



**SENATE OF THE
FEDERAL REPUBLIC OF NIGERIA
ORDER PAPER**

Wednesday, 14th February, 2024

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

PRESENTATION OF BILLS

1. Federal Medical Centres Act (Amendment) Bill, 2024 (HB. 172) - *First Reading*
Sen. Bamidele, Michael Opeyemi (*Ekiti Central-Senate Leader*).
 2. National Agency for Food and Drug Administration and Control (NAFDAC) Act (Amendment) Bill, 2024 (SB. 326) - *First Reading*
Sen. Banigo, Ipalibo Harry (*Rivers West*).
 3. Electoral Act (Amendment) Bill, 2024 (SB. 341) - *First Reading*
Sen. Musa, Mohammed Sani (*Niger East*).
 4. Integrated Rural Development Agency (Establishment) Bill, 2024 (SB. 342) - *First Reading*
Sen. Saliu, Mustapha (*Kwara Central*).
 5. Proceeds of Crime Act (Repeal & Re-enactment) Bill, 2024 (SB. 343) - *First Reading*
Sen. Adebule, Idiat Oluranti (*Lagos West*).
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ORDERS OF THE DAY

BILL FOR CONCURRENCE

1. Harmonised Retirement Age for Staff of National Assembly Service Bill, 2024 (HB. 529) - *Concurrence*
Sen. Bamidele, Michael Opeyemi (*Ekiti Central-Senate Leader*).
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CONSIDERATION OF BILLS

1. A Bill for an Act to Establish the North West Development Commission to serve as a catalyst to develop the arrays of potentials of the North West as well as address the gap in infrastructural development of the region and for related matters, 2024 (SB. 90) - *Second Reading*
Sen. Barau, Jibrin (*Kano North*).
2. A Bill for an Act to Establish the National Youth Service Corps Trust Fund to provide a sustainable source of funds for the National Youth Service Corps (NYSC), skill acquisition, training and empowerment of Corps members, training and retraining of the personnel of the NYSC, development of camps and NYSC formations and facilities; and for related matters, 2024 (SB. 260) - *Second Reading*
Sen. Adaramodu, Adeyemi Raphael (*Ekiti South*).

3. A Bill for an Act to provide for the Establishment of the Federal University of Education Numan, Adamawa State and for other matters connected therewith, 2024 (SB. 270) - *Second Reading*
Sen. Yaroe, Binos Dauda (*Adamawa South*).

PRESENTATION AND CONSIDERATION OF REPORTS

1. Report of the Committees on Gas and Petroleum Resources (Downstream)
Confirmation of the Nomination of Mr. Adama Oluwole Oladapo for Appointment as Executive Director, Nigerian Midstream and Downstream Gas Infrastructure Fund Board (NMDGIFB)
Sen. Jarigbe, Agom Jarigbe (*Cross River North*)
- That the Senate do receive and consider the report of the Committees on Gas and Petroleum Resources (Downstream) on the confirmation of the nomination of Mr. Adama Oluwole Oladapo for appointment as Executive Director, Nigerian Midstream and Downstream Gas Infrastructure Fund Board (NMDGIFB).
2. Report of the Committee on Customs, Excise and Tariffs
2024 Budget of the Nigerian Customs Service
Sen. Jibrin, Isah (*Kogi East*)
- That the Senate do receive and consider the report of the Committee on Customs, Excise and Tariffs on the 2024 Budget of the Nigerian Customs Service.

MOTIONS

1. Demise of Senator Ittak Bob Ekarika.

Sponsor: Sen. Akpabio, Godswill Obot (*Akwa-Ibom Northwest*) C.O.N - President of Senate

Co-Sponsors:

Sen. Mpigi, Barinada (<i>Rivers South East</i>)	Sen. Ekong, Sampson (<i>Akwa-Ibom South</i>)
Sen. Etim, Basse Aniekan (<i>Akwa-Ibom Northeast</i>)	Sen. Karimi, Sunday Steve (<i>Kogi West</i>)
Sen. Dickson, Seriake Henry (<i>Bayelsa West</i>)	Sen. Agadaga, Benson Sunday (<i>Bayelsa East</i>)
Sen. Konbowel, Benson Friday (<i>Bayelsa Central</i>)	Sen. Banigo, Ipalibo Harry (<i>Rivers West</i>)
Sen. Jonah, Williams Eteng (<i>Cross River Central</i>)	Sen. Asuquo, Ekpenyong (<i>Cross River South</i>)
Sen. Jarigbe, Agom Jarigbe (<i>Cross River North</i>)	Sen. Onyesoh, Allwel Heacho (<i>Rivers East</i>)
Sen. Oshiomole, Adams Aliyu (<i>Edo North</i>)	Sen. Okpebholo, Monday (<i>Edo Central</i>)
Sen. Imasuen, Neda Bernards (<i>Edo South</i>)	Sen. Saliu, Mustapha (<i>Kwara Central</i>)
Sen. Zam, Titus Tartenger (<i>Benue North West</i>)	Sen. Nwebonyi, Onyeka Peter (<i>Ebonyi North</i>)
Sen. Osita, Ngwu (<i>Enugu West</i>)	

The Senate:

Notes with heavy heart, the transition of Senator Ittak Bob Ekarika, which took place on the 13th of October, 2023 after a brief illness, at the age of 89.

