



# THE NIGER DELTA DEVELOPMENT COMMISSION AND MANAGEMENT OF INFRASTRUCTURAL DEVELOPMENT IN THE OIL PRODUCING AREAS OF NIGERIA, 2009-2017

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## ABSTRACT

The study examined the nexus between the Niger Delta Development Commission (NDDC) and management of infrastructural development in the oil producing areas of Nigeria, between 2009 and 2017. The documentary and survey methods were used to generate the relevant data. Data analysis was presented using content analysis and tables. The result of the analysis indicates that award of contracts in violation of the extant rules undermined the development of infrastructure in the oil producing areas of Nigeria between 2009 and 2017. It also demonstrates that the projects of the Niger Delta Development Commission failed to alleviate the incidence of inadequate infrastructure in the oil producing areas of Nigeria within the study period. Among others, the study recommended de-concentration of power to local agencies through direct state interventions to enhance the interaction between the communities and the Nigerian State

**KEYWORDS:** The oil producing areas of Nigeria, government interventions programmes, Niger Delta Development Commission, infrastructure.

## INTRODUCTION

Achievements of political leaders in terms of governance are measured with the level and type of infrastructural development the leaders or those in position of authority engage in compared to the agitation of the people and the available resources (Adebayo, 1985). In retrospect, based on these criteria of governance, even before crude oil became a critical factor in Nigeria's development, the British Colonial Government had in 1957 recognized that the unique characteristics of the Niger Delta make special development efforts imperative. Hence in 1958 the Sir, Henry Willink's Commission was set up to ascertain the fears of domination expressed by the minorities, and to propose means of allaying such fears. The Commission declared the Niger Delta as a "special area for development" and recommended the establishment of a Board to cater for the development needs of the region, which it described as "poor, backward and neglected" (Willinks Commission Report, 1958: 94).

In accordance with the above recommendation, the Nigerian government eventually set up the Niger Delta Development Board (NDDB) in 1961 with the main function of advising the Governments of the Federation, Eastern and Western Region, with respect to physical development of the Niger Delta (Ibaba, 2005). Among the functions of the Board was to: (1) ascertain what measures are required to promote its physical development; (2) Prepare schemes designed to promote the physical development of the oil producing areas (Etekpe, 2007).

Since then, the peoples of the Niger Delta have seen one government-sponsored development agency after another. In 1980, the Shagari administration created the Niger Delta Basin Development Authority; and in response to the growing frustrations of the Niger Delta people over their need for development which gave rise to serious agitations, the Shagari administration also set up a Presidential Task Force (popularly known as the 1.5% Committee) in 1980 and 1.5% of the Federation Account was allocated to the Committee to tackle the developmental problems of the region. However, the protracted legal battles between the Nigerian Federal Government and the Government of the defunct Bendel State (one of the Niger Delta States), prevented the disbursement of the 1.5 percent approved for the rehabilitation of the oil producing states (Suberu, 1992). As a result, the Committee was largely ineffective and unable to handle the complex ecological problems and deepening poverty in the region (OMPADEC Quarterly Report, 1993).

Yet, due to wide spread protest, tension, restiveness, violence and disruptions, the Babangida administration established the Presidential Implementation Committee to replace the Presidential Task Force in 1987. He also set up the Oil Mineral Producing Areas Commission (OMPADEC) in 1992 by Decree No.23 of 1992. Three percent of federal oil revenue was allocated to the



Commission to address the developmental needs of the areas. Although OMPADEC initially raised the spirit and hopes of the people, inefficiency and corruption in the organisation resulted in yet more disappointment. Between 1992 and 1999, majority of the people did not benefit from its activities (Ikelegbe, 2004).

Like its predecessors, the Oil Minerals Producing Areas Development Commission (OMPADEC) failed to actualize the developmental aspirations of the oil producing Niger Delta. According to World Bank Report:

OMPADEC only provides infrastructure or equipment. For example, it built health centers but does not support staff for them. The obvious problem with such a development programme is that, the communities may not have the funds or expertise to maintain a project and watch it break down (World Bank Report, 1995, pp. 53-54).

According to the Quarterly Review of OMPADEC (1993, p. 44), "at the end of its existence in May 1992, a total of 1,207 projects were either abandoned or on-going".

