SENATE OF THE FEDERAL REPUBLIC OF NIGERIA ORDER PAPER

Tuesday, 27th September, 2016

1. **Prayers**
2. **Approval of the Votes and Proceedings**
3. **Oaths**
4. **Announcements (if any)**
5. **Petitions**

PRESENTATION OF BILLS

1. Chartered Institute of Loan and Risk Management of Nigeria (Establishment, etc.) Bill 2016 (HB.77) - *First Reading*
   Senate Leader
2. Federal Capital Territory Transport Authority (Establishment, etc.) Bill 2016 (HB. 91) - *First Reading*
   Senate Leader
3. National Child Protection and Enforcement Agency (Establishment, etc.) Bill 2016 (HB. 127) - *First Reading*
   Senate Leader
4. Economic and Financial Crimes Commission Act CAP E1 LFN 2004 (Amendment) Bill (HB. 227)- *First Reading*
   Senate Leader
5. Dishonored Cheques (Offences) Act CAP D11 LFN 2004 (Amendment) Bill 2016 (HB. 288) - *First Reading*
   Senate Leader

ORDERS OF THE DAY
EXECUTIVE COMMUNICATION

1. Confirmation of Nomination.
   Senate Leader
   That the Senate do consider the request of the President C-n-C on the Confirmation of Appointment of Justices of Supreme Court of Nigeria in accordance with Section 231(2) of the 1999 Constitution of the Federal Republic of Nigeria (As Amended).

S/N	NAME	POSITION	STATE OF ORIGIN/ZONAL REPRESENTATIVES
1.	Hon. Justice Ejembi Eko, JCA	North Central	Benue
2.	Hon. Justice Amina A. Augie, JCA	North West	Kebbi

PRESENTATION AND CONSIDERATION OF REPORT

1. Report of the Ad-hoc Committee on the State of the Economy.
"That the Senate do receive and consider the Report of Ad-hoc Committee on the harmonization of the Resolutions on the State of the Economy"
Sen. Yahaya Abdullahi *(Kebbi North)*

MOTIONS

1. Inconclusive Elections
Sponsor: Sen. Ike Ekweremadu (Enugu West)

The Senate:

Aware that effective, efficient and reliable electoral institutions are an elixir to any credible electoral system and a panacea to fledging and enduring democratic system all over the world;

Further Aware that the electoral reforms vide amendments to the Constitution of the Federal Republic of Nigeria 1999, and the Electoral Act in 2010 placed Nigeria's electoral system on sound pedestal and culminated in the globally acclaimed improvements in the 2011 and 2015 general elections;

Notes with deep concern that at least 20 States of the Federation have no resident Electoral Commissioners, RECs, contrary to Section 14 (2) of the Third Schedule of the 1999 Constitution (as Amended);

Further Notes that the INEC cannot function optimally without the full complement of members that will superintend the activities of other personnel;

Observes that the failure of INEC to conduct rerun elections within the timeframe ordered by respective Election Petition Tribunals/Courts is in breach of electoral Act and Section 76 of the 1999 Constitution thus endangers the nation's democracy;

Concerned that this worrisome trend of inconclusive elections and whimsical postponement of elections; are wrong signals and symptoms that cannot just be dismissed with wave of hands;

Further Concerned that developments at few electoral exercises carried out so far by our electoral umpire has left much to be desired being a research sample of the entire population;

Worried about the fate of the 2019 general elections in the face of the present state of inconclusive elections and postponements;

Further Worried that this trend has left both chambers of the National Assembly and some State Houses of Assembly without the full complement of their membership, while millions of Nigeria are left without representatives for a long period of time contrary to Section 14(2)(c)of the 1999 Constitution as amended,

Accordingly resolve to:

i. *Call* on the President of the Federal Republic of Nigeria to immediately nominate suitably qualified persons to fill the vacant positions at INEC in line with the Constitution to enhance the capacity of INEC to conduct conclusive elections;

ii. *Call* on INEC to immediately conclude ALL pending rerun elections in the country; and

iii. *Constitute* an Ad-hoc Committee to hold a Public Hearing to review the performance of the INEC in the last one year with a view to ascertain the factors that may have caused the perceived decline of the electrical system.

