



SENATE OF THE FEDERAL REPUBLIC OF NIGERIA

VOTES AND PROCEEDINGS

Tuesday, 13th March, 2007

1. The Senate met at 10:50 a.m. The Senate President read Prayers.
2. **Votes and Proceedings:**
The Senate President announced that he had examined the Votes and Proceedings of Thursday, 8th March, 2007 and approved same.

By unanimous consent, the Votes and Proceedings were approved.

3. Messages from Mr. President:
The Senate President announced that he had received three letters from the President, Federal Republic of Nigeria which he read as follows:
(a)



PRESIDENT,
FEDERAL REPUBLIC OF NIGERIA

PRES/134

March 8, 2007

Senator Ken Nnamani,
President of the Senate,
National Assembly Complex,
Three Arms Zone, Abuja.

Dear President of the Senate,

**APPOINTMENT OF MR. ADEKOLA OLUREMI BOLARINWA AS A
MEMBER OF THE NATIONAL ASSEMBLY SERVICE COMMISSION**

Section 3(3) of the National Assembly Service Commission Act, 2000 provides that the Senate President shall upon consultation with the Speaker of the House of Representatives submit to the President of the Federal Republic of Nigeria a proposed list out of which Mr. President shall nominate for appointment as Chairman and members of the Commission. Section 3(4) of the Commission's Act also provides that the appointment shall be subject to confirmation by the Senate. In this connection, I have received the nomination of Mr. Adekola Oluremi Bolarinwa from the President of the Senate to replace Mr. Sunday Olufemi Ige who", did not scale through the Senate screening.

In line with the provision of Section 3(4) of the National Assembly Service Commission Act, 2000 which provides that the appointment is subject to the confirmation of the Senate, I hereby present the nomination of Mr. Adekola Oluremi Bolarinwa, whose CV is attached, for Senate confirmation.

I look forward to your early, action.

Yours Sincerely,

**Signed: OLUSEGUN
OBASANJO**



PRESIDENT,
FEDERAL REPUBLIC OF NIGERIA

PRES/134

March 8, 2007

Senator Ken Nnamani,
President of the Senate,
National Assembly Complex,
Three Arms Zone, Abuja.

Dear President of the Senate

**CONFIRMATION OF APPOINTMENT OF A MEMBER OF
THE INDEPENDENT CORRUPT PRACTICES AND OTHER
RELATED OFFENCES COMMISSION (ICPC)**

Section 3(3) of the Corrupt Practices and Other Related Offences Act, 2000 provides that the Independent Corrupt Practices and other Related Offences Commission (ICPC) shall consist of a Chairman and twelve (12) other members, two of whom shall come from each of the six (6) geo-political zones.

Section 3(7) of the enabling Act of the Commission also provides that a member of the Commission shall hold office for a period of four (4) years and may be re-appointed for another term of four (4) years. ' In this connection, the tenure of Dr. U. Angulu, a member of the Independent Corrupt Practices and Other Related Offences Commission (ICPC) will expire on 4th April, 2007. Dr. Angulu is very committed to the mandate of the Commission and the Commission will benefit from his re-appointment.

I have, therefore, in the exercise of the power conferred on me by Section 3(6) of the Corrupt Practices and Other Related Offences Act, 2000, decided to re-appoint Dr. U. Angulu for another term of four (4) years.

Accordingly, in line with Section 3(6) of the Corrupt Practices and Other Related Offences Act, 2000 which states that the appointment is subject to confirmation by the Senate, I hereby ,present the nomination of Dr. U. Angulu, whose CV is attached herewith, for confirmation by the Senate.

I look forward to your early action.

Your Sincerely,

**Signed: OLUSEGUN
OBASANJO**

(c)

**PRESIDENT,**

FEDERAL

REPUBLIC OF NIGERIA

PRES/134

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

Dear President of the Senate,

REQUEST FOR SENATE CLEARANCE OF MR. B. C. NWANNA,
A CAREER FOREIGN SERVICE OFFICER,
AS AMBASSADOR-DESIGNATE

I had submitted and the Senate had so kindly screened and cleared the names of 26 career Foreign Service Officers as Ambassadors to, be deployed to our overseas Missions. I, nonetheless, wish to forward an additional candidate, Mr. Benjacks Chigbo Nwanna, another career Foreign Service Officer, for your confirmation in accordance with the provisions of paragraph 4, Section 171, Chapter VI of the 1999 Constitution of the Federal Republic of Nigeria.

A copy of Mr. Nwanna's Curriculum Vitae, is attached herewith, please.

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

Your Sincerely,

Signed:
OLUSEGUN OBASANJO

Announcement: Letter of
Appreciation:

The Senate President read a letter from Senator Christopher Nshii as follows:

4.

