8TH NATIONAL ASSEMBLY
THIRD SESSION
No. 29

SENATE OF THE FEDERAL REPUBLIC OF NIGERIA

VOTES AND PROCEEDINGS

Tuesday, 24th October, 2017

1. The Senate met at 10:47 a.m. The Senate President read Prayers.

2. **Votes and Proceedings:**
The Senate examined the Votes and Proceedings of Thursday, 19th October, 2017.

Question was put and the Votes and Proceedings were approved.

3. **Announcements:**
(a) *Meeting of the Southern Senators Forum:*
The Senate President read a letter from Senator Matthew A. Urhoghide (*Edo South*) as follows:

THE SENATE FEDERAL REPUBLIC OF NIGERIA

Senator (Pharm.) Matthew A. Urhoghide (FPSN, FNA Pharm)
Edo South Senatorial District
Chairman, Senate Public Accounts Committee

The President of the Senate,
Federal Republic of Nigeria

ANNOUNCEMENT

This is to inform all Members that there shall be a meeting of the Southern Senators Forum immediately after Plenary today, Tuesday, October 24, 2017 at Hearing Room 1.

Please note that attendance is mandatory.

(Signed)
Senator (Pharm.) Matthew A. Urhoghide (FPSN, FNA Pharm.)
Secretary, Southern Senators Forum

(b) *Service of Songs for Princess Anne Nnaji:*
The Senate President read a letter from Senator Chukwuka G. Utazi (*Enugu North*) as follows:

THE SENATE
FEDERAL REPUBLIC OF NIGERIA
Sen. Chukwuka Utazi
Enugu North Senatorial District
Chairman, Senate Committee on Anti-Corruption & Financial Crimes

October 23, 2017

The President of the Senate
Senate Chambers
National Assembly
Abuja

ANNOUNCEMENT:
SERVICE OF SONGS FOR PRINCESS ANNE NNENNA NNAJI

Distinguished Senators are by this notice informed that the rites of passage for Princess Anne Nnenna Nnaji, the recently-deceased wife of Senator Gilbert Emeka Nnaji are scheduled as follows:

Service of Songs and Night of Tributes

Date: *Wednesday, October 25, 2017*

Time: *4pm*

Venue: *Sen. Gilbert Nnajis' residence, 13 Chuba Okadigbo Street, Apo Legislative Quarters, Apo, Abuja*

The burial is scheduled for Friday, November 10, 2017 at the family compound in Iji-Nike, Enugu.

Distinguished Senators are kindly requested to attend the Service of Songs and Night of Tributes as a mark of respect to the memory of the wife of our colleague. More information will be made available on the arrangements for the burial.

(Signed)
Senator Chukwuka Utazi
Coordinating Chairman, Burial Committee

(c) ***Acknowledgment:***
The Senate President acknowledged the presence of the Staff and Students of Royalsville Montessori Academy, Abuja who were at the gallery to observe Senate Proceedings.

4. **Matter of Urgent Public Importance:**
Rising on Rules 42 and 52, Senator Isah H. Misau (*Bauchi Central*) drew the attention of the Senate to the reinstatement of Abdulrasheed Maina into the Federal Civil Service. He sought and obtained the leave of the Senate to present the matter forthwith:

The Senate notes that the media is awashed with the reinstatement of Abdulrasheed Maina an Assistant Director, who was declared wanted by Economic and Financial Crimes Commission (EFCC) in 2015 for alleged fraud in the Pension Sector worth ₦195 billion;

recalls that in 2013, Abdulrasheed Maina was dismissed from Service and was declared wanted by the Economic and Financial Crimes Commission (EFCC) over allegation of pension fraud, however, he was recently reinstated and promoted to the position of Director in charge of Human Resources in the Ministry of Interior; and *satisfy* that President Muhammadu Buhari on Monday, October 23, ordered his immediate disengagement from Service.

Accordingly resolves to:
mandate the Committee on Establishment and Public Service to investigate the circumstances surrounding his reinstatement to the Public Service and promotion to the rank of a Director after his dismissal and being on wanted list of Economic and Financial Crimes Commission (EFCC).

Debate:

Proposed Resolution:
Question: That the Senate do mandate the Committee on Establishment and Public Service to investigate the circumstances surrounding his reinstatement to the Public Service and promotion to the rank of a Director after his dismissal and being on wanted list of Economic and Financial Crimes Commission (EFCC).

