



NIGER DELTA DEVELOPMENT COMMISSION

THIS REPORT COVERS THE

3rd QUARTER

*ACTIVITIES OF THE COMMISSION FOR
THE PERIOD*

JULY – SEPTEMBER 2016

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SECTION 1: BACKGROUND

On December 18, 2015 the President and Commander-in-Chief of the Armed Forces, **General (rtd) Muhammadu Buhari**, *GCFR*, in exercise of his discretionary powers, appointed **Mrs. Ibim Semenitari** as the Acting Managing Director/Chief Executive Officer of the Niger Delta Development Commission.

This followed the decision of the Federal Government of Nigeria, through circulars dated July 16, 2015, **Ref. No. SGF.19/S.81/XIX/964** and July 23, 2015, **Ref. No. SGF.55/S.2** issued by the Secretary to the Government of the Federation that announced the immediate dissolution of all boards of Federal Government agencies.

This report is the account of the performance of NDDC during the third quarter under her leadership.

SECTION 2: EXECUTIVE SUMMARY

This report, a sequel to the 2nd Quarter report titled “**Vision in Motion**” represents an account of the Niger Delta Development Commission for the period July to September, 2016.

The summary of the mandate given to the Ag MD/CEO was to endeavour to use the period to reposition the Commission towards the realization of President Muhammadu Buhari’s vision for the Niger Delta Region.

Some of these strategies include, redeployment and reposition of some Staff to areas they are more proficient; routine and constant inspection of the Commission’s projects that are on-going; insisting on improvement in the quality of work and acceleration of the speed in delivering NDDC projects from the contractors handling projects.

SECTION 3: MANDATE OF THE Ag. MD/CEO

The appointment of the Acting Managing Director/CEO of the Niger Delta Development Commission (NDDC) came at the gracious discretion of the President, **General Muhammadu Buhari, GCFR (rtd)**.

The mandate as Acting MD/CEO is contained in Part IV Section 12 of the NDDC Act of 2000, which spells out the duties of the Managing Director/CEO.

These include refocusing the Commission to support the Federal Government's development agenda for the Niger Delta region under the leadership of Mr. President.

The mandate outlined in a letter signed by the SGF is as summarized below:

1. To ensure the smooth running of the Commission
2. To fulfill President Muhammadu Buhari's vision for the Niger Delta region.
3. To ensure that the Commission is able to meet its development agenda.
4. To settle all bills relating to the overhead costs of the Commission.
5. To verify and settle payment certificates relating to completed projects/contracts.
6. To verify and settle payment certificates relating to projects / contracts up to and above 85% completion to facilitate their total completion.

SECTION 4: HIGHLIGHTS OF KEY ACHIEVEMENTS

We list below, highlights of key achievements for the period under review:

Payments

- i. The 2015 Financial Audit as at the time of this report is 80% completed.
- ii. Consolidated the debt profile of the Commission by reconciling the inconsistent figures.

Staff Matters / Institutional strengthening

- i. Prompt attention to staff welfare.
- ii. Built synergy and encouraged improved coordination among departments.
- iii. Manpower restructuring to encourage productivity.
- iv. Empowerment and refocusing of NDDC State Offices for effective project delivery.
- v. Commencement of the repositioning of the Commission into a people-centric and result-driven organization.
- vi. Management retreat on Public Procurement in conjunction with the Bureau of Public Procurement.

Infrastructure Project Delivery

- i. Commissioning of Landing Jetty at Ifiang Ayong, Bakassi LGA, Cross Rivers State.

- ii. Commissioning of Roads at Obio Edik Community, Bakassi LGA and Ansa Oti Extension, Calabar Municipality, Cross Rivers State.
- iii. Tackled repairs of ***Two Hundred and Sixteen (216)*** roads under the emergency scheme introduced by the Commission across the Niger Delta Region.
- iv. Commenced repairs on the Calabar-Itu and Calabar –Ikom roads in Cross Rivers State.
- v. Presidential Monitoring Committee on NDDC (**PMC-NDDC**) commenced first phase of monitoring projects and programmes awarded between 1st January - 31st December, 2014.