*Christopher*

Vice Chairman, Senate Committee on Agriculture
Member: Employment, Labour & Productivity, NEPAD,
Bank, Insurance & Finance, I. D. Card.

12th March, 2007.

The Senate President and
the entire Senate of the
Federal Republic of Nigeria
National Assembly Abuja.

Sir,

APPRECIATION LETTER

It is my pleasure to inform my distinguished colleagues that I am back to the country after two months of Medical Treatment in the United Kingdom.

I wish to use this opportunity to thank the President of the Senate and my entire distinguished colleagues who in no small way contributed both morally and financially to my treatment both here at home and while I was in U.K, may the Almighty God be with you all as you discharge your legislative duties.

I have made tremendous improvement since my return and presently, I am recuperating and occasionally going for follow-up treatment at the National Hospital here in Abuja.'

God's willing I will be joining my distinguished colleagues in no distant time.

May God guide and protect you all. "Amen".

Thanks.

Signed:

Senator Christopher Nshii C.

5. Matter of Urgent Public Importance:

Political Violence in Ogun State:

Rising on Rules 42 and 52, Senator Iyabode Anisulowo invited the attention of the Senate to the political violence unleashed on Ogun State on Saturday, 10th March, 2007. She sought and obtained the leave of the Senate for the Matter to be debated forthwith.

Motion made and Question Proposed: That whereas, all the events that led to the deadly violence between the ruling Peoples Democratic Party (PDP) and the opposing All Nigeria Peoples Party, (ANPP) supporters in Ogun State were known to all the law enforcement agencies in the State;

Whereas the Commissioner of Police (CP) in Ogun State has being so partial in the dispensation of his duties as the Chief Law Agent in the State;

Whereas the 1999 Constitution guarantees the right and freedom of peaceful assembly and associations;

Whereas opposition parties members have been subjected in the last two years to harassments through the use of machetes, guns, bottles, stones and charms and complete blockage of opposition parties of the usage of the State's Radio and Television;

Whereas there was so much violence last weekend culminating in attacks at every point while the gubernatorial candidate of ANPP, who is one of us here, was having his campaign rallies at Abeokuta South Local Government Area;

Whereas when some supporters of the gubernatorial candidate went to the Police Station to complain about the violence, the destructions and vandalization done to vehicles, musical instruments, the matcheting of people, they were arrested and kept behind bars;

Whereas on the second day, the Police invited the gubernatorial candidate, Senator Ibikunle Amosun, to their office;

Whereas the supporters of Senator Amosun not wanting him to go alone, opted to accompany him to the Police Station;

Whereas on sighting the supporters of the gubernatorial candidate who were trekking peaceful to the Police Station at Elewe-eran, the police instantly were observed mobilizing as if they were going for war though, the people thought that the presence of the Police was security for them and therefore continued to trek towards the Police Station;

Whereas some thugs wearing the Peoples Democratic Party vests and led by the Commissioner of Sports in Ogun State unleashed terror on the people, macheted and killed some;

Whereas the National Vice Chairman of the ANPP is still in the hospital having being badly macheted, while women, children, some youths that were accompanying Senator Amosun were severely dealt with;

Whereas the Commissioner of Police had earlier claimed that there was no tear gas or weapons to deal with the people and that they had only invited Senator Amosun for his views and to make some statements but however, detained him;

Whereas my privileges as a Senator of the Federal Republic of Nigeria were impugned by the Commissioner of Police who abandoned me completely in his office and went away;

Be it resolved:

That the Senate do:

- (i) condemn all acts of intolerance and the arbitrary detention of perceived opponent of government.
- (ii) condemn the drafting of the military to Ogun State.
- (iii) condemn the purported importation of arms and ammunition in preparation for the polls.
- (iv) alert the International Community of the imminent doom looming over the political landscape of the country regarding the forth coming elections.
- (v) demand the commitment of the Presidency to the safety of the citizens and particularly opposition party members in the country.

Debate:

Prayer (i):

Question: That the Senate do condemn all acts of intolerance and (he arbitrary detention of perceived opponent of government — *Agreed to.*

Prayer (ii):

Question: That the Senate do condemn the drafting of the military to Ogun State.

Prayer (Hi):

Question: That the Senate do condemn the purported importation of arms and ammunition in preparation for the polls.

Prayer (iv):

Question: That the Senate do alert the International Community of the imminent doom looming over the political landscape of the country regarding the forth coming elections.

Amendment Proposed:

Motion made and Question Proposed: That the provisions of Prayers (ii) to (iv) be referred to an Ad-hoc Committee for further legislative action and to report within one week (*Senate Majority Leader*).

Question put and agreed to.

