

**A
PRESENTATION
ON
THE UTILIZATION OF
ECOLOGICAL FUND**

BY

MR. JOHN ODEY
**HONOURABLE MINISTER OF
ENVIRONMENT/CHAIRMAN, NATIONAL
COMMITTEE ON ECOLOGICAL PROBLEMS (NCEP)**

AT

**THE NATIONAL ECONOMIC COUNCIL (NEC)
MEETING**

10TH NOVEMBER, 2009

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1.0 BACKGROUND AND RATIONALE FOR THE ECOLOGICAL FUND

1.1 Over the years, Nigeria had been grappling with serious environmental disasters such as floods, gully erosion, desertification, deforestation, oil spillage, rainstorms, ocean surge etc. Some of these disasters have resulted in destruction of homes, farmlands, livestock and in some cases, entire communities were displaced leading to massive dislodgement of people. Experience had shown that the costs of addressing these environmental problems are so enormous and go beyond the normal budgetary provisions. In an effort to respond to the enormous challenges posed by these ecological problems in a sustainable manner, the need to establish a special fund, backed by the Nigerian Constitution became necessary. Thus, the Ecological Fund emerged as an **intervention facility** for addressing serious ecological problems across the Nation.

1.2 **The Fund has been a first line charge which provides handy resources for amelioration of such ecological problems as soil erosion, flood, drought, desertification, oil spillage/pollution, general environmental pollution, storm, tornadoes, bush fire, large scale livestock and crop epidemic, crop pest, landslide, earthquakes, etc.**

1.3 The Fund was originally established in 1981 through the Federation Account Act (1981), on the recommendation of the Okigbo Commission. The Act was subsequently modified by Decrees 36 of 1984 and 106 of 1992. It was further modified through the Allocation of Revenue/Federation Account, etc (Modification) Order of 2002. The enabling statutes have over the years placed the Fund under the control of the President of the Federal Republic of Nigeria; to be disbursed in accordance with such directives as may be issued by him from time to time.

1.4 This presentation is being made **to educate members of the National Economic Council (NEC) on the past and current activities of NCEP/EFO, and more importantly to announce and explain the New Presidential Approval on Guidelines for disbursement of funds accruing into the 1.46% Federal Government's Share of Derivation and Ecology Account.**

1.5 The presentation is arranged according to the following sections:

Section 1: Background and Rational for the Ecological Fund.

Section 2: The Rationale, Mandates and Structure of EFO/NCEP.

Section 3: Sources and Sharing of Ecological Funds.

Section 4: Accruals and Utilization of Ecological Funds from 1999 to 2009

Section 5: The New EFO Funding Guidelines.

Section 6: New Presidential Initiative on Afforestation Programme for Economic and Environmental Sustainability.

Section 7: Challenges.

Section 8: Expected Support from the States.

Section 9: Prayers to NEC.

2.0 **MANDATES AND STRUCTURE OF EFO/NCEP**

2.1 **MANDATES OF THE ECOLOGICAL FUND OFFICE (EFO)**

2.1.1 Since its establishment in 1981, the **Ecological Fund Office has been basically a fund disbursing Office**, with less focus on project initiation, screening of requests, project procurement and implementation. It is a structure meant to provide Administrative and Secretarial support to the National Committee on Ecological Problems (NCEP) and its Technical Sub-Committees. In the main, its intervention mandates cover such ecological problems as drought/desertification control; management of natural occurrences like earthquakes, tremors, epidemics; general environmental pollution control as well as soil erosion and flood control, among others.

2.2 **ORGANISATIONAL STRUCTURE OF EFO**

2.2.1 The Ecological Fund Office is one of the Offices in the Office of the Secretary to the Government of the Federation. It is headed by a Permanent Secretary who is the Secretary to the National Committee on Ecological Problems as well as Administrative Head and Chief Accounting Officer of the Ecological Fund Office.

2.2.2 Apart from the Office of the Permanent Secretary, the EFO is structured into two (2) Departments, each headed by a Director and staffed with mainstream Civil Servants of various Cadres. The two Departments are:

- (i) Drought and Desertification Control Department; and
- (ii) Soil Erosion and Flood Control Department.

2.3 NATIONAL COMMITTEE ON ECOLOGICAL PROBLEMS (NCEP)

2.3.1 In **1985**, the Federal Government established the National Committee on Ecological Problems (NCEP). It was an inter-Ministerial Committee saddled with the responsibility of advising Mr. President on the disbursement and management of the Ecological Fund.

2.3.2 In **1999**, the Obasanjo Administration re-organized the NCEP, in an attempt to reposition the Committee for enhanced performance, equitable disbursement and judicious utilization of the Ecological Fund. Arising from the re-organization exercise, the Chairmanship of the Committee was bestowed on the Honourable Minister for Special Duties in the Presidency.

