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Full Length Research Paper

Public accountability and development in Nigeria: a study of the national integrated power projects (NIPPs) 1999-2007

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ABSTRACT

Accountability is a fundamental requirement for the proper management of resources for development in all societies. Persons or entities entrusted with funds provided by the tax payers are supposed to account for the way these funds are allocated, used and the results these spendings have achieved. This contribution interrogates the management of public funds in terms of how public officials gave account of their stewardship in the implementation of the National Integrated Power Projects (NIPPs) meant to improve electricity supply in Nigeria. The study which is anchored on the elite theory argues that there was no financial discipline in the execution of the NIPPs. Public funds deployed for the implementation of the NIPPs were not properly accounted for by public officials. The study identifies lack of accountability as the bane of development in Nigeria and recommends among other things the adherence of state managers to the good governance standard for public service by entrenching the values of selflessness, integrity, objectivity, openness and honesty in the public service.

Keywords: Accountability, Public expenditure, Electricity Supply, Development.

INTRODUCTION

Accountability is imperative for the efficient functioning of all organizations especially governments in a democratic dispensation. In fact without accountability, there will be no control and the attendant wastage and corrupt practices will affect the development of a country. Thus, comprehensive legislative and statutory provisions on "what, how, when and by whom public funds are to be obtained and used" are enshrined in a country's constitution and other financial books (Kiragu, 2002). The rationale for accountability is that public officials usually command much power, expertise, information and resources that can be misapplied (Sorkaa, 2003). Hence, accountability provides a democratic means to monitor and control government conduct; it helps to checkmate the tendency toward over concentration of power in the executive; and it enhances the learning capacity and effectiveness of public administration, Aucoin and Heintzman (Bovens, 2006).

In Nigeria it has been observed that public accountability is weak (Achua, 2011; Anderson, 2007). Most analysts attribute this to the rentier nature of the Nigerian economy (Sala-i-Martin and Subramanian, 2003; Isham et al., 2003). They point out that such 'rentier states' do not rely on domestic taxation and when citizens do not empty their pockets through taxes, they hardly demand accountability from the state and this reduces public scrutiny (Klas, 2009). Sala-i-Martin and Subramanian (2003) forinstance maintain that the fundamental problem affecting the Nigerian economy is that revenue derived from oil export by the government is not properly accounted for as it is regarded as manna from heaven which tends to engender corruption and lower the long term growth prospects of the country. Derived from this, they suggest that the Nigerian leadership should stop managing the oil revenues and all Nigerians should have a constitutional right to an equal share of the proceeds. This will make the Nigerian government not to have easy access to oil revenue and when the easy revenue is eliminated, much of the problems will disappear. Thus, if the Nigerian government wants to raise resources for development, this should be done through taxes as this will create the right incentive for accountability, reduce corruption and enhance good governance.

Plausible as this argument may sound, it has been pointed out that the rentier state perspective is reductionist as it fails to decipher the political and social factors that enable some countries to properly account for their natural resource wealth to promote development and others not to do so (Wagner, 2012; Rosser, 2006). This study which aligns itself with the latter's position seeks to find out how public officials saddled with the responsibility to implement the National Integrated Power Projects (NIPPs) gave account of their stewardship over $13 billion (Alli, 2009) expended on the projects by the Federal of Nigeria.

Aim and objectives of the study

The main problematic of the study is to find out how public officers gave account of their stewardship in the implementation of the NIPPs. It seeks to identify the objectives of the NIPPs and find out whether the set objectives were achieved vis-à-vis the amount expended on the projects by the government; to find out whether funds for the NIPPs were duly released; to find out whether the funds duly released were properly accounted for; to find out whether due process was observed in both the award of contract and payment for the execution of the NIPPs and to examine the relationship that exists among the agencies involved in the management of the NIPPs and find out how the projects can be monitored to realize the set objectives.

