



SENATE OF THE FEDERAL REPUBLIC OF NIGERIA

VOTES AND PROCEEDINGS

Tuesday, 25th April, 2006

1. The Senate met at 10:20 a. m. The Senate President read Prayers.
2. Votes and Proceedings:
The Senate President announced that he had examined the Votes and Proceedings of Wednesday, 12th April, 2006 and approved same.

By unanimous consent, the Votes and Proceedings were adopted.
3. Messages from the President:
The Senate President announced that he had received five letters from the President, Commander-in-Chief which he read as follows:



PRESIDENT,
FEDERAL REPUBLIC OF NIGERIA

PRES/134

20 April 2006

Senator Ken Nnamani,
President of the Senate,
Senate of the Federal Republic of Nigeria,
National Assembly Complex,
Abuja.

Dear President of the Senate

REQUEST FOR PRESIDENT HU JINTAO OF THE PEOPLE'S
REPUBLIC OF CHINA TO ADDRESS THE JOINT SESSION OF
THE NATIONAL ASSEMBLY OF THE FEDERAL REPUBLIC
OF NIGERIA ON APRIL 27, 2006 AT 11: 00 HOURS

I am delighted to inform you that at my invitation, the President of the People's Republic of China, His Excellency, Mr. Hu Jintao, will pay a State visit to Nigeria from 26 - 27 April, 2006.

Distinguished Senate President, since the beginning of this Administration, we have found the People's Republic of China a worthy friend and a committed friend of Africa. President Hu Jintao has recognized the pivotal role of Nigeria in Africa and has requested to make an important

declaration on Africa-China relations during his visit to Nigeria. The Most appropriate place for such declaration is the hallowed Chamber populated by the Distinguished Senators and Honourable Representatives of the Federal Republic of Nigeria.

The facilitation of the acceptance of the request for H.E. Mr. Hu Jintao, President of the People's Republic of China, to address the Joint Session of the National Assembly of the Federal Republic of Nigeria on April 27, 2006 at 11.00 hours would serve very well the scheme of the Nigeria's diplomacy in Africa and the world.

Distinguished Senate President, while I am confident that this request would be well received and accepted, I extend my greetings and esteem.

Yours Sincerely

(Signed)
OLUSEGUN OBASANJO

(B)



PRESIDENT,
FEDERAL REPUBLIC OF NIGERIA

PRES/134
The Senate President Senate
Chambers, National Assembly
Complex, Abuja.

11 April 2006.

Dear President of the Senate

RE: REQUEST FOR CONFIRMATION OF APPOINTMENT
OF PHILIP ETOMIKE UMEADI JNR. AS NATIONAL
ELECTORAL COMMISSIONER, INDEPENDENT
NATIONAL ELECTORAL COMMISSION

In the exercise of the powers conferred on me by Section 154(1) of the Constitution of the Federal Republic of Nigeria and pursuant to the Third Schedule, Part 1, Section 14(1)(b) of the 1999 Constitution, I hereby, present Mr. Philip Etomike UMEADI, Jnr., from Anambra State (South East Zone) for confirmation as National Commissioner by the Senate.

I enclose herewith the Curriculum Vitae of Mr. Umeadi, please. Accept, Mr.

Senate President, the assurances of my highest consideration. Yours Sincerely

(Signed) OLUSEGUN
OBASANJO



(c)

PRESIDENT,
FEDERAL REPUBLIC OF NIGERIA

PRES/134

12 April 2006

*The Senate President, Senate
Chambers, National Assembly
Complex, Three-Arms Zone,
Asokoro - Abuja.*

Dear President of the Senate,

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BANKS AND OTHER FINANCIAL INSTITUTIONS ACT

I hereby present, for formal consideration and passage into law by the Senate, the attached Bill for an Act which, among other things, regulates banking and other financial institutions by prohibiting the carrying on of such businesses in Nigeria except under licence and by a company incorporated in Nigeria.

The Distinguished Senate may wish to note that adequate provisions have been made regarding the proper supervision of such institutions by the Central Bank, of Nigeria.

