



**PRESIDENT,
FEDERAL REPUBLIC OF NIGERIA**

24 October 2016

Rt. Hon. Yakubu Dogara
Speaker of the House of Representatives
National Assembly Complex,
Three Arms Zone,
Abuja.



Dear Rt-Hon. Y. Dogara

REQUEST FOR VIREMENT OF FUNDS APPROPRIATED FOR SPECIAL INTERVENTION (RECURRENT) AND SPECIAL INTERVENTION (CAPITAL) FOR THE FUNDING OF CRITICAL RECURRENT AND CAPITAL ITEMS.

I write to request for the virement of funds appropriated for Special Intervention (Recurrent) and Special Intervention (Capital) to fund some critical recurrent and capital items.

This request has arisen due to a number of reasons including: shortfalls in provisions for personnel costs; inadequate provision ab initio for some items like the amnesty programme; continuing requirements to sustain the war against insurgency; and depreciation of the Naira.

However, considering the fact that budgeted revenues are running behind target largely due to the renewed violence in the Niger Delta, and there are no supplementary revenue sources, the most viable option for now is the virement of appropriated funds from heads or sub-heads that may not be fully utilized before the end of this fiscal year.

In the course of implementing the 2016 Appropriation Act, several MDAs have presented issues pertaining to salary shortfalls, the settlement of part of which has led to the depletion of the Public Service Wage Adjustment (PSWA). This Vote, which had a provision of **N33,597,400,000**, now has a balance of **N2,758,296,000**. The Committee on Salary Shortfalls, set up by the Honourable Minister of Finance, has come up with a figure of **N41,875,083,020** as the amount required to settle salary shortfalls of non-IPPIS MDAs. Similarly, most of the IPPIS MDAs have already been notified by the Office of the Accountant-General of the Federation (OAGF) that they would soon be locked out of the IPPIS Platform as their Personnel Cost budgets would not cover salaries for the rest of the year. The IPPIS Department in the OAGF has forwarded a figure of **N20,058,204,856** as the sum required to cover the shortfall in salaries of IPPIS MDAs.



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awaiting release of funds. The Personnel Cost and Overhead provisions leave no margin for amounts to be vired from them. The only viable provisions from which the required amounts can be vired are those for the **Special Intervention Programme** which are not likely to be fully utilized this year as it took some time to work out proper operational modalities for its operation. We are committed to the implementation of the Special Intervention Programme and intend to provide fully for it in the 2017 Budget.

Please find as tabulated below the proposed sources for the amounts to be vired:

S/N	MDA/Budget Line	Appropriation =N=	Balance =N=	Virement Proposal =N=
1.	Special Intervention (Recurrent) SWW	300,000,000,000	275,000,000,000	166,630,886,954
2.	Capital in FGN Special Intervention Programme (Capital Supplementation)	200,000,000,000	145,000,000,000	14,208,367,476
	Total	500,000,000,000	420,000,000,000	180,839,254,430

You may also wish to be informed that the Federal Ministry of Power, Works and Housing has also requested for the virement of the sum of **N300million** appropriated under the 2016 Appropriation of the Transmission Company of Nigeria (TCN) for the **Construction of 132KVA Substation at Gwaram, Jigawa State** with Project Code No. **TCN 01B023829** to the **Construction of 2 x 60MVA 132/33 in Gagarawa, Jigawa State**. However, it was observed that while the line to be vired from exists in the budget book published by National Assembly, the lines to be vired to do not exist. It is therefore recommended that the sum of **N300million** meant for the Construction of 132KVA Substation at Gwaram, Jigawa State be vired to budget line **TCN01B021775** for **Reconstruction of Fallen Transmission Towers, Replacement of Glass Insulators, etc.** which has an appropriation of **N4,880,000,000**.

I implore you to urgently consider the above proposals in order to support our efforts to improve the well-being of our citizens. I assure you that these proposals have been diligently evaluated, and are truly exigent.

Please accept, Honourable Speaker, the assurances of my highest regards.