Prayer (v):

Question: That the Senate do demand the commitment of the Presidency to the safety of the citizens and particularly opposition party members in the country.

Amendment Proposed:

Leave out the provision in Prayer (v) and *insert* the following instead thereof:

"That the Senate do urge the President, Commander-in-Chief, to ensure the safety of all citizens irrespective of political inclination (*Senator Saidu M. Dansadau*).

Question that the amendment be made put and agreed to.

Resolved:

- (i) That the Senate do condemn all acts of intolerance and the arbitrary detention of perceived opponent of government.

- (it) That the Senate do urge the President, Commander-in-Chief, to ensure the safety of all citizens irrespective of political inclination (**S. Res. 14/07**).

Ad-hoc Committee on the Political Violence in Ogun State

The Senate President named the following Senators as Members:

- | | | | |
|-------|------------------------|---|----------|
| (i) | Senator Isa Maina | — | Chairman |
| (ii) | Senator Rufus I. Spiff | — | Member |
| (iii) | Senator Lawan Zarami | — | Member |

6. Conference Committee:

Report of the Conference Committee on the Council for the Regulation of Freight Forwarding in Nigeria Bill 2007 (HB. 128):

Motion made and Question Proposed: That the Senate do approve and adopt the Report of the Conference Committee on the Council for the Regulation of Freight Forwarding in Nigeria Bill 2007 (*Senator Ugochukwu Uba*).

Question put and agreed to.

Report presented and Laid.

Question: That the Senate do adopt the Report — *Resolved in the Affirmative.*

7. Conference Committee:

Report of the Conference Committee on the National Agriculture Development Fund (NADF) Bill 2007 (SB. 98):

Motion made and Question Proposed: That the Senate do approve and adopt the Report of the Conference Committee on the National Agriculture Development Fund (NADF) Bill 2007 (*Senator Hosea O. Ehinlanwo*).

Question put and agreed to.

Report presented and Laid.

Question: That the Senate do adopt the Report — *Resolved in the Affirmative.*

8. Committee on Establishment and Public Service Matters:

Report on the Nigerian Extractive Industries Transparency Initiative (NEITI) Bill 2007 (SB. 146):

Motion made and Question Proposed: That the Senate do receive and consider the Report of the Committee on Establishment and Public Service Matters on the Nigerian Extractive Industries Transparency Initiative (NEITI) Bill 2007 (*Senator Felix O. Ibru*).

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)

A BILL FOR AN ACT TO PROVIDE FOR THE ESTABLISHMENT OF THE NIGERIA EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (NEITI) AND FOR OTHER MATTERS CONNECTED THEREWITH, 2007

Clause 1: Establishment of the Nigeria Extractive Industries Transparency Initiative:

- (1) There is hereby established a body to be known as the Nigeria extractive Industry Transparency Initiative, hereinafter in this Act referred to as "NEITI".

- (2) The NEITI shall be an autonomous self-accounting body, which shall report to the President.
- (3) The NEITI may acquire, hold and dispose of real and personal property.

Committee's Recommendation:

Leave out the provision in Clause 1 and **insert** the following instead thereof: "(1) There is established a body to be known as the Nigeria Extractive Industries Transparency Initiative, (hereinafter in this Act referred to as "the NEITI".)

- (2) The NEITI:
 - (a) shall be an autonomous self-accounting body, which shall report to the President and the National Assembly; and
 - (b) shall be a body corporate with perpetual succession with a common seal;
 - (c) may:
 - (i) sue and be sued in its corporate name, and
 - (ii) may acquire, hold and dispose of movable and immovable properties in the discharge of its functions under this Act" *(Senator Felix O. Ibru) — Agreed to.*

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

Clause 2:

Objectives of the NEITI:

The primary objectives of NEITI are

- (a) to ensure due process and transparency in the payments made by extractive industry companies to the Federal Government and its agencies;

Committee's Recommendation:

- (i) Immediately after the word "by" in line 1, *insert* the word "all"
- (ii) *Leave out* the words "its agencies" in line 2 and insert the words "statutory recipients" instead thereof *(Senator Felix O. Ibru) — Agreed to.*
- (b) to insure accountability in the revenue receipts of the Federal Government from extractive industry companies;

Committee's Recommendation:

Leave out the word "insure" in line 1 and *insert* the words "monitor and" instead thereof:

- (c) to eliminate all forms of corrupt practices in the determination, payments, receipts and posting of revenue accruing to the Federal Government from extractive industry companies.
- (d) to ensure transparency and accountability by government in the application of resources from payments received from extractive industry companies.
- »
- (e) to ensure conformity with the principles of EITI as contained in Schedule 1 of this Act *(Senator Felix O. Ibru).*

Amendment Proposed:

Leave out the words "as contained in Schedule 1 of this Act" *(Senator Zik S. Ambuno).*

Question that the amendment be made put and agreed to.