I hope the Bill will receive prompt attention of Distinguished Members of the Senate. Yours

Sincerely
(Signed) OLUSEGUN
OBASANJO



(D)

PRESIDENT,
FEDERAL REPUBLIC OF NIGERIA

PRES/134

12 April 2006

The Senate President, Senate
Chambers, National Assembly
Complex, Three-Arms Zone,
Asokoro - Abuja.

Dear President of the Senate,

CENTRAL BANK OF NIGERIA ACT

I hereby present, for formal consideration and passage into law by the Senate, the attached Bill for an Act which makes provisions for the continuance of the Central Bank of Nigeria with the Board of Directors consisting of the Governors and five Directors, and charges the Bank with the overall control and administration of the monetary and banking policies of the Federal Government both within and outside Nigeria.

I hope the Bill will receive prompt attention of the Distinguished Members of the Senate.

Yours Sincerely
(Signed) OLUSEGUN
OBASANJO



(E)

PRESIDENT,
FEDERAL REPUBLIC OF NIGERIA

PRES134

April 3, 2006

Senator Ken Nnamani,
President of the Senate,
Senate of the Federal Republic of Nigeria,
Senate Chambers,
National Assembly Complex,
Abuja.

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Dear President of the Senate,

**NOMINATION OF DR. DARU OWEI ASA REPLACEMENT FOR ENGR.
SAMUEL EDWARD INYANG, MEMBER OF THE GOVERNING BOARD
OF THE NIGER DELTA DEVELOPMENT COMMISSION (NDDC)**

Following the retirement of Engr. Samuel E. Inyang who was representing the Oil-producing companies in the Niger Delta Development Commission (NDDC) from Shell Petroleum Development Company (SPDC) as well as his resignation from Governing Board of the Niger Delta Development Commission, I requested the Oil-producing companies to forward the name of a suitable candidate to occupy the slot of the Oil-producing companies on the NDDC Board.

I have now received the nomination of Dr. Dam Owei of Nigeria Agip Oil Company. In line with the provision of Section 5(3) of the NDDC Act, 2000, Dr. Daru Owei is to complete the remainder of the Term of Office of his predecessor whom he is replacing.

Accordingly, and in line with the provision of Section 2(2) (a) of the NDDC Act 2000, I hereby present Dr. Daru Owei whose Curriculum Vitae is attached for the confirmation of the Senate, in consultation with the House of Representatives.

I look forward to your early action.

Yours Sincerely

*(Signed) OLUSEGUN
OBASANJO*

4. **Announcement:**

The Senate President read a letter from Senator Felix O. Ibru as follows:



Senator Felix Ovuodoroye Ibru
FEDERAL REPUBLIC OF NIGERIA

24th April, 2006

*His Excellency, Senator Ken Nnamani
Senate President
Federal Republic of Nigeria
National Assembly Complex
Abuja*

Your Excellency,

Burial of Chief (Mrs.) Janet Omotogor Ibru

I wish to request that you announce that a military Dornier 228 aircraft has been provided for Distinguished Senators who would like to attend the funeral ceremony of my late mother Chief (Mrs.) Janet Omotogor Ibru on Friday 28th April, 2006.

The aircraft departs Nnamdi Azikiwe Airport, Abuja at 8.30a. m. and leaves Delta State same day at 5.30 p. m.

Distinguished Senators who would like to attend the burial ceremony are kindly requested to register their names on the sheet provided at the entrance desk.

Yours Sincerely,

*Signed:
Senator (Olorogun) Felix O. Ibru*

5. Remark by the Senate President:

The Senate President remarked that his attention had been drawn to the circulation of the National Assembly Journal, Vol. 3, No. 10 containing the Constitution Amendment Bill 2006 which had earlier been circulated to Senators in Vol. 3, No. 8 of the National Assembly Journal. He urged the Senators to ignore the journal circulated containing a second publication of the Bill.

6. Privileges:

Misapplication of Local Government Funds:

Rising on Rules 14 and 15, Senator Francis A. Nzeribe invited the attention of the Senate to his Motion which was earlier stood down by the Senate. He informed the Senate of an attempt being made in his constituency to burn down his house and constituency office.

