

**THE SENATE
FEDERAL REPUBLIC OF NIGERIA
COMMITTEE ON HEALTH**

NATIONAL ASSEMBLY COMPLEX,
Three Arms Zone, P.M.B. 141, Abuja-Nigeria.

10th November, 2016

The President
Senate of the Federal Republic of Nigeria
National Assembly
Abuja.

**SUBMISSION OF THE HARMONIZED REPORT OF THE JOINT
SENATE/HOUSE COMMITTEES ON HEALTH AND HEALTH
SERVICES ON YEAR 2016 BUDGET OF NAFDAC**

1.0 Introduction:

I forward herewith; the harmonized report on Year 2016 budget of the National Agency for Food and Drug Administration and Control (NAFDAC) for your kind consideration and approval.

1.1 Mr. President, Distinguished Colleagues, you will recall that the Senate received the request of Mr. President, Commander –in-Chief of the Armed Forces of the Federal Republic of Nigeria on the 2016 budget of the 38 government agencies / corporations including NAFDAC on 21st July, 2016. After the consideration of the request by the Senate, it was referred to the Committee through the Office of the Senate Clerk vide a referral letter with *Ref. NASS/8s/R/03/vol.1/268* dated *25th July, 2016* for further legislative action.

1 2. Accordingly, the Joint Committee invited the Acting Director General of NAFDAC and his management team to appear before it to defend

the proposal. Thereafter, the Joint Committee considered the proposal and hereby submit its recommendations to the Senate for approval.

1.3 The Act establishing NAFDAC was promulgated in 1993 with the functions, among others, to regulate and control the importation, exportation, manufacture, advertisement, distribution, sale and use of food, drugs, cosmetics, medical devices, bottled water and chemicals.

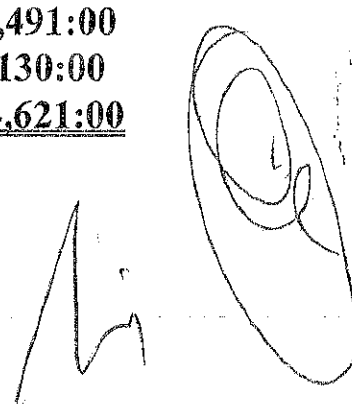
2.0 Highlights on 2016 Revenue Projection and Expenditure:

2.1 The projection of Internally Generated Revenue (IGR) of the agency in year 2016 is put at **N2,535,000,315:00** and User's Fee of **N8,077,781,146:00** bringing the total to **N10,612,781,461:00**. This is the expected actual / net income and it is going to come from Laboratory Analysis fees, Licenses, Inspection, Finished goods, Chemical fees, Administrative fees, etc. In the approved 2016 FGN Budget the sum of **N14,364,000:00** and **N7,207,650:00** was allocated to the agency for Capital and Overhead Costs, respectively. Thus, the total Revenue inclusive of the approved FGN allocation is in the sum of **N10,634,353,111:00**.

2.2 The agency proposed for year 2016, a budget of **N14,249,964,621:00** (*Fourteen Billion, Two Hundred and Forty Nine Million, Nine Hundred and Sixty Four Thousand, Six Hundred and Twenty One Naira Only*). Of this total, the sum of **N6,957,409,491:00** (*Six Billion, Nine Hundred and Fifty Seven Million, Four Hundred and Nine Thousand, Four Hundred and Ninety One Naira Only*) is allocated for Overhead Cost and **N7,292,555,130:00** (*Seven Billion, Two Hundred and Ninety Two Million, Five Hundred and Fifty Five Thousand, One Hundred and Thirty Naira Only*) is meant for Capital Expenditure