The under-listed became members of the expanded NCEP:

- (i) Permanent Secretary, Federal Ministry of Agriculture;
- (ii) Permanent Secretary, Federal Ministry of Environment;
- (iii) Permanent Secretary, Federal Ministry of Finance;
- (iv) Permanent Secretary, Federal Ministry of Industry;
- (v) Permanent Secretary, Federal Ministry of Petroleum Resources;
- (vi) Permanent Secretary, Federal Ministry of Science and Technology;
- (vii) Permanent Secretary, Federal Ministry of Solid Minerals Development;
- (viii) Permanent Secretary, Federal Ministry of Water Resources;
- (ix) Permanent Secretary, Federal Ministry of Works and Housing;
- (x) Permanent Secretary, National Planning Commission;
- (xi) Permanent Secretary, Ecological Fund Office (Presidency) who was also the Secretary;
- (xii) A Representative of the Office of the Vice President; and
- (xiii) Director-General, National Emergency Management Agency (NEMA).

2.3.3 Another exercise in re-organization in December **2006** brought slight modifications to the membership (arising from the re-alignment of Federal Ministries), and made the Honourable Minister of Environment the Chairman of the NCEP. The Minister of Environment has since remained the Chairman of the Committee.

2.4 NCEP TECHNICAL SUB-COMMITTEES

2.4.1 The NCEP, in turn, set up **four (4) Technical Sub-Committees**, covering all facets of the Committee's assignment. These are:

- (i) Sub-Committee on Soil Erosion and Flood control;
- (ii) Sub-Committee on Desertification and Drought;
- (iii) Sub-Committee on General Environmental Pollution; and
- (iv) Sub-Committee on Oil Spillage and Pollution.

2.4.2 The Sub-Committees are composed of professionals from relevant member-Ministries/Agencies of the NCEP. They examine in detail identified ecological problems, propose remedial measures/requests and reports; and make recommendations thereon, for the consideration of the NCEP.

3.0 SOURCES AND SHARING OF THE ECOLOGICAL FUNDS

3.1 At inception, the Fund was **1%** of the Federation Account. It was reviewed upward to **2%** in 1992. The Fund was held in trust by the Federal Government, warehoused in the Federal Ministry of Finance/Central Bank of Nigeria (CBN) and disbursed centrally.

3.2 However, as a result of a **case instituted by some State Governments in the early 2000, a Supreme Court judgment in 2002 led to the decentralization of the Fund**. By virtue of the judgment, the Fund became shared among the three tiers of Government alongside statutory allocations from the Federation Account. The **2%** Federation Accounts set aside for Ecology, **48.5%**, **24%** and **20%** have been the shares of Federal, State and Local Governments respectively, equivalent to **0.97%**, **0.48%** and **0.40%** of the Federation Account, respectively. The **1%** Federation Account set aside as Derivation Fund is also shared among the tiers of Government in line with **48.5%** to Federal Government, **24%** to State Governments and **20%** to Local Governments, which amount to **0.49%**, **0.24%** and **0.20%** of Federation Account, respectively. Consequently, for both Derivation and Ecology, the percentages of the Federation Account shared by the various tiers of Government are as follows:-

S/N	Tier of Government	Derivation	Ecology	Total
i	Federal Government	0.49%	0.97%	1.46%
ii	State Governments	0.24%	0.48%	0.72%
iii	Local Governments	0.20%	0.40%	0.60%

2.3 The Federal Government's Share of Derivation and Ecology Fund is kept in the **1.46% FGN Share of Derivation and Ecology Account** with the Central Bank of Nigeria (CBN). It is from it that funds approved for Federal Government ecological projects are released into the SGF-Ecological Fund Operational Account (also with the CBN), for the execution of approved projects.

4.0 ACCRUALS AND UTILIZATION OF ECOLOGICAL FUNDS (1999 – 2009)

4.1 ACCRUAL OF FUNDS FROM ALL SOURCES

The sources of funds to the Ecological Fund Office (EFO) are mainly from the Federation Account and other National Revenue Pools such as the Draw-down from Special Reserve Account, Distribution of Excess Crude Proceeds, Petroleum Profit Tax (PPT), Royalty and Direct Credits to Bank Account by Ministries and Agencies.

From June 2002 to May 2009, a total of **N203.45 billion** was received from all sources out of which **N149.35 billion** was disbursed as special releases to tackle various problems across the country leaving a balance of **N54.1 billion**. (See Tables 1a and 1b below):

Table 1a: ACCRUAL OF FUNDS TO EFO

S/NO	YEAR	RECEIPTS			SPECIAL RELEASES	BALANCE
		FEDERATION ACCOUNT	OTHER NATIONAL REVENUE POOLS	TOTAL		
		N : K	N : K	N : K	N : K	N : K
1	June-Dec. 2002	10,305,486,141.52	3,379,566,849.09	13,685,052,990.61	6,378,965,248.00	7,306,087,742.60
2	Jan.-Dec. 2003	17,331,627,848.16	1,871,552,590.67	19,203,180,438.83	14,839,710,897.10	4,363,469,541.73
3	Jan.-Dec. 2004	18,206,938,264.17	758,536,244.01	18,965,474,508.18	17,844,689,777.80	1,120,784,730.30
4	Jan.-Dec. 2005	20,011,643,264.30	3,373,394,700.51	23,385,037,964.81	30,518,773,031.20	(7,133,735,066.40)
5	Jan.-Dec. 2006	22,316,482,349.85	6,090,238,906.21	28,406,721,256.06	29,863,648,441.60	(1,456,927,185.60)
6	Jan.-Dec. 2007	27,093,704,694.50	15,612,913,801.40	42,706,618,495.90	35,120,145,305.10	7,586,473,190.80
7	Jan.-Dec. 2008	34,255,950,685.10	9,433,189,195.83	43,689,139,880.93	10,203,855,300.80	33,485,284,580.10
8	Jan.-May 2009	9,758,177,358.35	3,651,746,290.40	13,409,923,648.75	4,582,870,185.50	8,827,053,463.20
	TOTAL	159,280,010,605.95	44,171,138,578.12	203,451,149,184.07	149,352,658,185.00	54,098,490,995.90