Amendment Proposed:
Leave out the Proposed Resolution and *insert* as follows instead thereof:
"That the Senate do mandate an *Ad hoc* Committee of Chairmen and Vice Chairmen of the Committees on Establishment and Public Service; Judiciary, Human Rights and Legal Matters; Interior; and Anti-Corruption and Financial Crimes to investigate the reappearance, irregularities, reinstatement and promotion of Mr. Abdulrasheed A. Maina" *(Senator Olusola Adeyeye — Osun Central).*

Question that the amendment be made, put and agreed to.

Additional Proposed Resolution:
Insert Additional Proposed Resolution as follows:
"That the Senate do commend Mr. President, Commander-in-Chief of the Armed Forces of the Federation for taking prompt action" *(Senator Ahmad I. Lawan — Yobe North).*

Question that the amendment be made, put and agreed to.

Resolved:
That the Senate do:
(*i*) mandate an *Ad hoc* Committee of Chairmen and Vice Chairmen of the Committees on Establishment and Public Service; Judiciary, Human Rights and Legal Matters; Interior; and Anti-Corruption and Financial Crimes to investigate the reappearance, irregularities, reinstatement and promotion of Mr. Abdulrasheed A. Maina; and

(*ii*) commend Mr. President, Commander-in-Chief of the Armed Forces of the Federation for taking prompt action ***(S/Res/095/03/17).***

5. **Complaint against Newspaper, Book, etc.:**
Rising on Rule 18, Senator Mallam A. Wakili *(Bauchi Central)* drew the attention of the Senate to the Sunday Sun Newspaper publication of 22nd October, 2017 captioned "Pay As You Go Senate Probes" by one Mr. Fred Itua, which expressed that most of the *Ad hoc* Committees of the Senate were constituted to settle scores or make "chuwa-chuwa". This according to him, has rendered Senators idle, unproductive and lacking in integrity towards *Ad hoc* Committee assignments. He stated that this impugned on his integrity as a Senator of the Federal Republic of Nigeria, and urged the Senate to investigate the matter.

Newspaper publication Laid.

By the leave of the Senate, Matter accordingly referred to the Committee on Ethics, Privileges and Public Petitions.

6. **Committee on Tertiary Institutions and TETFUND:**
Motion made: That the Senate do receive the Reports of the Committee on Tertiary Institutions and TETFUND on:
(*a*) Federal University of Education, Zaria (Establishment, etc.) Bill, 2017 (SB. 400);

(*b*) Alvan Ikoku Federal University of Education, Owerri (Establishment, etc.) Bill, 2017 (SB.398);

(*c*) Federal University of Agriculture, Kabba (Establishment, etc.) Bill, 2017 (SB. 402);

(*d*) Federal University of Education, Kano (Establishment, etc.) Bill, 2017 (SB. 397);

(*e*) Adeyemi Federal University of Education, Ondo (Establishment, etc.) Bill, 2017 (SB.399);

(*f*) Nigeria Arabic Language Village, Ngala (Establishment, etc.) Bill, 2017 (SB. 386);

(*g*) Nigeria French Language Village, Badagry (Establishment, etc.) Bill, 2017 (SB. 387);

(*h*) Federal Polytechnic Act CAP F17 (Amendment) Bill, 2017 (SB. 241); and

(*i*) Federal College of Education, Malam Madori, Jigawa State *(Senator Jibrin I. Barau — Kano North)*.

Question put and agreed to.

Report Laid.

7. **Committee on Poverty Alleviation and Social Welfare:**
Report on the Constituency Sustainable Development Fund Bill, 2017 (SB.103):

Presentation of Report deferred to another Legislative Day.

8. **Joint Committee on Land Transport; Marine Transport; and Aviation:**
Report on the National Transport Commission Bill, 2017 (SB. 242):
Motion made: That the Senate do receive the Report of the Joint Committee on Land Transport; Marine Transport; and Aviation on the National Transport Commission (Establishment, etc.) Bill, 2017 (*Senator Bareehu O. Ashafa — Lagos East*).

Question put and agreed to.

Report Laid.

9. **Motions:**
(*a*) ***The need for Senate's Intervention in the recent ETISALAT (Nigeria) $1.2 billion debt crisis:***
Motion made: That the Senate notes that Etisalat Nigeria, a Telecommunication Company operating in Nigeria has in recent times been in the public eye over it's $1.2bn loan crisis;

understands that the syndicated loan was acquired in 2013 as a medium-term, seven-year facility to fund expansion of the network from a consortium of 13 Banks in Nigeria;

notes that Etisalat ownership comprises of 3 Shareholders, the United Arab Emirates Sovereign Wealth Fund through Mubadala Development Company Abu Dhabi (45%), Emirates Telecommunications Group Company (40%) and Myacinth (15%) through Emerging Markets Telecommunications Services;