METHODOLOGY

The study which is a survey research made use of both secondary data and primary data. Secondary data was obtained from Central Bank of Nigeria (CBN) publications, Federal Office of Statistics publications as well as official publications of Power Holding Company of Nigeria (PHCN) and the Report of the House of Representatives Committee on the Power Sector probe, 2008. Primary data was obtained from interviews. Respondents were drawn from the Ministries, Departments and Agencies (MDAs) that were involved in the implementation of the NIPPS as well as representatives of the host communities and management of the construction companies. A purposive sampling technique was used to select 44 respondents from the Ministries, Departments and Agencies (MDAs) that were directly involved in the implementation of the seven gas power plants in the Niger Delta region under the National Integrated Power Projects (NIPPs). The seven gas-fired power projects are Omoku, Rivers State, Gbarain-Ubie, Bayelsa state, Sapele, Delta State, Calabar, Cross River state, Ihovbor, Edo State, Egbema, Imo State, and Alaoji phase 1, Imo State.

The significance of the study lies in the fact that it hopes to close the existing gap in the development literature which tends to explain poor management of public resources and the negative development outcome in Nigeria solely in terms of the size and nature of her natural resource endowment thereby giving scant attention to social and political forces.

Conceptual issues

Public accountability

In this study public accountability is seen in line with Adewuyi (1991) who sees public accountability as holding and ensuring that stewards with resources which are not theirs give an accurate and up to date account of what they have done with these resources with a view to ascertaining whether or not they have individually or collectively conformed with, violated, manipulated, achieved or even thwarted the objectives of the owners of the resources.

Development

This study sees development as the qualitative and quantitative improvement in the socio-economic life of Nigerians. This is reflected in the transformation of all sectors of the Nigerian society such as high literacy rate, good road network, regular supply of electricity, improved medical facilities, decent housing as well as adequate and equitable distribution of income.

Theoretical framework

The elite theory which posits that policies are an elite contraption to protect their interest is adopted for this study. The basic assumption of the theory is that every political system is divided into two strata, namely the ruling minority and the ruled majority (Obi et al., 2008).

Gaetano (1939) was the first to make a systemic distinction between elite and the masses as well as attempt to construct a new science of politics on this foundation. Mosca (1939) explains that the rule of the minority over the majority emanates from the fact that the former is organized- the domination of an organized minority obeying a single impulse over the unorganized majority is inevitable. He avers that in every society there is and must be a minority which rules over the rest of the society. The minority- the political class or governing class is composed of those who occupy the posts of political command and more vaguely those who can directly influence political decisions. The term is now generally applied to functional, mainly occupational groups which have high status in society (Bottomore, 1964).

In its application to public policy, elite theory assumes that what determines policy is the substantive ideological and material interest of the state and its functionaries. Policies are an elite contraption to protect their interest (Obi et al., 2008). In Nigeria, it has been argued that due to the rapacity of the elites to seek for greater economic fortunes, the policy arena is politically 'garrisoned' to protect and satisfy the narrow interest of the elite to the detriment of the welfare of the citizens (Oshewolo, 2013). The elites do not only fortify their privileged positions, they brazenly express policy preferences that tend to produce more pain than pleasure for the governed. These policy preferences are largely expressed to satisfy vested interest in the executive, parliament and organized private sector. This scenario has been captured by Ottanwa (2005) as he points out that costly political campaigns in recent times, with expenses exceeding normal sources of political funding meant that elected officials first priority on assuming office is to recoup their election expenses. This is facilitated by the design of marginally relevant prestige projects requiring expenditure of large amounts of public capital. In the subsequent award of contracts for these projects, self-interested closed cliques, ethnic cum family members and old boy networks are favoured. The bulk of the bureaucracy (often poorly paid) and bedeviled with below-living wages and supported by apathetic, uninterested or gullible populace, become actors in the public contracts gravy train. With a weak rule of law in the land and the absence of adequate controls to prevent bribery, the express corruption train rolls on (Ottanwa, 2005).

What is emphasized here is that in order to effectively manipulate government, the elite may first capture the state and then establish predatory rule so as to perpetuate rent-seeking activities through the award of contracts in public procurement and state monopoly in the allocation of property rights through laws, regulations, subsidies, taxes, tariffs and import quotas. The net effect is that policy pronouncements by our leaders become mere deceptive mechanisms meant to reassure the mass public their interests are taken into consideration. While in actual fact they are merely rhetoric's meant to contain revolutionary gravitations, perpetuate inequality and inequity (Nzekwe 1989).

The national integrated power projects in Nigeria:

Discussion

The National Integrated Power Projects (NIPPs) are power projects in the generation, transmission and distribution sectors meant to fast track capacity improvement of Nigeria's power industry. The projects are a response to government neglect of the power sector over the years that resulted to poor power supply.

