

**THE SENATE
FEDERAL REPUBLIC OF NIGERIA**

**REPORT OF THE SENATE COMMITTEE ON
ENVIRONMENT**

ON

**THE 2016 INTERNALLY GENERATED REVENUE
AND EXPENDITURE OF NATIONAL
ENVIRONMENTAL STANDARDS AND
REGULATIONS ENFORCEMENT AGENCY
(NESREA)**

NOVEMBER, 2016

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FEDERAL REPUBLIC OF NIGERIA
REPORT OF THE SENATE COMMITTEE ON ENVIRONMENT ON THE 2016
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AGENCY (NESREA)

1.0 INTRODUCTION

The Senate at its sitting on Thursday, 21st July, 2016 considered the request of the President, Commander in-Chief of the Armed Forces of the Federation on the proposed 2016 Internally Generated Revenue (IGR) Budget of the National Environmental Standard and Regulations Enforcement Agency (NESREA) and referred same to the Committee on Environment for further Legislative action. The referral was formally transmitted to the Committee via a letter with reference no **NASS/SS/R/03/VOL.1/279 dated 25th July, 2016.**

2.0 BACK GROUND

The National Environmental Standard and Regulations Enforcement Agency as a Parastatal under the Federal Ministry of Environment was established in 2007 by the Act of the National Assembly.

The overall mandate of NESREA is to ensure effective environmental governance through compliance monitoring and enforcement of environmental laws, standards and regulations; and prohibits processes and use of equipment or technology that undermine environmental quality.

The Senate may wish to note that the proposed 2016 Internally Generated Revenue (IGR) Budget as presented by the President, Commander-in- Chief to the National Assembly is the first of its kind, in the spirit of change and for the purpose of accountability and transparency.

3.0 METHODOLOGY

In order to carry out this assignment, the Committee after due consideration of documents submitted by the Agency, resolved to invite the Director General of NESREA to defend the proposed IGR Budget.

The session was attended by the Director General and other key officials who responded to questions of the Members of the Committee.

4.0 SUMMARY OF 2016 BUDGET PERFORMANCE

4.1 FROM JANUARY, 2016 TO OCTOBER, 2016

	2016 APPROPRIATION	AMMOUNT RELEASED	%
PERSONNEL	2,956,070,994.	IPPS	
OVERHEAD	156,244,339.80	77,398,816.00	49.5%
CAPITAL	168,000,000.	166,600,00	69.5%
TOTAL ALLOCATION	3,280,315,333.80	1,939,988,16	

4.2 INTERNALLY GENERATED REVENUE (IGR)

The National Environment Standard and Regulations Enforcement Agency (NESREA) has projected to collect sum of N499,645,340.22 (Four Hundred and Ninety Nine Million, Six Hundred and Forty Five Thousand, Three Hundred and Forty Naira and Twenty Two Kobo) as revenue by the end of the year 2016 through various sources including Non-compliance fee/Admin fees, Laboratory Analysis fees, sales of National regulation/Audit guidelines, Air quality/waste and toxic substance permit, etc. (See appendix 1).

4.3 EXPENDITURE

The Agency in defending its 2016 IGR presented an estimated amount of N372, 944,000 (Three Hundred and Seventy Two Million, Nine Hundred and Forty Four Naira only) as their proposed expenditure out of the projected IGR Budget of N499, 645,340.22 (Four Hundred and Ninety Nine Million, Six Hundred, and Forty Five Thousand, Three Hundred and Forty Naira, Twenty

Kobo) for the year 2016 which will cover the line items in the Agency's overhead. (See appendix 2)

4.4 CONSOLIDATED IGR FROM JANUARY 2016 TO 17TH OCTOBER, 2016

The Agency has so far generated the sum **N347,712,133** (Three Hundred and Forty Seven Million, Seven Hundred and Twelve Thousand, One Hundred and Thirty Three Naira only) from January 2016 to 17th October, 2016. (See appendix 3)

4.5 OBSERVATIONS

In the course of carrying out this assignment, the committee made the following observations:

