SENATE OF THE FEDERAL REPUBLIC OF NIGERIA

VOTES AND PROCEEDINGS

Wednesday, 12th October, 2011

1. The Senate met at 11:01 a.m. The Senate President read prayers.

2. **Votes and Proceedings:**
The Senate President announced that he had examined the Votes and Proceedings of Tuesday, 11th October, 2011 and approved same.

By unanimous consent, the Votes and Proceedings were approved.

3. **Announcement:**
The Senate President read a letter from Senator Ita Enang (*Akwa Ibom North-East*) as follows:

THE SENATE
FEDERAL REPUBLIC OF NIGERIA
COMMITTEE ON RULES AND BUSINESS
NATIONAL ASSEMBLY COMPLEX
THREE-ARMS ZONE,
P. M. B 141, GARKI
ABUJA, NIGERIA

12th October, 2011

PROPOSED REVIEW OF THE SENATE STANDING ORDERS

The Senate Rules and Business Committee has noted a few misprints and omissions in the Standing Orders of the Senate. Further, upon the re - structuring of Ministries by the Executive and the creation of new Committees by the Senate, jurisdictional conflict has occurred in the functions of Committees.

To address these, the Rules and Business Committee is undertaking the Review of the Senate Standing Orders.

Distinguished Senators and staffers who have suggestions and inputs for amendment are please requested to forward their memoranda to the Committee's Secretariat, Senate Committee Room 15 in the White House within 2 weeks from the date hereof.

Thereafter, the Committee will sit to consider the memoranda and propose amendments to the Senate.

Distinguished Senators are please requested to indicate their phone numbers in the file at the Sergeant - at - Arms table for easy communication with them.

Sincerely yours,
(Signed)
Senator Ita Enang
Chairman, Senate Rules and Business Committee

4. Committee on Federal Character and Inter Governmental Affairs:
Report on screening of nominees:
Motion made: That the Senate do receive and consider the Report of the Committee on Federal Character and Inter-Governmental Affairs, on the screening of the following nominees as Members of the Federal Character Commission.

S/N	NAME	STATE	ZONE
(*i*)	Barr. (Chief) Teddy Obi Akwari	Imo	South East
(*ii*)	Chief Dr. Mrs. Margaret Nwuese Icheen	Benue	North Central
(*iii*)	Muhammad Bello Alkali	Kebbi	North West
(*iv*)	Dr. Salihu Bello	Adamawa	North East
(*v*)	Alhaji Ado Ahmed	Jigawa	North West

(Sen. Dahiru A. Kuta — Niger East).

Question put and agreed to.

Report presented and laid.

Motion made: That the Senate do resolve into the Committee of the Whole to consider the Report *(Senate Leader).*

Question put and agreed to.

(SENATE IN THE COMMITTEE OF THE WHOLE)

Consideration of the report of the Committee on Federal Character and Inter-Governmental Affairs, on the screening of the following nominees as Members of the Federal Character Commission:

Recommendation:

(*i*)	Barr. (Chief) Teddy Obi Akwari (*Imo*)	—	*Negatived.*
(*ii*)	Chief Dr. Mrs. Margaret Nwuese Icheen (*Benue*)	—	*Agreed to.*
(*iii*)	Muhammad Bello Alkali (*Kebbi*)	—	*Agreed to.*
(*iv*)	Dr. Salihu Bello (*Adamawa*)	—	*Agreed to.*
(*v*)	Alhaji Ado Ahmed (*Jigawa*)	—	*Agreed to.*

Chairman to report progress.

