



SENATE OF THE FEDERAL REPUBLIC OF NIGERIA

VOTES AND PROCEEDINGS

Tuesday, 13th February, 2007

1. The Senate met at 10:20 a.m. The Senate President read Prayers.

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2. **Votes and Proceedings:**

The Senate President announced that he had examined the Votes and Proceedings of Thursday, 8th February, 2007 and approved same.

By unanimous consent, the Votes and Proceedings were approved.

3. **Message from Mr. President:**

The Senate President announced that he had received a letter from the President, Federal Republic of Nigeria which he read as follows:

PRESS/134

Chief Ken Nnamani, President of the
Senate, Senate Chambers, National

Assembly Complex, Three
Arms Zone, Abuja.

Dear President of the Senate,

In accordance with the provisions of Section 84(5) of the 1999 Constitution of the Federal Republic of Nigeria, I submit herewith, as presented by the Revenue Mobilisation, Allocation and Fiscal Commission, for your necessary action, a draft Bill for an Act to provide for the payment of pensions and other benefits to a person who has held office as an elected President or Vice President of the Federal Republic of Nigeria.

Accept, Mr. Senate President, the assurances of my highest consideration.

Yours Sincerely

Signed: **OLUSEGUN
OBASANJO**



February 9, 2007.

PRESIDENT,
FEDERAL REPUBLIC OF NIGERIA

4. **Matter of Urgent Public Importance:**

Rising on Rule 42, Senator Iyabode Anisulowo, invited the attention of the Senate to be non display of the Voters' Register by the Independent National Electoral Commission (INEC) as prescribed by law. She said that the action of the Independent National Electoral Commission (INEC) violated the provision of the Electoral Act 2006. She sought the leave of the Senate to introduce a Motion on the matter.

Matter to stand over to the next legislative day.

5. **Ekiti State Supplementary Appropriation Bill 2006 (SB.345B):**

Motion made and Question Proposed: That the Ekiti State Supplementary Appropriation Bill 2006 be read the Second Time (*Senate Majority Leader*).

Debate.

Question put and agreed to.

Bill accordingly read the Second Time and referred to the Committee on Appropriation to report on Thursday, 15th February, 2007.

6. **Ekiti State Appropriation Bill 2007 {SB. 345A):**

Motion made and Question Proposed: That the Ekiti State Appropriation Bill 2007 be read the Second Time (*Senate Majority Leader*).

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Debate.

Question put and agreed to.

Bill accordingly read the Second Time and referred to the Committee on Appropriation to report on Thursday, 15th February, 2007.

7. **Investment and Security Act (Amendment) Bill2007 (SB. 288):**

Motion made and Question Proposed: That the Investment and Security Act (Amendment) Bill 2007 be read the Second Time (*Senate Majority Leader*).

Debate.

Question put and agreed to.

Bill accordingly read the Second Time and referred to the Committee on Capital Market to report within one (1) week,

8. **Committee on Marine Transport:**

Report on the National Maritime Administration and Safety Bill 2007 (SB 326):

Motion made and Question Proposed: That the Senate do resolve into the Committee of the Whole to resume the consideration of the Report of the Committee on Marine Transport, on the National Maritime Administration and Safety Bill 2007 (*Adjourned Debate - Thursday, 8th February, 2007*) (*Senate Majority Leader*).

Question put and agreed to.

(SENATE IN THE COMMITTEE OF THE WHOLE)

NIGERIAN MARITIME ADMINISTRATION AND SAFETY BILL 2007

PART m - FINANCE

Clause 17: Funding of the Agency:

- (a) There shall be a charge of 3 % of gross freight on all international inbound and outbound cargo from ships or shipping companies operating in Nigeria to be collected and paid over to the Agency to meet its operational costs;

- (b) 1.5% of stevedoring charges collected by employers of dock labour;
- (c) **The** Agency shall also collect funds in relation to; all fees for ship registration, licenses surveys, examination certification and permits issued by the Agency, fines and levies paid to the agency;
- (d) all other financial assets that may from time to time be vested in or accrue to the Agency in the course of performing its functions under this Act or pursuant to this Act.
- (e) all other sums collected or received by the Agency for services rendered or facilities provided by the Agency;
- (g) gifts, grants, aids, etc; and
- (h) all such other sums as may be received by the Agency from other sources.