Source: 1.46% FGN Share of Derivation and Ecology Account with CBN

**Table 1b: SUMMARY OF SPECIAL RELEASES TO STATES
AND FEDERAL AGENCIES (June 2002 – May 2009)**

S/NO	STATES / FEDERAL AGENCIES	PAYMENTS
1	Presidency	1,126,304,168.00
2	Jigawa	430,575,000.00
3	Nassarawa	700,000,000.00
4	Ekiti	1,654,216,820.00
5	Anambra	2,011,052,615.00
6	Akwa-Ibom	190,978,,246.00
7	Min of Defence	10,394,125,732.00
8	Edo	1,000,000,000.00
9	Cross-Rivers	2,650,000,000.00
10	Kastina	350,000,000.00
11	Katsina	1,995,000,000.00
12	Katsina	2,345,000,000.00
13	Adamawa	250,000,000.00
14	Aminu Kano Int'l Air port	800,000,000.00
15	NEMA	18,742,037,626.80
16	Lagos	6,943,045,032.53
17	Kaduna	741,500,000.00
18	Kebbi	40,788,756.00
19	Adamawa	1,450,000,000.00
20	Niger	10,000,000.00
21	M/M Botanical Garden, Lagos	25,000,000.00
22	NRC	150,000,000.00
23	Plateau	700,000,000.00
24	Abia	160,560,000.00
25	Kogi	531,874,166.00
26	Fed. Min of Agriculture	6,153,850,000.00
27	NCEP	50,486,106,800.00
28	Taraba	750,000,000.00
29	Oyo	6,023,305,905.20
30	Ogun	2,850,000,000.00
31	Bauchi	300,000,000.00
32	Enugu	250,000,000.00
33	Fed. Ministry of works	7,083,260,279.00
34	Gombe	350,000,000.00
35	Imo	283,032,482.00
36	Yobe	1,400,000,000.00
37	Sokoto	4,190,288,444.00
38	NNRA	146,000,000.00
39	FCT	6,750,000,000.00

40	Kano	500,000,000.00
41	Borno	250,000,000.00
42	Fed. Ministry of Env.	4,274,036,245.00
43	Zamfara	250,000,000.00
44	Fed. Min. of Transportation	2,371,255,000.00
	Total	148,058,193,318.73

4.2 DISBURSEMENT AND UTILIZATION OF FUNDS

The accruable funds from the Federation Account and other National Revenue Pools are disbursed and utilized as follows:

4.2.1 STATES AND FCT

For the period 1999 to June 2002, the total funds (grants and quarterly allocations) released to States and FCT amounted to **N63,734,105,098.52**. However, from June 2002 till date the share of Ecological Funds were released directly to States and LGAs on the basis of 24% and 20% respectively from the Federation Account.

See details in Table 2 below:

Table 2

RELEASES TO STATES (GRANTS & QUARTERLY ALLOCATIONS) 1999- 2002

S/N	STATE	Grants (₦)	Qtly Allocations to States (₦)	Total (₦)
1	Abia	300,000,000.00	567,419,875.59	867,419,875.59
2	Adamawa	370,000,000.00	684,314,408.23	1,054,314,408.23
3	Akwa-Ibom	125,870,000.00	636,867,948.10	762,737,948.10
4	Anambra	864,582,429.00	667,213,773.34	1,531,796,202.34
5	Bauchi	1,112,720,000.00	713,540,503.14	1,826,260,503.14
6	Bayelsa	50,000,000.00	526,550,586.13	576,550,586.13
7	Benue	964,077,422.00	781,096,626.66	1,745,174,048.66
8	Borno	250,000,000.00	853,910,746.87	1,103,910,746.87
9	Cross River	3,613,325,600.00	664,261,145.59	4,277,586,745.59

