PROJECT ABANDONMENT, CORRUPTION AND RECOVERY OF UNSPENT BUDGETED PUBLIC FUNDS IN NIGERIA

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Abstract. *Large amounts of unspent funds budgeted for implementing development projects have been recovered from Nigeria's public officials since President Yar Adua directed in 2007 that responsible Nigerian Ministries, Departments and Agencies (MDAs) must refund such funds at the end of every fiscal year. While unspent funds recovery represents some progress in the "war on corruption" entrenched by previous governments in the 1980s, the current policy limited by concentrating narrowly on recovery of financial resources thereby excluding accounting for other project resources (human skills application, time management or optimization among others) that are usually applied to project implementation but lost through public officers' failure and/or delays to implement planned projects. This article examines the magnitude of unspent funds recently recovered by the government from its various ministries, departments and agencies (MDAs). The general objective of this article is to contribute towards improving the development project management culture in Nigeria. The specific objectives are: To highlight the magnitude of unspent funds in Nigeria's MDAs; and to show some adverse consequences of failing (or delaying) to spend funds allocated in the budget for*

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implementing projects in economic sectors and on the pursuit of development objectives. Survey and description methods were used. Data on the refund of unspent funds was obtained from secondary sources (records of MDAs) and analysed using qualitative and simple quantitative techniques. Results show that a high rate of projects delay and /or abandonment was discovered shortly after the inauguration of President Yar' Adua and his administration in May 2007. Although some project funds have been recovered, other project resources (time wasted, human skills/hours) and development benefits that would have accrued from completion of the planned and financed projects have not been recovered but lost. The fact that most of the abandoned and/or delayed projects were to be implemented in key sectors such as electricity (power) supply, construction of roads and other works, petroleum, oil and natural gas development (which forms the major sources of revenue for the Nigerian economy, education, health and so forth), represents huge opportunity losses arising from losses of development benefits and spin-offs that would have accrued from the various economic sectors of Nigeria's economy. The implication of these findings for policy includes the need to include all project resources in the list of the recovery and resource accounting effort of the government's anti-corruption programme.

***Keywords**: unspent funds, budget, opportunity losses, anti-corruption, infrastructure, accountability*

***JEL Classification**: H53; H54; I16; I28*

INTRODUCTION

One of the greatest challenges facing developing nations in the pursuit of sustainable development (including advancement in the social, economic and environmental sectors) has been difficulty in cost-effectively deploying and/or applying their resource endowments (material, natural and human) as investments in development. In most developing nations, inadequacy of social and physical infrastructure, services and facilities has been recognized as one of the most serious impediments in the quest for economic growth. Important as improvement of infrastructure is, the criticality of human capital in the achievement of development has been stressed by philosophers in the development disciplines. It has been estimated that while physical infrastructure account for 25 percent of the total development output, human capital accounts for the remaining 75 percent of the yield arising from the pursuit of an investment in development programmes (The National Scholar Editorial 2002 citing Rosenfeld).

The foregoing background highlights the need to assess progress towards development by carefully considering the investments in development programmes under the two major categories: infrastructure and human capital. It is equally important to assess the cost-effectiveness in the implementation (or execution) of planned and budgeted programmes and projects including the timeliness of executing the projects.

Project management (including the wide gamut of the processes associated with the design planning, budgeting, financing, implementation, monitoring and evaluation, and re-planning, if necessary) of development projects constitutes a significant component of the determinants of the success or otherwise of development programmes in any country. Therefore, the institutions, structures processes and popular attitudes towards development programmes and projects in a country forms its project management culture, deserves and requires attention, careful management as a means of achieving development goals and objectives.

