



SENATE OF THE FEDERAL REPUBLIC OF NIGERIA

VOTES AND PROCEEDINGS

Thursday, 6th September, 2007

1. The Senate met at 10: 45 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, 5th September, 2007 and approved same.

By unanimous consent, the Votes and Proceedings were approved.

3. Presentation of Bills:
 - (i) 2007 Appropriation Act (Amendment) Bill 2007 (SB. 07) — *Read the First Time.*
 - (ii) Supplementary Appropriation Bill 2007 Part II (SB. 08) — *Read the First Time.*
4. Niger Delta Crisis (*Adjourned Debate, Wednesday, 25th July, 2007*):
Motion made and Question Proposed: That the Senate do resume debate on the Niger Delta crisis (*Senate Majority Leader*).

Question put and agreed to.

Motion:

That the Senate do:

Observes that the greatest challenge facing the administration of President Yar'Adua is undoubtedly the Niger-Delta crisis.

Observes also that the Niger-Delta is the hub of oil exploitation activities in Nigeria, and accounts for about 90% of the nations revenue and that the restiveness and militancy in the region has become a sore point. The consensus is that the problem is exacerbated by the long years of neglect. It is also common belief that the region deserves better attention. Previous efforts at development were frustrated by inadequate funding, lack of a master plan, official profligacy and undue politicization.

Notes that the propagation of the issues of neglect to attract attention has led an otherwise peace loving and law abiding people to take on the Nigerian state in different ways, the fallout has been the abduction of over 125 expatriate workers at different locations and several times, including Margaret Hill and Prince Amadi both aged 3 years, vandalization of oil pipelines and the domination of the creeks by armed gangs that have bluntly refuses to allow unhindered access to oil exploration facilities.

Further notes that as far back as September 2006 the erstwhile Minister of Energy revealed that the nation was losing well over 870,000 barrels per day, (BPD) of crude oil, a revenue loss of \$61 million or N7.6 billion a day. About N754 billion is estimated to be needed to fix damaged pipelines and oil and gas facilities in the region. Electricity generation has also been reduced to a mere 1000 megawatts.

While foreign workers are fleeing, hardly would any potential investor want to invest in the region in the circumstances.

Observes that the enormity of the crises led to the enactment of the Niger Delta Development Commission (NDDC) Act 2000 which provided for the Commission to facilitate the "rapid, even and sustainable development of the Niger Delta into a region that is economically regenerative and politically peaceful"

Observes also that the NDDC in the pursuit of this Herculean task had executed over 2,000 projects. It has also in accordance with section 1(d) of the Act prepared a Master Plan designed to promote the development of the region. The Master Plan is a product of consultations with local governments, communities and the states of the region. It is indeed the "road map" for the sustainable development of the region. The plan amongst other things would create the expected synergy amongst all stake holders that would reduce waste and duplication of efforts. In it are viable ideas and plans for the result oriented people driven leap at not only solving the intractable problems of the Niger Delta, but also taking the nation to the next level of quest for economic and technological development.

Notes that with the "compass of development I that the master plan has come to be, the critical stage of the efforts is the provision of funds for its implementation. Considering the terrain, the cost of implementation would be colossal. All available resources would therefore have to be harnessed by all stakeholders for this all important assignment.

Notes also that section 14 (a) of the Act provided for the payment of the equivalent of fifteen percent of the monthly statutory allocation due to member states of the Commission from the Federation Account; this being the contribution of the Federal Government to the Commission. Section 14 (b) also provided for the payment of three percent of the total annual budget of all oil producing and gas processing companies, in the region. Section 14(a) also provided for the payment of fifty percent of monies due to member states of the commission from the Ecological Fund a strict adherence to these provisions would put the NDDC on a strong financial footing to comfort headlong the challenges foisted.

Observes that the partial compliance with the provisions of the Act inhibits the developmental programmes of the Commission which could erode the gains so far recorded. It is above all at variance with the stance of President Umaru Yar'Adua to place the development of the Niger Delta at the front burner of his administration's pursuit of peace and progress and in any case a breach of the law.

Observes also that laws made by the National Assembly are to be obeyed and that the financial provisions in section 14 of the NDDC Act have been flagrantly flouted leading to the under-funding at the commission with the attendant risk of rendering it incapable of adequately developing the region. The 4th and 5th National Assemblies also flouted the Act passed by it by appropriating funds far less than the percentage stipulated by their own NDDC Act.