- i. The Agency is empowered to utilize its Internally Generated Revenue as contained in Sections 13 & 14 of the Act which established it. In view of the above, the Agency has so far remitted 25% of its IGR to the Federation Account while utilizing the remaining 75% to augment its Overhead Cost, especially in the area of office rent which the Ministry of Finance is yet to pay
- ii. The Agency projected to have 40% increase in 2016 IGR. In 2017, the projection of IGR is reduce to 20% because they have foreseen that individuals and organizations will comply with NESREA guidelines in performing their functions and activities.
- iii. The Committee dictated that some items in 2016 IGR proposed Budget Expenditure was duplicated in 2016 Appropriation Act and it was dually corrected.

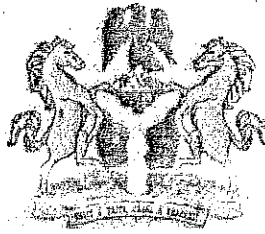
4.6 RECOMMENDATIONS

The Committee hereby recommends that:

- i. The projected revenue of **₦499,654,340.22 (Four Hundred and Ninety Nine Million Six Hundred and Fifty Four Thousand Three Hundred and Forty Naira Twenty Two Kobo)** be approved for NESREA in 2016 financial year.
- ii. The sum of **₦372,944,000 (Three Hundred and Seventy Two Million, Nine Hundred and Forty Four Thousand Naira only)** for the augmentation of the Agency's overhead cost in 2016 Appropriation be approved for NESREA

4.7 CONCLUSION

The Committee is indeed thankful to the leadership of the Senate for the opportunity to serve in this capacity.



THE SENATE

FEDERAL REPUBLIC OF NIGERIA

COMMITTEE ON ENVIRONMENT

ENDORSEMENT SHEET:

DATE: 21st OCTOBER, 2016

**REPORT OF THE SENATE COMMITTEE ON ENVIRONMENT ON THE 2016
INTERNALLY GENERATED REVENUE AND EXPENDITURE OF NATIONAL
ENVIRONMENTAL STANDARDS AND REGULATIONS ENFORCEMENT AGENCY
(NESREA)**

S/No	NAME	STATUS	SIGNATURE
1.	Senator Oluremi Tinubu, OON	Chairman	
2.	Senator Ibrahim Bukar Abba	Member	
3.	Senator Hunkuyi Suleiman Othman	Member	
4.	Senator Abubakar Kyari	Member	
5.	Senator Rose Oko	Member	
6.	Senator Foster Ogola	Member	
7.	Sen. Ovie Omo-Agege	Member	
8.	Sani L. Rimingado	Committee Clerk	

NATIONAL ENVIRONMENT STANDARDS AND REGULATIONS ENFORCEMENT AGENCY(NESREA)

REVENUE AND EXPENDITURE PROFILE OF GOVERNMENT-OWNED ENTERPRISES/PARASTALS (2016-2020)

Appendix 1

			PROJECTIONS					
			2015 (ACTUAL)	2016	2017	2018	2019	2020
REVENUE SOURCES			356,889,528.73	499,645,340.22	599,574,408.27	719,489,289.92	863,387,147.90	1,036,064,577.48
A	1	Permit Processing Fee(EMP+UEEE)	20,122,631.05	28,171,683.47	33,806,020.16	40,567,224.20	48,680,669.04	58,416,802.84
	2	Renewal of consultant Accreditation	18,780,050.00	26,292,070.00	31,550,484.00	37,860,580.80	45,432,696.96	54,519,236.35
	3	Sales of National Regulation/ Audit guidelines/EPR manuals	1,674,185.09	2,343,859.13	2,812,630.95	3,375,157.14	4,050,188.57	4,860,226.28
	4	Air Quality/Waste and Toxic substance permit	33,722,825.70	47,211,955.98	56,654,347.18	67,985,216.61	81,582,259.93	97,898,711.92
	5	Non-Compliance fee/Admin fees	217,875,762.50	305,026,067.50	366,031,281.00	439,237,537.20	527,085,044.64	632,502,053.57
	6	Consultant Registration/Accreditation	1,270,000.00	1,778,000.00	2,133,600.00	2,560,320.00	3,072,384.00	3,686,860.80
	7	Bidding fees	0	0	0	0	0	0
	8	Audit Certification report fees	60,600,250.00	84,840,350.00	101,808,420.00	122,170,104.00	146,604,124.80	175,924,949.76
	9	Disposal of Assets	0	0	0	0	0	0
	10	Laboratory Analysis Fees	927,493.55	1,298,490.97	1,558,189.16	1,869,827.00	2,243,792.40	2,692,550.88
	11	Other fees	912,210.84	1,277,095.18	1,532,514.21	1,839,017.05	2,206,820.46	2,648,184.56
	12	Audit of Telecom Base stations (BTS)	554,120.00	775,768.00	930,921.60	1,117,105.92	1,340,527.10	1,608,632.52
	13	Vehicular Emission Control Programme	450,000.00	630,000.00	756,000.00	907,200.00	1,088,640.00	1,306,368.00