Notes that Senator Bob Ekarika comes from a District that has produced eminent gentlemen and citizens of great renown, which includes; our Distinguished President of Senate, His Excellency Senator Godswill Akpabio C.O.N;

Notes also that Late Senator Bob Ekarika graduated from the prestigious University of Ibadan and later pursued a highly successful career in marketing at the Shell Group, where he rose to the enviable height of Deputy Managing Director (DMD) and retired in 1985;

Recalls that upon his retirement, he established Ibel Nigeria Limited, and importer of lubricants and was thereafter appointed the Chairman of the Cooperative Development Bank Plc, a company founded by both Akwa Ibom and Cross River State Governments;

Recalls also that it was then he successfully ventured into politics in the year 2000 and was appointed to the Board of Trustees of the People's Democratic Party the PDP;

Observes that Senator Bob Ekarika later contested for, and won the coveted Seat of Akwa Ibom North West Senatorial District where he diligently served his people between 2003 and 2007;

Observes also that during his tenure, he courageously championed the course of his constituents including but not limited to, the Electrification of Ekparakwa Clan in Oruk Anam LGA, the construction of Ibagwa Bridge as well as the building of a Navy School in Ikot Ntuen, Ekparakwa;

Aware that the Senate has already sent a High Powered Delegation to pay a condolence visit to the late Senator's family which was led by His Excellency, The President of Senate, Senator Godswill Obot Akpabio C.O.N, during which a condolence letter was presented,

Accordingly resolves to:

- i. *Observe* one minute silence in honour of late Senator Ittak Bob Ekarika; and
 - ii. *Urge* the Federal Government immortalize him by renaming the Navy School in Ikot Ntuen, Ekparakwa to "The Senator Bob Ittak Ekarika Naval School".
2. Need to investigate the foreign exchange backlog accumulation, the recent activities in the foreign exchange market as well as some of the Development Finance Programmes of the Central Bank of Nigeria from 2015 to date.

Sponsor: Sen. Izunaso, Osita Bonaventure (*Imo West*)

The Senate:

Aware that the unification of exchange rates by the present administration in June 2023 was a major economic reform aimed at engendering transparency in the forex market including through eliminating opportunities for round tripping. It equally enthroned market forces in the determination of exchange rate for the naira in the Nigerian Foreign Exchange Market;

Aware also that the reforms above which are laudable and commendable has thrown up a major challenge of illiquidity occasioned by the fact that the Central Bank of Nigeria "CBN", which is the major supplier of forex in the market, has inadequate free foreign reserves for intervention as most of the country's external reserves are encumbered in derivative contracts entered into by the CBN;

Concerned that the forex illiquidity is made worse by the huge forex backlog and the CBN's inability to meet forex forward obligations which has negatively impacted confidence in the market. The result of the huge supply-gap in the forex market has been persistent depreciation of the naira and escalating exchange rate which has continued to fuel inflation in Nigeria;

Mindful that the execution of forward contracts in the Nigerian Foreign Exchange Market is done through authorized dealing banks while the market infrastructure and trading platform is provided by the FMDQ Group licensed by the Securities and Exchange Commission but largely owned by the Authorized Dealing Banks, who collectively are the majority shareholders while the CBN is a minority shareholder;

Mindful also that the CBN supervises the authorized dealers and from time-to-time issues rules and guidelines to regulate their foreign exchange activity. The FMDQ publishes the Nigerian Autonomous Foreign Exchange Market (NAFEM) exchange rates using the data provided by the banks as inputs to determine the rates;

Alarmed and concerned about some curious developments in the NAFEM where the CBN, via a circular dated January 31 2024, confirmed that banks had accumulated substantial holdings of foreign currencies for their own account and directed that such holdings be unwound by Feb 1 2024;

Alarmed also and concerned further that these aggregate forex holdings, which in effect represent speculation against the naira beyond regulatory limits by licensed banks, is estimated to be in billions of US dollars;

Shocked that on February 5, The Nigerian Tribune, a National newspaper, had in a report titled 'Eight banks holding over \$6billion NOP amidst FX scarcity, published a list of banks and their Net Open Positions namely FBN Holdings \$1,700 million, Zenith Bank \$1500 million, GTCO \$1470 million, UBA \$796 million, FCMB \$495 million, Access Corporation \$308 million, Fidelity Bank \$101 million and others. These figures, the Newspaper claimed, were obtained from the banks' books as well as analysis by Cardinal Stone Securities Limited, a non-bank securities trading firm in Nigeria;

