



THE SENATE

FEDERAL REPUBLIC OF NIGERIA

**REPORT OF THE SENATE COMMITTEE ON
ENVIRONMENT**

ON

**THE 2017 INTERNALLY GENERATED REVENUE AND
BUDGET EXPENDITURE OF NATIONAL
ENVIRONMENTAL STANDARDS AND REGULATIONS
ENFORCEMENT AGENCY**

(NESREA)

SEPTEMBER, 2017

THE SENATE

FEDERAL REPUBLIC OF NIGERIA

REPORT OF THE SENATE COMMITTEE ON ENVIRONMENT ON THE 2017 INTERNALLY GENERATED REVENUE AND BUDGET EXPENDITURE OF NATIONAL ENVIRONMENTAL STANDARDS AND REGULATIONS ENFORCEMENT AGENCY (NESREA)

1.0 INTRODUCTION

Sequel to the Senate Resolution of Wednesday 12th July, 2017, mandating Federal Government Corporations and Agencies to directly send their 2017 proposed IGR and Budget Expenditure to the relevant Standing Committees of National Assembly, the National Environmental Standards and Enforcement Agency (NESREA) forwarded its proposed 2017 Internally Generated Revenue (IGR) and Budget Expenditure as requested for further Legislative Action.

2.0 BACK GROUND

Mr. President, Distinguished Senators,

The National Environmental Standards and Regulations Enforcement Agency as a Parastatal under the Federal Ministry of Environment was established in 2007 by an Act of National Assembly. The overall mandate of NESREA is to enforce all environmental laws, guidelines, policies, standards and regulations in Nigeria; and to prohibit processes and use of equipment or technology that undermine environmental quality.

The Senate may wish to note that the presentation of IGR/Budget Expenditure Proposal by Federal Government owned Corporations, Agencies to the National Assembly is commendable for the purpose of ensuring accountability and transparency and is in line with the Fiscal responsibility Act, 2007.

3.0 MEMBERSHIP

1. Senator Oluremi Tinubu, OON	Chairman
2. Senator Ibrahim Bukar Abba	Member
3. Senator Suleiman Othman Hunkuyi	Member
4. Senator Foster Ogola	Member
5. Senator AbubakarKyari	Member
6. Senator Rose Oko	Member
7. Senator OvieOmo- Agege	Member
8. Senator Magnus Ngei-Abe	Member

SECRETARIAT

Sani L. Rimingado

Committee Clerk

4.0 METHODOLOGY

In order to carry out this assignment the Committee adopted the following procedure:

- i. Requested the Agency (NESREA) to forward the 2016 IGR/ Budget Expenditure Performance and the 2017 IGR/ Budget Expenditure Proposal to the Committee for further Legislative Action.
- ii. After due consideration of the document(s) Submitted by the Agency, the Committee resolved to invite the Director General to appear before the Committee on **Tuesday 18th July, 2017** for the defence of the 2017 IGR/Expenditure Proposal of the Agency.
- iii. The session was attended by the Director General and other key officials of the Agency who responded to the Questions from Distinguished Members of the Committee.

5.0 2016 IGR/BUDGET EXPENDITURE PERFORMANCE

5.1 2016 INTERNALLY GENERATED REVENUE

National Environmental Standard and Regulations Enforcement Agency (NESREA) projected the sum of **₦499,645,340.22 (Four Hundred and Ninety Nine Million, Six Hundred and Forty Five Thousand, Three Hundred and Forty Naira, Twenty Two Kobo only)** as IGR for the year 2016.

The Agency achieved greatly by generating a total sum of **₦561,380, 135.44 (Five Hundred and Sixty One Million, Three Hundred and Eighty Thousand, One Hundred and Thirty Five Naira, Forty Four Kobo only)** at the end of 2016 through various sources which include Non-compliance Fee, National Regulation/ Audit Guideline/Admin Fees etc. This shows an increase of **₦61, 734,795.22 (Sixty One Million, Seven Hundred and Thirty Four Thousand, Seven Hundred and Ninety Five Naira, Twenty Two Kobo Only)** as against their projection for the year. This was achievable as a result of the diligent enforcement activities by the Agency.