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I therefore request for virement from the **Special Intervention (Recurrent)** and **Special Intervention (Capital)** to fund the following critical expenditure items:-



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<u>Recurrent:</u>	
i.	Service Wide Vote: Public Service Wage Adjustment (PSWA) (Details in Annexure 1)
ii.	Service-Wide Vote: Contingency:
iii.	Service Wide Vote: Margin for Increase in Cost (MIC).
iv.	Ministry of Interior: Cadet Feeding – Police Academy, Wudil, Kano:
v.	Service Wide Vote: Amnesty Programme
vi.	Service Wide Vote: Internal Operations of the Armed Forces
vii.	Service Wide Vote: Operation Lafiya Dole
viii.	Ministry of Youth and Sports Development: NYSC
ix.	Ministry of Foreign Affairs: Foreign Missions
x.	Federal Ministry of Education: Augmentation of Meal Subsidy/Direct Teaching & Lab Cost
Sub Total	
<u>Statutory Transfer:</u>	
i.	Statutory Transfer: Public Complaints Commission (Salary Shortfall)
Sub Total	
<u>Capital:</u>	
i.	Ministry of Defence: Nigerian Air Force (NAF)
ii.	Capital Supplementation: Presidential initiative for the North East (PINE)
Sub Total	
Grand Total	

From the foregoing, the total recurrent expenditure requirement is **N166,630,886,954** while the capital expenditure requirement is **N14,208,367,476**. Most MDAs have substantially advanced work on their 2016 procurement plans, and are

Recurrent:

i.	Service Wide Vote: Public Service Wage Adjustment (PSWA) (Details in Annexure 1)	N	71,800,215,270
ii.	Service-Wide Vote: Contingency:		1,200,000,000
iii.	Service Wide Vote: Margin for Increase in Cost (MIC).		2,000,000,000
iv.	Ministry of Interior: Cadet Feeding – Police Academy, Wudil, Kano:		932,400,000
v.	Service Wide Vote: Amnesty Programme		35,000,000,000
vi.	Service Wide Vote: Internal Operations of the Armed Forces		5,205,930,270
vii.	Service Wide Vote: Operation Lafiya Dole		13,933,093,000
viii.	Ministry of Youth and Sports Development: NYSC		19,792,018,400
ix.	Ministry of Foreign Affairs: Foreign Missions		14,667,230,014
x.	Federal Ministry of Education: Augmentation of Meal Subsidy/Direct Teaching & Lab Cost		900,000,000
Sub Total			165,430,886,954

Statutory Transfer:

i.	Statutory Transfer: Public Complaints Commission (Salary Shortfall)	1,200,000,000
Sub Total		1,200,000,000

Capital:

i.	Ministry of Defence: Nigerian Air Force (NAF)	12,708,367,476
ii.	Capital Supplementation: Presidential initiative for the North East (PINE)	1,500,000,000
Sub Total		14,208,367,476
Grand Total		180,839,254,430

From the foregoing, the total recurrent expenditure requirement is **N166,630,886,954** while the capital expenditure requirement is **N14,208,367,476**. Most MDAs have substantially advanced work on their 2016 procurement plans, and are



The Security-related lines in the Service Wide Vote, specifically Operations-Internal for the Armed Forces (**N13billion**) and Operation Lafiya Dole (**N8billion**) have all been totally released while the Nigerian Air Force needs about (**N12,708,367,476**) to cover the foreign exchange differentials in the procurement of its critical capabilities.

The Contingency Vote of **N12billion** has a balance of only **N1,827,570,443**. It is considered necessary to augment this vote in the light of frequently emerging contingencies.

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Only **N20,000,000,000** (already fully released) was provided in the 2016 budget for the Niger Delta Amnesty Programme. Consequently, the allowances to ex-militants have only been paid up to May 2016. This is creating a lot of restiveness and compounding the security challenge in the Niger Delta.

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The Provision for NYSC in the 2016 budget is inadequate to cater for the number of corps members to be mobilized this year. In fact, an additional **N8.5billion** is required to cover the backlog of **129,469** corps members who are currently due for call up but would otherwise be left out till next year due to funding constraints. Similarly, the provision for meal subsidy for the Unity Colleges is inadequate for the number of students in the schools. Also, there was no provision for feeding of cadets at the Police Academy, Wudil, Kano. These situations are hampering the operations of the affected agencies.

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The provision for Statutory Transfer to the Public Complaints Commission (PCC) was reduced to **N2,000,000,000** in 2016 from **N4,000,000,000** in 2015. Consequently, the agency is experiencing difficulty in paying salaries of its personnel as and when due.

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Due to the devaluation of the Naira, the budgetary provisions for the foreign missions are no longer sufficient to cover all their costs.

The provision for Presidential Initiative for the North East (**N12,000,000,000**) has a balance of less than **N1.5bn**, and there continue to be emerging challenges with the Internally Displaced Persons (IDPs) in the zone.

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