10	Delta	0.00	693,430,647.47	693,430,647.47
11	Ebonyi	543,750,773.00	523,263,327.20	1,067,014,100.20
12	Edo	708,603,320.00	667,041,536.72	1,375,644,856.72
13	Ekiti	1,507,429,233.24	544,620,668.13	2,052,049,901.37
14	Enugu	626,507,000.00	581,080,700.10	1,207,587,700.10
15	Gombe	350,000,000.00	535,937,481.95	885,937,481.95
16	Imo	618,032,482.80	626,642,207.20	1,244,674,690.00
17	Jigawa	0.00	711,274,361.34	711,274,361.34
18	Kaduna	2,490,139,891.00	873,088,205.47	3,363,228,096.47
19	Kano	1,350,000,000.00	987,480,386.19	2,337,480,386.19
20	Katsina	2,617,737,447.00	847,909,672.17	3,465,647,119.17
21	Kebbi	12,000,000.00	645,701,419.49	657,701,419.49
22	Kogi	400,000,000.00	656,111,892.92	1,056,111,892.92
23	Kwara	0.00	633,000,199.01	633,000,199.01
24	Lagos	15,000,000.00	983,658,288.71	998,658,288.71
25	Nassarawa	905,000,000.00	551,406,790.97	1,456,406,790.97
26	National	500,000,000.00	-	500,000,000.00
27	Niger	261,425,800.00	781,357,502.10	1,042,783,302.10
28	Ogun	5,910,430,000.00	706,225,367.83	6,616,655,367.83
29	Ondo	10,000,000.00	624,336,757.01	634,336,757.01
30	Osun	18,085,000.00	654,003,224.58	672,088,224.58
31	Oyo	0.00	804,058,228.65	804,058,228.65
32	Plateau	1,661,162,900.00	636,009,418.80	2,297,172,318.80
33	Rivers	100,000,000.00	710,742,888.33	810,742,888.33

34	Sokoto	4,190,288,444.68	671,273,636.66	4,861,562,081.34
35	Taraba	413,072,000.00	647,047,325.66	1,060,119,325.66
36	Yobe	1,400,000,000.00	623,630,526.88	2,023,630,526.88
37	Zamfara	250,000,000.00	597,612,955.12	847,612,955.12
38	FCT	4,124,501,819.52	487,242,305.97	4,611,744,125.49
	Grand Total	38,633,741,562.24	25,100,363,536.28	63,734,105,098.52

4.2.2 RELEASES TO OTHER FEDERAL INSTITUTIONS

Within the period 1999 to 2008, a total sum of **N51,833,226,665.00** and **US\$50,000.00** were disbursed as grants to some Federal Ministries, Departments and Agencies for specific purposes.

See Table 3 for detailed breakdown below:

TABLE 3

FEDERAL GOVERNMENT INTERVENTION TO MINISTRIES & AGENCIES
FROM JUNE 2002-MAY, 2009

S/NO	FEDERAL AGENCY	TOTAL N : K
1	NATIONAL EMERGENCY MANAGEMENT AGENCY (NEMA)	19,427,258,981.68 + US\$50,000
2	FEDERAL MINISTRY OF ENVIRONMENT (FMENV)	904,897,000
3	ECOLOGICAL FUND OFFICE (EFO)	382,200,000
4	NATIONAL AGENCY FOR SCIENCE & ENGINEERING INFRASTRUCTURE	149,770,177
5	NIGERIA RAILWAY CORPORATION (NRC)	704,000,000
6	NATIONAL INLAND WATERWAYS AUTHORITY	118,034,496
7	FEDERAL MINISTRY OF AGRICULTURE & WATER RESOURCES	6,516,100,000
8	FEDERAL MINISTRY OF INTERNAL AFFAIRS	8,106,000,000
9	FEDERAL MINISTRY OF TRANSPORT	1,664,627,500
10	NATIONAL ASSEMBLY	10,000,000

11	FEDERAL MINISTRY OF SOLID MINERALS	350,000,000
12	SPECIAL ADVISER TO THE PRESIDENT ON FOOD SECURITY	250,000,000
13	PRESIDENTIAL RESEARCH UNIT	200,000,000
14	MINISTRY OF DEFENCE	10,394,125,733
15	FEDERAL MINISTRY OF WORKS	2,510,212,778
16	NATIONAL NUCLEAR REGULATORY AGENCY	146,000,000
	TOTAL:	51,833,226,665
		US\$50,000

4.3 PHYSICAL PROJECTS FUNDED BY EFO

EFO project interventions are spread all over the States including FCT. In all, a total number of 377 Projects are being implemented by Federal Government in all the States and FCT through its Ministries, Departments and Agencies (MDAs). Till date, a total sum of N90.85 billion has been spent by FGN (through EFO). See summary details in Table 4 below:

Table 4: Physical Projects funded by EFO from 1999-2009

S/N	STATES	No of Completed Projects	No of On-going Projects	Total No of Project Funded	Total Cost of Projects
1	Abia	5	7	12	3,409,409,993.08
2	Adamawa	7	3	10	3,525,853,473.23
3	Akwa-Ibom	2	4	6	2,490,713,012.93
4	Anambra	9	7	16	5,578,976,386.97
5	Bauchi	5	4	9	3,980,353,600.14
6	Bayelsa	-	3	3	1,356,050,586.13
7	Benue	4	3	7	2,080,294,412.41
8	Borno	4	5	9	1,930,965,945.18

