N5.73 billion on sea ports and N80.85 billion on airports development for the period 2012-2013. It is unfortunate to note that not all the sub-sectors investment recommendations were adhered to in the period 2012-2013. Evidence from table 3 above reveals a shortfall of N48.29 billion; N83.343 billion; N177.309 billion in the roads and bridges construction and rehabilitation, roads and bridges maintenance and railways respectively. The other two sub-sectors aviation and waterways recorded an overshoot in the policy recommendations but more detailed analysis as presented in Table reveals that none went for seaports but other aspects of waterways. It is noteworthy that the amounts used for the analysis were all budgetary allocations and not actual spending.

The study further analyzed the budget items looking at the recommended priority items in the key policy documents. This is because the key policy documents (founding and later) identified projects that should be invested on during the period under the transportation sector. The study went through all the capital line items in the approved budgets (2010-2012) and the 2013budget to see how these budgets allocations are in line with policy priorities as reflected in the key identified projects in

[9] Banister, D. and Berechman, Y. (2000) "The Economic Development Effects of Transport Investments" Paper presented at the TRANS-TALK Workshop, Brussels, November, 2000.

the sector looking at rail, roads and bridges, waterways, airways and seaport projects. Details are presented below in Table 4.

Table 4: Identified transportation projects in the key policy documents vis-à-vis budgetary provisions (2010-2013)

Identified Projects in Transportation Sector	**Total Budgetary Provision 2010-2013 (Naira in Billion)**				
Rail Priority Projects	***2010***	***2011***	***2012***	***2013***	***Total***
The rehabilitation of the existing narrow gauge railway network from Lagos to Kano	18.200	3.780	2.976	1.400	26.357
The rehabilitation of the existing narrow gauge railway network from PH to Maiduguri		14.583	10.224	3.624	28.431
The rehabilitation of the existing narrow gauge railway network from Zaria - Kaura-Namoda				0.999	0.999
Completion of the of 22 km standard gauge from Ovu-Warri	-	-	-	-	-
Completion of the standard gauge from Ajaokuta-Warri	1.250	-	4.073	5.535	10.859
Construction of 187.15 km standard gauge from Abuja to Kaduna	19.550	-	3.950	-	23.500
Construction of 6 stations between Itakpe	-	-	-	-	-
Construction of modern coastal line from Benin to Calabar across 6 Niger Delta states	-	-	-	0.153	0.153
Construction of the standard gauge line from Itakpe to Abuja	-	-	-	-	-
Construction of standard gauge line from Minna to Abuja	-	-	-	-	-
Construction of standard gauge line from Kafanchan to Abuja	-	-	-	-	-
Roads and Bridges Priority Projects	***2010***	***2011***	***2012***	***2013***	***Total***
Dualisation of Onitsha – Owerri Road and Onitsha Eastern by-pass	6.000	2.025	1.000	2.300	11.325
Dualisation of Ibadan – Ilorin road section 1	3.147	4.375	3.200	3.000	13.722
Dualisation of the Abuja – Abaji – Lokoja road	5.600	6.375	8.000	10.000	29.975
Dualisation of the Kano – Maiduguri road	42.000	16.500	10.200	12.500	81.200
Dualisation on the East – West road. Warri to Oron via Port Harcourt	-	-	-	-	-
Construction of Kano western by-pass	2.500	0.750	0.600	3.000	6.850
Construction of Panyam – Bokkos Wamba Road	1.000	0.1875	0.300	-	1.487
Key proposed projects and programmes for PPP	1.250	50.000	-	0.090	51.340
Lagos-Ibadan Express Way concession. Upgrading of existing road by expansion to 8 lanes between Lagos – Shagamu and 6 lanes between Shagamu – Ibadan with construction of bridges.	-	0.150	0.0917	0.0105	0.2523
Concession of 1.35 km Guto-Bagama bridge across River Benue & Completion of 1.35 km with adjourning roads as expected to reduce travel time between Enugu and Abuja by 2 hours	-	0.00375	0.02356	0.0138	0.0412
Construction of 2nd Niger Bridge across River Niger at Onitsha / Asaba. Completion of 1.75 km bridge 14 km road with 3 No. Flyover bridges and 3 other bridges.	7.500	1.650	2.200	0.0443	11.39435
Rehabilitation and expansion of Shagamu – Benin, Benin-Asaba	5.972	2.523	2.487	1.500	12.482

Identified Projects in Transportation Sector	**Total Budgetary Provision 2010-2013 (Naira in Billion)**				
Rehabilitation of Abuja-Kaduna, Kaduna, Kaduna – Kano dual carriageways	-	0.04116	0.015	-	0.05616
Rehabilitation of Lagos – Badagry (Seme Border)	-	0.03726	0.517	-	0.55426
Waterways Priority Projects	***2010***	***2011***	***2012***	***2013***	***Total***
Rehabilitate and construct key river ports, jetties and wharfs (Baro, Lokoja, Onitsha, Oguta, Degema and Yenagoa) by 2013	9.450	4.402,5	4.680	2.090	20.622
Dredge and reclaim the rivers Niger and Benue	9.000	6.389	1.800	0.564	17.754
Concession routes to the private sector	-	-	-	-	-
Airways Priority Projects	***2010***	***2011***	***2012***	***2013***	***Total***
To upgrade and maintain the four (Lagos, Kano, Abuja and Port Harcourt) major international airports to ICAO standards and recommended practices	2.130	4.282	13.299	3.094	22.805
To transfer all other airports to state governments	4.209	3.394	18.708	6.214	32.525
To concession the four international airports	-	-		-	-
Seaports Priority Projects	***2010***	***2011***	***2012***	***2013***	***Total***
Develop new deep seaports at Epe/Lekki, Brass, Bonny and Badagry	-	-	-	-	-
Dredge the harbours in Lagos and Bonny to accommodate large ocean liners and provide standard facilities, including RORO facilities in Bonny by 2011.	-		-	-	-
Develop Calabar Port to support free trade zone	-	-	-	-	-

Source: Key Policy Documents and the FGN Approved Budgets various years (Federal Ministry of Finance)

Analysis of the table 4 above shows that under the railways subsector priority projects, a total of N26.3 billion, N28.4 billion and N998 million have been allocated to the rehabilitation of the existing narrow gauge railway network from Lagos to Kano; the rehabilitation of the existing narrow gauge railway network from PH to Maiduguri; and the rehabilitation of the existing narrow gauge railway network from Zaria to Kaura-Namoda respectively while nothing has been allocated to the completion of the of 22 km standard gauge from Ovu-Warri which has been identified as one of the key priorities of the subsector. Similarly, construction of 6 stations between Itakpe; construction of the standard gauge line from Itakpe to Abuja; construction of standard gauge line from Minna to Abuja; and construction of standard gauge line from Kafanchan to Abuja failed to attract any budget allocation for the entire period (2010-2013). Construction of modern coastal line from Benin to Calabar across 6 Niger Delta states attracted N153 million in the 2013 budget and this amount is for Feasibility Studies/Consultancy services for Coastal Rail Line in Niger Delta Region (Benin-Sapele; Warri-Yenagoa; PH-Aba-Uyo-Calabar).

Nigeria has a total road network of 193,200 kilometres, comprising 34,123 km federal roads, 30,500 km state roads, and 129,577 km local government roads. The Nigerian road network is characterized by inadequate routine and emergency maintenance coupled with poor initial construction and design. According to founding documents, the inadequate maintenance and neglect of roads implies a loss of network value of N80 billion per year and an additional operating costs of N35 billion per year.

Under the roads and bridges construction and rehabilitation, it is interesting to note that the dualisation of Onitsha – Owerri Road has attracted the sum of N11.235 billion budget allocation and the project still have a sum of N2.3 billion in the 2013 budget when the project seem to have actually been completed in 2012. Priority projects such as dualisation of Ibadan – Ilorin road section 1; dualisation of the Abuja – Abaji – Lokoja road; dualisation of the Kano – Maiduguri road and the construction of Kano western by-pass have consistently attracted capital vote during the period (2010-2013) while the dualisation of Warri to Oron via Port Harcourt is yet to attract a single capital vote.

A thorough observation around the country have shown that tangible work on most of the identified priority projects under the roads and bridges including the 2nd Niger Bridge which has attracted a total sum of N11.394 billion during the period 2010-2013 are yet to commence. One is also curious with the sum of N51.340 billion allocated to the key proposed projects and programmes for Public-Private Partnership (PPP) for the period 2010-2013 as the item needs to be unbundled. It is noteworthy that the total capital budgets for all the line items for the period 2010-2013 do not add up to the capital amount approved for the sector. During the period under review (2010-2013), the total line items under roads and bridges were never less than N200 billion. This implies that most of the line items were only included for the sake of inclusion as they never counted in the approved budget.

In the waterways subsector, two out of the three priority projects (Rehabilitate and construct key river ports, jetties and wharfs in Baro, Lokoja, Onitsha, Oguta, Degema and Yenagoa by 2013 as well as the dredging and reclaiming of the rivers Niger and Benue have attracted a total capital vote of N20.622 billion and N17.754 billion respectively in the period 2010-2013 but no vote has been attached to the third item in the subsector which is concession routes to the private sector for the period. This can be attributed to fact that concession of a particular item can only be most attractive to the private sector when it is fully completed and operational.