Convinced also that if the funds owed the NDDC are released by the Federal Government and the oil companies the Niger Delta Regional Development Master Plan can be immediately and vigorously implemented in collaboration with other relevant stakeholders so as to provide the needed infrastructure in the region and ultimately bring the crisis or restiveness under control.

Notes that the Niger Delta now requires extra ordinary measures to restore law and order, redress the injustices of the past and facilitate rapid development of the region.

Accordingly resolves to:

- (i) Commend Mr. President, Commander-in-Chief of the Armed Forces, Alhaji Umaru Musa Yar'Adua for the steps taken so far by his administration to address crises in the Niger Delta area.
- (ii) Urge Mr. President and Commander-in-Chief to direct the relevant officers and agencies of the Federal Republic of Nigeria and oil and gas companies to comply with the provisions of the NDDC Act especially as it relates to its funding.

- (iii) Condemn the activities of armed gangs who have taken advantage of the genuine grievances of the Niger Delta people.
- (iv) Urge the Youths in the Niger Delta to lay down their arms, give peace a chance, stop hostage taking and allow the relevant government agencies to develop the Region for the benefit of all.
- (v) Urge all stakeholders, especially the NDDC, the State and Local Governments of the Niger Delta, Major oil Companies in the area and the relevant Federal Agencies to work more closely in order to achieve accelerated and sustainable development in the region.
- (vi) Mandates its Committee on the Niger Delta to undertake a comprehensive investigation into the problems of the Niger Delta with a view to making exhaustive findings and recommendations to solve the issues to the Senate.

Debate:

Motion made and Question Proposed: That the Senate, having debated the Motion exhaustively, do now put questions on the prayers of the Motion (*Senator Ike Ekweremadu*).

Question put and agreed to.

Prayer (i):

That the Senate do commend Mr. President, Commander-in-Chief of the Armed Forces, Alhaji Umaru Musa Yar'Adua for the steps taken so far by his administration to address crises in the Niger Delta area — *Agreed to.*

Prayer ii):

That the Senate do urge Mr. President and Commander-in-Chief to direct the relevant officers and agencies of the Federal Republic of Nigeria and oil and gas companies to comply with the provisions of the NDDC Act especially as it relates to its funding — *Agreed to.*

Prayer (Hi):

That the Senate do condemn the activities of armed gangs who have taken advantage of the genuine grievances of the Niger Delta people — *Agreed to.*

Prayer (iv):

That the Senate do urge the Youths in the Niger-Delta to lay down their arms, give peace a chance, stop hostage taking and allow the relevant government agencies to develop the Region for the benefit of all — *Agreed to.*

Prayer (v):

That the Senate do urge all stakeholders, especially the NDDC, the State and Local Governments of the Niger Delta, Major oil Companies in the area and the relevant Federal Agencies to work more closely in order to achieve accelerated and sustainable development in the region — *Agreed to.*

Prayer (vi):

That the Senate do mandates its Committee on the Niger Delta to undertake a comprehensive investigation into the problems of the Niger Delta with a view to making exhaustive findings and recommendations to solve the issues to the Senate — *Agreed to.*

Resolved:

- (i) That the Senate do commend Mr. President, Commander-in-Chief of the Armed Forces, Alhaji Umaru Musa Yar'Adua for the steps taken so far by his administration to address crises in the Niger Delta area;
- (ii) That the Senate do urge Mr. President and Commander-in-Chief to direct the relevant officers and agencies of the Federal Republic of Nigeria and oil and gas companies to comply with the provisions of the NDDC Act especially as it relates to its funding;
- (iii) That the Senate do condemn the activities of armed gangs who have taken advantage of the genuine grievances of the Niger Delta people;

- (iv) That the Senate do urge the Youths in the Niger Delta to lay down their arms, give peace a chance, stop hostage taking and allow the relevant government agencies to develop the Region for the benefit of all;
- (v) That the Senate do urge all stakeholders, especially the NDDC, the State and Local Governments of the Niger Delta, Major oil Companies in the area and the relevant Federal Agencies to work more closely in order to achieve accelerated and sustainable development in the region; and
- (vi) That the Senate do mandates its Committee on the Niger Delta to undertake a comprehensive investigation into the problems of the Niger Delta with a view to making exhaustive findings and recommendations to solve the issues to the Senate (*S. Res/13/01/07*).