9	Cross River	2	6	8	5,393,690,448.59
10	Delta	3	2	5	1,865,700,647.47
11	Ebonyi	3	3	6	3,104,567,890.20
12	Edo	3	6	9	3,249,080,576.72
13	Ekiti	3	3	6	3,622,510,582.85
14	Enugu	10	3	13	3,585,879,638.13
15	Gombe	7	4	11	3,783,219,423.20
16	Imo	9	7	16	3,377,124,733.35
17	Jigawa	3	2	5	1,510,366,361.34
18	Kaduna	5	9	14	4,176,235,175.47
19	Kano	6	7	13	3,980,683,835.25
20	Katsina	2	2	4	3,804,146,119.17
21	Kebbi	7	4	9	1,657,681,559.49
22	Kogi	3	4	7	1,768,986,058.95
23	Kwara	2	2	5	1,733,442,059.05
24	Lagos	14	2	16	12,933,822,054.09
25	Nassarawa	3	0	3	1,535,636,790.97
26	National	6	4	9	1,461,242,800.45
27	Niger	6	2	12	2,280,589,951.25
28	Ogun	6	5	12	8,552,903,551.16
29	Ondo	9	1	10	1,608,850,523.01
30	Osun	1	5	6	2,164,264,529.58
31	Oyo	7	3	10	11,878,253,558.39
32	Plateau	6	2	8	3,040,895,897.74

33	Rivers	4	1	5	1,603,046,567.33
34	Sokoto	4	2	6	5,220,266,774.34
35	Taraba	5	2	7	1,733,466,955.66
36	Yobe	1	5	6	3,661,128,533.64
37	Zamfara	3	4	7	2,407,943,533.30
38	FCT	3	5	8	5,549,157,712.49
	Grand Total	170	148	328	136,697,587,251.7

5.0 **NEW GUIDELINE FOR THE MANAGEMENT/APPLICATION OF FGN SHARE OF ECOLOGICAL FUND**

5.1 A new Guideline for the Management of Federal Government share of Ecological Fund was recently approved by Mr. President. The approval was sequel to the Report of an Ecological Fund Management Review Committee constituted early 2008, which was submitted to Mr. President for consideration.

5.2 A major feature of the newly approved Guideline is a clearly defined pattern for the application of the Ecological Fund. Henceforth, the application of the credit balance in the 1.46% FGN Share of Derivation and Ecology Account will be based on the under-listed allocation percentages to the main ecological sectors:

(i)	Massive Afforestation programme	-	60%
(ii)	Soil Erosion and Flood Control	-	25%
(iii)	General Environmental Pollution	-	5%
	Any other emergencies including the funding of the EFO/NCEP (at Mr. President's discretion)	-	<u>10%</u>
	Total	-	<u>100%</u>

5.3 Other highlights of the approval in the new Guideline are as follows:

- (a) Federal Government intervention measures should be more focused on:
- (i) **Areas of natural environmental disasters, rather than preventable disasters induced by human activities;**

- (ii) **Selected projects guided by relative gravity of the problems, which should be greater than the capacity of the affected Communities; and**
- (iii) **Sensitization Programmes and Simple Pilot Projects in the ecological or geo-political zones on Environmental Protection, to be initiated by the EFO/NCEP, while the Office/Committee is not being seriously involved in the large scale project.**
- (b) **Collaboration between tiers of Government, such that all ecological problems would be addressed through partnership between the Federal and affected State(s) in a 2:1 funding ratio;**
- (c) Adoption of pro-active measures to promote Environmental Conservation and Protection, Afforestation and Watershed Management;
- (d) Strengthen the Internal Management Capacity of the EFO/NCEP with complementary Staffing, Project Monitoring and Evaluation facilities, and organisation of Sensitization Programmes and Consultative Dialogue with Stakeholders; and
- (e) Maintenance of the **status of the Ecological Fund as an Intervention Facility, the EFO as an Intervention Facility Office and Mr. President's approval as the instrument for the disbursement and utilization of the Fund.**

6.0 PRESIDENTIAL INITIATIVE ON AFFORESTATION PROGRAMME FOR ECONOMIC AND ENVIRONMENTAL SUSTAINABILITY WITHIN THE CONTEXT OF THE NEW EFO FUNDING GUIDELINES

6.1 PRESIDENTIAL DIRECTIVES

6.1.1 In order to ensure prompt and effective implementation of the new approved guidelines, Mr. President directed NCEP to step up Afforestation Programme nationwide through what we now call "Presidential Initiative on Afforestation Programme for Economic and Environmental Sustainability". This is to checkmate the menace of desert encroachment, deforestation, control of soil/gully erosion & flooding and pollution activities. In all, 55 new Afforestation/desertification projects were recommended for implementation in the six Geo-political zones and the FCT,

6.2 RECOMMENDED AFFORESTATION PROGRAMME

6.2.1 As a prelude to the implementation of Mr. President's directive, a Stakeholders' meeting was held on the **24th and 25th of June, 2009** in Abuja to chart a roadmap for the realization of this vision. The meeting which considered inputs from relevant Stakeholders and experts from Federal and State Ministries of Agriculture and Environment, Research fellows from relevant Research Institutes and Universities, also reviewed programmes and projects proposed by participants. Attention was particularly paid to costing, feasibility and relevance of proposed projects to Mr. President's vision. At the end of the 2-day meeting, a total project packaging amounting to **N46 Billion** was recommended.