By 1999 when Olusegun Obasanjo assumed office as the president of the country, electricity supply had witnessed a slump due to government neglect. The failure of the National Electric Power Authority (NEPA) to meet the energy requirements of its customers naturally compelled electricity consumers to resort to various schemes of self-help such as the use of generators, candles and hurricane lanterns. The use of candles and hurricane lanterns in homes where petrol had been stored during the perennial petrol shortages of the 1990's and early 2000 caused fire outbreaks, leading to loss of lives and property. Industrial establishments were forced to operate far below their installed capacities because of the huge shortfall in the power supply. Many industrial enterprises either closed down or relied on power generating units. Many employees and their proprietors were thrown to the labour market. The spate of violent crimes derived from the high rate of unemployment increased within this period (Olukoju, 2000).

During this period, the electricity supply from the thermal and hydro power stations was declining and electricity consumers on the other hand were growing in number. The electricity generated at this time failed to meet the need of over 140 million people in the country. Only 30 per cent of the population of Nigeria had access to electricity. The total installed generating capacity from the eight power stations was 5,876. However, 4,076 MW were retired due to old age and lack of spare parts. Only 1,600 MW representing 27.3 per cent of installed capacity was actually generated out of available capacity of 5,400 MW (NEEDS 2004).

The following facts underscore the neglect of the power sector prior to 1999. No new power station was built between 1990 and 1999. No major overhaul was carried out on the existing power plants between 1990 and 1999.

Only 19 out of 79 generating units were in operation in the country in 1999. Actual daily generation fell to less than 2,000 MW. The last transmission line was built in 1987. Federal Government funding of the power sector was on a continual decrease from 1980 to 2000 (NEEDS 2004).

The realization by the Federal Government that lack of electric power supply in the country would hamper the actualization of vision 2020 made the government to invest additional funds in the sector to improve power supply (Personal interview. May 28, 2012). After considering various options in terms of cost and time frame, it was decided that gas was the most convenient and cost effective source of power supply within the shortest time. So the government opted for the National Integrated Power Projects in 2004 (Personal Interview. May 28, 2012).

The NIPP initiative was conceived on the following arguments; ageing generation assets with poor maintenance record, increasing breakdown frequencies, decreasing service reliability; years of under—investment in transmission infrastructure, leading to acute deficiencies in the wheeling capacity of the national grid, frequent improvisations which compromise grid integrity and occasional cases of stranded generation; abundance of gas as a fuel for power generation; system and process inefficiencies associated with the operating structure in the industry with several points of leakage and losses leading to loss of system sustainability (FGN, the National Integrated Power Projects 2005).

In its original conception, as pointed out by Joseph Makoju, the NIPP was aimed at constructing seven medium-sized power plants of between 250 and 500MW each at suitable locations close to existing sources of gas in the Niger Delta Region. The target was to achieve additional generation capacity of between 1,000 and 2,000 MW on fast track basis within 18 to 24 months by 2007. The power plants are Omoku, Rivers state; Gbaran-Ubie, Bayelsa state; Sapele, Delta state; Ihovbor, Edo state; Egbema, Imo state and Calabar, Cross River state and Alaoji phase 1, Imo state.

Recommended Policy Framework for the Implementation of the NIPP: At the inception, the Federal Government set up a Steering Committee comprising the following to oversee the implementation of the NIPP. The Minister of Power and Steel was the chairman of the committee. Other members of the committee include the Minister of Finance, the Group Managing Director (GMD) Nigeria National Petroleum Corporation (NNPC), the Managing Director (MD) of National Electric Power Authority (NEPA), the Presidential Adviser (Petroleum and Energy) and the Economic Adviser to the president.

In addition to the above committee, a Technical Committee was also set up under the aegis of the Ministerial Steering Committee with members drawn from the following institutions and parastatals of the Federal government. Federal Ministry of Power and Steel. The National Electric Power Authority (NEPA)/Power Holding Company of Nigeria; Nigerian Gas Company; Federal Ministry of Finance; and National Planning Commission (HOR, Report, 2008).

