



HOUSE OF REPRESENTATIVES FEDERAL REPUBLIC OF NIGERIA

VOTES AND PROCEEDINGS

Tuesday, 20 November, 2007

1. The House met at 10.45 a.m. Mr Speaker read Prayers.
2. Message:
Mr Speaker read a Message from the President, Federal Republic of Nigeria;



PRESIDENT,
FEDERAL REPUBLIC OF NIGERIA

PRES/134

November 14, 2007

*The Right Honourable Dimeji Bankole,
Speaker of the House of Representatives,
National Assembly Complex, Three Arms
Zone, Abuja.*

Ex and dear brother,

**LIBERIA: PARTIAL DEBT WRITE-OFF BY NIGERIA TO CONSOLIDATE
PEACE PROCESS AND FACILITATE RECONSTRUCTION**

I am writing to enlist the support of the Honourable House in respect of a proposal to write off a portion of debt owed to Nigeria by Liberia. The proposed debt write-off is part of a broader initiative by the international community to assist Liberia clear its huge debt arrears owed to the World Bank, IMF and the African Development Bank. The debt owed to the African Development Bank (ADB), amounts to \$249 million. Of this amount, about \$48 million represents loans refinanced through the Nigeria Trust Fund window, which was set up by Nigeria in 1976 under ADB management, to assist poor African countries with soft loans towards meeting their developmental needs.

Since my assumption of office on May 29, 2007, the Liberian Government has made several passionate pleas to Nigeria to write off the debts owed to the Nigeria Trust Fund as well as help canvass support for debt relief from other creditors. Liberia's debt burden currently constitutes an impediment to the country's economic recovery and reconstruction efforts, which are needed to secure durable peace. The outstanding arrears owed to multilateral financial institutions are also standing in the way of the country accessing grants and concessional loans as well as benefitting from debt relief under the Highly-Indebted Poor Countries (HIPC) Initiative.

In consideration of the above, the Federal Executive Council, at a recent meeting, endorsed a proposal to write off \$13 million out of \$48 million outstanding debt owed to Nigeria, as our contribution towards Liberia's debt arrears clearance process. This amount covers Nigeria's existing commitment (estimated at \$10.6 million) under a three-way burden sharing arrangement worked out by Liberia's development partners and provides an additional amount sufficient enough to bridge the financing gap, taking into account contributions from other donors as well as the African Development Bank. It also takes into account competing demands for the NTF's resources. The debt relief would be financed from a grant drawn out of the recycled net income earned by the Nigeria Trust Fund since inception and would not require appropriation from the Consolidated Revenue Fund. In this regard, the legal provision establishing the NTF allows for the retention of income earned for use as part of the Fund.

Honourable Speaker, you may wish to note that a major rationale for endorsing this proposal is the need to consolidate Nigeria's previous efforts in securing peace, which involved tremendous sacrifice in terms of precious human lives, as well as huge investment in financial resources. There is a potential risk of Liberia sliding back into anarchy if progress is not made in achieving sustainable economic development, which will undermine our previous efforts. An additional justification is the need to bolster Nigeria's foreign policy and strategic objectives of achieving peace and stability in the West Africa sub-region. Regional peace and stability constitute important pillars for Nigeria's long-term economic and social development. Moreover, Nigeria has historically provided leadership for achieving these goals in the African continent, both through ECOWAS and the African Union.

I also wish to point out that complementary to the above considerations, and in furtherance of our economic diplomacy objectives, Nigeria is intensifying bilateral discussions aimed at facilitating and enhancing the participation of Nigerian businesses in Liberia's emerging investment opportunities, as a means of increasing economic cooperation between the two countries.

In the light of the factors highlighted above, and in line with the recommendation of the Federal Executive Council, I am seeking the endorsement of the House to grant a debt write-off amounting to \$13 million, as Nigeria's contribution to Liberia's debt relief, which will be offset from the recycled income earned by the Nigeria Trust Fund. My request is driven by this Administration's reiterated commitment to adherence to the rule of law, due process and transparency, and is in conformity with the constitutional provisions for providing grants to foreign countries (Section 164, sub-section 2), which stipulate that "The Federation may make external grants to a foreign State or any international body in furtherance of the foreign policy objectives of Nigeria in such sum and subject to such terms and conditions as may be prescribed by the National Assembly".

