

LEAD DEBATE FOR AN ACT TO ESTABLISH THE ECOLOGICAL FUND FOR THE PURPOSES OF FUNDING CERTAIN FEDERAL AGENCIES DEALING WITH ENVIRONMENTAL AND ECOLOGICAL PROBLEMS (SB. 395)

Sponsor: Senator Mohammed Hassan (*Yobe South*).

Mr. President, Distinguished Colleagues, the Ecological Fund is one of the biggest special intervention funds in Nigeria. However and regrettably, the operation of the Ecological Fund over the years, has raised questions of accountability, transparency and credibility. Successive governments have serially been accused of diverting and enriching themselves from the ecological funds. The operation of the fund has been largely discretionary, with zero guidelines on the disbursement and utilization of the monies. Funds were given out from the Ecological fund as loans to private individuals and companies, state government and corporations. The indiscriminate application of the fund has had some states benefit so much from it while some other states got next to nothing. There is therefore an urgent need for the strict regulation and supervision of the Ecological Fund to stop what has become a gross abuse of several billions of naira paid into the fund annually.

Background

Distinguished Colleagues, the Ecological Fund was established in 1981 as an intervention fund for the amelioration of ecological problems such as soil erosion, flood, drought, desertification, oil spillage, pollution and general environmental pollution. It was structured to receive one per cent (1%) of the Federation Account, and was later increased to two per cent (2%). The fund has over the years been operated like a slush fund, deployed for varying purposes according to the whims and caprices of the incumbent.

The need to combat the menace of ecological problems facing Nigeria informed the establishment of the Ecological Fund through the Federation Account as a pool of funds that would be solely devoted to funding of ecological problems.

The utilization of ecological fund, particularly since the return to civilian rule in 1999 has been embroiled in endless controversies that in most cases are hinged on gross mismanagement. Hence, rather than serve as a veritable tool for addressing the myriads of the country's ecological problems, the utilization of the fund was embroiled in endless controversies that is related to transparency. History avails us with case studies of how ecological funds were used to fund elections. Also, there have been reports of illegal withdrawals from Ecological Fund account by the Ecological Fund Office for reasons not relevant to the objectives of the fund.

Also, between 2003 and 2007, the Senate Public Accounts Committee reported that over N9 billion of Ecological Fund was not remitted by the Ecological Fund Office (EFO) to the National Emergency Management Agency (NEMA) and the money has not been accounted for. These issues culminate into the need to address the lack of transparency as a major reason the fund has not achieved its stated objectives. Poor implementation of ecological funds have also been blamed for the increased vulnerability of many states to the recent scourge of floods and gully erosion. Despite these issues, no coordinated legislative action has been taken to address these issues of mismanagement associated with the use of ecological funds.

Some Cases of Misuse of Ecological Funds

Date	Situation Report
2009	N93.7 billion was illegally transferred from the Ecology Fund to the Consolidated Revenue Fund to fund the acceleration of capital budget advances to state and local governments to meet revenue shortfall.
December 2009	The National Economic Council reported that about N200 billion belonging to the Ecological fund had been spent on questionable projects that were either non-existent or had no relation to the fight against ecological disasters or problems
June 2010	The HOR raised queries over curious withdrawals and loans to agencies and individuals totaling N146.594 billion, mainly to irrelevant objectives of the fund.
December 2011	It was reported that an illegal deduction totaling N20.1 billion was made from the Ecological Fund for debt servicing
2013	The administration of President Goodluck Jonathan gave N2 billion to certain states of the Federation but excluded other states.
2013	In 2013, N22bn was withdrawn and shared out to some states and local governments, while N2.078bn was withdrawn towards the building of the second Niger Bridge, although there is nothing on ground to justify the purported expenses.

Abuse of the Fund

In the last 15 years, the federal and state governments have reportedly misused about N500 billion meant for redressing ecological problems. In 2013, the Senate Committee on Public Accounts Report uncovered a massive abuse and

misappropriation of the funds which included N154.9bn on projects not related to the environment.

In 2002, the fund gave a grant of N728m to the Presidential Research and Communication Unit and disbursed N928million for non-ecological projects.

In 2003, N1.9bn was disbursed for non-ecological programmes out of which N800m was given to the Ministry of Aviation for the renovation of the Aminu Kano Airport and N150m to Kaduna State Government to manage sectarian crisis in the state.

Mr. President, my respected Colleagues, this Bill is a response to the Senate's Resolution on the report of the Committee on Public Account to enact a legislation to regulate the operations of the Ecological Funds and other similar funds.

Objective of the Bill

Mr. President, Distinguished Colleagues, this Bill therefore is the fulfillment of that Senate resolution to enact a legislation for the regulation of a transparent and accountable operation of the Ecological Fund. It seeks to ensure that the fund is applied solely for the purpose of environmental and ecological problems. It seeks to specify the exact category of beneficiaries of the fund, the distribution proportions and purposes for which the fund can only be applied, to curb the arbitrary expenditures being incurred from the fund.

With many states in the South-east and South-South ravaged by erosion while their Northern counterparts are threatened by desert encroachment, it is the objective of this Bill to ensure that the Ecological fund serves the sole environmental and ecological purpose for which it is created. It will aid the National Assembly in their oversight functions on the utilization of these funds if passed.

Financial Implications:

Mr. President and Distinguished Colleagues, this Bill has no added financial burden on the Federal Government. It does not seek to create any new Commission with its attendant costs but to regularize and strengthen that which already exists.

I therefore implore my colleagues for their support on this all important Bill.

Thank you Mr. President.