Observes that after 5 years of operation in Nigeria, the Management of MTN Nigeria Limited suddenly realized that they needed certificate of capital importation to enable them commence repatriation of funds realized from their businesses;

Observes also that MTN directed their bankers i.e. Standard Chartered Bank, Citi Bank and Diamond Bank to issue certificate of capital importation for inflows that came in 5 to 7 years ago which their bankers obliged to without the relevant approval from CBN;

Aware that MTN bankers in strict violation of Section 15 of the Foreign Exchange (Monitoring & Miscellaneous) Act 1995 which state interalia:-

(1) Any person may invest in any enterprise or security, with foreign currency or capital imported into Nigeria through an Authorized Dealer either by telegraphic transfer, cheques or other negotiable instruments and converted into the naira in the Market in accordance with the provisions of this Act.
(2) The Authorized Dealer through which the foreign currency or capital for the investment referred to in subsection (1) of this section is imported shall, within 24 hours of the importation, issue a Certificate of Capital Importation to the investor and shall, within 48 hours thereafter, make returns to the Central Bank giving such information as the Central Bank may, from time to time, require.
(3) The Central Bank shall furnish to the Minister, on a quarterly basis, detailed reports on the returns furnished to the Central Bank under subsection (2) of this section for information and statistical purposes only.
(4) Foreign currency imported into Nigeria and invested in any enterprise pursuant to subsection (1) of this section shall be guaranteed unconditional transferability of funds, through an Authorized Dealer in freely convertible currency, relating to-

(a) dividends or profits (net of taxes) attributable to the investment;
(b) payments in respect of loan servicing where a foreign loan has been obtained; and
(c) the remittance of proceeds (net of all taxes) and other obligations in the event of sale or liquidation of the enterprise or any interest attributable to the investment.

(5) The repatriation referred to in subsection (4) of this section shall be communicated by an Authorized Dealer to the Central Bank, within fourteen days of the repatriation and the Central Bank shall furnish same to the Minister on a monthly basis for information and statistical purposes only.

Issued without compliance of the above Act and Memorandum 22 of the CBN Foreign Exchange Manual in the sum of:

i.	Stanbic IBTC	-	$4.87 Billion
ii.	Standard Chartered Bank	-	$5.72 Billion
iii.	Citi Bank	-	$2.98 Billion
iv.	Diamond Bank	-	$0.35 Billion

Convinced that this is not healthy for a country that is struggling to come out of its economic down turn,

Accordingly resolves to:

i. *Mandate* the Committee on Banking, Insurance and other Financial Institution to carry out a holistic investigation into the matter and report back to the Senate.

3. Earth Tremor and the Preparedness of Nigeria to Deal with its Intending Consequences.
Sponsor: Sen. Danjumah La'ah (Kaduna South)

The Senate:

2. Unscrupulous Violation of the Foreign Exchange (Monitoring and Miscellaneous) Act.
Sponsor: Sen. Dino Melaye *(Kogi West)*

The Senate:

Notes with serious concern the repatriation of $13.92 Billion illegally out of Nigeria by Mobile Telecommunication Limited (MTN) through its bankers between 2006 and 2016;

Aware that MTN was incorporated in Nigeria as a private limited liability company on the 8th of November, 2000 obtaining its operating licence with $284, 906, 275:89 on 6th February, 2001;

Observes that MTN did not request for certificate of capital importation from its bankers Standard Chartered Bank within the regulatory period of 24 hours of the inflow;

Observes also that the CBN was not notified of this inflow by Standard Chartered Bank within 48 hours of receipt and conversion of the proceeds to Naira as required by regulations;

Further observes that the sum of $117, 683, 987 Billion was also brought in by MTN between 2001 and 2003 in three (3) different tranches;

Concerned that since inception, MTN had sought the collaboration of influential and unpatriotic Nigerians to assist them in looting our external reserves;

Pained that these Nigerians including a serving Minister who MTN used in moving $13.92 Billion out of Nigeria which is over 50% of our External Reserves floated and incorporated offshore SPVs in Cayman Island, Mauritius and British Virgin Island as follows:

