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Nigeria: House C'ttee Queries Zero Allocation for Rail Project

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Abuja — The House of Representatives Committee on Transportation has raised questions over the non-provision of budgetary allocation for the execution of the multi-billion naira railway modernization project in the 2008 Appropriation Bill presently on the floor of the National Assembly.

The Committee which undertook inspection tour of one the construction sites of the CCECC Limited in Abuja, the Chinese firm handling the project, expressed bewilderment at the apparent lack of understanding between the Special Projects Office of the Presidency where the railway project is domiciled and the Ministry of Transportation.

The multi-billion dollars contracts was awarded to a China firm, CCECC by the immediate past President Olusegun Obasanjo, to which a 3% of out of the 13% mobilisation fees running to the tune of \$250 million was paid to the firm in March 2007.

At the signing of the contracts between the Federal Government and the CCECC, former President Obasanjo removed the Railway Modernisation Project, which hitherto was an agency under the Ministry of Transport, and placed it under a Special Project Unit in the Presidency", said the source.

Obasanjo subsequently, and without recourse to the due process, draw down the \$250million from the excess crude accounts, and paid the firm as part of the 13% (\$1.13billion) mandatory mobilisation fees.

The fund paid to the CCECC was not appropriated for in the 2007 budget, even as the former president approached the excess crude account to finance the project, which according to him, was very instrumental and significant to the development of the country.

The first phase of the railway project which involves the construction of new rail lines with standard gauge tracks is to run from Lagos through Ogun, Oyo, Osun, Niger, Kwara, Kaduna, Abuja and Kano.

Unresolved disagreement between the presidency and the Federal Ministry of Transportation has stalled the take off of the \$8.3 billion contracts awarded for the construction of modern railway from Lagos state to link Kano state in the North West zone.

But what appears to be and end to the project execution came into open shortly after the president administration of Alhaji Umaru Yar'Adua presented the 2008 budget proposal to the joint session of the National Assembly in which allocation for the Railway Modernisation Project was conspicuously missing from the list of projects under the Ministry of Transportation or special project unit in the presidency.

According to a Presidency source, President Yar'Adua has vowed to strictly observe the due process and rule of law, and hence does not want to have anything to with funding of contracts, which is not approved by the National Assembly, being it Special Project Unit under the presidency or not.

"The truth of the matter is that Mr. President is interested in the immediate take off of the project. Mind you the man believes in the rule of law and I can't see a Yar'Adua president going out of his way to fund the project from the source that is not recognised by the law".

Irked by this development, members, House of Representatives Committee on Transport paid on-the-spot assessment visit to the equipment production site of the construction firm, located at Idu Karimu, an outskirt of the Federal Capital City, to ascertain how the firm utilised the \$250million paid to it by the immediate past administration about nine months ago.

The Chairman, House of Representatives Committee on Transport Hon. Ibrahim Mohammed who emphasised on the importance of the project, which he described as a panacea to the deplorable conditions of the nation's road network, said urgent measure must be taken to rescue the project.

He personally advised the Acting Permanent Secretary in the office of the Secretary to the Government of the Federation (SGF), Rabi'u Abubakar to ensure that the project should be returned to the Ministry of Transport in the next two weeks so that some amount of money could be allocated to it in the 2008 budget.

Hon. Mohammed warned that, except that is done with all urgency it deserved, the commitment shown by the contractors to commence work soon would be a mirage as no fund will be allocated to the project in the 2008 budget.

Responding, the Permanent Secretary, Rabi'u Abubakar told the House of Representatives members that, he was not in position to determine where the project should be, adding "whether it should be moved to the Ministry of Transport or still remain in the presidency is what I cant determine".

Others present at the site include, the Project Director in the presidency, Eng. Seyi Sijuwade and the CCECC Chief Project Coordinator, Mr. Karl Leo and a host of others.

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