notes that as of 2016, the Company had started defaulting on its $1.2 billion loan obligations leading to a few bailouts from its Parent Company in Abu Dhabi;

understands that only about 42% of the loan has been repaid, remaining an outstanding debt of $696 million representing 58% of its Capital, which Etisalat has failed to service since 2016;

further understands that since this year, the Banks have been moving to take over the Telecommunications Company in order to recover their funds;

notes that the Nigerian Communications Commission (NCC) and the Central Bank of Nigeria (CBN) have intervened and raised issues of regulatory compliances in trying to prevent a takeover by the banks, but the intervention has failed to produce an agreement on the debt restructuring;

observes that all UAE shareholders of Etisalat Nigeria, including State-owned investment fund Mubadala, had exited the company coupled with the resignation of top key management officers of the Company- the Chief Executive Officer - Mr. Matthew Willsher, Chief Financial Officer - Mr. Wole Obasunloye, Director and the 3rd Shareholder/Partner- Mr. Hakeem Belo Osagie;

regrets that although it should ordinarily not be the duty of the Senate of the Federal Republic of Nigeria to wade into individual debt crisis of private sector businesses; but the Senate is convinced that if this situation is not properly handled, it will have negative implications for the Nigerian Business Environment and on Foreign Investments in Nigeria in general;

regrets that a loan of this magnitude has the capacity of setting off another Banking crisis in Nigeria, with Banks looking for bailout funds once again;

believes the Nigerian Business Environment must be protected and insulated from all forms of fraudulent dealings in order to advance the Government's drive towards promotion of genuine investments in Nigeria;

regrets that about 4,000 jobs are at stake as a result of these suspicious dealings;

notes that the decision of the core investors to pull out of Nigeria raises issues of suspicion, on the intent of a Company in obtaining a loan facility, defaulting and then pulling out of the country, hoping that their shares would be used to write off the debts; and

aware of allegations that the loans have been diverted to other uses not related to the business for which the huge loan was obtained, as there was no evidence of what the Company did with the loans.

Accordingly resolves to:

(*i*) mandate the Committees on Banking, Insurance and Other Financial Institutions; Communications; Capital Market; and National Security and Intelligence to investigate the management and utilization of the $1.2 billion loan facility obtained from the 13 Nigerian Banks;

(*ii*) mandate the above Joint Committee to make recommendations on ways the Nigeria Financial Governance Structure can be strengthened by legislations to prevent any future similar reoccurrence; and (*iii*) urge the relevant Financial Intelligence Agencies of the Federal Government to investigate the Management of Etisalat Nigeria and hold the defaulting parties accountable for their actions (*Senator Solomon O. Adeola — Lagos West*).

Debate:

Proposed Resolution(i):
Question: That the Senate do mandate the Committees on Banking, Insurance and Other Financial Institutions; Communications; Capital Market; and National Security and Intelligence to investigate the management and utilization of the $1.2billion loan facility obtained from the 13 Nigerian Banks — *Agreed to.*

Proposed Resolution(ii):
Question: That the Senate do mandate the above Joint Committee to make recommendations on ways the Nigeria Financial Governance Structure can be strengthened by legislations to prevent any future similar reoccurrence — *Agreed to.*

Proposed Resolution(iii):
Question: That the Senate do urge the relevant Financial Intelligence Agencies of the Federal Government to investigate the Management of Etisalat Nigeria and hold the defaulting parties accountable for their actions — *Agreed to.*

Resolved:
That the Senate do:
(*i*) mandate the Committees on Banking, Insurance and Other Financial Institutions; Communications; Capital Market; and National Security and Intelligence to investigate the management and utilization of the $1.2billion loan facility obtained from the 13 Nigerian Banks;

(*ii*) mandate the above Joint Committee to make recommendations on ways the Nigeria Financial Governance Structure can be strengthened by legislations to prevent any future similar reoccurrence; and

(*iii*) urge the relevant Financial Intelligence Agencies of the Federal Government to investigate the Management of Etisalat Nigeria and hold the defaulting parties accountable for their actions ***(S/Res/096/03/17).***