NAMES OF SPVs	PROMOTERS/SHAREHOLDERS	SHARE LOAN BETWEEN MTN SOUTH AFRICA
1. Cel Telephone Investment Ltd - Port-Louis Mauritius	Dr. Pascal Dozie Dr. Okechukwu Elenemah	$20, 749, 532:08
2. Celtel funded shares SPV (was renamed NISPV LTD in 2008) - Port-Louis Mauritius	Dr. Pascal Dozie Ahmed Dasuki Gbenga Oyebode Babatunde Folawiyo Dr. Okechukwu Elenemah	$2, 019, 232:00
3. Mobile Communication Investment Ltd - Port-Louis Mauritius	Mohammed Sanni Bello	$3, 862, 985:72
4. Mobile Communication Holdings - Port-Louis Mauritius	Mohammed Sanni Bello	$3, 454, 102:48
5. Hermitage Overseas Corporation Ltd	Victor Odili	$10, 273, 986:67
6. SASPV Ltd	Ahmed Dasuki	$10, 058, 991:69
7. N Cell Limited Geneva Water Front drive British Virgin Island	Gbenga Oyebode	$4, 512, 593:03
8. Universal Communication Ltd - Barkly House George Town Cayman Island	Babatunde Folawiyo	$5, 534, 941:56

Alarmed that the Minister of Industry, Trade and Investment Dr. Okechukwu Elenemah, owner of CELTELCOM Investment Limited with address at No. 608 St. James, Denis Street Port- Lewis Mauritius purportedly claimed to invest in MTN on 7th February, 2008, got certificate of capital importation and filled form A on the same date, (7th February, 2008), closed his investment in Nigeria after receiving dollars payment for repatriation to New York same day;

Aware that these offshore entities were offered shareholders loan and their repayment to the extent of repatriation of proceeds of dividends back to MTN International South Africa through the entities and operators of Special Purpose Vehicles (SPVs) brought on board as Directors of MTN communications;

Notes the Earth Tremor that occurred in Kwoi and its environs in Jaba LGA of Kaduna State on Sunday the 11th through Monday the 12th September, 2016 and the increasing rate of earth tremors occurrence in Nigeria in recent time, there is the likelihood of witnessing earthquake in the near future;

Notes also that the vibrations that rattled Kwoi, headquarters of Jaba Local Government Area of Kaduna State, about 250km South of Kaduna metropolis, continued all through Sunday and continued till sunrise the next day after the initial two vibrations in the rocky town that occurred between 10:30am and 12:30pm on Sunday;

Notes that earth tremor is a quivering or vibration caused by slippage of the earth's crust at a fault, especially before or after a major earthquake and there has not been any major earthquake in Nigeria yet, but the reports of earth tremors in parts of the country recently is sign enough that Nigeria is not immune to that natural disaster;

Saddened that the tremor has left in its trail a traumatic experience to the inhabitants of Kwoi and its environs and also caused serious cracks to public and private buildings thereby making the habitation fearful and dangerous;

Recalls that the first widely reported occurrence of an earth tremor in Nigeria was in 1933. Other tremors were reported in 1939, 1964, 1984, 1990, 1994, 1997, 2000 and 2006. Following the tremor that occurred on September 11, 2009, which affected western parts of the country, and this year, again, in Oyo, Bayelsa and Kaduna States, researchers have said that the incidences were signs that Nigeria was no longer safe as far as earthquake is concerned;

Aware that the Lagos-Ibadan-Ijebu-Ode fault system was another belt where an earth tremor was witnessed in July and August 1984, stressing that these fault systems could serve as a zone of weakness for the propagation of shocks from far away plate boundaries;

Aware also that earthquakes occur at places called faults where the jagged edges of two tectonic plates grind against each other and as the tectonic plates move in slow motion, sometimes two grinding plates suddenly jolt into a new position and the energy released by this movement creates an earthquake;

Further aware that areas prone to earthquake in Nigeria include the fault systems (zones), including the NNE-SSW trending fault systems cutting across Ifewara, Zungeru, Anka and Kalangai linking up to the Atlantic Ocean fracture systems. It is a zone of concern and the areas at the proximity of these fault systems are at risk of earthquake/tremor;

Recalls also that when it happened in Japan, Indonesia and the Philippines, among other places, the reverberation of the devastation and the resultant tsunami it caused is still being felt even today. A most recent one is in Italy, a country with a history of volcanic eruptions and earthquakes. Even with all that experience, a whole community was virtually wiped out resulting in hundreds dead and injured;

Concerned that the Nigerian Association of Water-Well Drilling Rig Owners and Practitioners (AWDROP) has lamented that lack of underground water abstraction regulation in Nigeria could easily induce earthquake and sea water intrusion, hence the need for government to ensure strict compliance in the implementation of code of practice in borehole drilling in the country;

Concerned further that Nigeria is not adept at managing crises. Our experience in handling the Internally Displaced Persons (IDPs) further confirms the assertion that we still have a lot to learn as far as managing disasters are concerned. Floods, in our context, are serious challenges not to talk of tsunamis and impact of earthquakes,