Programme Delivery

- i. Provision of relief materials/food items to displaced communities in Oporoza, Kurutie, Okerenkoko communities Delta State and Opobo Community, Rivers State.
- ii. Provision of medical items and consumables to health centres in Oporoza, Kurutie, Okerenkoko communities in Delta State and Opobo Community, Rivers State.
- iii. Donation of refrigerators and generators to women and other Cooperative groups in the Niger Delta Region.

Stakeholders' Engagement

- i. Hosted the Niger Delta Region Partners for Sustainable Development (PSD) Forum.
- ii. Hosted the NDDC/OPTS Working Level Committee.

- iii. Courtesy visit to the Crown Prince of Benin Kingdom at the Palace of the Oba of Benin, Edo State.
- iv. Courtesy visit to King Jaja of Opobo.
- v. Hosted Nembe se Congress, Bayelsa State
- vi. Courtesy visit to the Executive Governor, Cross Rivers State.

SECTION 5: SITUATIONAL ANALYSIS

Situation Analysis of NDDC

A routine situation analysis ascertained the challenges of the Commission under four broad headings, namely, Administration; Policy & Corporate Governance; Finance and Project/Programme Administration.

Administration

The following Administration challenges were identified:

- i. Weak internal processes, procedures and control.
- ii. Non-adherence to policies, procedures and processes.
- iii. Top-heavy staffing patterns with staff spread across Management cadre, Senior and Junior staff cadre.
- iv. A preponderance of Directors without clearly defined roles.
- v. A disconnect between the State offices and the Head Office in terms of projects/programmes delivery and information flow, in spite of the decentralization exercise of the out-gone Board.
- vi. Poor Organizational culture and weakened internal discipline, leading to lack of commitment and dedication to duty amongst staff.
- vii. Poor internal and external image amongst others
- viii. Delay in payment of bills to the contractors.

Policies & Corporate Governance

The enabling Act that set up the Commission empowers the Governing Board to formulate policies to guide the operations of the Commission. The first Governing Board developed Authorization and Job Description Manuals, which were approved for implementation by the first and second Boards. However, record has it that the third and last Boards operated with little recourse to the said documents. This resulted in the following policy lapses:

- 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: the Boards solely took budgeting decisions with very minimal input from stakeholders.
- Weak ability to initiate and handle partnerships and collaborations.

Financial Challenges

- Late passage of budget and the likelihood of a relatively low budget performance.
- Non release of Quarterly Allocations as at when due.
- Non-compliance with the NDDC Act in funding the Commission.
- Zero funding from the Ecological Fund.
- Non-remittance of funds by some Oil Companies as at when due.
- A lot of marginal field operators and the companies that acquired some assets of the Oil Majors have not been contributing.
- The Nigeria Liquefied Natural Gas (**NLNG**) which happens to be the biggest Gas Company in Nigeria has yet to comply with remittance in line with the provisions of the NDDC Act.

Delayed Payment To Contractors

The funding constraints have also made it difficult for the Commission to meet its obligations of servicing contractors and service providers. A good number of Interim Payment Certificates (IPCs) have been earned by NDDC contractors for work done and could not be paid as at when due. This has led to variation in project costs most of the time.

Poor Coordination of the Niger Delta Development processes

There is need for synergy and effective coordination of the plethora of development stakeholders in the region to avoid duplication of projects and programmes that could lead to wastage of resources.

Terrain and Climatic conditions

The region presents the most difficult logistics challenges in the country and has NDDC projects expensive. This is due to the deltaic nature of the region which makes road construction very expensive when compared with the upland areas of the country.

Security/Youth Restiveness

The prolonged agitation by youths over perceived neglect of the region, has created an entitlement mentality as a permissible way of life. The NDDC has therefore being seen as institutionally empowered to solve all social / financial problems in the region. This perception and unreasonable expectation has foisted undue pressure on the Commission and contributed in great measure to the security challenges we face.

