FOURTH REPUBLIC
7TH NATIONAL ASSEMBLY
THIRD SESSION
NO. 98

HOUSE OF REPRESENTATIVES
FEDERAL REPUBLIC OF NIGERIA

ORDER PAPER

Tuesday, 18 February, 2014

1. Prayers
2. Approval of the Votes and Proceedings
3. Oaths
4. Message from the President of the Federal Republic of Nigeria (*if any*)
5. Message from the Senate of the Federal Republic of Nigeria (*if any*)
6. Other Announcements (*if any*)
7. Petitions (*if any*)
8. Matter(s) of Urgent Public Importance
9. Personal Explanation

PRESENTATION OF REPORT

***Ad-hoc* Committee on Cabotage Vessels Financing Funds (CVFF):**
Hon. Christopher Eta:
"That this House do receive the Report of the *Ad-hoc* Committee on the Investigation of the Cabotage Vessels Financing Funds (CVFF) (**HR. 103/2013**)" (*Referred*: 8/5/2013).

ORDERS OF THE DAY

MOTION

1. **Need to Appraise the Combat Readiness, Regimentation, Order and Welfare of the Nigerian Armed Forces:**

Hon. Robinson Uwak
Hon. Karimi S. Sunday
Hon. Segun Williams
Hon. Babangida Ibrahim
Hon. Saviour Friday Udoh
Hon. Nkeiruka Onyejeocha
Hon. Abdulrahman Badamasi
Hon. Zakari Mohammed
Hon. Nasiru Garo
Hon. Auwalu D. Saleh
Hon. Mohammed Ibrahim Idris
Hon. Muhammed Bashir Galadanchi
Hon. Peter Akpatason
Hon. S. B. Adejare
Hon. Nadu Karibo
Hon. Goni Bukar Lawan
Hon. Monguno Mohammed Tahir
Hon. Ajaja A. Adebukola
Hon. Olabiyi Oyekola
Hon. Nassir Ahmed:
Hon. Gambo Musa Dan- Musa
Hon. Abdullrahaman Terab
Hon. RufaiChachangi
Hon. Ken Chikere
Hon. Umar Bature
Hon. Binta Bello
Hon. Ibrahim Tukur El-Sudi
Hon. Rafiu Idris Garba
Hon. Mustapha Bala Dawaki

The House:

Recognizes the services, contributions and dedication of men of the Armed Forces of the Federal Republic of Nigeria in securing the country, preserving our sovereignty and guaranteeing the freedoms which the Constitution provides for every citizen;

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Also recognizes the role of the Armed Forces as provided in Section 217 (2) (*a*) - (*d*) that:

(2) The Federation shall, subject to an Act of the National Assembly made in that behalf, equip and maintain the Armed Forces as may be considered adequate and effective for the purpose of —

(*a*) defending Nigeria from external aggression;

(*b*) maintaining its territorial integrity and securing its borders from violation on land, sea or air;

(*c*) suppressing insurrection and acting in aid of civil authorities to restore order when called upon to do so by the President, but subject to such conditions as may be prescribed by an Act of the National Assembly; and

(*d*) perform such other functions as may be prescribed by an Act of the National Assembly.

Aware that the Constitution places on the National Assembly the responsibility of ensuring that Nigeria is equipped with a potent and effective Armed Forces that is able to fulfill its constitutional responsibilities both locally and internationally;

Notes that given the precarious security situation in the country at the moment, it has become necessary to review the preparedness of the nation's Armed Forces to tackle the existential security issues, in this regard, budgetary allocations to Armed Forces since the return of democratic rule in 1999 needs to be reviewed;

Understands that these allocations are meant to enhance the capacity of the Armed Forces and cater for the welfare of its men;