Given these failed efforts at the development of the oil producing areas, it was not surprising that one of the first actions of former President Obasanjo, soon after his inauguration in May 1999, was to submit a Bill to the National Assembly for the establishment of the Niger Delta Development Commission (NDDC) to replace OMPADEC. The NDDC was officially inaugurated on December 21, 2000 with a vision "to offer a lasting solution to the socio-economic difficulties of the Niger Delta" and a mission "to facilitate the rapid, even and sustainable development of the Niger Delta into a region that is economically prosperous, socially stable, ecologically regenerative and politically peaceful" (The NDDC Act, 2000).

The NDDC is an interventionist institution meant to address decades of social and infrastructural underdevelopment in the Niger Delta. As an intervention institution, the Niger Delta Development Commission (NDDC) is aimed at bringing about a positive measure to redress the imbalances in the Niger Delta. The NDDC was constituted primarily to formulate policies and guidelines, and execute such other works for the sustainable development of the oil producing areas in view of the lingering crises and abysmal performance that characterized the activities of the previous commissions in the region (<http://www.nddc.gov.ng/about%20us.html>).

To meet the development priorities of the oil producing states, section 2 (1) of the NDDC Act provides for the establishment of a governing Board to consist of a chairman and one representative from each of the nine oil bearing states. The Board is empowered to manage and supervise affairs of the Commission; make rules and regulations for carrying out the functions of the Commission, enter into such contracts as may be necessary or expedient for the discharge of its functions and ensure the efficient performance of the functions of the Commission; do such other things as are necessary and expedient for the efficient performance of the functions of the Commission, among others (See section 8 of the NDDC Act). The Commission also designed a Master Plan to guide it in implementing development projects in such areas as roads, electricity, water, health, education and human capacity development among others.

On August 6th, 2009 a new Board was sworn-in, with Chief Chibuzo Ugwoha as Managing Director and AVM Larry Koinyan as Chairman. With the emergence of Chibuzo Ugwoha as Managing Director of NDDC, the Commission appeared to have become a tale of frustration, underhand dealings and circumvention of contract awarding procedures (Shoaga, 2018). Thus the question is, how has the Niger Delta Development Commission fared in respect of its responsibilities of "offering a lasting solution to the socio-economic difficulties of the Niger Delta", on the one hand, and its mission of "facilitating the rapid, even and sustainable development of the Niger Delta into a region that is economically prosperous, socially stable, ecologically regenerative and politically peaceful", on the other (The NDDC Act, 2000, p.13).

Against this background, this study interrogates the link between the Niger Delta Development Commission and management of infrastructural development in the oil producing areas of Nigeria, between 2009 and 2017.

## **ALLOCATION AND APPLICATION OF FUNDS BY THE NIGER DELTA DEVELOPMENT COMMISSION**

The revenue sources for the Commission were well defined in the enabling Act. According to Ero (2007, p. 60), Part V, Section 14, Sub-sections 1 and 2 of the Niger Delta Development Commission Act 2000, which deal with financial provisions spelled out how the Commission shall be funded. Section 14 (2) provides that:

There shall be paid and credited to fund established pursuant to subsection (1) of this section. (a) From the Federal Government the equivalent of 15% of the total monthly statutory allocation due to member states of the commission from the federation account, this being the contribution of the federal government to the commission. (b) 3% of the total annual budget of any oil producing company operating onshore and offshore in the Niger Delta area including gas processing companies, (c) 50% of monies due to member states of the commission from ecological fund (d) such monies as may from time to time, be granted or lent or deposited with the commission by the Federal or a state government, any other body or institution whether local or foreign, (e) all monies raised for the purposes of the commission by way of gifts, loans, grant-in-aid, testamentary disposition or otherwise and (f) proceeds from all other assets that may from time to time, accrue to the commission.



Timi Alaibe, the then NDDC’s Acting Managing Director and Chief Executive Officer once observed that between 2005 and December 2012, the Commission received ₦95.97 billion from the Federal Government. He further noted that “the federal government is not the only contributor to the NDDC... we have also generated funds from contractor’s registration and from banking transactions” (cited in Ero, 2013, p. 60). Available records show that between May 2005 and December 2012, the nine states making up the Niger Delta region have collectively received ₦2.16 trillion representing 70%, local governments ₦671 billion, representing 22%, which altogether gave 2.83 trillion (92%) for both tiers of government. NDDC received ₦241.5 billion to make up the remaining 8%.