5. **Rising Domestic Debts to Local Contractors:**

Motion made and Question Proposed: That the Senate notes the rise of Nigeria's domestic debts, especially debts to local contractors, from N1.3trillion to N1.8 trillion in the last one year;

Observes the negative impact of this situation on the real sectors of Nigeria's economy, especially at a time when other economies of the world are growing by leaps of between 30 and 60 percent yearly.

Notes that unless tackled urgently this huge local debt profile can roll back the gains of the economic reforms of the past years, especially the much-applauded banking sector reforms, considering that a large chunk of this money is borrowed from the banks and other financial institutions.

Observes that government's inability to address this problem expeditiously has worsened the country's unemployment situation as many of these local companies, unable to cope with the burden of these unserviced loans and facilities, have thrown their staff into the already choked labour market, with the attendant hardship on their families and other dependants.

Observes that promises by government to liquidate this debt in the past two years is yet to see the light of day, even as the situation is compounded by squabbles by government agencies as to who has the duty to payoff the contractor.

Recommend that something urgent be done to shield our contractors and their dependants from the scorching effects of this unforeseen financial exposure, while at the same time restoring the health of our financial institutions and returning Nigeria on the path of real growth.

Accordingly resolves to:

- (i) Urge the federal and State ministries of finance, and all affected government agencies, to ensure local contractors are paid their due as soon as possible.
- (ii) Recommend that henceforth, government agencies should only give contracts on projects and programmes for which money has been provided in the Appropriation Act.
- (iii) Urge the National and State Assemblies to be more diligent in the exercise of their oversight functions, to ensure government does not operate outside the ambits of the Appropriation Act.
- (iv) Urge compliance with due process in the award and execution of contracts, as this could reduce the incident of jobs being given out without adequate cash backing and eliminate the confusion over who pays which contractor.

Debate:

Prayer (i):

That the Senate do urge the Federal and State Ministries of Finance, and all affected government agencies, to ensure local contractors are paid their due as soon as possible — *Agreed to*.

Prayer (ii):

That the Senate do recommend that henceforth, government agencies should only give contracts on projects and programmes for which money has been provided in the Appropriation Act.

Amendment Proposed:

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

"That the Senate do urge government agencies to adhere strictly to existing financial regulations by ensuring that they only award contracts on projects and programmes for which money has been provided in the Appropriation Act" (*Senator Sola Akinyede*).

Question that the amendment be made put and agreed to.

Prayer (in):

That the Senate do urge the National and State Assemblies to be more diligent in the exercise of their oversight functions, to ensure government does not operate outside the ambits of the Appropriation Act — *Agreed to.*

Prayer (iv):

That the Senate do urge compliance with due process in the award and execution of contracts, as this could reduce the incident of jobs being given out without adequate cash backing and eliminate the confusion over who pays which contractor.

Amendment Proposed:

Leave out the provision in Prayer (iv) (Senator Satty D. Gogwim).

Question that the amendment be made put and agreed to.

Another Amendment Proposed:

Insert a new Prayer (iv) as follows:

"That the Senate do urge compliance with due process in the award and execution of contracts" (*Senator Ay odele Arise*).

Question that the amendment be made put and agreed to.

Resolved:

- (i) That the Senate do urge the Federal and State Ministries of Finance, and all affected government agencies, to ensure these contractors are paid their due as soon as possible;
- (ii) That the Senate do urge government agencies to adhere strictly to existing financial regulations by ensuring that they only award contracts on projects and programmes for which money has been provided in the Appropriation Act;
- (iii) That the Senate do urge the National and State Assemblies to be more diligent in the exercise of their oversight functions, to ensure government does not operate outside the ambits of the Appropriation Act; and
- (iv) That the Senate do urge compliance with due process in the award and execution of contracts (*S. Res/14/01/07*).

6. Ruling from the Chair:

The Senate President ordered the Senate Committee on Finance to take a critical look at the Fiscal Responsibility Act and the Public Procurement Act with a view to alleviating the sufferings of the Local Contractors.

7. Adjournment:

Motion made and Question Proposed: That the Senate do adjourn till Tuesday, 11th September, 2007 at 10:00 a.m. (*Senate Majority Leader*).

Adjourned accordingly at 1:00 p.m.