Realises that defence expenditure had been on the increase since year 2009 when the country spent ₦233 billion and became the 7th largest spender in Africa; in 2011, it went up to ₦348 billion, earning Nigeria the status of the 57th largest military spender in the world and the largest in the Economic Community of West African States (ECOWAS); and in 2012, the Ministry of Defence received ₦360 billion, while it is proposed to receive ₦355 billion in 2013;

Concerned that considering the huge sums usually appropriated for the Armed Forces, the welfare of its men ought to be of the highest possible standard; however, this appears not to be so as was seemingly admitted by the President during the passing out parade and commissioning of the Direct Short Service Course 20 of the Nigerian Navy at the Nigerian Defence Academy in 2012 where he stated that the welfare, equipment and professionalism of the nation's Armed Forces were nothing compared to international best practices;

Observes that the country might be sending its soldiers into harm's way by not properly kitting them with the right materials needed; indeed it is alleged that men of the Armed Forces are made to kit themselves from their meager earnings which results in lack of proper and quality kitting thereby lowering the inspiration, morale and pride of the soldiers. Apart from the lack of appropriate Rucksacks and Assault Packs, the right communication gadgets are usually not provided, thus endangering the lives of these men when cutoff from their troop;

Bothered about the state of the nation's armory with regard to whether the nation has the capacity to cope with the challenges of modern warfare; and also combat the sophistication of the 21st century terrorism where terrorists possess long range weapons which present a clear danger to troops furnished with outdated ammunition;

Worried about poor provision of logistics equipment such as adequate combat vehicles, Recaclamaissance Vehicles, Armored Personnel Carriers, Medical Evacuation Vehicles, General Utility Vehicles, etc.;

Further worried about the state of intelligence gathering due to the lack of modern communication equipment which should aid real time satellite tracking of security threats, the absence of which seems to have given the terrorists better advantage since it is obvious they are better able to predict the actions of the security agencies;

Further aware that the defence sector has enjoyed exemption from payment of import duties, Value Added Tax (VAT), etc., under the Common External Tariff (CET) 2008 to 2012, which is assumed as an opportunity for the country to acquire durable and superior ammunition and military gadgets;

Also bothered that in spite of the huge funding of the Defence sector, the country has recorded incessant crashes of Military Aircrafts in recent years; for instance, on 28 January, 2005, a Fighter Plane crashed in Yar Kanya, Kano State. Similarly, on 16 September, 2006, another Air Force plane crashed in Benue State, on 15 December, 2012 a Military Helicopter crashed in Bayelsa State and sometime in 2013 an Air Force Alpha Jet crashed in Niamey, Niger Republic;

Further concerned that it has even been alleged that some of the Fighter Jets sent to bomb terrorists camps had issues with the failure of the bomb chambers to open for the release of the bombs;

Also concerned about the state of training and retraining of Force men for effective and smooth coordination of intelligence, resources and equipment between the Armed Forces Security Services and other relevant Agencies in the maritime sector, aviation sector and border security agencies in the implementation of National Defence Policy, as well as maintaining proper processes for civil/military relationship;

Further recognizes the urgent need to ensure that there are properly trained Regimental Sergeant Majors (RSMs) who will instill proper regimentation, order and discipline to bring our Armed Forces to the level of a world class force;

Further notes that the loyalty and commitment of the Nigerian Armed Forces as at today is not comparable to what obtained in the 1960s and 1970s, when the welfare of the Military men were of topmost priority to the government and of each Force Unit, and Force men were duly paid their benefits, such as the Ration Cash Allowance (RCA);

Observes that the Nigerian Armed Forces have grown over the years and the existing infrastructure, such as decent accommodation, training facilities and other social amenities cannot meet the present needs of the Forces;

Regrets the claims from different quarters that favoritism and ethnicity have penetrated the Nigerian Armed Forces, to the extent that major postings are no longer made on merit, a situation that has led to a breakdown of order, reduced competence and compromised the security objectives of the country;

