# HOUSE OF REPRESENTATIVES
# FEDERAL REPUBLIC OF NIGERIA

## ORDER PAPER

Tuesday, 20 October, 2015

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

### ORDERS OF THE DAY

### MOTIONS

1. **Devastating Gully Erosion in some Communities in Kaura-Namoda/Birnin-Magaji Federal Constituency:**
**Hon. Aminu Sani Jaji:**

The House:

*Notes* that most communities in Kaura-Namoda/Birnin-Magaji Federal Constituency, particularly Maikuru, Yautabaki, Gabake, Sakajiki, Sabonbirnin, Magare, Kwalobdawa, Gidan Goje, Gusani and Banga, have been massively devastated by gully erosion for many years;

*Also notes* that many people in the constituency have been rendered homeless due to the collapse of their buildings as a result of the erosion, while many roads linking the communities have been completely destroyed and farm lands degraded;

*Concerned* that the erosion has exposed, and thereby made the land vulnerable to wind erosion, which is gradually causing desertification and could eventually lead to drought in the areas, if not checked;

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*Also concerned* that the long term implication of the twin hazards of flood and wind erosion of the areas is degradation of the land, leading to loss of soil fertility which will result in low agricultural yield and the situation, coupled with the collapse of the road network, will make the whole place inaccessible, and the resultant economic recession will adversely affect the people;

*Disturbed* that unless urgent steps are taken to address this serious ecological problem, the lives, houses, environment and the means of livelihood of the people will continue to be endangered;

*Convinced* that the construction of proper channels and line drains, as well as reconstruction of roads destroyed by erosion in the areas will enhance rapid economic development of these agrarian communities;

*Resolves to*:

(*i*) Mandate the Committee on Environment (when constituted) to liaise with the Federal Ministry of Environment to urgently take necessary actions to address these ecological problems;

(*ii*) also mandate the Committees on Works, and Federal Roads Maintenance Agency (FERMA) (when constituted) to liaise with the Federal Ministry of Works and FERMA to ensure the re-construction of the roads destroyed by the erosion; and

(*iii*) urge the National Emergency Management Agency (NEMA) to provide relief materials to those who have been rendered homeless due to the collapse of their buildings.

**2. Abuse of the Grant of Pioneer Status by Companies:**
**Hon. Herman Hembe:**

The House:

*Notes* that Section 1 of the Investments Development (Income Tax Relief) Act, Cap. I7, LFN 2014 and the Companies Income Tax Act (CITA) vest power on the President to grant pioneer status or tax relief as incentives to companies designated as pioneer industries to encourage investments and stimulate growth in the under-explored sectors that are considered important to the growth of the economy;

*Also notes* that Section 10 of the Investments Development Act provides that tax relief period shall be for three years from the first day of production by the company with option for extension for another year or two years;

*Worried* that in the past four years, the Nigerian Investments Promotion Council (NIPC) had issued pioneer status certificates to companies other than those envisaged by the law, including Petroleum exploration and production companies, and had granted it to companies for five straight years, contrary to extant laws and had also granted unwholesome extensions and even further granted the status to companies that had previously benefited from the grant;

*Also worried* that the NIPC had, on occasions, granted the pioneer status retrospectively, thereby causing the government to even refund taxes already paid by the companies, which have cost the Federal Government about ₦1.850 trillion in revenues;

*Resolves to*:

Mandate the Committee on Finance, (when constituted) to investigate the issuance of pioneer status in the past six years with the aim of determining if there had been abuses, and then recommend ways to recover the lost revenues and bring anyone found to have wilfully or in disregard of the laws, set out to cause such monumental financial loss to Nigeria.

3. **Poor Service Delivery by Nigeria's Fire Services:**
**Hon. Abdulraheem Olajide Jimoh:**

The House:

*Notes* that the Fire Services are structured to respond quickly to fire outbreaks in order to reduce to the barest minimum, the impacts of fire on lives and properties;

*Worried* that the Fire Services in the country are deficient due to lack of modern and sophisticated equipment, motivation and poor conditions of service;

*Aware* that unless urgent steps are taken to reposition the Fire Services across the country for better performance, fire outbreaks would continue to lead to avoidable loss of lives and damage to properties;

*Concerned* that victims of fire incidents are usually neglected without any form of compensation to alleviate their sufferings, as in some cases, Government's promises of assistance are not usually kept;

*Resolves to*:

(*i*) Urge the Federal and States Governments to urgently improve the operations of Fire Services nationwide in terms of structure, funding, conditions of service, provision of modern equipment and mode of operation for optimum performance; and

(*ii*) appeal to corporate and private institutions to support the Fire Services through donations of fire equipment and operational vehicles.

4. **Recovery of Revenues Payable to the Federation Account from the Nigerian National Petroleum Corporation (NNPC) and its Joint Venture Partners:**
**Hon. Ossai Nicholas Ossai:**

The House:

*Notes* that the Nigerian National Petroleum Corporation (NNPC) on behalf of the Government of the Federation, entered into Joint Venture Agreements with Oil Companies operating in Nigeria;

*Also notes* that the NNPC and the Oil Companies are expected to fund the Joint Venture Operations (JVOs), and share the Oil produced and other associated benefits or revenues in line with their interest holdings as contained in the Joint Operation Agreements;

*Aware* that the Federal Government's contribution to the funding of the Joint Ventures is sourced from the Appropriations Act, and released by the Nigerian National Petroleum Corporation (NNPC) through a system of monthly cash calls which frees the Government from any other cost obligation;