Committee's Recommendation:

That the provision in Clause 17 be retained (*Senator Udoma U. Udoma*) — *Agreed to.*

Clause 18:

Budget and Expenditure:

- (1) The Agency shall not later than 30th September in each financial year prepare and forward to the Minister for presentation to the National Assembly for approval in accordance with constitutional provisions, a statement of estimated income and expenditure for the following financial year.
- (2) The Agency shall provide:
 - (a) not less than 25 % of its revenue for the Maritime Fund; and
 - (b) — not less than 5 % of its revenue for the Maritime Academy of Nigeria in its plans as per subsection (1) and (2).
- (3) The amount remaining of the revenues of an Agency for any financial year, shall be applied in making good any deficiencies in the revenue carried forward from previous years, and the whole or any part of the balance if any may as soon as may be possible after the end of that year be paid into the Maritime Fund.
- (4) An Agency may open a current account with any bank approved by the Board of the Agency.

Committee's Recommendation:

That the provision in Clause 18 be retained (*Senator Udoma U. Udoma*) — *Agreed to.*

Clause 19:

Applications of Agency's monies:

- (1) Subject to section 18 of this Act and subsection (2) of this section, the revenue of the Agency for any financial year shall be applied as determined by the Agency's Board.
- (2) The Agency shall submit to the Minister a five year plan on use of monies from
 - the Funds mentioned in section 17 and 20 of this Act which plan shall be reviewed annually by the Minister.
- (3) The amount remaining of the revenues of an Agency for any financial year, shall be applied in making good any deficiencies in the revenue carried forward from previous years, and the whole or any part of the balance if any may as soon as may be possible after the end of that year be paid into the Maritime Fund.
- (4) An Agency may open a current account with any bank approved by the Board of the Agency.

Committee's Recommendation:

Leave out the provision in Clause 19 (Senator Udoma U. Udoma) — Agreed to.

Clause 20:**Maritime Fund:**

- (1) A fund, called the Maritime Fund is hereby established.
- (2) The Agency after setting aside from its revenue appropriate amounts for replacement, contingencies and other purposes, shall pay excess revenue into the fund and administer the fund in a prescribed manner and the account relating to the Fund shall be audited annually by the Auditor General of the Federation.

Committee's Recommendation:

Leave out the provision in Subclause 20(2) (Senator Ugochukwu Uba) — Agreed to.

- (3) Monies in the Fund may be applied only for the purpose of furthering the objectives and functions of the Agency under this Act.
- (4) Monies in the Fund at the end of any financial year shall be carried forward as a credit to the Fund to the following financial year.
- (5) Monies which are not immediately required to be expended in the discharge of any of the functions of Agency shall, if invested, be invested by the Agency in investment for the time being authorized by law for the investment of trust funds or in such other investments or securities as may from time to time be approved by its board, or may be deposited in a bank approved by its Board provided that the Agency shall not make any investment in securities issued or registered of other property situated outside Nigeria except with the Minister and of the Minister of Finance to the making such investment.

Committee's Recommendation:

Leave out the provision in Subclause 20(5) (Senator Ugochukwu Uba) — Agreed to.

- (6) The Director General is the accounting officer of the Fund charged with the responsibility of accounting for monies received and expenditure incurred by the Fund.
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Committee's Recommendation:

Leave out the provision in Subclause 20(6) (Senator Ugochukwu Uba) — Agreed to.

- (7) The Agency may apply monies in the Fund to promote the development of indigenous shipping and shipping infrastructure in Nigeria.
- (8) The beneficiaries of the Fund under subsection (4) of this section shall be Nigerian citizens.

Committee's Recommendation:

That the provision in Clause 20 be retained (Senator Ugochukwu Uba) — Agreed to.

Question that Clause 20 do stand part of the Bill, put and agreed to.

Clause 21:**Financial year:**

The Financial year of the Agency shall start on 1st January of each year and end on 31st December of the same year or as may be determine from time to time by the Board of the Agency.

Committee's Recommendation:

Leave out the provision in Clause 21 (Senator Ugochukwu Uba) — Agreed to.

Clause 22: Exemption from Tax:

The Agency is not liable to pay tax under any law of the Federal Government, State or Territory.

Committee's Recommendation:

Leave out the provision in Clause 22 (Senator Ugochukwu Uba) — Agreed to.

Clause 23: Power to borrow and invest money:

- (1) The Agency may, with the approval of the Board, borrow money or raise capital, otherwise than from the Government, by the issue, in such form as may be approved by the Board of stock, bonds, promissory notes, loan certificates or other documents of title for the efficient performance of its functions under this Act.
- (2) Subject to section 20 (5) of this Act, the Agency may invest all or any part of its monies in such manner as may be approved by the Board.