Altogether the Niger Delta Development Commission earned \$1.98 billion between 2007 and 2014, in addition to the sum of ₦594 billion paid to the Commission in local currency during the same period from the following sources: Federal Government; subventions; oil companies contribution; donation and grants; recovery on mass transits; insurance claims; other income; disposal of assets; contractors’ fee bank interest (Adio, 2017).

**Table 1: Annual Breakdown /Summary of the Total Revenue Received by the NDDC from 1st January, 2009 to 31st December, 2013 in billion Naira**

Source	2009	2010	2011	2012	2013
Federal Government	24,000,000,000	40,570,000,000	51,317,566,107	44,937,757,491	56,076,920,534
Oil Companies	40,531,352,200	43,942,473,000	3,942,473,000	89,927,822,349	111,576,195,210
Sundry (Other Incomes)	189,832,000	277,491,000	329,529,734	385,391,640	125,064,883
Total	64,721,184,200	84,789,964,000	141,574,918,190	135,096,525,920	167,778,180,627

Source: NEITI (2017). *Report on Revenues, Deductions, and Analysis of Disbursement and Utilization of Funds of the Federal Beneficiary Agencies – Niger Delta Development Commission (NDDC)*, p.2.

As table 1 above which presents an annual breakdown of the summary of the revenue distribution by sources showed, the Commission earned ₦593.961 billion during 2009 and 2013. The Commission’s earnings grew from ₦64.721 billion in the fiscal year 2007 to ₦167.778 billion in the fiscal year 2011. This represents 159% growth within the years under review. The cumulative total revenue from all sources was recorded at ₦593.961 billion; the Federal Government has contributed ₦216.902 billion that is, 36.5% while the receipts from oil companies accounted for ₦375.751 billion which also represents 63.3%. However, the sundry incomes such as interest on deposits and others accounted for ₦1.307 billion with relative share of 0.2%.

Collaborating the foregoing report, the Executive Secretary of the Nigeria Extractive Industries Transparency Initiative (NEITI), Mr. Waziri Adio disclosed that a total of \$1.98 billion were remitted to the Niger Delta Development Commission (NDDC) between 2007 and 2014, in addition to the sum of ₦594 billion paid to the Commission in local currency during the same period (Adio, 2017). Further breakdown of the remittances showed that NDDC received ₦594 billion from 2007 to 2011, while \$559 million was paid to the Commission in 2012. It was also indicated that in 2013, the NDDC received \$563 million while in 2014, the sum of \$865 million were remitted to the Commission (Adio, 2017).

What is clear from the foregoing is that a reasonable volume of fund was remitted to the NDDC within the study period to development the oil producing areas. The study therefore examines, in the next sub-section, the NDDC and awards of contracts in the oil producing areas of Nigeria.

### **NDDC AND AWARD OF CONTRACTS**

To enhance transparency and accountability in the management of public resources, the “Due Process Policy” was introduced into the nation’s procurement system via Treasury Circular by the Federal Ministry of Finance No, TRY/F15775 of 27th June, 2001 (Federal Republic of Nigeria, 2002). It was passed into an Act under the President Umaru Musa Yar’Adua administration which is now called “Public Procurement Act” 2007.

Due process is the means by which ethical constraints are placed on administrative decision-making (Alan 2008). It refers to the procedures and safeguards that constrain administrative decision-making, and a means by which we ensure the ethical use of power by administrative and judicial bodies.

The primary goal of the public procurement Act 2007 is the “Establishment of National Council on Public Procurement and the Bureau of Public Procurement as the regulatory authorities responsible for the monitoring and oversight of public procurement,



harmonizing the existing government policies and practices by the regulating, setting standards and developing the legal framework and professional capacity for public procurement in Nigeria, and for other related matters (Esenwa, 2004).

