

RESEARCH STUDY ON THE QUANTUM AND IMPACT OF FINANCIAL LOSSES FROM MISMANAGEMENT OF FUNDS BY THE NIGER DELTA DEVELOPMENT COMMISSION



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AND IMPACT OF FINANCIAL LOSSES FROM
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DELTA DEVELOPMENT COMMISSION (NDDC)

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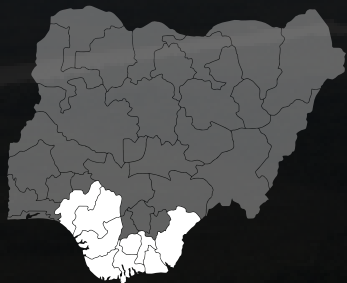
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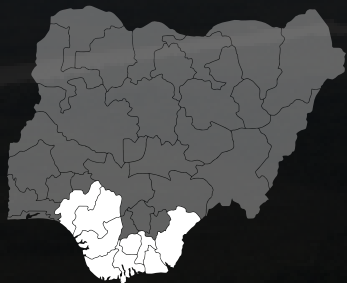
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*Research Study on the Quantum and Impact of Financial Losses from
Mismanagement of Funds by the Niger Delta Development Commission*

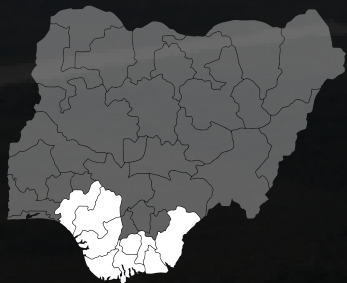
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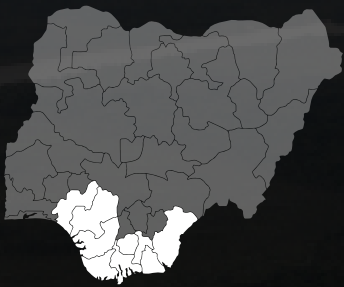
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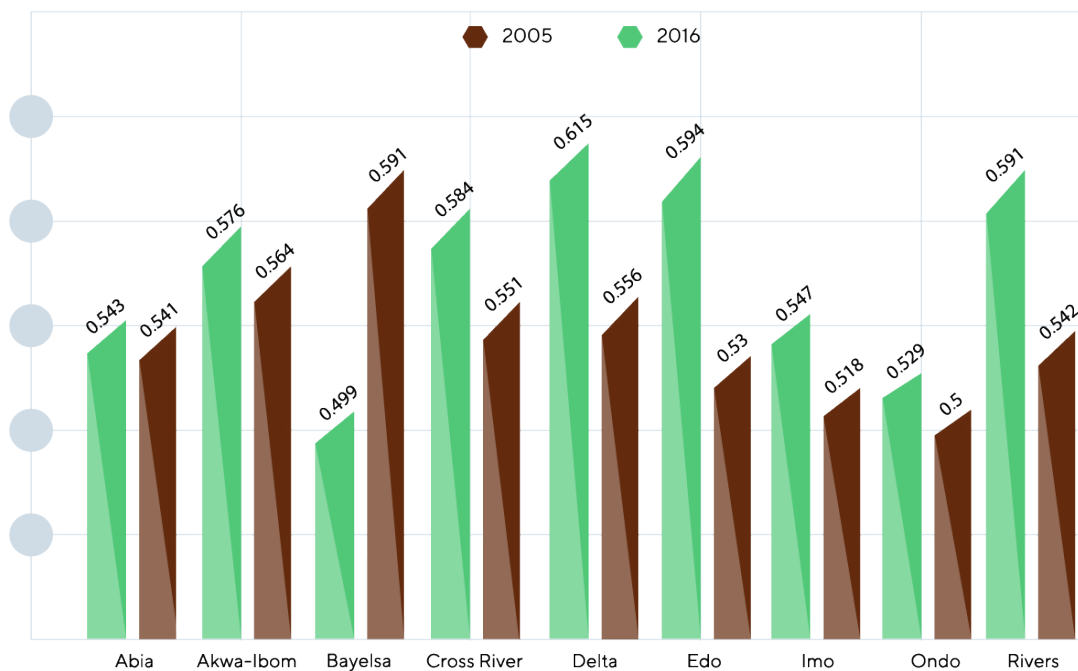
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Executive Summary

The Niger Delta Development Commission (NDDC) was established in 2000 to expedite the economic, ecological, and infrastructural development of the Niger Delta. Its creation was a reaction to the increasingly restive demands of the people of the Niger Delta to the negative economic and ecological impact of oil exploration in the Niger Delta. Since the creation of NDDC, human development indicators (HDI)—which is a proxy for education, health and wealth levels—has declined in each of the states rather than improve. The only exception is Bayelsa State. (see Figure 1).

Figure 1: Human Development in the Niger Delta States circa 2005 & 2016



Source: UNDP

NDDC Performance: 2000 - 2020

This decline in human development correlates with the proliferation of failed and abandoned NDDC projects across the nine Niger-Delta states. Field visits to a randomly selected 172 of the over 9,445 projects listed on NDDC's website¹ in the

nine states revealed that 43 percent were completed, 23 percent abandoned, 12 percent uncompleted, and 22 percent of the projects could not be identified. Of the completed projects, visual inspection and interviews with residents showed evidence of failure and poor quality execution.

1 NDDC Projects; <https://nddcproject.nddc.gov.ng/>, last accessed April 21, 2020

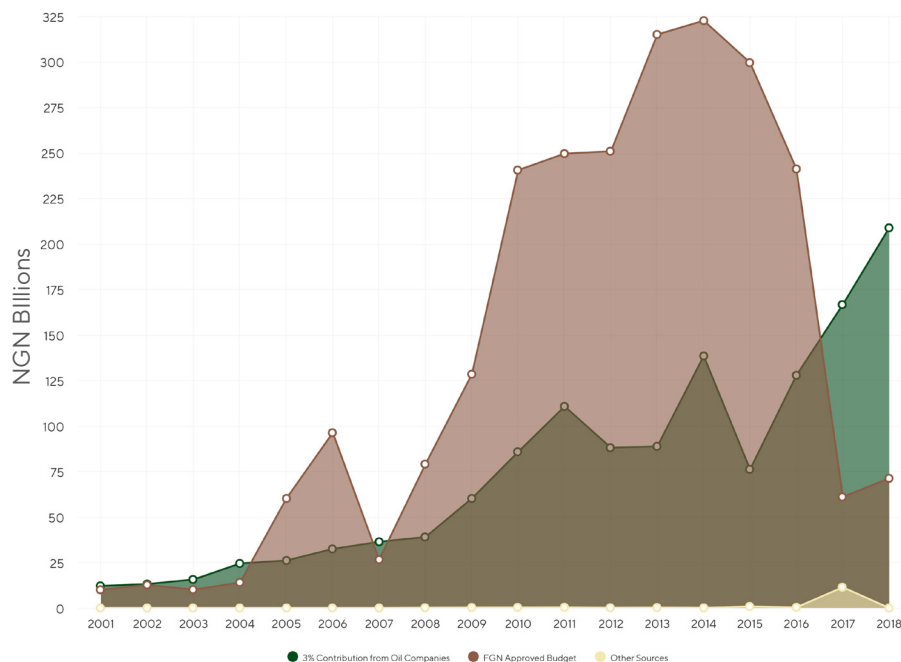


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Analysis of Funds Received and Wastage in NDDC

The study estimates that in the 18 years of its existence of NDDC (2001-2018), it received at least ₦2.16 trillion in allocations from both the Federal Government and oil and gas company operating in the area. Figure 2 below shows NDDC income from various sources.

Figure 2: NDDC Income from Various Sources



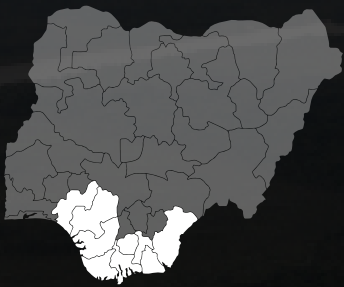
Sources in Appendix²

Extrapolating these sample findings to the entire population size of 9,313 projects and spend of ₦2.16 trillion shows a wastage of ₦1.23 trillion on about 5,300 projects. These projects were either not implemented, abandoned or uncompleted. The funds intended for projects in the region have either been diverted to private coffers or otherwise mismanaged. These funds could have developed around 1,200 kilometres of paved roads, about 172 units of 300-bed hospitals, and 300 schools in the region.

Challenges with NDDC's Operations

The team collated the data for this report from various sources, including field visits, analysis of NDDC budgets, news reports on NDDC and social network analysis of the ownership of companies that received contracts from NDDC. A study of the data suggests that there are significant processes and government challenges at NDDC that have led to suboptimal impact from the quantum of investments in the Niger Delta. Some of the more specific findings include:

2 Data for both government budgets and oil company contributions are sourced from online sources as requests for official data were denied.



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1. Contract awarded to unqualified

companies: Thirty-six percent of a sample of contractors did not appear on the database of Nigeria's Corporate Affairs Commission (CAC). This finding is an indication that the companies are not correctly registered in Nigeria. Anecdotal evidence (such as in the case of Gallet Nigeria Limited awarded a shoreline protection project in Ondo state) shows that some of the contractors were incapable of handling their respective projects.

2. Conflict of interest in the award of

contracts: There is evidence of projects awarded to companies with known ties to persons with influence over the Commission. For instance, it is alleged that, in 2020, contracts worth ₦5.6 billion for the purchase of personal protective equipment (PPE) against the coronavirus and ₦16 billion for NDDC Head Office were awarded to Signoria Concepts and Rodnap Limited respectively. Both companies are linked to Godswill Akpabio, the incumbent Minister for Niger Delta Affairs.

3. Completed projects being re-

awarded: There are repeated cases of contracts awarded multiple times. For instance, a contract was widely reported to have been awarded 55 times.³ The project research found at least two instances in Ikun and Abredang communities in Biase Local Government Area (LGA) of Cross River where completed electrification projects were re-contracted and paid for.

4. False reporting of project status:

There are instances where the Commission has miscommunicated the status of

many projects. Some of the projects communicated as completed, on the NDDC website turned out to be false. For instance, the Commission claims to have completed a health centre in Umu-Okwo in Owerri West Local Government Area (LGA); however, investigations show that what was commissioned 15 years ago was an uncompleted five-room bungalow with no health facilities whatsoever. There are similar false claims in Evboneka and Ahor communities in Edo state. There are similar false claims about completed roads and electrification projects.

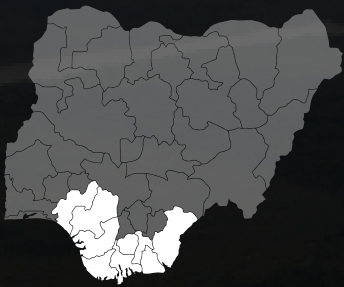
5. Failure to deliver on contracts—there is a long list of abandoned and failed projects:

There is a long list of abandoned and failed projects including several projects where NDDC paid the full contract amount. For example, ₦248 million was budgeted for Adolor road in 2014 and over ₦233 million released in 2015. By 2020, the road is yet to be completed with a section of the road completely damaged, leading to severe flooding in the area.

6. Delays in paying contractors led to project cost overruns and abandonment:

Several contractors complain that the reason projects are abandoned is mainly due to delays in payment. For example, NDDC contracted Jismac Nigeria Limited in 2010 to construct the central block of standard cottage/comprehensive health centre in Ekukunela. The construction began that same year, but there were intermittent stops until it got to the roofing stage three years later. Zack Agba, the contractor handling the health facility, blames NDDC for its failure to

3 This Day, Feb 16, 2020. Available at <https://www.thisdaylive.com/index.php/2020/02/16/interrogating-the-nddc-n346bn-budget/>



complete the project, because of payment delays.

7. Poor quality and maintenance of completed projects: The majority of the completed projects visited were already in a state of disrepair. For instance, NDDC awarded the contract for the rehabilitation of Umuezeala road in Ehime Mbano LGA of Imo state to Bash & Bolts Limited, but barely 12 months after it was completed, the road is pothole-ridden and completely unmotorable.

8. Poor alignment of projects with actual needs of communities and state governments: There are cases where NDDC commissioned projects which were later repurposed by communities. For instance, NDDC contracted the construction of a bigger health centre at Amaebu-Eke (Ebenato), Imo state. The building was completed but never used. The community claimed that it was converted into a school two years after it was constructed.

9. Loss of trust of local communities: The majority of communities interviewed do not want NDDC operating in their domain due to a reputation for failed projects and their unwillingness to properly relocate or compensate families whose livelihoods are disrupted by its projects.

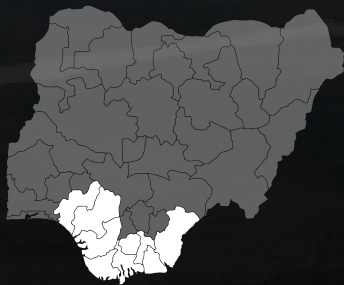
10. NDDC does not adequately leverage private sector funds and crowds out other legitimate sources of infrastructure investment such as government and donor funds: Indeed, NDDC crowds out other legitimate sources of infrastructure investment such as state government and donor funds. This research project did not find any case where the NDDC successfully implemented a project with significant

funding coming from the private sector, say in a public-private partnership model. There are several cases where NDDC is seen to be competing with state governments to award projects that the state has already budgeted for, thereby crowding out other sources of development.

Policy Options and Recommendations

The evidence of declining HDI in the Niger Delta states may be linked to the challenges with the Niger Delta Development Commission. Corruption, wastage and a failure to stimulate private sector funds have adversely impacted the Commission's effectiveness.

NDDC is in dire need of reform to address the underlying issues identified with its operations. The policy options below are each evaluated based on the evaluation criteria: payback period, cost, net benefit, effectiveness, efficiency, equity, administrative ease, legality and political acceptability in the Nigerian context.



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Policy Options	Payback	Cost	Net Benefit	Effectiveness	Efficiency	Equity	Administrative Ease	Legality	Political acceptability
Prosecute contractors and offending administrators	Positive	Neutral	Positive	Neutral	Neutral	Neutral	Neutral	Positive	Neutral
Leverage technology and media to increase transparency	Neutral	Positive	Positive	Positive	Positive	Positive	Positive	Positive	Positive
Invest a Portion of NDDCs funds	Negative	Neutral	Positive	Neutral	Positive	Neutral	Neutral	Positive	Negative
Leverage PPP models	Neutral	Positive	Positive	Neutral	Positive	Positive	Neutral	Positive	Positive
Fund Existing Sources of Well Developed Projects	Neutral	Neutral	Neutral	Neutral	Positive	Positive	Neutral	Positive	Neutral
Performance Management, Quality Assurance and Maintenance	Neutral	Neutral	Positive	Neutral	Neutral	Positive	Neutral	Positive	Positive
Engage Local Communities	Neutral	Neutral	Positive	Positive	Positive	Positive	Neutral	Positive	Positive
Equitable Distribution of Projects Across NDDC States	Neutral	Positive	Neutral	Neutral	Neutral	Positive	Positive	Positive	Positive
Legend	Positive	Neutral	Negative						

Prosecute Contractors and Administrators for Failed, Abandoned and Uncompleted Projects:

Following the ongoing forensic audit of the NDDC, contractors, and the Commission staff should account for the failed, abandoned or uncompleted projects. This process should lead to a recovery of funds that the NDDC can deploy to more effective projects. High priority projects that were stalled due to payment delays and no fault of the contractors may be reactivated in this process. This proposal is a quick return recommendation but may be costly to implement.

Leverage Technology and Media to Increase Transparency:

Incremental governance changes such as publishing all budgets, contracts, timelines and real-time performance can increase the incentives for

accountability and increase internal capacity for good governance. Annual audit reports covering project and fund performance must be published and defended in public hearings annually. This recommendation is easy to implement and is expected to yield high returns.

NDDC Investment Funds: An investment fund is typically a way of investing money to earn compound returns alongside other investors to benefit from the inherent advantages of working as part of a group. These advantages include an ability to hire professional investment managers, which may potentially be able to offer better returns and adequate risk management benefit from economies of scale, i.e., lower transaction costs; increase the asset diversification to reduce some unsystematic



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risk. Countries with a large pool of funds sometimes create investment funds to grow these funds. They are known as sovereign wealth funds. Examples include Nigeria's Sovereign Investment Authority (NSIA), and the Norwegian and Abu Dhabi Sovereign Wealth Funds which have grown to \$1.09 trillion and \$700 billion.⁴ For the year 2018, Nigeria's Sovereign Investment Authority (NSIA) generated average annualised returns of about 7.9 percent on capital employed. Its capital is deployed through three investment funds—a stabilisation fund, a future generations fund and the Nigeria Infrastructure Fund.⁵

Investment funds have the perennial challenge of how to allocate funds optimally and in Nigeria's political environment, this challenge will be even more pronounced. This challenge can be mitigated by appointing professional fund managers and publishing asset allocation policies and outcomes regularly.