Strategies Adapted to Mitigate the Challenges met

The Ag. MD/CEO in partnership with Management and staff of the Commission adopted the following strategies to address the lapses identified in course of the situational analysis:

- Regular meetings with staff
- Regular inspection of Projects /Programme.
- Engagement of relevant National Assembly Committees overseeing the activities of the Commission.
- Meeting with key Stakeholders
- Transfer of hitherto idle staff to State Offices for effectiveness and productivity.

SECTION 6: SUMMARY OF POLICY FOR THE PERIOD

The activities of the Commission during the period under review was guided by policies of the Federal Government in the various sectors, particularly the NDDC Act of 2000; the Procurement Act of 2007; the Public Service Rules; the Financial Regulations and the Niger Delta Regional Development Master Plan. Specifically, some of the guiding policies included:

- i. Enabling conditions for enhancement of micro and small enterprises as part of the Rural Development Service Programme of Intervention. These included but not limited to training in relevant skills and providing business support services linked with micro credit facilities.
- ii. Identify and take inventory of oil spill sites.
- iii. Provision of schemes and solution mechanisms for flood control, erosion and reclamation issues in the Niger Delta.
- iv. Ensure an efficient and effective management of Commission's financial resources.
- v. Pursue and insist on the extant policies specified in the Public Procurement Act, 2007; ensure openness, transparency, competitiveness, fairness and value for money in all the procurement processes and procurement activities embarked upon by the Commission.
- vi. Provide resources and empowerment that will promote socio-economic advancement of rural women and participation in educational and income generation exercise as to enable them actively participate in local, regional and national development.

- vii. Establishment of youth and women development programmes to improve socio-economic status. These include literacy programmes, job training/apprenticeship to obtain the desired and needed skills/technology required to enable them achieve some measure of self-actualization with a start-off grant.

SECTION 7: FINANCE AND BUDGETING

Budgeting

- i. The NDDC 2016 budget was passed into law by the National Assembly.

Finance

- i. The 2015 Financial Audit as at the time of this report is 70% completed.
- ii. Payments were also made for completed and ongoing projects close to completion.
- iii. These payments were made after physical checks and verification.
- iv. The detail of the Commission's Accounts at as September 30, 2016 is as follows:

a. Opening Balance as at July 1, 2016 - **24,795,870,388.79**

i. Inflow during the period under review

1. Federal Government - 10,262,499,999.91
2. Oil Companies - 49,778,971,845.98

Total Inflow – 84,837,342,234.68

b. Expenditure during the period under review

- i. Recurrent Payments - 13,377,130,285.46
- ii. Development Projects - 21,889,814,245.01
- iii. Capital Fixed Assets - 0.00

Total Expenditure – 35,266,944,530.47

c. Cash Balance as September 30, 2016 - 49,570,397,704.21

SECTION 8: INFRASTRUCTURE DEVELOPMENT PROJECTS

The Infrastructure Development Projects under execution upon by the Commission are in the following Project Areas:

- i. Roads/Bridges
- ii. Jetty/Shore Protection
- iii. Canalization/Reclamation
- iv. Electricity/Power
- v. Water Supply
- vi. Buildings
- vii. Flood Control/Erosion
- viii. Equipping/Furnishing

SUMMARY OF INFRASTRUCTURE DEVELOPMENT PROJECTS

	ABI	AKS	BYS	CRS	DEL	EDO	IMO	OND	REG	RIV	TOT
Roads /Bridges	224	390	306	186	721	251	319	153	54	925	3,529
Jetty/Shore Protection	0	2	64	5	91	1	1	23	21	56	264
Canalization/Reclamation	1	5	40	0	120	0	9	13	7	10	205
Electricity/Power	152	237	165	96	317	89	101	218	10	189	1,574
Water Supply	92	184	125	65	180	110	85	122	1	209	1,173
Buildings	98	276	184	63	229	174	175	252	49	207	1,707
Flood control/Erosion	1	7	2	9	4	9	1	0	4	1	38
Equipping/Furnishing	0	8	2	6	13	1	3	1	13	21	68
TOTAL	568	1,109	888	430	1,675	635	694	782	159	1,618	8,558