Three major priority projects in the airways subsector are to upgrade and maintain the four (Lagos, Kano, Abuja and Port Harcourt) major international airports to ICAO standards and recommended practices; to transfer all other airports to state governments; and to concession the four international airports. The first two have attracted the total sum of N22.805 billion and N32.525 billion respectively. The N32.525 billion is the total amount allocated to the airports other than the four major international airports (Lagos, Kano, Abuja and Port Harcourt) in the country.

Finally, a thorough analysis of table 9 also reveals that even the two sub-sectors of airways and waterways that have exhausted their key policy investment recommendations still have some of the key priorities unattended to in the period 2010-2013 while the seaport subsector is yet to attract any fund for the period (2010-2013). The three key priorities of the seaport subsector are the development of new deep seaports at Epe/Lekki, Brass, Bonny and Badagry; dredging of the harbours in Lagos and Bonny to accommodate large ocean liners and provide standard facilities, including Roro facilities in Bonny by 2011; as well as the development of Calabar Port to support free trade zone. Such important priorities are yet to receive attention in the FGN budget for the period 2010-2013.

Niger Delta

Vision 20: 2020 and the first NIP have attributed the lacklustre performance of the oil and gas sector to a myriad of constraints, which include not just high level of foreign content and the focus on export of unprocessed crude and low refining capacity but also the unrest and agitation in the Niger Delta region over the past five to ten years, which creates an unattractive environment for investment in the sector. To tackle the problem key polices are geared towards programmes and projects that will help address the high incidence of poverty caused by oil extraction activities in the area, high rate of unemployment, and environmental degradation and pollution. With the main policy thrust as to entrench peace and stability to drive sustainable socio-economic development in the Niger Delta region several priority projects were identified in the key policy documents and such projects and budgetary allocations to the projects for the period 2010-2013 are presented in Table 5 below.

Table 5: Identified Niger Delta priority projects in the key policy documents vis-à-vis Budgetary provisions (2010-2013)

Identified Projects in the Niger Delta Region	**Total Budgetary Provision 2010-2013 (Naira in Billion)**				
Niger Delta Priority Projects	***2010***	***2011***	***2012***	***2013***	***Total***
Youth/Women Empowerment Training and creation of micro-credit fund	-	-	1.925	-	1.925
NDDC/4TM Joint ventures (PPP) cassava and rice production	-	-	-	-	-
Construction of offshore and shoreline protection works in various communities: erosion control, flood control, land reclamation, etc	1.000	7.390	4.4039	3.3937	16.188
Crop, livestock and fisheries development programme in the Niger Delta region	-	-	0.461	0.6065	1.067
Facilitating access to credit for SMEs in the Niger Delta region	-	0.8906	-	-	0.8906
Dualisation of East-West road Project		-			-
Section II-I	10.000	4.500	6.700	7.770	28.970
Section II-II	8.800	4.500	6.000	9.660	28.960
Section III	7.000	4.368	6.000	7.200	24.5689
Section IV	6.000	3.9375	3.500	4.620	18.0575
Construction and dualisation of Owerri – Elele Road (Owerri – Omerelu section)	-	1.4625	0.900	1.800	4.1626
Construction of East – West railway from Calabar – Eket – Port-Harcourt – Warri –Gelege	-	-	-	-	-
Construction of several roads in the Niger Delta connecting the region	1.200	17.120	0.779	10.935	30.035
Construction of skills acquisition centers in the nine states of the Niger Delta region	4.400	-	5.000	3.500	12.900

Source: Key Policy Documents and the FGN Approved Budgets various years (Federal Ministry of Finance)

A look at the above table reveals that one of the key priority projects identified in the Niger Delta region is the dualisation of the East-West road sections I-IV which has attracted a total sum of N100.556 billion budgetary allocation during the period 2010-2013. The next in terms of the amount is construction of several roads in the Niger Delta connecting the region which has also attracted a total sum of N30.035 billion while the construction of offshore and shoreline protection works in various communities including erosion control, flood control, land reclamation, etc have attracted N16.188 billion during the same period. It is sad to note that the NDDC/4TM Joint ventures (PPP) on cassava and rice production as well as the construction of East – West railway from Calabar – Eket – Port-Harcourt – Warri – Gelege are yet to attract any capital budgetary allocation while Youth/Women Empowerment training and creation of micro-credit fund attracted budgetary allocation only in 2012 to the tune of N1.925 billion. Construction of skills acquisition centers in the nine states of the Niger Delta region have also attracted N12.900 billion budget allocation for the period under study.

Power (Electricity)

The power sector in Nigeria is one of the most critical sectors that need urgent revival if the economy will make headway. *The Energy Challenge"* which reflects the widespread acknowledgment that access to clean and reliable energy supply is necessary for accelerated economic growth and sustained poverty-reduction in any economy because it enhances the provision of clean water as well as health and education services, which are essential for poverty reduction and eradication. However, Nigeria is known today to suffer significant energy deficit just like her continent Africa. Even though Africa as a whole represents 13 percent of the world's population and produces 7 percent of global modern energy, it only accounts for 3 percent of modern energy consumption. According to a recent report by the World Energy Council, "Africa is the least illuminated continent of the world" as less than 20 percent of its population has access to electricity. This is disturbing given the huge hydro-electric power potential of the region.

The economic consequences of poor access to electricity in the region are quite high and that of Nigeria is pitiable because energy is the pivot where every activity rotates. For instance, the rural poor spend as much as 20-30 percent of their monthly income on fuel wood, charcoal, and kerosene, thereby reducing their ability to satisfy other basic needs (NLSS, 2005)[10].

According to the first NIP, the projects and programmes that will facilitate the realization of the objectives of the power sector are concluding implementation of the Power Sector Reform Programme and the overhauling and rehabilitation of the existing power plants. The completion of the on-going National Integrated Power Projects (NIPP) will be accorded priority. The NIPP projects are expected to contribute about 4,770.5MW of electricity to the national grid and increase the transmission and distribution capacities by 3,040MVA at 132/33KV and 5,250MVA at 330/132KV and 3,540MVA (3,009MW), respectively by December 2011. Based on the above fact this study reviewed all allocations to the sector from 2010-2013 looking at every line item to ascertain whether they are in tandem with the key priorities identified in the policy documents. Details of findings from the key policy recommended line items are presented in Table 6 below.

Table 6: Identified Power Sector priority projects in the key policy documents vis-à-vis Budgetary provisions (2010-2013)

Identified Priority Projects in the Power Sectors	**Total Budgetary Provision 2010-2013 (Naira in Billion)**				
Power sector priority projects	***2010***	***2011***	***2012***	***2013***	***Total***
Power Transmission	69.398	47.788	35.119	33.849	186.156
Power Distribution and Expansion including Rural Electrification	39.126	5.625	8.853	5.806	59.411
Electricity Management Services	9.156	0.233	0.203	0.500,	10.093
Infrastructure for Power Plants	1.500	-	-	-	1.500
Investment in Renewable Energy (Wind, Solar, Biomass, Biofuel, etc)	2.198	0.612	4.040	3.193	10.044
Coal Fired Power Plants	10.000	2.040	2.222	1.700	15.962
Power Generation	18.935	7.872	7.882	0.100	34.790
Mambilla Power Project	1.100	6.629	0.503	0.200	8.433
Waya Small Hydropower Plant	-	-	-	-	-
Mbowo Small Hydropower Dam	-	-	-	-	-
Ikere Gorge Small Hydropower Dam	-	-	-	-	-
Oyan Small Hydropower Dam	2.500	-	2.000	-	4.500
Bakolori Small Hydropower Dam	-	-	-	-	-
Tiga Dam	-	-	-	-	-
Chalawa Dam	-	-	-	-	-
Jibiya Dam	-	-	-	-	-
Doma Dam	-	-	-	-	-

[10] Nigeria Living Standard Survey Report

Identified Priority Projects in the Power Sectors	Total Budgetary Provision 2010-2013 (Naira in Billion)				
Goronyo Dam	-	-	-	-	-
Kampe Dam	-	-	-	-	-
Zobe Dam	-	-	-	-	-
Kashimbilla Dam	-	-	-	-	-
Dadin Kowa Small Plant	-	-	-	-	-
Ogwashiukwu Dam	-	-	-	-	-
Owena Dam	-	-	-	-	-

Source: Key Policy Documents and the FGN Approved Budgets various years (Federal Ministry of Finance)

An analysis of table 6 above reveals that bulk allocation for the period Power have been in favour of the four main issues such as power transmission, power distribution and expansion including rural electrification as well as power generation. Most of these projects are on-going projects under the NIPP expected to contribute about 4,770.5MW of electricity to the national grid and increase the transmission and distribution capacities. For the period under review, power transmission have attracted about N186 billion followed by power distribution and expansion including rural electrification (N59 billion); power generation (N34 billion); and investment in alternative (Coal Fired Power Plants with a total allocation of N15.9 billion) and renewable energy (Wind, Solar, Biomass, Biofuel, etc) with a total allocation of N10.044 billion.