This recommendation may be implemented through NSIA or directly by fund managers appointed by the Commission. NDDC's infrastructure projects can leverage the resources and organisations of the Nigeria Infrastructure Fund such as InfraCredit to pool in private capital for its projects.

This recommendation may be difficult to implement politically as the payback period may be extended and returns subject to market cycles and long development

lead times. However, it would be critical given twin imperatives of saving for future generations and implementing projects efficiently and effectively, which the NDDC's current approach does not do.

Use Public-Private Partnership (PPP) models to leverage more private sector (and development sector) capital for all projects: Ideally, no project should be 100 percent funded by NDDC. The NDDC has a PPP unit whose mandate is to leverage private funds through various financing models. In line with the Master Plan, NDDC ought to have leveraged a total of about ₦4 trillion in the 15 years between 2005 to 2020. In reality, NDDC investments in collaboration with the private sector has been negligible. The examples of successful infrastructure projects implemented by InfraCredit⁶ should be instructive for the NDDC.

PPPs help spread the risk of projects between the public and private sectors. However, they have associated transaction costs of identifying appropriate projects and establishing value for money.

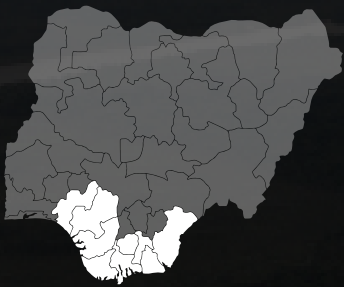
Fund Existing Sources of Well Developed Projects: NDDC can deploy its resources to support the development of existing private, state and federal infrastructures that are in line with the Niger Delta Master Plan. Examples include:

1. State government infrastructure

4 Sovereign Wealth Fund Institute, <https://www.swfinstitute.org/fund-rankings/sovereign-wealth-fund>

5 NSIA Key Facts. <https://nsia.com.ng/investor-relations/key-facts>

6 InfraCredit is a "AAA" rated infrastructure credit guarantee organisation backed by NSIA. It has successfully leveraged funds from development agencies such as KFW and AFC to fund projects especially in the power sector such as the North South Power Concession (600MW, ₦8.5 billion) and Viathan IPP (50MW, ₦10 billion).



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bonds: which can, in turn, fund infrastructure projects.

2. **Infrastructure grants to states** to invest in socially beneficial but not commercially viable projects such as erosion control, environmental restoration, etc.
3. **Viability gap funding** for private sector/ NGO projects that would otherwise not be commercially viable such as funded health care centres, water projects, and so on.
4. **Direct grants to startups and incubators** that nurture businesses in the area, through seed funding of promising projects
5. **Direct cash subsidies** to support indigents and low-income families to stimulate aggregate demand in the Niger Delta
6. **Supporting ongoing programs** such as the school feeding programme that have expected domino effects for nutrition, health, education and agriculture sectors.

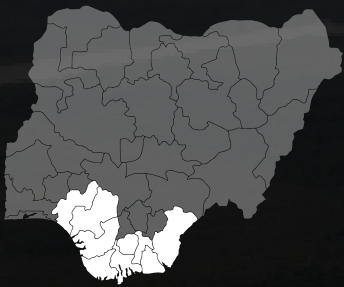
Performance Management, Quality Assurance and Maintenance: the Commission needs to emphasise performance management and quality assurance, allocate resources to engage third party technical experts to review projects through their lifecycle (design, procurement, construction and operations phases) and not only during the construction phase. NDDC projects are seen to be of poor quality such that communities prefer state government projects. It is important to ensure that NDDC projects have an operations and maintenance component to ensure they are sustainable.

Engage the Local Communities:

Government and industry must engage and share information with affected communities to manage local expectations regarding the petroleum sector to build trust. On-the-ground reports suggest that communities are averse to NDDC's operations in their state. A local interviewed during the project suggested that NDDC does not pay appropriate compensations when its actions affect livelihoods in communities, such as when houses are demolished during road construction. NDDC needs to do a better job of carrying communities along and paying compensations as required.

Equitable Distribution of Projects Across NDDC States:

The analysis of projects across states suggests that there is no consistent logic to the allocation of projects by state (such as the volume of crude oil or gas production per state). For instance, Akwa-Ibom the highest oil-producing state received much less investments or projects than Delta, Rivers or Bayelsa state. On the other hand, states like Abia, Edo Cross-River and Ondo received only a fraction of the funds allocated elsewhere. There needs to be a consistent logic for the allocation of NDDC's funds to states. This can be achieved by pre-allocating annual budgets for each state. Large infrastructural projects or inter-state projects may be funded from a separate pool of funds.



Introduction

Nigeria's Niger-Delta comprises of nine coastal states in the southern part of the country. The area includes all six states in the South-South geopolitical zone; Ondo in the South West geopolitical zone, and Abia and Imo states in the South East geopolitical zone.

The area stretches about 70,000 square kilometre or 27,000 square miles which is about 7.5 percent of Nigeria's land mass. It is home to about 20 million people, or 10 percent of Nigeria's population with about 40 tribes, speaking about 250 dialects.⁷

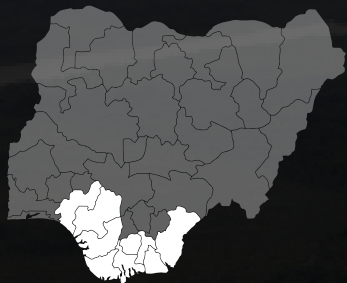
The Niger-Delta region accounts for 98 percent of Nigeria's oil and gas production. The Oil and Gas Journal (OGJ)⁸ states Nigeria has 37 billion barrels of proven oil reserves and produces about 2 million barrels daily. Nigeria has an estimated 180 trillion cubic feet (Tcf) of proved natural gas reserves by the end of 2015, according to OGJ, making Nigeria the ninth-largest natural gas reserve holder in the world and the largest in Africa. Nigeria produced 1.55 Tcf of dry natural gas in 2014, ranking among the world's top 30 largest natural gas producers.

About 75 percent of the country's revenue is derived from the Niger Delta. Oil and gas production from the Niger Delta has generated an estimated \$600 billion since the 1960s.⁹ Of the nine states in the South South region, only Cross River is not an oil-producing state and Lagos is the only state not in the Niger-Delta area that produces oil.

7 NDPI, Circa 2018, Why Invest?, available online at <https://www.ndpifoundation.org/why-invest/>, last accessed on Feb. 05 2020

8 Oil & Gas Journal, Worldwide Look at Reserves and Production, (January 1, 2015).

9 Ite, Aniefiok & Ibok, Udo & Ite, Margaret & Petters, Sunday. (2013). Petroleum Exploration and Production: Past and Present Environmental Issues in the Nigeria's Niger Delta. American Journal of Environmental Protection. 1. 78-90. 10.12691/env-1-4-2.



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Table 1: Nigeria's Oil Production by State

State	Production (BPD)	Percentage
Akwa Ibom	504,000	31 percent
Delta	346,000	21 percent
Rivers	344,000	21 percent
Bayelsa	290,000	18 percent
Ondo	60,000	4 percent
Lagos	40,000	2 percent
Edo	33,000	2 percent
Imo	17,000	1 percent
Abia	11000	1 percent
Total	1,645,000	

Source: Nigerian Bureau of Statistics 2017¹⁰

Despite its oil wealth, the Niger Delta remains underdeveloped and burdened by environmental pollution occasioned by the production of oil and gas in the region. The Niger Delta Development Commission was set up in 2000 to solve this dilemma but evidence suggests that the Commission's efforts have not translated to commensurate development within the communities.

Human Development in the Niger Delta States

The Human Development Index (HDI) is a tool created by the United Nations

Development Programme (UNDP) to measure development across three major segments – health (life expectancy), education (knowledge level), and wealth (standard of living or GNI). Nigeria's HDI value for 2018 was 0.534— which places the country at 158 out of 189 countries and territories. Of the 36 states and FCT, Lagos ranks the highest at 0.652 and Sokoto the lowest at 0.291.¹¹

Table 2 below shows the HDI for the states in the Niger Delta for the period 2005 – 2016. But for Bayelsa, all the other states declined.

¹⁰ Priscilla Offiong, May 9 2019, Nigeria Relies on Oil Despite Having Large Coal Reserves, available online at <https://www.climatecorecard.org/2019/05/nigeria-relies-on-oil-despite-having-large-coal-reserves/> last accessed on Feb. 05 2020

¹¹ UNDP, 2019, National Human Development Report 2018, pdf, available online at http://hdr.undp.org/sites/default/files/hdr_2018_nigeria_finalfinalx3.pdf, last access Feb 04 2020



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Table 2: Human Development Index in the Niger Delta States 2005-2016

States	2005	2016	
Abia	0.543	0.541	↓
Akwa-Ibom	0.576	0.564	↓
Bayelsa	0.499	0.591	↑
Cross River	0.584	0.551	↓
Delta	0.615	0.556	↓
Edo	0.594	0.53	↓
Imo	0.547	0.518	↓
Ondo	0.529	0.5	↓
Rivers	0.591	0.542	↓

Source: UNDP

HDI indices: life expectancy, literacy rates and incomes would likely have increased had NDDC effectively invested in health care centres, schools and local businesses.

Methodology

This study is the product of months of research and analysis. Figure 3 below depicts our three-step process.

Figure 3: Methodology





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The data gathering phase involved a review of previous reports on NDDC's operations, particularly the NDDC website, two reports by the Nigeria Extractive Industries Transparency Initiative (NEITI), Fiscal Allocation and Statutory Disbursement (FASD) documents and several reported news sources. The desktop research was buttressed with field visits to 172 NDDC projects and interviews with members of the communities hosting these projects.

The 172 sample projects were chosen on the basis of ease of access for the enumerators and not a random sample selected from the long list of 9,313 on NDDC's website at the time of selection.

Data was cleaned, analysed and visualised to arrive at a verdict on the NDDC's efficacy or lack thereof as a tool for the development of the Niger Delta region. Recommendations are made based on comparable views of similar development agencies in other climes.

Limitations of Findings

The methodology and implementation of this brief had limitations and challenges. These include:

1. **Insufficient data on NDDC budgets and contract values:** The team sought to acquire data directly from NDDC using a Freedom of Information Act; however, NDDC did not honour the request. This non-cooperation from NDDC led the team to resort to online sources and secondary data sourced from the Nigeria Extractive Industries Transparency Initiative (NEITI).
2. **Challenging access to NDDC projects on the ground:** Several of the projects were difficult to locate. Many of the projects

were non-existent. This increased the cost of tracking projects and thereby reduced the number of projects tracked.

3. **A paucity of data on private sector-led initiatives:** The team was unable to get any data to buttress our assessment of the private sector funds leveraged into the region by NDDC.

4. **Project selection based on a convenience sample:** Projects were selected for audit based on ease of access for auditors, with projects in the metropolis given priority over inner city projects. This has the implication that projects audited were more likely to have been built and better maintained than projects which are difficult to reach.



NDDC's Efforts Since Inception

Box 1 below highlights

Box 1: THE NDDC MANDATE

Formulation of policies and guidelines for the development of the Niger Delta area.

Conception, planning and implementation, in accordance with set rules and regulations, of projects and programs for sustainable development of the Niger Delta area in the field of transportation including roads, jetties and waterways, health, employment, industrialization, agriculture and fisheries, housing and urban development, water supply, electricity and telecommunications.

Surveying the Niger Delta in order to ascertain measures necessary to promote its physical and socio-economic development.

Preparing master plans and schemes designed to promote the physical development of the Niger Delta region and the estimation of the member states of the Commission.

Implementation of all the measures approved for the development of the Niger Delta region by the Federal Government and the states of the Commission.

Identify factors inhibiting the development of the Niger Delta region and assisting the member states in the formulation and implementation of policies to ensure sound and efficient management of the resources of the Niger Delta region.

Assessing and reporting on any project being funded or carried out in the region by oil and gas companies and any other company, including non-governmental organisations, as well as ensuring that funds released for such projects are properly utilised.

Tackling ecological and environmental problems that arise from the exploration of oil mineral in the Niger Delta region and advising the Federal Government and the member states on the prevention and control of oil spillages, gas flaring and environmental pollution.

Liaising with the various oil mineral and gas prospecting and producing companies on all matters of pollution, prevention and control.

Executing such other works and performing such other functions, which in the option of the Commission are required for the sustainable development of the Niger Delta region and its people.

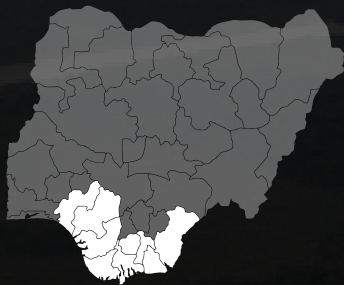
According to the Niger Delta Regional Development Master Plan, it would cost \$50 billion (₦6.5 trillion in 2005) to implement the Master Plan during the period 2005 – 2020.¹² The plan envisaged an average GDP growth of 8.5 percent in the region over

the period, actual outturns was about 6.2 percent, a deficit of 2.3 percent.

NDDC's Funding from Inception to Date

Section 14, subsection 2 of the NDDC establishment act No. 6 of 2000 specifies 6

12 Niger Delta Development Commission, 2005, Niger Delta Regional Development Master Plan Chapter 6



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sources of funding which includes:

1. "From the FG, the equivalent of 15 percent of the total monthly statutory allocations due to member states of the commission from the federation account;
2. 3 percent of the total annual budget of any oil-producing company operating on & offshore, in the Niger Delta Region (NDR); including gas processing companies
3. 50 percent of monies due to the member states of the commission from the ecological fund
4. Monies, as may from time to time, be granted, lent to or deposited with the commission by the federal or state government, any other body or institution whether

local or foreign

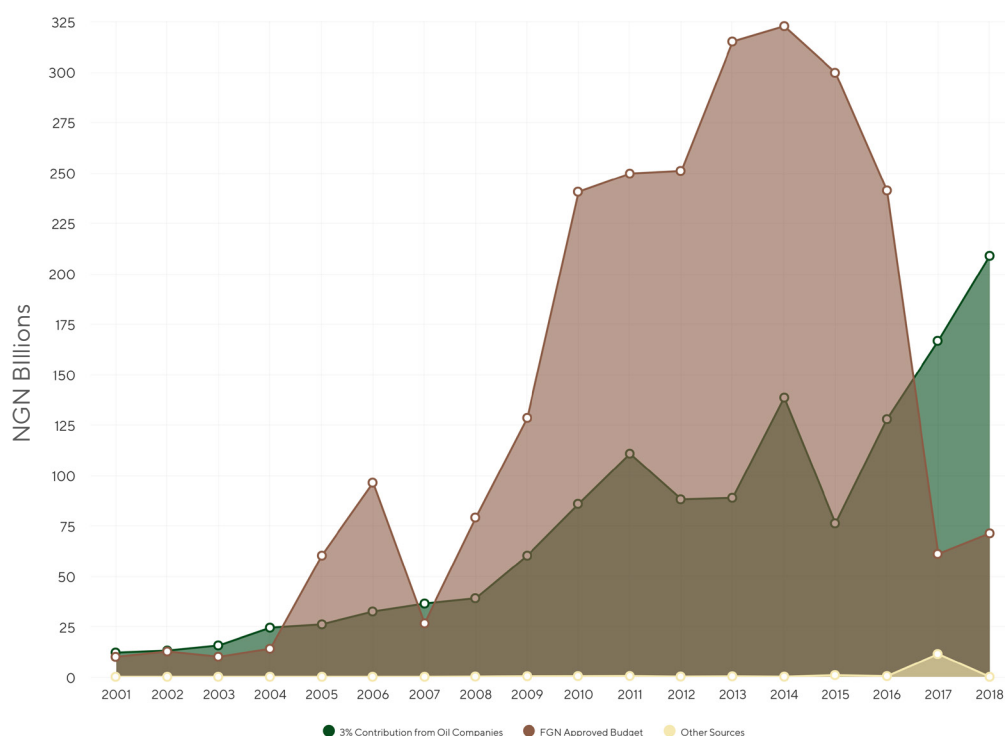
5. All monies raised for the purposes of the commission by way of gifts, loan, grants-in-aid, testamentary disposition or otherwise

6. Proceeds from all other assets that may, from time to time, accrue to the commission"¹³

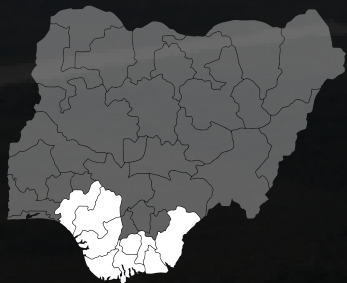
Our bottom-up review of the publicly reported government allocations and collections from oil and gas companies (see sources in Appendix 2) shows that NDDC received at least ₦2.16 trillion from these sources. See Table 1 below.