Project Performance Statistics

S/NO	ITEM	QTY	%
1	Number of awarded projects since inception as at September 2016.	8,558	100
2	Number of ongoing projects as at September 2016 since inception.	2,290	26.8
3	Number of completed projects as at September, 2016	3,530	41.2
4	Number of stalled/abandoned projects as at September 2016	293	3.4
5	Number of awarded projects yet to mobilize to sites as at September 2016	2,366	27.6
6	Number of projects terminated as at September 2016	49	0.6
7	Number of projects taken over by State Governments/other Agencies as at September 2016	30	0.4

a. Project Monitoring & Supervision

- i. During the quarter under review, the directorate was involved in the following key activities:
- Routine processing of IPC’s for work achieved by contractors as presented by the State Offices;
 - Re-verification of previously approved IPC’s to ensure value for money;
 - Active involvement in site inspection and visitation by the Ag.MD/CEO and the Senate Committee on Niger Delta on oversight function;
 - Various meetings and project commissioning activities

b. Payment Processed during the quarter under review

A total of **352** valued at **N35, 321,891,148.24** payments were processed (that is fresh IPC’s raised based on performance/evaluation reports and valuations from the state offices). Breakdown is tabulated as follows:

MONTH	TOTAL NO. OF PAYMENTS PROCESSED	TOTAL VALUE OF PAYMENTS PROCESSED
JULY	126	9,767,986,999.88
AUGUST	101	5,544,321,157.34
SEPTEMBER	125	10,241,595,991.14
TOTAL	352	35,321,891,148.24

c. Summary of Previously Approved IPC's re-verified for Q3

S/N	STATE	NO. OF IPC'S	VALUE
1	Abia	8	414,066,066.14
2	Akwa Ibom	17	950,646,571.34
3	Bayelsa	6	387,617,344.85
4	Cross River	8	412,986,538.97
5	Delta	23	3,911,384,529.06
6	Edo	5	129,411,040.01
7	Imo	11	1,103,507,092.74
8	Ondo	23	958,401,452.26
9	Rivers	45	2,803,706,105.73
	TOTAL	146	11,071,726,741.17

D. Summary of Previously Approved IPC's Pending Re-Verification for Q3

S/N	STATE	NO. OF IPC'S	VALUE
1	Abia	18	1,575,394,522.68
2	Akwa Ibom	16	680,420,321.25
3	Bayelsa	23	2,432,762,895.19
4	Cross River	15	675,113,963.84
5	Delta	56	1,879,520,783.92
6	Edo	11	415,149,123.97
7	Imo	23	660,084,140.54
8	Ondo	17	716,442,430.78
9	Rivers	45	2,886,670,865.41
	TOTAL	224	15,424,509,855.37

e. Projects Commissioned

Summary of projects formally commissioned during the period under review:

S/N	STATE	NO. COMMISSIONED
1	Abia	0
2	Akwa Ibom	0
3	Bayelsa	0
4	Cross River	3
5	Delta	1
6	Edo	0
7	Imo	1
8	Ondo	2
9	Rivers	2
	TOTAL	9

f. Projects Inspection by the Acting MD/CEO & Senate Committee on Niger Delta (combined).

Summary of projects inspected during the period:

S/N	STATE	NO. INSPECTED
1	Abia	6
2	Akwa Ibom	5
3	Bayelsa	5
4	Cross River	7
5	Delta	7
6	Edo	3
7	Imo	5
8	Ondo	6
9	Rivers	14
	TOTAL	58

Project Management

- i. The Council for the Regulation of Engineering in Nigeria (COREN) has commenced the formulation of NDDC infrastructural projects standardization manual.
- ii. Payment of compensation on the construction of Etono-Biakpan-Eziafor-Asaga road which stretches between Abia and Cross Rivers States.