Accordingly resolves to:

i. *Urge* the governments at all levels, to take the earth tremor warnings in parts of the country seriously and begin to take proactive measures to educate the populace on what to expect and how to react when it occurs;

ii. *Urge* the Federal Ministry of Water Resources to as a matter of urgency undertake the supply of Pipe Borne water across the Nigerian cities to discourage the incessant drilling of borehole;

iii. *Urge* the National Emergency Management Agency (NEMA), and the security agencies to move in immediately and through public enlightenment and drills prepare the people against any eventuality as the resources required at this stage will be minimal; and

iv. *Mandate* the Committee on Environment and Solid Minerals to undertake tour of the affected communities and report back to the Senate.

4. The need to ascertain the Degree of Local Content in the Nigerian Oil and Gas Industry
Sen. Gershom Bassey *(Cross River South)*

The Senate:

AWARE that in 2002, the National Committee on Local Content Development (NCLCD) discovered that local participation in the upstream sector of the oil and gas industry in Nigeria was less than 5%, meaning that 95% of the then yearly expenditure of about $8 billion left the country;

FURTHER AWARE that the National Committee on Local Content Development (NCLCD) proposed initial targets of 40% by 2005 and 60% by 2010 for aggregate local content value in the oil and gas industry from all the categories;

NOTES that the Nigerian Oil and Gas Industry Content Development (NOGIC) Act was enacted in 2010 to promote indigenous participation in the management and control of the oil and gas industry;

FURTHER NOTES that many Nigerians who worked and gathered experience in International Oil Companies (IOCs) amongst others, have established their own oil and gas outfits;

CONVINCED that there should be a preference for Nigerian companies whenever a bid is made for a license, permit or contract within the industry because of the protection the NOGIC Act gives to Nigerian companies;

CONSCIOUS that the Petroleum Technology Development Fund (PTDF) and Petroleum Training Institute (P.T.I.) were established to train Nigerians to qualify as professionals so as to meet the labour force demands of the oil and gas industry in Nigeria;

FURTHER CONSCIOUS that the PTDF through its Overseas Scholarship Scheme (OSS) has trained over 2417 MSc. and 642 PhD students while 897 students received training through its Local Scholarship Scheme (LSS);

ACKNOWLEDGES that 1% of total contract sums awarded in the upstream sector are placed in the Nigerian Content Development Fund established for the purpose of funding the development of local content in the Nigerian Oil and Gas industry;

FURTHER ACKNOWLEDGES that the oil and gas sector accounts for about 35% of Nigeria's GDP and 90% of foreign exchange earnings. If Nigeria achieves local content compliance of about 60% then Nigeria's economy will achieve a major boost on account of the oil and gas sector;

CONCERNED that despite the benefits accruing to indigenous oil and gas firms from the NOGIC Act, there is still a low involvement of indigenous players in the industry;

FURTHER CONCERNED that the NOGIC Act has a threshold that applies to projects of $1,000,000 (one million US Dollars) and above yet the targets stipulated in the Act are far from being met;

DISTURBED that since 2010 the Nigerian Content Development Board has not transmitted a review of the local content schedule in the NOGIC Act to the National Assembly as stipulated in section 102 of the Act;

OBSERVES that Indonesia, Venezuela, Kazakhstan, Angola and Brazil, through specific legislation have had important local content successes;

FURTHER OBSERVES that in Brazil, the average of local content commitments resulting from bid rounds has increased from 27% to over 84%;

RECOGNIZES that in Angola, the local content targets have been met for unskilled workers and have been exceeded for midlevel staff;

FURTHER RECOGNIZES that in Malaysia, the utilization of the local content in upstream oil and gas projects is in excess of 54.15%;

WORRIED that Angola, Brazil, Malaysia amongst others have achieved higher local content levels than Nigeria even though all four countries discovered oil about 60 years ago;

FURTHER WORRIED that despite 6 years of implementation of the Nigerian Oil and Gas Industry Content Development Act (NOGIC), Nigeria is still importing over 70% of goods and services in offshore and deep water projects while also failing to meet the obligation of providing 100% of goods and services for land and swamp operations by Nigerian indigenous businesses,

Accordingly resolves to:

i. Mandate the Senate Committees on Petroleum Upstream and Gas to conduct a public hearing to investigate the implementation of local content with a view to determining the degree of compliance with the Nigerian Oil and Gas Industry Content Development Act (NOGIC) by industry operators; and

ii. Mandate the Senate Committees on Petroleum Upstream and Gas to investigate the utilization of the Nigerian Content Development Fund.

