

# REPORT OF THE HOUSE COMMITTEE ON FEDERAL CAPITAL TERRITORY ON THE ALLEGED IRREGULARITIES SURROUNDING THE CENTENARY CITY PROJECT: (HR. 08/2016)

## 1.0 INTRODUCTION

The House of Representatives had on Wednesday 15<sup>th</sup> June, 2015 deliberated on the Motion on Alleged Irregularities Surrounding the Centenary City Project and mandated its Committee on Federal Capital Territory to undertake an investigation into the matter to determine whether the project was carried out in accordance with extant laws and regulations and whether it was implemented in the best interest of Nigeria, and report back to the House for further legislative action.

Following this referral, the Committee met, considered the Motion and subsequently adopted a modus operandi for carrying out the assignment. At the end of the investigation, the Committee proffered recommendations based on its findings.

## 1.1 Mandate of the Committee

The Committee met and discussed its mandate which was to investigate possible irregularities surrounding the Centenary City Project and agreed on the following as its Terms of Reference:

- i. to establish the relevant legal framework upon which the Centenary City Project was predicated;
- ii. to determine whether the legal and regulatory framework was followed;
- iii. to determine the circumstances of the allocation and/or engagement of the investor;
- iv. to determine the roles played by the key actors/stakeholders in the Centenary City project;
- v. to make recommendations based on its findings.

## 2.0 METHODOLOGY

The Committee adopted the following methods in carrying out the assignment:

- a. Held a meeting and discussed all matters related to the assignment
- b. Identified the key actors/officials/stakeholders in the project, which included:
  - i. HE Dr. Goodluck Ebele Jonathan, Former President of Nigeria
  - ii. Sen. Anyim Pius Anyim, Former Secretary to Government of the Federation
  - iii. Chief Mike A. Oghiadomhe, Former Chief of Staff to the President
  - iv. Mohammed Bello Adoke, SAN, Former Attorney General of the Federation
  - v. Dr. Olusegun Aganga, Former Minister for Industries, Trade and Investment
  - vi. Senator Bala Muhammed, Former Minister, Federal Capital Territory
  - vii. Engr. Ismaila Adamu, Former Executive Secretary, FCDA

- viii. Faruk Sani, Former Coordinator, Abuja Infrastructure Investment Centre
- ix. Office of the Secretary to the Government of the Federation (OSGF)
- x. Federal Capital Territory Administration (FCTA)
- xi. Abuja Infrastructure Investment Center (AIIC)
- xii. Federal Capital Development Authority (FCDA)
- xiii. Managing Director/CEO, Centenary City Plc (CCPlc.)
- xiv. Nigerian Export Processing Zone Authority (NEPZA)
- xv. Abuja Investment Company Limited (AICL)

c. Wrote and requested for information on the matter from the identified key actors/officials/stakeholders in the project.

The information requested included:

- i. Approvals for Centenary City Project;
- ii. Registration Documents of the Centenary City Plc;
- iii. Certified True Copies of Centenary City Plc mandate for opening of account as well as statement of account with First Bank Plc and Key Stone Bank Plc;

- iv. Copy of Development Agreement between FCTA and Centenary City Plc;
- v. Evidence of payments made to the FCTA by Centenary City Plc, if any;
- vi. Approval by the President for designation of Centenary City as a Free Trade Zone;
- vii. Bill of quantities/engineering designs/surveys/ and other Plans for the Centenary City;
- viii. Publicised criteria for selecting an investor for the Centenary City Project.
- ix. Any other information relevant to the Programme.

- d. Called for memoranda from the public through paid advertisements in the national dailies.
- e. Critically analysed the information obtained from the key actors and other Stakeholders
- f. To ensure that all stakeholders were accorded an opportunity for fair hearing, the Committee conducted a 2-Day Investigative Public Hearing, where all relevant stakeholders

were invited to make verbal submissions in addition to the memoranda received by the Committee.

### **3.0 FINDINGS**

Based on the analyses of the memoranda submitted to the Committee and the oral presentations at the Investigative Public Hearing, the Committee arrived at the following findings:

#### **3.1 The Project/Programme**

- a. The Project was conceptualized by the Office of the Secretary to the Government of the Federation (OSGF) vide a letter dated 27th September, 2012 in which the then SGF Senator Anyim Pius Anyim requested the approval of President Goodluck Jonathan for the establishment of a Centenary City in the Federal Capital Territory as part of planned activities to commemorate the 100-year anniversary of Nigeria's amalgamation by year

2014. The said letter is attached to the report as **Annexure 1**.

- b. In the said memo to Mr. President above, the then SGF recalled the earlier directives of Mr President that:
  - i. The Centenary Project should be wholly private sector driven;
  - ii. The SGF should discuss with FCTA the mode of private sector land use that will be suitable for the development of the Centenary City.
- c. The then SGF recommended to Mr President that the Land Swap Model of land use in the FCT was most suitable for the development of the Centenary City and urged Mr President to consider and approve:
  - i. that the Centenary projects and activities be wholly driven by the Private Sector;
  - ii. that the Land Swap Model of land use in FCT be adopted for the development of the Centenary City;
  - iii. that the Centenary celebration plans and activities be brought to Council for members' inputs and advice.

- d. On the 29th of September 2012, Mr President specifically approved that:
- i. "the Centenary project and activities be wholly driven by the private sector;
  - ii. the Land Swap Model of land use in FCT be adopted for the development of the Centenary City".
- e. Mr President further directed that he should be briefed "on all major steps."
- f. Following the said approval, Senator Anyim Pius Anyim, the then SGF set about the formation of Centenary City Plc as a Special Purpose Vehicle (SPV) to undertake the development of a Centenary City.
- g. Centenary City Plc was incorporated on the 17th day of April, 2013 as an SPV by two companies namely, **Company First Ltd** and **Basic Start Ltd**. The certificate of incorporation of Centenary City Plc is attached as **Annexure 2** while the Memorandum and Articles of Association of the company are attached as **Annexure 3**.