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

Clause 3:**Functions of the NEITI:**

For the purpose of realizing its objectives under this Act, the NEITI shall perform the following functions -

- (a) to develop a framework for transparency in the reporting and disclosure by extractive industry companies of revenue due to or paid to the Federal Government;
- (b) to evaluate the practices of extractive industry companies regarding acquisition of acreages, budgeting, contracting, materials procurement and production cost profile in order to ensure due process and transparency;
- (c) to ensure transparency in the management of the investment of the Federal Government in extractive industry companies;
- (d) to request, as may be deemed necessary, from any company in the extract industry an accurate record of the cost of production and volume of sale of oil, gas or other minerals extracted by the company at any period;
- (e) to request from any company in the extractive industry, or from any relevant organ of the Federal, State or Local Government, an accurate account of money paid by and received from the company at any period, as revenue accruing to the Federal Government from such company for that period;
- (f) to ensure that all payments due to the Federal Government from extractive industry companies, including taxes, royalties, dividend, bonuses, penalties, levies and such like, are duly made;
- (g) to identify weaknesses and undertake measures that will enhance the capacity of any relevant organ of the Federal, State or Local Government having responsibility to monitor revenue payments by extractive industry companies to the Federal Government;
- (h) to disseminate by way of publication of records, reports or otherwise, any information concerning the revenue of the Federal Government from extractive industry companies, as it may consider necessary;
- (i) to promote or undertake any other activity related to its functions and which, in its opinion, is calculated to help achieve its overall objectives.

Committee's Recommendation:

Leave out the provision in Subclauses 3 (a) to (j) ^{an(i)} **insert** the following instead thereof:

- "(a) develop a framework for transparency and accountability in the reporting and disclosure by all extractive industry companies of revenue due to or paid to the Federal Government;
- (b) evaluate without prejudice to any relevant contractual obligations and/or sovereign obligations the practices of all extractive industry companies and government respectively regarding acquisition of acreages, budgeting, contracting, materials procurement and production cost profile in order to ensure due process, transparency and accountability.
- (c) ensure transparency and accountability in the management of the investment of the Federal Government in all extractive industry companies.
- (d) obtain, as may be deemed necessary, from any extractive industry company an accurate record of the cost of production and volume of sale of oil, gas or other minerals extracted by the company at any period; provided that such information shall not be used in any manner prejudicial to the contractual obligation or proprietary interests of the extractive industry company.

- (e) request from any company in the extractive industry, or from any relevant organ of the Federal, State or Local Government, an accurate account of money paid by and received from the company at any period, as revenue accruing to the Federal Government from such company for that period; provided that such information shall not be used in a manner prejudicial to contractual obligations or proprietary interests of the extractive industry company or sovereign obligations of Government.
- (f) monitor and ensure that all payments due to the Federal Government from all extractive industry companies, including taxes, royalties, dividends, bonuses, penalties, levies and such like, are duly made;
- (g) identify lapses and undertake measures that will enhance the capacity of any relevant organ of the Federal State or Local Government having statutory responsibility to monitor revenue payments by all extractive industry companies to the Federal Government;
- (h) disseminate by way of publication of records, report or otherwise any information concerning the revenues received by the Federal Government from all extractive industry companies, as it may consider necessary;
- (i) promote or undertake any other activity related to its functions and which, in its opinion, is calculated to help achieve its overall objectives as enumerated in section 2 of this Act.
- (j) ensure that all fiscal allocations and statutory disbursements due from the Federal Government to statutory recipients are duly made" (*Senator Felix O. Ibru*) — *Agreed to.*

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

Clause 4:

Appointment of Independent Auditors and Publication of Report:

- (1) The NEITI shall in each financial year appoint an independent auditor for the purpose of auditing the total revenue which accrued to the Federal Government for that year from extractive industry companies, in order to determine the accuracy of payments and receipts.
- (2) The independent auditor appointed under subsection (1) shall be engaged on such terms and conditions as the governing body of the NEITI may approve.

Committee's Recommendation:

Leave out the provision in Clause 4 and *insert* the following instead thereof: "(1) The NEITI shall in each financial year appoint independent auditors for the purpose of auditing the total revenue which accrued to the Federal Government for that year from extractive industry companies, in order to determine the accuracy of payments and receipts.

- (2) The independent auditors appointed under subsection (1) of this section shall undertake a physical, process and financial audit on such terms and conditions as may be approved by the NSWG.
- (3) Upon the completion of an audit, the independent auditors shall submit the reports together with comments of the Extractive Industries Company to the NEITI, which shall cause same to be disseminated to the National Assembly and the Auditor-General of the Federation and also ensure their publication.
- (4) The NEITI shall submit a bi-annual report of its activities to the President and National Assembly.
- (5) No auditor or auditing firm that has audited any extractive industry company in any given year shall be appointed in the same year for the purposes of subsection (2) of this section.