*Also aware* that besides the lifting of Oil in the agreed sharing ratio, there are associated income or miscellaneous revenues accruable to the Joint Venture, for which Government is entitled to a good share in accordance with the Joint Operation Agreements (JOA);

*Cognizant* that section 162 (1) of the Constitution of Nigeria requires all collectable revenues of the Government of the Federation to be paid into the Federation Account;

*Concerned* that income from such sources as sale of assets, marine transportation, ullage or pipeline transportation, etc. which form part of the Joint Venture Operations are unaccounted for and not usually paid into the Distributable Pool by the Oil Companies which are the operators of the Joint Ventures;

*Also concerned* that these sources of the Joint Venture Income amount to Billions of Naira or Millions of Dollars (particularly ullage or pipeline transportation) as the case may be;

*Disturbed* that the Operator-Companies net off these income against expenses (already settled) allegedly in collusion with officials of the Nigerian National Petroleum Corporation (NNPC) to avoid the remittance of the income to the Federation Account;

*Also disturbed* that the Joint Operation Agreements (JOA) largely favour the operator-companies to the detriment of the non-operator, the Nigerian National Petroleum Corporation (NNPC) which is the agent of the Federal Government;

*Resolves to*:

Constitute an *Ad-hoc* Committee to investigate the Operations of the Joint Venture Agreements with particular reference to leakages and also carry out a forensic assurance review of the Joint Venture books to establish the amounts of income that accrued to the Joint Venture Partners in the past seven (7) years and the actual amount remitted to the Federation Account, and report back to the House within seven (7) weeks.

5. **Deploring Nigeria's Absence at the Zero Routine Gas Flaring Initiative in Washington D.C., United States of America:**

**Hon. Uchechuku Nnam-Obi**
**Hon. Chinda Kingsley Ogundu**
**Hon. Dekor Dumnamene Robinson**
**Hon. A. Awaji-Inombek Dagomie**
**Hon. Chikere Kenneth Anayo**
**Hon. Apiafi Betty Okagua**
**Hon. Brown Randolph**
**Hon. Nsiegbe Blessing Ibiba**
**Hon. Nbina Jacobson. B.**
**Hon. Gogo Bright Tamuno**
**Hon. Boma Goodhead**
**Hon. B. S. Emerengwa**
**Hon. Jerome Amadi Eke**
**Hon. Douye Diri**

The House:

*Notes* that Nigeria is faced with severe challenges arising from unbridled gas flaring at onshore/ offshore production sites by international oil companies operating within its shores;

*Aware* that the Zero Routine Flaring by 2030 Initiative was launched by the United Nation's Secretary-General, Ban Ki-Moon, and the World Bank Group President, Jim Yong Kim, as part of the World Bank's Spring meeting in Washington, USA;

*Observes* that the Initiative strives to get Governments, Oil companies, and Developmental Institutions to see gas flaring as unsustainable as it constitutes waste of resources, poses grave environmental and health dangers to the people and also detrimental to the climate, and thus, agree to cooperate to eliminate routine flaring, not later than 2030;

*Worried* that Nigeria's absence at the meeting of the Zero Routine Gas Flaring by 2030 Initiative, which was held in Washington D.C., United States of America on April 17, 2015 and the country's inability to sign the treaty, the cardinal objective of which is to end gas flaring by oil companies by 2030, is a major cause for concern;

*Also aware* that ten multinational Oil companies, six global Developmental Institutions and nine nations, such as Norway, Cameroun, Russia, Kazakhstan, Gabon, Uzbekistan, Congo, Angola and France and multinational firms like Royal Dutch Shell, Total, Statoil, Eni, BG Group, Kuwait Oil Company, Petroamazonas of Ecuador, State Oil Company of Azerbaijan, Societe Nationale des Petroles du Congo, and Societe Nationale des Hydrocarbones of Cameroun signed an agreement to end routine gas flaring at oil production sites by 2030 while Nigeria, with serious Gas flaring issues, was not represented;

*Disturbed* that Nigeria's absence at the meeting sent a wrong signal that she was not ready to end gas flaring which has caused a lot of damage to the environment of Ahoada-West/Ogba/Egbema/Ndoni, and the people, who are victims of the devastating effects of gas flaring, continue to live with this danger by the day as even the money paid by these companies, ostensibly as compensation to continue to flare gas, cannot be equated with the colossal damage to the health of the people and their environment;

*Resolves to*:

(*i*) Urge the Federal Government to initiate the process of formally endorsing the Initiative after concluding any ongoing policy review of its energy industry;

(*ii*) invite the Permanent Secretary or a representative of the Federal Ministry of Petroleum Resources to explain to the House, the reason(s) why Nigeria did not send any delegate to the event aimed at ending gas flaring;

(*iii*) mandate the Committees on Gas Resources, and Petroleum Resources (Downstream) (when constituted) to conduct a comprehensive review of relevant government policy initiatives aimed at curbing gas flaring and assess such in order to determine if they conform to global best practices.

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## BILLS

**6.** A Bill for an Act to Amend the National Agency for Food and Drugs Administration and Control Act, Cap. N1, LFN, 2004 and for Other Matters Connected Therewith (HB. 42) (*Hon. Goodluck Nanah Opiah*) — *Second Reading*.

**7.** A Bill for an Act to Amend the Standards Organization of Nigeria Act, Cap. S9, LFN, 2004 to Mandate the Organization to Compile and Publish Quarterly, an Inventory of Substandard Products in Circulation and Impose Stiffer Penalties on Defaulters and for Other Related Matters (HB. 47) (*Hon. Oghene Emma Egoh*) — *Second Reading*.