13 NDDC Act 2000 available online at http://www.commonlii.org/ng/legis/num_act/ndcea504/

Figure 2: NDDC Income from Various Sources



Source: NEITI and some news sources listed in Appendix II



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NEITI's report shows a total expenditure of ₦3.03 trillion occurred over a 10-years (2007 - 2016).¹⁴

The NDDC Master Plan envisaged that the organisation would leverage about 20 percent private sector funds to enhance its ability to develop infrastructure projects (see Table 3). To date, there is no evidence

of any funds that the NDDC has leveraged or any successful public private partnerships led by the NDDC since inception. NEITI found that NDDC may be under recovering funds from the 3 percent due from oil companies and is not empowered to enforce the recovery of these funds.¹⁵

14 NEITI, September 2019, Fiscal Allocation And Statutory Disbursement (Fasd) Audit 2012 - 2016 Summary Report

15 NEITI, September 2019, Fiscal Allocation And Statutory Disbursement (Fasd) Audit 2012 - 2016 Summary Report

Table 3: NDDC Projected Cost Needs and Private Sector Participation

Sources	Years 1-15 Total Development Investment (\$'000)	Private Sector Share, Percent	Private Sector Investment (\$'000)
Economic Development	2,740,971.00	5.8 percent	159,842.00
Human/Community Needs	21,059,239.00	25.2 percent	5,296,803.00
Protecting the Environment	3,841,176.00	50.0 percent	1,920,588.00
Physical Infrastructure	19,677,794.00	20.0 percent	3,935,559.00
Human & Institutional Infrastructure	2,672,074.00	11.9 percent	319,164.00
TOTAL	49,991,254.00	23.3 percent	11,631,956.00
NGN	17,996,851,440.00		4,187,504,160.00

Source: NDR Master Plan



Performance of NDDC's Funds

According to data obtained on the website of NDDC in December 2019, the Commission had executed over 9,000 projects in the Niger Delta from year 2001 till date. The website provided information on the project title, location, status, category, contractor and date but does not provide data on the cost of each of these projects. Projects span sectors including education – (books, scholarships and schools), health – (drugs, medical professionals and hospitals), transportation – (mass transit on roads and waterways), road infrastructure – (bridges, landing jetties and land reclamation), electrification projects, skill acquisition and youth development, agricultural development programmes, security and logistics projects, environment and waste management, and portable water projects.

More than 40 percent of the projects funded are roads and bridges. Assuming the total budget calculated above, at an average cost of ₦350 million per kilometre,¹⁶ this portion of the budget ought to have built about 5,000 kilometre of roads and bridges in the region—which is the equivalent of about 10 roads from Benin City to Calabar. While the cost of jetty construction could range widely depending on the size, if dredging is required and a host of other factors, at an average cost of about \$150 million¹⁷, 20 percent of the budget could have produced 14 world-class jetties in the region. Akwa Ibom and Delta account for majority of projects with 24 and 18 percent respectively as shown in Figure 4. This is expected as these two states alone produce more than 50 percent of Nigeria's crude oil, and hence more than 30 percent of the federal government's revenue.

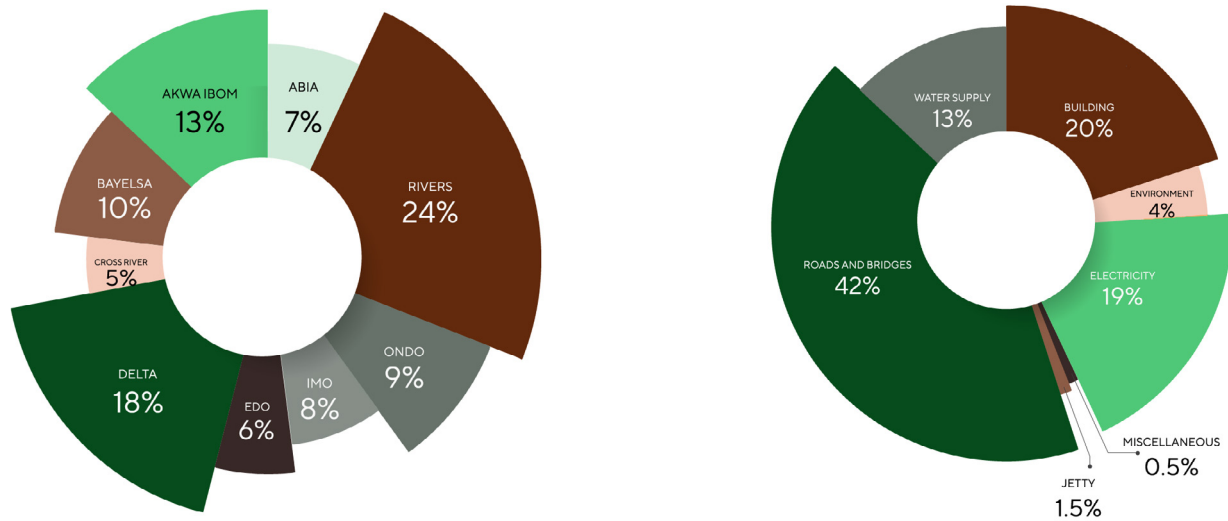
16 World Bank Benchmark is ₦238 million, see <https://autojosh.com/is-nigeria-the-costliest-place-to-build-roads-in-the-world/>

17 Example cost of a jetty found at <https://www.thisdaylive.com/index.php/2017/11/11/our-midstream-jetty-is-west-africas-first-privately-owned-deji-osikoya/>



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Figure 4: Spread of NDDC Projects by State and Type



Source: NDDC Website

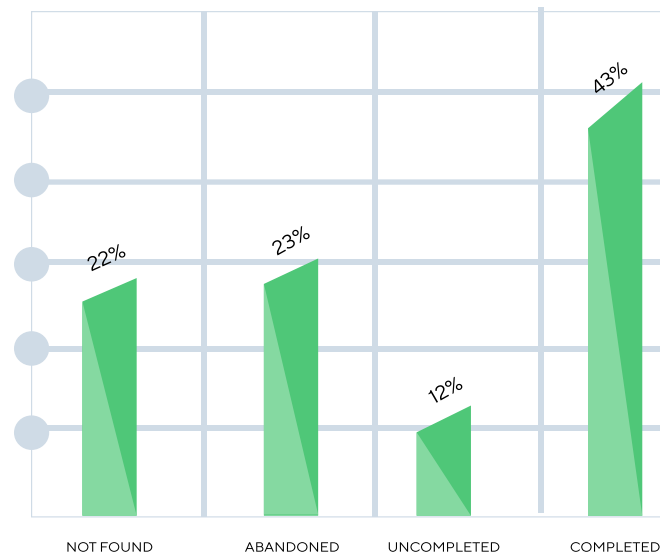
In a bid to measure the impact of these executed projects, Premium Times Centre for Investigative Journalism (PTCIJ) deployed 9 investigative journalists to track a sample of 172 of NDDC's 9,313 projects in the 9 states (Abia, Akwa Ibom, Bayelsa, Cross River, Delta, Edo, Imo, Ondo and Rivers states). With the experience gathered

in the field, the tracked projects were divided into four categories: Completed Projects, Uncompleted Projects, Abandoned Projects and Not found.

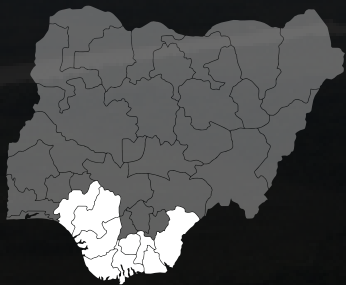
Results of Physical Investigation of 172 NDDC Projects

The analysis revealed that of the 172 tracked

Figure 5: Status of projects across the nine NDDC states



Source: PTCIJ Field Visits



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projects, 43 percent was completed, 23 percent abandoned, 12 percent uncompleted, and 22 percent of the projects were not found.

Extrapolating these sample findings to all the entire population size of 9313 projects and ₦2.16 trillion spent, you have a wastage of ₦1.23 trillion on about 5,300 projects either not implemented, abandoned or uncompleted.

NDDC's Contracting Process and Allegations of Corruption and Waste

According to NDDC's website, the selection of contractors should follow the Public Procurement Act 2007.¹⁸ The process should ideally involve a competitive tender with firms being prequalified only after a rigorous review of several technical and financial documents. However, evidence from several reported cases (some of which are highlighted in Table 4 below) suggests otherwise. As noted in several policy documents and in the third-quarter report from July to September 2016, under the leadership of the newly appointed NDDC Chairman and Managing Director revealed, key institutional policy gaps such as:

- Poor governance, structurally and institutionally, to carry out their mandate
- Poor leadership style (transactional and

not transformational)

- Non-alignment of the activities of the Commission to the Niger Delta Regional Development Master Plan.
- Poor budgeting processes.
- Poor performance management and quality assurance systems in NDDC
- Weak ability to initiate and handle partnerships and collaborations

There are several reported cases of inflated contracts being awarded.¹⁹ In January 2020, President Muhammadu Buhari ordered a forensic audit of the operations of the organisation from 2001 to 2019. Dr. Cairo Ojougboh, NDDC's Acting Executive Director and member of NDDC's interim management committee has said that in 7 months in 2019, NDDC awarded fraudulent contracts worth ₦1 trillion.²⁰ *"Some of the contract awards were not only spurious but criminal, as available records showed that most of the awards were not backed by budget, bills of engineering measurement and drawings. They were just open cheques for contractors and their collaborators to fill in at the nearest banks."*

There are cases of politically exposed persons such as the sitting chair of the senate committee on Niger Delta Affairs, Senator Nwabaoboshi, who allegedly influenced over 300 education contracts

¹⁸ National Assembly, 2007, Public Procurement Act

¹⁹ Kelvin Ebiri, Sept 14 2019, Bogus, over-priced contracts plunge NDDC into ₦2tr debt, available online at <https://guardian.ng/news/bogus-over-priced-contracts-plunge-nddc-into-n2tr-debt/>, last accessed on Feb 04 2020

²⁰ Pulse, Jan 16 2020, NDDC awards ₦1trn fraudulent contracts in 7 months, available online at <https://www.pulse.ng/news/local/nddc-awards-n1trn-fraudulent-contracts-in-7-months-committee-says/ep19fw9>, last accessed on Feb 2020



worth ₦3.4bn to be awarded to companies linked to him.²¹ Minister of Niger Delta Affairs, and Buhari's appointee to lead the forensic audit, former Governor of Akwa Ibom State, Godswill Akpabio, has also been accused of corruption in connection to the NDDC.²² A recent ThisDay article accused Godswill Akpabio of inflating the cost of the NDDC headquarters building from ₦6 billion to ₦16 billion and awarding the contract to an associate Rodney Limited. Other allegations include ₦3.8 billion contract for health and education projects and a ₦5.8 billion for COVID response.²³

What Could Have Been Achieved with Wastage in the NDDC

This report has shown that over ₦1.2 trillion has been spent on failed projects. Further analysis of alleged corruption cases linked to the commission also adds up to about ₦1.6 trillion (see Appendix 1).

In this section, we analyse what could have been achieved in three key sectors to improve the region had the ₦1.23 trillion wasted funds been judiciously utilised. We assume the funds are split equally into these four sectors, that is about ₦400 billion per sector:

- Roads/ Bridges
- Healthcare; and
- Education

Roads/Bridges: If the NDDC allocated ₦400 billion to this sector, at an average cost of ₦350 million per 1 kilometre, the total length would come out to be around 1143 kilometre of paved roads. This is approximately the distance from Lagos to Uyo and back. This could have spillover effects especially in sectors like education. According to Efosa Ojomo and Clay Christensen: "Rural school attendance in US schools stood at around 57 percent before the emergence of good roads. Once good roads were built, daily attendance spiked to 77 percent."

Healthcare: In 2012, the Bauchi State government awarded a contract for the construction of a 300-bed specialist hospital at the cost of ₦2.5 billion. This amount includes the cost of equipping the facility. Using this cost, if the NDDC diverted another ₦430 billion in this sector, it could build about 172 hospitals in the region.

Education: A Universal Basic Education Commission (UBEC) model School would cost about ₦1.5 billion to build and equipment. ₦400 billion spent on this sector would produce about 267 schools in the region.

What Could Have Happened NDDC's Funds Were Invested

Our analysis has shown that NDDC received at least ₦2.17 trillion in the eighteen year period between 2001 and 2018. If NDDC had

21 Factual Times, Mar 2,2018, FRAUD IN NDDC: Senator Peter Nwaoboshi In Fresh ₦3.4billion Procurement Scandal <https://factualtimesng.com/fraud-in-nddc-senator-peter-nwaoboshi-in-fresh-n3-4billion-procurement-scandal/>, last accessed on Feb 28, 2020

22 Ireporter Online, Oct 16,2019. Akpabio in Fresh Scandal Over NDDC, available online at <https://ireporteronline.com.ng/akpabio-in-fresh-scandal-over-taking-over-of-nddc/>

23 Paradox of Leadership Failure in NDDC, Nigeria, by Emmanuel Ekong, April 30, 2020, This Day online: <https://www.thisdaylive.com/index.php/2020/04/30/paradox-of-leadership-failure-in-nddc-nigeria/>



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spent 70 percent of this fund and invested 30 percent each year at the CBN prime lending rate or in treasury bills,²⁴ Table 4 below shows the fund would have grown to between ~~₦1.3-₦2.4~~ trillion by the end of

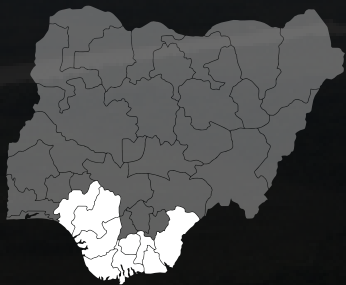
2018. Alternatively, if NDDC had invested all the money that was spent on failed projects, as shown by the field survey, 57 percent, these wasted money could have accrued a capital base of between ~~₦2.5-₦4.6~~ trillion.

24 Interest rates are from the CBN's website for years 2006-2019 (<https://www.cbn.gov.ng/rates/mnymktind.asp?year=2006&month=2>), and Multpl.com for 2001-2005 (<https://www.multpl.com/20-year-treasury-rate/table/by-year>)

Table 4: Potential Returns from Investing NDDC's Funds

YEARS	Total Income	Expenditure (70 percent)	Invest (30 percent)	Treasury Bill Rate (TB)	Prime Lending Rate (PL)	TB Capital Accrued	PL Capital Accrued
2001	22.12	15.48	6.64	5.7 percent	24.8 percent	7.01	8.28
2002	25.77	18.04	7.73	5.0 percent	20.7 percent	15.48	19.33
2003	25.71	18.00	7.71	5.0 percent	19.2 percent	24.36	32.22
2004	38.44	26.91	11.53	4.8 percent	18.0 percent	37.60	51.61
2005	86.22	60.35	25.87	8.9 percent	16.9 percent	69.11	90.56
2006	128.67	90.07	38.60	6.8 percent	16.9 percent	115.05	151.05
2007	60.48	42.33	18.14	8.2 percent	15.1 percent	144.12	194.80
2008	79.84	55.89	23.95	3.8 percent	19.0 percent	174.44	260.30
2009	111.79	78.26	33.54	3.9 percent	17.6 percent	215.99	345.52
2010	131.11	91.77	39.33	9.7 percent	16.0 percent	280.08	446.51
2011	166.90	116.83	50.07	13.6 percent	16.8 percent	375.19	579.96
2012	126.99	88.89	38.10	10.9 percent	16.7 percent	458.13	721.39
2013	150.21	105.14	45.06	10.5 percent	16.6 percent	556.02	893.30
2014	201.20	140.84	60.36	9.4 percent	16.9 percent	674.26	1,114.35
2015	122.74	85.92	36.82	10.1 percent	17.6 percent	783.04	1,353.89
2016	180.19	126.13	54.06	12.3 percent	17.6 percent	940.40	1,655.04
2017	227.62	159.34	68.29	10.1 percent	16.9 percent	1,110.46	2,014.75
2018	279.97	195.98	83.99	9.6 percent	15.6 percent	1,309.60	2,426.35
TOTAL	2,165.97	1,516.18	649.79			1,309.60	2,426.35
Scenario 2		43 percent	57 percent			2,488.23	4,610.07

Source: PT Analysis



Policy Options and Recommendations

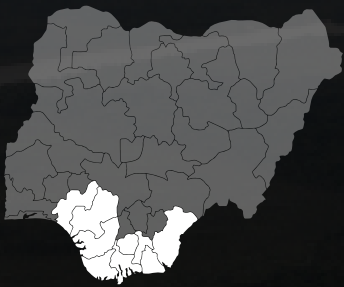
The evidence of declining HDI in the Niger Delta states coupled with the challenges with the Niger Delta Development Commission are very likely linked. Corruption and wastage and an utter failure to stimulate private sector funds has adversely impacted the commission's effectiveness.

NDDC is in dire need of reform and chosen policy options must address the underlying issues previously identified with their operations. The policy options below are each evaluated based on the evaluation criteria: payback period, cost, net benefit, effectiveness, efficiency, equity, administrative ease, legality and political acceptability in the Nigerian context.