Weak development of infrastructure around the power plants has always been fingered as one of the major problems of power generation in Nigeria and it is noteworthy that this attracted about N1.5 billion in 2010 budget while electricity management services attracted N10.093 billion capital vote for the period 2010-2013. In terms of the proposed hydro power plants/dams, budget allocation for the period have only been extended to two of such proposed plant/dam viz: Oyan Small Hydropower Dam with about N4.5 billion allocation and Mambilla power plant with an allocation of about N8.433 billion during the period 2010-2013. It is equally noteworthy that most of the other proposed power plants/dams are expected to be implemented under the SURE-P.

It is worrisome that despite the allocations in the power sector between 2001 to 2012 the generation, transmission and distribution infrastructures remain grossly inadequate. While countries like South Africa with a population of about 50 Million people are generating over 210 Billion Kwh, as at 2009 Nigeria is still lagging behind with a capacity of less than 40 Billion Kwh. The comparative analysis as shown by the table 7 below reflects gross inadequacies of the country's power generation capabilities.

However, cross country comparison reflects that we are yet to meet up with countries like Mexico, Indonesia, India, Egypt, South Africa and Brazil in Electric power production against the background of not seeing the output and outcome of new investments in the last twelve years of democratic dispensation and our large population. See Table 7 for details.

Table 7: Power Output for Selected Countries

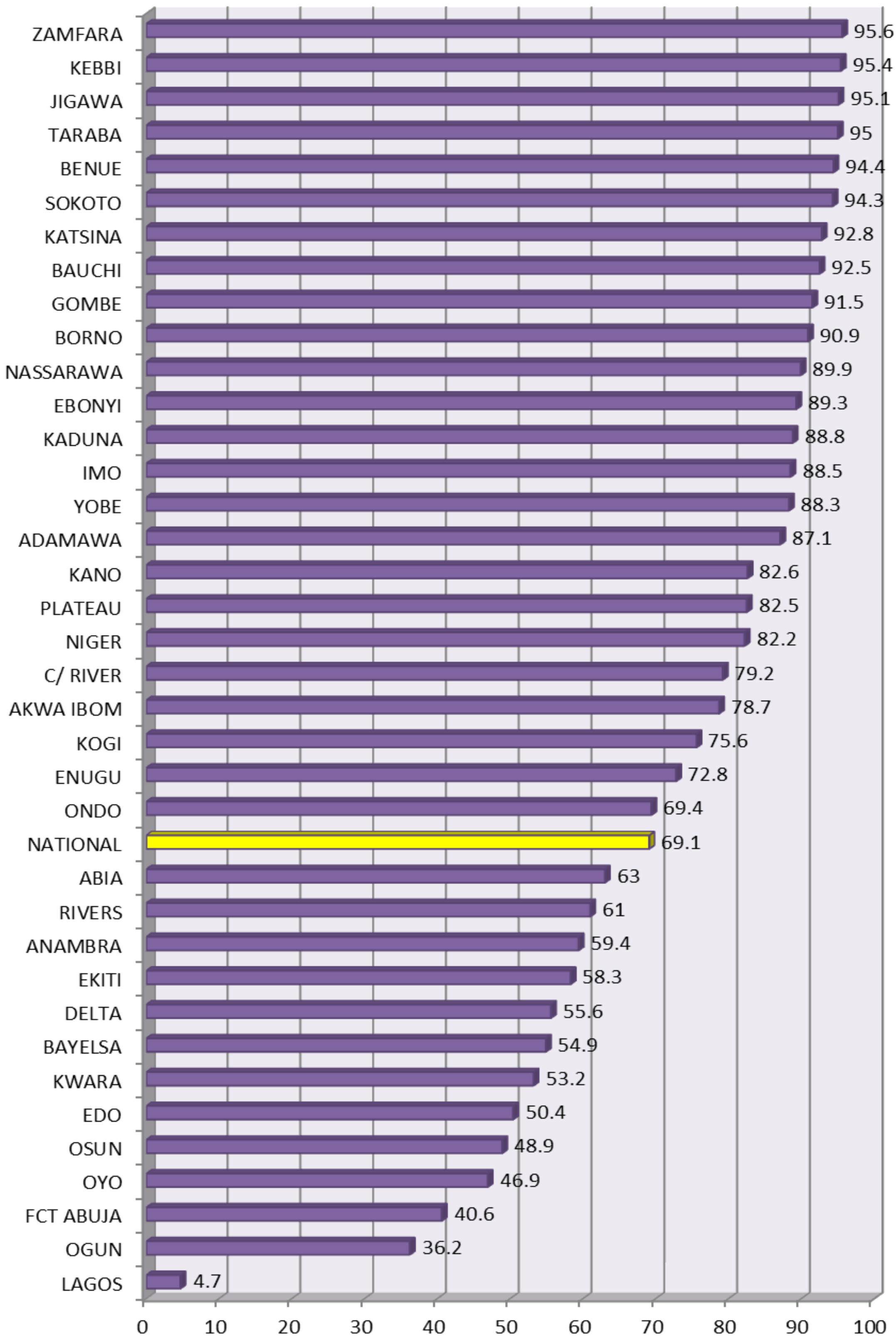
Country	GDP (PPP) US $ (2004 Estimated)	Electric Energy Production Billion Kwh (2001 Estimated)	Electric Energy Consumption Billion Kwh
India	3,033	533.3	497.2
Indonesia	758.8	95.78	89.08
Mexico	941.2	198.6	186.7
Brazil	1,375	321.2	335.9
South Africa	456.7	195.6	181.2
Egypt	295.2	75.23	69.96
Nigeria	114.8	15.67	14.55

Source: Manufacturers Association of Nigeria

A study by the Manufactures Association of Nigeria (MAN) have shown that the average consumer is yet to feel and understand how increased power generation capabilities to 4500 megawatts have impacted on uptime rate in electricity service. The lack of access to electric power, and modern energy in general has a negative effect on productivity and has limited the economic opportunities available to Nigeria. This is compounded by the poor state of existing infrastructure, which creates the dual challenge of finding resources for maintenance of existing facilities and also to build new power plants. Consequently, improving access to modern energy is a necessary condition for boosting growth and reducing poverty in not only Nigeria but Africa as a whole.

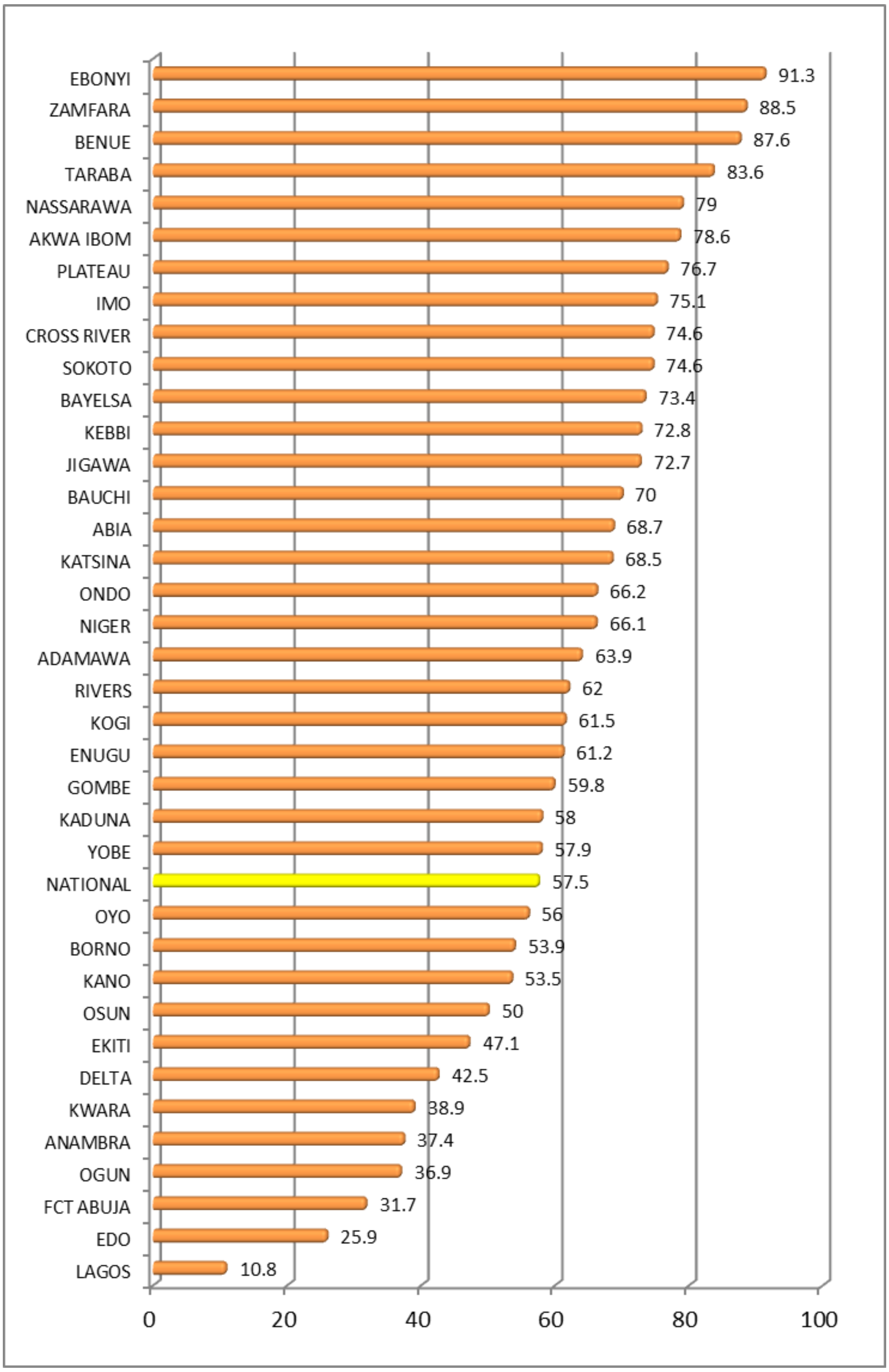
Poor access to energy sources especially electricity has led citizens of Nigeria into using other sources of energy which has more devastating effecton the environment for cooking and lightning across Nigerian states as depicted in figures 3 and 4 below.