The BPP reviews and certifies the Federal Government contracts according to established and approved thresholds. At present, there are three approval thresholds for the approval and award of Federal Government contracts in the public sector. The approval of contracts has been categorized into the following: 1. Contracts below N1 million. 2. Contracts above N1 million. 3. Contracts of N50 million and above. Upon conclusion of the contract procedures, the Ministerial Tenders Board shall then forward their conclusions and all relevant supporting documentation to BPP for Due Process compliance review and Certification. It is only after the Due Process Certificate is issued out by the BPP that the contract is forwarded to the Federal Executive Council for final approval to award contract (FGN, 2011).

Specifically, the Due Process Policy covers two (2) major types of tenders. They are: a. Open tendering: This type of tenders deal with contracts, purchases and services above N10 million which must be advertised in at least two (2) national dailies and or Government Gazette, and on the Notice Boards of the procuring institution. The essence is for pre-qualification purpose to provide bidders equal opportunity and access to information. This type of tendering is also known as competitive tenders. b. Selective tendering: In this type of tenders, at least three (3) reputable contractors in specific areas of specialization are selected and invited to bid. This type of bids, are not open because of the technical nature of the job (FGN, 2011).

The foregoing clearly indicates that the Public Procurement Act highlights the guidelines for the award of contracts and services. However, a lot of misconceptions, doubts, criticisms and cynicism have been trailing its implementation, particularly how the NDDC Board award contracts. The NDDC Board has statutory functions as stated in Part II (8) of the NDDC Act. These functions are as follows:

The Board shall have power to:- (a) manage and supervise affairs of the Commission; (b) make rules and regulations for carrying out the functions of the Commission, (c) enter and inspect premises, projects and such places as may be necessary for the purposes of carrying out its functions under this Act; etc.

Meanwhile, in 2009, a new NDDC Board was sworn-in, with Chief Chibuzo Ugwoha as Managing Director (MD) and AVM Larry Koinyan as Chairman. With the advent of Chibuzo Ugwoha as Managing Director of NDDC, it was reported that the Commission became a tale of frustration, underhand dealings, flouting of Due Process and circumvention of contract awarding procedures (Shoaga, 2018). Surprisingly, the beneficiaries were found to be close allies of the MD and the Executive Director, Projects (Shoaga, 2018). For instance, the Niger Delta Technical Aid Corp (NTAC Projects), which ought to be capacity building programmes for graduates were grossly mismanaged. The integral part of NTAC Projects was computer Training Programmes. Till date the Commission is indebted to NTAC because the monies for defraying the fees were lodged in private accounts to yield interest for the account holders (The Nigerian Compass, 2011).

One of the hallmarks of the NDDC within the period under study was unilateral award of contracts, without due process, in clear violation of the Public Procurement Act, 2007 and the Niger Delta Development Commission Authorization Manual. Under Procedure for Award, sub-section F (I) of the NDDC Amended Authorisation Manual, it is stated that “all contracts by the Commission should evolve from the Tenders and Procurement process as approved in the authorisation limits by the Board, and in line with due process.” Sub-section F (IV) further stipulates that “the Executive Director, Projects, issues letters of awards and endorses the copy of BOQ/BEME to the contractor”.

Contrary to the foregoing, it was reported that the NDDC MD, Mr. Chibuzo Ugwoha, unilaterally awarded about over 51 various projects to cronies and associates without the authorization of the approving bodies and against the commission’s standing financial regulations (*ThisDay Newspaper, Saturday March 5, 2011*). Furthermore, it was equally reported that the MD of the NDDC not only gave approval for the award of contracts under ₦250 million threshold, but also decided to issue and sign all award letters by himself contrary to Article 560(f) (iv) of the authorization manual which states: “Executive Director Project (EPD) now issues letters of awards and attaches the endorsed copy of BOQ/BEME to the contractor.” Again, on March 26, 2011, contract valued at ₦101, 026,440 million was awarded to a company – Reimiport & Co. Limited for the installation of solar street lamp at Ozoro, Isoko North Local Government Area of Delta State. The letter of award, personally signed by Ugwoha, and marked NDDC/HQ/MD.18/DTS/06, was addressed to the managing director of the company, but routed through “c/o NDDC office, Warri, Delta State (Soni Daniel cited in *Vanguard Newspaper* August 26, 2015). The same month, the NDDC boss was said to have personally signed a letter of award of contract, valued at ₦53, 065,169 million, to a company- Nemberek Industry Limited - supposedly based at Uyo, Akwa Ibom State, for solar water project at Isi Otoyoy, in Eastern Obolo Local Government Area.