Policy Options	Payback	Cost	Net Benefit	Effectiveness	Efficiency	Equity	Administrative Ease	Legality	Political acceptability
Prosecute contractors and offending administrators	Positive	Neutral	Positive	Neutral	Neutral	Neutral	Neutral	Positive	Neutral
Leverage technology and media to increase transparency	Neutral	Positive	Positive	Positive	Positive	Positive	Positive	Positive	Positive
Invest a Portion of NDDCs funds	Negative	Neutral	Positive	Neutral	Positive	Neutral	Neutral	Positive	Negative
Leverage PPP models	Neutral	Positive	Positive	Neutral	Positive	Positive	Neutral	Positive	Positive
Fund Existing Sources of Well Developed Projects	Neutral	Neutral	Neutral	Neutral	Positive	Positive	Neutral	Positive	Neutral
Performance Management, Quality Assurance and Maintenance	Neutral	Neutral	Positive	Neutral	Neutral	Positive	Neutral	Positive	Positive
Engage Local Communities	Neutral	Neutral	Positive	Positive	Positive	Positive	Neutral	Positive	Positive
Equitable Distribution of Projects Across NDDC States	Neutral	Positive	Neutral	Neutral	Neutral	Positive	Positive	Positive	Positive
Legend	Positive	Neutral	Negative						

Prosecute Contractors and Administrators for Failed, Abandoned and Uncompleted Projects: Following the ongoing forensic audit of the NDDC, contractors and NDDC administrators need to be made to account for their failed, abandoned or uncompleted

projects. This process should lead to some cash recovery for the NDDC which may be thereafter deployed to more effective projects. High priority projects that have been stalled due to payment delays and no fault of the contractors may also be



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reactivated in this process. This is a quick return recommendation but may be costly to implement.

Leverage Technology and Media to Increase Transparency:

Incremental governance changes such as publishing all budgets, contracts, timelines and real-time performance can increase the incentives for accountability and increase internal capacity for good governance. Annual audit reports covering project and fund performance must be published and defended in public hearings annually. This recommendation is easy to implement and is expected to yield high returns.

NDDC Investment Funds: An investment fund is typically a way of investing money to earn compound returns alongside other investors in order to benefit from the inherent advantages of working as part of a group. These advantages include an ability to hire professional investment managers, which may potentially be able to offer better returns and more adequate risk management benefit from economies of scale, i.e., lower transaction costs; increase the asset diversification to reduce some unsystematic risk. Countries with large pool of funds sometimes create investment funds to grow these funds. Examples include Nigeria's Sovereign Investment Authority (NSIA), and the Norwegian and Abu Dhabi Sovereign Wealth Funds which have grown to \$1.09 trillion and \$700 billion²⁵. For the year 2018, Nigeria's Sovereign Investment Authority (NSIA) generated average annualized returns of about 7.9 percent on capital employed. Its capital is

deployed through three investment funds—a stabilisation fund, a future generations fund and the Nigeria Infrastructure Fund.²⁶

Investment funds have the perennial challenge of how to optimally allocate funds and in Nigeria's political environment, this challenge will be even more pronounced. This challenge can be mitigated by appointing professional fund managers and publishing asset allocation policies and outcomes regularly.

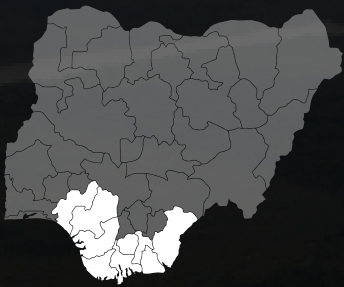
This recommendation may be implemented through NSIA or directly by fund managers appointed by the Commission. NDDC's infrastructure projects can leverage the resources and organisations of the Nigeria Infrastructure Fund such as InfraCredit to pool in private capital for its projects.

Investing NDDC's funds may be difficult to implement politically as the payback period may be long and returns subject to market cycles and long development lead times. However, it would be critical given twin imperatives of saving for future generations and implementing projects efficiently and effectively which the NDDC's current approach does not do well.

Use Public-Private Partnership (PPP) models to leverage more private sector (and development sector) capital for all projects: Ideally, no project should be 100 percent funded by NDDC. The NDDC has a PPP unit whose mandate is to leverage private funds through various financing models. In line with the Master Plan, NDDC ought to have leveraged a total of about ₦4 trillion in the 15 years between 2005 to

25 Sovereign Wealth Fund Institute, <https://www.swfinstitute.org/fund-rankings/sovereign-wealth-fund>

26 NSIA Key Facts. <https://nsia.com.ng/investor-relations/key-facts>



2020. In reality, private sector investment has been negligible. The examples of successful infrastructure projects implemented by InfraCredit²⁷ should be instructive for the NDDC.

PPPs help spread the risk of projects between the public and private sectors, but have associated transaction costs of identifying appropriate projects and establishing value for money.

Fund Existing Sources of Well Developed Projects: NDDC can deploy its resources to support the development of existing private, state and federal infrastructures that are in line with the Niger Delta Master Plan. Examples include:

1. **State government infrastructure bonds:** which can, in turn, be used to fund infrastructure projects
2. **Infrastructure grants to states** to invest in socially beneficial but not commercially viable projects such as erosion control, environmental restoration, etc.
3. **Viability gap funding** for private sector/ NGO projects that would otherwise not be commercially viable such as funded health care centres, water projects, etc.
4. **Direct grants to startups and incubators** that nurture businesses in the area, through seed funding of promising projects
5. **Direct cash subsidies** to support indigents and low-income families to stimulate aggregate demand in the Niger

Delta

6. **Supporting ongoing programs** such as the school feeding program that have expected domino effects for nutrition, health, education and agriculture sectors.

Performance Management, Quality Assurance and Maintenance: the Commission needs to emphasise performance management and quality assurance, allocate resources to engage third party technical experts to review projects through their lifecycle (design, procurement, construction and operations phases) and not only during the construction phase. NDDC projects are seen to be of poor quality such that communities prefer state government projects. It is important to ensure that NDDC projects have an operations and maintenance component to ensure they are sustainable.

Engage the Local Communities: Government and industry must engage and share information with affected communities to manage local expectations regarding the petroleum sector to build trust. On-the-ground reports suggest that communities are averse to NDDCs operations in their state. A local interviewed during the project suggested that NDDC does not pay appropriate compensations when its actions affect livelihoods in communities, such as a house being demolished in road construction. NDDC needs to do a better job of carrying communities along and compensating as required.

Equitable Distribution of Projects Across

²⁷ InfraCredit is a “AAA” rated infrastructure credit guarantee organisation backed by NSIA. It has successfully leveraged funds from development agencies such as KFW and AFC to fund projects especially in the power sector such as the North South Power Concession (600MW, ₦8.5 billion) and Viathan IPP (50MW, ₦10 billion).



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NDDC States: The analysis of projects across states suggests that there is no consistent logic to the allocation of projects by state (such as the volume of production per state). For instance, Akwa-Ibom the highest oil-producing state received much less than Delta, Rivers or Bayelsa state. On the other hand, states like Abia, Edo Cross-River and

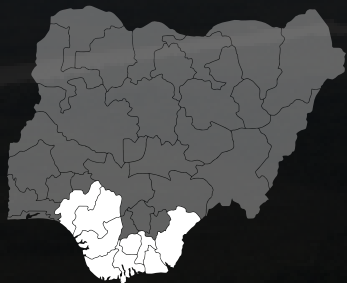
Ondo received only a fraction of the funds allocated elsewhere. There needs to be a consistent logic for the allocation of NDDCs funds to states. This can be achieved by pre-allocating annual budgets for each state. Large infrastructural projects or inter-state projects may be funded from a separate pool of funds.



Appendix I: Some Reported Cases of Corruption in the NNDC

Table A1: Some Reported Cases of Corruption in the NNDC

S/N	Name of official	Job title of official	Year of scandal	Value(NGN)	Value (USD)	Title of article
1	Olusola Oke	Ondo state representative on the board of NNDC	2005	155,000,000.00	430,555.56	Olusola Oke Accused Of 155 million NNDC Fraud
2	Nelson Brambaifa and Nsima Ekere	Ex NNDC MDS'	2016/2019	5,760,000,000.00	16,000,000.00	Ex-NNDC MDs, Brambaifa, Ekere Indicted In \$16m Fraud As the United States Arrests Nigerian Soldier, Wife
3	Nsima Ekere/ Kaltungo Moljengo	Fmr. managing director of NNDC/ Director of legal services of Commission	2015	2,400,000,000.00	6,666,666.67	Alleged 2.4B Fraud: Court To Hear Case Against Ex-NNDC Boss Ekere In April
4	Nicholas Mutu Ebomo	Fmr. Chairman house of representative Committee on NNDC	2020	4,800,000.00	13,333.33	Alleged 4.8m Fraud: EFCC presents evidence against Ebomo, Ex-NNDC House Committee Chair
5	Tuoyo Omatsuli, together with Don Parker Properties Limited and Building Associates Limited	Fmr Director of NNDC	2014/2015	3,600,000,000.00	10,000,000.00	Alleged 3.6bn fraud: Judge's absence stalls trial of ex-NNDC boss
6	Henry Ogiri	Fmr Executive Director, Finance and Administration NNDC	2017	3,000,000,000.00	8,333,333.33	EFCC Seals Ex-NNDC Director's Mansion over 3bn Alleged Scam
7	George Turnah	Special Advisers to 2 NNDC officers	2014/2016	2,900,000,000.00	8,055,555.56	2.9Billion Scam: Court Admits Fresh Exhibits Against George Turnah
8	Timi Alaibe, Nsima Ekere, Nelson Brambaifa, Emmanuel Agwariavwodo	Fmr. Managing Directors	2013/2018	61,400,000,000.00	170,555,555.56	NEWSNNDC: Reps invite Alaibe, Nsima Ekere, others over alleged contract scam
9	Sam Edem	Fmr. Chairman of NNDC	2008	1,000,000,000.00	2,777,777.78	Yar'adua orders probe



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S/N	Name of official	Job title of official	Year of scandal	Value(NGN)	Value (USD)	Title of article
10	Senator Godswill Akpabio	Minister of Niger Delta Affairs	2019	1,900,000,000.00	5,277,777.78	Akpabio In Fresh Scandal Over Taking Over Of NDDC
11	Enyia Akwagaga	Director of NDDC	2019	2,500,000,000.00	6,944,444.44	The coming NDDCgate. We raked up 5 scandals and thought you should know
12	Dr. Enyia Akwagaga	Acting Managing Director	2017	65,000,000,000.00	180,555,555.56	Senate summons NDDC chief over 65 billion contract
13	Bassey Dan Abia, Bassey Ewa Henshaw	Managing Director, Chairman	2015	183,000,000,000.00	508,333,333.33	Analysis of Controversies, Scandal and Corruption Allegation in the NDDC
14	Godwin Omene	First executive of the Commission		50,000,000,000.00	138,888,888.89	Analysis of Controversies, Scandal and Corruption Allegation in the NDDC
15	Sam Edem	Fmr Chairman NDDC	2008	800,000,000.00	2,222,222.22	Nigeria: Alleged 800 million NDDC Scam – Police Arraign Sorcerer for Fraud
16	Sam Edem	Fmr Chairman NDDC	2008	510,000,000.00	1,416,666.67	I got 510m paid to spiritualist from ex-govEdem, suspended NDDC boss
17	Mr Chibuzor Ugwoha	M.D NDDC	2010	130,000,000,000.00	361,111,111.11	130 billion Fraud: Militants threaten to kill NDDC Boss and Ten Others
18	Sam Edem	Fmr Chairman NDDC	2008	270,000,000.00	750,000.00	NDDC Chairman Spends 270 million on Juju
19	Nicholas Mutu Ebomo	Fmr Chairman house of representative Committee on NNDC	2014/2016	320,159,689.63	889,332.47	EFCC Arraigns Ex-NDDC Boss, Nicholas Ebomo for Alleged Fraud
20	Sam Edem	Fmr Chairman NDDC	2008	761,000,000.00	2,113,888.89	761M NDDC SCAM
21	Onyema Ugochukwu	Fmr Chairman NDDC		10,200,000,000.00	28,333,333.33	NDDC, OBONG NSIMA EKERE (ONE) AND LESSONS HE SHOULD LEARN
22	Ndutimi Alaibe	MD/CEO NDDC	2015	25,000,000,000.00	69,444,444.44	NDDC, OBONG NSIMA EKERE (ONE) AND LESSONS HE SHOULD LEARN



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S/N	Name of official	Job title of official	Year of scandal	Value(NGN)	Value (USD)	Title of article
23	Nsima Ekere	Managing Director NNDC	2011/2012	188,000,000.00	522,222.22	NNDC boss, Nsima Ekere allegedly in 188m fraud scandal, EFCC petitioned
24	Unknown Senator	Senator	2018	3,480,000,000.00	9,666,666.67	NIGERIA: SENATOR IN 3.48B NNDC CONTRACT SCANDAL-REPORT
25	Messrs Burnsville Integrated Services	Contractor		70,000,000.00	194,444.44	NNDC Probe: Over 340bn Embezzled
26	Professor Nelson Brambaifa	M.D NNDC	2019	2,800,000,000.00	7,777,777.78	EXCLUSIVE: EFCC Bars NNDC From All Financial Transactions
27	Nicholas Mutu Ebomo	Chairman House of Representative	1999	400,000,000	1,111,111.11	EFCC arraigns PDP federal lawmaker over alleged 400m money laundering
28	Chris Oyirindah	Executive Director, Finance and Administration	2019	2,800,000,000.00	7,777,777.78	EFCC invites NNDC MD, ED over alleged withdrawal of 2.8bn
29	Brigadier General Nengite	Serving Brigadier-General	2016-2019	3,600,000,000.00	10,000,000.00	NNDC: How Gen. Nengite Wired 3.6bn Into Wife's US Account
30	Tuoyo Omatsuli	Fmr. Director NNDC	2018	1,800,000,000.00	5,000,000.00	Court Orders Final Forfeiture of NNDC Director, Tuoyo Omatsuli's 1.8bn Properties
31	Engr. Roberts A. Obuoha	Director in Project Management Department		150,000.00	416.67	NNDC Director Arrested for Alleged Bribery
32	Pastor Godwin Moffat Eyo	Commissioner Rep. Akwa Ibom	2006	220,176,320.00	611,600.89	Ex- NNDC Commissioner Jailed Three Years for Stealing Transformers
33	A.M. Projects Consultancy Limited and Raznez Medical Consultants Limited.	Contractors for NNDC, Rural Free Medical Referral Scheme	2012	125,000,000.00	347,222.22	Alleged 125m Fraud: Court Freezes Companies' Accounts
34	Tuoyo Omatsuli	Fmr. Director, NNDC		29,000,000.00	80,555.56	How Omatsuli, Co-Defendant Laundered Over 29m NNDC Funds - Witness



Research Study on the Quantum and Impact of Financial Losses from Mismanagement of Funds by the Niger Delta Development Commission

S/N	Name of official	Job title of official	Year of scandal	Value(NGN)	Value (USD)	Title of article
35	George Turnah, together with his 7 companies	Fmr. Managing Director, NDDC	2017	3,094,268,235.69	8,595,189.54	Court Asks George Turnah to Produce Paramount Ruler as Surety
36	Mr. Solomon Okpa Ita	Fmr. Director, NDDC	2019	65,000,000.00	180,555.56	ICPC seeks Court order for Forfeiture of Petrol Station, Warehouse from NDDC Director
37	Hon. E. E. Aguariawodo/Mr. Timi Alaibe	Fmr. Managing Director/Fmr. Executive Director, Finance and Administration	2011	2,100,000,000.00	5,833,333.33	Nigeria: 2.1 billion Fraud - Alaibe, Aguariawodo for Trial--ICPC
38			2019	1,070,000,000,000.00	2,972,222,222.22	NDDC awards 1trn fraudulent contracts in 7 months, Committee alleges
39	Sen Peter Nwaoboshi	Chair of the Senate Committee on Niger Delta Affairs	2018	3,400,000,000.00	9,444,444.44	FRAUD IN NDDC: Senator Peter Nwaoboshi In Fresh 3.4billion Procurement Scandal
40	Godswill Akpabio	Minister for Niger Delta Affairs	2020	25,400,000,000.00	62,407,860.00	Paradox of Leadership Failure in NDDC, Nigeria
			Total	1,670,052,554,245.32	4,334,224,816.22	