5. Looming Crises in the Nigerian Aviation Industry.
Sponsor: Sen. Samuel N. Anyanwu *(Imo East)*

Senate:

Notes with concern the looming crises in the Nigerian aviation industry which portends grave danger to air safety and operations;

Aware that the aviation Industry has been gasping for survival over some years now but worsened by the current economic recession. Let us also not forget that the Nigerian aviation industry has witnessed several problems in the past which have continued to threaten the stability of the industry;

Notes that the aviation industry is strategic to any economy, and should not be left to shadowing existence and management as this could further cripple the nation's economic growth and development;

Notes further that the economic problems faced by the industry is almost forcing some major domestic airline operators out of business and this will consequently result to massive loss of jobs thereby subjecting many more Nigerians and their families to intense hardship;

Aware that a couple of weeks ago, Aero Contractors, Medview, First Nation, Arik and some other domestic Airlines suspended their operations resulting from poor economic activities and other surrounding factors affecting the industry;

Notes with concern the recent statement by the Minister of State for Aviation in which he was quoted to have said that "the entire Aviation Sector in the Country was collapsing". That statement raises an alarm over the crises going on in the industry, and underscores the need for an emergency intervention and urgent reform of the sector to save the situation from total collapse;

Aware of the potential dangers on Nigerian roads and any eventual closure of the air services will spell doom to the economy; unfortunately this is coming at the heels of the government quest for foreign investors.

Regrettably, the situation faced by the airlines will not only discourage air travelers in Nigeria but will serve as a disincentive to foreign investors and tourism development;

Aware further that the Nigerian roads do not hold a better alternative to air transport neither does the nation have a functional rail system that connects the major cities and regions of the country that can carter for the need of travelers. The deplorable condition of the roads and the daily reported cases of armed robbery and

kidnapping on our highways make it imperative for government to urgently look into the problems of the aviation industry in order to fashion out ways of remedying the situation and making travelling safer and interesting as well as support the growth of the economy,

Accordingly resolves to:

i. *Mandate* the Committee on Aviation and the Ministry of Aviation to liaise with the Nigerian Civil Aviation Authority (NCAA) to urgently look into the problems faced by the Airlines in order to fashion out possible solutions to the problem and avert the latent danger inherent in the crises;

ii. *Urge* the Federal Government to look into every possibility of intervening in the current situation faced by airline operators and if necessary grant a bailout to help stabilise the industry and the growth of the economy; and

iii. *Mandate* the Federal Ministry of transport to urgently commence the rehabilitations of major highways and the rail system to serve as a viable and safe alternative to air travels.

6. Indiscriminate Rock Blasting in the FCT and other parts of Nigeria: The need to respect Nigerian Laws and observe International best practices.
Sponsor: Senator T. A. Orji, CON *(Abia Central).*

The Senate:

Observed the indiscriminate blasting of rocks in the Federal Capital Territory and other parts of Nigeria, in total neglect of NIGERIAN LAWS and Global best practices;

Worried about the danger the host communities in FCT and other communities throughout Nigeria faced in terms of environmental degradation and health hazard caused by quarry operators;

Shocked to observe that the international standard requirement of five kilometres away from where people live for location of quarry sites is not being adhered to only in Nigeria;

Concerned at the deadly effects of rock blasting close to human habitation, neglect of the host communities, dehumanization of indigenous workers, pregnant women suffering miscarriages and other birth complications, people developing hearing problems as a result of sudden blasts, little children always being apprehensive of such blasts;

Notes the classical examples of Toge, Baruwa and Pyakassa communities in Abuja Municipal Area Council (AMAC), where the situation is pitiable and calls for urgent attention. Mpape in Bwari Area Council is another case in point; other instances are Ushafa, Bmiko, Bazango extension, Jigo etc;

Further worried that the companies or quarry operators, majority of whom are non-Nigerians, feel unconcerned and do nothing to ameliorate the suffering of the people of the host communities or to improve their lives and in fact treat them as though they are not human beings;

More alarmed that the quarry companies or operators who are mostly foreigners even carry out such detrimental operations in total breach, neglect and disregard of the laws of Nigeria, particularly the Nigerian Minerals And Mining Act 2007, [S. 118(a)] thereof, and International best practices;

Notes that, if this is the case in the Federal Capital Territory, then the situation could be worse in other parts of Nigeria,

Accordingly resolves to:

i. *Mandate* the Committee on Solid Minerals, to, as a matter of urgency, visit the communities mentioned above, and liaise with the Ministry of Petroleum and Solid Minerals to take stock of all the quarry sites in the country and ensure strict compliance with the laws of Nigeria and international standard requirement of five kilometres away from human habitation and make recommendations to the Senate on ways to ameliorate the sufferings of the people of the host communities.