- h. Both **Company First Ltd** and **Basic Start Ltd** each have share capital of 10,000 and are both jointly owned by one **Ms Boma Ozobia** and one **Mr Paul Oki** both of the same address. The Memorandum and Articles of Association of **Company First Ltd** is **Annexure 4** while those of **Basic Start Ltd** are **Annexure 5**.
- i. Senator Anyim, the former SGF had briefed then President Goodluck Jonathan vide **Annexure 1** referred to above, that he had "contacted a number of Nigerian business men who are enthusiastic about being part of the project. It is our belief that the city shall be 100% wholly driven by Nigerians to showcase our indigenous capacity as part of the Centenary celebrations."
- j. The Committee requested for evidence of efforts made by Senator Anyim or the Office of the SGF to ensure open public participation in the selection process for investors in the Centenary City Project, in accordance with due process laws, but got no such evidence.

- k. Contrary to the claim by the MD Centenary City Plc, Dr Odenigwe Ike Michaels Jr. that he learnt and got involved in the Centenary City Project through newspaper publications, he was unable to submit any evidence to that effect. The SGF's office testified at the hearing that they had no such publications in their records.
- l. Based on discussions between the OSGF and FCTA it was agreed that land in the size of 1,264.78 hectares be set aside for the Centenary City Project.
- m. The project cost was estimated at USD 18,376,660,950.00 (Eighteen billion Three hundred and Seventy-Six million, Six hundred and Sixty Thousand Nine hundred and Fifty United States dollars). This estimation was unilaterally done by Centenary City Plc. FCDA testified that they played no role in arriving at it.

### **3.2. The Guiding Principles for the Implementation of the Project**

- a. Federal Republic of Nigeria Official Gazette No. 91 of 11<sup>th</sup> April 2014 (The Land for Infrastructure Swap Model of the FCT). Attached as Annexure 6
- b. Development Agreement between Centenary City Plc and the FCT Administration dated 11<sup>th</sup> April 2014. Attached as Annexure 7.
- c. The Land Use Act Cap L5 LFN 2004
- d. Nigerian Export Processing Zone Authority Act Cap N107 LFN 2004
- e. Federal Capital Territory Act Cap F6 LFN 2004

### 3.3. Findings

3.3.1 Federal Republic of Nigeria Official Gazette No. 91 of 11<sup>th</sup> April 2014 known as "Phase IV Transformation Agenda Project- Land for Infrastructure Swap Model." (Annexure 6)

- a. Mr. president had specifically directed on 27<sup>th</sup> September 2012 that the Land Swap Model of Land use in the FCT be adopted for the development of the Centenary City. By Mr President's directive, the Land Swap Gazette was the basic

regulatory framework for the development of the Centenary City.

- b. The land swap model entails earmarking of Greenfield lands on which investors are to lay primary and secondary infrastructure in return for a certain percentage of the said land not exceeding 60%, the irreducible minimum for the FCT being 40%.
- c. In response to a memo by the then Chief of Staff to the President, Chief Mike Oghiadomhe dated 22<sup>nd</sup> August 2014, Mr President, on 29<sup>th</sup> August 2014, approved that the Centenary City should be granted Free Trade Zone status in line with extant laws. The memo containing Mr President's endorsement is attached as **Annexure 8**.
- d. The Committee found that even before Mr President varied his directive on the status of the Centenary City on 29<sup>th</sup> August 2014, the Office of the SGF and the FCTA had between them changed the character of the project and implemented it outside the scope of the Land Swap Model which was the basis of Mr President's initial approval.

Particulars of non-compliance with the Land Swap Model as initially approved by Mr President are as follows:

- i. The land earmarked by the OSGF and the FCTA for the Centenary City project was not a **Greenfield** area as a lot of it had already been allocated to other individuals and entities. The then FCT minister revoked existing titles and reallocated the land to Centenary City Plc. This contravenes Clause 1 of the Background to the Land Swap Gazette.
- ii. Clause 1 of the Basic Terms of Relationship of the Land Swap Gazette required the investor amongst other things, to open a Project Account funded with Three hundred and Fifty million naira (₦350,000,000.00) as commitment fee on presentation of its business plan. The commitment fee was meant to fund the following items: Physical Plan, Preliminary Design, Survey Plan, Feasibility Studies, Engineering Design and Preparation of Agreement. The Committee found that this was not done by Centenary City Plc.

- iii. Clause 2 of the Basic Terms of Relationship required the investor to procure the detailed design and provide infrastructure in the district within a maximum period of 48 months. In contravention of this requirement, Centenary City Plc was given a completion period of between 60 and 120 months in the Comprehensive Development Agreement.
- iv. Clause 5 of the Basic Terms of Relationship prohibited the investor from commencing real property development or selling any part of the land until a minimum of 35% of functional infrastructure was laid by the investor. Without laying a single infrastructure, Centenary City Plc took steps to sell 80% of the Centenary City land to Eagle Hills LLC. This information was made available to the Committee by the submission of the Nigerian Export Promotion Zone Authority. See page 9 of **Annexure 13**.
- v. Clause 6 of the Basic Terms of Relationship required that title to the land allocated to the investor should be released on the following basis:

- a) 15% upon evidence of transfer of 15% of total infrastructure cost to the Project Account.
- b) 80% to be released on the basis of interim measured certificates.
- c) 5% retained till after the retention period of 12 months.

In contravention of the above procedure, the then FCT Minister Senator Bala Mohammed, following a request by then SGF Senator Anyim, issued 100% of both Right of Occupancy and Certificate of Occupancy to Centenary City Plc, on the same day, specifically on 10<sup>th</sup> April 2014 when the company had neither completed procurement of Preliminary designs nor signed a Development Agreement. The Right of Occupancy and Certificate of Occupancy are attached respectively as **Annexure 9** and **10**.