Appendix II: Sources for NDDC Budget Estimate

Table B1: Sources for NDDC Budget Estimate

Year	Statutory Payments by Companies US\$	Exchange Rate	Naira Equivalent	Statutory Payments/ Budgetary Allocation from Federal Govt	Other Incomes	Sub-total
2000	-	-	-	-	-	0
2001	108,961,738	111.23	12,119,814,070	10,000,000,000	-	22,119,814,070
2002	108,782,106	120.58	13,116,946,300	12,650,000,000	-	25,766,946,300
2003	121,112,907	129.22	15,650,209,880	10,064,000,000	-	25,714,209,880
2004	183,946,037	132.89	24,444,588,820	14,000,000,000	-	38,444,588,820
2005	198,585,590	131.27	26,068,330,370	60,150,000,000	-	86,218,330,370
2006	261,000,000	0.00805	32,422,360,248	96,250,000,000	-	128,672,360,248
2007	297,000,000	0.00817	36,352,509,180	24,000,000,000	125,000,000	60,477,509,180
2008	333,000,000	0.00854	38,992,974,239	40,570,000,000	277,491,000	79,840,465,239
2009	398,416,000	150.97	60,147,230,014	51,318,000,000	329,529,734	111,794,759,748
2010	561,390,000	152.8	85,782,244,587	44,938,000,000	385,391,640	131,105,636,227
2011	703,292,000	157.4	110,701,395,943	56,077,000,000	125,064,883	166,903,460,826
2012	558,808,000	157.5	88,012,260,000	38,737,000,000	236,000,000	126,985,260,000
2013	562,921,000	157.71	88,778,270,910	61,347,000,000	80,000,000	150,205,270,910
2014	846,080,662	163.59	138,411,266,216	61,940,000,000	846,000,000	201,197,266,216
2015	387,620,811	196.43	76,140,394,667	46,250,000,000	350,000,000	122,740,394,667
2016	492,065,771	259.66	127,769,798,098	41,050,000,000	11,368,000,000	180,187,798,098
2017	545,328,071	305.55	166,624,992,189	61,000,000,000	-	227,624,992,189
2018	683,383,330	305.5	208,773,607,315	71,200,000,000	-	279,973,607,315
TOTAL	7,351,694,023	2,632.33	1,350,309,193,047	801,541,000,000	14,122,477,257	2,165,972,670,304

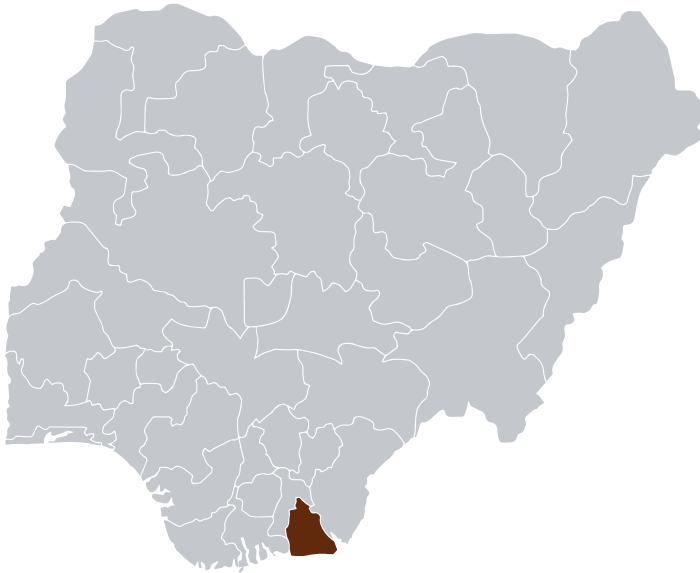
Note: Data on 3% remittances from oil companies, statutory payments by FG to NDDC (2007–2016), other sources (2007–2016) was sourced from NEITI, while FG Budgetary allocation (2001–2006, 2017–2018) was sourced vis press statements from government.



Appendix III: Analysis of NDDC Efforts in the Nine Niger Delta States

This section provides background on each state and examines the work of NDDC in the state.

Akwa Ibom State



Akwa Ibom state produces most of Nigeria's oil (31 percent). The State has an area of about 7,000 square kilometres and a population of about 5.45 million. It's HDI is 0.564, which is the third in Nigeria, behind Lagos and Abuja.

The State hosts Mobi's Qua Iboe Terminal which produces an average of 550,000 barrels of oil per day—more than a quarter of Nigeria's production quota. Other than oil, the state's largest income earner is Palm Oil farming.²⁸

Analysis of NDDC Projects in Akwa-Ibom

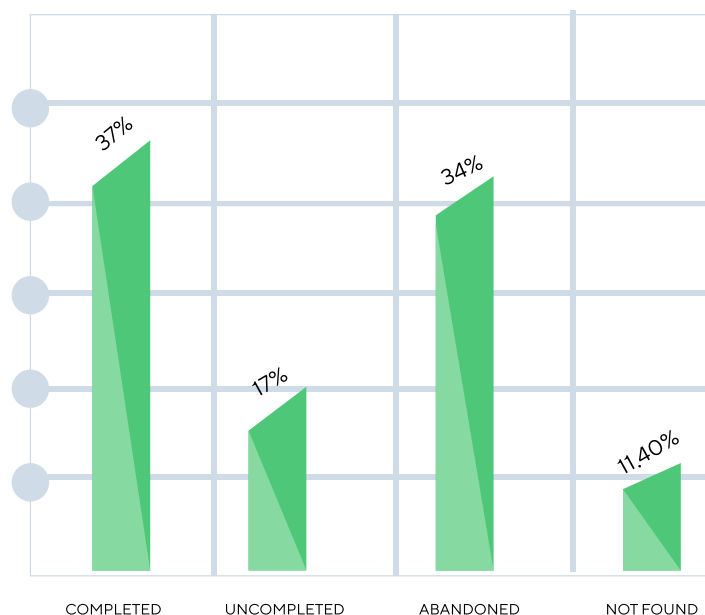
Our field study of 35 projects in Akwa Ibom showed that 37 percent is completed, 17 percent is uncompleted, 34 percent is abandoned, and 11.4 percent could not be found in the state.

28 Encyclopaedia Britannica, 2019, Akwa Ibom, available online at <https://www.britannica.com/place/Akwa-Ibom>, last accessed on Feb 04 2020



Research Study on the Quantum and Impact of Financial Losses from Mismanagement of Funds by the Niger Delta Development Commission

Figure C1: Akwa Ibom State Project Performance



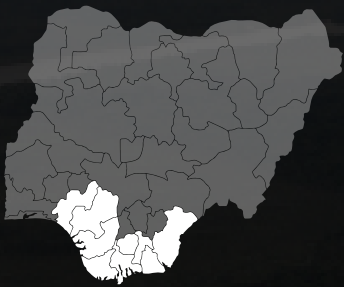
Source: PTCIJ Field Visits

These results buttress NEITI's report which reviewed the five years between 2007 – 2011. NDDC awarded contracts awarded amounting to ₦50.4 billion to various companies for projects in Akwa-Ibom. An audit of these projects certified ₦9.39 billion, leaving a deficit of ₦41 billion either uncompleted, abandoned, or otherwise non-performing.

Table C1: Performance of Akwa Ibom Projects

Project Type	Contract Awarded	Projects Certified	Performance Rating
JETTY/EROSION/RECLAM	7,133,672	711,924	10 percent
ROAD & BRIDGE	36,022,951	8,027,536	22 percent
HOUSING/TOWN HALLS	683,858	64,170	9 percent
ELECTRICIFICATION	2,058,618	456,447	22 percent
WATER PROJECTS	2,200,766	42,870	2 percent
HOSPITAL & O/MEDICAL	43,000	0	0 percent
AGRIC	12,078	8,665	72 percent
OTHERS	2,241,010	81,800	4 percent
TOTAL	50,395,953.00	9,393,412.00	19 percent

Source: NEITI 2013



Delta State



Delta state produces most (21 percent) of Nigeria's oil. The State has an area of about 17,700 square kilometres and a population of about 5.66 million. It's HDI is 0.556, 5th in the country. The State is home to the Ughelli fields, and other major oil fields exist near Warri (which possesses an oil refinery), Koko, and Escravos, as well as offshore fields. Other than oil, the State's industries include glass and bottle factories, textile mills, and plastics, rubber, plywood, natural gas, boatbuilding, sawmilling, and furniture industries.²⁹

Analysis of NDDC Projects in Delta State

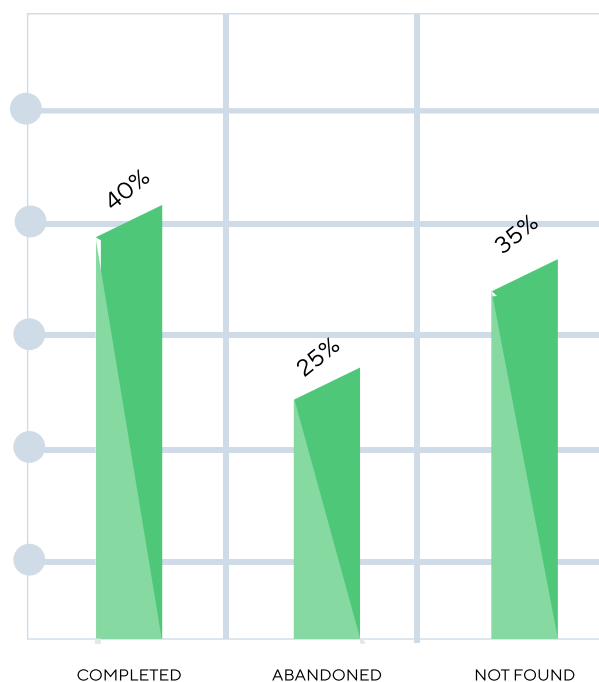
Twenty projects were tracked of which 40 percent was completed, 25 percent Abandoned, and 35 percent not found. According to NEITI, in the five years between 2007 – 2011, NDDC awarded contracts awarded amounting to ₦59.8 billion to various companies for projects in Delta. An audit of these projects certified ₦7.55 billion, leaving a deficit of ₦52.25 billion either uncompleted, abandoned or otherwise non-performing.

29 Encyclopaedia Britannica, 2019, Delta, available online at <https://www.britannica.com/place/Delta-state-Nigeria>



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Figure C2: Delta State Project Performance

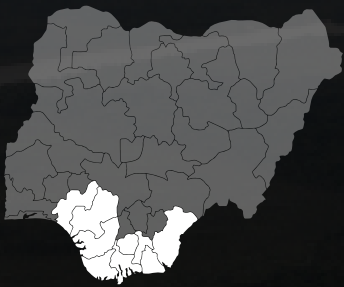


Source: PT Field Report

Table C2: Performance of Delta State Projects

Project Type	Contract Awarded	Projects Certified	Performance Rating
JETTY/EROSION/RECLAM	815,620	308,560	38 percent
ROAD & BRIDGE	41,856,513	4,806,650	11 percent
ELECTRICIFICATION	13,379,939	1,608,497	12 percent
WATER PROJECTS	1,373,578	613,380	45 percent
EDUCATION	1,069,768	48,405	5 percent
HOSPITAL & O/MEDICAL	90,932	90,932	100 percent
OTHERS	1,235,235	70,340	6 percent
TOTAL	59,821,585	7,546,764	13 percent

Source: NEITI 2013



Research Study on the Quantum and Impact of Financial Losses from Mismanagement of Funds by the Niger Delta Development Commission

Rivers State



Rivers state produces about 21 percent of Nigeria's oil. The State has an area of about 11,000 square kilometres and a population of about 5.2 million. It's HDI is 0.542, 8th in Nigeria. The State hosts major oil terminals including Brass and Bonny and petroleum refineries have been established at Port Harcourt and nearby Alesa-Elеме. Port Harcourt, the State capital and one of the nation's largest ports, is on the southern terminus of the eastern branch of the Nigerian Railway's mainline.³⁰

Analysis of NDDC Projects in Rivers State

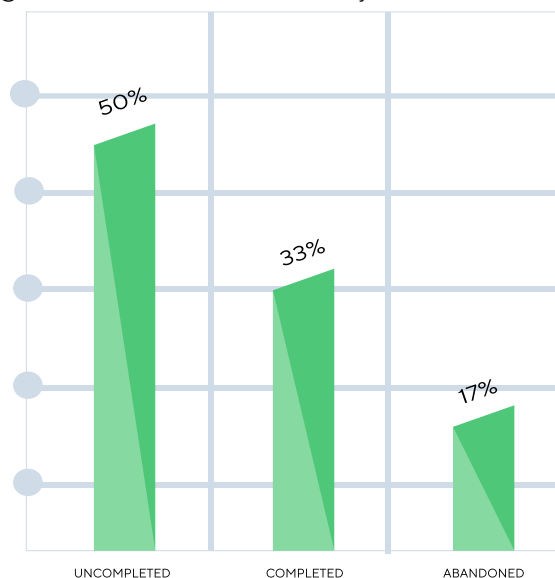
Our field report found 50 percent of uncompleted projects, 33 percent completed and 17 percent of projects abandoned. In defending the state of neglect in the state, the spokesperson of the NDDC said the Commission had "de-emphasised school projects for about five or six years to focus on bigger projects."

30 BBC News, Nov 2005, Nigeria governor to be impeached, available online at <http://news.bbc.co.uk/2/hi/africa/4462444.stm>, last accessed on Feb 04 2020



Research Study on the Quantum and Impact of Financial Losses from Mismanagement of Funds by the Niger Delta Development Commission

Figure C3: Rivers State Project Performance



Source: PT Field Report

NEITI's study of the five years between 2007 – 2011 showed NDDC awarded contracts awarded amounting to ₦109.52 billion to various companies for projects in Rivers. An audit of these projects certified ₦27.25 billion, leaving a deficit of ₦82.27 billion either uncompleted, abandoned or otherwise non-performing.

Table C3: Performance of Rivers State Projects

Project Type	Contract Awarded	Projects Certified	Performance Rating
JETTY/EROSION/RECLAM	23,373,622	8,044,839	34 percent
ROAD & BRIDGE	76,526,504	16,336,763	21 percent
HOUSING/TOWN HALLS	66,165	40,592	61 percent
ELECTRIFICATION	3,356,027	1,446,027	43 percent
WATER PROJECTS	2,173,645	775,765	36 percent
EDUCATION	9,000	10,047	112 percent
HOSPITAL & O/MEDICAL	585,616	76,102	13 percent
SKILL ACQU/YOUTH DEVELOPMENT	995,000	0	0 percent
PRO SECURITY & LOGISTICS	418,468	189,827	45 percent
OTHERS	2,014,425	329,393	16 percent
TOTAL	109,518,472	27,249,355	25 percent

Source: NEITI 2013



Bayelsa State



Bayelsa state covers an area of about 10,700 square kilometres and has a population of about 5.2 million. It's HDI is 0.591, 3rd in Nigeria.

Bayelsa State has one of the largest crude oil and natural gas deposits in Nigeria. As a result, petroleum production is extensive in the state.

Analysis of NDDC Projects in Bayelsa State

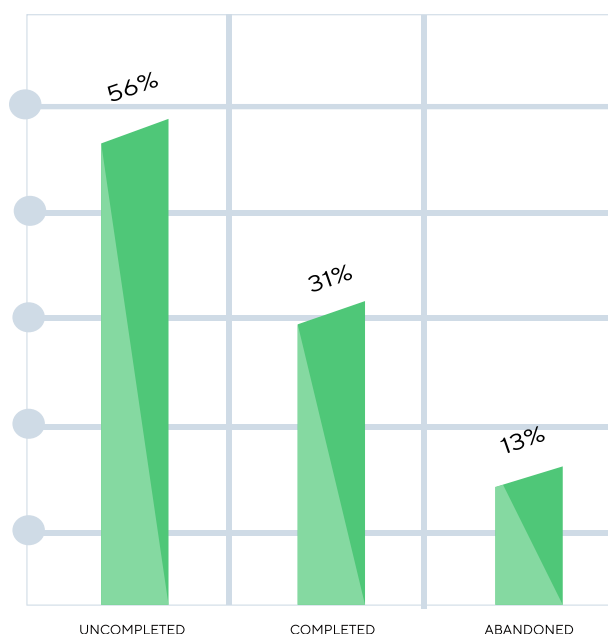
Across Bayelsa state, several projects embarked upon by the Niger Delta Development Commission (NDDC) litter across 8 LGAs. While some are completed, others remain uncompleted, abandoned or not started at all. These projects include electricity/power, school and road, bridge and erosion control projects. Our analysis revealed that 56 percent of the total tracked project are completed, 31 percent uncompleted, whilst 13 percent abandoned. Thus, some of the projects have financially named (released fund for the completion of the projects)

In Sagbama town, ₦240,000,000 million was budgeted for the provision of solar street lights, according to the NDDC 2016 Appropriation Act. For 2015, ₦53,784,000 million was approved while ₦40,000,000 million was approved in 2016. The Appropriation Act also showed that a total sum of ₦700,000,000 was budgeted for the provision and installation of solar-powered street lights in the communities in Ekeremor LGA. While ₦33,689,000 was approved in 2015, ₦38,000,000 was approved in 2016.



Research Study on the Quantum and Impact of Financial Losses from Mismanagement of Funds by the Niger Delta Development Commission

Figure C4: Bayelsa State Project Performance



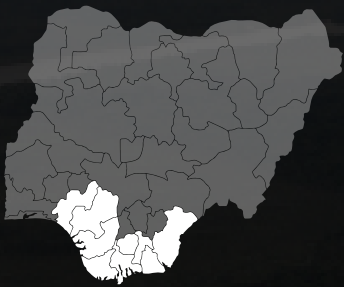
Source: PT Field Report

NEITI's report showed NDDC awarded contracts awarded amounting to ₦84.49 billion to various companies for projects in Bayelsa. An audit of these projects certified ₦31.53 billion, leaving a deficit of ₦56.96 billion either uncompleted, abandoned or otherwise non-performing. This unrealised value could have built 2700 primary health care centres.