Following preliminary studies carried out by the Technical Committee under the aegis of the Ministerial Steering Committee in early 2005, an initial programme designed to deliver 1,720 mw at a cost of N206 billion (Power Sector Report 2008:101) was recommended. Based on the preliminary work carried upon by the Technical Committee in May 20005, a Presidential Implementation Committee (PIC) headed by the vice president was inaugurated to supervise and oversee the implementation of the NIPP. The Committee had as its members the following

i. The Vice President
ii. One State Governor Representing each of the geo-political zones of the Country.
iii. Governors of the State in which the project are sited
iv. Representative of Association of Local Governments of Nigeria (ALGON) (Power Sector Probe Report 2008).

The Presidential Implementation Committee (PIC) was charged with the responsibility to provide policy and direction for the execution of the National Integrated Power Projects. The Committee after its deliberations recommended the following as the implementation agency and funding strategy for the NIPPs.

Recommended implementation institution

The Niger Delta Power Holding Company was recommended by the Presidential Implementation Committee (PIC) to see to the day to day execution of the NIPPs. Consequently the Niger Delta Power Holding Company (NDPHC) was set up by the Federal Government to expedite project execution. It is a private company registered under the Companies and Allied matters Act vide CAC No.RC634495 dated 13th September, 2005. The company is the legal and corporate vehicle to contract for, hold and manage power assets being constructed by the Federal, state and Local governments under the NIPPs (HOR, Report 2008).

Recommended funding framework

The Presidential Implementation Committee in their recommendation above suggested that the power plants were to be funded from the Federation Account to be borne by all tiers of the government. This was duly approved by the President in his letter to the Minister of Power and Steel reference PRESS/89 dated 7th

December 2004, directing the Minister of Power and Steel inter alia, in paragraph 5a) as follows 'make all necessary budgetary provisions for the expedited execution of this scheme'(HOR Report 2008).

Scope of the national integrated power projects (NIPPs):

The mandate of the Presidential Implementation Committee (PIC) was restricted to the seven gas-fired power projects in the Niger Delta region. The sum of about $2.5 billion was initially projected to be spent through the construction of seven medium sized gas-fired power plants in the Niger Delta region. These projects were supposed to cumulatively generate about 2,251MW of electricity to the national grid. The programme was envisaged by the Federal Government to generate 10,000mw by the end of 2007 from existing power projects, new facilities and independent power projects (HOR, Report 2008:99).

The seven gas turbine power stations: project profile

As earlier noted the seven gas turbine power stations were conceived by the administration of president Obasanjo to address the issue of low power generation in the country. The main thrust of the seven gas-fired power stations under the NIPPs was the design, manufacture and supply of Gas Turbine Power Plants with the provision for conversion to combined –cycle operation. The planned power plants are Ihovbor, Calabar, Egbema, Gbarain -Ubie, Sapele, Omoku and Alaoji Phase 1.

The Engineering, Procurement and Construction contract (EPC) was awarded to the Consortium of Marubeni Corporation of Japan and Rockson Engineering (West Africa Limited). The commencement date for the projects was 20th December, 2005 and the estimated completion date was 19th December 2008 (24 months project execution period and 12 months defect liability period) EPC contract BOP (FGN, National Integrated Power Projects, 2005).

Due process and award of contract for NIPPs

To improve transparency in the award and cost of contracts, the Federal Government introduced the Budget Monitoring and Price Intelligence Unit (BMPIU) referred to as the Due Process. It is a Mechanism that certifies for public funding only those projects that have passed the tests of proper project implementation packaging (NEEDS 2004).

It has been pointed out by Obiageli Ezekwesili, former Special Adviser to President Obasanjo on Due Process that "no project of the Federal Government was to be exempted from Due Process certification" (Personal Interview. August 12, 2012).

The question here is, was Due Process followed in the award of contract for the execution of the NIPPs? Findings however reveal that contract award for the execution of the NIPPs did not follow due process. It has been observed that the Minister of Power and Steel unilaterally awarded the contracts for the NIPPs without following the due process. Abdullahi Aliyu, the then Permanent Secretary Federal Ministry of Power (Energy) maintained that the so called 'due process' in the award of contract for NIPPs is not tenable. According to him, contracts for the NIPPs did not go through the Ministerial Tenders Board and the process of award of contract was unilaterally handled by the Minister. He pointed out that the Minister of Power and Steel rather became the Due Process Office and the Permanent Secretary who is supposed to be the accounting officer of the ministry knew nothing about the award and disbursement of funds for the execution of the projects (Personal interview. April 25, 2012).