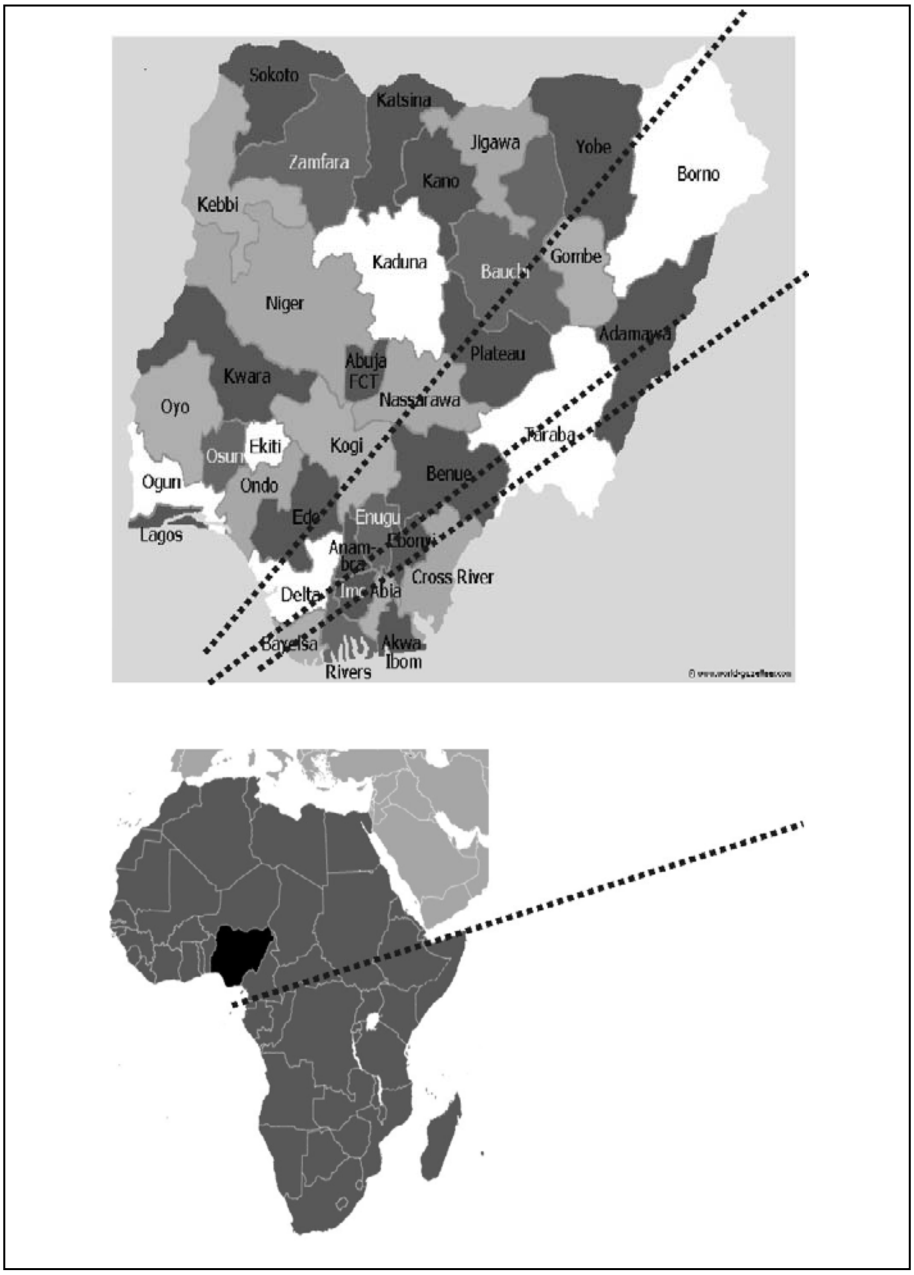
The literature suggests that the project cycle approach is suitable for managing development challenges in various sectors (physical environment: climate change, and its impacts such as drought, flooding as well as social and economic disruptions expressed by the recent financial and economic crisis, debt, rapid natural resource depletion and degradation and so forth). The project management cycle has provided a suitable approach for responding to the various challenges within governments (inter) national development organizations, especially the World Bank among other United Nations Agencies and Civil Society (Baum and Tolbert, 1985: v).

Background to the problem

Despite being sub-Saharan Africa's second largest economy, Nigeria (with a total gross domestic product (GDP) of US $ 32,953 million in 2002 compared to South Africa's total GDP of US $ 182,280 million in 2002) has almost consistently performed rather poorly in terms of offering her citizens improved living standards, economic growth, social justice and related services. Income and poverty issues in Nigeria are enormous: While South Africa's largest total GDP in Sub-Saharan Africa translated into the largest GDP per capita PPP in 2002 in Sub-Saharan African region (US$ 10,162), the GDP per capita PPP for Nigeria in the same year was the 12th in the region (US$ 919 only). Other human development indices of Nigeria in 2002 were very poor: her human poverty index was: 35.1; her human development index was (0.47), while income inequality based on *Gini index* was 50.6. Estimates of the international poverty rates for Nigeria based on 1997 surveys showed that 70.2 percent and 90.8 percent of Nigerians lived on less than US$1 per day and US$2 per day respectively. (UNDP, UNEP, World Bank and WRI, 2005: 189-195). While the foregoing poverty indices have compelled strong advocacy for rapid development of infrastructure as a means of facilitating economic growth and social development, the performance of government in this regard has been rather dismal. Nigeria presents nearly ubiquitous collapse of infrastructure: roads, railway, water transport; her education system is notorious for offering very poor quality of training to the extent that the nation's apex bank (Central Bank of Nigeria), Dr. Charles Soludo, has severally declared that a disproportionately large percentage (about 70% to 80%) of graduates of the nation's tertiary educational institutions are unemployable due to the rather poor skills that they have to offer their prospective employers (The Punch, 2008).

The crisis and collapse afflicting Nigeria's power sector has been documented. Apart from the connecting about only 45 percent of Nigeria's population (over 140 million), the national grid has been so unreliable that it features rather prolonged power outage or "brown-outs" that last for about 12-20 hours per day to several days in a row (Ingwe, 2004, Ingwe, et al 2008). The collapse of Nigeria's health infrastructure in the early 1980's during the infamous Second Republic of the Ruling National Party of Nigeria (NPN) (1979-1983) became a subject of justifying coups by the nation's thieving generals. For example, in announcing the military coup that brought in the dictator namely Generals Ibrahim Babangida in 1985, his promoter Sani Abacha claimed that "our (Nigerian) hospitals have become mere consulting clinics! That was a veiled reference to the nation's several and huge university teaching hospitals annual other secondary and primary health care institutions which had collapsed due to a combination of inadequate funding, embezzlement (or stealing of funds), inadequate resources, among others. The collapse of infrastructure pervades almost all sectors of Nigeria's economy. Therefore, the foregoing example suffices for illustrating the decay in the system.