- vi. Clause 10 of the Basic Terms of Relationship require the FCTA to retain at least 40% of the buildable plots in the district. In contravention of this requirement and despite protests from the Abuja Investment Company Ltd and the then FCT Minister, Senator Bala Mohammed, FCTA was

denied 40% of buildable plots in Centenary City and was instead granted a 5% equity in Centenary City Plc.

### 3.3.2 Development Agreement between Centenary City Plc and FCTA (Annexure 7)

- a. Centenary City Plc signed a Development Agreement with the Federal Capital Territory Administration on the 11th day of April, 2014 a day after both the Right of Occupancy and Certificate of Occupancy had been fully granted to Centenary City Plc. The terms and conditions of the contractual relationship between Centenary City Plc and FCTA were to be governed by this Development Agreement.
- b. Clause 2.2 of the Development Agreement provides that *"the developer shall execute and complete the Centenary City in the Federal Capital Territory in several phases within a period of 60 (Sixty) to 120 (One hundred and twenty) months from the date of execution of this Agreement in line with global best practices PROVIDED however, that this Agreement, the Rights of Occupancy and/or any rights issued or granted pursuant to this Agreement is automatically*

*terminated and/or extinguished where the Developer fails to satisfy the conditions precedent stipulated in clause 1.17 of the Conditions of Contract herein within a period of One Hundred and Eighty (180) days from the date of signing this Agreement."*

c. Clause 1.17.1 of the Conditions of Contract referred to above is titled **Conditions Precedents**. According to the clause, the Development Agreement shall **ONLY** come into force upon the fulfilment of the conditions precedents which are listed as follows:

- i. Delivery of Engineering Design and Bill of Quantities of the Centenary City as approved by the Federal Capital Development Authority (FCDA);
- ii. Delivery to the FCTA of the certified true copy of the incorporation documents of Centenary City Plc showing the entry of the FCTA's commercial representative, Abuja Investment Company Limited, as having 5% equity in the company;

- iii. Delivery to the FCTA of certified true copies of the Shareholders Agreement;
- iv. Delivery of certified true copies of the executed agreement between Centenary City and construction contractors for infrastructure components of the projects;
- v. Delivery to the FCTA evidence of financing the project;
- vi. Delivery of the Financial Model as approved by the parties;
- vii. Transfer of at least 15% of the total project cost by Centenary City Plc into the Project Account for the commencement of project execution or an undertaking from the approved construction contractor indicating its obligations and the timeframe to execute at least 15% of the project works;
- viii. Provision of Performance Bond by Centenary City Plc to the FCTA for the infrastructure components of the project;
- ix. Submission of the programme of implementing the works by Centenary City Plc to the FCTA;

x. Delivery of an Interim Environment Impact Assessment Report;

d. The consequence of failure to comply with the conditions precedent contained in clause 1.17.1 is contained in clause 1.17.2 of the Conditions of Contract. Clause 1.17.2 provides that if the conditions precedent in clause 1.17.1 are not satisfied within the period of 120 days as stipulated, the Development Agreement shall be deemed to have been terminated by mutual consent of the parties and all rights, privileges, claims and entitlements, if any, under or arising out of the agreement shall be deemed to have been waived and/or forfeited.

e. The former Minister of the FCT Senator Bala Mohammed and the former Executive Secretary of the FCDA Engr. Ismaila Adamu both informed the Committee that as at the time they left office in May 2015 and October 2016 respectively, Centenary City Plc had not met any of the conditions precedent in clause 1.17.1

- f. The Honourable Minister for the FCT, Muhammed Musa Bello also submitted to the Committee that to date, Centenary City Plc has not met any of the conditions precedent stipulated in Clause 1.17.1 of the Conditions of contract of the Development Agreement.
- g. All rights, interests, obligations and claims (if any) vested in both Centenary City Plc and Federal Capital Territory Administration were terminated by mutual consent on the 9<sup>th</sup> day of August 2014 by virtue of clause 1.17.2 of the Conditions of Contract, the said date marking 120 (one hundred and twenty) days since the signing of the Development Agreement and owing to the failure by Centenary City Plc to meet the conditions precedent in clause 1.17.1
- h. The statutory Right of Occupancy as well as the Certificate of Occupancy granted to Centenary City Plc by the former Minister of FCT Senator Bala Mohammed on 10<sup>th</sup> April 2014 and all rights and claims thereunder were "automatically extinguished" on the 9<sup>th</sup> day of October 2014 by virtue of

clause 2.2 of the Development Agreement, the said date marking 180 (one hundred and eighty) days since the signing of the Development Agreement and owing to the investor's failure to meet the conditions precedent provided under Clause 1.17.1

### 3.3.3 The Land Use Act

- a. The Minister of the FCT has unfettered powers and discretion to make allocation of land within the Federal Capital Territory and grant a statutory right of occupancy as evidence of such grant within the parameters set by the Land Use Act Cap. L5 LFN 2004.
- b. Section 28 (1) of the Land Use Act equally empowers the Minister of the FCT to revoke a statutory right of occupancy on grounds of overriding public interest.
- c. By Section 28 (2) (a) to (c), instances of overriding public interest fall under three categories as follows:
  - i. the alienation by the occupier by assignment, mortgage, transfer of possession, sub-lease, or otherwise of any right

- of occupancy or part thereof contrary to the provisions of this Act or of any regulations made thereunder;
- ii. the requirement of the land by the Government of the State or a Local Government in the State, in either case for public purposes within the State, or the requirement of the land by the Government of the Federation for public purposes of the Federation;
  - iii. the requirement of the land for mining purposes or oil pipelines or for any purpose connected therewith.
- d. The Committee found that all that land measuring 1,264.78 hectares purportedly allocated to Centenary City Plc by the former FCT Minister, Senator Bala Mohammed was initially allocated to various individuals and entities who were duly issued Rights of Occupancy.
- e. The original allottees had carried out various levels of development on the land, including buildings at various levels of completion. Among the allottees who made presentations to the Committee were:
- i. Century 21 Real Estate Trust Investment Limited

- ii. Highrise Builders and Developers Ltd
- iii. Sandtex Ltd
- iv. City Land Developers Ltd
- v. Shelter Roads and Developers Ltd
- vi. Kingfem Nig. Ltd
- vii. Honourable Prestige Osss

f. The Committee found that the revocation of titles earlier granted to the above individuals and entities and the subsequent reallocation of title over the same land to Centenary City Plc, a wholly private company, did not meet the overriding public interest requirement of Section 28 (2) (a) to (c) of the Land Use Act Cap. L5 LFN 2004.