Furthermore, the NDDC Board, within the study period, was found to award contracts to unregistered companies. For instance, the results of validity searches at the Corporate Affairs Commission (CAC) by Eric Apia & Co., an Abuja-based firm of legal practitioners, property consultants and Notary Public reveal pieces of documented evidence, including letters of award of multi-billion naira contracts personally signed by the NDDC helmsman to allegedly unregistered companies (Niger Delta Budget Monitoring Group, 2012). The absence of an identifiable office address of the company may have fuelled suspicion and subsequent searches at the





CAC, which clearly indicated that the name, Reimiport & Co. Limited, had not been registered with it as a company (Niger Delta Budget Monitoring Group, 2012). Similarly, it was also reported that four other companies awarded contracts by Ugwuoha running into millions of naira were allegedly found to be unregistered at the CAC (Niger Delta Budget Monitoring Group, 2012).

Besides, between March and early April, 2011, the NDDC chief allegedly embarked on a contract bazaar, awarding 61 jobs at the first instance, and over 350, thereafter within three days, which ran into billions of naira (Niger Delta Budget Monitoring Group, 2012). Of the 61 contracts awarded, 26 were given to companies with no fixed addresses, while 24 went to contractors supposedly based in Rivers, Ogwuoha's state of origin. The other two with no addresses were awarded to companies in Imo State (Niger Delta Budget Monitoring Group, 2012).

The responses of the respondents collaborate the foregoing position. Altogether, the NDDC and government officials, the CSOs and community members converged on the fact that though the benefitting communities make their request, they might not necessarily know when the projects are approved and awarded. According to a key informant in River States, 'the Commission does not disclose critical elements of the project like the contractor, contract value, content, scope and timeline to the concerned community.' As a result 'contractors only visit the concerned community, give marching grant to the chiefs, and sometimes the town union leaders who most times may never bother to inform the members of the community' (Face-to-face interview, June, 2018)

In addition to unilateral award of contracts in violation of the Public Procurement Act 2007 and the Niger Delta Development Commission authorization Manual, as well as award of contracts to unregistered companies, the NDDC was also reported to be engaging Consultants for the Commission's contracts without due approval. All these culminated in the duplication of over twenty-two projects in the project's schedule, with a total contract sum of ₦1.18 billion, with mobilization payments of ₦370.70 million. Sadly, most of the projects were neither identifiable nor scheduled for monitoring and proper management (NEITI, 2017). Table 2 below vividly captures the reports of contracts awarded by the NDDC without due process.

**Table 1: Reports of the NDDC's Award of Contracts without Due Process**

S/N	Reports of Award of Contracts without Due Process by the NDDC	Sources
1	The NDDC MD, Mr. Chibuzor Ugwuoha, unilaterally awarded about over 51 various projects to cronies and associates without the authorization of the approving bodies and against the commission's standing financial regulations.	<i>ThisDay Newspaper, Saturday March 5 (2011)</i>
2.	The MD of the NDDC not only gave approval for the award of contracts under ₦250 million threshold, but also decided to issue and sign all award letters by himself contrary to Article 560(f) (iv) of the Authorization Manual	<i>Vanguard Newspaper August 26 (2015)</i>
3	Award of contract valued at ₦101, 026,440 million to a company – Reimiport & Co. Limited for the installation of solar street lamp at Ozoro, Isoko North Local Government Area of Delta State. The letter of award, personally signed by Ugwuoha, and marked NDDC/HQ/MD.18/DTS/06, was addressed to the managing director of the company, but routed through "c/o NDDC office, Warri, Delta State	<i>Vanguard Newspaper August 26 (2015)</i>
4	The NDDC boss was said to have personally signed a letter of award of contract, valued at ₦53, 065,169 million, to a company- Nemberek Industry Limited - supposedly based at Uyo, Akwa Ibom State, for solar water project at Isi Otoy, in Eastern Obolo Local Government Area.	<i>Vanguard Newspaper August 26 (2015)</i>
5	Award of contracts to Reimiport & Co. Limited, a company found to be unregistered at the Corporate Affairs Commission (CAC)	Niger Delta Budget Monitoring Group (2012).
6.	Award of about 26 contracts to companies with no fixed addresses, and 24 to contractors supposedly based in Rivers, MD's state of origin.	Niger Delta Budget Monitoring Group (2012)
7	Engaging Consultants for the Commission's contracts without due approval.	NEITI (2017)