- (6) No auditor or auditing firm shall be engaged for more than two years consecutively for the purposes of subsection (2) of this section.
- (7) The Auditor-General of the Federation shall not later than 3 months after the submission of the audit report to the National Assembly publish any comment made or action taken by the government on the audit reports" (*Senator Felix O. Ibru*) — *Agreed to.*

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

Clause 5:

Establishment of the National Stakeholders Working Group:

- (1) The governing body of the NEITI shall be the National Stakeholders Working Group, hereinafter in this Act referred to as "the NSWG".
- (2) The NSWG shall be responsible for policies, programmes and strategies for the effective implementation of the objectives and discharge of the functions of NEITI.
- (3) Without prejudice to subsection (2), the NSWG shall have powers to approve the annual budget and work-plan of the NEITI, as well as ensure the periodic review of programmes performance by the NEITI.

Committee's Recommendation:

Leave out the provision in Subclauses 5 (2) and (3) and **insert** the following instead thereof:

- "(2) The NSWG shall be responsible for the formulation of policies, programmes and strategies for the effective implementation of the objectives and the discharges of the functions of the NEITI.
- (3) Without prejudice to subsection (2) of this section, the NSWG shall have powers to recommend the annual budget and work-plan of the NEITI and ensure the periodic review of programmes performance by the NEITI" (*Senator Felix O. Ibru*) — *Agreed to.*

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

Clause 6:

Composition of the NSWG:

- (1) The NSWG shall be appointed on a part-time basis by the President and shall consist of a chairman Secretary and at least 7 other members provided that there shall be no more than 15 members anytime.
- (2) In making appointments in to the NSWG, the President shall, as much as possible, include extractive industry experts, the civil society and members of labour unions in the extractive industry.
- (3) The NSWG appointed by the President before the commencement of this Act shall remain valid as if appointed under this Act.

Committee's Recommendation:

Leave out the provision in Clause 6 and **insert** the following instead thereof: "(1)

The NSWG shall be constituted by the president and shall consist of a ■ Chairman and not more than 14 other members one of whom shall be an Executive Secretary.

- (2) (a) In making appointment into the NSWG, the president shall include:
 - (i) representative of extractive industry companies,
 - (ii) representative of Civil Society,
 - (iii) representative of Labour Unions in the extractive industries,
 - (iv) experts in the extractive industry,

(v) one member from each of the six geopolitical zones.

(b) the Chairman and other members of NSWG other than the Executive Secretary shall serve on part-time basis (*Senator Felix O. Ibru*) *Agreed to.*

(4) The appointment of Executive Secretary shall be for 5 years and no more" (*Senator Felix O. Ibru*) — *Agreed to.*

Question that Clause 6 do stand part of the Bill, put and agreed to.

Clause 7:

Tenure of Office of NSWG:

A person appointed as member of the NSWG shall hold office of five years and shall be eligible **for** reappointment.

Committee's Recommendation:

Leave out the words "of five years and shall be eligible for reappointment" and **insert** the words "for 4 years and no more" instead thereof (*Senator Felix O. Ibru*) *Agreed to.*

Question that Clause 7 do stand part of the Bill, put and agreed to.

Clause 8:

Payment of allowances to the NSWG:

The members of the NSWG as well as any person appointed to any of its Special committees under section 11 may be paid such allowances out of the funds of NEITI as the President may approve.

Committee's Recommendation:

Leave out the word "President" in line 3 and *insert* the words "National Revenue Mobilization and Fiscal Commission" instead thereof (*Senator Felix O. Ibru*) — *Agreed to.*

Question that Clause 8 do stand part of the Bill, put and agreed to.

Clause 9:

Meetings of the NSWG:

(1) The NSWG shall ordinarily meet for the dispatch of business at such times and places as it may determine, but not less than four times in a year.

(2) At every meeting of the NSWG at which he or she is present, the Chairman shall preside and in his or her absence, a member of the NSWG appointed by members present from among themselves shall preside;

(3) Questions proposed at a meeting of the NSWG shall be determine by a simple majority of members present and voting and, in the event of an equality of votes the person presiding shall have a second or casting votes;

(4) The NSWG may at any time co-opt any person to act **as** an adviser at any of its meetings but no person so co-opted shall be entitled to vote at any such meetings.

(5) The validity of the proceedings of the NSWG shall not be affected by the absence of any members or by any vacancy among its members or by any defect in the appointment of any of them;

(6) The Secretary of the NSWG shall prepare and distribute to members all minutes as soon as possible after each meetings.