Figure 3: Percentage Distribution of Households using Firewood as a Source of Cooking Fuel by States



Source: Harmonized Nigerian Living standard Survey (HNLSS) 2010

Figure 4: Percentage Distribution of Households using Kerosene as a Source of Lighting by States



Source: Harmonized Nigerian Living standard Survey (HNLSS) 2010

Federal Capital Territory (FCT)

Sustainable development of the FCT is one of the priorities of the key policy documents and in line with the urban renewal and revival being embarked by almost all countries of the world. To be able to develop the FCT sustainably, the key policy documents identified some priority projects for the four years (2010-2013) which served as a base for this study in reviewing all allocations to the FCT in the period looking at every line item to ascertain whether they are in tandem with the key policy recommendations. Details of findings from the key policy recommended line items are presented in Table 8 below.

Table 8: Identified Power Sector priority projects in the key policy documents vis-à-vis Budgetary provisions (2010-2013)

Identified Projects in the FCT	**Total Budgetary Provision 2010-2013 (Naira in Billion)**				
FCT Priority Projects	***2010***	***2011***	***2012***	***2013***	***Total***
Development of Idu industrial Area IB Engineering infrastructure	6.000		1.247	2.500	39.728
Rehabilitation and expansion of Airport Expressing Lot II (Ch25 + 500 to 38 + 00)	6.800		3.804	3.000	13.604
Rehabilitation and expansion of Airport Expressing Lot I (ChII + 500 to CH25 + 500)	8.500		3.729	3.000	15.229
Rehabilitation and expansion outer Northern Expressway Lot I (19+500km – 39+400km)	9.580		2.780	2.500	14.860
Rehabilitation and expansion outer Northern Expressway Lot II (Murtala Mohammed Expressway)	9.920		2.492	3.000	15.412
Construction of main carriageway of FCT HW106 from Kusaki – Yanga (OSEX) to Kuje.	-		-	-	-
Construction of inner southern expressway (ISEX) phase II from the Southern Parkway (S89)	-		-	-	-
Extension of outer southern expressway from Ring Road 3 to Road A2 in Gwagwalada	-	29.980[11]	-	-	-
Abuja Rail mass transit Lot I and 3	6.200	1.895	2.100	1.500	11.695
Provision of engineering infrastructure to Bwari satellite town (District 1 and 2)	-	-	-	-	-

Source: Key Policy Documents and the FGN Approved Budgets various years (Federal Ministry of Finance)

A review of the above table shows that there were yearly allocations for most of the priority projects in the FCT with the exception of projects like the construction of main carriageway of FCT HW106 from Kusaki – Yanga (OSEX) to Kuje; construction of inner southern expressway (ISEX) phase II from the Southern Parkway (S89); and extension of outer southern expressway from Ring Road 3 to Road A2 in Gwagwalada. These three priority projects never attracted any capital vote for the period under review.

Housing

Housing is generally deemed as one of the most important basic human needs, alongside water, food, health and safety. As it stands, Nigeria is one of the worlds densely populated where many of its cities are mega cities with equally mega housing problems. The production and consumption of housing is at the core of Nigeria’s development agenda because it is fundamental to development and individual well-being. Despite years of action, housing still continues to be a critical issue in Nigeria especially among the poor despite being a strategy to achieving the MDGs. To be able to situate the country to tackle her numerous housing problems key policy documents recommended a recapitalization of the

[11] The amount is for items 1-5 in the table.

Federal Mortgage Bank of Nigeria to the tune of N62.5 million for four (4) years 2010-2013. It is unfortunate to note that such is yet to happen looking at evidence in table 9 below.

Table 9: Identified Housing priority projects in the key policy documents vis-à-vis Budgetary provisions (2010-2013)

Identified Projects in the Housing Sector	**Total Budgetary Provision 2010-2013 (Naira in Billion)**				
Housing Priority Projects	***2010***	***2011***	***2012***	***2013***	***Total***
Re-capitalisation of FMBN (N62.5M x 4yrs)	-	-	-	-	-
Construction of 600,000 Housing units under public private partnership	-	-	0.604	-	0.604
Prototype housing scheme – Construction of prototype houses using new technology and 90% local content.	-	1.080	0.974	1.800	3.855
Construction of 240,000 affordable housing units	-	7.670	4.960	-	12.630

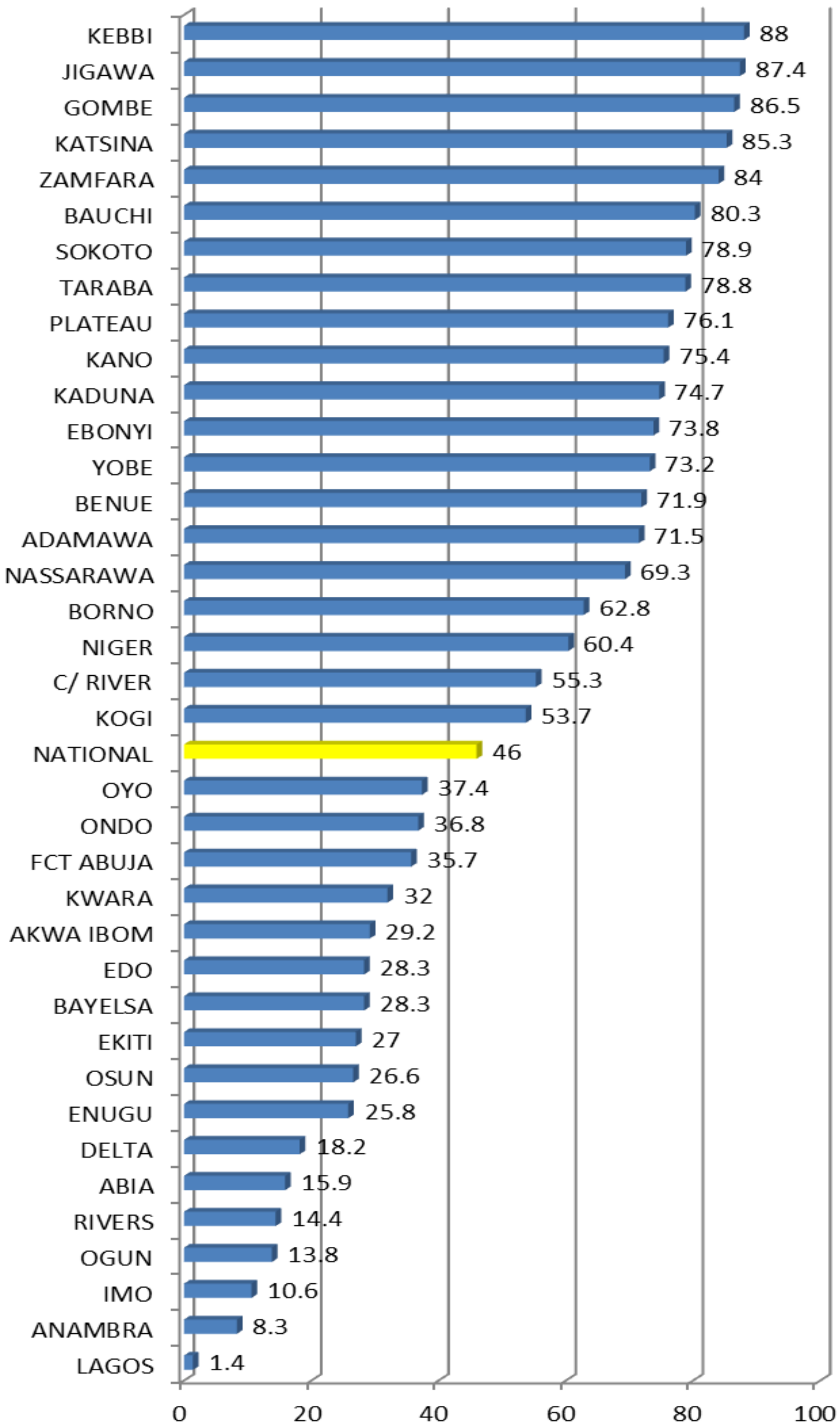
Source: Key Policy Documents and the FGN Approved Budgets various years (Federal Ministry of Finance)

However, the construction of 600,000 housing units under public-private partnership (PPP) for the period attracted N604 million; Prototype housing scheme – Construction of prototype houses using new technology and 90% local content attracted N3.855 billion; and construction of 240,000 affordable housing units attracted N12.630 billion during the period 2010-2013.