Committee's Recommendation:

Leave out the provision in Clause 23 (Senator Ugochukwu Uba) — Agreed to.

Clause 24: Power to accept gifts:

- (1) The Agency may accept gifts of land, money or other property on such terms and conditions, if any, as may be specified by the person or organization making the gift.
- (2) The Agency shall not accept any gift if the conditions attached by the person or organization making the gift are inconsistent with the functions of the Agency under this Act or if they are in conflict with national interest.

Committee's Recommendation:

That the provision in Clause 24 be retained (Senator Ugochukwu Uba) — Agreed to.

Question that Clause 24 do stand part of the Bill, put and agreed to.

Clause 25:**Accounts and Records to be open for Inspection:**

- (1) The accounts and records shall at all reasonable times be open to the inspection of:
 - (a) any Board Member of the Agency; and
 - (b) any other person specifically authorized to inspect the accounts by the Minister.
- (2) The books of accounts shall be kept at the Head Office of the Agency.

Committee's Recommendation:

That the provision in Clause 25 be retained (Senator Ugochukwu Uba) — Agreed to.

Question that Clause 25 do stand part of the Bill, put and agreed to.

Clause 26:**Statement of Accounts and Audit:**

- (1) The Agency shall keep proper and regular accounts and other records of monies received and paid by the Agency and of several purposes for which such monies have been received or paid, and of the assets, credits and liabilities
- (2) The Agency shall do all things necessary to ensure that all payments out of its money are correctly made and properly authorized and that adequate control is maintained over the assets of, or in custody of, that Agency and over the expenditure incurred by that Agency.

- (3) **The** accounts of the Agency shall be audited annually by **a** firm of auditors appointed from the list of chartered accountants approved from time to time by the Board of the Agency.
- (4) A firm shall not be qualified for appointment as Auditors under subsection (3) of this section unless it is an approved company auditor under the companies and Allied Matters Act and any other applicable laws.
- (5) As soon as the accounts of the Agency and the financial statements have been audited in accordance with this Act, the Agency shall forward a copy of the audited financial statements to the Minister, together with any report **or** observations made by the auditor or auditors on the said statement of accounts.
- (6) The remuneration of the auditor shall be paid out of the funds of the Agency.
- (7) The Agency shall, not later than 3 months after the close of the financial year, prepare and submit the financial statements in respect of that year to the auditor who shall audit and report on them in accordance with the laws of the Federation.
- (S) The Board of the Agency shall, not later than 9 months after the end of each financial year, cause its audited report to be published and made available to the public.

Committee's Recommendation:

Leave out the provision in Subclause 26(8) (Senator Ugochukwu Uba).

Amendment Proposed:

That the provision in Subclause 26(8) be retained *(Senator Udoma Udo Udoma).*

Question that the amendment be made put and agreed to.

Question that Clause 26 as amended do stand part of the Bill, put and agreed to.

Clause 27:

Auditor's Report:

- (1) The auditor's report shall in addition to the standard auditing requirement state-
 - (a) whether the financial statements show fairly the financial transactions, and the state of affairs of the Agency;
 - (b) whether proper accounting and other records have kept including records of all assets of the Agency whether purchased, donated or otherwise
 - (c) whether the receipts, expenditure and investment monies, the acquisition and disposal of assets by the Agency during the year have been in compliance with the provisions of this Act; and
 - (d) such other matters arising from the audit as he considered should be reported.
- (2) The auditor shall, not later than 3 months after the accounts have been submitted for audit, send a report of his audit to the Agency, and submit such periodical and special reports to the Agency as may appear to him to be necessary or as the Minister or the Agency may require.
- (3) The Agency shall, not later than 6 months after the financial statements have been audited in accordance with this Act, send a copy of the audited financial statements to the Minister, together with any report or observations made by the auditor or auditors on the statement of accounts.

*Committee's Recommendation:**Leave out the provision in Clause 30 (Senator Ugochukwu Uba) — Agreed to.***Clause 31:****Performance Indicators:**

When including details of the performance indicators for the Agency in the corporate plan, the Agency must consider:

- (a) the need for high standard of maritime safety; and
- (b) the need for high standard of protection for the marine environment; and
- (c) the objectives and policies of the Federal Government known to the Agency;
- (d) any directions given by the Minister under section 37; and
- (e) the need to maintain a reasonable level of reserves, having regard to estimated future infrastructure requirements; and
- (f) any other consideration affecting the performance of the Agency that the Agency considers appropriate.

