

Monitoring of the
Implementation of the
Tripartite Agreement

EXECUTIVE SUMMARY
THIRD QUATER REPORT

EXECUTIVE SUMMARY

This report contains a review of the monitoring activities undertaken by the CLEEN Foundation between October 2021 and December 2021. CLEEN's monitoring activities included several site visits to the three key project sites where the recovered funds are being utilised. At the outset, it should be noted that – based on discussions with the EPC Contractors, visits to the various sites, and the work progress observed – that none of the projects are on schedule as at December 2021.

This Third Quarter Report contains a review of the CLEEN Consortium Monitoring Team (“Monitoring Team”) activities between October 2021 and December 2021. These activities include several site visits to the three project sites where the recovered funds are 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.

During our visit to the project offices and sites, workers were onsite, construction activities were ongoing, and each of the project offices appeared to be staffed and operational. The CLEEN Consortium visually observed ongoing construction activities related to the forfeited assets. Our review of relevant quality control documents indicates that the contractors have a standard Quality Control/Quality Assurance (QC/QA) process for construction activities and products installation. We observed that safety is of priority and is monitored closely using measures that include displaying advance warning signs for road-narrowing and for necessary speed restrictions, use of reflective road signs, and the requirement for workers to wear appropriate Personal Protective Equipment (PPE).

The procurement of materials is 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 forfeited assets between June 2021 and November 2021 amounts to ₦ 38.9 billion,¹ which is approximately 34% of the total forfeited assets. The EPC Contractors identified several challenges concerning procurements, including the 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); the Haulage Contractors Association strike; and the increased cost of diesel. Based on data received from the EPC Contractors, for the period June 2021 to October 2021: the pace of work has been slow on the Lagos-Shagamu expressway with approximately 36% of the planned cost incurred; while approximately 71%, 100%, 122% of the planned cost has been incurred for the Shagamu-Ibadan Expressway, Second Niger Bridge and Abuja-Kano Expressway respectively.

From a communications perspective, CLEEN Foundation, on the 12th of November 2021, held an interactive media briefing attended by leading media houses in Nigeria, including electronic and print. The team Lead and Acting Executive Director of CLEEN Foundation, Mrs. Ruth Olofin, informed the press of the progress made at the various project site locations since the programme of works commenced in June 2021. In addition, she provided an update on the outcome of the site visits that the Monitoring Team has completed to date. The Monitoring team website will be launched to communicate progress made with various stakeholders, including the Nigerian citizens.

Based on the various activities that the Monitoring Team has completed to date, none of the projects are set to fully utilize their allocation of the forfeited assets based on the timelines established in the initial Programme of Works submitted by the EPC Contractors. The Monitoring Team identified several ongoing challenges faced by the EPC contractors, including delays caused by several incidents of strike actions, as later discussed in this report. These strikes have resulted in an increased level of disruption and insecurity in the regions where this strike action is evident. In addition, there have been challenges with the weather (more rain than anticipated), high traffic flow during construction, and a delay in compensating the people whose properties are impacted by the construction. The various projects have additional unique factors which impact the project deadlines. We discuss these unique factors in further detail in this report.

¹ This total does not include the full amount of procurement for the Abuja – Kano 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.

METHODOLOGY/APPROACH

The CLEEN Consortium undertook monitoring activities within the reporting period (October 2021 – December 2021). These activities involved site visits and evaluation, including analysis of records associated with construction activities. The Projects monitored are defined as:

- (a) Reconstruction and rehabilitation of the Lagos to Ibadan Expressway.
- (b) Reconstruction of the Abuja to Kano Road.
- (c) Construction of the Second Niger Bridge.

The updated program submitted by the contractors show the completion date for each project as follows:

Project section	Completion date
Lagos - Ibadan Expressway	March 2022
Abuja – Kano Road	November 2021
Second Niger Bridge	December 2021

Outcome of enquiry from the EPC Contractors, visits to the various sites, and our review of the work progress, indicate that none of the projects are on schedule as of December 2021.