In a similar vein, the Managing Director (MD) of Niger Delta Power Holding Company of Nigeria (NDPHCN), James Olotu has corroborated that the Minister of Power and Steel single handedly awarded the NIPPs contract without following laid down procedure. He maintained that contracts for the NIPPs did not follow Due Process. In his words, 'the Minister of Power and Steel was the final approving authority after the President and not even the staff of the Ministry of Power and Steel were involved. He approved contract awards and payments on behalf of Niger Delta Power Holding Company' (Personal Interview. April 18, 2013).

Waiver letters and payment for the execution of the NIPPs.

In line with the Due Process mechanism of the Federal Government, it was mandatory for valuation certificates to be raised by the spending units and their contractors before payment will be made. The payment is supposed to be based on milestones achieved in the execution of the job. Findings however indicate that payments for the execution of the NIPPs were not based on work done or milestones achieved by the contractors. In lieu of valuation certificates which were supposed to be issued by the project manager of the NIPPs, the Niger Delta Power Holding Company of Nigeria (NDPHC) Waiver Letters were presented to effect arbitrary payment to NIPP contractors.

The former Minister of Finance under the Obasanjo administration, Ngozi Okonjo-Iweala, gave a graphic description of what took place. She explained that at a point, instead of presenting valuation certificates raised by the spending units and their contractors based on work done, the then Minister of Power and Steel, Senator Liyel Imoke wrote to the president requesting for waiver of Due Process Certification in respects of payment for NIPPs which was approved by the President. Consequently the Ministry of Finance got a letter from the President authorizing the waiver. In her words " my recollection is that a waiver letter was sent by the Minister of Power and Steel, Senator Liyel Imoke and copied to the Accountant General of Federation (AGF) and the Central Bank of Nigeria (CBN), approved by president Obasanjo" (HOR Report 2008:60). From then on, the Minister of Power and Steel presented the waiver letter in place of due process certification letters from the project consultant to secure payment for contractors handling NIPPs contracts.

In his justification of why Waiver Letters were used instead of due process certification letters, former President, Olusegun Obasanjo explained that the NIPPs were not projects that were captured in the annual budgets but they were on special provision from excess crude and the funds for the execution of the projects were available. So the desire to fast track project execution necessitated the use of the waiver letter. In his words "there was no need to cause any further delay in payment for such an urgent project" (HOR, Report 2008).

Waiver Letters used by the Minister of Power and Steel to effect payment to contractors handling NIPPs facilitated flagrant abuse of contract process. It also facilitated the abuse of laid down financial regulations and instructions on the use of public funds.

Poor project packaging and cost of the NIPPs

Due process in the award of contract demands that there should be technical and financial feasibility study before contracts are awarded. This means that issues such as site viability, project constructability and plant operability were to be addressed before the contract for the execution of the project was to be awarded.

Findings indicate that there was no technical and financial feasibility study before contracts for the execution of the NIPPs were awarded. In the Alaoji gas turbine station for instance, it was discovered that necessary environmental and transportation studies were not carried out before the award of the contract to Rockson Engineering at the cost of N16, 640 billion. The chairman of Rockson Engineering, Senator Anietie Okon who spoke on behalf of the contractor explained that he had problem of access road to move equipment to site for the execution of the project. He said that the GE Frame 9 turbines designed and shipped into the country through the Onne port for the Alaoji gas turbine power station could not be moved across the Imo River Bridge at Obigbo because the bridge could not carry such weight. So the company wrote to the Ministry of Power and Steel for the reinforcement of the bridge to enable the contractor move the equipments to the site (Personal Interview. June 30, 2012). It has been pointed out that the failure to address the issue of site viability led to delay in the execution as well as the escalation of the cost of the project. This has been echoed by the Members of the National Assembly that "the failure of the project implementation committee to address this problem made the nation to pay an additional N2.6 billion to reinforce the bridge and offset the demurrage for the imported turbines stuck at Onne port" (HOR Report 2008).