(b) The need to review the privatization of Public Enterprises in Nigeria:
Motion made: That the Senate notes that privatization of public enterprises is a bye product of global economic recession in the 80s where Nigeria and other African countries were advised by the Bretton Woods Institutions {International Monetary Fund, (IMF) and the Word Bank, (WB)} to divest from their public enterprises as one of the conditions for economic assistance;

further notes that privatization was institutionalized as a viable economic reform policy that would help cut the inefficiencies of the public sector, provide greater scope to the private sector, attract more investments, and also revive the failing economy;

recalls that as far back as 1981, the Gamaliel Onosode led Presidential Commission on Parastatals has revealed that the problems confronting public enterprises in Nigeria include: defective capital structures resulting in heavy reliance on the national treasury for financial operations; mismanagement of funds for operations; corruption; misuse of monopoly powers; and bureaucratic bottlenecks characterized with appointment of management team based on political interference in the management of public enterprises;

cognizance that in response to the increasing challenge of public sector failure in managing public enterprises, the Federal Government promulgated the Privatization and Commercialization Decree of 1988 which established the Technical Committee on Privatization and Commercialization (TCPC) which was repealed by the 1993 Decree that established the Bureau of Public Enterprises as replacement of the TCPC and the 1999 Act repealed the 1993 Degree and further recreated the BPE in addition to the National Council on Privatization as the main organs of the programme;

aware that through Initial Public Offer, Sale by Competitive Bid, and Sale through Direct Negotiation to core investors, the Federal Government had, between 1989 and 1993 privatized 111 public enterprises and commercialized 35 others with 67 in the first category comprising hotels, breweries, insurance companies and other similar light industries;

further aware that the second category consist of 43 enterprises including Oil Marketing Companies, the Steel Rolling Mills, Nigeria Airways, Fertilizer Companies, the Paper Mills, Sugar and Cement Companies; the third category consisted of 11 Parastatals, including the Nigerian National Petroleum Corporation (NNPC), the Nigerian Telecommunication Plc. (NITEL), and National Electric Power Authority (NEPA), later transformed to Power Holding Company of Nigeria (PHCN), while the last category consisted of 14 other Parastatals including the Nigerian Railways, the Delta and Ajaokuta Steel Rolling Mills;

concerned that while the objectives of privatization are noble, the exercise is not accompanied or preceded by an articulated and properly phased public sector reform in addition to several other challenges which makes the programme unable to facilitate efficient production of public goods or make any significant impact to fiscal balance;

observed that since privatization of public enterprises is marred by varied administrative, regulatory and financial irregularities, some experts are of the view that policy makers should consider non-traditional privatization methods such as deregulation, leasing, management contracting and franchising of monopoly rights at least in the short run than relying heavily on full divestiture as the primary mode of privatization in Nigeria;

worried that inspite of the fact that the report of the 2011 Senate *Ad hoc* Committee which investigated privatization and commercialization of Public Enterprises since the return to civil rule in 1999 as contained in Senate Votes and Proceedings of Wednesday, 14th December, 2011 as a monumental failure due to corruption-inspired undervaluation of privatized enterprises, sale of the undervalued enterprises to cronies and political associates, asset stripping, clear breaches of due process, regulatory inefficiency, e.t.c, the Senate resolution in support of the laudable recommendations of the committee has not been implemented;

disturbed that while the objectives of privatization has not been realized to stimulate economic growth or welfare of the people, the exercise seemed to make the poor poorer by increasing unemployment and reducing access of the poor to basic goods and services through increase in prices in addition to the fact that most of the privatized firms went into comatose after the privatization; and

regrets that the current economic challenges may continue to aggravate with monumental effects on human survival, welfare and development if privatization and commercialization carried out from 1999 - date is not revisited to rectify anomalies as alternative for diversified economic reform.

Accordingly resolves to:

(*i*) mandate the Committee on Privatization to have an interface with the National Council on Privatization and the Bureau of Public Enterprises to receive and examine a comprehensive report of current privatization status of Nigerian Public Enterprises;

(*ii*) mandate the Committee to conduct a Public Hearing to determine the public enterprises privatized/commercialized, current status of privatized enterprises, extent of due process in the conduct of the exercise, enterprises whose privatization where reversed by the Federal Government, extent of compliance with post privatization conditions by core investors, and the impact of privatization/commercialization of public enterprises on the Nigerian economy; and

(*iii*) make appropriate recommendations that will ensure functionality of the privatized/commercialized enterprises to realize the objectives of the exercise which will among others reduce the impact of current economic challenges (*Senator Umaru I. Kurfi — Katsina Central*).