5.2 2016 IGR EXPENDITURE PERFORMANCE

The Agency expended the sum of **₦556, 542,335.37(Five Hundred and Fifty Six Million, Five Hundred and Forty Two Thousand, Three Hundred and Thirty Five Naira, Thirty Seven Kobo Only)** out of the generated sum of **₦561, 380,135.44 (FiveHundred and Sixty One Million Three Hundred and Eighty Thousand One Hundredand Thirty Five, Forty Four Kobo Only)**,while the balance of the appropriation is **₦4,837,800.07 (Four Million, Eight Hundred and Thirty Seven Thousand, Eight Hundred Naira, Seven Kobo Only)**.

However, the agency's Expenditure include; 25% of the generated amount which goes to the Federation account as stipulated by the Act; outstanding payment of two years office rent of the Agency's Headquarters, four Zonal Offices across the Country; and 75% of the generated sum which was spent to augment its overhead cost in the 2016 Appropriation Act.

6.0 2017 IGR/BUDGET EXPENDITURE PROPOSAL

6.1 2017 INTERNALLY GENERATED REVENUE PROJECTION.

The National Environmental Standards and Regulations Enforcement Agency (NESREA) projected to generate the sum of **₦867, 000,043.51(Eight Hundred and Sixty Seven Million and Forty Three Naira, Fifty One Kobo Only)** for the year 2017 (see Appendix 1). The Agency has so far generated about **two hundred Million Naira (₦200m)** between January – June, 2017.

6.2 2017 PROPOSED EXPENDITURE

The Agency's expenditure for the year 2017 amounted to **₦650,402,500 (Six Hundred and Fifty Million, Four Hundred and Two Thousand And Five Hundred Naira Only)**. This would actually help to augment its overhead cost in the 2017 Appropriation Act and payment of two years NESREA Headquarters office rent and three States Zonal Offices located in Ondo, Nasarawa, and South East (See Appendix 2).

7.0 OBSERVATION

In the course of carrying out this assignment, the Committee observed as follows:

1. That the 2017 IGR expenditure of the Agency is more focused on generating revenue rather than putting in more effort in saving the environment which is one of the core mandates of the Agency.
2. That the Agency needs to be more effective in carrying out its mandate and the implementation of safety measures within the Environment.

8.0 RECOMMENDATION

After a successful deliberation, the Committee recommends as follows:

1. That the Agency should intensify efforts in securing land for office development from Federal Capital Development Agency (FCDA), in order to save cost of rent.
2. That the Agency's main Budget Expenditure items should reflect areas of its mandate.
3. The Internally Generated Revenue (IGR) projection of the Agency for the year 2017 in the sum of **₦ 867, 000,043.51 (Eight Hundred and Sixty Seven Million, Forty Three Naira Fifty One Kobo)** be approved for NESREA in 2017 financial year.
4. The Revenue Budget Expenditure of **₦650, 402,500 (Six Hundred and Fifty Million, Four Hundred and Two Thousand, Five Hundred Naira)** of the Agency (NESREA) be approved in the 2017 financial year.

9.0 CONCLUSION

The Committee wishes to thank the President of the Senate and Distinguished Colleagues for the opportunity given to serve in this capacity.



THE SENATE

FEDERAL REPUBLIC OF NIGERIA

COMMITTEE ON ENVIRONMENT

ENDORSEMENT SHEET:

DATE: 18th July, 2017

REPORT OF THE SENATE COMMITTEE ON ENVIRONMENT ON THE 2017
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.	Sen. Magnus Ngei Abe	Member	
	Sani L. Rimingado	Committee Clerk	

NATIONAL ENVIRONMENT STANDARDS AND REGULATIONS ENFORCEMENT AGENCY(NESREA)

APPENDIX 1

REVENUE PROJECTION (2017-2019)