Inflation of project cost

Findings indicate that NIPPs contract were not only overpriced in comparison with PHCN contracts but they are also wide off the mark when viewed agaist comparable power stations in other parts of the world. A clear example of over pricing the cost of the project is the contract for the supply of 9No GE Frame gas turbines and auxiliaries awarded to Rockson International at the cost of N185 billion ($1.55 billion). It has been found out that 18No turbines of similar specification were previously supplied by General Electric at the cost of $404 million. This includes the cost of Technical Assistance (TA) services and Long-Term Service Agreements (LTSA). The total cost inflation on the 9No additional turbines and associated services it has been pointed out exceeds $1.145 billion (HOR,Report 2008).

A comparable review of the cost of power installation in varied regions of the world such as South Korea, Saudi Arabia, USA, Taiwan, Hong Kong, Mexico and Chile shows that $10 billion could have built plants to produce between 5,000 to 6000 MW of electricity but in Nigeria, it has been noted that over $10 billion spent on the power sector failed to do so in the country (HOR Report 2008). In Pakistan for example, it was found that the Pakistani Electric Company (PEPCO) on May 2007, awarded a contract of 450MW combined power Nandipur Power Project to the Chinese company Dong Deng. The project which is a combined cycle power plant at Nandipur comprises of three gas turbines, a gas steam generating unit alongside the necessary transformation, transmission and protection equipment at the cost of $329 million.(HOR, Report 2008:212). This project which includes construction of building for control room, 132KV substation will generate about 2,365.5GWH of electrical energy at about 60 per cent factor. It has been noted that it is easy using this plant to show that $10 billion would generate 10,000 MW of electricity with all the necessary peripherals (HOR,Report 2008).

Table 1. Mobilization Fee For NIPP Projects

S/N	Name of Project	Name of Contractor	Project Cost	Amount Released
	Generation Projects (Power Plant)			
1	Calabar	Marubeni	N19,592,879,930.00	N19,817,276,850.00
2	Egbema	Rockson Engineering	N16,687,677,726.20	N15,881,489,984.50
3	Ihovbor	Marubeni	N14,871,235,133.30	N15,039,345,499.30
4	Gbarain	Rockson Engineering	N18,027,766,849.30	N17,255,520,614.50
5	Sapele	Marubeni	N15,688,285,133.30	N15,867,954,920.80
6	Omoku	Rockson Engineering	N20,935,387,330.00	N12,643,930,000
7	Alaoji Phase I	Rockson Engineering	N16,640,638.30	N12,497,638.30

Source: Ad-hoc Committee Report on the Review of the Recommendations of the Power Sector Committee 2009.

The seven gas power plants: project update

On the spot assessment of the project shows that in spite of the huge sums paid to contractors and consultants , actual work in most of the projects are in their preliminary stages. It was also observed that some contractors were paid over 100 per cent mobilization which was above the contract sum. This was a flagrant abuse of the contract process. Government guidelines stipulate that contractors should be paid only 25 per cent mobilization for the take-off of a project and subsequent payments should be based on milestones achieved. Valuation certificates were supposed to be issued by the project managers before further payment will be made. But in the case of the NIPPs it has been observed that "government officials rushed to pay contractors infull even before engineering design for the projects were completed and approved" (HOR, Report 2008:210). Inspection visit to the site also reveal that there was no uniform mobilization for contractors. Some of the contractors were paid 25 per cent mobilization, others 50 per cent, some 80 per cent and others 100 per cent or more. Table 1.

Mrs Esther Nenadi Usman, former finance minister attributed the differences in the rate of mobilization paid to contractors to the negotiating power of the various contractors. In her words, 'though I was not part of the negotiation but I believe that differences in the level of mobilization depend on the negotiating power of the various contractors and only the former minister of Power and Steel Senator Liyel Imoke can answer the question' (Personal Interview. April 20, 2012).

On his part, Otis Anyaeji, a design consultant with the NIPPs justifies the over 25 per cent mobilization paid to NIPPs contractors to the nature of Engineering Procurement Contracts (EPC). He said that 80 percent of the contract is based on engineering which takes a large chunk of money and since most of the equipments are manufactured abroad by overseas companies, it was not feasible to only give fifty per cent mobilization like other civil construction works. He pointed out that procurement starts with placement of order, and procurement alone can take up to 18 months. The nature of EPC therefore does not warrant making payment based on milestones achieved (Personal Interview, May 26, 2012).