Figure 1: Nigeria and its 36 states (sub-national regions) projected from Africa



Corruption, stealing of project funds, development project abandonment, and the emergence of unspent funds in Nigeria

The seriousness of corruption in Nigeria has been documented. The global corruption perception index published by Transparency International (TI), an anti-corruption monitoring organization or watchdog, rated Nigeria as the world's top ten most corrupt nation for nearly a decade when it debuted in the last decade (or more) of the 20th century. This rating was buttressed by disclosures from reliable sources such as the United Nation's anti-drug and corruption agency and related sources that about 80% of over US $600 Billion earned by Nigeria from oil export since the 1960s, was stolen by about one percent of Nigerians or the elite.

The amount stolen by the late dictator General Sani Abacha and his kitchen cabinet from Nigeria's treasury has reportedly ranged from about US $5 Billion to US$ 50 Billion (Omojola, 2007: 20-39, Ribadu 2009: 50). Recently, the Executive Director of the UN Office of Drugs and Crime: Mr Antonio Maria Costa, on the invitation of the Chairman of Nigerian Economic and Financial Crimes Commission on (EFCC), disclosed that about US$ 400 billion was stolen from Nigeria's treasury between 1960 and 1999 (The Punch, 14/11/2007: 2); while from 1970 to 2006, The PUNCH, quoted the World Bank sources as putting the loot at US$ 300 billion from 1970 to 2006! (The Punch, 2006).

Some of the Abacha loot was repatriated by the Swiss Government and was further embezzled by another General Olusegun Obasanjo during his 8-year presidency of Nigeria between 1999 and 2007 (Saturday Sun, 2008) while the remainder was more recently confiscated by the Swiss Government (www.bbcnews.com).

Pervasive corruption and the compulsion of anti-corruption institution and programmes in Nigeria

The rather pervasive corruption perpetration in Nigeria drew public expression of discontent after the discovery of General Abacha's enormous looting of the nation's treasury following his sudden death in the late 1990s. The Obasanjo administration, which was inaugurated on 29th May 1999 had to attempt to build public confidence by establishing two anti-corruption agencies: the Economic and Financial Crimes Commission (EFCC) and the Independent Corruption and Related Offences Commission (ICPC), between 1999 and 2003. Owing to the way these two anti-corruption agencies betrayed their weaknesses, compromised their responsibilities, the confidence of the Nigerian public as well as that of the federal legislature and even that of the Federal Government waned thereby compelling the adoption of more stringent measures. This happened after the inauguration of President Yar'

Adua (former president Obasanjo's successor) on 29th May, 2007. Apart from using the EFCC to haphazardly ban "enemies" of the Obasanjo Administration, the anti-corruption agencies exhibited gross weakness in prose cutting and convicting several perpetrators enormous corruption (stealing of public funds) and within the ranks of the elite in Nigeria. Recently, the current Governor of Edo State (one of Nigeria's 36 states): Mr. Adams Oshiomole lamented the undue delay of the anti-corruption agencies to probe and prosecute Nigeria's ex-president Obasanjo and several members of his administration for various allegations of corruption. Oshiomole enumerated the corrupt practices to include: the dubious expenditure of about US $ 16 Billion on the electricity sector by the Obasanjo administration; the rising of General Obasanjo from a pauper in prison in between the mid (1990s) to the late 1990s into a stupendously rich person with multi-billion dollar value of farms in all geopolitical zones of Nigeria; Obasanjo's "ownership" of a presidential library funded by coerced contributions by organizations in the country; Obansajo's ownership of disproportionately large shares in Nigeria's Trans National Corporation (Transcorp) among other publicly known wealth. Others are: allegations of corrupt self-enrichment by over 20 of the 36 state Governors of Nigeria during the Obasanjo Administration (1999-2007), among others (Sunday Punch, 2008). Other who have similarly advocated for the probe of the Obasanjo Administration include a national association of political parties in Nigeria, non-government organizations, civil society and individuals (Saturday Sun (Lagos). 2008).

Although the prosecution of corrupt functionaries of Nigeria's Government seems to have been rather slow, selective or discriminatory and unsatisfactory, one of the 36 State Governors (Mr. Lucky Igbinedion) former Governor of Edo State from 1999-2007, was recently convicted for stealing public funds during his Governorship.

Corruption in Nigeria's power sector during the Obasanjo administration: Obasanjo administration's claim that it spent only US $10 Billion was debunked by the Speaker of Nigeria's Federal Lower Parliament (the House of Representative) whose proposition that the Obasanjo administration spent more (US $16 Billion) was confirmed by the House of Representative's Probe Panel (The Punch, 2009).

Return of unspent (budgeted) funds by MDAs to the treasury

A great deal of interest has been expressed in the popular literature regarding the anti-corruption legacy of the Yar' Adua administration[1], which succeeded the

[1] President Umaru Musa Yar'Adua was flown out of Nigeria to receive medical treatment after about two years of office. He was flown back and died a few months thereafter.