6.2.2 Based on the deliberations and recommendations of the Stakeholders, the EFO constituted a follow-up Technical Committee which met from **25th – 28th June, 2009** to finalize the Report of the Stakeholders Meeting and advise on implementation strategies, schedules, packaging of assignments into lots, establishing roles for Supervising Consultants and Federal Research Agencies and Institutes as well as overall Monitoring of the Programme by the Federal Ministry of Environment and the Ecological Funds Office.

6.2.3 Similarly, a review of the scope and content of the various programmes was undertaken and this resulted in pruning of the initial cost estimate of **N46 Billion** to **N36 Billion**. After due consultations and clarifications with the Honourable Minister/Chairman NCEP, the cost of the recommended Programmes was further pruned down to about **N18Billion (being 60% of the N30 Billion Proposed for disbursement in the 2009 New EFO Funded Projects)**.

6.2.4 Another Sub-Committee with the assistance of Consultants further worked on improving the costing base of the Projects, between **4th – 7th August, 2009**.

The 55 Afforestation Projects are packaged in four categories as follows:

Category I:	Afforestation projects for the 6 geo-political zones N14.747 billion;
Category II:	Special projects for Frontline States in Desertification N1.025 billion
Category III:	Carry-over of Projects from 33 rd /34 th NCEP Meetings - N1.100billion

Category IV: Federal Support Projects **N1.048 billion**

6.3 ZONAL DISTRIBUTION OF PROJECTS

The summary of the Afforestation Projects in the six geo-political zones is presented in the Table 5 below:

TABLE 5: Summary details of Afforestation Projects

S/No	ZONE	No OF PROJECT TYPES	COST PER STATE IN THE ZONE	COST FOR No OF STATES IN THE ZONE
1.	NORTH CENTRAL (6 STATES)	6 Nos	N364.0 Million	N2.184 Billion
2.	NORTH EAST (6 STATES)	7 Nos	N450.0 Million	N2.700 Billion
3.	NORTH WEST (7 STATES)	7 Nos	N450.0 Million	N3.150 Billion
4.	SOUTH EAST (5 STATES)	5 Nos	N353.25 Million	N1.766 Billion
5.	SOUTH SOUTH (6 STATES)	5 Nos	N385.5 Million	N2.313 Billion
6.	SOUTH WEST (6 STATES)	6 Nos	N385.5 Million	N2.313 Billion
	TOTAL FOR 36 STATES	36 Nos		N14.426 Billion
	ADD FOR FCT (RESERVE)	2 Nos		N0.350 Billion
	GRAND TOTAL	38 Nos		N14.776 Billion

6.4 COMPONENTS OF THE PROJECTS IN EACH ZONE

6.4.1 Brief indications of the components of Projects for the States in each Zone, are as shown in Tables 6 A – 6F below:

TABLE 6A: NORTH CENTRAL

S/NO	PROJECT TYPE	QTY/TARGET	NO. OF STATES	UNIT COST (N:K)	TOTAL COST (N:K)
1.	NURSERY ESTABLISHMENT	1 million seedlings per state	6	N100 per seedling	N600m
2.	ESTABLISHMENT OF FOREST PLANTATION	500 ha per state	6	400,000 per ha	N1,200m
3.	CAPACITY BUILDING	N20 m per state	6	N20 m per state	N120m
4.	SUPERVISION/LOGISTICS/CONSULTANCY 7½% OF 1 – 3		6	N24m per state	N144m
5.	PUBLICITY/PUBLIC AWARENESS		6	N20 m per state	N120m
	TOTAL				N2,184m

TABLE 6B: NORTH EAST

S/N	PROJECT TYPE	QTY/ TARGET	NO OF STATES	UNIT COST (N:K)	TOTAL COST (N:K)
1.	NURSERY ESTABLISHMENT	1.2 million seedlings per state	6	100 per seedling	N720m
2.	ESTABLISHMENT OF FOREST PLANTATION	300 ha per state	6	400,000 per ha	N720m
3&4	(a) Sand Dune fixation	10 ha/state(1 borehole/5 ha of sand dune	2 (Yobe/Borno)	2.6m/ha	52m
	(b) Shelter Belt	20 km/state (1 No.borehole/st ate/10km	2 (Yobe/Borno)	1.3m/km	52m
	(c) Borehole	4 boreholes per state	2 (Yobe/Borno)	12m/borehole	96m
	(d) Other states - shelter belt - borehole	40km/state 1 borehole per 10km	4 others	1.3m/km 12m/borehole	208 192m
5.	DEVELOPMENT OF ORCHARDS	80 ha /state	6	500,000/ha	N240m
6.	CAPACITY BUILDING		6	N20m/state	N120m
7.	STATE SUPERVISION/LOGISTICS/CONSULTANCY SERVICES A T 7½% COST OF 1-6		6	N30m/state	N180m
8.	PUBLICITY/PUBLIC AWARENESS		6	N20m/state	N120m
	TOTAL				N2,700m

