PRESIDENT,

FEDERAL REPUBLIC OF NIGERIA

8th March, 2018

Rt. Hon. Yakubu Dogara
Speaker of the House of Representatives,
National Assembly Complex,
Three Arms Zone,
Abuja.

RECEIVED

REQUEST FOR THE ESTABLISHMENT OF A PROMISSORY NOTE PROGRAMME AND A BOND ISSUANCE TO SETTLE INHERITED LOCAL DEBTS AND CONTRACTUAL OBLIGATIONS

I wish to convey the resolution of the Federal Executive Council (FEC), requesting the National Assembly, to pass a bill to effect the Promissory Note and Bond Issuance Programme, to clear the long-standing obligations inherited by this Administration.

The Promissory Note and Bond Issuance programme has become imperative to clear these obligations which include: (a) unpaid obligations to pensioners, salaries and promotional arrears to civil servants, (b) obligations to petroleum marketers, (c) contractors and suppliers debts, (d) unpaid power bills and obligations from tariff reversal in 2014, (e) Export Expansion Grant (EEG) Scheme debts, (f) judgement debts, (g) refunds to State Governments for projects undertaken on behalf of the Federal Government.

As you may be aware, sections 41(1)(a) and 44(2)b) of the Fiscal Responsibility Act (FRA) stipulates that the proceeds of borrowing by

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Government at all tiers, shall be applied solely towards capital expenditure. To provide legal backing to clear the recurrent expenditure component of the obligations, a request for amendment of the FRA was sent to the National Assembly via letter from the Presidency, reference SH/AG.PRESIDENT /02/16; dated 4 August 2017. (Enclosed as **Annex 1**).

I have attached information on the subject progamme from Honourable Minister of Finance for your consideration who would also provide any additional information or clarification you may require for prompt approval of this programme.

While anticipating your usual cooperation, please accept, Right Honourable Speaker, the assurances of my highest consideration.

Yours sincerely

Muhammadu Buhari