*Committee's Recommendation:**Leave out the provision in Clause 31 (Senator Ugochukwu Uba) — Agreed to.***Clause 32:****Minister's Response to Corporate Plan:**

- (1) The Minister shall respond to a corporate plan within 60 days of submission of the plan. The plan shall be deemed as approved after the expiration of 60 days.
- (2) The Minister's response may include a direction to the Agency to vary the plan in respect of financial targets and performance indicators.
- (2) A direction under subsection (2) of this section shall be in writing and shall set out its reasons
- (3) If directing a variation of the corporate plan, the Minister shall consider-
 - (a) the matters referred to in section 31, other than paragraph (c); and
 - (b) any other consideration of a commercial nature that the Minister considers appropriate

*Committee's Recommendation:**Leave out the provision in Clause 32 (Senator Ugochukwu Uba) — Agreed to.***Clause 33:****Annual and Other Reports:**

- (1) The Agency's Board shall, not later than 6 months after the end of each financial year, make a report to the Minister on its activities and performance during that year.
- (2) The annual report for each year shall include-
 - (a) a general survey of developments in respect of matters relating to its functions; and
 - (b) an assessment of the extent to which its main objectives and priorities for year as set out in the annual plan have been achieved; and
 - (c) a summary of the significant activities carried out by it during the year; and
 - (d) a summary of the allocation of its financial resources to its various activities during the year, including, without limitation, the emoluments of its directors; and

- (e) an assessment of its performance and practices in relation to its functions in accordance with applicable internationally recognized performance indicators; and
- if) its budget for the next financial year.
- (3) The Agency's Board may-
 - (a) prepare other reports in respect of matters relating to any of its functions; and
 - (b) arrange for any such report to be published.
- (4) The Board of the Agency shall cause its annual report to be published and made available to the public at the end of each financial year.

Committee's Recommendation:

Leave out the provision in Clause 33 (Senator Ugochukwu Uba) — Agreed to.

PART V — FUNCTIONS AND POWERS OF THE AGENCY

Clause 34:

Functions of the Agency:

- (1) The functions and duties of the Agency shall be-
 - (a) pursue the development of shipping and regulate matters relating to merchant shipping and seafarers;
 - (b) administering the registration and licensing of ships;
 - (c) regulate the certificate of seafarers
 - (d) established maritime training and safety standards;
 - (e) regulate the safety of shipping as regards the construction of ships and navigation;
 - if) provide search and rescue service;
 - (g) provide directions and ensure compliance with vessel security measures;
 - (h) carry out air and coastal surveillance;
 - (i) control and prevent marine pollution;
 - (j) provide direction on qualification, certification, employment and welfare of maritime labour;
 - (h) develop and implement policies and programmes which will facilitate the growth of local capacity in ownership, manning and construction of ships and other maritime infrastructure;
 - (l) to enforce and administer the provisions of the Cabotage Act 2003;
 - (m) to perform port and flag state duties;
 - (n) to receive and remove wrecks. (2) Without

limiting the generality of the foregoing Agency shall-

- (a) inspect ships for the purposes of maritime safety, maritime security, maritime labour and prevention of maritime pollution;

- (b) make enquiries as to shipwrecks or other casualties affecting ships, or as to charges of incompetence or misconduct on the part of seafarers in relation to such casualties.
 - (c) Administer policy for the development of shipping in general;
 - (d) Provide on request services to the maritime industry on a commercial basis;
 - (e) Establish and manage maritime institutions for the training of officers of the Agency
 - (f) Generally to perform any other duty for ensuring maritime safety and security or do all matters incidental thereto;
 - (g) Provide consultancy and management services relating to any of the matters referred to in this subsection; and
 - (h) Perform any other prescribed functions relating to or incidental to any of the matters referred to in this subsection.
- (3) The Agency may provide its services both within and outside Nigeria.
- (4) Subject to the provisions of this Act, the functions to provide services may be performed at the discretion of the Agency.
- (5) Subject to the provision of a search and rescue service shall be in a manner that is consistent with Nigeria's obligations under international conventions; and
- (6) The Agency shall perform its functions in a manner consistent with the obligation of Nigeria under any agreement between Nigeria and another country.
- (7) It shall be the general duty of the Agency-
 - (a) to conduct its affairs in a manner to ensure that its revenue is sufficient to:
 - (i) meet all charges which are properly chargeable to its revenue account;
 - (ii) generate a reasonable proportion of the capital it requires; and
 - (Hi) remunerate its capital and pay interest on and repay its borrowings.
 - (b) to conduct its business at all times in a cost effective and efficient manner; and
 - (c) to remain financially autonomous;

Committee's Recommendation:

Leave out the provision in Subclause 34(7) (Senator Ugochukwu Uba) —Agreed to.