7. The urgent need for value orientation and re-introduction of history as a course of study in the nations' educational sector.
Sen. Malam Ali Wakili, MNI *(Bauchi South)*

The Senate:

Recalls with nostalgia the cherished values of honesty, discipline, good work, ethics, excellent inter-personal relationships, competitive collectivism, ethnic and religious tolerance amongst the citizenry and purposeful leadership within the Nigerian State;

Further recalls that the above qualities were prevalent in the polity during colonialism and some years after independence, despite colonial over-rule and its concomitant effect on the traditional and religious institutions of the country;

Worried that the unfortunate Civil War and the prolonged military incursions into governance contributed to the gradual debasement of our value system and deteriorated things further;

Alarmed that indiscipline in private and public life, endemic corruption, individualism, selfishness, materialism, religiosity without corresponding fear of God characterized the daily activities of the people;

Aware that in spite of successive Governments concerted efforts to address the situation through retirement of perceived corrupt public officials, programmes of War against Indiscipline (WAI), Mass Mobilization for Social Justice and Economic Recovery (MAMSER), establishment of anti-corruption agencies such as the EFCC and ICPC, formulation/enactment of policies and laws such as the National Economic Empowerment and Development Strategy (NEEDS), the Fiscal Responsibility Act, the Freedom of Information Act etc, which are all aimed at achieving sustainable socio-economic development and national integrity, the laudable efforts sadly did come to naught;

Observed that the advent and usage of information and communication technology which gave rise to the internet and social media further compound the worsening state of things, as information and misinformation, news and pseudo-news, rumours, unverified statements, facts verified, plausible fictions about leaders, politicians, elected officials, debasement of religious values, inciting articles and statements, pornography, slander, libel etc. are sent out unfettered and without restraint complicate the already worsened state of the Nations' Value System;

Further observed that due to some policy inconsistencies and somersault in the educational system, teaching of history and its study to the university level which has been carried out in Nigeria was phased out completely;

Disturbed by the sad development, observers and scholars believed it is not only a major factor responsible for deterioration of our Value System but is equally worrisome given the ongoing rumours that studies of Christian Religious Knowledge and Islamic Religious Knowledge might suffer the same fate as they are down-played and relegated;

Further disturbed that the eroding and dying state of our Value System is compounded by the misusage of information and communication technology, internet, social media tools etc.,

Accordingly resolves to:

i. *Call* on the various arms of Government: Federal, State and Local Governments as a matter of urgency to initiate a means of rejuvenating our fallen Value System;

ii. *Urge* all institutions, religions and community organizations, traditional institutions, civil society groups and all concerned to arrest the deteriorating state of our Value System;

iii. *Mandate* the Committee on Education to liaise with the Federal Ministry of Education, the National Universities Commission (NUC), National Commission for Colleges of Education

iv. (NCCE) to immediately re-introduce the study of History as a core subject and degree of its own; and

iv. *Direct* the National Orientation Agency (NOA) to discharge its statutory duties effectively.

8. Impending Power Sector Shutdown in Nigeria Occasioned by Liquidity Crisis.
Sponsor: Senator Emmanuel Andy Uba *(Anambra South)*

The Senate:

Notes that electricity supply is pivotal to the development of nations, and its availability is directly connected to economic growth;

Aware that the Nigerian power sector is currently facing acute liquidity crisis which if not urgently tackled will lead to total collapse of the sector and hence national black-out;

Worried that the crisis is largely created by the inability of the distribution companies (DISCOs) to meet their payment obligation. A situation which has resulted to increasing debt within the market which has risen to a level that is threatening the integrity of the system as bankability and solvency of the generation companies (GENCOs) who generate the needed electricity;

Worried also that the ability of Electricity Distribution Companies, DISCOs, to execute their capital expenditures, CAPEX, has been compounded by revenue shortfalls estimated at about N309 billion;