It is noteworthy that efforts at providing low-cost rural housing have been minimal, despite the creation of the Federal Mortgage Bank of Nigeria in 1977, and shantytowns and slums are common in urban areas. This has led to overcrowding in urban housing which has become a serious problem. It has been estimated that about 85% of the urban population live in single rooms, often with eight to twelve persons per room (Channels Television Tue, May 15th, 2012).

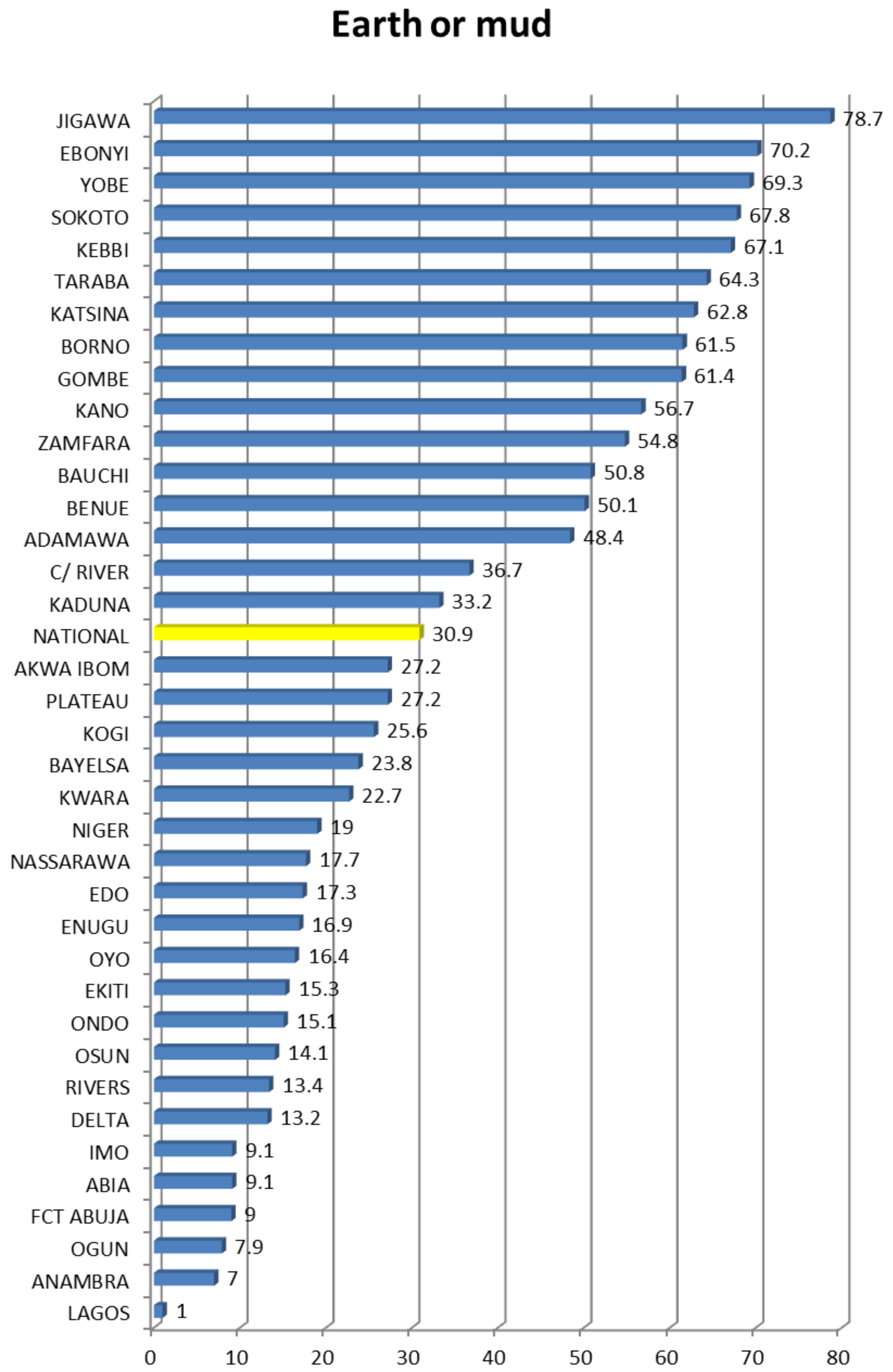
High cost of building materials has been blamed as a key factor that has led to the high construction cost in Nigeria, the restriction on the importation of cement, which by account constitutes about 40 percent of building materials. This has led to sharp increases in the price of cement. Figures 5, 6 and 7 below show the distribution of Nigerian households living in mud/mud brick walls; mud/mud earth floors; as well as those living in houses roofed with iron sheets across the states. Evidence from the figures suggests that almost half of the states still have half of their population living in mud/mud brick walls as well as mud/mud earth floors.

Figure 5: Percentage Distribution of Households living in houses with mud/mud brick walls by States



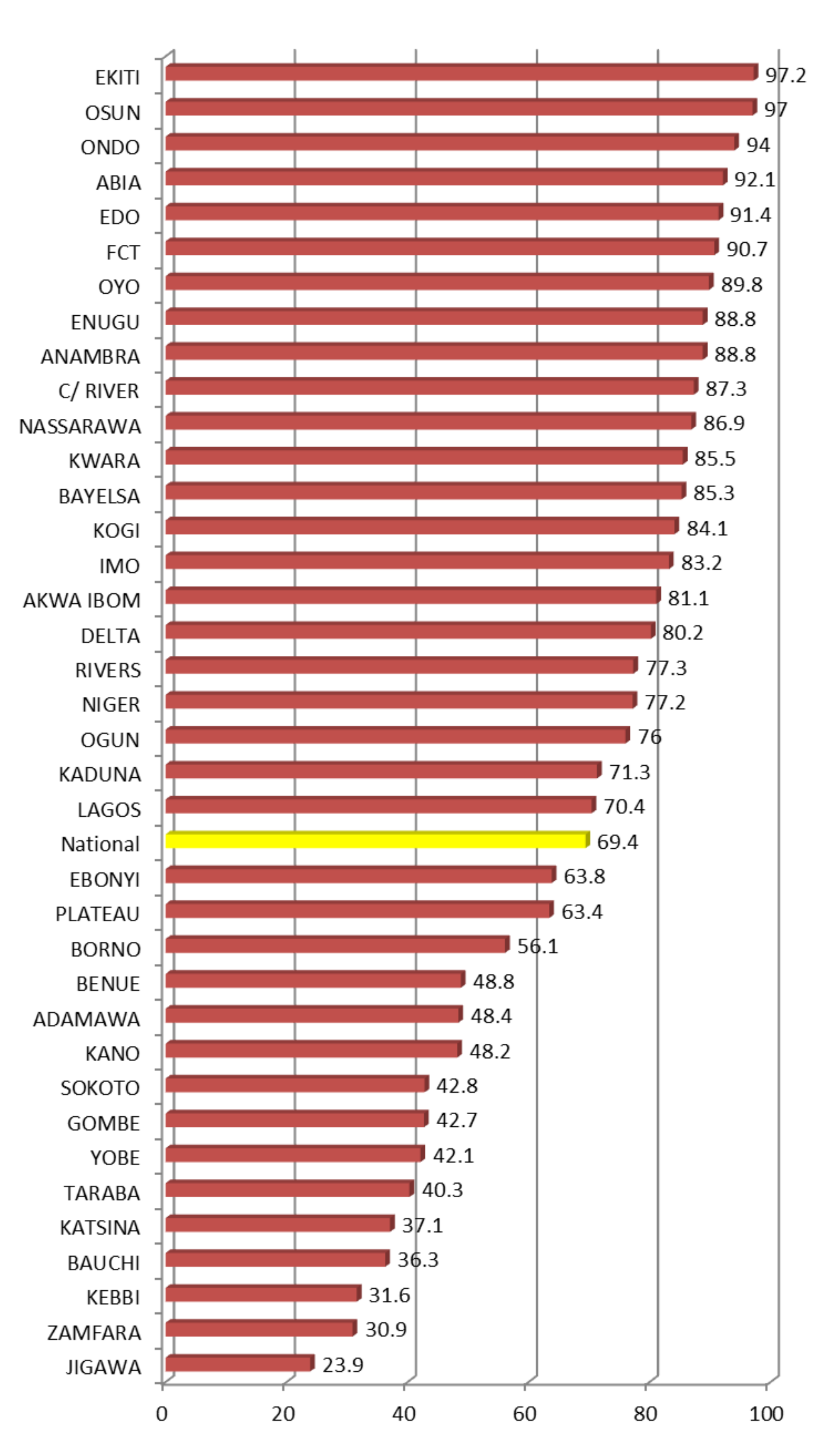
Source: Harmonized Nigerian Living standard Survey (HNLSS) 2010

Figure 6: Percentage Distribution of Households living in houses with mud/mud earth floors by States



Source: Harmonized Nigerian Living standard Survey (HNLSS) 2010

Figure 7: Percentage Distribution of Households living in houses roofed with iron sheets by States



Source: Harmonized Nigerian Living standard Survey (HNLSS) 2010

3.4 SURE-Programme and the 2012 Budget

SURE-P commenced implementation in 2012 hence cannot be lumped with the review of the above policy documents (founding and later). Meanwhile, in the revised Subsidy Reinvestment and Empowerment Programme (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 hope 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. In the new SURE programme, government has budgeted N21.7 billion which would cover the dualisation of the East-west roads 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 would be used for the Lagos-Kano rail line, Port Harcourt-Maiduguri rail line and Kaduna-Abuja roads. Under the service wide vote, the SURE-Programme board has been allocated N1 billion.