TABLE 6C: NORTH WEST

S/N	PROJECT TYPE	QTY/TARGET	NO OF STATES	UNIT COST (N:K)	TOTAL COST (N:K)
1.	NURSERY ESTABLISHMENT	1.2 million seedlings per state	7	100/seedling	N840m
2.	ESTABLISHMENT OF FOREST PLANTATION	300 ha per state	7	400,000 per ha	N840m
3&4	(a) Sand Dune fixation	10 ha/state	4 states	2.6m/ha	104m
	(b) Shelter Belt	20 km/state	4 states	1.3m/km	104m
	(c) Boreholes	4 boreholes per state	4 states	12m/borehole	192m
	(d) Other States - shelter belt - borehole	40km/state 1 borehole per 10km	3 states 3 states	1.3m/km 12m/borehole	156m 144m
				} N700m	
5.	DEVELOPMENT OF ORCHARDS	80 ha/state	7	500,000/ha	N280m
6.	CAPACITY BUILDING		7	N20m/state	N140m
7.	STATE SUPERVISION/LOGISTICS/CONSULTANCY SERVICES AT 7½% OF 1-6		7	N30/state	N210.m
8.	PUBLICITY/PUBLIC AWARENESS		7	N20m/State	N140m
	TOTAL				N3,150m

TABLE 6D: SOUTH EAST

S/NO	PROJECT TYPE	QTY/TARGET	NO OF STATES	UNIT COST (N:K)	TOTAL COST (N:K)
1.	NURSERY ESTABLISHMENT	1m seedling/State	5	100/seedling	N500m
2.	FOREST PLANTATION	250 ha/State	5	400,000/ha	N500m
3	ENRICHMENT PLANTING IN PROTECTED FOREST AREAS	900 ha/State	5	100,000/ha	N450m
4.	CAPACITY BUILDING	150 ha/State	5	400,000/ha	N360m
5.	SUPERVISION/LOGISTICS/CONSULTANCY SERVICES AT 7½% OF 1-4		5	N23.25m/state	N116.25m
6.	PUBLICITY/PUBLIC AWARENESS		5	N20m/State	N100m
	TOTAL				N1,766.25m

TABLE 6E: SOUTH SOUTH

S/NO	PROJECT TYPE	QTY/TARGET	NO OF STATES	UNIT COST (N:K)	TOTAL COST (N:K)
1.	NURSERY ESTABLISHMENT	1m seedling/State	6	100/seedling	N600m
2.	REFORESTATION OF DEGRADED FOREST RESERVES	100 ha/State	6	1,500,000/ha	N600m
3	PLANTATION ESTABLISHMENT	80 ha/State	6	1,000,000/ha	N480m
4.	ENRICHMENT PLANTING IN P.F.A. AND REFORESTATION OF MANGROVE FOREST	40 ha/State	6	1,000,000/ha	N240m
5.	CAPACITY BUILDING		6	N20m/State	N120m
6.	SUPERVISION/LOGISTICS/CONSULTANCY SERVICES AT 7½% OF 1-4		6	N25.50m/state	N153m
7.	PUBLICITY/PUBLIC AWARENESS		6	N20m/State	N120m
	TOTAL				N2,313m

TABLE 6F: SOUTH WEST

S/NO	PROJECT TYPE	QTY/TARGET	NO OF STATES	UNIT COST (N:K)	TOTAL COST (N:K)
1.	NURSERY ESTABLISHMENT/REHABILITATION AND PRODUCTION OF SEEDLINGS	N1m/State	6	100/seedling	N600m
2.	AFFORESTATION	250 ha/State	6	400,000/ha	N600m
3	HIGH FOREST ENRICHMENT PLANTING	600 ha/State	6	100,000/ha	N360m
4.	WOODLOT COMMUNITY FOREST DEVELOPMENT	150 ha/State	6	400,000/ha	N360m
5.	CAPACITY BUILDING		6	N20m/State	N120m
6.	SUPERVISION/LOGISTICS/CONSULTANCY SERVICES AT 7½% OF 1-4		6	N23.50m/State	N153m
7.	PUBLICITY/PUBLIC AWARENESS.		6	N20m/State	N120m
	TOTAL				N2,313m

6.5 EMPLOYMENT GENERATION CAPACITY

6.5.1 The Afforestation/Desertification Programme in the six Geo-political zones have the potential to generate **40,000-50,000 jobs directly** and **450,000-500,000 jobs**

indirectly in forestry-related activities nationwide. This of course will grow over the years as the programme progresses.

7.0 CHALLENGES

7.1 Against the backdrop of perceived shortcomings in the present structure and framework for the administration of the Ecological Fund and the need to enhance efficiency and effectiveness, the following recommendations are hereby advanced for consideration:

7.1.1 Need for Partnership between FGN and States

In view of inadequate provision of funds vis-à-vis the huge costs of addressing ecological problems in the States, it has become desirable for both the Federal and State Governments to forge an enduring partnership in tackling serious ecological problems in the States in a 2:1 funding arrangement. This is in line with the new approved Guidelines by Mr. President. Under this arrangement the States are expected to show appreciable commitment and co-operation towards identifying and applying joint solutions to the ecological problems confronting the states.