Motion made and Question Proposed: Whereas Nigerians heaved a sigh of relief when in 1999, when we decided to embrace democracy for good, and the progress of Nigeria. The expectation was that democracy would usher in smooth development of the component parts of Nigeria (Local and State Governments). This expectation appears to be tottering now mainly because the 774 Local Governments in the Federation which are supposedly the 3rd tier of Government, and the engine room of grass root development, were not funded or at best, under-funded. This sad development of under-funding of nearly the 774 Local Governments in the Federation, had led to agitation for dividend of democracy from Nigerians all over the country. It could be clearly seen that we have progressed from agitation to restiveness, in various parts of the country, especially, in the Niger Delta region; mainly because of lack of developments at grassroots. In extreme cases, Nigerians are questioning the justification for the existence of Local Governments, as democracy dividends have not trickled down to these grassroots as expected. It goes without gainsaying that the Local Government administration is the strata of government serving directly over 80 % of the national population by their service delivery. Where they fail, the entire effort of the Federal and respective State Governments have no meaning to Nigerians except probably urban dwellers;

WHEREAS manifestation of pent-up anger as a result of stunted development at the grass-roots and visible lack of democracy dividend reared its ugly head during the census exercise, the plethora of complaints from people at the grass-roots were the same everywhere. What they seem to ask is: "what are we going to benefit from this census, as we have not even seen the so-called dividend of democracy at the grass-root here";

WHEREAS in the light of this, Nigerians deserve to know where the monies allocated for the development of these Local Government Areas go. It is on record that the monthly statutory allocation for each and every Local Government in the country is paid into the Joint State/Local Government Account. Till date, "and to the ever growing credit of the able leadership of our President, Chief Olusegun Obasanjo, and his cabinet", no State has complained of being owed any kobo on this score. We can safely conclude that Local Government Chairmen receive their allocation from Federation Account as and when due. Why then are people complaining of not feeling the impact of democracy at the grass-root? Could it be that the monies received by these Local Government Chairmen are not enough for developmental projects? Are they receiving less than statutorily allocated to them from their respective State Governments? Or, are these Local Government Chairmen doing what is known in Nigeria parlance as *kill and divide* with the Governors of their respective States?. Now is the time to probe into the Accounts or these Local Governments to ascertain the truth about the stunted development at the grass-roots. The seven hundred and seventy-four (774) Local Government and Area Councils of Nigeria should be probed/investigated in this regard;

WHEREAS a situation where the bulk of under-development at Local Government levels being passed from Local Government Chairmen to Governors and back should not be acceptable to us in this hallowed Chamber as elders. The story being circulated on daily basis that Governors simply give any amount that pleases them, from the Joint Accounts to the Chairmen, as against their constitutional entitlements and in return, demand or force them (Local Government Chairmen) to sign that they collected the constitutional entitlements should be thoroughly investigated. As fulcrum of democracy, we in the Senate should probe the alleged threats by Governors on Local Government Chairmen to determine the extent of reliability, that if they, (the Chairmen) attempt to expose the Governors on criminal short payment, they (the Chairmen) would be killed. For the purpose of this probe, National Assembly should enact a special security cover to the Local Government Chairmen, to avoid being witch-hunted by State Governors who might have been involved in the alleged "kill and divide deal". Could it be that lack of honesty in the disbursement of received Statutory Allocation from the Federation Account by the Joint State/Local Government Account Committees of the various States is the reason for the agitation for the abolition of the Joint Account provision by the current National Assembly Joint Committee on amendment of the 1999 Constitution? Could it also be the reason the Federal Ministry of Finance now make monthly advertorials on the Statutory Allocation released from the Federation Account to each of the 774 Local Government and Area Councils in Nigeria? NOW IS TIME TO ACT;

-WHEREAS the Governors of States are constitutionally immune from criminal persecution while in office for posterity sake, after the probe, if any one of them is found guilty of criminally short paying these Local Government/Area Councils Chairmen, Senate should inform all Nigerians of the latent problems of underdevelopment in our Local Government and Area Councils in spite of the huge allocations to them. A vote of censure by this distinguished Senate is a veritable disciplinary measure on persons indicted after the investigation and a deterrent in future;