### **3.3.4 Nigerian Export Processing Zone Authority Act Cap N107 LFN 2004**

a. On 7<sup>th</sup> October, 2013, during a courtesy call on President Jonathan by a delegation from Centenary City Plc led by HE General Abdusalami Abubakar, the former Head of State requested Mr President to approve, among other things, a

Free Trade Zone status for Centenary City. A copy of the address is attached as **Annexure 11**.

b. By a memo dated 21<sup>st</sup> October 2013 with reference number SH/COS/70/A/9538, the then Chief of Staff to Mr President, Chief Mike A. Oghiadomhe requested for the comments of the Ministers of Finance, FCT, Justice, Industry, Trade and Investment, Tourism, Culture and National Orientation into the planned Centenary City as it affected their respective operations. The memo is attached as **Annexure 12**.

c. In response to the Chief of Staff's memo above, the then Minister for Industry, Trade and Investment Dr Olusegun Aganga by a letter dated 20<sup>th</sup> June 2014 with reference number HMITI/SH/VOL.II requested that the Centenary City be established as a "Centenary Economic City Abuja" with Free Zone Status in line with the provisions of the Nigerian Export Processing Zone Authority Act Cap N107 LFN 2004. The letter is **Annexure 13**.

d. The Honourable Attorney General and Minister for Justice Mr Mohammed Bello Adoke, SAN equally responded to the Chief of Staff's memo above by a letter dated 17<sup>th</sup> January 2014 with reference number HAGF/SH/2013/VOL.1 where he advised against granting Free Zone Status to the Centenary City on the following two grounds:

- i. The inclusion of a residential population of 100,000 people in the conceptualization of Centenary City was inconsistent with a Free Zone Status as residential development was not part of activities contemplated within a Free Trade Zone.
- ii. The management and control of a Free Trade Zone is vested in the Nigerian Export Processing Zone Authority. Given the role contemplated for Centenary City Plc as the core investor which included laying of infrastructure, it will be difficult to reconcile the investor's status with the controlling role of NEPZA.

Instead of a Free Trade Zone, the HAGF therefore recommended a one-stop-shop system of administration for

the Centenary City which will bring all relevant agencies within one location for the management and administration of the City. The letter is attached as **Annexure 14**.

e. By another memo dated 22<sup>nd</sup> August 2014 (i.e **Annexure 8** earlier referred to) Chief Oghiadomhe forwarded two recommendations to Mr President for Mr President's approval. The first recommendation was based on the prayer of the Honourable Minister of Industry, Trade and Investment Dr Olusegun Aganga, that the President should grant Free Zone Status to a Centenary Economic City. The second recommendation was based on the Attorney General's advice that a one-stop-shop system of administration be adopted for the Centenary City.

f. On 29<sup>th</sup> August 2014 Mr President approved the prayer granting Free Zone Status to a Centenary Economic City, in line with the prayer of the Minister for Industry, Trade and Investment, with the caveat that the implementation should be done "*in line with extant laws.*"

### 3.3.5 Federal Capital Territory Act Cap F6 LFN 2004

- a. Both the former FCT Minister, Senator Bala Mohammed and the current Minister Mohammed Musa Bello raised issues of compliance with relevant laws and the appearance of conflict of interest surrounding the Centenary City project.
- b. In response to a letter from former SGF, Senator Anyim requesting for Certificate of Occupancy on behalf of Centenary City Plc former, FCT Minister Senator Bala Mohammed by a letter dated April 8, 2014 with reference number FCDA/ES/337/106:
  - i. Expressed reservations as to why the former SGF continued to correspond on behalf of Centenary City Plc, a private company, even after the company had become functional.
  - ii. Restated the right of FCDA to provide infrastructure, stipulate standards and supervise construction works within areas in the FCT.
- c. The current FCT Minister Mohammed Musa Bello in his submission to the Committee stated, among other things, that

the regulation of Centenary City by any company or other Authority contravenes Section 1 (3) of the Federal Capital Territory Act Cap F6 LFN 2004 because the said provision vests exclusive regulation and administration of all lands within the FCT in the FCTA.

### **3.4 Roles of Government Agencies/Individuals in the Centenary City Project**

#### **3.4.1. His Excellency, President Goodluck Ebele Jonathan**

- a. The former President duly approved the Centenary City project as part of general centenary celebrations with an initial specific directive that the whole exercise be private sector driven within the parameters of the Land Swap Model of land use in the FCT.
- b. In response to a memo by the Chief of Staff, Chief Mike Oghiadomhe dated 22nd August 2014, the President changed the character of the Centenary City to a Centenary Economic City and approved the grant of a Free Trade Zone status with

the caveat that the change should be implemented within the ambit of extant laws.

- c. In both his initial and subsequent approvals, President Jonathan sought to place the Centenary City project within the parameters of relevant legal frameworks. The Committee found that the former President gave both approvals in a manner that was consistent with the protection of the public interest.

#### **3.4.2. Senator Anyim Pius Anyim (Former SGF).**

- a. As Secretary to the Government of the Federation at the time, Senator Anyim Pius Anyim, conceived the establishment of a Centenary City as part of the Centenary celebrations to mark the 100-year anniversary of Nigeria in 2014.
- b. He obtained presidential approval to mobilize private sector participation in the Centenary City project within the parameters of the Land Swap Model of the FCT.