Obasanjo administration on 29 May 2007 and was continued by in an acting and later substantive capacity by President Goddluck Jonathan under what has been described as the Yar' Adua-Jonathan administration. Some public affairs commentators have questioned and expressed pessimism with 'President Yar'Adua's anti-corruption legacy' (BussinessDay, 2008: 14). However the brevity of the Yar'Adua administration, acting on advice by reliable sources, President Umaru Yar' Adua promptly directed in 2007 that all funds that remain unspent in the last days of every fiscal year should be returned to the treasury of the Federal Government of Nigeria. This presidential anti-corruption strategy proved to be effective when it was discovered in early 2008 that top-functionaries of the Federal Ministry of Health has conspired, connived and colluded to steal and share the Ministry's unspent funds for 2007. The perpetrators of that corruption (including a Minister and former professor of Medicine, top-functionaries of the Ministry) were arrested, and prosecuted by the courts with the assistance of Nigeria's anti-corruption agencies (The Punch, 2008). In the middle of 2008, a visiting team of the African Peer Review Mechanism (APRM), a good governance development unit of the African Union's New Economic Partnership for African Development (NEPAD) reported that corruption and poverty were still high in Nigeria (Akpe, 2008: 1 and 7).

The problem

Despite the obvious adverse consequences of leaving funds budgeted for implementing projects unspent, most Ministries, Departments and Agencies (MDAs) of Nigeria's Government as well as State Governments including their own MDAs have been publishing huge sums (of money) that they have returned to the public treasury. It seems that the MDAs returning unspent funds are eager to exhibit their non-corruptive credentials. Ruefully, leaving funds unspent translates into abandonment of projects or components of them as a form of failure to implement projects and programmes designed to achieve development. Attention is yet to be paid to rigorous monitoring and evaluation of the projects on which budgeted funds are being returned in order to assess the transformation of corruption from the stealing of money to the stealing of government time and/or abandonment of duties and responsibilities.

Since funds are budgeted for activities based on (or after) specific products and services are stated to be procured for project implementation within specific time frames, it is rather strange that such project funds should be remain unspent after the time frames for implementation within specific time frames, it is rather strange that such project funds should remain unspent after the time frames for implementation of the projects have elapsed (or been spent). Therefore, the current accounting for funds is incomplete without accounting for other resources for the project (time, human power, materials, and so forth). Without improving the accounting for the entire spectrum of project resources in Nigeria, the project management strategy as well as outputs and outcomes of development projects in the country might remain mediocre and compromised.

Purpose of the paper

This paper draws attention to the rather defective project management culture in Nigeria generally (i.e. pertaining to most sectors of the economy).

Questions

This article will strive towards answering the following questions:

What is the magnitude of unspent funds in some of Nigeria's Ministries, Departments and Agencies (MDAs)?

What are some of the adverse consequences of leaving the project funds unspent on the development of the sectors of the economy?

Objectives

The general objective of this article is to contribute towards improving the development project management culture in Nigeria. The specific objectives are:

To highlight the magnitude of unspent funds returned to Nigeria's treasury by various MDAs;

To show highlight adverse consequences of the perpetuation of unspent funds on project implementation by various sectors of the national economy.

Organization of the article

The paper is organized in four sections. The first section has presented the preliminaries: introduction, the problems-preceded with a background, questions and objectives. The second section presents a conceptual framework based on the review of the literature related to the paper's title. Therefore, the concept of project and project cycle as espoused by the World Bank as the self-acclaimed development catalyst for the world is elaborated. Project resources are stated. Constraints to project implementation are examined (including corruption and project abandonment and so forth) as a basis for presenting the cost-constraints technique of analyzing development projects as a basis for presenting the cost-constraints technique of analysis development projects as basis for choosing better project options. Section three presents the methods of study, data used and analytical techniques. The fourth section, presents the results of the study discusses the findings, recommends solutions and concludes the article.

2.0. CONCEPTUAL FRAMEWORK AND LITERATURE REVIEW

2.1. The Project Cycle Concept

The relevance of the project cycle concept in this article is based on the fact that most responses by governments and organizations to development challenges have taken the form of applying the project cycle. The project cycle comprises several stages including: identification, preparation, implementation and ex-post evaluation of projects, which are usually conceived as a concerted response to the challenges of development. Other aspects of the project cycle include the analysis of various dimensions of the project (technical, economic, financial, social, institutional, and environmental). The careful management of issues pertaining to procurement and use of consultants is a significant part of successful application of the project cycle.

A project defined

The tremendous variety of activities subsumed under the term "project" has resulted in several and different definitions of the term by various contributors to the literature. Therefore, as with most social science concepts, it is agreed that a universally accepted definition of the term is unnecessary while working definitions of the term suffice for specific discourses. However, this article adopts a few definitions provided by the literature.

A project has been "defined as a discrete package of investments, policies, and institutional and other actions designed to achieve a specific development objective (or set of objectives) within a designated period" (Baum and Tolbert, 1985:333). These contributors refer to another definition of the term as "an investment activity in which financial resources are expended to create capital assets that produce benefits over an extended period of time" and also "an activity for which money will be spent in expectation of returns and which logically seems to lend itself to planning financing and implementing as a unit" (Gittinger, 1982).

Elements of a Project

A project is commonly characterized by most (and in some cases all) of the following five elements:

1. "The brick and mortar" of the project" a common description of capital investment in civil works, equipment or both;
2. Professional services for design (planning) and engineering, supervision of the construction of the civil work and operations and maintenance improvement;
3. Local institutions building (sometimes institutional adjustment or change) as a means of facilitating project implementation, operation as well as capacity building aimed at creating a corps of project managers and staff for successful management of the project in the local-region;
4. Policy improvement or change: This could take the form of price adjustments, subsidising essential goods and services, and application of cost recovery measures as means of facilitating aspects that determine the performance or other wise of the project as well as influencing relationship among the project and the specific sector (in which the project is classified) and also to the wider national (multi-sectoral, economic, social and environmental) development objectives and aspirations.
5. Implementation planning designed to achieve the targets and objectives of activities and the project within specific time lines (Baum and Tolbert, 1985: 333).

