

**Monitoring of the Implementation of the Tripartite
Agreement**

**EXECUTIVE SUMMARY
INCEPTION REPORT**

April 6, 2021

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In early 2020, the Federal Republic of Nigeria (FRN), United States of America and the Bailiwick of Jersey (collectively referred to as the “Parties”) signed a Trilateral Asset Agreement in order to enable a transparent and efficient repatriation of \$311 million for the benefit of the people of Nigeria. The Parties agreed that the forfeited assets shall be used exclusively for the purpose of financing the projects set out in Article 6 of the Asset Agreement and further described in Schedule 1 (the Projects), the payment of fees of the Monitoring Civil Society Organization (“Monitoring CSO”) and the independent designated auditor. The Projects are defined as: (a) the Lagos to Ibadan Expressway; (b) the Abuja to Kano Road; and (c) the Second Niger Bridge. The implementing agency for the Asset Agreement for the FRN is the Nigeria Sovereign Investment Authority (NSIA).

The Asset Agreement required, among other things, that the Government of the Federal Republic of Nigeria (the “Government”) engage a Monitoring CSO to provide ongoing monitoring of the implementation of the Projects. In fulfilment of this requirement, the Federal Ministry of Justice acting on behalf of the Government retained CLEEN through an Engagement Contract dated February 10, 2021. Under the terms of the Engagement Contract, the Monitoring CSO is obligated to file periodic reports summarizing its preliminary findings from its monitoring activities.

This Inception Report begins with providing an outline of CLEEN’s terms of reference as outlined in the Engagement Contract. Next, it provides a high-level overview of the Projects, various parties involved in the administration of the projects and a breakdown on how the forfeited assets would be utilized in relation to the Projects. Furthermore, the Inception Report discusses our methodology and risk-based approach which will be executed by a team of competent professionals with expertise in the areas of anti-corruption, anti-human trafficking, forensic accounting, infrastructure development, procurement and other areas that are required to execute a project of this nature. Finally, we conclude by providing some immediate next steps that we plan on taking with respect to the monitoring exercise.

As of the date of this Inception Report, we have participated in a kick-off meeting with the Parties and have engaged in numerous consultative discussions with the Federal Ministry of Justice, NSIA (Including the Presidential Infrastructure Development Fund (PIDF) Team), Deloitte (independent designated auditor) and the Engineering, Procurement and Construction Contractors (“EPC Contractors”), Reynolds Construction Company Ltd (“RCC”) and Julius Berger Nigeria Ltd (“JBL”). The discussions have been centered around: (i) getting the EPC Contractors to clearly articulate a Program of Works for the forfeited assets; and (ii) streamlining and aligning the timing of the activities to be carried out by the various organizations to allow for increased efficiency.

The Projects to be monitored covers nine (9) states namely Oyo, Ogun, Lagos, Delta, Anambra, FCT (Abuja), Niger, Kaduna and Kano. The total value of the three Projects amounts to ₦673.3 billion of which funding of ₦117 billion will be provided using funds from the forfeited assets. Both RCC and JBL were contracted to work on the Lagos to Ibadan Expressway, while JBL was contracted to work on the Abuja to Kano Road and Second Niger Bridge. The ₦126 billion would be equally allocated (₦42 billion) to the three Projects.

As of the date of this Inception Report, the EPC Contractors have submitted a forecasted Program of Works commencing from April 1, 2021 (except for the Abuja to Kano Road) which outlines projected construction activities in relation to the recovered funds. The Program of Works also indicates quotations for the supply and purchase of materials from several vendors. There is however a delay in the development of a similar Program of Works for the Abuja to Kano Road project. This delay is due to the fact that the Federal Ministry of Works and Housing (“FMWH”) has not yet finalized the scope of work for the Abuja to Kano Road. This delay has resulted in a setback to our planned monitoring activities and timeline.

While we are yet to fully understand the staff remuneration and conditions of service framework that is used by the EPC Contractors, we however note that our review of this area will be governed by the 2009 terms and conditions of services for Junior employees in the construction and civil engineering industry in Nigeria with incremental consideration given to the National Minimum Wage Act, and other applicable labor laws.

Overall, the Federal Ministry of Justice, NSIA, and PIDF Team have all demonstrated a genuine commitment to ensuring that CLEEN is able to fulfill its obligation under the Engagement Contract. Perhaps the greatest demonstration of this commitment is in how responsive they have all been to CLEEN's request for information and their continued push for the EPC Contractors to present information to CLEEN in a format that is easily understood. We however suggest that the PIDF Team continue to stress to the EPC Contractors the importance of the role of the Monitoring CSO and the need for increased efficiency in the production of information which most times is readily available.



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