Table C4: Performance of Bayelsa State Projects

Project Type	Contract Awarded	Projects Certified	Performance Rating
JETTY/EROSION/RECLAM	20,438,491	5,853,183	29 percent
ROAD & BRIDGE	65,411,913	24,933,125	38 percent
ELECTRICIFICATION	1,027,977	402,107	39 percent
WATER PROJECTS	845,753	224,736	27 percent
EDUCATION	262,650	7,441	3 percent
AGRIC	64,750	30,100	46 percent
OTHERS	434,483	75,860	17 percent
TOTAL	88,486,017	31,526,552	36 percent

Source: NEITI 2013



Ondo State



Ondo State, the only South West state in the Niger Delta has an area of about 15,500 square kilometres and a population of about 3.5 million. It's HDI is 0.5, 16th in Nigeria.

Other than oil, agriculture is the mainstay of the economy, and the chief products are cotton and tobacco from the north, cacao from the central part, and rubber and timber (teak and hardwoods) from the south and east; palm oil and kernels are cultivated for export throughout the state. Ondo is Nigeria's chief cocoa-producing state. Other crops include rice, yams, corn (maize), coffee, taro, cassava (manioc), vegetables, and fruits. Traditional industries include pottery making, cloth weaving, tailoring, carpentry, and blacksmithing. Mineral deposits include kaolin, pyrites, iron ore, and coal.³¹

Analysis of NDDC Projects in Ondo State

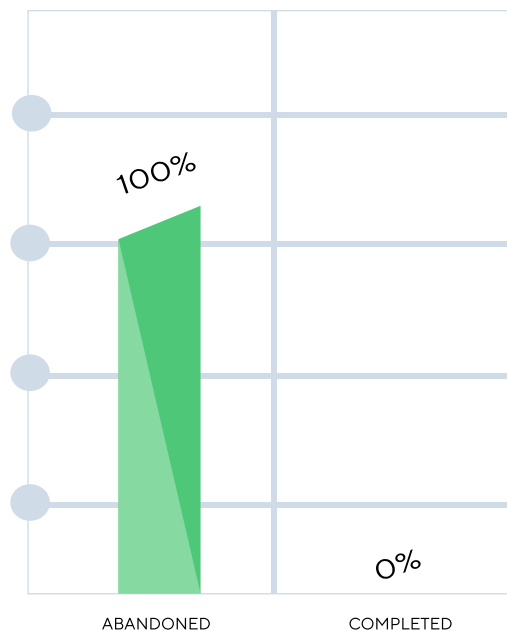
The five projects in Ondo state tracked in Ondo states were all abandoned, the tracked projects ought to be hospitals, water projects and road projects in the state.

31 Encyclopaedia Britannica, 2019, Ondo, available online at <https://www.britannica.com/place/Ondo-state-Nigeria>



Research Study on the Quantum and Impact of Financial Losses from Mismanagement of Funds by the Niger Delta Development Commission

Figure C5: Ondo State Project Performance



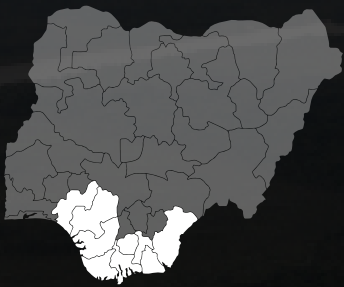
Source: PT Field Report

NEITI's report showed that between 2007-2011, NDDC awarded contracts awarded amounting to ₦27.15 billion to various companies for projects in Ondo. An audit of these projects certified ₦1.9 billion, leaving a deficit of ₦25.25 billion either uncompleted, abandoned or otherwise non-performing. This unrealised value could have built 1200 primary health care centres.

Table C4: Performance of Ondo State Projects

Project Type	Contract Awarded	Projects Certified	Performance Rating
JETTY/EROSION/RECLAM	277,830	183,624	66 percent
ROAD & BRIDGE	23,788,099	1,379,680	6 percent
HOUSING/TOWN HALLS	270,221	17,133	6 percent
ELECTRIFICATION	1,074,915	239,582	22 percent
WATER PROJECTS	361,041	52,876	15 percent
EDUCATION	1,235,464	0	0 percent
HOSPITAL & O/MEDICAL	43,436	0	0 percent
OTHERS	103,759	29,160	28 percent
TOTAL	27,154,765	1,902,055	7 percent

Source: NEITI 2013



Edo State



Edo State has an area of about 17,800 square kilometres and a population of about 5.7 million. It's HDI is 0.53, 11th in Nigeria.

Other than oil, agriculture is the mainstay of the economy. Yams, cassava (manioc), oil palm produce, rice, and corn (maize) are the major subsistence crops, while rubber, timber, and palm oil and kernels are cash crops. Mineral resources include limestone and lignite. Industries produce pharmaceuticals, rubber, plywood, beer, sawn wood, and furniture.³²

Analysis of NDDC Projects in Edo State

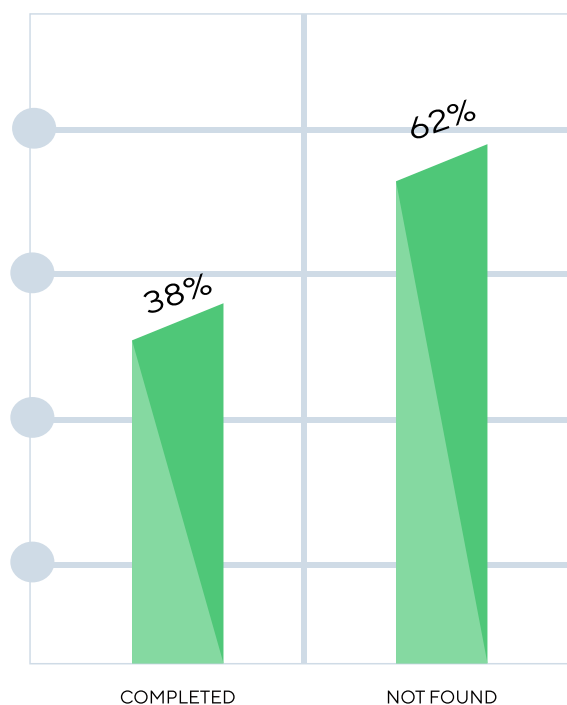
Sixty two percent of the 13 projects tracked in Edo were not found during the field visit, while 38 percent were completed. ₦269 million budgeted for both projects at Erediawa, and ₦95.1 million has been released. Gully erosion still poses threat to the residents, as it has led to loss of property, destruction of arable lands and wastage of large areas of usable lands, our findings revealed that the health centre was never constructed although it was tagged “completed’ by the Commission on its website.

32 Encyclopaedia Britannica, 2019, Edo, available online at <https://www.britannica.com/place/Edo-state-Nigeria>



Research Study on the Quantum and Impact of Financial Losses from Mismanagement of Funds by the Niger Delta Development Commission

Figure C6: Edo State Project Performance



Source: PT Field Report

NEITI's report of the period between 2007 – 2011 showed NDDC awarded contracts awarded amounting to ₦19.8 billion to various companies for projects in Delta. An audit of these projects certified ₦3.94 billion, leaving a deficit of ₦15.85 billion either uncompleted, abandoned or otherwise non-performing. This unrealised value could have built 750 primary health care centres.

Table C6: Performance of Edo State Projects

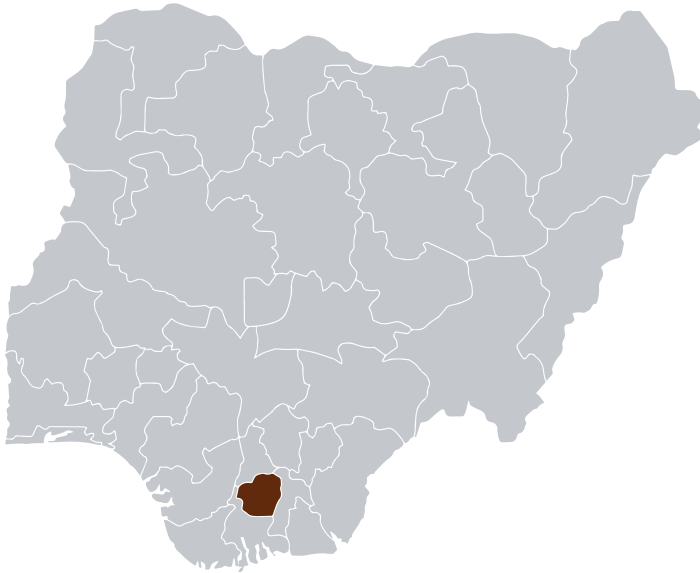
Project Type	Contract Awarded	Projects Certified	Performance Rating
JETTY/EROSION/RECLAM	110,000	94,944	86 percent
ROAD & BRIDGE	17,631,101	3,448,986	20 percent
ELECTRICIFICATION	659,647	79,794	12 percent
WATER PROJECTS	480,318	50,636	11 percent
HOSPITAL & O/MEDICAL	150,909	150,798	100 percent
AGRIC	89,271	79,097	89 percent
OTHERS	675,578	38,870	6 percent
TOTAL	19,796,824	3,943,125	20 percent

Source: NEITI 2013



Research Study on the Quantum and Impact of Financial Losses from Mismanagement of Funds by the Niger Delta Development Commission

Imo State



Imo State has an area of about 5,500 square kilometres and a population of about 4.9 million. It's HDI is 0.518, 12th in Nigeria.

Other than oil, Imo's economy depends on yams, taro, corn (maize), rice, and cassava (manioc) are the staple crops, and oil palm is the main cash crop. Other mineral resources include coal and natural gas. There's also a large and growing electronics trading industry.³³

Analysis of NDDC Projects in Imo State

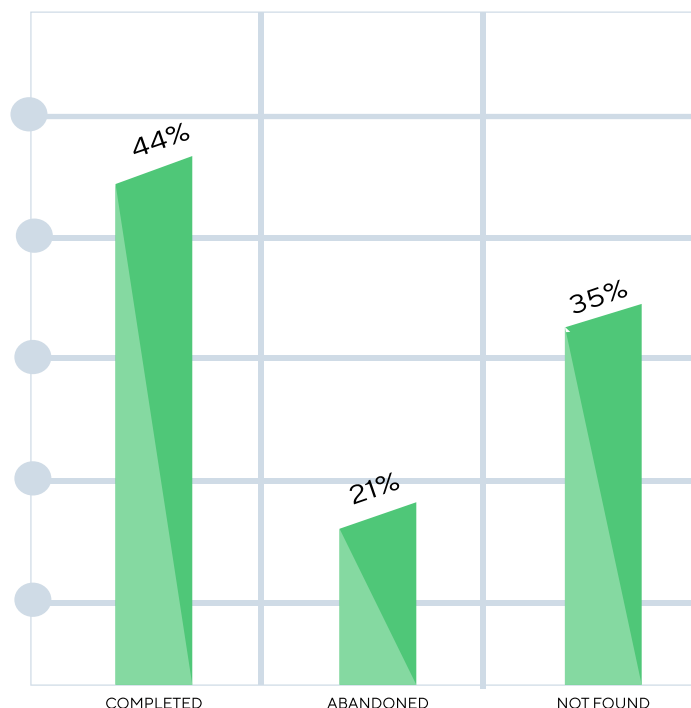
In Imo state, 35 percent of the tracked projects were not found, 21 percent abandoned and 44 percent completed. An NDDC document claimed that the commission had erected a health centre in Umu-Okwo in Owerri West Local Government Area (LGA), but that is not true as the community lacks a health centre. What was commissioned by the NDDC 15 years was an abandoned five-room bungalow. To circumvent the exposure the agency has, argued that it cannot replace the functions of the state government, the commission was created to cater to some of these infrastructural gaps in the oil-producing states.

33 Encyclopaedia Britannica, 2019, Imo, available online at <https://www.britannica.com/place/Imo>



Research Study on the Quantum and Impact of Financial Losses from Mismanagement of Funds by the Niger Delta Development Commission

Figure C7: Imo State Project Performance



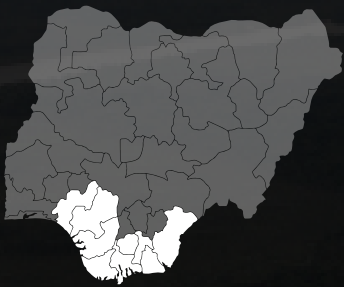
Source: PT Field Report

The NEITI report showed NDDC awarded contracts awarded amounting to ₦36.27 billion to various companies for projects in Delta. An audit of these projects certified ₦5.09 billion, leaving a deficit of ₦31.12 billion either uncompleted, abandoned or otherwise non-performing.

Table C7: Performance of Imo State Projects

Project Type	Contract Awarded	Projects Certified	Performance Rating
JETTY/EROSION/RECLAM	9,267,837	915,785	10 percent
ROAD & BRIDGE	24,815,459	3,891,063	16 percent
HOUSING/TOWN HALLS	204,042	0	0 percent
ELECTRIFICATION	680,873	112,451	17 percent
WATER PROJECTS	302,332	38,113	13 percent
EDUCATION	51,206	0	0 percent
HOSPITAL & O/MEDICAL	91,830	91,960	100 percent
OTHERS	857,526	43,070	5 percent
TOTAL	36,271,105	5,092,442	14 percent

Source: NEITI 2013



Abia State

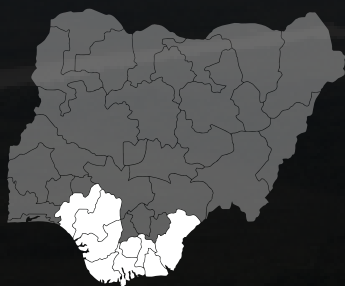


The east-central state covers an area of 6,300 kilometre squared and houses a population of about 4 million people. Its HDI is 0.541 (9th in Nigeria). Other than oil, most of the population is engaged in agriculture; yams, taro, corn (maize), rice, and cassava are the staple crops, and oil palm is the main cash crop. Mineral resources include lead and zinc.³⁴

Analysis of NDDC Projects in Abia State

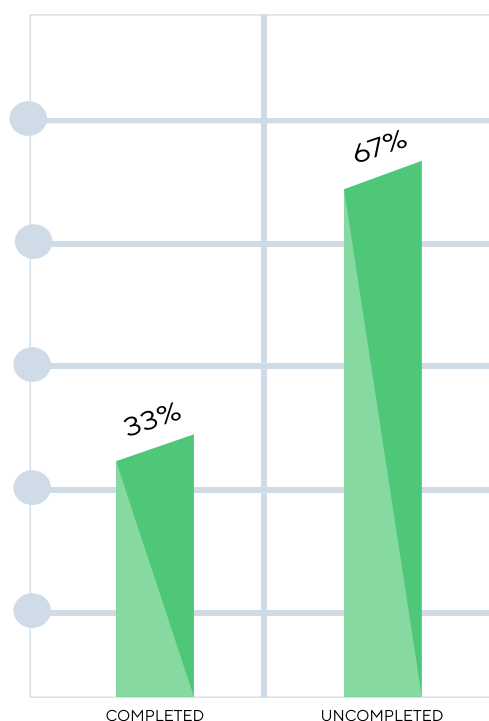
Our findings of project status in Abia reveal how uncompleted projects littered the states which have threatened the health of many students as they have to learn next to a waste dump. Our analysis revealed that of the total nine projects tracked in the state, 67 percent of the projects are uncompleted whilst 33 percent are completed.

34 <https://www.britannica.com/place/Abia>



Research Study on the Quantum and Impact of Financial Losses from Mismanagement of Funds by the Niger Delta Development Commission

Figure C8: Abia State Project Performance



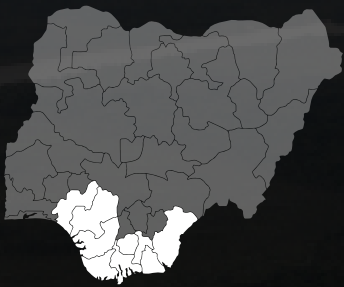
Source: PT Field Report

NEITI's report for the period 2007 – 2011 showed NDDC awarded contracts amounting to ₦11.4 billion to various companies for projects in Abia. An audit of these projects certified ₦2.5 billion, leaving a deficit of ₦7.9 billion either uncompleted, abandoned or otherwise non-performing. This unrealised value could have built 370 primary health care centres.

Table C8: Performance of Abia State Projects

Project Type	Contract Awarded	Projects Certified	Performance Rating
JETTY/EROSION/RECLAM.	70,000	66,840	95 percent
ROAD & BRIDGE	7,979,577	2,069,968	26 percent
HOUSING/TOWN HALLS	247,150	0	0 percent
ELECTRIFICATION	1,767,404	250,544	14 percent
WATER PROJECTS	737,190	88,734	12 percent
HOSPITAL & O/MEDICAL	73,432	29,996	41 percent
OTHERS	506,222	35,425	7 percent
TOTAL	11,380,975	2,541,507	22 percent

Source: NEITI 2013



Cross River State



Cross River State has an area of about 20,000 square kilometres and a population of about 3.7 million. It's HDI is 0.551, 6th in Nigeria.