Value and applications of the project strategy

Specialists in the field of development investment suggest that the project strategy has become a requirement expected by most external lenders, which appreciated that development investments should be packaged into separate projects. Settlement and development programmes for a region, as well as investments in constructing electricity generating and transmission stations, agricultural development schemes such as fertilizer plant development and so on require the design of distinct project packages as a means of successfully realizing the goals and objectives. However, agencies of government have been hesitant about adopting the project strategy in managing the delivery of services in various sectors such as education (e.g. schools rehabilitation) and infrastructural improvement (e.g. roads construction). The project strategy has been recommended for managing a multiplicity of relative small investments in development undertaken frequently by ministries, departments and agencies of governments (Baum and Tolbert 1985:333-4).

Issues pertaining to development institutions, processes, structures, and attitudes and the project strategy: some relationships and conflicts

Since over three decades ago development philosophers observed that *"…development must therefore be conceived as a multidimensional process involving major changes in social structures, popular attitudes, and national institutions, as well as the acceleration of economic growth, the reduction of inequality, and the eradication of (absolute) poverty. Development, in its essence, must represent the whole gamut of development by which an entire social system, tuned to the diverse basic need and desires of individuals and social groups within that system, move away from a condition of life regarded as materially and spiritually better" (Todaro and Smith, 2005: 51).*

While there is agreement between development practitioners at the World Bank with the views of Todaro and Smith (2005) concerning the need for institutional strengthening which seems to be an euphemism for institutional change, in developing nations as part of development investments based on the project strategy (one of the changes in the social structures, processes, popular attitudes and national institutions alluded to above), this has faced challenges due to the unwillingness of public officials of developing nations in subscribing to such changes. This has also been the experience of World Bank Staff with regards to the incorporation of policy (change) issues in projects that are packaged distinctly for such things as irrigation, public works and the introduction of cost recovery and appropriate pricing of services (e.g. water, electricity and so forth). While external lenders have insisted on these changes (in institutions, processes, structures and attitudes), public officials of developing nations have been rather resistant (Baum and Tolbert, 1985: 334).

The project cycle

The project cycle describes the several district stages into which the work of a project is frequently divided and operationalised. It facilitates logical linkages of each of the stages to other subsequent ones in a progressive way such that the latter stages facilitate the work by providing the foundation for renewing the project cycle by the instrumentality of subsequent project work. The various stages of the project cycle include the following:

Project identification: This pioneering phase focuses on finding ideas that are representative of the high premium placed on resource utilization of the region or country as a way of achieving development objectives. The technical and institutional aspects, benefit-cost analysis and policy proposals are undertaken at this stage under a group of activities called feasibility analysis study.

Project preparation: This second stage involves refinement of the project design in all ramifications including technical, economic, financial, social, institutional and so forth these progressive refinements are necessary to facilitate the firm decision on continuing or discontinuing the project.

Project appraisal: This third stage is concerned with assessing the general viability of the project and its qualification for implementation. This stage forms the basis for approval or provision of funds for the implementation of the project. The degree of thoroughness of appraisals of projects differs among countries (depending on their systems of managing development, finances and so on) and also varies between projects funded either by eternal sources/organizations (World Bank) or national/regional governments. External funders usually devise a system of project appraisal that meets their expectations.

Project implementation: This fourth stage involves actual construction (development) of the project until it becomes operational monitoring of works, progression of activities, supervision including “oversight” departments and agencies of national/regional governments or foreign lenders are key components of project implementation.

Project evaluation: This describes ex-post assessment of a project that has been developed (completely). The purpose of evaluating projects is to determine if the objectives have been accomplished and to identify lessons derivable from experiences with the project for use in the same or other project henceforth. Unlike lending organizations (e.g. the World Bank), which insists that ex-post evaluation is a prerequisite for project they financially support, evaluation is yet to be institutionalised in the project cycle of developing countries.

It has been suggested that if applied correctly, the project cycle is capable of improving optimal utilization of a nation’s scarce resources thereby causing positive impact on the national/regional development system (Baum and Tolbert, 1985: 334-5).

The value of resources in project management and pursuit of socio-economic development

The significance of resources is frequently downplayed in the literature on project management. However, the value of resources (defined generally) has been elaborated in the literature on sustainable development. The importance of cost in effectively managing scarce resources in investing in development has been stressed by several scholars (e.g Baum and Tolbert, 1985; Omuta and Onokerhoraye, 1986; among others). These score resources include: human skills, materials, funds.