2.3 The summary of Proposed Expenditure is as follows:

1. Overhead	-	N 6,957,409,491:00
2. Capital	-	N7,292,555,130:00
Total	=	<u>N14,249,964,621:00</u>

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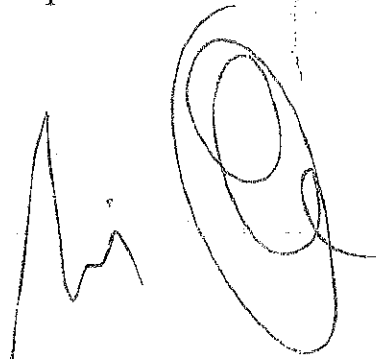
2.4 In considering the above proposal therefore, the Committee took into cognizance the net revenue profile in relation to the agency's proposed expenditure. It was obvious that the proposed expenditure far outweigh the expected income – the proposed expenditure is in deficit of over *N3 billion*. The Committee observed that this would create additional burden on the part of Federal Government in financing the deficit. The Committee therefore recommended for the agency the sum of **N10,634,353,111:00** (*Ten Billion, Six Hundred and Thirty Four Million, Three Hundred and Fifty Three Thousand, One Hundred and Eleven Naira Only*) for the fiscal year 2016. Of this total, the sum of **N6,906,795,811:00** (*Six Billion, Nine Hundred and Six Million, Seven Hundred and Ninety Five Thousand, Eight Hundred and Eleven Naira Only*) is allocated for Overhead Cost and **N3,727,557,300:00** (*Three Billion, Seven Hundred and Twenty Seven Million, Five Hundred and Fifty Seven Thousand, Three Hundred Naira Only*) is meant for Capital Expenditure.

2.5 The Summary of Recommended Expenditure is as follows:

1. Overhead	-	N 6,906,795,811:00
2. Capital	-	N3,727,557,300:00
Total	=	<u>N10,634,353,111:00</u>

2.6 It is important to note here that the Personnel Cost for the agency is excluded from this Proposal. This is because the Personnel Cost Sub-Head in the sum of **N4,707,949,794** (*Four Billion, Seven Hundred and Seven Million, Nine Hundred and Forty Nine Thousand, Nine Hundred and Ninety Four Naira only*) was addressed in the approved 2016 FGN budget.

2.7 Mr. President, Distinguished Colleagues, I wish to add that the above recommendation is intended to address the shortfall, inadequacies experienced by the agency in the approved FGN budget, especially in the area of Overhead and Capital Expenditures.

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3.0 Observations:

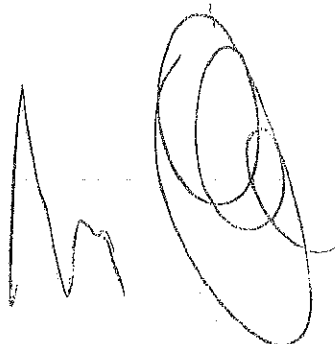
In view of the above, the Committee made the following observations:

1. That before the Senate received Mr. President's request, NAFDAC in compliance with Section 88 of the 1999 Constitution of the Federal Republic of Nigeria (as amended) and indeed National Agency for Food and Drug Administration and Control (NAFDAC) Act CAP N1, LFN, 2004, the Agency submitted its 2016 budget proposal to the Senate and House of Representatives Committees on Health; and Health Services on **January 30, 2016** and appeared before the Joint Committees for budget defence on **5th February, 2016**;
2. That the projected IGR collection of the agency is expected to increase in the 2016 collection index thereby increasing the cost of expenditure items;
3. That the total personnel cost of the agency is not included in this proposal because it was captured in the approved 2016 FGN budget;
4. That the Overhead Cost provision in the proposal is an addition to what was granted the agency in the approved 2016 FGN budget in the sum of **N7,207,650**; and
5. That the Capital Expenditure proposal include new and on-going projects meant to be executed in the 2016 financial year. The Capital Cost provision in this proposal is in addition to what was granted the agency in the approved 2016 FGN budget in the sum of **N14,364,000:00**.

4.0 Recommendations:

The Committee made the following recommendations:

1. The projected revenue of **N10,612,781,461** (*Ten Billion, Six Hundred and Twelve Million, Seven Hundred and Eighty-One*

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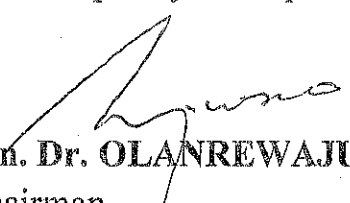
Thousand, Four Hundred and Sixty-One Naira) be approved for NAFDAC in the 2016 financial year.