Further regrets the unfortunate ill-treatment of officers who got injured in the line of duty and the manner with which the families and loved ones of soldiers who had fallen are treated. There have been complaints that several officers who gave their lives for the country were neither given befitting burials nor were they duly honoured;

Determined to ensure that the Nigerian Armed Forces is modern, compact, strong, professional, mission-capable and mission-ready for the defense of our national territory, maritime interests, airspace and the protection and defense of the Constitution of the Federal Republic of Nigeria and to contribute to peace keeping duties worldwide under sub-regional and global organizations of which Nigeria is a member;

Resolves to:

Mandate the Committees on Defence, Army, Navy, and Air Force to appraise the following:

(*i*) accommodation, salaries, and allowances in the Armed Forces;

(*ii*) kitting of officers of the Armed Forces;

(*iii*) regimentation, discipline and order in the Armed Forces;

(*iv*) training and retraining of Force men;

(*v*) postings and promotions in the Armed Forces;

(*vi*) the state of the Armored Corps;

(*vii*) armed Forces Logistics;

(*viii*) military equipment and armory; and

(*ix*) defence budget and expenditure from 1999 till date, and report back to the House within 4 weeks.

BILLS

2. Consolidation of Bills:

(*a*) A Bill for an Act to Amend the National Lottery Act 2005 to further Empower the National Lottery Regulatory Commission of Nigeria to carry-out its Regulatory Functions, to bring the Lottery Business in Nigeria in line with best Practices and for Other Matters Connected Therewith (HB. 161) — *Second Reading*.

(*b*) A Bill for an Act to Amend the National Lottery Act, 2005 and for Other Matters Connected Therewith (HB. 659) — *Second Reading*.

3. A Bill for an Act to Amend the Robbery and Firearms (Special Provisions) Act, Cap. R II LFN, 2004 (HB. 659) — *Second Reading*.

CONSIDERATION OF REPORT

4. *Ad-hoc* Committee on Malabu Oil and Gas Limited:
Hon. Leo Ogor:
"That this House do consider the Report of the *Ad-hoc* Committee on Transaction involving the Federal Government and Shell/Agip Companies and Malabu Oil and Gas Limited in respect of Oil Block OPL 245 and approve the Recommendations therein" (**HR. 111/2012**) (*Laid*: 9/7/2013):

(*i*) That the Federal Government of Nigeria should cancel OPL 245 recently granted to Shell Nigeria Exploration and Production Company Ltd. (SNEPCO) (50%) and AGIP (50%), as it was based on a highly flawed 'Resolution Agreement' entered into between Malabu Oil and Gas, Shell Nigeria Exploration and Production Company Ltd (SNEPCO) and Nigeria Agip Exploration Ltd (NAE) with the Federal Government acting as Obligor. The 'Resolution Agreement' ceded away our National Interest and further committed Nigeria to some unacceptable Indemnities and liabilities while acting as an Obligor. Indeed, Clause 17 of the 'Resolution Agreement' commits the Federal Government of Nigeria to indemnify, and even defend Shell Nigeria Ultra Deep Ltd. (SNUD), Shell Nigeria Exploration and Production Company Ltd (SNEPCO) and Nigeria Agip Exploration Ltd (NAE) from and against "all suits, proceedings, claims, demands, losses and liability of any nature or kind, including but not limited to all litigation costs, attorney's fees, settlement payments, damages and all other related costs and expenses, based on, arising out of or in connection with" the 'Resolution Agreement' and or the issuance of the Oil Prospecting License in respect of Block 245;

(*ii*) That the Federal Government through the Ministry of Petroleum Resources and the Office of the Attorney-General of the Federation facilitates a new 'Resolution Agreement' in line with the Petroleum Act, and the Indigenous Concession Programme (ICP) of Government that guided the initial allocation of OPL 245 to Malabu Oil & Gas, as a situation where the 'Resolution Agreement' diverted 100% of the beneficial ownership to two foreign based companies is contrary to our national aspirations. Indeed the 'Resolution Agreement' should acknowledge Nigeria's National interest in the huge deposits existing in the Block;