WHEREAS it is my considered opinion that after a comprehensive probe of the monies meant for development in our various grass-roots - Local Government Areas/Area Councils, Nigerians will be better informed of how their monies were being spent. It will also go along way in reducing, if not eliminating pent-up anger .. in the polity as the masses would have known their real enemies. The consequence of our inability to act fast could be tantamount to the Igbo wise saying that "an elder should not sit back and watch a tethered she-goat undergo the extreme agony of labour without untying it";

WHEREAS as the Senator representing Imo West (Orlu Senatorial Zone) in the National Assembly, I am daily being confronted by people with complaints of lack of development in the Local Governments under my Zone. It has come to my attention that in Imo State, the State Government appropriates N5-6 million monthly from each of the respective 27 LGA's for tarring of 4 (four) kilometer roads within each Local Government. Although the State Government awarded the contract to a firm owned by an Israeli called ROMIX LIMITED, Imo State citizens are certain that these roads if ever tarred cannot equate the over N56 million claimed to have already been expended from each of the 27 LGAs since 2005. In any case, this appropriation if true (subject to this investigation) is illegal and unconstitutional. It is estimated that over five billion naira of the funds meant for the LGAs is in the hand of my Governor's wife through this contract manipulation of roads never graded or worked on. Simply put, - bogus contracts were awarded to the Governor's wife. How many other States are in this league? We must let Nigerians know now, or we fail in our oversight responsibilities under Section 88(2)(b) of the 1999 Constitution. Only a Senate investigation can confirm the truth;

WHEREAS there are other illegal monthly deductions for mostly inexistent seminars purportedly conducted by the State Governments on behalf of Local Government Staff; the numerous pet projects of Her Excellency, the Governor's wife, are reportedly charged to funds of Local Government Councils. There are also deductions made to service the unconstitutional Local Government Development Areas created at the whims of the State Governments;

WHEREAS it is generally believed that the State Governments withhold up to 50 % from the monthly Statutory amount deemed transferred to the LGAs via the State Government from the Federation Account. Senate investigation will establish the truth;

WHEREAS I am aware and conscious of Section 308 of the Constitution of the Federal Republic of Nigeria with regard to immunity, I am also aware that the Supreme Court had ruled that only prosecution is prohibited by the said section during the subsistence of a Governor's tenure. In other words, all Nigerians are subject to investigation. In this case, my Governor should be investigated but not prosecuted for now. At least, he should help with the investigation of the 27 LGA Chairmen. As the police would put it - he would be helping the enquiries. The LGA Chairmen do not enjoy any immunity and should be very mindful of any cover up to protect our Governor. The truth must be unearthed, told and exposed to the entire people of Imo State for the safety of their elected representatives, our nascent democracy and posterity;

WHEREAS we should let Nigerians know where the monies meant for the development of their LGAs go to, a case study should be Imo State; and

WHEREAS in the light of the above, it is of utmost national importance that this Senate do

(i) determine as follows:

- (a) find out why there is stunted public infrastructural development and amenities in Imo State to this end, the funds received monthly from the Federation Account by all the 27 (twenty-seven) Local Government Chairmen in my State should be determined.
- (b) whether the amount received by the Local Governments match the projects they executed within the present tenure of this democratic dispensation; that is from May 29, 2003 till date; and whether the presiding officers of the various Local Governments were appointed or elected; and

- (c) whether the allocation these Local Government Chairmen received from the Federation Account on monthly basis are the full amount constitutionally allotted to them. If the Chairmen say yes; that is, they received the full amount actually due to them, they must show what they did with it; If on the other hand, they received less than the released allocations to them; the Governor of Imo State should be made to account for the shortfall, because the Local Government Chairmen are paid by the Governor from the Joint State/Local Government Account; The Committee of which is headed by the Governor's Special Adviser on Local Government and Chieftaincy Affairs.
- (ii) adopt a measure of protecting the tenure in office of courageous Local Government Chairmen who would be willing to divulge relevant information on this matter from likely threat to their positions by way of suspension or removal from office by their respective State Governments and State Houses of Assembly; and
- (iii) employ the services of the Economic and Financial Crimes Commission (EFCC) and the Independent Corrupt Practices Commission (ICPC) in conducting this investigation for maximum result (*Senator Francis A. Nzeribe*).