Committee's Recommendation:

Leave out the provision in Clause 9 and *insert* the following instead thereof: "(1) The NSWG shall ordinarily meet quarterly for the dispatch of business at such times and places as it may determine, but not less than four times in a year.

- (2) At every meeting of the NSWG, the Chairman shall preside and in his absence, a member of the NSWG appointed by the members from among themselves shall preside.
- (3) Questions proposed at a meeting of NSWG shall be determined by a simple majority of members present and voting and in the event of an equality of votes, the person presiding shall have a casting vote.
- (4) The NSWG may at any time co-opt any person to act as an adviser at any of its meetings but no person so co-opted shall be entitled to vote at any meeting.
- (5) The validity of the proceedings of the NSWG shall not be affected by the absence of any member, vacancy among its membership or by any defect in the appointment of any of the members" (*Senator Felix O. Ibru*) — Agreed to.

Question that Clause 9 do stand part of the Bill, put and agreed to.

Clause 10: Procedure:
The NSWG shall fix its own quorum and otherwise regulate its own procedure for meetings.

Committee's Recommendation:
Leave out the provision in Clause 10 and insert the following instead thereof:
"The quorum of the NSWG at any meeting shall be 8 members" (*Senator Felix O. Ibru*)
— Agreed to.

Question that Clause 10 do stand part of the Bill, put and agreed to.

Clause 11: Special Committees:
The NSWG may constitute such Special committees as it considers fit to deal with different aspects of its responsibilities.

Committee's Recommendation:
That the provision in Clause 11 be retained (*Senator Felix O. Ibru*) — Agreed to.

Question that Clause 11 do stand part of the Bill, put and agreed to.

Clause 12: Appointment of Executive Secretary, Consultants and other Staff of the NSWG:

- (1) The NSWG may engage the services of such staff and consultants as it may consider necessary..
- (2) The staff and consultants may be engaged on such terms and conditions as the NSWG may determine and approve.

Committee's Recommendation:
Leave out the provision in Subclauses 12 (1) and (2) and insert the following instead thereof:

- "(1) The NSWG may create departments and engage the services of such staff and consultants as it may consider necessary for the NEITI.
- (2) The NEITI shall have an Executive Secretary who shall:
 - (a) be appointed by the President upon the recommendation of the NSWG provided he is a graduate with relevant qualifications and at least 10 years cognate experience;
 - (b) be responsible for the day-to-day administration of the NEITI; and
 - (c) serve as Secretary to NSWG.
- (3) The staff and consultants of the NEITI may be engaged on such terms and conditions as the NSWG may determine.

- (4) The NSWG shall fix the remunerations, allowances and benefits of the staff and consultants of the NEITI.

Amendments Proposed:

- (i) *Leave out* the letters "NSGW" in line 1 and insert the words " Revenue Mobilization Allocation and Fiscal Commission" (*Senator Emmanuel O. Okpede*).

Question that the amendment be made put and agreed to.

- (ii) *Leave out* the words "and Consultants" in line 2 (*Senator Emmanuel O. Okpede*).

Question that the amendment be made put and agreed to.

Another Amendment Proposed:

Insert a new Subclause 12 (5) as follows and renumber the subsequent Subclause accordingly;

"12 (5) The NSWG shall fix the remunerations, allowances and benefits of Consultants of the NEITI (*Senator Emmanuel O. Okpede*).

Question that the amendment be made put and agreed to.

- (5) (a) The NSWG shall recommend to the President for appointment, qualified validators in line with EITI guidelines as contained in schedule 2 of this Act.
- (b) NSWG shall fix the remunerations, allowances and benefits for the validators" (*Senator Felix O. Ibru*) — *Agreed to.*

Question that Clause 12 as amended do stand part of the Bill, put and agreed to.

Clause 13:

Financial Provisions:

- (1) The funds of the NEITI shall consist of -
- (a) such sums as may be provided by the Federal Government which sums shall be released immediately they become due for payment.
- (b) such sums as may be paid to the NEITI by way of grants, donations and gifts.
- (2) The NEITI shall not be obliged to accept any donations or gifts for any purpose unless upon the approval of the NSWG.
- (3) The funds and resources of the NEITI shall be appointed towards the promotion of its objectives as specified in this Act

Committee's Recommendation:

Leave out the provision in Clause 13 and *insert* the following instead thereof:

- "(1) The funds of the NEITI shall consist of -
- (a) such sums as may be provided by the Federal Government and appropriated by the National Assembly based on the budget submitted by the NSWG and which shall be released as and when due; and
- (b) such sums as may be paid to the NEITI by way of grants, donations and gifts provided the sources of such grants, donations and gifts are properly disclosed and not in conflict with the provisions of this Act" (*Senator Felix O. Ibru*) — *Agreed to.*
- (3) The NEITI shall apply the proceeds of the funds established under section 13(1) of this Act to the:

"(1) The NEITI shall maintain bank accounts, the signatories of which shall be determined by the NSWG in accordance with the Regulation made pursuant hereto.