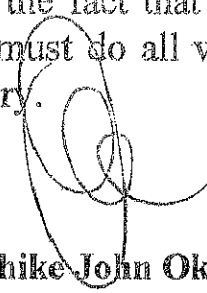
2. The total Overhead Cost of **N6,906,795,811:00** (Six Billion, Nine Hundred and Six Million, Seven Hundred and Ninety Five Thousand, Eight Hundred and Eleven Naira Only) be approved.
3. The total Capital Expenditure of **N3,727,557,300:00** (Three Billion, Seven Hundred and Twenty Seven Million, Five Hundred and Fifty Seven Thousand, Three Hundred Naira Only) be approved.
4. The total budget of **N10,634,353,111:00** be approved for NAFDAC in 2016.

5.0

Conclusion:

The Committee wishes to thank the Senate President, the entire leadership of the Senate and all our Distinguished Colleagues for this opportunity given us to serve. It is our hope that the recommendation would be considered and approved considering the fact that a healthy nation is a wealthy nation and as a nation, we must do all within our capacity to stop unnecessary deaths of the citizenry.


Sen. Dr. OLANREWAJU A. TEJUOSO
Chairman


Hon. Chike John Okafor
Chairman, House Committee
on Health Services


Danladi Angulu
Clerk, Health (Senate)


Nasir Garba Shehu
Clerk, Health Services (House of Reps.)

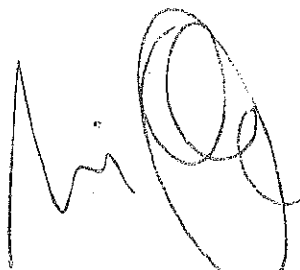
Dated This 10th Day of November, 2016

FEDERAL MINISTRY OF HEALTH

2016 PROPOSED CAPITAL BUDGET

NAME OF INSTITUTION: NATIONAL AGENCY FOR FOOD AND DRUG ADMINISTRATION AND CONTROL

S/N	PROJECT DESCRIPTION CAPITAL	PROJECT STATUS (ONGOING/NE W)	2016 BUDGET PROPOSAL (₦)	COMMITTEE RECOMMEN- DATION	REMARKS
1.	PROVISION OF MOBILE LABORATORIES AND ACCESSORIES	NEW	1,100,000,000.00	1,100,000,000.00	
2.	PROVISION OF LABORATORY EQUIPMENTS	ON-GOING	130,000,000.00	80,000,000.00	
3.	NAFDAC HEADQUATER LABORATORY BUILDING- CONSTRUCTION OF NAFDAC OFFICE KYAMI, BUILDING OF FREE TRADE ZONE, PROVISION OF INSPECTORATE OFFICE, TRAINING HALL AND OFFICE CONSTRUCTION OF DUAL MEETING SYSTEM (PHASE 1)	ON- GOING	601,964,050.00	201,964,050.00	
4.	PROVISION OF MOTOR VEHICLES: 1) 10 UNI PICKUP 4*4- FULL OPTION (INNOSON)= N67,000,000 2) 13 UNIT PICKUP 4*4 - SHELL SPECS HILUX (TOYOTA) = N97,500,000 3) 6 UNIT PICKUP 4*4 -FULL OPTION (NISSAN)= N63,000,000 4) 2 UNIT NISSAN 30 SEATER CIVILLIAN BUS= 37,800,000 5) 2 UNIT TOYOTA 16 SEATER HIACE BUS HIGH ROOF= N26,240,000	ON- GOING	291,540,000.00	101,540,000.00	
5.	PROVISION OF OFFICE EQUIPMENT, FURNITURE AND FITTING AND POWER GENERATING PLANT	ON- GOING	49,807,000.00	49,807,000.00	
6.	PROVISION OF NAFDAC INFORMATION SYSTEMS AND COMPUTER SETS	ON- GOING	79,600,000.00	79,600,000.00	
7.	CONSTRUCTION OF NAFDAC LABORATORY- MBAKA BENUE STATE (PHASE 1)	NEW	405,347,984.00	205,347,984.00	
8.	CONSTRUCTION OF NAFDAC LABORATORY BUILDING ABEOKUTA, OGUN STATE- PHASE I	NEW	639,912,059.00	239,912,059.00	
9.	CONSTRUCTION OF OFFICE BLOCK, WAREHOUSE, PERIMETER FENCE AND GATE HOUSE AT ILLELA BORDER STATION, SOKOTO STATE	ON- GOING	15,226,756.00	15,226,756.00	