Project Design & Scoping

- i. **Engineering Review & Assessment:** During the period, the Commission received **One Hundred and Twenty Six (126)** design documents from various consultants and reviewed them. **Twenty-two (22)** of the designs were at the preliminary stage while **Fifty-five (55)** were at final design stages. **Twenty-Nine (29)** of the designs were certified fit for construction.
- ii. **Consultants' Payment Certificates:** The Commission processed **Fifty – Seven (57)** certificates for payment during the period.
- iii. **Project Scope Management:** A Committee for scoping of projects was inaugurated.
- iv. **Relocation of Projects:** No project was relocated within the period under review.
- v. **Transformer:** No approval was granted for donation and Installation of transformers within the period under review.
- vi. **Variation on Projects:** No approval was granted for upward review of contract sum during the period under review.

- v. **Site Handover: *Twenty-three (23)*** projects were handed over to various contractors in Akwa Ibom , Cross Rivers, Delta and Edo States

- vi. **Termination of Project: 1 project was terminated:** *construction of Ikot Ebriere-Asong-Ukam road 11.1km road with 36m long bridge, Akwa Ibom State*

- vii. **Emergency Road Repairs:** The Commission tackled the repairs of ***Two Hundred and Sixteen (216)*** roads under the emergency scheme introduced by the Commission across the Niger Delta Region.

SECTION 9: HUMAN CAPITAL DEVELOPMENT PROGRAMMES

During the period under review, the Commission carried out a number of strategic Human Capital Development Programmes designed to create jobs and uplift the standard of living of the people of the region.

They were in the areas of Strategic Planning/Institutional Strengthening; Agriculture & Fisheries; Education, Healthcare & Social Services; Youth & Women Development; Skills Acquisition & Development; Environment; Security, Law & Order; amongst others.

Sector 1: STRATEGIC PLANNING/INSTITUTIONAL STRENGTHENING

a. Strategic Plans

- i. Defense of 2016 NDDC budget.
- ii. Collation and upgrade of development data in the Niger Delta Region.
- iii. Commenced training on zero budgeting.

b. Human Resources

- i. **Staff Leave Matters:** A number of staff proceeded on various types of leave during the period under review as follows:
 - a. **Annual Leave:** 469 Staff
 - b. **Maternity Leave:** 6 Staff
 - c. **Casual Leave:** 16 Staff
 - d. **Compassionate Leave:** 0 Staff
 - e. **Pre-retirement Leave:** 5 Staff were issued notices
 - f. **Leave of Absence:** 0 staff
 - g. **Study Leave with Pay:** 1 staff
 - h. **Study Leave without Pay:** 1 staff
 - i. **Severance benefits:** 0 Staff

- ii. **Staff Transfer:** In pursuance of the decentralization policy of Management designed to further strengthen the various Directorates/Departments/Units/State Offices, **68** staff were transferred during the period under review.
- iii. **Staff Welfare:** Management dealt expeditiously with issues of Staff welfare, ensuring that salaries and allowances were paid as and when due.
- iv. **Staff Training and Development:** The Commission implemented a number of training programmes designed to up-scale the skills and competencies of staff with a view to boosting their productivity during the period under review. These included attending Annual General Meetings (**AGM**) of Institute of Strategic Management of Nigeria (**ISMN**); Council of Regulation of Engineering in Nigeria (**COREN**); and the Nigeria Institute of Management (**NIM**); Understanding Effective Public Procurement in practice; Public Sector Procurement and Contracting Practices; Documents and Records Management, Storage and Archiving; Youth Economic Empowerment Programme in the Niger Delta Region; e-procurement for all MDAs; Federal Character principle in Employment procedures.
- v. **Engagement of NYSC/IT Staff: *Three (3)*** NYSC staff and ***Five (5)*** IT Staff were engaged.

c. Management Committee Meetings

- i. ***Three (3)*** Management Committee meetings were held during the period under review. **266th** Management meeting was held on 18th July, **267th** on 29th August 2016, and **268th** on 14th September, 2016 respectively.
- ii. ***Thirty- One (31)*** Other Ad-hoc/emergency meetings were held between Acting MD/CEO and the Directors/Heads of Units/Departments.

d. Statutory Meetings/Reporting

The second quarter report was published on the NDDC website: www.nndc.gov.ng with the caption ***Vision in Motion***.

e. Image Management

There is a wrong perception about the mandate of the Commission and the Federal Government by most people in the region. This is attributable to ineffective sensitization of the public about the Commission's mandate and activities over the years.