2016 IGR EXPENDITURE BUDGET ESTIMATE

S/N	LINE ITEM	Cost Item description	unit cost (N)	Quantity	Frequency	No of persons	Total Amount
1	LOCAL TRAVEL & TRANSPORT: TRAINING	-	-	-	-	-	-
2	LOCAL TRAVEL & TRANSPORT: OTHERS	Enforcement and compliance monitoring	160,000	12	4	7	76,800,000
		Court cases	160,000	12	2	2	
		Meetings	160,000	12	1	8	
3	INTERNATIONAL TRAVEL & TRANSPORT: OTHERS	Interpol meetings, treaties and conventions	2,100,000	1	2	5	21,000,000
4	ELECTRICITY CHARGES	-	-	-	-	-	-
5	TELEPHONE CHARGES	-	-	-	-	-	-
6	INTERNET ACCESS CHARGE	Broadband internet subscription	6,000,000	1	1	1	8,000,000
		modem subscription	2,000,000	1	1	1	
7	SATELLITE BROADCASTING ACCESS CHARGES	-	-	-	-	-	-
8	WATER RATES	-	-	-	-	-	-

S/N	LINE ITEM	Cost Item description	unit cost (N)	Quantity	Frequency	No of persons	Total Amount
9	OFFICE STATIONERIES / COMPUTER CONSUMABLES	-	-	-	-	-	-
10	NEWSPAPERS	-	-	-	-	-	-
11	MAGAZINES/PERIODICALS	-	-	-	-	-	-
12	PRINTING OF NON SECURITY DOCUMENTS	-	-	-	-	-	-
13	PRINTING OF SECURITY DOCUMENTS	Printing of permits and consultant certificates	1,550,000	1	2	1	3,100,000
14	MAINTENANCE OF MOTOR VEHICLE/ TRANSPORT EQUIPMENT	motor vehicles	32,500	108	4	1	16,040,000
		Transport equipment - Air Quality monitory equipment/Air curtain burner	250,000	2	4	1	
15	MAINTENANCE OF OFFICE FURNITURE	-	-	-	-	-	-
16	MAINTENANCE OF OFFICE BUILDING	Office Building	15,500,000	1	1	1	15,500,000
17	MAINTENANCE OF OFFICE / IT EQUIPMENTS	IT EQUIPMENT (servers/ computers etc.)	150,500	24	1	1	3,612,000
18	MAINTENANCE OF PLANTS/GENERATORS	-	-	-	-	-	-