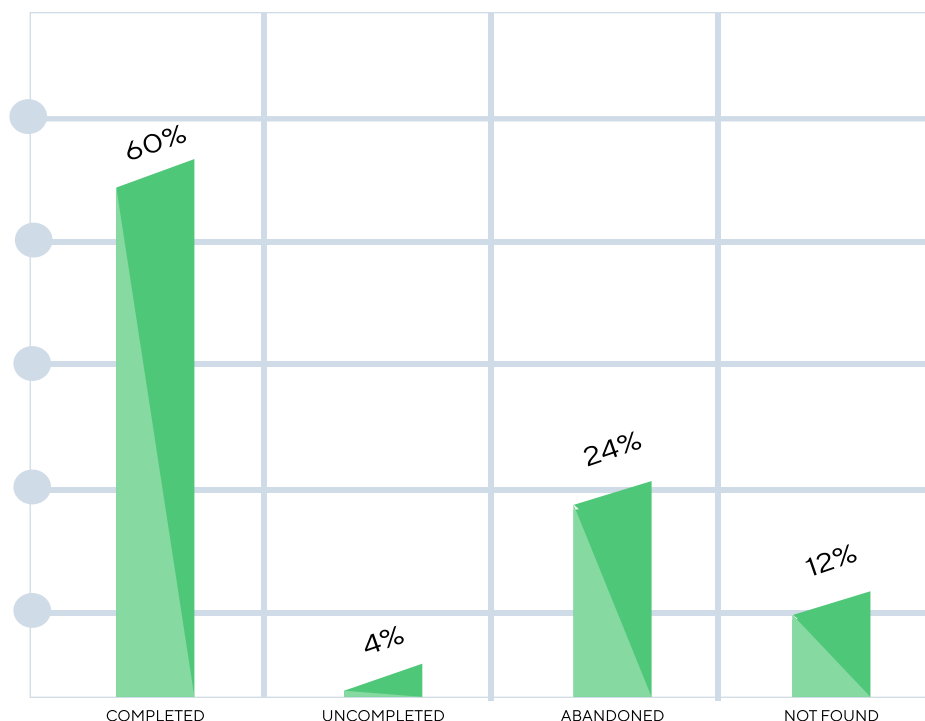
Analysis of NDDC Projects in Cross River State

In Cross River, after the field report which revealed that NDDC reported that in 2015 and 2016, ₦15.9 million and ₦10 million were approved respectively for the electrification project at Ekpri Iko. Yet, in 2019, the villagers have not received any power supply. Also, NDDC's PMIS Portal, a database for the commission's projects since the early 2000s, reports that the contract for electrification of Ekpri-Iko is "ongoing." Our further query on the status of projects in the state revealed that of the 25 projects tracked in the state 60 percent was completed, 4 percent uncompleted, Abandoned 24 percent, whilst 12 percent of the projects were not found.



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Figure C9: Cross River State Project Performance



Source: PT Field Report

NEITI's report showed NDDC awarded contracts awarded amounting to ₦8.18 billion to various companies for projects in Cross River. An audit of these projects certified ₦1.56 billion, leaving a deficit of ₦6.62 billion either uncompleted, abandoned or otherwise non-performing. This unrealised value could have built 315 primary health care centres.

Table C9: Performance of Cross River State Projects

Project Type	Contract Awarded	Projects Certified	Performance Rating
JETTY/EROSION/RECLAM.	72,000	72,000	100 percent
ROAD & BRIDGE	6,538,116	1,136,754	17 percent
ELECTRIFICATION	483,348	188,812	39 percent
WATER PROJECTS	531,077	106,456	20 percent
EDUCATION	154,000	0	0 percent
HOSPITAL & O/MEDICAL	130,308	0	0 percent
OTHERS	271,032	50,980	19 percent
TOTAL	8,179,881	1,555,002	19 percent

Source: NEITI 2013



Appendix IV: Case Studies By State

Akwa Ibom Case Studies

Case studies of some specific projects, reported by Premium Times are summarised below:

Abandoned water project



Source: Premium Times

Abandoned water projects in Akwa Ibom communities

This investigation revealed the hardship faced by different communities in Akwa Ibom to get portable drinking water, despite huge budgetary allocations by the NDDC to provide solar-powered boreholes for Akwa Ibom people.

For example, in Uyo LGA, the contractor found it difficult to get a land to drill a borehole until one Mr. Udo donated his land to alleviate the hardship. However, eight years after the contract was awarded, the project has been abandoned as the site is now overgrown with weeds.

In Akwa Ibom state, the water projects the NDDC awarded between 2007 and 2011 had a value of ₦2.2 billion while ₦42.87 million worth of payments made by the commission was certified and confirmed to have been executed.

In Ifa Ikot Okpon, Afaha Effiat and Ekpene Ukpa village in Etinan LGA the water projects had been abandoned for years.

In 2002, NDDC awarded a contract for the construction of a water project for Iwuochang and Upenekang communities. This is a water treatment project, but after the inspection was completed, it was found that the facility was not functioning.



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NDDC supplied 500 KVA/ 33Kv transformer at Inyang Itor community in Ibeno



Source: Premium Times

Abandoned electrification projects

Many communities in Akwa Ibom state are yet to benefit from the electricity projects awarded by the NDDC between 2007 and 2011 at a total cost of ₦2.06 billion.

The case of Ikot Ekan in Etinan LGA was no different as the transformer was installed and working before residents decided to replace it, after it had stopped functioning. Weeds surrounded the small space constructed for the installation.

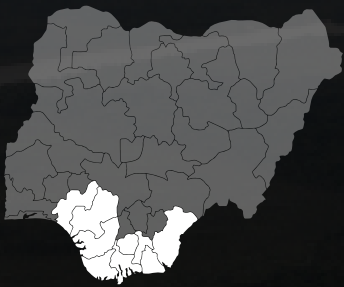
In 2012, NDDC awarded a contract to install a solar-powered street light at the University of Uyo's permanent site. However, the project had not been completed.

Similarly, a separate contract for the provision and installation of solar-powered street light complete with 600 X 600 mm reinforced concrete plinth was awarded in March 2013. The project was implemented but it does not serve the entire community.

Abandoned school projects across Akwa Ibom

The NDDC awarded various projects to different contractors to renovate some blocks of classrooms and construct new units in schools in Akwa Ibom state. At Mainland Technical College, Oron in Akwa Ibom State with over 3,000 students, insufficient classrooms had been a challenge as each class has 100 students with JSS 3 having 10 arms of classes lettered A to J. NDDC has failed to complete the construction of new classroom blocks.

At Methodist Boys High School, it is observed that the school's classrooms, dormitories and offices are old and dilapidated. NDDC awarded a contract for the renovation of dormitories and classroom blocks, as well as a contract for the supply of a generating plant for the



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school. The projects have been completed. Although, the construction of an administrative block and multipurpose hall has been abandoned and the generator has been supplied but not in use.

At the Senior Science Secondary School, Oron, the project for the rehabilitation of the dining hall block has been abandoned. The block was completed but there were no windows, doors and seats for the students.

Similarly, the contract for the construction of one block of NDDC model classroom with an office, a store and a detached VIP toilet block at Community Secondary School, Ikot Eba in Etinan local government was awarded but the project has been abandoned. The school block has been constructed but it does not have a complete roof. There are no windows or doors. The floor has not been plastered. The students sit in the uncompleted building for their lessons.

A hostel was meant to be built at the University of Uyo in 2004 by Hinson Limited. The massive building has been abandoned and is now surrounded by a bush. The entrance to the hostel is not passable.

Delta Case Studies

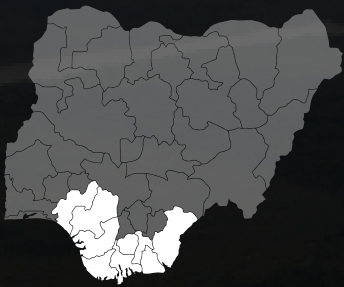
Case studies of some specific projects, reported by Premium Times are summarised below:

Abandoned water projects in Delta State

Inoperative borehole at Ivrogbo and Olomoro Community, Isoko South LGA



Source: Premium Times



*Research Study on the Quantum and Impact of Financial Losses from
Mismanagement of Funds by the Niger Delta Development Commission*

In this report, twenty water projects awarded by the NDDC were investigated. The outcome— seven projects listed as ‘completed’ were not executed, five were abandoned, five were completed and still in use while three were completed but no longer functional.

Out of twenty water projects tracked by the reporter, only five were up and running.

Ifiekporo is one of the communities that should have benefited from the water projects awarded by the NDDC. On December 10, 2004, Bienci Resources Nigeria secured the contract from NDDC to reactivate the water supply scheme at Ifiekporo Community, but the sad reality is that no projects have been executed there.

Ifiekporo is not the only community where the residents have been forced to draw water from dirty wells.

In Ugbodode Community, a water project was awarded to Marigray Services Limited on February 1, 2002, and listed as ‘completed’, according to details provided by the NDDC. NDDC constructed neither of the two boreholes in the community and yet Commission’s documentation shows that this contract, which was awarded on May 30, 2014, has been completed.

The story is similar in Enhwe, a community in Isoko South Local Government. According to details provided by the NDDC, on March 23, 2011, Water Petroleum Limited secured the contract to construct a solar-powered water project at Enhwe community. Just like in Ugbodode and Oghenerurie communities, the Commission erroneously claimed that the project was completed.

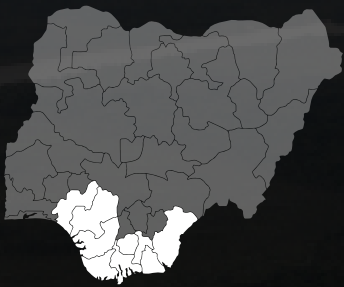
In 2015, NDDC approved ₦6,638,047 million for the construction of solar-powered borehole in Enhwe community, and ₦21,000,000 million in 2016, out of a budget sum of ₦45,446,087 million.

All the community has is a hand pump provided by Water, Sanitation and Hygiene Committee (WASHCOM), a project funded by the European Union, but that is barely enough to serve the whole community.

Likewise, Emevor community in Isoko North LGA where the contract for the construction of a solar-powered water project was awarded to El-Fegor Nigeria Limited on May 28, 2002. Over ₦20,000,000 was approved for the project. Although the Commission’s records show that the project is ongoing, the community members said no project of the sort had been implemented.

Another water project in Otor-owhe community, Isoko North LGA was not executed. The rehabilitation of the Otor-Owhe waterworks was awarded to Crete Industries Nigeria Limited by the NDDC on March 23, 2011.

On February 11, 2011, the NDDC awarded the contract to construct a solar-powered water project in Okuno Community to Philvianno Nigeria Limited. The Commission’s records show that the project is ongoing. However, the borehole was abandoned and the surrounding



area overgrown with weeds.

In Erovie Community (Isoko North LGA, Oramudu Ozoro, Ajatitor Community, all projects were abandoned.

In Warri South LGA, a water project in Ubeji community was awarded to YAPAT Nigeria Limited on March 3, 2003. When the reporter visited Pessu market where a water project was awarded to PHEDBOSA ENT, the borehole was completed and in use.

In Isoko South LGA, a water project in Uro-Irri community was contracted to Joe Ogbo Nigeria ENT on February 1, 2002.

The signage seen showed that the borehole had been completed and was functional. However, through interactions with the residents, it was discovered that shortly after work commenced, it stopped. NDDC drilled the borehole, another set of people came to repair it

In Ugbuwangue Town, in Warri South LGA, two water projects were awarded by the Niger Delta Development Commission (NDDC), to construct a solar-powered borehole. Only one was executed.

NDDC claimed to have completed a solar-powered borehole in Olomoro, Isoko South LGA which was awarded on February 22, 2011. According to the Commission's records, the project has been completed, but it was discovered that the project had been abandoned. Another project in a solar-powered borehole in Ivrogbo community awarded the same year was completed, but vandalized.

In Ethiopie LGA, on February 9, 2007, Akogate Ventures Ent, secured the contract to construct a solar-powered water project at Ctc Oghara. It was discovered that the project is nonfunctional.

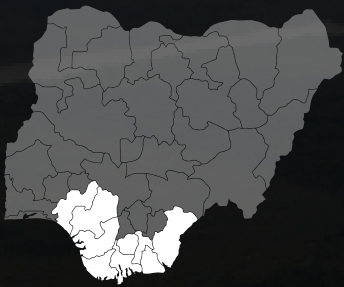
Rivers Case Studies

Case studies of some specific projects, reported by Premium Times are summarised below:

Abandoned school projects across Rivers State

In Rivers state, Our experience revealed that, NDDC awarded contracts for the construction of a block of six classrooms, toilets and an office to be sited in public schools across Rivers State in 2004. After the inspection, it was discovered that several projects have either been abandoned or non-existent. The effects of lack of implementation of such projects were felt at Community Secondary School, Abuloma, Bundu community council in Port Harcourt, Owhipa, Choba Primary School in Obio/Akpor Local Government Area, as it led to insufficient learning classrooms and poor learning environments.

Community leaders and school authorities interviewed; said they have tried for years without success to have the NDDC complete the abandoned projects. They attempted this by writing letters and staging peaceful protests; their efforts fell on deaf ears. The



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NDDC spokesperson said the commission cannot and is not meant to replace or take over the responsibilities of the state governments, and that failure of the NDDC to complete approved projects should not be tagged as “corrupt” because the contractors issue morbid threats to the commission.

Abandoned projects at Bundu and Alesa



Source: Premium Times

Bayelsa Case Studies

Case studies of some specific projects, reported by Premium Times are summarised below:

COMPLETED, ONGOING AND ABANDONED NDDC PROJECTS IN BAYELSA STATE

Across Bayelsa state, several projects embarked by the Niger Delta Development Commission (NDDC) litter across 8 LGAs. While some are completed, others remain uncompleted, abandoned or not started at all. These projects include electricity/power, school and road, bridge and erosion control projects.

Ebedebiri community in Sagbama LGA have not had electricity supply since December 2018. On July 31, 2013, a contract for the installation of 2 transformers was awarded by the NDDC. The contract was awarded to Ayakoko & Sons Enterprise, but when the location was visited, the transformer looked old, but the signage seen looked very new.

Just like Ebedebiri community, other parts of Bayelsa have similar challenges. It was discovered although the communities had solar-powered light installed across different locations, none was functional.

In Sagbama town, ₦240,000,000 million was budgeted for the provision of solar street



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lights, according to the NDDC 2016 Appropriation Act. For 2015, ₦53,784,000 million was approved while ₦40,000,000 million was approved in 2016. The Appropriation Act also showed that a total sum of ₦700,000,000 was budgeted for the provision and installation of solar-powered street lights in the communities in Ekeremor LGA. While ₦33,689,000 was approved in 2015, ₦38,000,000 was approved in 2016.

Residents say that the development started a few years ago, but now they have to develop a sharing formula.

The East West road in Sagbama LGA of Bayelsa state is a death trap for motorists. If the contract awarded to Asphalt Unity Construction Limited by NDDC for urgent repairs was implemented in 2017, that would not have been the story today. While some parts of the section of the road leading to Delta state is motorable, the other side leading to Yenogoa remains in a deplorable state.

According to the 2016 NDDC Appropriation Act obtained by this reporter, ₦4,807,741,270 billion was budgeted for the road project and ₦721,161,191 million set aside as commitment for the project. In 2016 and 2015, ₦181,161,191 million was approved.

Another project was awarded to Gojo Global Resources in December 2014 for the construction of a concrete link road in Kolokuma LGA. But this time, the project was implemented and functional. The construction of internal link roads in Okpokuma and Okoloba Sabageria link/access road, which was awarded in May 2007 to Elite Construction Company Limited proved to be completed and functional.

Five projects implemented by Elite Construction Company Limited were tracked and found to be completed and based on specification.

The story focuses on some school projects embarked by NDDC since inception. In May 2012, the NDDC awarded a contract for the construction of an ICT building at the Bayelsa State School of Health Technology, Ogbia town. The project, awarded to Mac-Eluan Global Resources, stopped at the roofing stage. Since then, the building has remained uncompleted and surrounded by bushes.

The Commission also awarded a contract for the supervision and construction of internal road network (Phase 1) at the Bayelsa University in May 2012. Findings revealed that an internal road network had been built and currently in use by the staff of the school and other visitors, although the date of construction could not be ascertained.

On 10 December 2004, the NDDC awarded a contract for the construction of 3 staff quarters at the school. The project was discovered to have been completed and currently in use.



Ondo Case Studies

Case studies of some specific projects, reported by Premium Times are summarised below:

NDDC's abandoned multi-billion naira embankment project

Barring last-minute intervention, Ayetoro, arguably the largest community on the shore in southwest Nigeria, may soon be swept into the bin of history. This is as a result of the abandonment of a multi-billion Naira shore protection project, which was first awarded in 2004 and awarded again in 2009 by the NDDC.