Against this backdrop, the management rolled out a media engagement strategy to improve public awareness about the Commission during the period under review on various platforms – print, electronic, social media.

Consistent with the Buhari Administration's policy of promoting transparency and zero tolerance for corruption, the Commission continued its ***Report-A-Bribe*** campaign as an effective initiative to promote transparency and accountability in its mandate area. To this end, two dedicated telephone lines – **09086567311** and **07062492712** –and a dedicated email – complaints@nndc.gov.ng – were advertised for public information.

Furthermore, ***twenty-three (23)*** press releases on the activities of the Commission were released between July and September 2016.

f. Institutional Strengthening/Corporate Functions

- i. Commissioning of the NDDC Rivers State Office
- ii. Hosting of the PSD forum with the term “*Effective Collaboration in the Niger Delta Region*”.**
- iii. Follow up on the NDDC/CSO Interactive engagement.
- iv. Ongoing collaboration between NDDC/OPTS.
- v. Courtesy visit to the Crown Prince of Benin at the Palace of Oba of Benin.

- vi. Courtesy visit to Jaja of Opobo.
- vii. Ag MD/CEO budget defense at the National Assembly.

g. Fleet Management:

Current Fleet strength is **254: 179** at Headquarters, **75** at States/Liaison Office, and **1** boat.

Sector 2: AGRICULTURE

- i. Monitoring of **421,571** trained households under The IFAD/FGN/NDDC/CBN Programme, with the goal of improving the standard of living and quality of life of rural poor households in the Region.
- ii. Monitoring of **374** benefitting Cooperatives which got loans from the Bank of Agriculture (BOA)
- iii. Distribution of tractors to large farms, research institutes and other related bodies under the NDDC Farm Mechanization Project. Large farms, Agricultural institutes, Research Institutes, Cooperative Societies, Universities in the region and the nine state governments in the Niger Delta region are beneficiaries.
- iv. A meeting was held between the NDDC and the Cross Rivers State Government on the On-going NDDC/Cross River State Poultry/Hatchery Rehabilitation Project designed to support poultry farmers in the region.
- v. Site visits to the two integrated farms at Mkpara-Otop, in Odukpani LGA in Cross River and Afana Ekpenedi, Esit Eket LGA in Akwa Ibom States which aim is to boost Fish Farm production output.

Sector 3: EDUCATION, HEALTH AND SOCIAL SERVICES

- i. Distribution of Exercise Books to Primary and Secondary schools in Ondo State.
- ii. Donation of Lassa protective equipment and kits to Akwa Ibom and Ondo State governments.
- iii. Provision of relief materials/food items to displaced communities in Oporoza, Kurutie, Okerenkoko communities Delta State and Opobo Community, Rivers State.
- iv. Provision of medical items and consumables to health centres in Oporoza, Kurutie, Okerenkoko communities Delta State and Opobo Community, Rivers State.
- v. The 2016 selection process for NDDC Post Graduate Foreign Scholarship scheme was concluded and awardees uploaded on the NDDC website.

Sector 4: SKILLS ACQUISITION AND DEVELOPMENT

- i. Training programme for youths on online shopping business enterprise with konga.com as promoters.

Sector 5: ENVIRONMENT

The NDDC Act 2000 makes environmental protection and control an essential part of the Commission's mandate. Some activities that took place within this sector during the period under review included:

a. Open Fora on EIA

Open Fora was conducted in various states of Niger Delta Region on some EIA projects in Abia, Akwa Ibom, Bayelsa, Cross Rivers, Delta and Imo States.

b. Health Safety & Environment/Environmental Monitoring of Projects (HSE/EMP)

During the 3rd Quarter of 2016, reports identifying, assessing and controlling hazards that may arise from project execution were submitted by HSE/EMP.

c. Waste Management/Fire Fighting Equipment

The Directorate of EPC took delivery of waste management and firefighting equipment for distribution to beneficiary agencies and organizations.