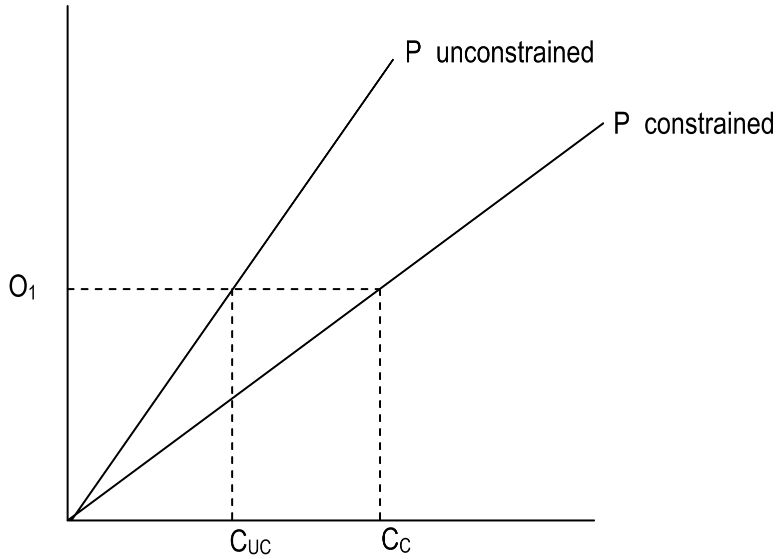
Corruption and project implementation abandonment in Nigeria

The corruption perception index of Nigeria published annually since the 1990s by Transparency International (TI), the global anticorruption monitoring organization, revealed that Nigeria was rated at the top ten most corrupt nations from mid 1990s to the early 2000s. It has been reported that about 80 percent of nearly US $600 Billion earned from export of crude oil since production started in 1958 (more recently natural gas in the late 1990s) has been stolen by the elite (about less than one percent of the total population: over 140 million in 2006) in Nigeria. A concrete example of the perpetration of stealing was given that the late General Abacha and the “Kitchen cabinet” of his dictatorship (1993-1997) stole over US$5 Billion (Omojola, 2007: 20-2). The foregoing constraints in project management in Nigeria (corruption, delays arising from inadequacy of human skills and/or other factors) beckon for the reform of the system of analyzing development in the country as a means of resolving or addressing the constraints. Therefore, there is need to examine the concept of cost-constraint analysis.

Cost-constraint analysis

The cost-constraint analysis **(CCA)** was formulated to respond to the problem of selecting projects/programmes under imperfect situations. It facilitates understanding of issues pertaining to project cost funds and also various constraints (in this case corruption, attitude towards implementation, inadequacy of skills, bureaucratic red tape and so forth). It can also clarify cost variations under circumstances of near perfection (lack of constraints) and circumstances where constraints exist, thereby assisting to highlight type of project / programme that can be selected or adopted. As shown in figure 1, 01 = the project goal set, P (unconstrained) is the project that is not burdened by constraints or option possible; while P (constrained represents the project option that afflicted with constraint(s). when analysed using the cost-constraint technique, projects could be better understood by their implementers in terms of differences between the unconstrained and constrained options. The results inform decision on reduction or elimination of the constraints and perhaps how they can be surmounted or avoided. The results improve communication between project managers, funding agencies and decision makers. The results also highlight the resource requirements of projects.

Figure 2: Graphical illustration of cost-constraint analysis



***Source**: Adapted from Omuta and Onokerhoraye 1986: 188-9*

Although some have suggested that project constraints can be tolerated under certain circumstances due to socio-economic and political expediency (Omuta and Onokerhoraye, 1986: 188-9), the rather high incidence of corruption and other constraints in Nigeria warrant the application of drastic measures that befit emergency situation in project management in the country as elaborated elsewhere in this paper.

Abandonment of development projects in Nigeria's universities

Abandonment of development projects at the implementation (construction) stage has been rather prevalent and frequent in Nigeria before the Yar' Adua administration adopted the unspent funds recovery policy. To show how this contributes to underdevelopment of Nigeria, we give some examples of project abandonment are given from the university subsystem of Nigeria's education sector. Abandonment of educational projects translate into underdevelopment at a faster rate due to the immense benefits such as improved human capital that derive from increased education of citizens (National Scholar 2002). Owing to claims by Nigeria's corrupt elite that national revenue declined in the 1980s and 1990s, irrespective of tremendously high revenue windfalls from export of Nigeria's crude oil during the Gulf war when the unelected dictator (general Ibrahim Babangida) arrogated to himself military "presidency" of the country projects in the university system were recklessly abandoned. The enormity of the abandonment of projects in Nigeria's university system and the attendant decay or collapse in the sub sector has compelled the Academic Staff Union of Universities (ASUU) in Nigeria to undertake several industrial actions thereby demanding that successive governments should drastically improve funding of the education system generally (ASUU). One of the achievements of ASUU's industrial actions of the 1990s was the establishment of the Educational Trust Fund (ETF) aimed to generate funds from private sectors and government contributions towards funding projects in the education system. The reluctance of Nigeria's elite to fund the completion of abandoned projects in the nation's university system manifested in the governments proposal to provide funding for completing the abandoned projects only in phases instead of once and for all times. Table 1 shows the ubiquity of the problem of project abandonment in the Nigeria university system and the proposed funding for completing them. Most of the projects were started in the early 1980s. That is, the approval of funds for their completion in 2004, means that they have been abandoned for over 22 years.