However, 16 years after the multibillion naira project was awarded by the Commission, with more billions of naira already paid the contractors, nothing is on the ground.

As early as 2004, NDDC awarded the contract for the construction of a shore protective wall designed with a geo-tube technology in Ayetoro. The company, which won the contract at the cost of ₦6.4 billion with 25 percent of the cost reportedly paid- Gallet Nigeria Limited, was later found incapable of handling the project.

Eleven years after the new contractor took over, and 16 years after the contract was first awarded, there is nothing on ground to show any intervention by the government.

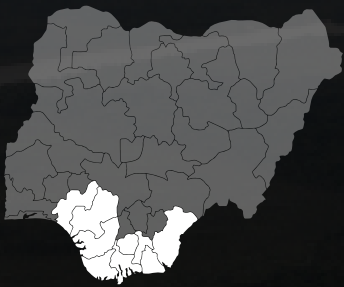
Despite clear evidence showing otherwise, the representative of the contractor- Dredging Atlantic Limited, Olusola Oyinloye, has insisted that his company has not abandoned the project.

Abandoned NDDC mortuary project: More than 400 communities that make up Ilaje local government area has no single public mortuary. To address the problem, the Niger Delta Development Commission (NDDC) awarded the construction of a mortuary sited at the general hospital, Igbokoda, headquarters of the local government.

However, many years after the project has been awarded, it is yet to be completed with only a roofed building structure without windows and facilities had been in place for many years. The people have thus continued to adopt crude means of corpses preservation as many families cannot afford the fees of private mortuaries. The only public one at the neighbouring Okitipupa town, headquarters of Okitipupa local government area of the state, is also usually over crowded.

Edo Case Studies

Case studies of some specific projects, reported by Premium Times are summarised below:



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Abandoned Projects in Edo State

NDDC road projects in Nomayo community, Ikpoba Okha LGA of Edo state

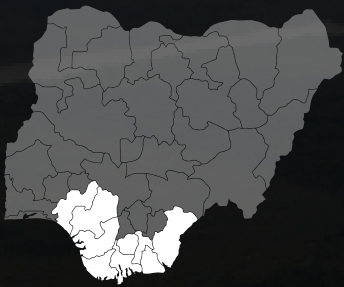


Source: Premium Times

In Edo state, Nomayo and Adolor are two communities that would have benefited from road construction projects if they had been implemented by NDDC. Nomayo is one of the communities that have had its roads ridden with potholes, damaged trucks, and fuel tankers.

In May 2012 NDDC awarded a contract for the construction of a 2 kilometre Nomayo Road, in Benin. Though NDDC listed the road project at Nomayo in Ikpoba-Okha Local Government Area and boundary road to the University of Benin, Ovia North East LGA as 'ongoing' on its website, findings revealed no road construction has been done in these locations.

According to NDDC's 2016 Appropriation Act, it was revealed that about ₦248 million was budgeted for the Nomayo Road project, of which about ₦92 million was released until



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2016. About ₦248 million was budgeted for Adolor road in 2014 and over ₦233 million released in 2015. Our field inspection of the road revealed that the project isn't complete. A portion of the road which is completely damaged has caused severe flooding in its environs.

Absence of Healthcare Centres in Edo State

In December 2004, NDDC awarded a contract for the construction of a basic health centre at Ahor and Evboneka communities. 15 years after, both communities still lack access to adequate healthcare and are left with no choice than to visit neighbouring communities to access healthcare. Although the government built a health centre for the residents in Ahor community several years ago, it was placed under lock after completion.

The health centre in Evboneka community in Ovia North East Local Government Area was in a terrible state when visited. The building was under lock and no health worker was seen around. The windows of the building and mattresses were completely damaged making it easy to see the dilapidated state of the health facility. Findings revealed that the health centre was never constructed although it was tagged "completed" by the commission on its website.

The spokesperson for the commission, Charles Odili, said the commission lacks adequate funding to meet the needs of the Niger Delta region.

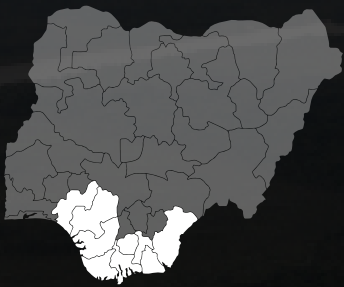
Worsening gully erosions in Edo State

Gully behind block of flats in University of Benin, Oredo LGA of Edo state



Source: Premium Times

Flooding and erosion of the surface of the soil are some of the ecological problems experienced in Edo State. Disturbed by the number of abandoned NDDC erosion-control



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projects in the state, the Edo government decided to complete some of the projects. The state government also implemented several erosion control projects awarded by NDDC.

Despite ₦269 million budgeted for both projects at Erediawa, and ₦95.1 million has been released so far. Gully erosion still poses threat to the residents, as it has led to loss of property, destruction of arable lands.

The projects “Construction of Erediawa road Erosion control (pond construction) Ugbekun, Edo state” awarded on February 22, 2011, and “Erosion Control at Erediawa (acquisition & drains) in Ugbekun, Ikpoba Okha LGA” awarded on May 31, 2012, were listed as ongoing in 2020, but are being implemented by the Edo State Oil and Gas Producing Areas Development Commission (EDSOGPADEC) through Raycon & Co (Nigeria) Limited.

Imo Case Studies

Case studies of some specific projects, reported by Premium Times are summarised below:

Abandoned Health centres in Imo State

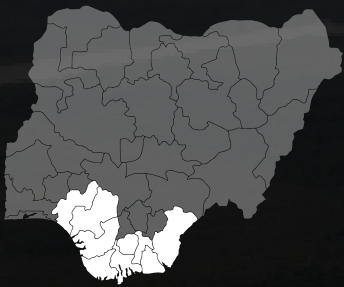
Abandoned Health Centres in Okwudor, Oguama in Imo



Source: Premium Times

An NDDC document claimed that the commission had erected a health centre in Umu-Okwo in Owerri West Local Government Area (LGA), but that is not true as the community lacks a health centre. What was commissioned by the NDDC 15 years ago was an abandoned five-room bungalow.

At Oguama community in Ahiazu-Mbaise Local Government Area of Imo State, the health centre constructed by the NDDC has been taken over by hedges as tall as the lintel of the building. In 2014, the commission began the construction of a “Comprehensive Health Centre”, which was awarded for ₦70 million. The project, which had 12 months duration for



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completion, was abandoned at the lintel level. As a result, Jesse Ajaonu, the spokesperson of the Federal Medical Centre, Owerri, said many of the brought-in-dead cases in the hospital are due to inadequate health facilities in rural communities.

Similarly, the NDDC contracted the construction of a bigger health centre at Amaebu-Eke (Ebenato). The building was completed but never used. The community claimed that it was converted into a school two years after it was constructed.

Various projects abandoned across Imo State

Dilapidated Classroom at Mmahu Secondary school and Nonfunctional Solar-powered Water in Mmahu



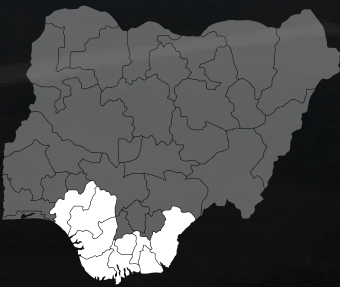
Source: Premium Times

This story highlights NDDC's failure to implement projects awarded for solar power street light and school construction across various communities in Imo state. One of such places is Mmahu in Ohaji/Egbema, where the only secondary school in the community is in dire need of renovations. The school science laboratory is unpainted and without windows, has been abandoned for at least two years. The other NDDC facilities in the school, like the staff quarters, and student hostel, have been abandoned for much longer.

Most communities in the LGA have not had power supply for over 20 years as some of the poles had fallen off with the solar panel broken.

Abandoned road projects across Imo State

Another problem identified in Imo state was the poor and unmotorable state of the roads. Many roads in Imo State are littered with potholes, and prone to flood due to lack of proper drainage system. These roads include those whose contracts had been awarded and payments made to NDDC but many of them are either abandoned, poorly done, or not



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existing at all, as discovered during this investigation.

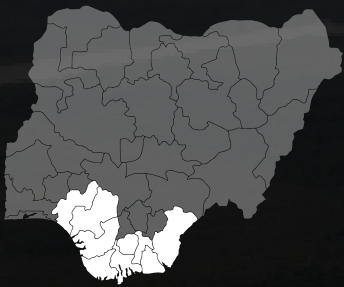
For example, NDDC awarded the contract for the rehabilitation of Umuezeala road in Ehime Mbano LGA to Bash & Bolts Limited but barely 12 months after it was done, the road went bad. The wide potholes on the road are covered with red mud. Motorcyclists no longer pass the main road; rather they jostle for the walkways with pedestrians hopping by the sidewalk to find dry spots to put their legs.

In Nwangele Local Government Area, many of the roads were constructed with uncompleted drainages. The drainages were dug on both sides of the road but the paths lead water to nowhere.

Umuezeala road, Umedo-Udoha and Ikeduru-Amimo road, and Ihitte_Ubom-Isiweke-Ikperejere



Source: Premium Times



Abia Case Studies

Case studies of some specific projects, reported by Premium Times are summarised below:

Abandoned school projects across Abia State

Across major parts of Abia State, investigations revealed that students' health are constantly under threat as they were made to learn beside huge waste dumps, despite huge resources at the disposal of the state government and the Niger Delta Development Commission.

Major roads, markets and streets in the commercial city are littered with waste. These locations included Asa Road, Obohia Road, Ohanku Road, Portharcourt Road, as well as the popular Ariaria Market.

The Ariaria International Market is a market located in Aba. The market is one of the largest markets in West Africa. Due to the poor waste disposal system, the market is barely different from a pigsty whenever it rains. This is usually characterised by blocked drainages, broken bottles and used plastic finding their way into the main road.

The Abia State Government, perhaps overwhelmed by its inability to handle the waste epidemic, has also consistently called on the NDDC for intervention. Eight years since the call was made, nothing has changed.

Abia's Broken Roads

Despite the presence of the NDDC, roads in Abia state are in deplorable conditions. The poor condition of roads in the state is quite palpable that government officials are not oblivious of the reality and its attendant effect on the lives of residents.

On the Ogbor Hill end of Ikot-Ikpene Road, there are huge craters and dungeon-like potholes on both sides of the road. Residents and commercial transport workers complained bitterly of the poor state of the road. The same was the situation at Opopo Junction as well as roads in Obingwa area. A short distance from the dilapidated Ikot-Ikpene road lies NDDC's Aba Office, located along the Park-Ogbor Hill Road.

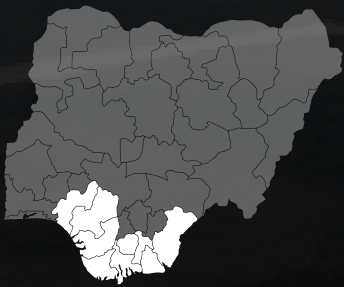
By far the NDDC's most controversial road project in Abia state is the Ohanku road. The road, which has been a subject of controversies between the state government and the NDDC, is flooded and damaged from the Ngwa road end to the express road axis.

Cross River Case Studies

Case studies of some specific projects reported by Premium Times are summarised below:

Abandoned electrification projects in Cross River

The story opens up with a community in Biase Local Government Area (LGA) of Cross



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River State that have had no electricity supply for over 36 years, even though in May 2012, the Niger Delta Development Commission (NDDC) awarded a contract to Blu Ray Engineering Services Limited to carry out a rural electrification project in Ekpri-Iko.

The work commenced and everyone was excited, but then everything suddenly changed. Although transformers, poles, power lines and distributors were all fixed, Power is yet to come into Ekpri-Iko community.

By its admission in its 2016 budget, NDDC reported that in 2015 and 2016, ₦15.9 million and ₦10 million were approved respectively for the electrification project at Ekpri Iko. Yet, in 2019, the villagers have not received any power supply. Also, NDDC's PMIS Portal, a database for the commission's projects since early 2000s, reports that the contract for electrification of Ekpri-Iko is "ongoing."

The residents of Anantigha community in Calabar South LGA have been forced to live in darkness every night. Official documents examined revealed that NDDC gave a contract in August 2012 to install a 500KVa transformer in the community. The amount for the contract was not indicated in the document. The community set up a committee to raise funds to build the seating for the transformer in the hope that an NDDC-sponsored transformer will come, but nothing came and nothing was installed. Yet, NDDC's project tracking portal noted that this project has been completed.

However, the story is different in Ikun village in Biase LGA where the rural electrification project awarded to Hugh Gross Nigeria Limited in February 2011 was completed. Although this project has been completed, it appeared again in the NDDC 2016 appropriation act. According to the commission, ₦24.9 million and ₦10 million were approved in 2015 and 2016 respectively for rural electrification involving high and low tension at Ikun.

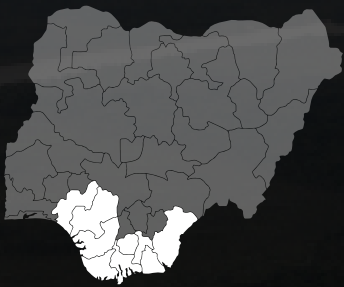
Another electrification project awarded in February 2011 and handled by Deastern Electrical & Mechanical Energy Serv. Limited in Abredang Community (Biase LGA) follows similar trend - completed.

Yet, like the case of the project in Ikun, the electrification contract in Abredang Community was captured, once again, in NDDC's budget for Cross River in 2016. An analysis of the budget revealed that an additional ₦3.5 million was approved twice (in 2015 and 2016) for the rural electrification involving high and low tension in Abredang.

As usual, the Commission's spokesperson failed to comment.

Various abandoned projects litter Cross River State

The health post in the village of Ekukunela in Ikom LGA of Cross River State used to be the village's town hall. In the absence of a functional health centre, the villagers converted the hall into a health facility. For over 20 years now, the health post mostly attends to outpatients with mild cases of malaria using rapid diagnostic tests (RDTs). It also advises women on family planning and focuses on immunisation for children.



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In May 2010, NDDC contracted Jismac Nigeria Limited to build a main block of standard cottage/comprehensive health centre in Ekukunela. Construction began that same year, but as work progressed from 2010 to 2013, there were intermittent stops until it got to the roofing stage.

Zack Agba, the contractor handling the health facility, blames NDDC for its failure to complete the project, citing payment delays.

Meanwhile, NDDC's PMIS Portal, a database for tracking the commission's projects since early 2000s, recorded that the construction of the health centre is still "ongoing." with a dozen photos attached to support this position, but the site engineer, Godwin Abua, said it has been long since work stopped.

Residents of Daniel Henshaw Street in Calabar South Local Government Area are troubled that a contract for erosion remediation and construction of their street might stall. Awarded to Calabar-based architectural firm, Ample Dimension Limited, in July 2014 and marked as ongoing on NDDC's project tracking portal, this project is yet to be completed.

A project for the construction of Atan Okoyong rural roads was awarded to Opharmz Energy Services Limited in February 2015, but nothing has been done since then.

Uncompleted NDDC education projects in Cross River

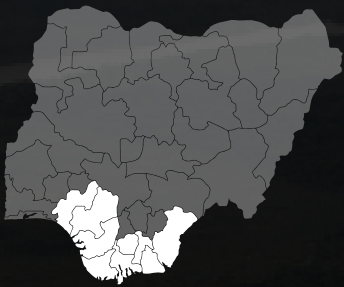
On 1st March, 2011, the NDDC awarded a contract to Ndomaeko Nigeria Limited to construct a road from Effi in Okuni to the Osadim's school, but this was never done and was acknowledged by the Commission on its PMIS Portal.

The story does not end with Okuni Community Secondary School. At St. Theresa's Primary School, a run-down classroom block stands in sharp contrast to another school block which was recently undergoing renovation until it was abandoned. NDDC contracted Aplamatuse Ventures to supply educational materials and to carry out "infrastructural upgrade" at St. Theresa's. This was on 30 May 2014.

Five years later, the school did not receive any materials, neither was the so-called infrastructural upgrade successfully executed, and yet the Commission claims that the project is ongoing. On the Bureau of Public Procurement (BPP) website, it was revealed that the project had a completion period of 12 months and the amount awarded to Aplamatuse Ventures, according to the BPP's procurement record was ₦249,900,000.

A few projects were completed. One of them is the contract for the renovation of a classroom block at St Martins Primary School given to Kebert Consultancy Services Nigeria Limited, and another for the same purpose at Holy Child Convent Primary School contracted to Featz And Blitz Integrated Services Limited, they were both completed last year.

Last year, Begastone Nigeria Limited completed a contract to renovate an eight-classroom block at PCN Primary School in Balep village in Ikom LGA.



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At St. Theresa Primary School in the town of Ugep in Yakurr LGA, the classroom block was successfully renovated in 2018 after the contract was awarded to Capital Shuttle Services Limited in October 2017.