		PROJECTIONS					
		2015 (ACTUAL)	2016 (ACTUAL)	2017	2018	2019	
REVENUE SOURCES		356,889,528.73	561,380,135.44	867,000,043.51	1,040,400,052.21	1,248,480,062.65	
A	1	Permit Processing Fee(EMP+UEEE)	20,122,631.05	25,330,500.00	40,528,800.00	48,634,560.00	58,361,472.00
	2	Renewal of consultant Accreditation	18,780,050.00	17,690,001.05	26,535,001.58	31,842,001.89	38,210,402.27
	3	Sales of National Regulation/ Audit guidelines/EPR manuals	1,674,185.09	913,811.40	1,279,335.96	1,535,203.15	1,842,243.78
	4	Air Quality/Waste and Toxic substance permit	33,722,825.70	52,425,192.10	83,880,307.36	100,656,368.83	120,787,642.60
	5	Non-Compliance fee/Admin fees	217,875,762.50	130,755,916.67	196,133,875.01	235,360,650.01	282,432,780.01
	6	Consultant Registration/Accreditation	1,270,000.00	12,330,000.00	17,262,000.00	20,714,400.00	24,857,280.00
	7	Audit Certification report fees	60,600,250.00	193,160,000.00	309,056,000.00	370,867,200.00	445,040,640.00
	8	Disposal of Assets	0	590,000.00	0	0	0
	9	Laboratory Analysis Fees	927,493.55	1,242,477.25	1,739,468.15	2,087,361.78	2,504,834.14
	10	Other fees	912,210.84	907,236.97	14,136,255.46	16,963,506.55	20,356,207.86
	11	Audit of Telecom Base stations (BTS)	554,120.00	126,035,000.00	176,449,000.00	211,738,800.00	254,086,560.00
	12	Vehicular Emission Control Programme	450,000.00	0	0	0	0

NATIONAL ENVIRONMENTAL STANDARDS AND REGULATIONS ENFORCEMENT AGENCY (NESREA)

REVENUE EXPENDITURE BUDGET 2017		Budget Total: 650,402,500					NCOA Code		
Code	Sub-Activity Description	Sub-Activity Output	Cost Item Description	Unit Cost (=N=)	Quantity/ Monthly or yearly	Frequency (Monthly or yearly)	No. of Persons/Entity	Amount (=N=)	Other Recurrent Cost
Local Travels & Transport								103,680,000	
1.1			Enforcement and Compliance Monitoring	160,000	12	4	7	53,760,000	22020102 LOCAL TRAVEL & TRANSPORT: OTHERS
			Court Cases	160,000	12	2	2	7,680,000	22020102 LOCAL TRAVEL & TRANSPORT: OTHERS
			Meetings, Conferences & Retreat	160,000	12	2	11	42,240,000	22020102 LOCAL TRAVEL & TRANSPORT: OTHERS
								0	
								0	
								0	
								0	
International Travels & Transport								42,000,000	
1.2			Conference of parties, treaties, conventions and Interpol meetings	2,100,000	1	4	5	42,000,000	22020104 INTERNATIONAL TRAVEL & TRANSPORT: OTHERS
								0	
								0	
								0	
								0	
								0	
								0	
								0	
Internet Access Charges								7,000,000	
1.3			Broadband Internet Subscription	6,000,000	1	1	1	6,000,000	22020203 INTERNET ACCESS CHARGES
			Modem Subscriptions	1,000,000	1	1	1	1,000,000	22020203 INTERNET ACCESS CHARGES
								0	
								0	
								0	
								0	
								0	
Printing of Documents- Security&Non-Security								6,222,000	
1.4			Printing of Security Documents (Permits & Licences, consultant certificates)	2,074,000	1	3	1	6,222,000	22020306 PRINTING OF SECURITY DOCUMENTS
								0	
								0	
								0	
								0	
								0	
Maintenance of Motor Vehicle & Transport Equipment								31,160,000	
1.5			Motor Vehicles	32,500	108	4	1	14,040,000	22020401 MAINTENANCE OF MOTOR VEHICLE / TRANSPORT EQUIPMENT
			Transport Equipment - Air Curtain Burner & Air Quality Monitoring Equipment	250,000	2	4	1	2,000,000	22020401 MAINTENANCE OF MOTOR VEHICLE / TRANSPORT EQUIPMENT
			Purchase of tyres	35,000	432	1	1	15,120,000	22020401 MAINTENANCE OF MOTOR VEHICLE / TRANSPORT EQUIPMENT
								0	
								0	