10.	CONSTRUCTION OF PERIMETER FENCE, OFFICE BLOCK AND WAREHOUSE IN BENIN, EDO STATE - PHASE 1	NEW	400,000,000.00	120,000,000.00	
11.	CONSULTANCY SERVICES FOR CONSTRUCTION OF PERIMETER FENCE, OFFICE BLOCK AND WAREHOUSE IN BENIN, EDO STATE	NEW	30,000,000.00	30,000,000.00	
12.	CONSTRUCTION OF OFFICE BLOCK, WAREHOUSE, PERIMETER FENCE AND GATE HOUSE AT KAMBER - KEBBI STATE	NEW	15,893,734.00	15,893,734.00	
13.	CONSTRUCTION OF NAFDAC PID OFFICE AT MURTALA MOHAMMED INT'L AIRPORT NAHCO IKEJA LAGOS	NEW	69,815,795.00	119,815,795.00	
14.	REHABILITATION OF NAFDAC LAB CALABAR	NEW	31,845,746.00	31,845,746.00	
15.	CONSTRUCTION OF PERIMETER FENCE, OFFICE BLOCK AND WAREHOUSE AT OWERRI, IMO STATE - PHASE 1	NEW	364,926,200.00	214,926,200.00	
16.	CONSTRUCTION OF PERIMETER FENCE, OFFICE BLOCK AND WAREHOUSE AT OSOGBO, OSUN STATE - PHASE 1	NEW	300,000,000.00	110,000,000.00	
17.	CONSULTANCY SERVICE FOR THE CONSTRUCTION PERIMETER FENCE, OFFICE BLOCK AND WAREHOUSE AT OWERRI, IMO STATE	NEW	15,000,000.00	15,000,000.00	
18.	CONSTRUCTION OF OFFICE BLOCK, WAREHOUSE, PERIMETER FENCE AND GATE HOUSE- JIBIYA, KATSINA STATE	NEW	16,726,756.00	16,726,756.00	
19.	CONSTRUCTION OF NAFDAC LABORATORY BUILDING, UMUOKEH OBOWO, IMO STATE - PHASE 1	NEW	314,926,200.00	154,926,200.00	
20.	REHABILITATION OF NAFDAC TRAINING SCHOOL, KADUNA, KADUNA STATE	NEW	100,000,000.00	20,000,000.00	
21.	CONSTRUCTION OF OFFICE BLOCK, WAREHOUSE, PERIMETER FENCE AND GATE HOUSE AT MAIGATARI - JIGAWA STATE	NEW	16,726,756.00	16,726,756.00	
22.	REHABILITATION OF NAFDAC BIRNIN KEBBI OFFICE- KEBBI STATE	NEW	26,477,000.00	26,477,000.00	
23.	REDESIGNING AND FURNISHING OF NAFDAC LAB MAIDUGURI BORNO STATE	ON- GOING	15,989,100.00	15,989,100.00	

24.	CONSTRUCTION OF PERIMETER FENCE AT ASABA- DELTA STATE	NEW	10,916,438.00	10,916,438.00	
25.	CONSTRUCTION OF PERIMETER FENCE AT ABAKILIKI - EBONYI STATE	NEW	10,094,400.00	10,094,400.00	
26.	CONSTRUCTION OF PERIMETER FENCE AT ENUGU	NEW	10,094,400.00	10,094,400.00	
27.	CONSTRUCTION OF PERIMETER FENCE AT KWARA	NEW	10,094,400.00	10,094,400.00	
28.	CONSULTANCY SERVICE NAFDAC LABORATORY TRAINING SCHOOL ANTYU MBAKA BENUE STATE	NEW	33,545,174.00	33,545,174.00	
29.	MANAGEMENT AND SUPERVISION FOR NAFDAC LABORATORY BUILDING ABEOKUTA, OGUN STATE	NEW	14,507,332.00	14,507,332.00	
30.	CONSULTANCY SERVICE STAGE 1 AND 2 NAFDAC HEADQUATERS/LABORATORY BUILDING KYAMI- ABUJA	NEW	45,000,000.00	45,000,000.00	
31.	CONSULTANCY SERVICE STAGE 3 NAFDAC HEADQUATERS/LABORATORY BUILDING KYAMI- ABUJA	NEW	10,000,000.00	10,000,000.00	
32.	OUTSTANDING FINANCIAL OBLIGATION		2,116,577,850.00	801,580,020.00	
	TOTAL		<u>7,292,555,130.00</u>	<u>3,727,557,300.00</u>	