7.1.2 Need to Strengthen the Ecological Fund Office

The management capacity of Ecological Fund Office is being strengthened to enable the Office cope with the increasing responsibilities arising from the implementation of the Presidential Initiative on Afforestation as well as other projects that fall within its mandate.

8.0 AREAS OF CRITICAL RELEVANCE/EXPECTATIONS FROM THE STATES

8.1 The success of the programme interventions as contained in the Presidential Initiative on Afforestation will depend on the understanding and partnership among the three tiers of Government. The States are expected to provide the enabling environment for the programme to thrive. Specifically, the States are expected to:

- (i) Provide land freely for the Afforestation project at no cost to Federal Government;
- (ii) Provide field technical services including site identification, project delineation, marking, pegging and planting of seedlings;
- (iii) Mobilize and recruit youths who will serve as workforce for the programme;
- (iv) Engage in Public enlightenment and awareness creation on the benefits of the programme through production of jingles, extension messages, TV

- advertises etc to be translated into local languages for effective message delivery and adaptation of innovations;
- (v) Build capacity of State officials and strengthen existing institutions for effective programme implementation;
 - (vi) Carry out Community mobilization and engagement to enable them own the projects eventually;
 - (vii) Provide inputs such as nursery tools and equipment, fencing materials and patrol teams to ensure security of planted seedlings during the early stages of plantation establishment;
 - (viii) Provide extension services to help educate farmers and the formation of Tree Growers Associations/Cooperatives using the Unified Agricultural Extension System under the ADPs; and
 - (ix) Ensure continuity, sustainability and ownership of the plantations after their initial establishment.

9.0 NOTES

9.1. The Council is invited to note that:

- (i) Nigeria has over the years experienced a number of serious environmental disasters e.g, floods, gully erosion, deforestation; desertification, deforestation, desertification, oil spillages, rainstorms, ocean surge etc; with attendant severe consequences;
- (ii) the ecological Fund was established in 1981 as an intervention facility for addressing such serious ecological problems in Nigeria;
- (iii) the mandates of the Ecological Fund cover interventions in such ecological problem areas as drought/desertification control; deforestation , management of natural occurrences like earthquakes, tremors, floods, epidemics, general environmental pollution control, soil erosion, among others;
- (iv) currently, for both the 2% Ecology and 1% Derivation, the percentages of the Federation Account shared by the three (3) tiers of Government as Ecological Funds are as follows:

Federal Government	=	1.46%
State Governments	=	0.72%
Local Governments	=	0.60%

- (v) from June 2002 to May 2009, a total of N203.45 billion was received from all sources out of which N149.35 billion was disbursed as special releases to State and Federal agencies to tackle various problems across the Country, while there is a balance of N54.10 billion;
- (vi) for the period of 1999 to June 2002, the total Funds of grants and quarterly allocations to States and Federal Capital Territory amounted to N63,734,105,098.52, while the share of Ecological Funds from June 2002 to States and Local Government were released from Federation account on the basis of 24% and 20% respectively;
- (vii) between 1999 to 2008, a total sum of N51,833,226,665.00 and US\$50,000.00 were disbursed as grants to some Federal Ministries, Departments/Agencies for specific purposes;
- (viii) Ecological Fund Office funded projects are being implemented all over the States and the Federal Capital Territory (FCT) through Federal Ministries, Departments and Agencies (MDAs) amounting to a total sum of N90.85 billion;
- (ix) New Guideline as approved by Mr. President for the management and application of FGN share of Ecological Fund is as follows:
- | | |
|--------------------------------------------------------------------------------------------------|----------------------|
| 1) Massive Afforestation Programme | = 60% |
| 2) Soil Erosion and Flood Control | = 25% |
| 3) General Environmental Pollution | = 5% |
| 4) Any other emergencies including the funding
of the EFO/NCEP at Mr. President's discretion) | = <u>10%</u> |
| Total | = <u>100%</u> |
- (x) the Presidential Initiative on Afforestation has been packaged into Projects and recommended for implementation in the six (6) geo-political zones and the FCT costing N17.848 billion with other Soil Erosion/Flood Control as well as Pollution Control Projects also costed at N8.999 billion and N3.889 billion respectively; and
- (xi) the Afforestation/Desertification Programmes in the Six Geo-Political Zones has the potential to generate 40,000 – 50,000 jobs directly and 450,000 – 500,000 jobs indirectly in forestry related activities nationwide.

10. **PRAYERS**

10.1 The National Economic Council is kindly requested to:

- (i) support the new Presidential Initiative on Afforestation through provision of land, field, technical and extension services; mobilization and recruitment of youths, create awareness, and build capacity of officials as well as strengthen existing institutions for effective programme implementation;
- (ii) forge an enduring partnership with the Federal Government in tackling serious ecological problems in the States through a 1:2 funding arrangement especially in major gully and coastal erosion as well as pollution control projects; and
- (iii) give support for the success of the National Afforestation programme.