Table 1. Proposed funding for completing abandoned projects in federal universities in Nigeria (in Nigeria Naira (₦) Million)

S/No	Institution	Total (100%)	2003 (50%)	2004 (50%)
1	University of Ibadan	350.00	175.00	175.00
2	University of Nigeria	350.00	175.00	175.00
3	Obafemi Awolowo University, Ile-Ife	350.00	175.00	175.00
4	University of Lagos	350.00	175.00	175.00
5	Ahmadu Bello University, Zaria	350.00	175.00	175.00
6	University of Benin	350.00	175.00	175.00
7	University of Calabar	300.00	150.00	150.00
8	University of Ilorin	300.00	150.00	150.00
9	University of Jos	300.00	150.00	150.00

S/No	Institution	Total (100%)	2003 (50%)	2004 (50%)
10	Bayeso University, Kano	300.00	150.00	150.00
11	University of Port Harcourt	300.00	150.00	150.00
12	University of Marduguri	300.00	150.00	150.00
13	Usmanv Dan Fadio University, Sokoto	300.00	150.00	150.00
14	University of Uyo	300.00	150.00	150.00
15	Nnamdo Azikiwe University, Awka	300.00	150.00	150.00
16	Federal University of Technology, Owerri	200.00	100.00	100.00
17	Abubakar Tafawa Belewa University, Bauchi	200.00	100.00	100.00
18	Federal University of Technology, Akure	200.00	100.00	100.00
19	Federal University of Technology, Yola	200.00	100.00	100.00
20	Federal University of Technology, Minna	200.00	100.00	100.00
21	University of Abuja	200.00	100.00	100.00
22	University of Agric. Abeokuta	200.00	100.00	100.00
23	Michael Okpara University of Agric., Umudike	200.00	100.00	100.00
24	University of Agric, Makurdi	200.00	100.00	100.00
25	National Mathematical Centre, Sheda	100.00	50.00	50.00
26	Nigeria French Language Village, Badagry	100.00	50.00	50.00
27	Nigeria Arabic Language Village, Ngala	100.00	50.00	50.00
28	National institution for Nigerian Language, Aba	100.00	50.00	50.00
29	Division of Agricultural College, ABJ Zaria	100.00	50.00	50.00
30	National Universities Commission Secretariat	**7,200.00**	**3,600.00**	**3,600.00**

Source: National Universities Commission (NUC), 2005, Inibian & Okunnamiri, 2007:625-6.

3.0. Methods of study

The methods of survey and description were used in this study. As would be shown below, this study involves the collection of data on socio-economic issues the return of unspent funds earlier budgeted for implementing development projects as a basis for describing the nature of project implementation delay and for providing a foundation for assessing the perpetuation of development problems in Nigeria. The specific method applied is sample survey because only few sectors of the Nigerian economy, on which data were available, were included in this study. The method has been well described in the literature (Isangedighi, Joshua, Asim and Ekuri, 2004:64-5).

3.2. Data

The data could be classified as social and economic indicators of development in Nigeria usually recorded and managed by ministries, departments and agencies mandated to manage development projects in Nigeria (Isangedighi, Joshua, Asim and Ekuri, 2004:151). The data used specifically indicate the magnitude of unspent funds that were in budget for recent year (s) and allocated for implementing projects designed for achieving development objectives.

3.3. Data sources

The data used were obtained from secondary sources namely records of Nigeria's Government Ministries, Departments and Agencies (MDAs) involved in development projects management and as disclosed to information dissemination agencies in public and private sectors including the popular literature or print media.

3.4. Data analysis

Descriptive statistical analysis and qualitative techniques were used in analyzing the data. Data summarizing techniques (e.g. percentage) were applied.

Table 2. Projects, funding in budget and degree of implementation

s/n	Sector project (s)	₦ in Billion Budget Funds (2008)	2008 no. of projects	Funds returned ₦ Billion	% of total
1	Power (electricity)	23,407	0ver 1000		
2	Health	29,129	Over 700	11.344	2.04
3	Transportation (works)	105,464	About 100	47	0.04
4	Education	5,788	91	Na	
5	Defence	120	73		
6	Petroleum	68.5		6.105	8.9
7	Agriculture & water resources	75,088	100	Na	
8	Youth development	4,478	29	Na	
9	Women affairs	1,626	53	Na	
Total				350	1.8
Total			**20,000**	**350**	

Source: Author's compilation from *Business Day*, 19 January, 2009: pp. 1-4.

Table 3. Examples of projects planned for implementation in 2008

Sector	Funds appropriated in 2008	Funds released, 2008	Projects for implementation (Examples)
Electricity Power			Procurement of 50 units of 200 Kva transformers for Abia North; SD, Abia State; Purchase and installation of transformers in six LGAs in Okigwe: Imo State: Construction of 132 / 33 Kva transmission station in Ajebandele-Ikeire Rd; purchase of 82 units of 200 Kva/33 transformers for Lagos megacity, among others.
Health			Rehabilitation and equipment of University of Abuja Teaching Hospital; Establishment of National Tertiary Hospital Commission; Procurement and distribution of 25 Ife Support a a two per teaching hospital and procurement of boat ambulances and health emergency equipment for the Niger Delta and so on.
Transportation (works)			Kano-eastern by-pass phase 2; solar-power street lighting of Apapa-Oworonshhoki Way Lagos Tombia bridge, Yenagoa, Bayelsa State and so on.
Education			
Petroleum			Implementation of Escravos – Lagos Pipeline expansion (Phase I & II); OBOB – Oben Pipeline project