On the spot assessment of the projects shows that the level of project execution fell short of the amount expended on them. The time lag for the completion of the seven gas turbine stations had elapsed and none of the projects was completed and commissioned despite the Federal Government paying over 100 per cent of the contract sum on some of the contracts. Consequently as observed by the National Assembly " In the phenomenal revenues accruing to the country from crude oil over the past 10 years, resources have never been as generously available as they are in Nigerian history. Unfortunately, huge sums were spent but there was little or nothing to show for the expenditure in terms of extra megawatts of electricity" (HOR, Report 2008).

Expenditure on the NIPPs and power output in Nigeria.

The huge sums of public funds invested in the power sector by the Obasanjo administration from 1999 to 2007 did not significantly improve power generation as the lights got dimmer instead of brighter. This can be observed from the power generation and distribution rate in the country between 1999 and 2007. 1999, 1,978 MW; 2000,2,000MW; 2001,2,400MW; 2002,2,450MW; 2003,2,350MW; 2004,2,400MW; 2005,3,000MW; 2006,3,2000MW; 2007,2,840 MW (PHCN, NCC Oshogbo. 2013).

The inability of the country to generate the targeted 10,000 MW of electricity despite the investment of over $13 billion by the federal government on the NIPPs shows that funds meant for the projects were not properly managed to ensure 'value for money'.

Power supply output and development indicators in Nigeria.

Electricity is positively correlated to development in any economy. The development of the Nigerian economy is a function of adequate provision and supply of electricity power. The epileptic nature of electricity supply in the country no doubt has been a bane to development. Irregular supply and lack of access to electricity services has incurred significant cost on the industrial sector, increased unemployment as well as poverty rates in the country (Rabiu, 2009).

The recent survey on power distribution to the industrial sector in Nigeria showed that the average power outage in the industrial sector increased from 13.3 hours in January 2006 to 14.5 hours in March 2006 and the average power distribution to the industrial sector was 7.52 hours per day (Odiaka, 2006). In the Sharada/Challawa industrial area in Kano, the outage increased from 15.4 hours in January 2006 to 17.2 hours in March of the same year. In Bompai area of Kano, power outage increased from 10.3 hours to 13.0 hours in March. In Enugu/Anambra zone it increased from 17.2 hours to 18.5 hours within the same period. In Edo/Delta zone the average power supply to industrial area was 4.4 hours per day. The Ikeja industrial area of Lagos enjoyed power supply for 12.5 hours per day, the highest in the country. Industrial estates in Bauchi, Benue and Plateau zone receive power supply for 4.5 hours per day which is tantamount to near blackout (Nwakwo and Njogo, 2013; Odiaka, 2006).

This irregular and inadequate supply of electricity has made many of the multinationals such as Michelin, Dunlop Plc, Volkswagen Plc and Unilever to either close down or wind down their operations in the country. Statistics indicate that at the end of the Obasanjo administration on May, 2007, 30 % of industries have closed down; 60 % were ailing and 10 % were operating at sustainable level (Adeyemi, 2007). The concomitant effect of this is that it has worsened the level of unemployment in the country. The exit of Michelin from Nigeria for instance, it has been observed cost the economy 1,300 direct jobs (National Technical Working Group on Employment, 2009). Similarly, the Kaduna based United Nigeria textile Plc reduced its 1200 work force in 2005 due to high cost of production attributed to lack of power supply for production (Adegbamigbe, 2007).

Also the informal sector of the Nigerian economy which is made up of electronic repair workers, welders, vulcanizers, hair dressers and barbers that depend on electricity supply to operate did not fare better as many artisans were forced to seek alternatives means of livelihood which resulted to rising unemployment in Nigeria. The National Bureau of Statistics [NBS] (2010) national unemployment rates for Nigeria between 2000 and 2007 showed that the number of unemployed persons constituted 31% in 2000; 13.6% in2001; 12.6% in 2002; 14.8% in2003; 13.4% in2004;11.9% in 2005; 14.7% in 2006 and 14.6% in 2007.