(*iii*) That the House should direct the Committees on Petroleum Resources (Upstream), Petroleum Resources (Downstream), Gas Resources and Local Content to liaise with the Ministry of Petroleum Resources to make available a comprehensive list of similar ventures with Petroleum Sharing Agreement or contract without Nigeria National Petroleum Corporation (NNPC) participation, for necessary remediation;

(*iv*) That AGIP Nigeria Agip Exploration Ltd (NAE) be formally censured or reprimanded by the House for its role in the 'Resolution Agreement' which lacked transparency and did not meet international best business practises. The 'Resolution Agreement' was meant to resolve existing disputes between the various parties, which even by AGIP's acknowledgment they are not party to the disputes, in the process, they cornered 50% equity in Block 245;

(*v*) That Shell Nigeria Ultra Deeps (SNUD) be censured or reprimanded by the House for its lack of transparency and full disclosure in its bid to acquire OPL 245;

(*vi*) That the ownership structure of Malabu Oil and Gas Ltd flowing from our findings and the Economic and Financial Crimes Commission (EFCC)'s interim report, is as follows:

(*a*) Mohammed Sani (Abacha) (or his Successors in title) — 50%,

(*b*) Kweku Amafegha (Dan Etete) (or his Successors in title) — 30%, and

(*c*) Pecos Energy Ltd — 20%,

Consequently, the Office of the Attorney General of the Federation, the Ministry of Petroleum Resources, and the Ministry of Finance should take this into consideration in any dealings with respect to OPL 245;

(*vii*) That the Nigerian Police Force should take over the on-going investigation on the matter of forgery and alteration of documents indicting some Directors of Malabu Oil & Gas Ltd who resigned their positions or transferred their appointments or shares without authorisation, and initiate prosecution of any person indicted;

(*viii*) That in line with global best practices, accountability and transparency, individuals and financial institutions linked with and found culpable by the Economic and Financial Crimes Commission (EFCC) of receiving and transferring money unlawfully with respect to or arising out of the 'Resolution Agreement', should be charged to an appropriate court of competent jurisdiction, and any such monies unlawfully transferred should be recovered;

(*ix*) That in redrafting a new 'Resolution Agreement', Nigeria's tax laws should be respected, and consequently where applicable, the Federal Inland Revenue Service (FIRS) should take all necessary steps to impose Capital Gains Tax on Shell (Shell Nigeria Exploration and Production Company Ltd (SNEPCO) — Shell Nigeria Ultra Deep Limited (SNUD) transaction as the payment or reimbursement of $355,000,000 from Shell Nigeria Exploration and Production Company Ltd (SNEPCO) to Shell Nigeria Ultra Deep Limited (SNUD) as contained in the 'Resolution Agreement' is clear evidence of some form of alienation or transfer of interest that satisfies the requirement for tax purposes.

COMMITTEE MEETINGS

	Committee	*Date*	*Time*	*Venue*
1.	Rules and Business	Tuesday, 18 February, 2014	2.00 p.m.	Committee Room 06 Assembly Complex
2.	Aids, Loans and Debt Management	Tuesday, 18 February, 2014	2.00 p.m.	Committee Room 468 New Building (House) Assembly Complex
3.	Millennium Development Goals (MDGs)	Tuesday, 18 February, 2014	2.00 p.m.	Committee Room 034 New Building (House) Assembly Complex
4.	Appropriations	Tuesday, 18 February, 2014	2.00 p.m.	Committee Room 1.20 New Building (House) Assembly Complex
5.	Federal Character (*with Federal University, Wukari, Federal Medical Centre, Jalingo, Nigerian Ports Authority (NPA), Federal Road Maintenance Agency (FERMA)*)	Tuesday, 18 February, 2014	1.30 p.m.	Committee Room 247 New Building (House) Assembly Complex