

THE SENATE

COMMITTEE ON LOCAL AND FOREIGN DEBTS

REPORT

ON

THE REQUEST BY THE PRESIDENT AND COMMANDER-IN-CHIEF OF THE ARMED FORCES OF THE FEDERAL REPUBLIC OF NIGERIA FOR THE RESOLUTION OF THE SENATE TO APPROVE THE ESTABLISHMENT OF A PROMISSORY NOTE PROGRAMME FOR THE REIMBURSEMENT OF YOBE STATE GOVERNMENT FOR THE TAKEOVER OF MUHAMMADU BUHARI INTERNATIONAL CARGO AIRPORT, DAMATURU.

November 2026

1.0 INTRODUCTION:

Mr. President, Distinguished Colleagues,

The Senate at its sitting on Tuesday 13th October, 2026, referred to the Senate Committee on Local and Foreign Debts the request of His Excellency, the President and Commander-In-Chief of the Armed Forces of the Federal Republic of Nigeria, for the Resolution of the Senate to approve the establishment of a Promissory Note Programme for the reimbursement of Yobe State Government for the takeover of Muhammadu Buhari International Cargo Airport, Damaturu, in the sum of **N100,509,017,234.55.**

The referral is in accordance with Order 20(3) of the Standing Order of the Senate (2026 as amended) and Sections 41-44 of the Fiscal Responsibility Act, 2007, Section 4 of the Debt Management Office Act, and Section 80 of the 1999 Constitution.

The Committee is mandated to report back within four (4) weeks.

MEMBERSHIP

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19.	SENATOR MOHAMMED ALI NDUME	-	MEMBER
20.	H.E. SENATOR DANIEL JUSTUS OLUGBENGA		MEMBER
21.	SENATOR BAMIDELE MICHAEL OPEYEMI	-	MEMBER
22.	SENATOR ADEOLA SOLOMON OLAMILEKAN	-	MEMBER
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25.	SENATOR NWOYE TONY	-	MEMBER

SECRETARIAT

Okoye Amaka Gloria (Mrs.)	Director/Clerk to the Committee

2.0 BACKGROUND

The Promissory Note Programme is a financial instrument to clear debts which the Federal Governnment is indebted to other governmental and non-governmental bodies in various sectors of the economy. Specifically, this Promissory Note is designed

to make refund Yobe State Government for Projects executed on behalf of the Federal Government.

2.1 The Airport:

Muhammadu Buhari International Cargo Airport, Damaturu, is located in Damaturu, Yobe State. It was conceived and constructed by the Yobe State Government as a Cargo and Passenger International Airport to:

a) Address insecurity challenges and provide alternative air access to North-East.

b) Facilitate cargo evacuation of agricultural produce - livestock, gum arabic, sesame.

c) Enhance humanitarian operations in North-East.

d) Provide economic stimulus to Yobe State.

Project scope: 3.6km runway (CAT II ILS), Taxiways, Apron for 4 Boeing 747, Terminal Building, Cargo Shed, Control Tower, Fire Station, Perimeter fence, Navigational Aids (DVOR/DME), Aeronautical Ground Lighting.

2.2 Request for Takeover:

The Yobe State Government via letter Ref: YBS/MOW/2024/Vol.1 dated 12th March, 2024 requested Federal Government to take over the airport as an asset of Federal Government in line with aviation policy that ownership, regulation and operation of airports with international status vests in Federal Government through Federal Airports Authority of Nigeria (FAAN).

Federal Executive Council at its meeting of 21st August 2026 considered and approved the takeover, subject to verification of cost and issuance of Promissory Note to reimburse the State.

2.3 Legal Basis for Promissory Note Programme:

- Section 44(2)(b) Fiscal Responsibility Act 2007: Federal Government may reimburse State for expenditure on Federal asset through issuance of debt instrument approved by National Assembly.
- Section 4(1)(d) DMO Act: DMO to issue Federal Government debt instruments including Promissory Notes for verified claims.
- Section 80 Constitution: Promissory Note is public debt chargeable to Consolidated Revenue Fund and requires National Assembly Resolution.
- Policy: Federal Government policy on reimbursement of State Government expenditure on Federal infrastructure (airports, federal roads) - similar approvals for Nasarawa and Kebbi airports.

3.0 METHODOLOGY:

To ensure due diligence and compliance with Sec 41-44 FRA, the Committee adopted the following methodology:

The Committee relied on the following documents in the course of its assignment:

i. Federal Executive Councils Approval for the ratification for the take-over and refund of the newly constructed Airport.

ii. Copies of Approvals by the Federal Executive Council through the Federal Ministry of Aviation for the Construction of the Yobe state Airport.

iii. Copies of Contract Agreements between the State and the contractors that handled the construction of the projects

iv. BPP - Due Process Review - Certificate of No Objection No. BPP/S.1/Vol.XX/25/222. Issued 25th February 2026.

v. Evidence of payment by the State Government to the contractors.

c) The Committee met on 27th October 2026 and reviewed the above documents.