- (8) The Agency shall perform such functions and may such regulations as may be necessary under this Act to give full force and effect to the provisions of this Act.

Committee's Recommendation:

Leave out the provision in Subclause 34(7) (Senator Ugochukwu Uba) — Agreed to.

Question that Clause 34 do stand part of the Bill, put and agreed to.

Clause 35:

Power of the Agency:

- (1) **In** addition to any other powers conferred on it by this or any Act, the Agency has, subject to this Act, power to do all things necessary for or incidental to or in connection with the performance of its functions.
- (2) Without limiting the generality of subsection(3), the powers include, subject to this Act, power:
 - (a) to enter into contracts; and
 - (b) to acquire, hold and dispose of real and personal property;
 - (c) to join in the formation of companies;
 - (d) to enter partnerships; and
 - (e) to let or hire plant, machinery, crafts, equipment or goods of the Agency not immediately required by the Agency; and
 - (f) to do anything incidental to any of the powers specified in this subsection or otherwise conferred on the Agency.
- (3) Where the Agency may provide a facility or service, or discharge a function, the Agency may do so:
 - (a) itself; **or**
 - (b) in cooperation with another person; or
 - (c) by arranging for another person to do so on its behalf.
- (4) In subsection (3) of this section person includes:
 - (a) The Federal Government of Nigeria; and
 - (b) a State Government or Territory; and
 - (c) the government or an Agency of the government of a foreign country;
 - (d) any juristic or natural person.
- (5) The Agency shall in addition have powers to:
 - (a) received and consider any report of the commission of an offence;
 - (b) stop, enter, board, inspect and search any vessel or aircraft and to detain any vessel or aircraft within the Nigerian maritime Zone;
 - (c) demand the production of any license, permit, record, certificate or any other document and to inspect such license, permit, record, certificate or other document or make copies of or take extracts from such license, permit, record, certificate or other document in relation to matters provided for under this Act;
 - (d) investigate any offence which it has reason to believe is being committed, or is about to be committed or has been committed with respect to offences committed under this Act;
 - (e) exercise the right of hot pursuit;

- (f) examine and seize any fish, article, device, goods, vessel, aircraft or any other item relating to any offence which has been committed or it has reason to believe has been committed with respect to offences committed under this Act;
 - (g) dispose of any fish, article, device, goods, vessel, aircraft or any other item relating to any offence which has been committed or it has reason to believe has been committed with respect to offences committed under this Act;
 - (h) arrest any person whom it has reason to believe has committed an offence; and
 - (i) expel any vessel which it has reason to believe to be detrimental to the interest of or the endanger the order and safety in the Nigerian Maritime Zone; and
 - (j) enter ports, terminals and vessels to monitor and investigate matters related to maritime labour, ship safety and security
- (6) Without prejudice to the generality of subsection (1), designated officers of the Agency shall have, for the purpose of this Act, all the powers which any enforcement agency may exercise under any Federal Law which is applicable to Nigerian maritime Zone.
- (7) Notwithstanding the provision of subsection 5(b) of this section, no vessel shall be stopped, entered, boarded, searched, inspected or detained within the area of territorial sea if the passage of the vessel within the territorial sea is an innocent passage.
- (8) For the purpose of subsection (7) of this section, the passage of a vessel is an innocent passage if and so long as the passage of the vessel is not prejudicial to the safety and security of Nigerian Maritime Zone.
- (9) Notwithstanding any written law, for the purpose of subsection (5), the following activities shall be considered to be prejudicial to the safety and security of Nigeria's maritime domain:
 - (a) any threat or any act which in any matter is a violation of the provisions of this Act and any other legislation applicable to the Agency
 - (b) any act of pollution;
 - (c) any unauthorized fishing activities;
 - (d) the carrying out of unauthorized research or survey activities;
 - (e) any act aimed at interfering with any systems of communication or any other facilities of installations of the Agency;
 - (f) any act in contravention of the Coastal and Inland Shipping (Cabotage) Act, 2003 and
 - (g) any other activity not having a direct bearing on passage
- (10) In excising the powers under this Part V, the Agency may collaborate, request for and shall be entitled to assistance by other designated Government Agencies responsible for maintenance of security in Nigeria's maritime zone.

Committee's Recommendation:

That the provision in Clause 35 be retained (*Senator Ugochukwu Uba*) — *Agreed to.*

Question that Clause 35 do stand part of the Bill, put and agreed to.