Sector 6: LAW & ORDER

a. Security

Insecurity in the Niger Delta remained a serious concern to the Commission throughout Q3. The Commission continued to monitor the situation while working closely with the security agencies to ensure the safety of its personnel and property.

a. Law & Order (Legal Matters)

- i. A total of Six (6) cases were instituted against the commission.
- ii. The commission instituted one appeal against the ruling of the High Court.
- iii. ***One Hundred and Forty-Three (143)*** contract agreements were prepared and executed.

- iv. **Seventeen (17)** requests for discharge of Advance payment Guarantee met the conditions and discharge letters were issued.
- v. No APG was vetted by the Directorate.

SECTION 10: PARTNERSHIP

Determined to sustain the leveraging of resources and expertise of relevant and experience members of the international development community in the pursuit of its mandate, the Commission forged partnership with stakeholders both within and outside the region for effective service delivery. Some of the projects and programmes jointly initiated with some key stakeholders and development partners in the region during the review period included:

a. NDDC/OPTS Collaboration

Under the NDDC/OPTS Collaboration arrangement, Shell Petroleum Development Company Limited proposed to partner with NDDC on the Gokana 2 cluster project. Shell further requested that this project be executed within the 2016 fiscal year.

A proposed Chevron partnership with NDDC on Gokana 2 cluster project is pending the 2016 budget approval.

b. CREDIT DELIVERY TO FARMERS COOPERATIVES

A total number of ***Three Hundred and Seventy Four (374)*** Farmers Cooperatives out of 1100 (ten member) Cooperatives assessed the NDDC/BoA Agric loans. Under the partnership arrangement between NDDC and BoA, the Commission deposited a total sum of ***N967, 471,029.40*** from where disbursement of the loan facility was made to beneficiaries.

Monitoring and supervision of the ***Three Hundred and Seventy Four (374)*** benefitting cooperatives are still ongoing. The ***Three Hundred and Seventy Four (374)*** are beneficiaries of the Commission's agricultural skills training programme graduates from the 9 States of the region.

C. KONGA.COM JOB TRAINING PROGRAMME FOR YOUTHS OF THE NIGER DELTA AS PROMOTERS

Under the partnership arrangement between NDDC and Konga.com, the Commission is to contribute a total sum of **N35,955,000.00** to provide venue for trainees, radio announcements, pay allowances, refreshment and video coverage across the Niger Delta Region as part of a job creation training programme for online shopping business enterprise.

Trained youths are to be deployed in their areas of influence as promoters.

SECTION 11: INTERNAL CONTROL MECHANISMS

The Commission has a robust Internal Control Mechanism that ensures all processes and guidelines are complied with before payment is made on any subhead. The Internal Audit Department is responsible for ensuring that the internal control system is in compliance with the guidelines issued by the Federal Government. These include Financial Regulation 1705, which stipulates 100% checks on all Interim Payments Certificates (IPCs), Advance Payment Guarantees (APGs) and other invoices for payment. The Department further ensures compliance with the decisions and directives of the Governing Board and Management on the functioning and operations of the Commission.

The Department performed the following functions during the period under review:

1. Prepayment audit and/or check all payments;
2. Ensured that monies receivable were received and banked;
3. Carried out periodic audit spot checks of the books;
4. Conducted special investigations as directed by the relevant organs;
5. Carried out spot checks on projects and prices;
6. Assisted the external auditors in carrying out their duty;
7. Ensured the Revalidation of Interim Payment Certificates in compliance with the new Executive Management Framework;
8. Carried out post-payment audit;

9. Assisted other supervisory or regulatory agencies in the performance of their statutory functions.

Audit Observation

To ensure compliance with the internal control system, audit observations and/or queries were responded to adequately. There was full compliance with the internal control processes of the Commission during Q3.