Debate:

Proposed Resolution(i):
Question: That the Senate do mandate the Committee on Privatization to have an interface with the National Council on Privatization and the Bureau of Public Enterprises to receive and examine a comprehensive report of current privatization status of Nigerian Public Enterprises — *Agreed to.*

Proposed Resolution(ii):
Question: That the Senate do mandate the Committee to conduct a Public Hearing to determine the public enterprises privatized/commercialized, current status of privatized enterprises, extent of due process in the conduct of the exercise, enterprises whose privatization where reversed by the Federal Government, extent of compliance with post privatization conditions by core investors, and the impact of privatization/commercialization of public enterprises on the Nigerian economy — *Agreed to.*

Proposed Resolution(iii):
Question: That the Senate do make appropriate recommendations that will ensure functionality of the privatized/commercialized enterprises to realize the objectives of the exercise which will among others reduce the impact of current economic challenges — *Agreed to.*

Resolved:
That the Senate do:

(*i*) mandate the Committee on Privatization to have an interface with the National Council on Privatization and the Bureau of Public Enterprises to receive and examine a comprehensive report of current privatization status of Nigerian Public Enterprises;

(*ii*) mandate the Committee to conduct a Public Hearing to determine the public enterprises privatized/commercialized, current status of privatized enterprises, extent of due process in the conduct of the exercise, enterprises whose privatization where reversed by the Federal Government, extent of compliance with post privatization conditions by core investors, and the impact of privatization/commercialization of public enterprises on the Nigerian economy; and

(*iii*) make appropriate recommendations that will ensure functionality of the privatized/commercialized enterprises to realize the objectives of the exercise which will among others reduce the impact of current economic challenges *(S/Res/097/03/17)*.

10. **Conference Committee:**
Report on the 2017 Budget of Federal Inland Revenue Service:
Motion made: That the Senate do adopt the Conference Committee Report on the 2017 Budget of Federal Inland Revenue Service (*Senator John O. Enoh — Cross River Central*).

Question put and agreed to.

Report presented.

Report accordingly adopted.

11. **Nigerian Tax Academy (Establishment, etc.) Bill, 2017 (SB. 330):**

Consideration of Bill deferred to another Legislative Day.

12. **In-vitro Fertilization Prohibition Bill, 2017 (SB. 127):**
Motion made: That a Bill for an Act for the regulations of In-vitro Fertilization, to Prohibit Certain Practices in Connection with In-vitro Fertilization to establish an In-vitro Fertilization Authority to make provision in relation of children born of in-vitro fertilization process and for Connected Purposes, 2017 be read the Second Time (*Senator Barau I. Jibrin — Kano North*).

Debate:

Question put and agreed to.

Bill accordingly read the Second Time and referred to the Committee on Health to report within Four (4) weeks.

13. **Assisted Reproductive Technology Bill, 2017 (SB. 325):**
Motion made: That a Bill for an Act to provide for the regulation and supervision of Assisted Reproductive Technology and for Matters Connected Therewith, 2017 be read the Second Time (*Senator Olanrewaju A. Tejuoso — Ogun Central*).

Debate:

Question put and agreed to.

Bill accordingly read the Second Time and referred to the Committee on Health to report within Four (4) weeks.

14. **Agricultural Research Council of Nigeria Bill, 2017 (SB.315):**

Consideration of Bill deferred to another Legislative Day.

15. **Legal Practitioners Act CAP C11 LFN 2004 Amendment Bill, 2017 (SB. 435):**

Consideration of Bill deferred to another Legislative Day.

16. **National Tea and Coffee Development Council (Establishment, etc.) Bill, 2017 (SB. 462):**

Consideration of Bill deferred to another Legislative Day.

17. **National Orientation Agency Act CAP N100 LFN 2004 (Amendment) Bill, 2017 (SB.333):**

Consideration of Bill deferred to another Legislative Day.

18. Federal Capital Territory (FCT) Act CAP F6 LFN 2004 (Amendment) Bill, 2017 (SB. 115):

Consideration of Bill deferred to another Legislative Day.

19. National Youth Development Commission (Establishment, etc.) Bill, 2017 (SB. 385):

Consideration of Bill deferred to another Legislative Day.

20. Nigerian Bank of Industry (Establishment, etc.) Bill, 2017 (SB.366):

Consideration of Bill deferred to another Legislative Day.

21. Nigerian Institute of Management Act No.14 2003 (Amendment) Bill, 2017 (SB.13):

Consideration of Bill deferred to another Legislative Day.

22. Metallurgical Regulation Bill, 2017 (SB.260):

Consideration of Bill deferred to another Legislative Day.

23. National Institute of Credit Administration (Establishment, etc.) Bill, 2017 (SB.153):

Consideration of Bill deferred to another Legislative Day.

24. Nigerian Council for Food Science and Technology (Establishment, etc.) Bill, 2017 (SB.92):

Consideration of Bill deferred to another Legislative Day.

25. Adjournment:
Motion made: That the Senate do now adjourn till Wednesday, 25th October, 2017 at 10:00 a.m. (*Senate Leader*).

Adjourned accordingly at 1:26 *p.m.*

Abubakar Olubukola Saraki, CON
President,
Senate of the Federal Republic of Nigeria.