Clause 36:**Consultation:**

In the performance of its functions and the exercise of its powers, the Agency shall, where appropriate, consult with government, commercial, industrial, consumer and other relevant bodies and organizations and in particular, the Nigerian Navy.

Committee's Recommendation:

That the provision in Clause 36 be retained (*Senator Ugochukwu Uba*) — *Agreed to.*

Question that Clause 36 do stand part of the Bill, put and agreed to.

Chairman to report progress.

(SENATE IN PLENARY)

The Senate President reported that the Senate in the Committee of the Whole resumed consideration of the Report of the Committee on Marine Transport on the Maritime Administration and Safety Bill 2007 and approved as follows:

Clauses 17-25 — As Recommended »

Clause 26 — As Amended

Clauses 27-36 — As Recommended

Further consideration of the Bill deferred.

Question; That the Senate do approve the Report of the Committee of the Whole — Resolved in the Affirmative.

Motion made and Question Proposed: That the Bill be recommitted to the Committee on Marine Transport for review of the entire Report (Senate Majority Leader).

Question put and agreed to.

9. Committee on Culture and Tourism:

Report on the National Institute for Hospitality and Tourism (Establishment) Bill 2007 (SB. 02):

Motion made and Question Proposed: That the Senate do receive and consider the Report of the Committee on Culture and Tourism, on the National Institute for Hospitality and Tourism (Establishment) Bill 2007 (Senator Iyiola Omisore).

Question put and agreed to.

Report presented and Laid.

Motion made and Question Proposed: That the Senate do resolve into the Committee of the Whole to consider the Report (Senate Majority Leader).

Question put and agreed to.

(SENATE IN THE COMMITTEE OF THE WHOLE)**National Institute for Hospitality and Tourism (Establishment) Bill, 2007**

Debate:

Further Consideration of Bill stood down.

Chairman to report progress.

(SENATE IN PLENARY)

The Senate President reported that the Senate in the Committee of the Whole considered the report of the Committee on Culture and Tourism on the National Institute for Hospitality and Tourism (Establishment) Bill 2007 and stood down its further consideration.

Question; That the Senate do approve the report of the Committee of the Whole — Resolved in the Affirmative.

Pursuant to rule 89, the Senate Majority Leader sought and obtained leave of the Senate to withdraw the Bill.

10. *Ad-Hoc Committee on Fiscal Responsibility Bill 2007 (SB. 226):
Report of the Ad-hoc Committee on Fiscal Responsibility Bill 2007:
Motion made and Question Proposed:* That the Senate do receive and consider the Report of the Ad-hoc Committee on Fiscal Responsibility Bill 2007 (*Senator Udoma U. Udoma*).

Question put and agreed to.

Report presented and Laid.

Motion made and Question Proposed: That the Senate do resolved into the Committee of the Whole to consider the Report (*Senate Majority Leader*).

Question put and agreed to.

(SENATE IN THE COMMITTEE OF THE WHOLE)

FISCAL RESPONSIBILITY BILL 2007

A BILL FOR AN ACT TO PROVIDE FOR PRUDENT MANAGEMENT OF THE NATION'S RESOURCES, ENSURE LONG-TERM MACROECONOMIC STABILITY OF THE NATIONAL ECONOMY, SECURE GREATER ACCOUNTABILITY AND TRANSPARENCY IN FISCAL OPERATIONS WITHIN A MEDIUM TERM FISCAL POLICY FRAMEWORK, AND THE ESTABLISHMENT OF THE FISCAL RESPONSIBILITY COMMISSION TO ENSURE THE PROMOTION AND ENFORCEMENT OF THE NATION'S ECONOMIC OBJECTIVES AND OTHER MATTERS CONNECTED THEREWITH

PART I — ESTABLISHMENT, FUNCTIONS AND POWERS OF THE FISCAL RESPONSIBILITY COMMISSION .

Clause 1: Establishment of the Fiscal Responsibility Council Commission:

- (1) There shall be established, a body to be known as the Fiscal Responsibility Council (hereinafter in this Act referred to as "the Council")-

Committee's Recommendation:

Leave out the word "Council" and insert the word "Commission" instead thereof wherever it exist (Senator Udoma U. Udoma) — Agreed to.

- (2) The Council shall be a body corporate with perpetual succession and a 6 common seal and may sue and be sued in its corporate name.

Committee's Recommendation:

Leave out the figure "6" and insert the letter "a" instead thereof (Senator Udoma U. Udoma) — Agreed to.