While thanking you for your tireless efforts in fostering a productive working relationship, please accept, Honourable Speaker, the assurances of my highest esteem.

Yours most sincerely,

(Signed) UMARU MUSA

YAR'ADUA

Message referred to the Joint Committee on Appropriations, Finance, and Aid, Loans and Debt Management for further legislative actions.

3 Announcement:

Visitors:

Mr Speaker recognized the presence in the Gallery, of Staff and Students of Lincoln International School, Kagingin, Abuja.

4. Petitions:

Two petitions were received and referred to the Committee on Public Petitions

- (i) Hon. Patty Etete Eneme (*Ikot Ekpene/Essien Udim/Obot Akara Federal Constituency*), from Bar. Augustine A. Orok, praying the House to investigate his alleged unjust retirement from the Services of the Nigeria Custom Services and to grant the reliefs sought in his petition;
- (ii) Hon. Austine Nwachukwu (*Okigwe Federal Constituency*), from Eugene Nwaodu, praying the House to intervene in his alleged wrongful dismissal by the Nigeria Police Force and to grant the reliefs in his petition.

5. **A Bill for a Act to Authorize the issue from the Consolidation Revenue Fund of the Federation the total sum of Two Trillion, Four Hundred and Fifty-Three Billion, Six Hundred and Thirty-Eight Million, One Hundred and Ninety-Six Thousand, Nine Hundred and Seventy-Nine Naira (N2,453,638,196,979) only of which the sum of One Hundred and Eighty-Seven Billion, Six Hundred Million (N 187,600,000,000) only is for Statutory and the sum of Three Hundred and Seventy-Two Billion, Two Hundred Million Naira (N372,200,000,000) only is for Debt Service, while the sum of One Trillion, Two Hundred and Fifty-Nine Billion, One Hundred and Twenty-One Million, Two Hundred and Fifty-Three Thousand, Sixty-One Naira (N1,259,121,253,061) only is for Recurrent (Non-Debt) Expenditure and the balance of Six Hundred and Thirty-Four Billion, Seven Hundred and Seventeen Million, Six Hundred and Seventy-Nine Thousand, Nine Hundred and Fifty-Nine Naira (N634,717,679,959) only is for Capital Expenditure for the Year Ending 31st December, 2008 — Second Reading:**

Motion made and Question proposed, "That a **Bill** for a Act to Authorize the issue from the Consolidation Revenue Fund of the Federation the total sum of Two Trillion, Four Hundred and Fifty-Three Billion, Six Hundred and Thirty-Eight Million, One Hundred and Ninety-Six Thousand, Nine Hundred and Seventy-Nine Naira (N2,453,638,196,979) only of which the sum of One Hundred and Eighty-Seven Billion, Six Hundred Million (N 187,600,000,000) only is for Statutory and the sum of Three Hundred and Seventy-Two Billion, Two Hundred Million Naira (N372,200,000,000) only is for Debt Service, while the sum of One Trillion, Two Hundred and Fifty-Nine Billion, One Hundred and Twenty-One Million, Two Hundred and Fifty-Three Thousand, Sixty-One Naira (N1,259,121,253,061) only is for Recurrent (Non-Debt) Expenditure and the balance of Six Hundred and Thirty-Four Billion, Seven Hundred and Seventeen Million, Six Hundred and Seventy-Nine Thousand, Nine Hundred and Fifty-Nine Naira (N634,717,679,959) only is for Capital Expenditure for the Year Ending 31st December 2008 be now read a Second Time (*Hon. Tunde Akogun*).

Debate:

Debate adjourned till the Next Legislative Day.

6. **Adjournment:**

That this House do now adjourn till Wednesday, 21 November, 2007 at 2.00 p.m. (*Hon. Tunde Akogun*).

Adjourned accordingly at 1.05 p.m.

Dimeji Sabur Bankole
Speaker