Notes also that revenue shortfalls are typical in a transitional electricity market. In a nascent, transitional electricity market like the Nigerian electricity market, government's role is overarching and critical to the stability of the market and also in stimulating investments in the sector. Government's roles include putting in place cost reflective tariffs, ensuring the activation and effectiveness of contracts in the electricity market and adequate regulations that enforces the sanctity of such contracts;

Observes that the Federal Government has been unable to provide subsidies to fund the shortfall thus far due to budgetary constraints. Market participants across the entire value chain are faced with both systemic and market risks without the anticipated government subsidies, guarantees or World Bank PRG as envisaged under the transitional trading arrangement by NERC. We must quickly add, however, that the use of subsidies is not a sustainable means to fund the revenue shortfall and should not be contemplated;

Aware also that in the design of the current power sector model in 2005, revenue inadequacy (revenue shortfalls) was anticipated by the designers due to the high ATC&C losses in the entire value chain. The shortfall between actual revenues collected and expected revenues was to be funded by the Federal Government via monthly subsidies;

Further observes that the liquidity crisis is further exacerbated by outstanding ₦93 billion owed the 11 DISCOs by Ministries, Departments, Agencies, MDAs, across all levels of government and high rate of energy theft by electricity consumers;

Concerned that currently, monthly revenue shortfalls in the electricity value chain are in excess of N20billion and will rise further once electricity tariffs are adjusted upwards to reflect the effects of the floating of the naira (particularly on the price of natural gas) and rising inflation. Naira devaluation and inflation are directly passed through costs to electricity customers. With the current state of the Nigerian economy, we can expect

that monthly revenue shortfall to GENCOs and other market participants will cross the N30billion mark by the end of August, 2016;

Concerned also that lack of access to foreign exchange is hampering the ability of the DISCOs to overhaul their machines, noting that most of the components used in the power industry were imported;

Deeply concerned that as it stands, without the deployment of NBET's US$800 million capitalization to meet the revenue shortfalls, as well as the full disbursement of the N213 billion CBN facility to the power sector, GENCOs as well as their gas suppliers, may have no other option than to shut down operations and plunge Nigeria into darkness;

Recalls that recently, a full page advert was placed in several Nigerian newspapers by six electricity generation companies (GENCOs), warning of an impending shut down of their operations due to an outstanding ₦145.7 billion debt out of which ₦86 billion is owed Egbin Power Plant for power generated so far. Collectively, these GENCOs, including the three hydro stations, account for almost 65 percent of Nigeria's entire available generation capacity today;

Aware that there is the issue of Niger Delta Avengers and other militant groups operating in the Niger Delta, which has severely constrained gas supply. GENCOs are not the only parties being owed in the power sector; Transmission Company of Nigeria (TCN), as well as gas suppliers, are also owed huge sums for transmission services and gas supplied to the power sector;

Convinced that developing a sustainable liquidity solution for the power sector will have positive domino effect on the quality of lives of Nigerians as a whole: there will be greater investor confidence in the power sector, a more stable power supply, increased output and efficiency in manufacturing towards a more speedy industrialization of Nigeria, less reliance on foreign goods and products, a lessening of the pressure on Nigerian foreign reserves, increase in productivity across the entire economic spectrum, and a better life for Nigerians as a whole,

Accordingly resolves to:

i. *Urge* the federal government to support the sector with more funding to provide the necessary booster that will sustain power delivery;

ii. *Urge* the DISCOs to aggressively address issues of their loses by becoming efficient in their collections through metering;

iii. Urge the MDAs, States and Local Governments to pay their indebtedness to the DISCOs;

iv. *Urge* the federal government to successfully deal with, put an end to issue of militancy and pipeline vandalism in the Niger Delta;

v. *Urge* the CBN to continue its disbursement from the Nigerian Electricity Market Stabilization Facility (NEMSF)to address shortfalls in power sector revenues and settle legacy gas debts; and

vi. *Mandate* Committee on Power to look into the matter holistically to avoid a possible shut down of power in the country.