Disturbed that curiously, just two days preceding the directive to the banks to unwind their FX holdings, the FMDQ had abruptly instituted a change, effective January 29 2024, in its methodology for computing the NAFEM rate which resulted in a drastic upward movement in NAFEM rate from N890/\$ on Jan 26 2024 to N1413/\$ on Feb 1- just within 3 days;

Disturbed also that these curious developments raise a number of serious questions as to why did FMDQ revision of the rate calculation methodology and the sharp increase in the NAFEM rate coincide with the directive to the banks to unwind their holdings as to rationale the revision from N890/\$ (January 26, 2024) to N1, 413/\$ (February 1, 2024);

Mindful that in a recent widely publicized interview on Arise TV, the Governor of the CBN, Mr. Olayemi Cardoso, had stated that \$2.4 billion out of the \$7 billion foreign exchange backlog owed to banks, aviation, and other entities was not valid and that the CBN had only cleared \$2.4 billion out of the valid \$4.6 billion FX backlog, leaving about \$2.2 billion outstanding;

Mindful also that prior to this disclosure by the CBN Governor, the Bank through its Ag Director of Corporate Communications, Mrs Hakama Sidi Ali, had announced the engagement of a reputable firm for an independent forensic review, which revealed severe gross abuse, and significant non-compliance with market regulations with about \$2.4 billion being flagged for infractions such as invalid import documents, non-existent entities, beneficiaries and account parties receiving more FX than requested, and instances where entities that did not request any FX received funds;

Worried that this disclosure by the CBN Governor equally raises a number of questions as to which financial institutions were involved in processing the invalid FX obligations totalling \$2.4 billion amongst others;

Aware that between 2015 and 2022, the Central Bank of Nigeria had rolled out and implemented several interventions in critical sectors of the economy;

Aware also that the Bank's involvement in development financing were targeted at priority sectors of the economy that had the potential to transform the productive base of the economy to facilitate growth, stimulate sustainable jobs, expand the non-oil export basket to enhance the foreign exchange earning capability of the economy, and facilitate financial inclusion;

Notes that notable among these intervention schemes is the Anchor Borrower Programme (ABP) which the current management of the CBN plans to discontinue owing to the current weak state of the CBN's balance sheet, its disposition to focus on taming inflation caused largely by liquidity surfeit resulting from the raft of interventions as well as the distortionary effect the subsidized interest rate at single digit has on the financial market;

Bothered that despite the huge amount spent on interventions on development financing including in the agriculture sector especially the Anchor Borrower Programme, the sector still lags behind and its contribution to GDP, and there is no evidence of massive jobs created as a result of these interventions and the food index has continued to weigh on inflationary pressure in Nigeria climbing to 33.9 percent in December 2023;

Bothered also that against the backdrop of the dismal performance of the agriculture sector despite the huge interventions by the CBN;

Persuaded that to regain and maintain public trust, safeguard independence, and enhance policy effectiveness in the face of daunting challenges, monetary authorities must be refocused towards transparency and accountability;

Conscious that Section 88 of the 1999 Constitution of the Federal republic of Nigeria (as amended) empowers the Senate to direct or cause to be directed an investigation into matters with respect to which it has power to make laws; and the powers conferred on the National Assembly are exercisable for the purpose of enabling it to expose corruption, inefficiency or waste in the execution or administration of laws within its legislative competence and in the disbursement or administration of funds appropriated by it; and

Convinced about the urgent need to investigate the propriety or otherwise of the recent developments in the Nigerian Autonomous Foreign Exchange Market (NAFEM), the accumulation of Forex Backlogs and the development financing programmes of the Central bank of Nigeria between 2015 to date in order to cleanse the financial services sector, foster trust among market participants, and bolster confidence among internal and external stakeholders,

Accordingly resolves to:

- i. *Mandate* Committee on Banking, Insurance and Other Financial Institutions to conduct a holistic investigation into the:
 - propriety or otherwise of the recent developments in the Nigerian Autonomous Foreign Exchange Market (NAFEM);
 - circumstances and issues involved in the Foreign Exchange backlog, particularly the invalid \$2.4 billion transfer; and
 - development financing programmes of the Central Bank of Nigeria particularly the Anchors Borrowers Programme and report back to the Senate within four weeks.

COMMITTEE MEETINGS				
No.	Committee	Date	Time	Venue
1.	Marine Transport	Wednesday, 14 th February, 2024	2.00pm	Hearing Room 117 Senate New Building
2.	Solid Minerals development	Wednesday, 14 th February, 2024	2.00pm	Hearing Room 211 Senate New Building
3.	Federal Roads Maintenance Agency	Wednesday, 14 th February, 2024	3.00pm	Hearing Room 107 Senate New Building
4.	Finance	Wednesday, 14 th February, 2024	2.00pm	Hearing Room 304 Senate New Building
5.	Public Accounts	Wed. 14 th & Thu. 15 th February, 2024 (Public Hearing)	2.00pm	Hearing Room 4 White House
6.	Niger Delta Affairs	Thursday, 15 th February, 2024	2.00pm	Hearing Room 117 Senate New Building