- c. He facilitated the registration of Centenary City Plc as a Special Purpose Vehicle to undertake the development of the Centenary City project.
- d. He continued to act on behalf of Centenary City Plc after the Company was incorporated on 17th April, 2013. Specifically, the former SGF did the following acts on behalf of Centenary City Plc after the company was incorporated and became functional:
  - i. Applied for Certificate of Occupancy on behalf of Centenary City Plc, vide a letter dated 6<sup>th</sup> February 2014 with reference number SGF.32/S.47/III/. Letter is attached as **Annexure 15**.
  - ii. Awarded a contract on behalf of Centenary City Plc, using his official letter headed paper as SGF, on 4th June 2013 for the relocation of 330KV DC transmission lines crossing the proposed Centenary City. Letter is attached as **Annexure 16**.
  - iii. Wrote to the then FCT Minister Senator Bala Mohammed vide letter dated 3<sup>rd</sup> December 2013 with reference

number SGF.32/S.47/11 requesting for details of bank accounts to pay, on behalf of Centenary City Plc, the Sum of ₦1,234,747,076.00 (One billion Two hundred and Thirty Four million Seven hundred and Forty Seven thousand and Seventy Six Naira only) being compensation money to be paid by Centenary City Plc to displaced persons. The response from the former FCT Minister complying with the former SGF's request is attached as **Annexure 17**.

- iv. Wrote to the then FCT Minister vide letter dated 16<sup>th</sup> March 2015 with reference number SGF.32/S.47 to request for additional land on behalf of Centenary City Plc, for the purpose of providing independent infrastructural facilities to Centenary City and adjacent Communities. Letter is attached as **Annexure 18**.
- v. Appeared before the Committee on the first day of the investigative public hearing and announced, in writing, that he had the mandate and authority of Centenary City Plc to answer all questions directed at the company. The former

SGF's address to the Committee is attached as **Annexure 19**.

- vi. Briefed a Firm of Lawyers (Greenfields Legal Practitioners) who appeared before the Committee on the second day of the hearing and referred to the former SGF Anyim Pius Anyim as the Chairman of Centenary City Plc. The letter is **Annexure 20**.
- e. The role played by the former SGF in the Centenary City project was pervasive and severally gave the appearance of conflict of interest between his official conduct and his private interest. He is the key actor in the entire Centenary City saga.

#### **3.4.3. Senator Bala Mohammed (Former FCT Minister)**

- a. As Minister of the FCT, executed the Development Agreement with Centenary City Plc on 11th April, 2014.
- b. Upon receipt of request from SGF Anyim, for Certificate of Occupancy in favour of Centenary City Plc, he wrote back to the then SGF vide letter dated April 8 2014 with reference

number FCDA/ES/337/106 in which he objected to the SGF's request. Among other reasons the then FCT Minister:

- i. Protested the trend where the then SGF continued to correspond on behalf of Centenary City Plc even after the company was functional.
- ii. Raised concerns on the structure, character and capacity of the two companies that own Centenary City Plc.
- iii. Raised concerns bordering on statutory and conventional rules and practice regulating land use and allocation as they related to the request by the SGF.

The said letter is attached as **Annexure 21**.

- c. Notwithstanding his objections in **Annexure 21**, he went ahead to issue both a Right of Occupancy and Certificate of Occupancy to Centenary City Plc on the same day, specifically on 10th April 2014 just two days after his objections as contained in **Annexure 21**.
- d. He revoked existing statutory Rights of Occupancy some of which were issued by him and reallocated the same land to

Centenary City Plc, a private company, in contravention of S.28 (1) and (2) of the Land Use Act.

e. The Committee found that in some cases, the former Minister's actions were inconsistent with his documented position.

#### 3.4.4. Centenary City Plc.

- a. Was incorporated on 17th April 2013 as a Special Purpose Vehicle to drive the provision of Centenary City, in line with President Jonathan's directive that the project should be wholly private sector driven.
- b. The company is owned by two other companies named Company First Ltd and Basic Start Ltd. Each of the two companies has authorised share capital of 10,000 naira. The owners of Centenary City Plc therefore have a combined share capital of 20,000 naira only.
- c. **Company First Ltd** and **Basic Start Ltd** in turn, are owned by two individuals named **Ms Boma Ozobia** and **Mr Paul Oki**. Each of them own **5,000** shares apiece in both companies. Ms Ozobia and Mr Oki both have their addresses in both

companies as 4th floor No. 109 Awolowo Road Ikoyi, Lagos, Nigeria.

- d. Centenary City Plc applied for a grant of land from the FCTA on 7<sup>th</sup> November 2013 and was granted a Right of Occupancy and Certificate of Occupancy on 10<sup>th</sup> April 2014. The company's application is attached as **Annexure 22**.
- e. Executed a Development Agreement with FCTA on 11th April 2014 for the provision of a Centenary City as part of the Centenary celebrations.
- f. By a letter dated 21<sup>st</sup> October 2013, Sterling Partnership, solicitors to Centenary City Plc, wrote to Nigerian Export Processing Zone Authority requesting for Free Trade Zone status. The letter was signed on behalf of Sterling Partnership by Ms Boma Ozobia, one of the two shareholders/directors of Basic Start Ltd and Company First Ltd, the two companies that own Centenary City Plc. The said letter is attached as **Annexure 23**.
- g. Obtained the approval of NEPZA to operate a Centenary Economic City by a letter dated 10<sup>th</sup> September 2014 with

reference number NEPZA/OPZ/SF/046/VOL.I/24. This was followed by a certificate of Free Zone Status dated 10<sup>th</sup> October 2014. The said letter and certificates are attached as **Annexure 24** and **25** respectively.