3.5 Implementation Plans of Key Policy Documents

Both the founding and later documents have detailed implementation plans. The founding documents apart from having a sector specific implementation strategies recognised that plan implementation depends on active participation, effective cooperation and collaboration by all tiers of government as well as constructive partnership with other stakeholders. Other issues that are recognised in the implementation are discipline and efficiency in resource management, which entails significant reduction of corruption and ensuring value for money through adopting comparable global standards in the quality and cost of projects implementation.

The plan recognises the imperatives of a private sector-led development strategy; however, the government is aware that significant public sector investment will be required during this plan period, especially in the areas of infrastructure and human development, to accelerate the growth process and to stimulate sustainable growth, in order to meet the aspirations of Nigerians and attain the goals of Vision 20:2020. This explains why the public sector investment target remains higher than the expectation from the private sector which is expected to be upturned over time. Learning from experiences from other development plans implemented by the country, Vision 20:2020 and its first NIP proposed to give attention to the following:

- Linking the annual budget to the National Development Plan and effectively implementing these as approved;
- Linking of plans and budgets to strategic long term goals;
- Clear articulation of key performance indicators based on expected deliverables and outcomes;
- Design of strategies to combat corruption and misappropriation of public funds;
- Proper reflection of stakeholder expectations in the definition of strategic goals, objectives and measures of success;
- Institutionalising monitoring and evaluation across all levels of government;
- Defining a clear strategy for mobilizing the citizenry towards greater demand for performance and accountability;
- Political will to imbibe the disciple of planning and providing a legal framework that will facilitate adherence to plans and policy initiatives; and
- Providing incentives that will reward good performance and expose/discredit poor performance.

In its implementation strategy, the Transformation Agenda and the MTEF advocated for the review of the current revenue allocation formula to achieve a more balanced fiscal federalism and pave the way for more effective implementation of programmes at the sub-national level. The later documents seek for funding options that have the potential to providing adequate, reliable and timely financing for the Key Priority Projects (KPPs) looking at on-budget public funding, off-budget public funding, and private sector resources. In its implementation plan, infrastructure projects are classified as either bankable[12] or not bankable[13].

In addition to the project being bankable, such a project must demonstrate a high probability of success, and be acceptable to institutional lenders or financiers. The probability of commercial success for the project will be low and as such will not attract the interest of institutional lenders or financiers. These criteria are to be taken into consideration in funding the priority projects.

Furthermore, the annual budget is the key instrument for pursuing the goals/targets of the Key Priority Projects (KPPs) under the Transformation Agenda. Policies and programmes under the agenda regime will be executed by MDAs either through the contract method or direct labour. Moreover, greater emphasis will be given to labour-intensive approach in construction and maintenance of projects in order to create mass employment. The cluster approach will also be employed to promote regional economics and products where the zone possesses comparative advantage. In implementing the KPPs, scarce resources of the government will be prudently managed by imbibing the discipline of planning, transforming the budgeting process and limiting the growth of recurrent expenditures, ensuring value for money effective project costing and close monitoring and enforcing stiff penalty for misappropriation and implementation failures and rewarding success.

To fast track the implementation, the Transformation Agenda advocated that Ministers/CEOs of MDAs may find it useful to constitute project delivery teams made up of officials from the relevant MDAs, with specific sector knowledge and project management skills while economic coordination will be undertaken at three levels viz: Planning, Policy and Programmes. It further reiterates the need for effective coordination of KPPs as very critical in terms of proper collation and analysis to ensure harmonization and the elimination of duplication. The MDAs therefore are expected to work in concert with different State Governments to achieve harmony through the sectoral councils.

[12] A project is considered bankable if preliminary financial analysis confirms its ability to establish revenue streams, deliver positive NPV, allocate risks and have sufficient scale for transaction costs.

[13] Where neither sustainable cash flow stream can be established for a project, and the project is incapable of delivering positive Net Present Value (NPV), nor risks are allocable, and does not have sufficient scale for transaction costs, such a project is considered "not bankable"

4.0 KEY FINDINGS, POLICY IMPLICATIONS AND CONCLUSION

4.1 Key Findings and Policy Implications

The study has identified the major infrastructures or capital projects identified by the key documents (founding and later) for economic development in Nigeria. Priority projects abound in all sectors of the economy but this review concentrated on major infrastructures and capital projects in transportation (roads and bridges, waterways, railways and airways), power sector, Federal Capital Territory (FCT), the Niger Delta and the housing sectors. These sectors were chosen because of the critical position they occupy in economic growth and development of the country.

Most of the major infrastructures and capital projects are in the transportation sector including construction and rehabilitation of selected key roads and bridges across the country; maintenance of roads and bridges across the country; construction and rehabilitation of rail line projects; construction of modern coastal rail lines; construction and rehabilitation of key river ports (Baro, Lokoja, Onitsha, Oguta, Degema and Yenagoa); dredging and reclaiming of the Niger and Benue rivers; concession routes for the private sector; upgrading and maintenance of the four major international airports (Lagos, Abuja, Kano and Port Harcourt) to ICAO standards and recommended practices; development of new deep seaports; and the dredging the harbours in Lagos and Bonny to accommodate large ocean liners and provide standard facilities, including RORO facilities in Bonny.

In the power sector, priority infrastructure and capital projects have been projects under power transmission, power distribution and expansion including rural electrification as well as power generation with most of them as on-going projects under the NIPP expected to contribute about 4,770.5MW of electricity to the national grid and increase the transmission and distribution capacities.

Priority infrastructure and capital projects in the Niger Delta region include: Youth/Women Empowerment Training and creation of micro-credit fund; NDDC/4TM Joint ventures (PPP) cassava and rice production; Construction of offshore and shoreline protection works in various communities: erosion control, flood control, land reclamation; Crop, livestock and fisheries development programme in the region; Facilitating access to credit for SMEs in the region; Dualisation of East-West road (section I-IV); Construction of East – West railway from Calabar – Eket – Port-Harcourt – Warri –Gelege; Construction of several other roads connecting the region; and the construction of skills acquisition centres in the nine states of the region among others.

In FCT, priority infrastructure and capital projects include: Development of Idu industrial Area IB Engineering infrastructure; Rehabilitation and expansion of Airport Expressing; Rehabilitation and expansion outer Northern Expressway; Construction of main carriageway of FCT HW106 from Kusaki – Yanga (OSEX) to Kuje; Extension of outer southern expressway from Ring Road 3 to Road A2 in Gwagwalada; Abuja Rail mass transit; Provision of engineering infrastructure to Bwari satellite town (District 1 and 2); etc.

It is noteworthy that most of these priority infrastructures and capital projects identified across sectors were included in the list of infrastructures that should have been jointly executed with large foreign exchange components from excess crude account.

The housing sector has its priority infrastructures and capital projects as the re-capitalisation of FMBN (N62.5M x 4yrs), prototype housing scheme – construction of prototype houses using new technology and 90% local content as well as construction of 240,000 affordable housing units among others.

The review found both the founding and later documents identifying the same broad sectors and sub-sectors for fixing the country's problem and both sets of documents broadly grouped the sectors as productive or real; regional development: governance & security; human capital development; and physical infrastructure. In terms of investment projections across sectors while the founding documents seem over ambitious in sectors such as physical infrastructure and human capital development, the later documents were conservative in its projections of investment across sectors.

One key consensus in all documents is the vigorous investments in the power and transportation including roads and bridges, railway, airways and waterways subsectors.

Projections under broad sectors such as physical infrastructure, real/productive and human capital development in the later documents seem more realizable[14] than projections in the founding documents *cateris paribus* though it should be noted that budget allocation is not the same with budget funds release and cash backing. It should also be noted that analysis as presented in Table 3 above has shown health and women social development; education; waterways and ports aviation as well as the railways subsectors investment projections of the agenda already met. The question now is where the projections met with fund releases and cash backing? Answer to the above question will help to ascertain the extent such projections will go in fixing some of the problems identified in these sectors if funds leakage are reduced to the barest minimum. The projections in the founding documents may look ambitious but they seem to have been done based on more thorough needs assessment conducted in the various sectors. Effort to shore up resources from other revenue sources in other to be able to fund identified priority projects should be the goal and not the size of investment projection.

A review of both the founding and later documents shows some level of harmony or consistency in problem identification between the provisions of the founding documents (Vision 20: 2020 and its Implementation Plan) and the later documents (Transformation Agenda and the MTEF) though there are serious inconsistencies in implementation strategies and resource mobilization. The harmony is very comprehensible in the definition of the problems of the economy as well as the identification of sectors (power, energy, transportation, water, housing, Niger Delta, FCT, etc) and sub-sectors for fixing the country’s economic growth and development problems. There is also a harmony in terms of vigorous investments in the power and transportation including roads and bridges, railway, airways and waterways subsectors though there were differences in terms of investment projections for achieving the goals and targets.