SECTION 12: CHALLENGES

The multifaceted challenges that had adversely impacted the performance of the Commission over time are categorized under the five (5) broad headings viz: Administration; Project/Programme Administration; Stakeholders' Engagement; Finance/Funding; and Terrain/Climatic Conditions.

a. Administration

The following Administration challenges were identified:

- i. Weak internal processes, procedures and control mechanism.
- ii. Poor-adherence to policies, procedures and processes.
- iii. A disconnect between the State offices and the Head Office in terms of projects/programmes delivery, information flow, and incomplete implementation of the decentralization exercise.
- iv. Weak organizational culture and low employee discipline, leading to lack of commitment and dedication to duty amongst staff.
- v. Poor internal and external corporate image.

b. Project / Programme Administration

- i. Poor project initiation practices;
- ii. Non-compliance with the procurement procedures, resulting in the incidence high failure rate of NDDC projects and programmes;
- iii. Poor Quality assurance processes and technology;
 - a. Inadequate internal control mechanism leading to unethical

practices and compromises;

- b. Delay in payment for certified works done, leading to rapid deterioration of uncompleted works;
- c. Lack of Commission-specific Standards and Specifications for Projects;
- d. Overtrading in project and programme contract awards;

c. Stakeholders' Engagement

- i. Weak Stakeholders' Engagement, lack of synergy and poor collaboration.
- ii. Inability to engage critical stakeholders for partnership;
- iii. Lack of implementation of the Niger Delta Regional Development Master Plan (NDRDMP) by all stakeholders in the Region;
- iv. High level of insecurity in the region hampering development of effective partnerships;
- v. Non-alignment of the activities of the Commission to the Niger Delta Regional Development Master Plan;

d. Finance/Funding

- i. Late passage of the budget and the likely consequences of relatively low budget performance.
- ii. Minimal funding by the Federal Government throughout the period under review.

- iii. Non-compliance with the provisions of the NDDC Act of 2000 in the funding of the Commission by all the contributing partners.
- iv. Delayed/Non-payment of contractors that had earned Interim Payment Certificates (IPCs) for work done.
- v. Poor and inadequate funding of projects and programmes in the NDDC Budget largely due to the large number of budget line items.
- vi. Almost all projects being embarked upon by the Commission are solely funded by the Commission.

e. Terrain and Climatic conditions

- i. The construction of roads is very expensive compared with the upland areas of the country due to the deltaic nature of the region.
- ii. NDDC projects comparatively expensive in view of logistics challenges experienced in the region.

SECTION 13: SUGGESTED WAY FORWARD

The following are recommendations considered as the way forward to keep the Commission on track in line with its mandate of delivering development in the Niger Delta Region as stipulated in the NDDC Act of 2000.

a. Finance

- i. Funding of the Commission must be in line with the funding provisions in Part V Section 14 of the NDDC Act 2000.
- ii. The leadership of the Commission must constructively engage all statutory contributors to achieve adequate and timely funding.
- iii. Machinery should be put in place to recover all outstanding debts owed the Commission by all the statutory contributors.

b. Stakeholders' Engagement

- i. The Commission should develop and implement a robust stakeholders' engagement strategy as a matter of priority.
- ii. Develop Stakeholders' Engagement System in all facets of the Commission's operations i.e. from project/ programme conceptualization to monitoring and evaluation of NDDC activities.
- iii. Engender partnerships in project/program delivery.
- iv. Involve the National Assembly and other Stakeholders in NDDC Budgeting process

C. Staff/Institutional Strengthening

- i. Restructuring and professionalizing the Commission's workforce.
- ii. Development of an organizational culture and proper work ethics for the Commission.
- iii. Deployment of appropriate technology for project / programme management.
- iv. Amendment of the NDDC Act of 2000 in terms with current reality.
- v. Professionalization of the appointment of NDDC Executive Management.
- vi. Improve Performance Management System in NDDC.