- (3) The Council shall be responsible for monitoring and enforcing the provisions of this Act and by so doing promote the economic objectives contained in section 16 of the Constitution.

Committees Recommendation:

Leave out the provision in Subclause 1(3) (Senator Udoma U. Udoma) ~ Agreed to.

Committee's Recommendation:

That the provision in Clause 1 be retained (*Senator Udoma V. Udoma*) — *Agreed to.*

Question that Clause 1 do stand part of the Bill, put and agreed to.

Clause 2: Responsibility, powers and functions of the Council Commission:

- (1) For the purpose of performing its functions under this Act, the Council shall have power to -
 - (a) compel any person or government institution to disclose information relating to public revenues and expenditure; and
 - (b) investigate whether any person has violated any provisions of this Act.

Committee's Recommendation:

Leave out the word "investigate" in Subclause 2 (1) (b) and *insert* the words "cause an investigation into" instead thereof (*Senator Udoma U. Udoma*) — *Agreed to.*

- (2) If the Council is satisfied that such a person has violated any provisions of this Act, the Council shall forward the report of the investigation to the Attorney-General of the Federation for prosecution.

Committee's Recommendation:

Leave out the provision in Subclause 2 (2) and *insert* the following instead thereof: "(2) If the Commission is satisfied that such a person has committed any punishable offence under this Act violated any provisions of this Act, the Commission shall forward a report of the investigation to the Attorney-General of the Federation for possible prosecution" (*Senator Udoma U. Udoma*) — *Agreed to.*

Question that Clause 2 do stand part of the Bill, put and agreed to.

Clause 3: Functions of the Council Commission:

- (1) The Council shall-
 - (a) monitor and enforce the provisions of this Act to promote the economic objectives contained in section 16 of the Constitution:

Committee's Recommendation:
Immediately after the word "Act" *insert* the words "and by so doing," (*Senator Udoma U. Udoma*) — *Agreed to.*
 - (b) disseminate such standard practices including international good practice that will result in greater efficiency in the allocation and management of public expenditure, revenue collection, debt control and transparency in fiscal matters:
 - (c) undertake fiscal and financial studies, analyses and diagnoses and disseminate the result to the general public:
 - (d) make rules for carrying out its functions under this Act; and
 - (e) perform any other function consistent with the promotion of the objectives of this Act.
- (2) The Commission shall be independent in performance of its functions.
- (3) No suit shall lie against any member of the Council for any act done in pursuance of the functions of the Council under this Act,

Committee's Recommendation:

Leave out the provision in Subclause 3(3) and insert the following instead thereof:

- "(3) **The** provision of Public Officers Protection Act shall apply to the members of the Commission in discharge of their function under this Act" (*Senator Udoma U. Udoma*) — *Agreed to.*

Question that Clause 3 do stand part of the Bill, put and agreed to.

Clause 4: Establishment of a fund for the Council. Commission:

- (1) **The** Council shall establish and maintain a Fund from which shall be defrayed all expenditures incurred by the Council, including amounts payable to the members of the Board.

Committee's Recommendation:

Leave out all the words after the word "Council" in line 2 (Senator Udoma U. Udoma) — Agreed to.

- (2) There shall be credited to the Fund established pursuant to subsection (1) of this section, the budgetary allocation from the Federal Government and grants from any other source, provided that, it shall be mandatory for the Federal Government to adequately fund the Council.

Committee's Recommendation:

Leave out all the after the words after the word "source" in line 3 (Senator Udoma U. Udoma) — Agreed to.

Question that Clause 4 do stand part of the Bill, put and agreed to.

Clause 5: Establishment and composition of Governing Board:

- (1) There is hereby established for the Council, a Governing Board (hereinafter in this Act referred to as "the Board") which shall have power for the overall supervision of the Council as specified in this Act.
- (2) The Board shall consist of-
- (a) a Chairman, who shall be a seasoned Economist with public finance background and the Chief Executive and accounting officer of the Council;
 - (b) one member representing the organised private sector;
 - (c) two members representing civil societies engaged in causes relating to probity, transparency and good governance;
 - (d) a representative of the Federal Ministry of Finance at a level not lower than Director: and
 - (e) one member each to represent each of the following geopolitical zones of the country, that is: North-Central, North-East, North-West, South-East, South-West and South-South to be nominated by the State Governors of each geopolitical zone.
- (3) **All** members of the Board shall be persons of proven integrity and must possess minimum of a good honours degree in economics, accountancy, finance or related disciplines or law with not less than 10 years cognate post qualification experience.
- (4) The Chairman and other members of the Board other than ex-officio members shall be appointed by the President in consultation with the National Economic Council.