Both the founding and later documents have detailed implementation plans. The founding documents apart from having a sector specific implementation strategies recognised that plan implementation depends on active participation, effective cooperation and collaboration by all tiers of government[15] as well as constructive partnership with other stakeholders. Though the later documents advocated for more effective implementation of programmes at the sub-national level, it failed to recognize that active participation, effective cooperation and collaboration by all tiers of government including other stakeholders are key towards achieving the stated goals and targets. The later documents are banking on the review of the current revenue allocation formula to achieve a more balanced fiscal federalism forgetting that this may not be achieved immediately there by prolonging the achievement of the stated targets and goals.

The annual budget is the key instrument for pursuing the goals/targets of the Key Priority Projects (KPPs) under the Transformation Agenda while the founding documents are looking at linking the annual budget to the National Development Plan and effectively implementing these as approved; linking of plans and budgets to strategic long term goals as well as clear articulation of key performance indicators (KPIs) based on expected deliverables and outcomes. These attributes showcased the founding documents as more result oriented policy than the later documents which seem to have implementation as the end product. The implications of not having a result-oriented plan range from poor allocative efficiency, operational inefficiency and fiscal indiscipline.

Design of strategies to combat corruption and misappropriation of public funds as well as proper reflection of stakeholder expectations in the definition of strategic goals, objectives and measures of success are part of the implementation strategies of the founding documents. The later documents in the place of the above believe that scarce resources of the government will be prudently managed by imbibing the discipline of planning, transforming the budgeting process and limiting the growth of recurrent expenditures, ensuring value for money effective project costing and close monitoring and enforcing stiff penalty for misappropriation and implementation failures and

[14] Realizable in the sense that the gaps between them and the annual budgets seem closer than when compared with projections in the founding documents.

[15] Investment projections were also done for all the states across the broad sectors to complement the effort at the centre.

rewarding success. The absence of stakeholders' involvement in defining success and other key decision making as is the case with the later documents may lead its implementation towards becoming business as usual. In summary, implementation approaches advocated by the later documents look more academic and theoretical than practical when compared to the approaches promoted by the founding documents.

Both the founding and the later documents lack clear private sector-led development strategy and this has continuously make public sector investment higher than expected year in year out. A telling indicator is the fact that under roads and bridges budgets for the period 2010-2013, key proposed projects and programmes for Public Private Partnership (PPP) have attracted about N51.34 billion yet there is no significant take off or tangible evidence on ground on the way forward. Several models and options are on the table with no detailed implementation work programme.

These inconsistencies due to different implementation strategies and approaches from both documents are already posing problems towards achieving the goals and targets set out by these policies. It should be remembered that both policy documents are being implemented at the same time side by side hence there is the need for proper harmonisation of implementation approaches and strategies.

There exist serious funding gaps on investment projections between the founding documents and the later documents across all the major broad sectors but more pronounced in human capital development, physical infrastructure and productive/real sectors. Details of such funding gaps are presented in Table 6.

The table presented the funding gap between the founding and later documents projection with a total different of about two and half trillion naira for the two year period 2012-2013. Evidence from the review has shown that MTEFs and federal annual budgets are now based on investment projections derived from the Transformation Agenda. The implication of this is the derailment from the overall goal of the perspective plan (Vision 20:2020) which Transformation Agenda claims to work towards achieving. This is evident from the growth targets of the annual budgets (2010-2013) which has always hover around 7% when the economy is required to grow by an average of 13% from 2009 in other to meet with the overall goal of being one of the World's largest economies by the year 2020.

In summary, the later documents investment projections and implementation strategies may not be able to achieve the overall goals of the economy by the year 2020 due to inconsistencies and lack of depth with the founding documents. This implies that the pursuance of the Transformation Agenda instead of the Vision amounts to shifting the goal posts and apportioning blames. It is no longer a secret that the development challenge that Nigeria faces today is the mobilization of domestic and international resources to enhance productive investments, boost growth, and reduce poverty. Mobilization of resources being a challenge should not push the economy towards the direction of accepting her fate by amending the investment projections to suit the reality on the ground when there are other paths to follow and work towards the goals of guaranteeing the well being and productivity of the people.

In a country like Nigeria, where more than half of the population are employed in the agricultural sector, to achieve faster agriculture-based growth rates, there must be in place favorable macroeconomic and trade policies, good infrastructure, and access to credit, land, and markets. These conditions create level playing fields and give farmers incentives to adopt new and sustainable technologies and diversify production into higher-value crops, actions that raise incomes and lift households out of poverty. This is the easiest way of guaranteeing the well being and productivity of the people. Unfortunately, evidence suggests that these have been completely ignored in the real sense though there are songs everywhere on how to turn things around. Setting a target which requires serious hard work to achieve and opting out by looking for a soft landing with excuses of lack of adequate resources may not lead the economy anywhere.

Efforts at re-balancing relative shares of recurrent and capital expenditures are commendable. The 2013 – 2015 MTEF document notes that "as a result of these initiatives and in line with the trend since 2011, the share of recurrent spending in aggregate expenditure is set to further reduce from 71.47% in 2012 to 68.7% in 2013 while capital expenditure as a share of aggregate spending is set to increase from 28.53% in 2012 to 31.3% in 2013". However, it must be acknowledged that for an economy in Nigeria's stage and given the policy goals of the Vision 20:2020, the rate of transition is quite low. This is particularly so given that not even implementation of 62 percent of the 31 percent gives a much lower rate of physical infrastructure investment that could enable improved private sector participation in the economy.

But there is also a link outlined in the transformation agenda that does not seem to make much sense. On page 13 of the document, it is stated that "the macroeconomic benefits expected to accrue from reduction in the fiscal deficit include a reduction in the crowding out of private investors and positive impact on interest rates as well as enhancing confidence and expectations of investors". The above signals a fundamental thinking in policy circles that fiscal deficits 'crowd out' private investment. This thinking is fundamentally flawed unless there is evidence in the literature that this is particularly so in Nigeria at this point. The flaw in the thinking is the belief that fiscal deficits crowd out the private sector. Of course, this is possible, but principally would arise on account of the sort of expenditures such deficits go to fund. Deficits structured towards providing infrastructure should actually complement rather than crowd out private investment. As such, the issue is not the presence or otherwise of deficits, but the use to which the funds that yield the deficits were put. For a resource scarce economy like Nigeria, it is not in doubt what an infrastructure enhancing deficit can do.

The above is repeated in discussing the link between the MTEF and budget 2013, where elaborate reference is made to fiscal consolidation. But the logic of the fiscal consolidation seems to be upside down. It is argued that to get the private sector to take over the economy, government has to reduce its expenditure. In taking such position, there seems to be an underlying argument that government expenditure crowds out private expenditure. But this is not shown to be either borne out of experience or follow any empirical finding. Indeed, for a country at the level of development as Nigeria, it is very unlikely that government expenditure substitutes for, instead of complementing private expenditure. Indeed, it is almost certain that if any empirical evidence points to possible substitutability between the two expenditures, it can only be on account of the nature of the expenditures and not about its size.

Given standard Keynesian identities, small economies are small because private consumption and investment are both weak and small. Under such circumstances, government expenditure becomes the key instrument for incentivizing, re-directing and channeling private expenditure. However, the challenge in Nigeria is not about the size of government expenditure as much as it is about the composition and efficiency. The move to keep recurrent (especially overhead) expenditure low is quite a commendable one. Yet while necessary, it is grossly insufficient to help government expenditure perform the critical role of shoring up economic growth. The composition and sectoral allocation of capital expenditure matters a lot too. Unfortunately, the necessity of improving efficiency in allocation and impact of the capital expenditure is not even mentioned in the any of the policy documents. The sectoral emphasis also leaves a lot to be desired in terms of their capacity to help improve employment.

4.2 Policy Recommendations

Annual budgets should be guided by the policy in place and such policy must be coherent. Aligning the Transformation Agenda with the overall vision of the economy as contained in Vision 20:2020 is required or better still dropping the agenda entirely because of some serious inconsistencies that may derail the economy in achieving the set goals and targets. Such inconsistencies are very conspicuous in the implementation strategies and investment projections. Policy implementation strategy that fail to link plans and budgets to strategic long term goals as well as articulating clearly KPIs based on expected deliverables and outcomes is faulty and should be discarded. Programmes should be generated from policies while projects should be generated from programmes.

Resources mobilization has been one of the critical challenges facing the economy and for the economy to achieve that there is the need for improved domestic regulatory framework across all sectors of the economy. In agriculture for example, a healthy market and private sector would provide value-added, skilled work to the landless poor and generate multiple livelihood opportunities in both farm and non-farm sectors. There are several practical sector by sector strategies identified in Vision 20:2020 to help improve resources mobilization which has been totally ignored since the implementation. There is evidence of regulatory deficit across revenue generation agencies hence it is impossible for the economy to understand what her capacity is in terms of revenue base. This deficit can be checkmated by the legislative arm of the government.