(2) The accounts may be opened in such banks as the NSWG may determine"
(Senator Felix O. Ibru) — Agreed to.

Question that Clause 15 do stand part of the Bill, put and agreed to.

Clause 16:

Offences and Penalties:

- (1) An extractive industry company which -
 - (a) gives false information or report to the Federal Government or its agency regarding its volume or production, sales and income; or
 - (b) renders false statement of account to the Federal; Government or its agency, resulting in the underpayment of revenue accruable to the Federal Government, commits an offence which is deemed to be an economic and financial crime under the Economic and Financial Crime Commission (Establishment, etc). Act 2004, and the provisions of that Act relating to investigation and punishment of offenders, as far as they are applicable, shall apply accordingly.

Committee's Recommendation:

Leave out the provision in Subclause 16 (b) and insert the following instead thereof:

- "(b) renders false statement of account or fails to render a statement of account required under this Act to the Federal Government or its agencies, resulting in the underpayment or non-payment of revenue accruable to the Federal Government, or statutory recipients commits an offence and shall be liable on conviction to a fine not less than N30,000,000.00" (Senator Felix O. Ibru) —Agreed to.
- (2) Where the Extractive industry has been convicted of an offence under sub-section (1) of this section, the court shall, in addition to the penalty prescribed thereunder, order the company to pay the actual amount of revenue due to the Federal Government.
- (3) An extractive industry company which delays or refuses to give information or report under this Act, or wilfully or negligently fails to perform its obligations under this Act, commits an offence and shall be liable on conviction to a fine not less than N30,000,000.
- (4) Without prejudice to subsection (1), (2) and (3) of this section, the President may on the recommendation of the NSWG suspend or revoke the operational license of any extractive industry company which fails to perform its obligations under this Act.
- (5) If any extractive industry company commits an offence against this Act, every Director or other persons concerned in the management of the company commits the offence and is liable on conviction to not less than 2 years imprisonment or a fine not less than N5,000,000 unless that person proves that:
 - (a) the offence was committed without his consent or connivance; and
 - (b) the person exercised all such diligence to prevent the commission of the offence as ought to have been exercised by that person, having regard to the nature of his functions in that company and to all the circumstances
- (6) A government official who renders false statement of account or fails to render a statement of account required under this Act to the Federal Government or its agencies, resulting in the underpayment or non-payment of revenue accruable to the Federal Government or statutory recipients, commits an offence and is liable on conviction to not less than 2 years imprisonment or a fine not less than N5,000,000, unless that person proves that:

- (a) the offence was committed without his consent or connivance; and
- (b) the person exercised all such diligence to prevent the commission of the offence as ought to have been exercised by that person, having regard to the nature of his functions in that company and to all the circumstances.

Committee's Recommendation:

That the provision in Clause 16 be retained (*Senator Felix O. Ibru*) — *Agreed to.*

Question that Clause 16 do stand part of the Bill, put and agreed to.

Clause 17:

Regulations:

The NSWG may make regulations as it may consider expedient for the purpose of giving effect to the provisions of this Act and for regulating any matter that falls within the scope of the functions of the NEITI.

Committee's Recommendation:

That the provision in Clause 17 be retained (*Senator Felix O. Ibru*) — *Agreed to.*

Question that Clause 17 do stand part of the Bill, put and agreed to.

Clause 18:

Legal Proceedings:

Subject to the provisions of this Act, no suit shall be commenced against NEITI before the expiration of 30 days after written notice of an intention to commence the suit shall have been served upon NEITI as a defendant or its agent, and the notice shall clearly and explicitly state:

- (a) the cause to action
- (b) the particulars of the claim;
- (c) the names and the legal practitioners representing the plaintiff and their addresses; and
- (d) the relief sought

Committee's Recommendation:

That the provision in Clause 18 be retained (*Senator Felix O. Ibru*) — *Agreed to.*

Question that Clause 18 do stand part of the Bill, put and agreed to.

Clause 19:

Indemnity:

- (1) The Executive Secretary of the NEITI, his officers, employees or agents shall not personally be subject to any action, claim or demand by, or liable to any person in respect of anything done or omitted to be done in the exercise of any function or power conferred by this Act upon the NEITI or member of the NSWG.
- (2) A member of the NSWG, the Executive Secretary or any officer of the NEITI shall be indemnified out of the funds of the NEITI against any liability incurred by him in defending any proceeding, whether civil or criminal, if the proceeding is brought against him in his capacity as a member of NSWG, Executive Secretary, officer or any employee of the NEITI.
- (3) Subject to the provisions of this Act, the provisions of the Public Protection Act shall apply in relation to any suit instituted against any officer, or employee of NEITI or member of the NSWG.