- (5) **The** members of the Board other than the Chairman, who shall be the Chief Executive, shall be part time members.

Committee's Recommendation:

Leave out the provision in Clause 5 and insert a new Clause 5 as follows:

"(1) The Commission shall consist of-

- (a) a Chairman, who shall be an experienced Economist with Public Finance background and be the Chief Executive and accounting officer of the Commission ;

Amendment Proposed:

Leave out the words "an experienced Economist with Public Finance background and be" (*Senator Daniel I. Saror*).

Question that the amendment be made put and agreed to.

- (b) one member representing the organized private sector;
- (c) one member representing Civil Society engaged in causes relating to probity, transparency and good governance;
- (d) one member representing organized labour.
- (e) a representative of the Federal Ministry of Finance of a level not below the rank of a Director; and
- (f) one member to represent each of the following six geopolitical zones of the country, that is: North-Central, North-East, North-West, South-East, South-West and South-South.
- (2) All members of the Commission shall be persons of proven integrity and must possess minimum of a good honours degree in Economics, Accountancy, Finance or related disciplines or Law with not less than 10 years cognate post qualification experience.

Amendment Proposed:

Leave out the words "minimum of a good honours degree in Economics, Accountancy,, Finance or related disciplines or Law" and insert the words "appropriate qualification" instead thereof (*Senator Daniel I. Saror*).

Question that the amendment be made put and agreed to.

- (3) The Chairman and other members of the Commission other than ex-officio members shall be appointed by the President subject to confirmation by the Senate.
- (4) The members of the Commission other than the Chairman shall be part-time members.

Amendment Proposed:

Leave out the provision in Subclause 5(4) and insert the following instead thereof:

- "(4) The Chairman and Members representing the six geo-political zones shall be full-time members" (*Senator Victor K. Oyofa*).

Question that the amendment be made put and agreed to.

Question that Clause 5 as amended do stand part of the Bill, put and agreed to.

Further consideration deferred to the next legislative day.

Chairman to report progress.

(SENATE IN PLENARY)

The Senate President reported that the Senate in the Committee of the Whole considered the report of the Ad-hoc Committee on Fiscal Responsibility Bill 2007 and approved as follows:

Clauses 1—4 — As Recommended

Clause 5 — As Amended

Further consideration deferred to the next legislative day.

Question; That the Senate do approve the report of the Committee of the Whole — Resolved in the Affirmative.

11. Extension of Time of Sitting:

Motion made and Question Proposed: That the Senate do sit this day beyond the appointed time stipulated for the termination of the sitting of the Senate (Senate Majority Leader).

Question put and agreed to.

12. Closed Session:

Motion made and Question Proposed: That the Senate do resolve into a Close Session on matters relevant to the workings of the Senate (Senate Majority Leader).

Question put and agreed to.

Senate in Closed Session — 1.50 p.m.

Monetisation of Some Senate Utility Vehicles:

Motion made and Question Proposed: Whereas the Federal Government has adopted and implemented the monetisation policy at all levels;

WHEREAS there exists a number of utility vehicles in the Senate purchased for Committee activities and used by Committee Chairmen, Vice Chairmen and other staff;

WHEREAS the utility vehicles were not initially monetised in line with the Federal Government Policy on Monetisation.

Be it resolved:

That all utility vehicles purchased for Committee activities and used by Committee Chairmen, Vice-Chairmen and other staff be monetised accordingly in line with the Federal Government Policy on Monetisation.

Debate:

Prayer:

Question: That all utility vehicles purchased for Committee activities and used by Committee Chairmen, Vice-Chairmen and other staff be monetised accordingly in line with the Federal Government Policy on Monetisation — Agreed to.

Senate in Open Session — 2.25 p.m.

The Senate President reported that the Senate in Closed Session deliberated on the Monetisation of utility vehicles and resolved that all utility vehicles purchased for Committee activities and used by Committee Chairmen, Vice-Chairmen and other staff be monetised accordingly in line with the Federal Government Policy on Monetisation.

Question; That the Senate do approve the report of the Closed Session — *Resolved in the Affirmative.*

Resolved:

That all utility vehicles purchased for Committee activities and used by Committee Chairmen, Vice-Chairmen and other staff be monetised accordingly in line with the Federal Government Policy on Monetisation (*S. Res./06/07*).

13. Adjournment:

And its being 2.30pm the Senate President adjourned the Senate.

Adjourned accordingly at 2.30p.m.

Ken Nnamani, GCON
President of the Senate