- h. Without meeting the conditions in either the Land Swap Gazette or Development Agreement, the investor took steps to execute a Memorandum of Understanding with another company called Eagle Hills Properties LLC for the development and sale of assets in the Centenary City to third parties. See page 9 of **Annexure 13**.
- i. As at the time of the Public Hearing, the investor still had not performed any of its obligations described as "Basic Terms of Relationship" and "Conditions Precedent" in the Land Swap Gazette and the Development Agreement respectively.

#### **3.4.5 Dr. Olusegun Aganga (former Minister Industry, Trade and Investment)**

- a. In response to a memo from the then Chief of Staff, Chief Oghiadomhe dated 21<sup>st</sup> October 2013 with reference number

SH/COS/70/A/9538 (Annexure 12) to various Ministries (including the Ministry of Industry, Trade and Investment) requesting for comments on the Centenary City project, Dr Aganga as Minister for Industry, Trade and Investment replied by a letter dated 20<sup>th</sup> June 2014 with reference number HMITI/SH/VOL.II (Annexure 13) in which he recommended that the Centenary City be established as a "Centenary Economic City Abuja" with Free Zone Status in line with the provisions of the Nigerian Export Processing Zone Authority Act Cap N107 LFN 2004.

b. NEPZA is an agency under the Ministry of Industry, Trade and Investment. The Committee found that the former Minister's role revolved around ensuring the grant of Free Zone status by NEPZA to Centenary City following Mr President's approval to that effect on 29<sup>th</sup> August 2014

**3.4.6. Mohammed Bello Adoke, SAN (former Attorney General of the Federation)**

a. In response to the Chief of Staff's memo of 21st October 2013 requesting for comments on the Centenary City Project (Annexure 12) the then Honourable Attorney General and Minister for Justice, Mohammed Bello Adoke, SAN, responded in a letter dated 17th January 2014 with reference number HAGF/SH/2013/VOL.1/ (Annexure 14) in which he advised against the granting of Free Zone status to Centenary City. The grounds for his objection were as follows:

- i. The Centenary City envisages a resident population of 100,000 people. The NEPZA Act does not envisage "residential purposes" as one of the approved activities within an Export Processing Zone.
  - ii. The actual control and management of an Export Processing Zone is vested in NEPZA. This would make it difficult for Centenary City Plc to participate in the manner envisaged in the conceptualization of the project.
- b. In the place of a Free Trade Zone status, the Attorney General recommended a one-stop-shop system of

administration within Centenary City in order to bring all relevant agencies and the FCTA within one location for effective management and administration of the City.

c. His role in the project was advisory but his advice was not taken.

### **3.4.7 Chief Mike A. Oghiadomhe (former Chief of Staff to the President)**

a. By a memo dated 21<sup>st</sup> October 2013 with reference number SH/COS/70/A/9538 (Annexure 12) he requested the Ministries of Finance, Justice, FCT, Industry, Trade and Investment, Tourism, Culture and National Orientation to submit comments/opinions on the development of the Centenary City.

b. Based on responses received in respect of his memo above, he did another memo dated 22<sup>nd</sup> August 2014 (Annexure 8) to Mr. President in which he forwarded the following recommendations for Mr. President's approval:

i. The request by the Minister of Industry, Trade and Investment that Centenary City should be granted a Free

Trade Zone status in accordance with the Nigerian Export Processing Zone Authority Act Cap N107 LFN 2004.

- ii. The recommendation by the Honourable Attorney General of the Federation and Minister for Justice that a one - stop- shop system of administration be established within the Centenary City.
- c. The president approved recommendation (i) which was the granting of Free Trade Zone status to the Centenary City.
- d. The former Chief of Staff's role revolved around harnessing of different shades of opinion from the relevant stakeholders to enable Mr. President to take appropriate action.

#### **3.4.8 Other Actors**

- a. Other actors that played roles in the Centenary City project included:
  - i. Nigerian Export Processing Zone Authority
  - ii. Federal Capital Development Authority
  - iii. Abuja Investment Company Ltd

iv. Abuja Infrastructure Investment Center

b. The Committee found that the roles played by these agencies and their employees revolved around implementing decisions that were taken at the political level.

#### **4. SUBMISSION BY THE FCT MINISTER MOHAMMED MUSA BELLO**

In his submission before the Committee the present FCT Minister, Mohammed Musa Bello raised the following issues concerning the implementation of the Centenary City Project:

a. Attempts by Centenary City Plc and the Office of the Secretary to the Government of the Federation to exclude FCTA from the management, operation and regulation of the Centenary City led to the negotiations that culminated to the signing of the Development Agreement between FCTA and Centenary City Plc on 11<sup>th</sup> April 2014. The attempts by the investor to exclude FCTA continued post the signing of the Development Agreement. These attempts were/are as follows:

- i. The investor's efforts are geared towards obtaining approval from NEPZA for Development Plans and Engineering Design of the Centenary City project to the exclusion of the FCTA;
  - ii. The investor wants to be responsible for the provision of general municipal services including security and maintenance of infrastructure in the Centenary City to the exclusion of the FCTA;
  - iii. The investor wants to be exclusively responsible for the collection of revenues and charges levied on the City's patrons and residents; and limit the FCTA's share of revenues to the ratio of its 5% equity in the company;
  - iv. The investor wants to maintain a land registry to manage mortgages, assignments, sales, leases and all forms of alienation of titles within Centenary City;
- b. Centenary City Plc has not, up to now, fulfilled any of the conditions precedent to be satisfied by the investor before the Development Agreement signed between the investor and FCTA

can come into force as contained in clause 1.17.1 of the Conditions of Contract to the Development Agreement.