It has also been noted that as a result of irregular power supply and other related factors, industrial sector's contribution to Gross Domestic Product (GDP) has continued to slide since 1990 from 8.2% to 4.7% in 2003; 4.06 % in 2004 and 4.2 in 2005. The lowest figure since the country got independence in 1960 (Ajanaku, 2007). The overall impact of the failure of the country to generate the envisaged 10,000 MW of electricity has been adumbrated by Johnston, (Okafor, 2008) that the promise of increasing the nation's output from 1,700MW in1999 to 10,000 MW by 2007 has remained largely unfulfilled. Despite government investment of over N574 billion in the sector, power output continue to dip, a situation that has killed many business ideas and is costing investors hefty sums to run generators. The implication is that unemployment and crime rates remain high in Nigeria.

FINDINGS

The following findings came out from the study. One, the huge government investment in the power sector through the National Integrated Power Projects (NIPP) did not achieve the set goals. There is a yawning gap between the public resources expended on the implementation of the NIPPs and power supply in Nigeria from 2000-2007.

Two, due process was not observed in the award of contract as well as payment for the execution of the NIPPs. The Permanent Secretary of the Ministry of Power and Steel who is supposed to be the accounting officer of the ministry was not involved in the award of contract for the execution of the projects. He pointed out in his words that "NIPP projects did not go through the Ministerial Tenders Board. The Minister became the Due Process Office. The Permanent Secretary was not accepted as accounting Officer for NIPP Projects" (HOR Report, 2008).

Three, funds for the execution of the NIPPs were not properly accounted for. Several forms of financial aberration were tolerated in the execution of the NIPPs. Contractors were given over 80 per cent mobilization and others over 100 per cent above government stipulation of 25 per cent mobilization for public contracts. Government officials rushed to pay contractors before engineering design for the projects were done. There were no technical, financial feasibility studies before contract for the NIPPs were awarded.

Four, there was no feedback mechanism to keep the public informed of the amount expended in the execution of the NIPPs. This has been underscored by the Power Sector Probe Report thus "this funding platform was therefore grounded upon un-appropriated funds belonging to the three tiers of government domiciled in an illegal account neither contemplated nor provided for by any statute or by the Constitution and unilaterally and arbitrarily operated by the Federal Government functionaries in flagrant abuse of due process through Presidential Waivers" (HOR Report, 2008).

Five, highly placed public officials devised means that voided oversight bodies from carrying out their constitutional responsibilities to ensure prudent use of public funds for the implementation of the NIPPs. The use of Excess Crude Account and Presidential Waiver Letters by government officials pre-empted the Auditor General of the Federation from carrying out his constitutional responsibility.

CONCLUSION

Based on the above findings, the following conclusions are drawn; that funds meant for the implementation of the NIPPs were not properly accounted for by public officials that were responsible for the execution of the projects. Mismanagement of resources characterized by crass greed and corruption by well- placed persons in the public domain undermined the full realization of the goals of the National Integrated Power Projects. Political and social forces in Nigeria are responsible for the poor management of public funds which has impacted negatively on development projects like the NIPPs in Nigeria more than the natural resource curse.

RECOMMENDATIONS

The following policy recommendations are suggested to enhance transparency and accountability in the management of public resources for the implementation of the NIPPs to national development.

i. Fiscal responsibility management should be emphasized in governance. Fiscal responsibility entails keeping government honest by keeping the public informed of the amount spent on government services and how this spending is funded. To ensure prudent utilization of resources for the implementation of the National integrated projects (NIPPs), there should be regular briefing by the Managing Director of the Niger Delta Power Holding Company to enable stake holders to monitor the progress of work and the expenditure on the NIPPs to ensure value for money in the execution of the project.
ii. Conscious efforts should be made by the government to enforce financial rules and regulations. The National Assembly should ensure that funds meant for the implementation of projects are appropriated and captured in the budget so that oversight bodies will exercise their functions to ensure prudence in the management of resources. The use of Excess Crude Account to fund the implementation of projects like the NIPPs should be discontinued.
iii. Concerted efforts should be made by the government to ensure that technical, financial or economic feasibility studies are made prior to award of contracts.
iv. There is need to enforce role demarcation for the agencies involved in the implementation of projects. Enforcement of roles will go a long way to minimize the influence of powerful groups or individuals to interfere in the management of the project.
v. Concerted efforts should be made by the government to entrench the values of selflessness, integrity, objectivity, accountability, openness and honesty in the public service and public officers found responsible for the mismanagement of public funds meant for the execution of the NIPPs should be prosecuted. This will serve as a deterrent and abate corruption by public officials in the country.

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