(SENATE IN PLENARY)

The Senate President reported that the Senate in the Committee of the Whole considered the Report of the Committee on Federal Character and Inter-Governmental Affairs on the screening of nominees as Members of the Federal Character Commission, negatived the nomination of Barr. (Chief) Teddy Obi Akwari (*Imo*) and approved the nominations of:

(*i*) Chief Dr. Mrs. Margaret Nwuese Icheen (*Benue*)
(*ii*) Muhammad Bello Alkali (*Kebbi*)
(*iii*) Dr. Salihu Bello (*Adamawa*)
(*iv*) Alhaji Ado Ahmed (*Jigawa*)

Question: That the Senate do approve the Report of the Committee of the Whole — *Resolved in the Affirmative.*

Confirmation of nominations:

Question:
"Will the Senate confirm the nomination of Barr. (Chief) Teddy Obi Akwari (*Imo*), as a Member of the Federal Character Commission ?" — *Negatived.*

Nomination of Barr. (Chief) Teddy Obi Akwari (Imo), as a Member of the Federal Character Commission not confirmed.

Question:
"Will the Senate confirm the nomination of Chief Dr. Mrs. Margaret Nwuese Icheen (*Benue*), as a Member of the Federal Character Commission ?" — *Resolved in the Affirmative.*

Nomination of Chief Dr. Mrs. Margaret Nwuese Icheen (Benue), as a Member of the Federal Character Commission accordingly confirmed.

Question:
"Will the Senate confirm the nomination of Muhammad Bello Alkali (*Kebbi*), as a Member of the Federal Character Commission ?" — *Resolved in the Affirmative.*

Nomination of Muhammad Bello Alkali (Kebbi), as a Member of the Federal Character Commission accordingly confirmed.

Question:
"Will the Senate confirm the nomination of Dr. Salihu Bello (*Adamawa*), as a Member of the Federal Character Commission ?" — *Resolved in the Affirmative.*

Nomination of Dr. Salihu Bello (Adamawa), as a Member of the Federal Character Commission accordingly confirmed.

Question:
"Will the Senate confirm the nomination of Alhaji Ado Ahmed (*Jigawa*), as a Member of the Federal Character Commission ?" — *Resolved in the Affirmative.*

Nomination of Alhaji Ado Ahmed (Jigawa), as a Member of the Federal Character Commission accordingly confirmed.

5. Confirmation of nomination:

Motion made: That the Senate do consider the request of Mr. President, Commander-In-Chief of the Armed Forces of the Federation, for the confirmation of the nomination of the Hon. Justice Olukayode Ariwoola as a Justice of the Supreme Court of Nigeria (*Senate Leader*).

Question put and agreed to.

Request accordingly referred to the Committee on Judiciary; Human Rights and Legal Matters to report within seven (7) days.

6. Motion:

Investigation into the Current Fuel Subsidy Management:

Motion made: That the Senate notes that the Federal Government of Nigeria operates a fuel subsidy scheme with the policy purpose of making petroleum products available in order to cushion the effect of the true market prices of petroleum products on the populace;

Recognizing that the fuel subsidy scheme is a long-standing government palliative action to help the Nigerian masses;

Recognizing in the meantime, the need to make the scheme more transparent, corruption free and competitive within an appropriate legislative framework and in compliance with the Appropriation Act;

Notes that in furtherance to the implementation of the fuel subsidy in 2011 Appropriation, the sum, ₦240bn (₦20bn Monthly) is budgeted;

Notes that of the ₦20bn monthly allocation, ₦11.2bn was allocated for Domestic Fuel Subsidy (NNPC) and ₦8.8bn for Domestic Fuel Subsidy (Market) as stated in the Appropriation Act 2011;

Observes that although ₦20bn was set aside for subsidy on a monthly basis in the Appropriation Act 2011, in August 2011 the total figure expended was ₦165bn of which NNPC was ₦88bn and Independent Marketers was ₦77.7bn;

Observes that although ₦240bn was budgeted for the entire year, so far as at end of August 2011 ₦931bn has been spent. This is a variance of ₦771bn or 700% above budget;

Worried that in the first three months of the year both NNPC and the Independent Marketers did not exceed ₦62bn monthly but within the last three months figures have ranged between ₦150bn and ₦186bn;