- c. Centenary City Plc was granted a license for a Free Trade Zone against the advice of the then Attorney General of the Federation and Minister of Justice.
- d. Granting Free Trade Zone status to Centenary City places the management and administration of land, including municipal services in the area on the Nigerian Export Processing Zone Authority by virtue of the NEPZA Act. This contravenes Section 1 (3) the Federal Capital Territory Act which vests the management and administration of land and municipal services in the FCDA. Where the municipal services are to be provided by another person, it has to be within the extant regulations applicable to all districts in the Federal Capital City, FCC.
- e. Apart from contravening the FCT Act, vesting the management and control of a part of the FCT in another company or agency other than the FCDA creates problems that portend the distortion of the Abuja Master Plan. The Abuja Master Plan provides for the development of the Federal Capital City in

phases. Accordingly, the provision of primary infrastructure such as road, sewage, storm-water, water, electricity and transport networks, which are to be developed in phases, are designed to be interconnected thereby systematically servicing all districts in the FCC.

- f. The FCT is a planned city with integrated infrastructure. The generation and termination sources of the infrastructure are outside the Centenary City. The operation and maintenance of the facilities therefore require a wholesome approach, which makes the administration and management of any area within the FCC by any person or authority other than the FCTA impossible.
- g. The FCTA was not privy to the processes that led to the allocation of 5% equity of Centenary City Plc to the FCT because the structure, details and value of the 5% equity was not revealed to the FCTA. The promoters of the company unilaterally conducted a valuation of the project land and valued it at USD38,720,000.00 (Thirty-Eight million Seven hundred and Twenty thousand million United States dollars) as reflected

in the equity holding of foundation members. The Minister's submission is attached as Annexure 26.

## **5. RECOMMENDATIONS**

Having regard to all the documentary and oral evidence before the Committee, the Committee recommends as follows:

### **5.1 Recommendation One**

ALL the statutory Rights of Occupancy purportedly revoked by the former FCT Minister Senator Bala Mohammed in respect of the area covered by the Centenary City should be restored back to the original allottees unconditionally and forthwith by the present FCT Minister Mohammed Musa Bello.

#### **5.1.1 Basis for Recommendation**

- a. The approval given by President Jonathan on 27<sup>th</sup> September, 2012 for the Centenary City project was to be implemented, by specific presidential directive, within the framework of the FCT Land Swap Model as contained in the Land Swap Gazette.
- b. Under the Land Swap Model, the land to be allocated to Centenary City Plc ought to have been a green field area. The

then FCT Minister, Senator Bala Mohammed flouted the provisions of the Land Swap Gazette by revoking existing titles in order to re-allocate the land to Centenary City Plc. The requirement that Land Swap should be carried out in a green field district is meant precisely to safeguard existing land titles such as those that were wrongfully revoked by the former Minister.

c. Further to the above, revocation of an existing land title held by private entities and individuals by the former FCT Minister only to reallocate the same land to Centenary City Plc, another private entity, did not meet the requirement of "overriding public interest" as contained in Section 28 (1) and (2) of the Land Use Act Cap L5 LFN 2004. What the former FCT Minister did was tantamount to "robbing Peter to pay Paul."

## **5.2 Recommendation Two**

The Right of Occupancy and Certificate of Occupancy purportedly granted to Centenary City Plc by the former FCT Minister Senator Bala Mohammed on the 10<sup>th</sup> day of April 2014 should be withdrawn by the present FCT Minister Mohammed Musa Bello.

### 5.2.1 Basis for Recommendation

- a. The reasons given for recommendation one above illustrate the irregularities surrounding the grant of the Right of Occupancy and Certificate of Occupancy to Centenary City Plc.
- b. Even if the land title granted to the investor was to be assumed to have been regular *ab initio*; by clause 2.2 of the Development Agreement, the land title was automatically extinguished on 9<sup>th</sup> October 2014, exactly 180 (one hundred and eighty) days from 11<sup>th</sup> April 2014 (the day the Development Agreement was signed) for failure of the investor to meet the conditions precedent contained in clause 1.17.1 of the Conditions of Contract to the Development Agreement.

### 5.3 Recommendation Three

The President should direct the Managing Director of the Nigerian Export Processing Zone Authority through the Minister for Industry, Trade and Investment to revoke the Certificate of

Free Trade Zone granted to Centenary City Plc and the company should be deregistered as a Free Zone Entity, FZE.

### 5.3.1 Basis for Recommendation

- a. The operations of the purported Centenary Economic City were to be regulated by the **"Centenary Economic City Free Zone Guidelines and Regulations, 2015"**, issued under the hand of the Managing Director of NEPZA in the exercise of the powers conferred on the Managing Director by Sections 10 (4) and 27 of the NEPZA Act.
- b. Rule 7.19 (iii) of the **Centenary Economic City Free Zone Guidelines and Regulations, 2015** provide that *"A license may be revoked if the existence of any of the following circumstances are confirmed by investigation and assessment conducted under these Regulations:*
  - (ii) *when it is confirmed by investigations and after deliberations, that the conditions and qualifications declared in the Application Form or Operational License have not been fulfilled or have later been lost or have proven false, or when it is established that changes in the information declared in*

*the Application Form for Operational License have not been reported."*

- c. Rule 7.21.1 provides that *"An FZE shall be deregistered upon the revocation of its license on the grounds specified for revocation of license and any other circumstances as may be determined from time to time by Zone Management upon the approval of Zone Management."* The Regulations are attached as **Annexure 27**.
- d. The Right of Occupancy and Certificate of Occupancy presented by Centenary City Plc to NEPZA as part of application requirements for the grant of a Free Trade Zone status were irregular and had extinguished.
- e. Similarly, the Development Agreement presented by Centenary City Plc to NEPZA as part of application requirements had been mutually terminated by both parties by virtue of Clause 1.17.2 of the Development Agreement.
- f. In essence, at the time Free Zone Entity status was granted to the investor on 10<sup>th</sup> October 2014, the conditions upon which the grant was made were either false or had been lost.

Either way, there exists a basis to revoke the purported Certificate of Free Zone status as well as deregistration of the investor as a FZE.

