



Hon. (Barr.) Simon Yakubu Arabo

HOUSE OF REPRESENTATIVES, FEDERAL REPUBLIC OF NIGERIA

Kauru Federal Constituency, Kaduna State

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LEGISLATIVE BRIEF

NOTICE OF MOTION

**“NEED TO INVESTIGATE THE TRANSMISSION COMPANY OF
NIGERIA ON VIOLATIONS OF THE CONSTITUTION, FISCAL
RESPONSIBILITY ACT AND PUBLIC PROCUREMENT ACT AS IT
CONCERNS FOREIGN LOANS OF \$1.5B AND \$500M FOR ITS
OPERATIONS AND CONTRACTS PROCESSES”**

Sponsor: Hon. Simon Yakubu Arabo

PREAMBLE:

Rt. Hon. Speaker, my distinguished Hon. Colleagues I hereby appeal for your support for the above captioned motion which is in consonance with our oaths of office i.e to defend and uphold the provisions of the Constitution of the Federal Republic of Nigeria 1999 as amended and all extant laws of this Country. See Sections 88 and 89 of the Constitution of the Federal Republic of Nigeria 1999, as amended.

BACKGROUND INFORMATION

The privatisation of the Power sector under section 8 of the Power Sector Reform Act 2005 gave birth to the Transmission Company of Nigeria (TCN) as one of the successor companies in the power sector;

By Section 9 of the Act, the Transmission Company of Nigeria is wholly owned by Federal Government of Nigeria with the Ministry of Finance Incorporated (MFI) and Bureau of Public Enterprises holding shares on its behalf;

The Transmission Company of Nigeria (TCN) has taken loans amounting to \$1.5B from the World Bank and other international lenders over a period of time

Chairman: House Committee on Delegated Legislations

Member: House Committees on Public Petitions, Gas, F.C.T. Judiciary, Capital Market, Human Rights, Insurance/Actuarial Matters and Poverty Alleviation.

without complying with the provisions of Section 44 of the Fiscal Responsibility Act.

The loan were utilised without full appropriation by the National Assembly contrary to Sections 80 – 83 of the Constitution of Federal Republic of Nigeria, 1999.

The Transmission Company of Nigeria is currently negotiating another loan of \$500m with the Islamic Development Bank and has been violating the provisions of Public Procurement Act in contract procedures as the processes are opaque.

ISSUES OF THE MOTION

The thrust of this motion is on foreign loans that have been procured by the Transmission Company of Nigeria for its operation in ways and manner that are allegedly not transparent and have been expended in some instances without complying with the section 44 of Fiscal Responsibility Act and without full appropriation by National Assembly contrary to the constitution. The Transmission Company of Nigeria is also a revenue generating agency.

It is also being alleged that the Transmission Company of Nigeria is currently negotiating a \$500m loan from the Islamic Development Bank. It is further alleged that the Transmission Company of Nigeria has not been complying with the provision of the Public Procurement Act in the contract procedures as same have not been very transparent.

The sources of funding for the Transmission Company of Nigeria are not very clear and there is need for an investigation by this parliament. The Transmission Company of Nigeria has for the past decade been procuring foreign loans from International lending entities e.g the World Bank, African Development Bank, etc. The motion is investigative hence the need to refrain from detailed argument on same.

Distinguished Colleagues kindly lend your support to this motion so that the issues canvassed herein will be investigated and Nigerians will be properly acquainted with what has been happening in the Transmission Company of Nigeria.

I am most obliged.



HON. SIMON Y. ARABO