Debate:

Prayer (iii):

Question: That the Senate do employ the services of the Economic and Financial Crimes Commission (EFCC) and the Independent Corrupt Practices Commission (ICPC) in conducting this investigation for maximum result — *Agreed to*.

Resolved:

That the Senate do employ the services of the Economic and Financial Crimes Commission (EFCC) and the Independent Corrupt Practices Commission (ICPC) in conducting this investigation for maximum result (S. Res/044/06).

7. Matter of Urgent Public Importance:

Devastating fire incidence at Sokoto Main Market:

Invoking Rule 42, Senator Sule Yari Gandi invited the attention of the Senate to the recent fire incidence at the Sokoto main market where properties worth millions of Naira were lost. He sought leave of Senate to introduce a Motion on the subject as a Matter of Urgent Public Importance.

Matter to lie over till next legislative day.

9. Matter of Urgent Public Importance:

Rising on Rules 42 and 52, Senator Cosmas G. Niagwan invited the attention of the Senate to further escalation of communal clash in Quaan-Pan/Shendam Local Government Areas of Plateau State. He informed the Senate that as at Tuesday, 25th April, 2006 more than 128 innocent lives had been lost despite the claim to the contrary by the Plateau State Government. He sought and obtained leave of Senate to introduce a matter as a Matter of Urgent Public Importance.

Motion made and Question Proposed: Whereas a Motion on the matter was deliberated upon on 13th April, 2006;

WHEREAS the request to the President, Commander-in-Chief of the Armed Forces of the Federal Republic of Nigeria to deploy troops to the conflict area had been granted;

WHEREAS request for relief materials to be distributed to affected victims is awaiting approval; and

WHEREAS the Plateau State Government and the Press in Plateau State are downplaying the matter as if nothing is happening; as at 13th April, 2006 the death toll has increased to about 126 persons and skirmishes are still going on in the area.

Be it resolved:

That the Senate do direct its Committee on Special Duties (including Conflict and Emergency Resolution) to visit the conflict area and investigate with a view to having an objective assessment of the conflict (*Senator Cosmas G. Niagwan*).

Debate:

Prayer. Question: That the Senate do direct its Committee on Special Duties (including Conflict and Emergency Resolution) to visit the conflict area and investigate with a view to having an objective assessment of the conflict — *Agreed to.*

Resolved:

That the Senate do direct its Committee on Special Duties (including Conflict and Emergency Resolution) to visit the conflict area and investigate with a view to having an objective assessment of the conflict (S. Res/045/06).

8. Personal Explanation:

Senator Titus O. Olupitan explained that due to the inconclusive receipt of evidences from those concerned, the Committee can not present its report to the Senate as directed. He urged the Senate to grant the Committee seven days extension to conclude the assignment and report as ordered.

Committee granted additional seven days.

9. Committee on Petroleum Resources (Upstream):

Report on the Investigation of Bonga Field Development Project:

Motion made and Question Proposed: That the Senate do receive and consider the Report of the Committee on Petroleum Resources (Upstream) on the Investigation of Bonga Field Development Project and approve the recommendations (Senator Lee L. Maeba).

Question put and agreed to.

Report presented and Laid.

10. Statistics Bill 2006 (SB. 255):

Motion made and Question Proposed: That the Statistics Bill 2006 be read the Second Time (Senate Majority Leader).

Debate:

Question put and agreed to.

Bill read the Second Time and referred to the Committee on National Planning, Economic Affairs and Poverty Alleviation to report within four weeks.

11. Michael Imodu National Institute for Labour Studies Act (Amendment) Bill 2006 (SB. 173):

Motion made and Question Proposed: That Michael Imodu National Institute for Labour Studies Act (Amendment) Bill 2006 be read the Second Time (Senator U. K. Umar).

Debate:

Question put and agreed to.

Bill read the Second Time and referred to the Committee on Labour and Productivity to report within four weeks.

12. Adjournment:

Motion made and Question Proposed: That the Senate do adjourn till Wednesday, 26th April, 2006 at 10.00 a.m. (Senate Majority Leader).

Adjourned accordingly at 12. 55 p.m.

Ken Nnamani
President of the Senate