It was in view of the foregoing infractions that the Federal Government ordered a full scale investigation into the alleged ₦5 billion contract scam rocking the NDDC. It was reported that the Presidency decided to order a probe into the allegation as a result of the confusion that has enveloped the commission over the incessant in-fighting among the management members bordering on alleged unilateral decisions and breach of due process in award of contracts (*Nigeria Standard*, 2013).

Aside award of contracts without due process, there have been reports of a catalogue of outright cases of political corruption among the staff of the Niger Delta Development Commission. In 2007, a former legal officer and four others defrauded the agency of



about ₦157.5 million and in 2008, the then Chairman of the Commission was arraigned before a Nigerian court for embezzling ₦800 million (Ugbegbe & Oretade, 2008).

What is palpable is that government's efforts in the region have benefited high ranking public officials and their allies through corrupt practices. The benefits of such interventions have eluded the poor in the region. Hence, a vicious circles of underdevelopment and misery in the region. As the Report of the Niger Delta Budget Monitoring Group (2012, p.18) noted:

We must state clearly that, factoring a cost of ₦154 million for rehabilitation and reclamation of degraded ecosystem in 7 States and not disclosing the exact locations of such projects raises lots of questions. There are other projects on Shoreline/Land Reclamation which has also reappeared in the Ministry's 2013 budget proposal like it has appeared in previous years. Some of the locations are:-Kurutie, Ikuru Town, Effiat, Sime -Tai, amongst others. Is it an error of judgment or capitalization on bureaucratic loopholes for various Ministries to habitually throw-in previous budget lines into new budgetary proposals (?). The Budget Office of the Federation (BOF) should not allow such to continue from any of the MDAs. BOF should not be overwhelmed by a systemic fiscal quagmire. In fact, any capital project without an exact location should not pass the test of a costing template (if any). Worryingly, there are some Shoreline and Land Reclamation Projects which have appeared in this Ministry's budget since 2009.

The Report of the Niger Delta Budget Monitoring Group (2012, pp.19-20) further observed as follows:

Sadly, the ₦5, 000 (Five Thousand Naira) projected for the Egbelu in Bayelsa-to-Port Harcourt) with spur to Degema Egbelu-Ozouba Road (Opposite AIT), Obio Akpor, Rivers State made to connect Ada George Egbelu-Ozouba Road project for 2013 ignites shock. This project appeared under two (2) line items (23020114) with the cost for one line as ₦5, 000 and another as ₦450 million. We have repeatedly lamented about the East West road, and the souls of hundreds of our brothers and sisters that have perished on that road. However, the Ministry and the Niger Delta Development Commission (NDDC) need to reconcile and harmonize projects concerning the above sites and locations. For example, in 2010 and 2011, NDDC had some projects in the above locations. Specifically, there was Jetty/Shoreline at Ekeremor, budgeted for ₦5 billion in 2010 by NDDC with ₦450 million captured as committed in 2010 and another ₦150 million projected as requirement for the project in their 2011 budget. There was also NDDC's project in Twon Brass with a commitment of ₦127.6million for the project and further commitment of ₦50million in 2010 and ₦30.5million in 2011 for the "Construction of Okologogo Creek Improvement Works/Jetty in Twon Brass.

As Soni Daniel cited in *Vanguard Newspaper* (August 26, 2015) has noted:

there is palpable tension within Niger Delta Development Commission, NDDC, as its Managing Director, Mr. Dan Abia, come face to face with the President Muhammadu Buhari to give him a status report on the operations of the agency, which has been rattled by huge debts totaling ₦1.5 trillion "The formation of the NDDC by former President Olusegun Obasanjo was for the development of the Niger Delta region; but the immediate past board of the commission has derailed from the aims and objectives of the commission and turned the commission into a political finance institution by using the money meant for the development of the Niger Delta Master plan to sponsor PDP elections in 2015." "We were so shock that the commission spent over ₦4 billion to sponsor PDP elections whereas abandoned projects by the Commission are scattered all over the Niger Delta region. We call on EFCC to investigate and bring the immediate past board to justice (*Vanguard Newspaper*, August 26, 2015).