4.0. COMMITTEE OBSERVATIONS / FINDINGS:

After critical examination, the Committee observes as follows:

4.1 Due Process and Verification of Cost:

i) The sum of **N100,509,017,234.55** (One Hundred Billion, Five Hundred and Nine Million, Seventeen Thousand, Two Hundred and Thirty-Four Naira, Fifty-five Kobo) only was verified by:

- Federal Ministry of Aviation - Technical Audit of works - confirmed 100% completion and compliance with ICAO standards
- BPP - Due Process Review - Certificate of No Objection No. BPP/S.1/Vol.XX/25/222. Issued 25th February 2026.
- NCAA - confirmed runway, safety, navigational aids meet International standards.

ii) Project is completed, operational, test flights conducted by NCAA and ready for Federal Government takeover.

iii) Federal Executive Councils Approval for the ratification for the take-over and refund of the newly constructed Airport.

4.2 Strategic and Economic Viability:

i) Airport is strategic national asset for North-East security - alternative to Maiduguri airport during insecurity/emergency.

ii) Cargo potential - Yobe is leading producer of livestock, gum arabic, sesame, wheat - airport will facilitate AfCFTA export.

iii) Conforms to National Aviation Master Plan - to have cargo airport in each geopolitical zone.

iv) Reduces burden on Yobe State which spent its scarce resources on federal function - reimbursement is equitable and constitutional - Section 16(2) of Constitution on economic development.

4.3 Compliance with Fiscal Responsibility Act:

i) Project is capital expenditure - qualifies under Sec 41(1)(a) FRA - for capital and human development

ii) Cost-benefit analysis submitted - Economic Net Present Value (NPV) positive - benefit-cost ratio 1.8 based on agricultural cargo, security, humanitarian flights etc.

4.4 Concerns Raised During Committee Meeting:

a) Fiscal Responsibility Commission observed that reimbursement should not exceed **N100.509bn** and should be final settlement - no further claims.

b) Committee notes that Promissory Note programme will increase public debt stock but not external debt - it is domestic securitized debt - already captured as contingent liability.

c) Committee insists that Airport must be immediately handed over free of all encumbrances, with Certificate of Occupancy, and all technical documents transferred to the Federal Government.

5.0 RECOMMENDATIONS:

Based on the above findings, the Senate Committee on Local and Foreign Debts hereby recommends as follows for approval of Senate:

5.1. That the Senate do approve the establishment of a Promissory Note Programme in the sum of **N100,509,017,234.55** (One Hundred Billion, Five Hundred and Nine Million, Seventeen Thousand, Two Hundred and Thirty-Four Naira, Fifty-five Kobo) only for the reimbursement to **Yobe State Government** for the takeover of **Muhammadu Buhari International Cargo Airport, Damaturu**, by the Federal Government of Nigeria.

5.2. That the Promissory Note Programme be issued under the following terms and conditions:

a) Beneficiary: **Yobe State Government**

b) Amount: **N100,509,017,234.55**

5.3. That the approval is subject to:

a) Transfer of Title Deed and all Airport assets and liabilities to Federal Airports Authority of Nigeria (FAAN) through the Federal Government within 90 days of approval

b) That the amount approved is full and final settlement - Yobe State Government shall not make further claims on same project.

c) That Federal Government shall incorporate Airport into National Aviation Plan and ensure its operationalization for cargo and passenger operations within 6 months.

6.0. CONCLUSION:

Mr. President, Distinguished Colleagues,

The Committee wishes to express its gratitude to the president of the Senate, the leadership and the entire Senate for the confidence reposed on the committee to carry out the assignment.

The Committee is satisfied that due diligence, technical audit and BPP certification have been complied with. We therefore urge the Senate to approve this Report.

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H. E. Sen. ALIYU M. WAMAKKO
Chairman.

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OKOYE AMAKA GLORIA (Mrs.)
Director/Clerk to the Committee

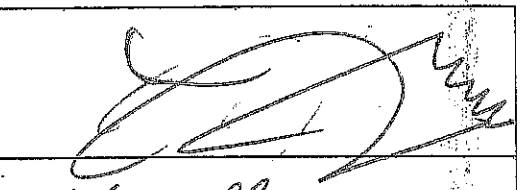
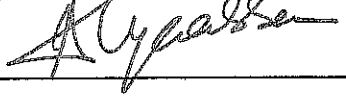
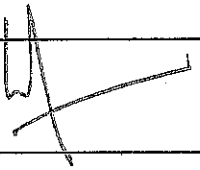
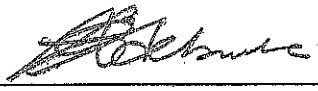
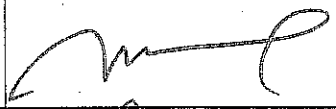
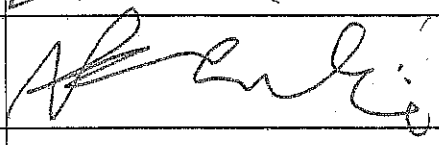
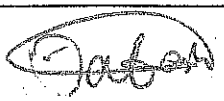
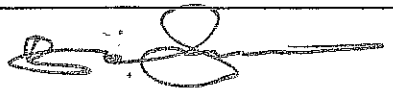
THE SENATE
FEDERAL REPUBLIC OF NIGERIA

COMMITTEE ON LOCAL AND FOREIGN DEBTS

SIGNATURE PAGE

Tuesday, October 27th, 2026

S/NO.	SENATORS NAME	SIGNATURE
1.	H.E. SENATOR ALIYU M. WAMAKKO	
2.	H.E. SENATOR HARUNA MANU	
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26	Senator Nwoye Tony	