#### **5.4 Recommendation Four**

Relevant law enforcement agencies including but not limited to the Code of Conduct Bureau and the Economic and Financial Crimes Commission should investigate the role of the parties involved in the promotion/selection of Centenary City Plc as an investor; and their roles in the management of the Centenary City Project. The promoters include the former SGF; the former FCT Minister; Ms Boma Ozobia and Mr Paul Oki.

##### **5.4.1 Basis for Recommendation**

- a. As the main driver of the Centenary City project, the former SGF knew or should have known that financial consideration was the real essence for sourcing for a private investor for the project.
- b. As far as the Committee could determine, there was nothing in the portfolio of Centenary City Plc to suggest that the

company had the financial capacity to implement a project of USD 18,376,660,950 (Eighteen billion Three hundred and Seventy-Six million Six hundred and Sixty thousand Nine hundred and Fifty United States dollars). As earlier said, the two companies that own Centenary City Plc have a combined share value of ₦20,000 (twenty thousand naira). The two companies are in turn owned by two individuals who happen to share the same address. The former FCT Minister Senator Bala Mohammed on the basis of this information expressed misgivings as to the financial capacity of the investor in a letter to the then SGF dated April 8 2014.

- c. The misgivings concerning the financial capacity of the investor seem justifiable on account of the investor's inability to perform its obligations under the Development Agreement. Similarly, the MOU signed with Eagle Hills Properties LLC seeking to alienate substantial assets in the proposed project when the investor is yet to perform their basic terms of relationship under both the Land Swap Gazette and the Development Agreement give the appearance that the

investor had set out *ab initio* to grab and sell land without regard to legal or contractual obligations.

- d. The selection of Centenary City Plc as the preferred investor for the project was shrouded in secrecy. The Managing Director of Centenary City Plc claimed they applied and were shortlisted for the project following newspaper advertorials. He could not produce evidence of any advertorials although the Committee requested him to do so. The Office of the Secretary to the Government of Federation informed the Committee during the hearing that they found no such advertorials in the records available to them on the project. There was therefore, no evidence before the Committee that the requirements of the Public Procurement Act and other due process requirements were complied with.
- e. Based on the evidence before the Committee, the Office of the Secretary to the Government of the Federation was meant to facilitate the formation of a Special Purpose Vehicle, SPV, and thereafter the SPV as the investor, was to undertake the processes for the development of the

Centenary City Plc. At this point, the OSGF, like other government departments that were involved in the project, was responsible only for ensuring the investor complied with legal, regulatory and contractual obligations.

f. The former SGF, Senator Anyim Pius Anyim, continued to use his office to act on behalf of the investor company even after the company became functional. This was one of the issues in respect to which the former FCT Minister Senator Bala Mohammed expressed misgivings in his letter of April 8 2014 to the then SGF. Particulars of instances in which Senator Anyim, as SGF, continued to act on behalf of Centenary City Plc, a private entity, were as follows:

- i. Applied for Certificate of Occupancy on behalf of Centenary City Plc vide letter dated 6<sup>th</sup> February 2014 with reference number SGF.32/S.47/III/.
- ii. Awarded a contract on behalf of Centenary City Plc on 11th June 2013 for the relocation of 330KV DC transmission lines crossing the proposed Centenary City.

- iii. Wrote to the then FCT Minister Senator Bala Mohammed vide letter dated 3<sup>rd</sup> December 2013 with reference number SGF.32/S.47/11 requesting for details of bank accounts to pay, on behalf of Centenary City Plc, the Sum of ₦1,234,747,076.00 (One billion Two hundred and Thirty Four million Seven hundred and Forty seven thousand and Seventy Six naira) being compensation money to be paid by Centenary City Plc to displaced persons.
- iv. Wrote to the then FCT Minister vide letter dated 16<sup>th</sup> March 2015 with reference number SGF.32/S.47 to request for additional land on behalf of Centenary City Plc, for the purpose of providing independent infrastructural facilities to Centenary City and adjacent Communities.
- g. The former SGF, Senator Anyim, appeared before the Committee on the first day of the investigative public hearing and announced that he had the mandate and authority of Centenary City Plc to answer all questions directed at the company.

- h. The former SGF further briefed a firm of lawyers (Greenfields Legal Practitioners) who appeared before the Committee on the second day of the hearing and referred to the former SGF Anyim Pius Anyim, in a letter to the Speaker, House of Representatives, as the Chairman of Centenary City Plc.
- i. The conduct of the former SGF both in and out of office at best demonstrates poor judgment and at worst gives appearance of abuse of office and conflict of interest between his official conduct and his private interest.
- j. The former FCT Minister was unable to explain to the Committee what made him to change his position in granting land title to the investor only two days after objecting to the request from the former SGF.
- k. The former FCT Minister revoked lands that had existing statutory Rights of Occupancy some of which were issued by him, and reallocated the lands to the investor in a manner inconsistent with the provisions of both the FTC Land Swap Gazette and the Land Use Act.


I. Although the Management of Centenary City Plc appeared before the Committee, the supposed owners of Company First Ltd and Basic Start Ltd; and by extension Centenary City Plc, Ms Boma Ozobia and Paul Oki neither appeared nor submitted any position before the Committee to enable the Committee ascertain the exact nature of the relationship between them and the former SGF that warranted the former SGF to continue to act on behalf of the company in his official capacity as the SGF.

## 6. CONCLUSION

The implementation of the Centenary City project from the beginning to its current status leaves much to be desired. Presidential directives were flouted; relevant laws were violated; and contractual obligations were wantonly breached. The Committee determined that the only feasible way to do justice and equity to all parties involved in, and affected by the project is to restore them to the status quo ante and cause law enforcement agencies to investigate the circumstances of the project. This

reasoning flow from the findings and provide the rationale for the recommendations.

  
Rt. Hon. Herman Hembe  
Committee Chairman

  
Mukhtar Adanko Kusari  
Committee Clerk