Committee's Recommendation:

That the provision in Clause 19 be retained (*Senator Felix O. Ibru*) — *Agreed to.*

Question that Clause 19 do stand part of the Bill, put and agreed to.

Clause 20: Service of Notices and Process:

A notice, summons, other court processes, other documents required or authorized to be served upon the NEITI under the provisions of this Act, any other law or enactment shall be served by delivering it to the Executive Secretary or by sending it by registered post and addressed to the Executive Secretary at the principal office of the NEITI

Committee's Recommendation:

That the provision in Clause 20 be retained (*Senator Felix O. Thru*) — Agreed to.

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

Clause 21: Interpretation:

In this Act unless the context otherwise requires -

"Extractive Industry Company" means any company in Nigeria that is engaged in the business of prospecting, mining, extracting, processing and distributing minerals and gas, including 'oil, gold, coal, tin, bitumen, diamonds, precious stones and such like; and includes any agency or body responsible for the payment of extractive industry proceeds to the Federal Government or its Statutory Recipient;

Question, That the words "Extractive Industry Company" be as defined in the Interpretation to this Act, put and agreed to.

"Federal Government" means The Federal government of Nigeria;

Question, That the words "Federal Government" be as defined in the Interpretation to this Act, put and agreed to.

"Government" means the three tiers of the government of Nigeria, including Federal, State and Local Government, and their respective Ministries, agencies and departments;

Question, That the word "Government" be as defined in the Interpretation to this Act, put and agreed to.

"President" means the President and Commander-in-Chief of the Armed Forces of Federal Republic of Nigeria;

Question, That the word "President" be as defined in the Interpretation to this Act, put and agreed to.

"Statutory Recipient" means any entity to whom by law, extractive industry companies or Government are obliged to make payments;

Question, That the words "Statutory Recipient" be as defined in the Interpretation to this Act, put and agreed to.

"Extractive Industry Expert" means a person who has spent a minimum often (10) years in a management position in the extractive industry;

Question, That the words "Extractive Industry Expert" be as defined in the Interpretation to this Act, put and agreed to.

"NSWG" means National Stakeholders Working Group.

Question, That the letters "NSWG" be as defined in the Interpretation to this Act, put and agreed to.

Committee's Recommendation:

That the provision in Clause 21 be retained (*Senator Felix O. Ibru*) — Agreed to.

Question that Clause 21 do stand part of the Bill, put and agreed to.

Clause 22:**Citation:**

This Act may be cited as the Nigeria Extractive Industries Transparency Initiative Act 2007.

Committee's Recommendation:

That the provision in Clause 22 be retained (*Senator Felix O. Ibru*) — *Agreed to.*

Question that Clause 22 do stand part of the Bill, put and agreed to.

Chairman to report **Bill**.

(SENATE IN PLENARY)

The Senate President reported that the Senate in Committee of the Whole considered the Report of the Committee on Establishment and Public Service Matters on the Nigerian Extractive Industry Transparency Initiative (NEITI) Bill 2007 and approved as follows:

Clause 1	—	As Recommended
Clause 2	—	As Amended
Clauses 3—10	—	As Recommended
Clause 11	—	As Recommended
Clause 12	—	As Amended
Clauses 13—22	—	As Recommended
Long Title	—	As Recommended

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 read the Third Time (Senate Majority Leader). Question put and agreed to.

Bill accordingly read the Third Time and Passed.

9. Closed Session:

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

Question put and agreed to.

Senate in Closed Session — **1.45 pm**

Senate in Open Session — **3.40 pm**

The Senate President reported that the Senate in Closed Session deliberated on the security situation in the country as the 2007 general election draws nearer. The Senate observed that as the various political parties are busy criss-crossing the length and breadth of this country for electioneering campaigns, tales of violence are being reported in most States of the Federation. He stated that these scenarios are unacceptable to the Senate. The Senate, therefore, resolved to invite the Security Chiefs of the country - the Inspector-General of Police, the Chief of Army Staff, the Chief of Defence Staff and the Director-General of the Directorate of State Services (DSS) to appear before the Senate on Thursday, 15th March, 2007 at 1.00 pm.

10. Adjournment:

And it being 3.45 p.m. the Senate President adjourned the Senate till Wednesday, 14th March, 2007 at 10.00 a.m.

Adjourned accordingly at 3.45p.m.

Ken Nnamani, GCON
President of the Senate