FEDERAL MINISTRY OF HEALTH

NAME OF INSTITUTION: NATIONAL AGENCY FOR FOOD AND DRUG ADMINISTRATION AND CONTROL

S/N	OVERHEAD ITEM DESCRIPTION	2016 BUDGET PROPOSAL	COMMITTEE RECOMMENDATION	REMARKS
1.	LOCAL TRAVEL & TRANSPORT: TRAINING	420,000,000.00	420,000,000.00	
2.	LOCAL TRAVEL & TRANSPORT: (INSPECTION ACTIVITIES)	570,996,400.00	570,996,400.00	
3.	INTERNATIONAL TRAVEL & TRANSPORT: (GMP)	600,000,000.00	611,000,000.00	
4.	ELECTRICITY CHARGES	95,016,240.00	95,016,240.00	
5.	TELEPHONE CHARGES	10,000,000.00	5,000,000.00	
6.	INTERNET ACCESS CHARGES	50,001,600.00	54,002,000.00	
7.	WATER RATES	5,004,000.00	1,000,000.00	
8.	SEWERAGE CHARGES	10,000,008.00	5,000,004.00	
9.	OFFICE STATIONERIES / COMPUTER CONSUMABLES/SPARE PARTS	281,721,600.00	301,726,880.00	
10.	MAGAZINES & PERIODICALS	5,000,000.00	3,000,200.00	
11.	BOOKS	7,000,000.00	00.00	
12.	IMPORT DUTY	15,000,000.00	00.00	
13.	PRINTING OF NON SECURITY DOCUMENTS	70,000,000.00	70,000,000.00	
14.	PRINTING OF SECURITY DOCUMENTS	5,000,000.00	1,000,000.00	
15.	LABORATORY CHEMICAL/GLASS WARES	122,147,600.00	102,147,600.00	
16.	UNIFORMS AND OTHER CLOTHINGS	5,500,000.00	00.00	
17.	MAINTENANCE OF MOTOR VEHICLE / TRANSPORT EQUIPMENT	80,525,636.00	80,528,940.00	
18.	MAINTENANCE OF OFFICE FURNITURE	15,000,000.00	10,000,000.00	
19.	MAINTENANCE OF OFFICE BUILDING	127,599,860.00	264,597,840.00	
20.	MAINTENANCE OF OFFICE EQUIPMENTS	32,000,000.00	32,000,000.00	
21.	MAINTENANCE OF COMPUTERS/ IT EQUIPMENTS	45,000,000.00	12,000,320.00	
22.	MAINTENANCE OF PLANTS/GENERATORS	49,023,000.00	49,023,000.00	
23.	CLEARING AND FORWARDING EXPENSES	40,000,100.00	10,000,100.00	
24.	REPAIR AND MAINTENANCE OF LABORATORY EQUIPMENTS	34,462,708.00	34,462,708.00	
25.	SECURITY SERVICES	183,600,000.00	183,600,000.00	
26.	OFFICE RENT	26,722,215.00	26,722,215.00	
27.	OPERATIONALEXPENSES /FEDERAL TASK FORCE	215,319,680.00	215,319,360.00	
28.	CLEANING & FUMIGATION SERVICES	100,000,000.00	200,000,080.00	