As a fall-out of the above point, NNDC like its predecessors has become a medium for exploitation and dispossession of resource benefits of the oil producing states. Bulks of the Commission's funds are diverted to the private coffers of the ruling class through stupendously profitable contracts. This in a lot of ways explains why the NDDC contracts are the most sought after. Apparently, the primary motive of such interventionist structure is to further empower the ruling faction of the political class. And because these parastatals were geared towards political patronage, they were also bedeviled by debt crisis and mindless financial mismanagement.

## **NDDC AND EXECUTION OF CONTRACTS**

Infrastructural development in the oil producing areas in Nigeria is one of the primary targets of the NDDC. Infrastructure is the sum of all basic material structures, institutional conditions and human resources available to society, needed for the proper functioning of the economic sector, further distinguished between three components of infrastructure that are inter-related-institutional, social and physical infrastructure (Jochimsen (1966). In agreement, Sullivan and Sheffrin (2003) posit that infrastructure is the basic physical and organizational structures needed for the operation of a society like industries, buildings, roads, bridges, health



services, governance and, among others. Investment in infrastructure leads to economic growth and improvement in people's wellbeing. Investment in infrastructure has always played a leading role in economic development. Basic infrastructure – roads, railways, airports, for energy generation and supply, water supply, sanitation, etc. underpins sustainable development and economic transformation of emerging economies (Gavin, 2015).

The importance of delivering quality infrastructure has been underlined by the World Bank (World Bank, 2004). But to deliver quality infrastructure that reflect the well-being of the people, there is need for a synergy between the government and the benefitting communities. According to Akpomuvie (2011), government should ensure that the host communities are adequately incorporated in the planning and implementation of development projects. The role of community members in sustainable community projects becomes crucial because they feel the direct impact of both the negative and positive implementation of any development agenda (Eversole, 2012). Similarly, Warren and McFadyen (2010) argued that when community members are incorporated into developmental issues in their community, they tend to show much commitment and affection to the successful implementation and sustainability of such development. This act of engagement and commitment are what they termed as community ownership. Therefore, the active participation of community members in the development of their community triggers a positive attitude and enthusiasm of community members towards achievement and sustainability of development programs.

However, despite the need to engage the benefitting communities in the execution of developmental infrastructure, as highlighted above, extant studies such as Aghalino (2012), Kadafa, Zakaria and Othman (2012), Okolo (2014), Wilson (2011), among others tend to agree on the fact that despite the colossal efforts by the NDDC through her robust master plan in developing the oil producing areas, not much has been accomplished. Given this, the study investigated how award and execution of contracts by the NDDC affected the development of infrastructure in the oil producing areas of Nigeria.

The results of the interviews further illuminated our understanding of how NDDC execution of contracts by the NDDC affected the development of infrastructure in the oil producing areas of Nigeria. The key interviewees identified a number of issues that undermine execution of contracts by the NDDC. These issues were categorized into two sub-themes namely: inadequate collaboration and lack of sense of ownership.

Based on the finding of this study, it was discovered that adequate collaboration is needed for successful execution of contracts by the NDDC. This was buttressed by an NDDC official during interview. According to the respondent, “the Commission generates the people's interests/needs, aggregates and sent them for approval. The requests approved are covered in the budget. After which the contract is awarded” (Face-to-face interview, June, 2018). Then reacting to the question on the level of the people's involvement in the project process and execution, he remarked that “though the communities make their request, they may not necessarily know when it has been approved and awarded” (Face-to-face interview, June, 2018).