Code	Sub-Activity Description	Sub-Activity Output	Cost Item Description	Unit Cost (=N=)	Quantity/ Monthly or yearly	Frequency (Monthly or yearly)	No. of Persons/Entity	Amount (=N=)	Other Recurrent Cost
Maintenance of Office Building								14,450,000	
2.4			Renovation of HQ/ State offices	14,450,000	1	1	1	14,450,000	22020403 MAINTENANCE OF OFFICE BUILDING / RESIDENTIAL QTRS
								0	
								0	
								0	
Office Accommodation Rent								90,675,500	
2.5			Headquarters office Rent	40,950,000	2	1	1	81,900,000	22020602 OFFICE RENT
			Nassarawa State office rent	1,350,000	1	1	1	1,350,000	22020602 OFFICE RENT
			Ondo state office	2,326,500	1	1	1	2,326,500	22020602 OFFICE RENT
			South East zonal office	5,100,000	1	1	1	5,100,000	22020602 OFFICE RENT
								0	
								0	
Purchase of Motor Vehicles								112,000,000	
2.6			Project/ enforcement Vehicles	14,000,000	8	1	1	112,000,000	23010105 PURCHASE OF MOTOR VEHICLES
								0	
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Code	Sub-Activity Description	Sub-Activity Output	Cost Item Description	Unit Cost (=N=)	Quantity/ Monthly or yearly	Frequency (Monthly or yearly)	No. of Persons/Entity	Amount (=N=)	Other Recurrent Cost
Maintenance of IT and office equipment								3,612,000	
1.6			IT Equipments	150,500	24	1	1	3,612,000	22020404 MAINTENANCE OF OFFICE / IT EQUIPMENTS
								0	
								0	
								0	
								0	
								0	
Other Maintenance (State Offices)								61,800,000	
1.7			Running Cost for Zonal Offices	250,000	6	12	1	18,000,000	22020406 OTHER MAINTENANCE SERVICES
			Running Cost for State Offices	150,000	23	12	1	41,400,000	22020406 OTHER MAINTENANCE SERVICES
			Running Cost for Laboratories	100,000	2	12	1	2,400,000	22020406 OTHER MAINTENANCE SERVICES
								0	
								0	
Local Trainings								62,160,000	
1.8			Training (compliance monitoring and enforcement)	74,000	2	2	210	62,160,000	22020501 LOCAL TRAINING
								0	
								0	
								0	
Motor Vehicle Fuel Cost								13,230,000	
1.9			Fuelling of Vehicles	7,000	70	27	1	13,230,000	22020801 MOTOR VEHICLE FUEL COST
								0	
								0	
								0	
Refreshment & Meals								2,412,000	
2.0			Servicing of expert meetings and consultations	33,500	3	24	1	2,412,000	22021001 REFRESHMENT & MEALS
								0	
								0	
								0	
Honorarium & Sitting Allowance								24,000,000	
2.1			Honorarium/Sitting Allowance	24,000,000	1	1	1	24,000,000	22021002 HONORARIUM & SITTING ALLOWANCE
								0	
								0	
								0	
Publicity & Advertisement								74,200,000	
2.2			Environmental Public Awareness campaigns/ Advocacy	8,500,000	1	1	1	8,500,000	22021003 PUBLICITY & ADVERTISEMENTS
			Jingles, Advertorials, Public Lectures	16,750,000	1	1	1	16,750,000	22021003 PUBLICITY & ADVERTISEMENTS
			Stake Holders forum	48,950,000	1	1	1	48,950,000	
								0	
								0	
								0	
Postages & Courier Services								1,800,000	
2.3			Postages/Courier Services	1,800,000	1	1	1	1,800,000	22021006 POSTAGES & COURIER SERVICES
								0	
								0	
								0	
								0	