Observes that with this trend, by the year-end we will have a fuel subsidy bill of over ₦1.2tr (one trillion, two hundred billion naira) as against the ₦240bn (two hundred and forty billion naira) budgeted in the Appropriation Act;

Observes that this expenditure is treated as a first line charge and by implication all other expenditures including Capital expenditures and even distributions to the states and local government, which we represent, is secondary;

Notes that the implementation of 2011 Appropriation Act will surely be in troubled waters if a variation of Nl.2tr arises as a result of the level of expenditure incurred on fuel subsidy so far;

Notes that the wide disparity between what was budgeted for fuel subsidy scheme and what is expended goes to the integrity of the budget and an erosion of the authority of the National Assembly;

Notes that the processes, audit, scrutiny and value for money in the entire subsidy management system lacks transparency and control as the costs have continued to maintain an upward swing;

Concerned that the National Assembly spends an enormous amount of energy to conclude a Capital budget of ₦1.1tr (one trillion one hundred billion naira) for the entire country and a single Agency of government can incur the same amount without due approval of the National Assembly poses a grave challenge and therefore an urgent need arises to review the subsidy scheme in order to strengthen the institutional integrity, transparency and accountability; and

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Concerned that if nothing is done to address this situation urgently we risk the non-implementation of the 2011 budget and the hopes of Nigerians that much can be achieved this year will be a mirage.

That the Senate accordingly resolves to:

(*i*) mandate the Senate Committees on Petroleum Resources (Downstream), Appropriation and Finance to investigate the operation of the fuel subsidy scheme with a view to determine that it is still run within the parameters of the law and if not find ways and means to make it much more transparent, accountable, efficient, sustainable and within the Appropriation Act; and

(*ii*) investigate and establish the structure of operations and financing of the fuel subsidy scheme with a view to establishing if there are cases bordering on misappropriation, misallocation and infractions that aid or lead to abuse of the Appropriation Act and/or violate the law (*Senator Abubakar B. Saraki — Kwara Central*).

Debate:

Proposed Resolution (i):

Question: That the Senate do mandate the Senate Committees on Petroleum Resources (Downstream), Appropriation and Finance to investigate the operation of the fuel subsidy scheme with a view to determine that it is still run within the parameters of the law and if not find ways and means to make it much more transparent, accountable, efficient, sustainable and within the Appropriation Act.

Proposed Resolution (ii):

Question: That the Senate do investigate and establish the structure of operations and financing of the fuel subsidy scheme with a view to establishing if there are cases bordering on misappropriation, misallocation and infractions that aid or lead to abuse of the Appropriation Act and/or violate the law.

Amendment Proposed:

Leave out the provisions in Proposed Resolutions (*i*) and (*ii*) and *insert* the following instead thereof:

"That the Senate do mandate the Committees on Petroleum Resources (Downstream), Appropriation and Finance to investigate the operation of the fuel subsidy scheme" (*Senator Ndoma Egba — Cross River Central*).

Question that the amendment be made, put and agreed to.

Resolved:

That the Senate do mandate the Committees on Petroleum Resources (Downstream), Appropriation and Finance to investigate the operation of the fuel subsidy scheme (***S/Res/016/01/11***).

7. **Prevention, Control, and Management of Sickle Cell Disease Bill, 2011 (SB. 59):**

Consideration of Bill deferred to another Legislative Day.

8. **Universities Veterinary Teaching Hospital (Constitution of Boards, etc) Bill 2011 (SB. 30):**

Consideration of Bill deferred to another Legislative Day.

9. **Adjournment:**
Motion made: That the Senate do now adjourn till Thursday, 13th October, 2011 at 10.00 a.m. (*Senate Leader*).

Adjourned accordingly at 1:17 *p.m.*

Dr. David A. B. Mark, GCON, fnim
President,
Senate of the Federal Republic of Nigeria.