Buttressing the foregoing, an opinion leader in Bayelsa state reveals; “We do not see NDDC, how do you expect us to play any role in their projects? It's not possible, you must see the agency, discuss with them before you can accept any role given to you”. The implication therefore is that communities are not involved in the project process. With regard to this viewpoint, a member of Civil Society Organization in Rivers state posits:

The Commission (NDDC) does not disclose critical elements of the project like the contractor, consultant, contract value, content, scope and timeline to the concerned community. For example, Abonnema community, Akuku-Toru LGA, Rivers state has threatened to sue NDDC for failing to disclose critical elements of the sand filling project at their community which up till today has nothing to show for it... (Face-to-face interview, June, 2018).

The contribution of a community leader in Abia state also reveals non-involvement of community in the project process, according to a key informant:

The contractor only visits the concerned community, gives marching grant to the chiefs and sometimes the town union leaders who most times may never bother to inform the members of the community...in connivance with the chiefs, the contractor mounts his sign post indicating the name of the contract, the consultant, the project awarder. As a result, the youths and other concerned members of the community who not being aware of the project details agitate and make heavy demands for marching grants from the contractor who in an attempt to settle the youths and others finds it difficult to accomplish his task (Face-to-face interview, June, 2018).

Regarding the impact of NDDC projects on the communities, the respondents virtually agreed on the fact that people are not properly involved; projects completed but not in use because the people concerned do not know what the facility is for. They also noted that projects are not properly labeled leading to one or two companies claiming ownership. For not being properly involved, the communities therefore lack the capacity to ask questions, even when they perceived any default in the project specification. In this case, Ogbunabali road Port Harcourt; Okporowo-Okoma 1 and 11 – Oshuigbokor and Ogebe roads in Ahoada-East Local Government Area were cited as few examples.



In rating the NDDC projects, the respondents, mostly community members and members of CSOs, gave completed projects 30%, abandoned 40% and reiterated that most of the projects only exist on budget. They identified the major challenge of the NDDC to include strong political interference resulting in award of contracts based on political compensation.

Arising from the foregoing, award and execution of contracts by the NDDC **within the study period was characterized by unilateral approval of contracts without due process** in clear violation of the Public Procurement Act 2007 and the Niger Delta Development Commission Authorization Manual section F; award of contracts to unregistered companies, as well as to cronies and associates without the authorisation of the approving bodies and in clear violation of standing financial regulations as contained in the NDDC Act; non-involvement of the benefiting communities in the project process; as well as non-disclosure of critical elements of the project like the contractor, consultant, contract value, content, scope and timeline to the benefiting community. We now proceed to examine the implications of the foregoing for infrastructural development in the oil producing areas of Nigeria within the study period.

## CONCLUSION

The study examined the interconnectedness between the Niger Delta Development Commission and management of infrastructural development in the oil producing areas of Nigeria, between 2009 and 2017. The NDDC is an interventionist institution meant to address decades of infrastructural underdevelopment in the oil producing areas of Nigeria. The NDDC was established by the Nigerian government as the intervention measure which is aimed at remedying the situation of the oil producing areas. It is to bring about a positive measure to redress the imbalances in the area. Different scholars attributed the problems of the oil producing areas to some variables like corruption, patronage networking and shoddy execution of projects, fire-brigade approach, political exclusion, award of contracts without due process; non-implementation of the Board's decisions; undue interference and poor funding of Niger Delta Development Commission (NDDC), others focus on what is called the "infrastructure-funding gap" thesis. Yet, other scholars highlight the difficulty of the delta's terrain and the negative impacts of the oil industry among others.

However, studies on the Niger Delta Development Commission and management of infrastructural development in the oil producing areas of Nigeria have focused on the linkage between economic exploitation on natural resources and marginalization. These studies primarily argue that the state of infrastructural development in the oil producing areas is as a result of the limited quantum of funds allocated to the Commission. Thus, while providing a framework for understanding the dynamics of the administration and management of government intervention programmes, the extant studies on government intervention programmes have not systematically articulated the nexus between the Niger Delta Development Commission and management of infrastructural development in the oil producing areas of Nigeria between 2009 and 2017. The study calls for the de-concentration of power to local agencies through direct state interventions. With this arrangement state offices will be automatically eliminated. Such agencies will be more accessible, more sympathetic and quicker to respond to the needs of local communities. This is likely to enhance the interaction between the communities and the Nigerian State, and build up their confidence in the State and make them have personal stakes in the success of development programmes.

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