S/N	LINE ITEM	Cost Item description	unit cost (N)	Quantity	Frequency	No of persons	Total Amount
19	OTHER MAINTENANCE SERVICES	Running cost zonal offices	250,000	6	12	1	58,200,000
		Running cost state offices	150,000	21	12	1	
		Running cost laboratories	100,000	2	12	1	
20	LOCAL TRAINING	Trainings on compliance and monitoring activities(training of police, green corps, staff, conpro exams)	74,000	2	2	210	62,160,000
21	SECURITY SERVICES	-	-	-	-	-	-
22	CLEANING & FUMIGATION SERVICES	-	-	-	-	-	-
23	FINANCIAL CONSULTING (AUDIT FEES)	-	-	-	-	-	-
24	MOTOR VEHICLE FUEL COST/TRANSPORT EQUIPMENT	MOTOR VEHICLE FUEL COST/TRANSPORT EQUIPMENT	7,000	80	27	1	15,120,000
25	PLANT / GENERATOR FUEL COST	-	-	-	-	-	-
26	REFRESHMENT & MEALS	Servicing of critique meetings, draft review meetings	33,500	3	24	1	2,412,000
27	HONORARIUM & SITTING ALLOWANCE	Allowances for experts	15,000,000	1	1	1	15,000,000

S/N	LINE ITEM	Cost Item description	unit cost (N)	Quantity	Frequency	No of persons	Total Amount
28	PUBLICITY & ADVERTISEMENTS	Publicity on environmental awareness	8,500,000	1	1	1	25,250,000
		Print, radio and TV Advertisements	16,750,000	1	1	1	
29	STAKEHOLDERS FORUM	Annual Stake Holders forum	48,950,000	1	1	1	48,950,000
30	MEDICAL EXPENSES	-	-	-	-	-	-
31	POSTAGES & COURIER SERVICES	Courier of documents	1,800,000	1	1	1	1,800,000
32	WELFARE PACKAGES	-	-	-	-	-	-
33	SUBSCRIPTION TO PROFESSIONAL BODIES	-	-	-	-	-	-
34	SPORTING ACTIVITIES	-	-	-	-	-	-
	BALANCE IN GIFMIS ACCOUNT	-	-	-	-	-	-
							<u>372,944,000.00</u>