29.	FINANCIAL CONSULTING	59,000,020.00	35,000,000.00	
30.	INFORMATION TECHNOLOGY CONSULTING	10,000,000.00	00.00	
31.	LEGAL SERVICES	30,000,000.00	5,000,000.00	
32.	ENGINEERING SERVICES	60,000,000.00	25,000,000.00	
33.	SURVEYING SERVICES	60,000,000.00	8,000,000.00	
34.	MOTOR VEHICLE FUEL COST	36,476,568.00	36,476,568.00	
35.	REMITTANCE TO CRF (25%)	633,750,072.00	633,750,072.00	
36.	PLANT / GENERATOR FUEL COST	440,000,004.00	439,200,000.00	
37.	PRODUCTIVITY ALLOWANCE	400,000,000.00	400,000,000.00	
38.	INSURANCE PREMIUM	100,000,000.00	100,000,000.00	
39.	MEETINGS, WORKSHOPS AND CONFERENCES	5,000,000.00	5,950,000.00	
40.	HOSPITALITY, REFRESHMENT & MEAL	20,000,000.00	20,000,000.00	
41.	HONORARIUM & SITTING ALLOWANCE	18,200,000.00	18,200,000.00	
42.	PUBLICITY & ADVERTISEMENTS	850,000,000.00	868,733,280.00	
43.	ANIMAL HOUSE	2,000,000.00	2,000,000.00	
44.	POSTAGES & COURIER SERVICES	18,750,000.00	18,750,000.00	
45.	STAFF WELFARE	89,992,000.00	89,992,000.00	
46.	ESTABLISHMENT OF NAFDAC DESK IN LGA	5,000,000.00	5,000,000.00	
47.	RECRUITMENT AND APPOINTMENT (SERVICE WIDE)	15,600,000.00	15,600,000.00	
48.	DISCIPLINE AND APPEAL (SERVICE WIDE)	5,000,000.00	5,000,000.00	
49.	PROMOTION (SERVICE WIDE)	15,000,000.00	15,000,000.00	
50.	ANNUAL BUDGET EXPENSES & ADMINISTRATION	10,000,000.00	10,000,000.00	
51.	DONATIONS	10,000,000.00	10,000,000.00	
52.	2016 NATIONAL FOOD SAFETY WEEK	5,000,000.00	5,000,000.00	
53.	2016 CONFERENCE ON NIGERIA TOTAL DIET STUDY	5,000,000.00	5,000,000.00	
54.	FGN/NAFDAC/UNICEF NUTRIETION PROGRAMME	82,000,000.00	82,000,000.00	
55.	INTERNS/NYSC	300,000,000.00	290,000,004.00	
56.	ADVOCACY/AWARENESS ON USE OF FAKE AND COUNTERFEIT DRUGS IN SIX GEOPOLITICAL ZONES	450,000,000.00	400,000,000.00	
	TOTAL	6,957,409,491.00	6,906,795,811.00	

FEDERAL MINISTRY OF HEALTH		
NATIONAL AGENCY FOR FOOD DRUG ADMINISTRATION AND CONTROL (NAFDAC)		
2016 PROPOSED REVENUE PROPOSALS		
S/N	IGR	2016
1	Consultancy/Registration	5,718,000.00
2	Registration Fees	22,097,200.00
3	Certificate	1,564,930,622.00
4	Administrative Fine	583,258,756.00
5	Advertisement fees	132,545,793.00
6	Chemical Registration Fees	154,471,384.00
7	Gazette	129,600.00
8	Bulletin	8,291,760.00
9	Workshop Fees	1,408,000.00
10	IT Fees	7,308,400.00
11	Import Permit	54,840,800.00
	Sub-Total (a)	2,535,000,315.00
	USERS'S FEES	
1	Laboratory Analysis	3,485,777,174.00
2	Destruction Fees	26,890,468.00
3	Production Processing Fees	928,662,243.00
4	Radiation fees	350,081,833.00
5	Registration of Raw Material	1,151,659,600.00
6	License Fees	25,262,400.00
7	Inspection Fees	548,648,188.00
8	Finished Goods Fees	1,560,799,240.00
	Sub- Total (b)	8,077,781,146.00
	Total (a + b)	10,612,781,461.00
	FGN(FMH) ALLOCATION:	
	CAPITAL	14,364,000.00
	OVERHEAD	7,207,650.00
	GRAND TOTAL	10,634,353,111.00