Source: Business Day, *19 January 2009: 1 and 4.*

Enormity of poor performance in project implementation in 2008

The popular literature has revealed that in 2008 (December), the extent of failure to implementing projects for which funds were appropriated in the annual budget was as high as 60% of over 20,000 projects that were planned for execution. The rather poor performance of Nigeria's government Ministries, Departments and Agencies (MDAs) in executing the projects as planned has been attributed to several reasons including: convoluted bureaucratic hurdles, under the provisions for awarding contracts under the appropriation act and corruption among public office holders". The magnitude of the unspent funds expected by Governments agencies responsible for recovering same at the end of the exercise (i.e.

considering the rather high degree of under-performance) has been estimated at over ₦500 Billion (i.e. about US$ $3, 333 Billion) in 2008 alone (Ademuyiwa, Akintola and Akpe, 2009:1 & 4). *(Note: The exchange rate used was US $1 to Nigerian Naira (~~NGN)~~ 150 which prevailed at the time)*

4.0. RESULTS AND DISCUSSION

The result of this study shows that due to the recent arrest and prosecution of top government functionaries of the Federal Ministry of Health (Professor Adenike Grange, Mr. Adiukwu, and so on) because of their stealing and sharing of unspent funds in the 2007 annual budget, there seems to be an increase in the return of unspent funds into Nigeria's public treasury. The policy of recovering unspent budgeted funds deserves commendation as a very good move by the Yar' Adua administration to curb the high level of corruption in the Nigerian society. The large amounts of unspent funds recovered so far indicates that high levels of corruption occurred without any control during the previous regimes of the generals from Ibrahim Babangida in the early 1980s up to the Obasanjo administration in 2007. Although the grossly high corruption in Nigeria has been reported by Transparency International, the Obasanjo administration failed to deal with the problem as decisively as the Yar' Adua administration by employing a rigorous accounting system such as return of unspent money from the MDAs.

4.1. Downplaying project implementation failure while emphasizing corruption and stealing of public funds

The anti-corruption measure in form of the presidential directive to MDAs to refund unspent funds at the end each financial year is commendable. The persistence of a rather huge size of unspent funds reflects the perpetuation of other forms of corrupt practices by the MDAs. Despite the fact that project implementation requires several resources types categorized as funds, human skills, time in relation to the desired output/outcome of the project and its objectives and goals, an unnecessarily high premium has been placed by Nigeria's Government under the Yar' Adua Administration on funds thereby ignoring, downplaying and misunderstanding the remaining resources. Without paying equally high premium on all the resources required for project implementation, the abandonment and delay that have become rather culturally tolerated by Nigerians is likely to be perpetuated and perpetrated by the elite.

The most significant aspects of the findings is that several project s that were to be implemented (have been funded in the budgets) were left unimplemented for reasons that can only be attributed to deliberate failure of the bureaucratic and technocrats to carryout their functions. The failure to execute the planned and financed projects naturally translate into immense opportunity losses arising from loses of the benefits that would have accrued from the improvement of life chances facilitated by provision of goods and services inherent in the specific development projects. Moreover, while all the projects that were ignored are important for achieving development objectives, most are in sectors that are vitally important to socio-economic development e.g. road works, health education and so forth. Similarly, other projects are central to the revenue generation history of Nigeria: This is the case for petroleum and natural gas and agriculture which has been one of the greatest employers of labour in a country that has been severally afflicted by rather high levels of unemployment of underemployment (Ingwe, 2009).

CONCLUSION

The enormity of refund of unspent budgetary funds by Ministries, Agencies and Departments (MDAs) of Nigeria's Government reflects the depth of institutionalization of corruption in Nigeria. This problem has been reflected in the rather high corruption perception index reported by Transparency International as prevalent in Nigeria for over one decade especially the dictatorship eras presided over by the quartet of generals: Ibrahim Babangida, Sani Abacha, and Abdulsalami Abubakar and Olusegu Obasanjo (from the 1980s to 2007). Therefore, the Yar' Adua administration's emphasis on refund of unspent budgeted fund to government treasury attempts to deal with only one aspect of corruption and stealing of project resources (funds) and ignores other forms of corruption (idleness, use of government-paid for human-work hours for private business/work and so forth). The anti-corruption strategy is yet to seriously and systematically deal with the problems of rigorously analyzing projects designed to achieved development objectives by applying relevant analytical techniques such as cost-constraint analysis. The rate of project completion in Nigeria will be raised by improving resource accounting techniques and also applying appropriate project analysis methods.

RECOMMENDATIONS

The entrenchment of corruption in Nigeria's government generally and especially in project implementation which suffers frequent abandonment and delays beckon for the participation of civil society, judiciary and related organizational mechanisms that are capable of institutionalizing improved accountability of public resources. Civil society organizations have developed methods of assessing accountability of governments to the citizens. The Access Initiative (TAI) is a good example of a standard method that has successfully been applied in assessing the degree of governance, (i.e. participation of the public in the affairs of the society/government thereby identifying gaps that requiring filling regarding improvement in accountability, access of people and stakeholders to information, justice, participation and capacity building of civil society) in several countries. The TAI method offers an instrument for improving public participation and good governance in development project planning and implementation, which has been historically dominated by successive governments in Nigeria. There is need to incorporate issues pertaining to accountability of resources generally (i.e. including non-financial ones: human skills use, time, materials and so forth in addition to funds, which have been emphasized in the accounting policy of the Yar' Adua administration. This promises to improve accountability and reduce corruption beyond the current performance in the refund of unspent funds budgeted for project.

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