9. The Total State of Disrepair and Collapse of the Enugu - Onitsha Federal Highway.
Sponsor: Senator Sam Egwu *(Ebonyi North).*

The Senate:

Notes with serious concerned the dilapidated state and total collapse of the Onitsha-Enugu Dual Carriage way thereby making journey on it very traumatic and tragic;

Notes also that under normal circumstance, it takes approximately an hour to drive from Onitsha in Anambra State to Enugu, the capital city of old Eastern Region, but at the moment, it takes over five tortuous hours;

Notes further that the road is of great economic importance to the South Eastern Nigeria and to other parts of the country passing through the famous Niger Bridge to the Northern and Western part of the country. It also links the Southern part of the country through Enugu to Ogoja, Calabar, Uyo, Makurdi and other Northern states;

Worried that the condition of the road has exposed many users to unprecedented hazard with many fallen victims of armed robbery attacks leading to loss of lives and also loss of property resulting from accidents;

Worried also that the collapse of this road has virtually cut off the South Eastern states from other parts of the federation, with its attendant negative impact on trade and commerce;

Concerned that promises from various past administration to rehabilitate the road till date has not come to fruition, though effort was made prior to 2015 general election but was eventually abandoned and the contractors have since left the site;

Observes that the collapse and total state of disrepair has led to a decline in agricultural and economic activities, adversely affecting the movement of agricultural produce and construction materials within and outside the states resulting in a slide in the overall economic output of the country;

Observes also that the life cycle of this road has expired and the heavy vehicular movement on the road coupled with years of neglect have accelerated the state of disrepair and collapse of the road;

Aware that as a result of the abandonment of the road by the contractor handling it, commuters reverted back to use the old road which has again collapsed as a result of the heavy vehicular movement;

Convinced that with the current state of affairs of this important road, urgent steps must be taken to arrest the dangerous situation which the people has found themselves as disconnection from other parts of the country,

Accordingly resolves to:

1. *Urge* the Federal Government to begin rehabilitation work on the road; and
2. *Mandate* the Committee on Works to ascertain the level of disrepair with a view to making recommendations to the Senate.

CONSIDERATION OF BILL FOR CONCURRENCE

1. Telecommunication and Postal Offences Act CAP T5 LFN 2004 (Amendment) Bill, 2016 (HB. 216) - *(Concurrence)*
   Senate Leader
2. National Crop Varieties, Livestock Breeds (Registration) Act CAP N27 LFN 2004 (Amendment) Bill, 2016 (HB. 218) - *(Concurrence)*
   Senate Leader
3. Produce (Enforcement of Export Standards) Act CAP P32 LFN 2004 (Amendment) Bill, 2016 (HB. 219) - *(Concurrence)*
   Senate Leader
4. Prevention of Crimes Act CAP P27 LFN 2004 (Amendment) Bill 2016 (HB. 233) - *(Concurrence)*
   Senate Leader

COMMITTEE MEETINGS

	Committee	Date	Time	Venue
1.	Employment, Labour & Productivity	Tuesday, 27th September, 2016	3.00pm	Committee Room 327 Senate New Building
2.	Education (Basic & Secondary)	Tuesday, 27th September, 2016	2.00pm	Committee Room 117 Senate New Building
3.	Ad-hoc Committee on 2013 NEITI Audit Report	Tuesday, 27th September, 2016	4.00pm	Committee Room 211 Senate New Building
4.	Primary Healthcare & Communicable Diseases	Tuesday, 27th September, 2016	2.00pm	Committee Room 324 Senate New Building
5.	Police Affairs	Tuesday, 27th September, 2016	2.00pm	Committee Room 328 Senate New Building
6.	Power, Steel Dev. & Metallurgy	Tuesday, 27th September, 2016	2.00pm	Committee Room 431 Senate New Building
7.	Tertiary Institutions & TETFUND	Tuesday, 27th September, 2016	2.00pm	Committee Room 221 Senate New Building
8.	Water Resources	Tuesday, 27th September, 2016	2.00pm	Committee Room 313 Senate New Building
9.	Ethics, Privileges & Public Petitions	Tuesday, 27th September, 2016 & Wednesday, 28th September, 2016	3.00pm	Committee Room 120 Senate New Building
10.	Agriculture & Rural Development	Wednesday, 28th September, 2016	2.00pm	Committee Room 204 Senate New Building
11.	Poverty Alleviation & Social Welfare, National Planning & Economic Affairs (Joint Comm.)	Wednesday, 28th September, 2016	2.00pm	Committee Room 323 Senate New Building
12.	Communications	Wednesday, 28th September, 2016 (Budget Defence)	2.00pm	Committee Room 221 Senate New Building
13.	Federal Character & Inter-governmental Affairs	Wednesday, 28th September, 2016	2.00pm	Committee Room 430 Senate New Building
14.	Customs, Excise & Tariff	Wednesday, 28th September, 2016	2.00pm	Committee Room 431 Senate New Building

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