CONSOLIDATED INTERNAL GENERATED REVENUE REPORT FROM JANUARY TO 17TH OCTOBER 2016

APPENDIX 3

	CONSULTANT RENEWAL FEES	SALES OF NATIONAL GUIDELINES	SALES OF NATIONAL REGULATION S	NON COMPLIANCE/ADMIN FEES	AUDIT CERTIFICATION FEE	AIR QUALITY/ WASTE & TOXIC SUBSTANCE PERMIT	LAB ANALYSIS	PERMIT APPLICATION FEE FOR EMP	REGISTRATION / RENEWAL/ PROCESSING FEE FOR IMPORTATION OF UEEE	IN LIEU FOR RESIGNATIO N/REFUNDS/ ID CARDS	CONSULTAN T REG/WORKS HOP FEE	SALE OF GOVT ASSET	BTS verification	EPR MANUA L	REGISTRATION FEE FOR VEHICULA R EMMISSIO N	TOTAL
HQ	9,670,001.05	76,945.05	122,000.00	64,766,666.67	85,425,000.00	5,543,001.05	69,677.52	1,635,050.00	1,447,450.00	540,619.88	180,000.00	590,000.00	-	-	-	170,066,411.22
ENUGU	300,000.00	15,500.00	9,500.00	1,100,000.00	3,250,000.00	3,877,900.00	-	200,000.00	175,000.00	-	-	-	-	-	-	8,927,900.00
EBONYI	-	-	-	1,100,000.00	750,000.00	175,000.00	-	50,000.00	-	-	-	-	-	-	-	2,075,000.00
SEZH	-	-	-	-	-	80,000.00	-	-	-	-	-	-	-	-	-	80,000.00
IMO	600,000.00	-	10,001.05	2,200,000.00	-	280,000.00	-	25,000.00	30,000.00	-	-	-	-	-	-	3,145,001.05
ANAMBRA	300,000.00	-	12,800.00	1,100,000.00	2,250,000.00	900,000.00	-	-	60,000.00	-	-	-	-	-	-	4,622,800.00
NCZH	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PLATEAU	200,000.00	-	41,700.00	1,130,000.00	500,000.00	1,010,000.00	-	125,000.00	30,000.00	-	-	-	-	-	-	3,036,700.00
NASS	-	-	-	-	250,000.00	-	-	-	-	-	-	-	-	-	-	250,000.00
BENUE	-	20,500.00	21,500.00	2,200,000.00	-	-	-	25,000.00	-	-	-	-	-	-	-	2,267,000.00
KWARA	-	-	-	-	500,000.00	140,000.00	-	350,000.00	-	-	-	-	-	-	-	990,000.00
NIGER	-	7,500.00	10,500.00	-	-	150,000.00	-	75,000.00	55,000.00	-	-	-	-	-	-	298,000.00
LAGOS	8,560,000.00	-	148,061.00	34,810,000.00	23,960,000.00	22,839,415.00	-	915,500.00	14,035,000.00	241,937.97	100,000.00	-	2,550,000.00	-	-	108,159,913.97
OSUN	-	8,000.00	54,500.00	-	-	585,000.00	-	50,000.00	-	-	-	-	-	-	-	697,500.00
EKITI	-	-	6,500.00	1,130,000.00	250,000.00	-	-	125,000.00	-	-	-	-	-	-	-	1,511,500.00
OYO	900,000.00	8,000.00	-	4,400,000.00	4,200,000.00	1,665,000.00	-	325,000.00	560,000.00	124,679.12	-	-	-	-	-	12,182,679.12
ONDO	-	-	-	1,100,000.00	-	-	-	-	-	-	-	-	-	-	-	1,100,000.00
SSZH	-	-	9,581.49	-	-	-	-	-	60,000.00	-	-	-	-	-	-	69,581.49
RIVERS	2,060,000.00	39,500.00	-	2,233,000.00	750,000.00	510,000.00	-	90,000.00	451,500.00	-	50,000.00	-	-	-	-	6,184,000.00
CRS	-	-	-	2,200,000.00	-	-	-	-	-	-	-	-	-	-	-	2,200,000.00
NEZH	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GOMBE	200,000.00	13,054.95	30,540.00	-	1,290,000.00	200,000.00	-	100,000.00	30,000.00	-	-	-	-	-	-	1,863,594.95
BORNO	-	-	-	1,100,000.00	750,000.00	-	-	-	-	-	-	-	-	-	-	1,850,000.00
KANO	900,000.00	-	3,000.00	1,206,250.00	4,250,000.00	5,049,875.00	-	231,250.00	60,000.00	-	-	-	-	-	-	11,700,375.00
KADUNA	300,000.00	-	3,500.00	-	1,500,000.00	875,000.00	-	150,000.00	-	-	-	-	-	-	-	2,828,500.00
SOKOTO	-	-	-	-	-	390,000.00	-	245,000.00	-	-	-	-	-	-	-	635,000.00

	CONSULTANT RENEWAL FEES	SALES OF NATIONAL GUIDELINES	SALES OF NATIONAL REGULATION S	NON COMPLIANCE/A DMIN FEES	AUDIT CERTIFICATION FEE	AIR QUALITY/ WASTE & TOXIC SUBSTANCE PERMIT	LAB ANALYSIS	PERMIT APPLICATION FEE FOR EMP	REGISTRATION / RENEWAL/ PROCESSING FEE FOR IMPORTATION OF UEEE	IN LIEU FOR RESIGNATIO N/REFUNDS/ ID CARDS	CONSULTAN T REG/WORKS HOP FEE	SALE OF GOVT ASSET	BTS Verification	EPR MANUA L	ATION FEE FOR VEHICULA R EMMISSIO N	TOTAL
KATSINA	-	-	-	-	-	20,000.00	-	149,750.00	30,000.00	-	-	-	-	-	-	199,750.00
KEBBI	-	-	926.81	-	-	740,000.00	-	-	30,000.00	-	-	-	-	-	-	770,926.81
	23,990,001.05	189,000.00	484,610.35	121,775,916.67	129,875,000.00	45,030,191.05	69,677.52	4,866,550.00	17,053,950.00	907,236.97	330,000.00	590,000.00	2,550,000.00	-	-	347,712,133.61

PERCENTAGE OF IGR GENERATED ON PROJECTION 69.59%