

EXECUTIVE SUMMARY FOURTH REPORT

This final report details a review of the progress made by CLEEN Foundation between February 2021 and April 2022 on the Project Monitoring of the Implementation of the Tripartite Agreement on the Sharing, Transfer, Disposition, Repatriation, and Management of Certain Forfeited Assets.

EXECUTIVE SUMMARY

This final report contains a review of the monitoring activities undertaken by the CLEEN Foundation -CLEEN Consortium (The Monitoring Team) between June 2021 and March 2022. CLEEN's monitoring activities included several site visits to the three key project sites where the recovered funds are being utilised. The monitoring team has recorded tremendous progress at the project site locations since the inception of this project. The team which commenced visitations to the project sites with an inception visit as of June 2021 to appreciate the transition between the initial stages of these site locations and the current almost conclusive levels. The activities conducted include four quarterly site visitations to the three project sites where the recovered funds were being utilised. In addition to the site visits, the Monitoring Team also engaged in several discussions with the EPC Contractors and reviewed relevant documents and data produced by the EPC Contractors related to the three projects.

Our four quarterly visits to the various sites (from June 2021 –March 2022), review of relevant quality control documents and discussions with responsible quality control personnel indicates that the EPC contractors have a standard QC/QA process for the construction activities and for the products being installed. The team had during her monitoring activities visited the testing laboratories at project sites to observe ongoing tests and to witness some of the samples being sampled from the site. Based on our professional experience, proper standard of collection, production, delivery, and care are employed on all the construction sites. On the Second River Niger Bridge, the EPC Contractors (Julius Berger) demonstrated good innovation using geotextile **(a permeable synthetic textile material)**. The reason being that secondary roads subgrades were weak and prone to erosion. This represents value engineering that results in cost effectiveness of the project.

It is imperative to state that from ongoing discussions with the Contractors, and regular visits to the various sites, and the work progress observed, **none of the projects are on Schedule** as of March 2022. For example, the progress of works at section one (Lagos-Sagamu) on the Lagos-Ibadan Expressway, handled by Julius Berger, is pegged at about 65% which is in contrast with the completion date of March 2022 in the agreed program of works. The progress of works recorded in section two of the Lagos-Ibadan Expressway handled by Reynolds Construction Company (RCC) is estimated at about 72% which is also in contrast with the completion date of March 2022. On the Second River Niger Bridge handled by Julius Berger, the program of works provides a completion date of December 2021, however, progress of works is estimated at about 82%.

On the Abuja-Kano Road currently handled by EPC Contractors Julius Berger, it is quite difficult to ascertain a measurable percentile due to the introduction of new program of works at CH 260-280 and Km 140- 150 respectively which had commenced even as the original program of works had a completion date of November 2021. However, work is certainly progressing at the three site locations with some sections already completed and awaiting full handover to the Federal Ministry of Works and Housing.

The procurement of materials was observed ongoing with the use of subcontractors in certain situations. As reported by the EPC Contractors, total procurement across the three projects with respect to the recovered assets between June 2021 and March 2022 amounts to ₦66.14 billion,¹ which is approximately 52.4% of the total recovered assets. This is however subject to independent verification of the designated Auditors. During our work analysis we had identified some negative variances between quantities budgeted and amount procured. These variances could be attributed to increasing high cost of procurement due to the fall in Naira Exchange rate and inflation; the delay in delivery of essential materials, particularly at the Second Niger Bridge project due to weekly sit-at-home order by the Indigenous People of Biafra (IPOB); Based on data received from the EPC Contractors, for the monitoring period, about N23.6 billion worth of materials were procured via sub-contracting / sub – consultancy.

From a spend perspective in relation to full utilisation of the recovered assets amounting to N126 billion, about N104.14 billion which is approximately 82.6% of the funds have been effectively utilised across the three project locations leaving a variance of about 22 billion yet unspent. These unspent recovered funds could be attributed to delay in commencement of construction works in Km 1-7, delay in approval for the proposed cost of the construction of the pedestrian bridges along Lagos-Ibadan Road and the interchange Bridge at RCCG, all sections of the Lagos –Ibadan Expressway, delay in construction of drainages connecting the Obosi road at the Second River

¹ This total does not include the full amount of procurement for section one of the Lagos-Ibadan Expressway which we are yet to from the EPC Contractors. In addition, we have not performed any incremental analysis to verify this number which we understand is part of the scope of the Independent Designated Auditors.

Niger Bridge and some uncompleted sections along the Abuja- Kano road. Our spend analysis are based on data received by the EPC Contractors and however subject to verification by the designated Independent Auditor.

From a communications perspective, the CLEEN Consortium, had held an interactive media briefing attended by leading media houses in Nigeria, including electronic and print and have further interfaced with the public on her monitoring visitations to the project locations via her social media handles twitter, Facebook and Instagram. Furthermore, a public communications website on the project has been developed and contents uniformly agreed by all stakeholders. This however awaits a public launch to further intensify public interactions on the monitoring activities.

From an anti-human trafficking perspective, we have not identified any apparent flaws in the conditions of service employed by the EPC Contractors. The minimum age limit for employment at JBN is 18 years old, while RCC is 25 years old. During our site visit, we did not sight underage workers/employees on the project site. Both EPC Contractors have standard employment procedures which require that every employee have a contract and undergo background checks to ascertain if they have criminal records, have been involved in financial misappropriation, or were involved in unethical practices. Both EPC Contractors pay their workers monthly at minimum wages above the Federal Government of Nigeria’s approved minimum wage standards of ₦30,000. Workers are contracted to work on an 8-hour day shift with provisions to work overtime when required.

Conclusively, The CLEEN Consortium identified several ongoing challenges faced by the EPC contractors, which resulted in their inability to fully utilise the recovered funds in consonance with the program of works and estimated completion dates at each project location. These challenges include but not limited to heightened insecurity harped by activities of the Indigenous People of Biafra (IPOB), delay in construction of the drainage to connect the Obosi road, which delayed project schedule at the Second River Niger Bridge, poor soil conditions most especially in Section 3 of the Abuja-Kano Road. In addition, there have been security challenges in the three different locations as well as traffic flow during construction. The various projects have additional unique factors which impact the project deadlines. We discuss these unique factors in further detail in this report.



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