A key point requiring attention is the benchmark oil price. In March 2012, oil price stood at US$128 per barrel. By June, it has fallen to US$90. That is 30 percent off the initial price in just 3 months and to a large extent, signals what is common knowledge about the international oil price. Consequently, it makes a lot of sense to keep the benchmark oil price as low as possible, even if only for the sole reason of avoiding a situation where actual oil price falls below the benchmark within a budget year. This piece may have gone on to advocate a lower benchmark except for the fact that that may translate to higher deficits which the government may not be prepared to finance within the fiscal year. But it is important to keep in mind that US$75 is less than 17 percent off the US$90 price of June 2012 and so is not far from critical regions to which the price could fall within the 2013 budget year.

It is important that the policy documents clearly outline what economic diplomacy measures Nigeria intends to take. These then should be incorporated into the budget with clear provisions for funding them. To this end, the earlier reference to increasing the budget of the Ministry of Trade and Investment and linking these to expenditures by related ministries like the ministry of Foreign Affairs need to be reiterated. This is linked to the reference made to the need for diversification of the economy, which has all the right words. But neither the detailed discussions nor budgetary provisions seem to translate these words into meaningful, tangible and defensible economic programme. The Transformation Agenda and MTEF need to take care of this, by clearly outlining what measures would be taken to advance Nigeria's business interests in places where the country is also pouring resources to better the lives of other people. Such measures should then be clearly translated and incorporated in the 2013 budget.

The legislative arm of government should embark on result-oriented monitoring, evaluation and auditing because evidence has shown that available resources management have been marred by inefficiencies. There are two broad categories of inefficiencies in the actual distribution of public expenditures in Nigeria. The first one is *corruption*, i.e. leakage of resources to individuals or unintended organizations while the second one is wasting, i.e. inefficient use of resources, such as a mismatch between what facilities are needed and what the government distributes. A perusal of the FGN budgets for the period 2010-2013 have shown gross wastage and leakage of resources to individuals or unintended organizations and misplaced priorities. The sector by sector analysis have revealed that resources are allocated to irrelevant items year in year out and there are no tangible differences between budgets for a particular sector in two to four years because the same items are repeated over and over again even when such item has been attended to. Result-oriented monitoring, evaluation and auditing by the legislative arm at all stages of the budget process will improve allocative efficiency, operational efficiency and fiscal discipline.

Budgets and budgeting in Nigeria is becoming a mere routine activity. Evidence from the review reveals that the numbers don't add up as is the case with the budgets of Ministry of Works and others where individual capital items added together is by far higher than the total approved capital by over a hundred billion. Such action is not just fraudulent but sabotage because if the budget performance of such sector is 100%, there will be several line items unattended to at the end of the day. Every item must not be in the budget at the same time and that's why priority projects were identified by the policy documents. Every item in the budget must have been properly examined in terms of relevance and cost before being included in the budget. An example is the Ministry of Energy in 2013 budget with an item under power transmission thus: Consultancy for determination of projects to be consessioned with the cost of N1.5 billion attached to it. One need not to be an engineer or project evaluation specialist to understand that the item lacks bearing and the cost is exorbitant. Therefore the budgets of all MDAs need to be decongested and allow items that are relevant and items that are considered as priorities towards achieving the overall goals and targets included in the budgets.

Proper budget scrutiny is required across sectors and MDAs. There is also evidence of repetition of same line items over the years with the excuse that it has not been implemented across MDAs of government even when such items are obsolete and not in tandem with the guiding priorities of the sectors. At the rate MDAs in Nigeria purchase computers and accessories year in year out, one wonders if the number of computers across MDAs are not higher than the number of employees. Imagine the Ministry of works in the 2013 budget purchasing 160 HP Notebooks (laptops) and replacing 90 existing, 386 Computer Systems, Printers and Ups; Purchase and Installation of 200

Computer Systems, 200 Printers and 200 UPS in the new office building of the Ministry all for N22.5 million[16]only. This is not just ridiculous and insensitive but a sign of weak oversight from the legislative arm of the government.

The constitution gives powers to the National Assembly to undertake investigations into the conduct of affairs of any person, authority, ministry or government department charged, or intended to be charged with the duty of or responsibility for disbursing or administering money appropriated or to be appropriated by the National Assembly with a view to exposing corruption, inefficiency or waste in the execution or administration of laws within its legislative competence and in the disbursement or administration of funds appropriated by it.

The National Assembly is still constrained in its oversight function because its Public Accounts Committee depends on the Auditor General's Report as the main basis for its public funds oversight activities. Consequently, when the executive branch does present an inaccurate audit report, legislators would have no independent means of detecting it.

From the foregoing analysis, it is easy to conclude that the legal and institutional frameworks for budgeting are weak. It is therefore recommended that relevant institutions such as: Office of the Auditor General of the Federation, whose functions include auditing and reporting the public accounts of the federation and the accounts of all offices and courts of the federation; Code of Conduct Bureau; Council of State; Federal Character Commission; Federal Civil Service Commission; Federal Judicial Service Commission; Independent National Electoral Commission, National Defence Council; National Economic Council; National Judicial Council; National Population Commission; National Security Council; National Police Council; Police Service Commission and the Revenue Mobilization Allocation and Fiscal Responsibility Commission be strengthened and necessary reviews be made in the legislations to ensure transparency in the budgeting process.

In Nigeria just like most other countries, the legislature is constitutionally mandated as the institution through which governments are held to account to the electorate. In doing so, the legislature can use several means, including questioning of senior government officials including ministers, the review and confirmation of executive appointments, impeachment and/or the power to dismiss the government, question period, the establishment of parliamentary committees and the formation of commissions of inquiry.

Legislative oversight is nowhere more important than over the budget. The role of the legislature in Nigeria is to scrutinize and authorize revenues and expenditures, and to ensure that the federal budget is properly implemented. How governance affects the well-being of the populace depends on tax levels, spending patterns, the impact of policies on investment and on interest rates, as well as on the ways that domestic priorities and choices interact with international economic and financial trends.

The legislature can introduce a new bill if necessary or better still strengthen the existing legislation that will take a significant step forward in establishing a more open budget process that provides more accountability, disclosure and sound financial principles. The legislature needs to modernize the Nigerian budget process and bring it into the twenty-first century. This will be aimed at improving timelines, establish a binding revenue forecast mechanism, earlier start to the budget process (like the 2013 budget that has already been presented), enhance and increasing transparency.

CSOs can utilize the services of effective community-based organizations, such as farmer associations or cooperatives, water user groups, and farm and other micro-credit and lending groups to improve budgeting and improve governance. This can be achieved by educating and sensitizing the public about their rights and entitlements under public programs; by acting as a conduit to the government for public opinion and local experience; by influencing local agricultural development policies; and by helping government and donors fashion a more effective development strategy through strengthening institutions, staff training, and improving management capacity.

Given the diverse geography of Nigeria, and the perceived and actual remoteness of the federal government from areas where government services are most needed, strengthening the linkages between the community level and the provincial and federal level is a prerequisite to better targeted social service delivery. CSOs can facilitate the strengthening of these linkages and ensure

[16] This is just a tip of the ice berg

equitable and, in particular, gender and youth sensitive application. Civil society organizations can play an important role in complementing and substituting for the traditional social networks.

The principal activities where CSOs can participate include promoting availability of budget information, budget transparency, and broadening societal participation. They can undertake capacity-building to promote awareness and understanding of public budgets among legislators, NGOs and citizen groups. Several organizations work to improve budget allocations and outcomes through advocacy work designed to influence budget priorities (allocations between and within major items of expenditure), the quality of implementation (the targeting of expenditures and the proportion of the allocation actually expended) and the utilization of expenditures (how far budget allocations translate into physical outcomes, and the efficiency and effectiveness of expenditures). Summarily, CSOs can participate from the formulation state through the Implementation and the Monitoring stages. The major focus of civil society with regards to the poverty reduction process is the role of monitoring government commitment to implement government policies. They can use various strategies to inform its monitoring and advocacy work.

4.3 Conclusion

The financing requirements for realizing the goals and targets of the country come 2020 are substantial and the private sector is increasingly called upon to fill investment gaps in Nigeria when the environment that will enable them thrive is missing. The complementary and supporting role of the private sector in the provision of basic services in water, land, health and other infrastructure development that is lacking in Nigeria cannot be ignored. It will take a particular kind of private-sector involvement to generate the necessary economic transformations. Private entrepreneurs are now increasingly held to environmental, social and corporate governance principles that stress sustainable business practices and adherence to labor standards. Without these standards and practices, the private sector and disadvantaged groups cannot mutually benefit from consumer, employment and entrepreneurial activities hence, the need for government agencies in Nigeria urgently revisiting the legal, regulatory, political and institutional framework in agriculture, research, extension and industrial sectors to facilitate private-sector involvement.

It should also be noted that government budgets have a central role in the planning and control of the country's economic activities and in particular for private sector development, which is necessary for employment creation and generation. Budgets are important tools with profound implications for poverty reduction and social equity issues. Civic engagement can contribute to government accountability by raising awareness and demand for transparency and for improved public service delivery. It also contributes to the integration of a pro-poor perspective into budgets and policies. Civil societies should be aware of the needs of the most vulnerable members of society and can be a force of change for budgets to become more responsive to those needs. Civil societies can thus effectively complement or assist in overcoming the weaknesses and failures of formal public institutions.